



Annual Report 2556

Dusit Thani Public Company Limited

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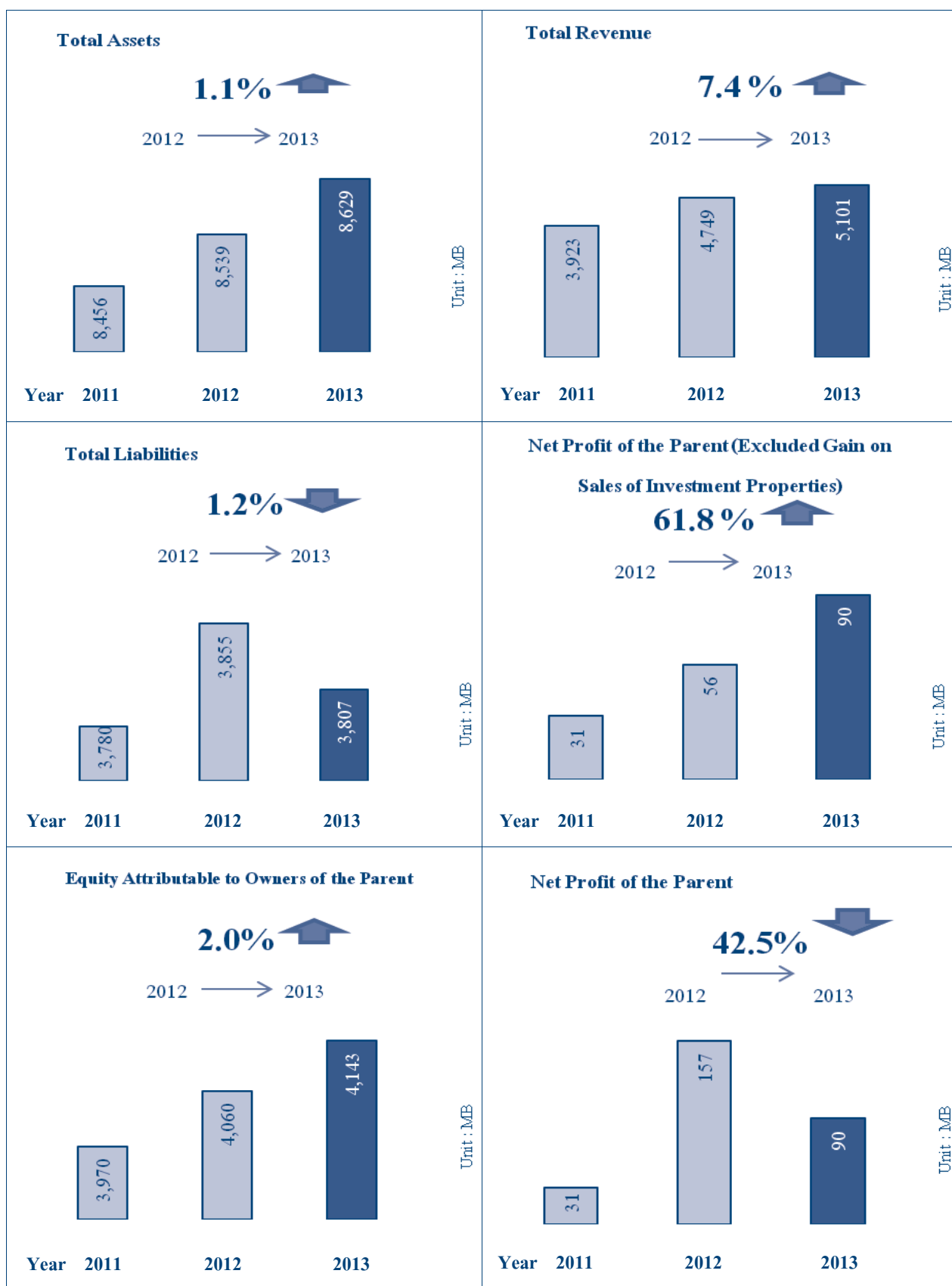
## Financial Highlights (Consolidated Financial)

				Change %	
	2011	2012	2013	2012/2011	2013/2012
<b>Statements of Financial Position</b> (000' Baht)					
As at December 31,					
Total Assets	8,455,563	8,538,739	8,628,946	+1.0	+1.1
Total Liabilities	3,779,885	3,854,951	3,807,443	+2.0	-1.2
Total Equity of the Parent	3,969,985	4,060,488	4,142,944	+2.3	+2.0
<b>Statements of Income</b> (000' Baht)					
For the Years Ended December 31,					
Total Revenues*	3,922,567	4,748,584	5,100,538	+21.1	+7.4
Revenue from Sales and Services	3,492,413	4,257,442	4,700,505	+21.9	+10.4
Cost of Sales and Services	2,358,219	2,807,639	2,858,584	+19.1	+1.8
Depreciation and Amortization	352,456	440,844	527,014	+25.1	+19.5
Total Expenses	1,167,553	1,431,653	1,577,628	+22.6	+10.2
Net Profit of the Parent (Excluded Gain on Sales of Investment Properties)	31,042	55,754	90,185	+79.6	+61.8
Net Profit of the Parent	31,042	156,864	90,185	+405.3	-42.5
<b>Ratio Per Share</b> (Baht)					
Net Profit of the Parent (Excluded Gain on Sales of Investment Properties)	0.37	0.66	1.07	+78.4	62.1
Earnings (Loss)	0.37	1.86	1.07	+402.7	-42.5
Dividend	0.50	1.00	1.00	+100.0	0.0
Book Value	46.97	48.04	49.01	+2.3	+2.0
<b>Financial Ratio</b> (%)					
Net Profit / Total Revenue (Excluded Gain on Sales of Investment Properties)	0.79	1.20	1.77	51.9	1.75
Net Profit / Total Revenue	0.79	3.30	1.77	+317.7	-46.4
Return on Equity	0.79	3.91	2.20	+394.9	-43.7
Return on Assets	0.83	1.63	2.35	+96.4	+44.2

\* Total Revenues for 2012 included Gain on sales of investment properties of Baht 101.11 million.

Dividend for year 2013, Board of Directors will propose to the 2014 Annual General Meeting of Shareholders to approve unappropriated retained earnings as dividend payment of Baht 1.00 per share.







## MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

Thailand's tourism industry has continuously grown since late 2012. From January to September 2013, the number of tourist arrivals increased by 23.16 percent. However, the growth of tourist arrivals from October to December dropped to 10.70 percent due to the enforcement of Chinese tourism laws and the escalating political situation in Thailand.

As such, Dusit has employed a risk diversification strategy for the expansion of the business which begun with the investment in Dusit Thani Maldives, opened in September 2012. Dusit also found a high potential for business expansion in The People's Republic of China, however, it is a challenging market to operate in without the a trusted local partner. Thus, in January 2013, Dusit entered into a joint venture agreement in which Dusit holds 45 percent of the total shares with the local partner to manage the hotels in The People's Republic of China. In addition, In June 2013, Dusit signed another joint venture agreement in Singapore in which Dusit holds 25.01 percent of the total shares in the joint venture company that will develop and manage a golf resort in Singapore. Having additional overseas hotels not only increases the Dusit customer base, but also recognition of the Dusit brand in the global market.

With regards to the education component of Dusit's business, Dusit Thani College has been in operation since 1996 and expanded to Pattaya in 2011. The joint venture with Le Cordon Bleu Dusit Culinary School since 2007 has been successful and in 2008, Dusit entered into a licensing and consulting agreement with the Lyceum of the Philippines to offer hotel management courses. With the success of education business, Dusit has set forth an education business strategy simultaneously with hotel business expansion strategy.

As for its 2013 operating results in the Consolidated Financial Statements, the company earned revenue from Sales and Services of Baht 4,700 million, an increase of Baht 443 million or 10.41 percent compared to the same period last year. Total net profit was Baht 90 million, an increase of Baht 34 million from year 2012 excluding gain on sales of investment properties. The overall operating cost increased because Dusit Thani Maldives was fully operational in 2012. However, the political demonstrations had a negative impact on the revenue in the last quarter (high season) since business travelers and tourists canceled reservations and new reservations have slowed down, particularly at Dusit Thani Bangkok. The area surrounding this hotel has become a main demonstration area. Consequently, income and profit generation have dropped below target.

On behalf of the Company's Board of Directors, I would like to express my sincere appreciation to all the shareholders for their trust and continuous support to the Company. I would, also, like to take this opportunity to thank our management team and all staff for their dedication and contributions that helped to ensure the Company's success and continuous growth.



Chatri Sophonpanich  
Chairman



## MESSAGE FROM MANAGING DIRECTOR & CEO

Dear Shareholders,

Dusit Thani Public Company Limited, a leading hotel and hospitality group, was founded on a vision to deliver to the world an exceptional hospitality experience that reflects the unique artistry and culture of Thailand. In 2013, the Company expanded both locally and internationally, especially in East Asia and the Middle East region where some of the world's biggest growth and development opportunities lie, in both tourism and education. We recognize that in the hotel and hospitality business, the education and development of high potential candidates is essential for the continued success of the field.

However, expansion alone cannot indicate the Company's achievements. A business is required to operate with concern for the sustainable development of the business itself, its surrounding economy, society and environment. Dusit Thani Public Company Limited is committed to operating responsibly. Planning and policy making is carried out with concern for sustainability, including monitoring the business operation's impact in all aspects. In 2013, the Board of Directors resolved to participate in the Declaration of Intent in view of establishing Thailand's Private Sector Collective Action Coalition Against Corruption, a step toward achieving the Company's goal of operating with fairness and transparency.

With regards to environmental conservation, hotels and resorts under the Dusit brand have joined the EarthCheck program established by EC3 Global, an international tourism and environmental management and advisory group. The program is an ISO9000 internationally accredited certification process, based on Kyoto Protocols on green house gas emissions. In 2013, the efficiency of environmental impact reduction efforts led to 18% energy reductions, 14% water reductions, over 25% waste landfill reductions and over 10% CO<sub>2</sub> emission reductions, all which are set to increase with continued involvement in the program.

Moreover, the continuous of operation of Dusit Smiles, a CSR project which began in 2010, has collected nearly THB 4 million for the Thailand branch of the global initiative Operation Smile. In 2013, 100 children born with cleft lip or cleft palate received funds for reconstructive surgery. We continue to support this project and hope it will contribute to healthier, happier lives for the recipient children and their families.

As a Thai company, we consider it an honor and a duty to operate with concern for our impact on the community and society, which are the foundations for the growth, development and sustainability of not only the Company, but of greater Thailand.



Chanin Donavanik

Managing Director and CEO

## The Result of Operations and Profit Appropriation for Year 2013

The Board of Directors present the results of operations of the Company presented in the financial statements for the year ended December 31, 2013, unappropriated retained earnings at the beginning was Baht 1,266,368,018. After deducting final dividend of 2012 paid on 85,000,000 shares at Baht 1.00 per share, totaling Baht 85,000,000, the balance of unappropriated retained earnings was Baht 1,181,368,018.

### The Board of Directors proposes the retained earnings appropriation as follows:

	Baht
Unappropriated retained earnings brought forward	1,181,368,018
<b>Add</b> Net profit of 2013	90,184,944
Effect from the change of accounting policy	133,668,283
<b>Less</b> Transferred actuarial losses on define employee benefit plan as of December 31, 2012	(31,256,329)
Recognized actuarial losses on define employee benefit plan for the year 2013	(1,816,866)
Dividend of 2013 on 85,000,000 shares at Baht 1.00 per share, totaling	(85,000,000)
<b>Unappropriated retained earnings carried forward</b>	<b>1,287,148,050</b>

If the Annual General Meeting of Shareholders approves the mentioned appropriation, the Company will pay such dividend on May 9, 2014.



## Policy and Business Overview

### ◆ Vision

*“The Preferred Asian Hospitality Brand for Customers, Employees and Stakeholders.”*

### ◆ Mission

*“Exceeding Customers’ Expectations with each and every experience.”*

### ◆ Our Core Values

CARE

SINCERE

RESPECT

MODEST

### ◆ Business’ Goal

The group of the Company is using the Growth Strategy’s policy, together with Cost Efficiency’s policy aiming for expansion of management business by increasing the numbers of the hotels managed in the Kingdom and overseas. Presently, the Company is tending to expand the management business to diversify the risks in case there is an event affecting business. At the same time, the Company still consider on the hotel investment and its related business together with expansion of management business by focusing on generation of the income from investment both management business and hotel investment when time is appropriate and has an opportunity for an investment.

## Business

Dusit Thani Public Company Limited, the “Company,” is engaged in hospitality services which include the operations of owned hotels, providing hotel management services, and franchise services. Related business services are provided by other companies within the group as follows:

Company	Nature of Operations
Hotel and Hotel Management Business	
Dusit Thani Public Company Limited	<ul style="list-style-type: none"> <li>● Owns and Operates 2 hotels, namely Dusit Thani Bangkok, and Dusit Thani Pattaya.</li> <li>● Owns the hotel brands “Dusit Thani”, “Dusit Princess”, “dusitD2”, “Dusit Devarana” and “Dusit Residence”</li> <li>● Owns the spa brands “Devarana Spa”, “Namm Spa”, “DVN Spa”, “d v n urban” and “dvn”</li> <li>● Manages 6 hotels under its subsidiaries in Thailand; Dusit Thani Laguna Phuket, dusitD2 Chiang Mai and Dusit Thani Hua Hin are under Dusit Management Co., Ltd., and Dusit Princess Srinakarin, Dusit Princess Korat and Royal Princess Chiang Mai are under Dusit Thai Properties Public Company Limited</li> <li>● Manage 2 local hotels Dusit Island Resort Chiang Rai, and dusitD2 Baraquda Pattaya</li> <li>● Manages 1 overseas hotel: Dusit Thani Abu Dhabi</li> <li>● Will manage 1 local hotel: dusitD2 Khao Yai</li> </ul>
Philippine Hoteliers, Inc.	<ul style="list-style-type: none"> <li>● Owns 1 hotel in Philippines, namely Dusit Thani Manila which is managed by Dusit Worldwide Co., Ltd.</li> <li>● Will manage 1 overseas hotel: Dusit Princess NAIA Gardens Manila</li> </ul>
Dusit Thai Properties Public Company Limited	<ul style="list-style-type: none"> <li>● On April 1, 2009, Royal Princess Public Company Limited and Dusit Hotels and Resorts Public Company Limited were merged as Dusit Thai Properties Public Company Limited</li> </ul>



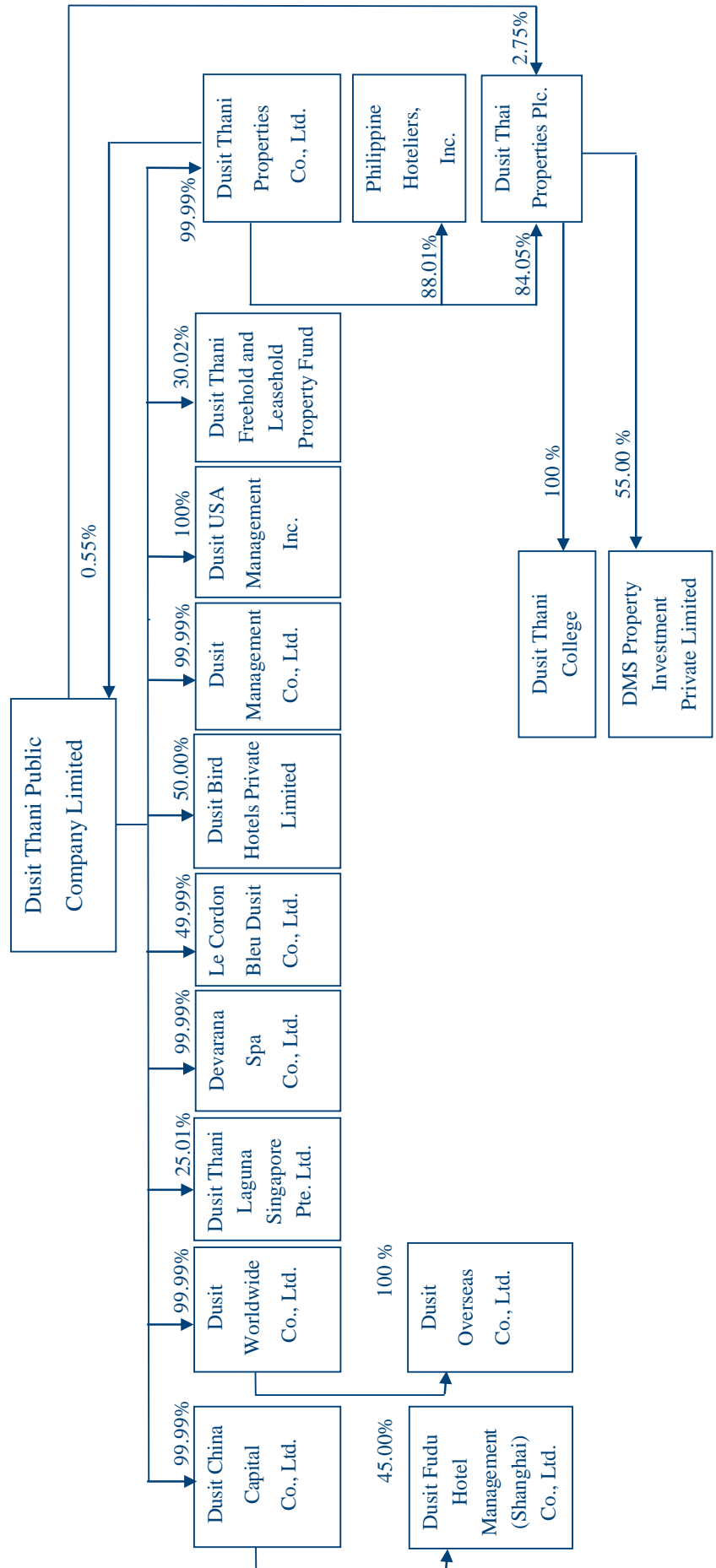
Company	Nature of Operations
	<ul style="list-style-type: none"> <li>● Owns the hotel brand “Royal Princess”</li> <li>● Owns the land and hotel building of Dusit Thani Hua Hin</li> <li>● Owns Royal Princess Chiang Mai, Dusit Princess Srinakarin and Dusit Princess Korat</li> <li>● Franchises 2 hotels Pathumwan Princess Hotel, and Royal Princess Larn Luang</li> </ul>
Dusit Overseas Co., Ltd.	<ul style="list-style-type: none"> <li>● Manages overseas hotels which are Dusit Thani Dubai, unfurnished Apartment at Dusit Thani Dubai, Pearl Coast Premier Hotel Apartments and Dusit Thani LakeView Cairo</li> <li>● Franchise Dusit Residence Dubai Marina</li> <li>● Will manage overseas hotels: Dusit Thani Lingshui Hainan, Dusit Devarana Baoting Hainan, dusitD2 Nairobi and Dusit Residence &amp; Suites Doha</li> </ul>
Dusit Bird Hotels Private Limited	<ul style="list-style-type: none"> <li>● A Joint Venture company between Dusit Thani Public Company Limited and Bird Hospitality Services Private Limited (India) for hotel management in India</li> <li>● Manages Dusit Devarana New Delhi</li> <li>● Will manage dusitD2 Urbana Gurgaon</li> </ul>
Dusit Management Co., Ltd.	<ul style="list-style-type: none"> <li>● An established juristic person for hotel operation for Dusit Thani Laguna Phuket, dusitD2 Chiang Mai and Dusit Thani Hua Hin to support the property management of Dusit Thani Freehold and Leasehold Property Fund</li> </ul>
Dusit Thani Freehold and Leasehold Property Fund	<ul style="list-style-type: none"> <li>● Owns 2 hotels, namely Dusit Thani Laguna Phuket and dusitD2 Chiang Mai</li> <li>● Owns a leasehold at Dusit Thani Hua Hin</li> </ul>
DMS Property Investment Private Limited	<ul style="list-style-type: none"> <li>● Owns the Dusit Thani Maldives which is under management agreement with Dusit Worldwide Co., Ltd.</li> </ul>

<b>Company</b>	<b>Nature of Operations</b>
Dusit USA Management Inc.	<ul style="list-style-type: none"> <li>● Juristic person which is registered in Delaware, U.S.A. for hotel management business in U.S.A.</li> <li>● Will manage Dusit Thani Guam and dusitD2 Pasadena</li> </ul>
Dusit Fudu Hotel Management (Shanghai) Co., Ltd.	<ul style="list-style-type: none"> <li>● Manages hotel in the Republic of China, namely dusitD2 Fudu Binhu, Changzhou</li> <li>● Will manage hotels in the Republic of China: Dusit Thani Shaoxing and Dusit Devarana Dianchi Lake, Kunming</li> </ul>
Dusit Thani Laguna Singapore Pte. Ltd.	<ul style="list-style-type: none"> <li>● Owns upcoming hotel in Singapore: Dusit Thani Laguna</li> </ul>
<b>Other Related Business</b>	
Dusit Thani Public Company Limited	<ul style="list-style-type: none"> <li>● Owns and operates the office building for rent named Dusit Thani Building</li> </ul>
Dusit Thani Properties Co., Ltd. (Formerly known as Dusit Thani International Co., Ltd.)	<ul style="list-style-type: none"> <li>● Invests in other companies</li> </ul>
Devarana Spa Co., Ltd.	<ul style="list-style-type: none"> <li>● Operates spa business</li> </ul>
Dusit Thani College	<ul style="list-style-type: none"> <li>● An educational institution offering courses in hotel management and administration.</li> </ul>
Le Cordon Bleu Dusit Co., Ltd.	<ul style="list-style-type: none"> <li>● A French style culinary school</li> </ul>
Dusit Worldwide Co., Ltd.	<ul style="list-style-type: none"> <li>● The group's regional operating headquarters provide hotel management services to the foreign company such as Dusit Thani Manila and Dusit Thani Maldives and the hotels under the management of Dusit Oversea Co., Ltd.</li> <li>● Provides the marketing services to the hotels in Thailand or overseas for the affiliated companies.</li> </ul>
Dusit China Capital Co., Ltd.	<ul style="list-style-type: none"> <li>● Holds share in Dusit Fudu Hotel Management (Shanghai) Co., Ltd.</li> </ul>



# Dusit Thani Public Company Limited

## Shareholding Structure as of December 31, 2013





## Nature of Business

### ➤ Significant Changes and Development of the Company's business in year 2013

- Open the subsidiary in Thailand, namely Dusit China Capital Co., Ltd. on January 18, 2013, with registered capital of Baht 68,000,000 million to invest in proportion of 45 percent of the registered capital of RMB 30,000,000 in the Joint Venture Company, namely Dusit Fudu Hotel Management (Shanghai) Company Limited in the Republic of China. Dusit China Capital Co., Ltd. signed the Joint Venture Agreement on January 20, 2013 and established the Joint Venture Company on April 16, 2013 to operate hotel management in the Republic of China.

- The Annual General Meeting of Shareholders No. 20/2013 held on April 29, 2013 had approved the resolution to appoint Mrs. Pranee Phasipol as the additional Independent Director which effective from April 29, 2013 onwards. Presently, the Company has 5 Independent Directors.

In addition, the Board of Directors Meeting No. 3/2013 held on May 13, 2013 resolved to appoint Mrs. Pranee Phasipol as the additional Audit Committee Member which effective from May 13, 2013 to April 2016. Presently, the Audit Committee of the Company consists of 4 persons.

- The Board of Directors Meeting No. 4/2013 held on June 20, 2013 had approved to invest and sign in the Joint Venture Agreement included establish the Joint Venture Company in Singapore, namely Dusit Thani Laguna Singapore Pte. Ltd. to expand the Company's portfolio of hotels and resorts into Singapore with investment fund of SGD 115.2 million. The Joint Venture Company established on September 6, 2013 which Dusit Thani Properties Co., Ltd. holds by 25.01 percent.

- The Board of Directors Meeting No. 5/2013 held on August 9, 2013 had approved the resolutions as follows:

1. Form the Governance and Nomination Committee by appointing the former Nomination Committee to be the Governance and Nomination Committee.
2. Participate and authorize Mr. Chanin Donavanik to sign in the Declaration of Intent, In View of Establishing Thailand's Private Sector Collective Action Coalition Against Corruption.

- The Board of Directors Meeting No. 6/2013 held on November 13, 2013 had approved the resolutions as follows:

1. The amendment of Independent Director's qualifications, Charter and Authority of the Sub-Committees.
2. Incorporation of branch of Dusit Oversea Co., Ltd. at Nairobi in Kenya to manage hotel, namely dusitD2 Nairobi which is expected to open on June 2014 in order to comply with Kenya law which stated that the foreign company which has a permanent place of business in Kenya shall process for the establishment of company or its branch in Kenya.

- The Board of Directors Meeting No. 7/2013 held on December 19, 2013 had approved to change the investment in Dusit Thani Laguna Singapore Pte. Ltd. from Dusit Thani Properties Co., Ltd. to the Company.



## **Awards of Dusit International for year 2013**

### **1. Asia Pacific's Hotel of the Year**

The Budget & Travel Awards have named **Dusit Thani Maldives** Asia Pacific's Hotel of the Year which was chosen out of five finalist hotels by members of the public through an exclusive online global voting system and was honoured for its exemplary customer service standards, impressive location, outstanding facilities and value-added services

### **2. Silver Accreditation**

**Dusit Thani Dubai** has become the only organization in the Middle East and Asia to hold the accolade of Silver Accreditation from Investors in People (IPP), the global framework for improving business productivity, performance and competitiveness in organizations through good practice in people management.

### **3. Excellence in Resort Hotel Tourist Accommodation (80 rooms and over) : Eastern Region/ Outstanding Performance in Resort Hotel Tourist Accommodation (80 rooms and over) : Southern Region**

**Dusit Thani Pattaya** was commended for Excellence in Resort Hotel Tourist Accommodation (80 rooms and over) -Eastern Region whilst **Dusit Thani Laguna Phuket** was recognised for Outstanding Performance in Resort Hotel Tourist Accommodation (80 rooms and over) - Southern Region from the 9th Thailand Tourism Awards, the awards are organized by the Tourism Authority of Thailand every two years and are considered one of the nation's highest accolades for the travel and tourism industry.

### **4. Best 5-Star Hotel in Greater Cairo**

**Dusit Thani LakeView Cairo** was honoured by the Minister for being the Best 5-Star Hotel in Greater Cairo from the Egypt Tourism Authority's Awards in implementing the new standards set forth by the Tourism Ministry, as well as for offering the highest quality service to guests.

### **5. Asia's Leading Beach Resort/Thailand's Leading Beach Resort/Thailand's Leading Golf Resort**

**Dusit Thani Laguna Phuket** emerged victorious at the annual World Travel Awards 2013 held in Dubai, United Arab Emirates. The resort scooped the Thailand's Leading Golf Resort, Thailand's Leading Beach Resort and Asia's Leading Beach Resort awards.

### **6. Travel Entrepreneur of the Year 2013 and The Best New Beach Resort Hotel in Asia**

**Mr Chanin Donavanik**, Dusit International's Managing Director and CEO, was named Travel Entrepreneur of the Year 2013 from the 24th Annual TTG Travel Awards 2013. The Travel Entrepreneur of the Year Award is presented each year to a CEO who makes the right hires to strengthen his organization, who dares to take risks, sets new standards for the brand and contributes to the industry in critical areas such as training, education and sustainability.

Moreover, **Dusit Thani Maldives** was named Best New Beach Resort Hotel as well.

### **7. World Luxury Diplomatic Hotel 2013**

**Dusit Thani Hua Hin** was named the World Luxury Diplomatic Hotel 2013 in recognition of its success in hosting numerous high-ranking royal and government figures during the previous twelve months from the World Luxury Hotel Awards 2013 and earned a remarkable fifth consecutive year that Dusit Thani Hua Hin scooped a World Luxury Hotel Award.

➤ Revenue Structure

■ Revenue by Business

Revenues and shareholding structures of the Company in subsidiaries for 3-year periods ended December 31

Sales and Services		Company	% of shareholding (direct and indirect)	2011		2012		2013	
				Revenues	%	Revenues	%	Revenues	%
1. <u>Revenue from Hotel Business</u>									
1.1 Room									
		1. Dusit Thani Plc.	100.00	668,551	17.05	747,939	15.75	814,009	15.96
		2. Philippine Hoteliers, Inc.	88.00	481,997	12.29	540,510	11.38	509,703	9.99
		3. Dusit Thai Properties Plc.	86.79	184,543	4.70	210,798	4.44	240,717	4.72
		4. Dusit Management Co., Ltd.	99.99	625,364	15.94	688,399	14.50	777,892	15.25
		5. DMS Property Investment Pvt. Ltd.	47.72	-	-	180,195	3.79	421,008	8.26
<b>Total Room Revenue</b>				<b>1,960,455</b>	<b>49.98</b>	<b>2,367,841</b>	<b>49.86</b>	<b>2,763,329</b>	<b>54.18</b>
1.2 Food and Beverage									
		1. Dusit Thani Plc.	100.00	547,295	13.95	645,102	13.58	628,165	12.32
		2. Philippine Hoteliers, Inc.	88.00	232,834	5.94	268,109	5.65	254,982	5.00
		3. Dusit Thai Properties Plc.	86.79	136,142	3.47	159,987	3.37	166,958	3.27
		4. Dusit Management Co., Ltd.	99.99	332,316	8.47	365,196	7.69	356,297	6.98
		5. DMS Property Investment Pvt. Ltd.	47.72	-	-	88,764	1.87	155,264	3.05
<b>Total Food and Beverage Revenue</b>				<b>1,248,587</b>	<b>31.83</b>	<b>1,527,158</b>	<b>32.16</b>	<b>1,561,666</b>	<b>30.62</b>
1.3 Others									
		1. Dusit Thani Plc.	100.00	41,837	1.07	40,959	0.86	38,281	0.75
		2. Philippine Hoteliers, Inc.	88.00	24,220	0.62	23,516	0.49	21,331	0.42
		3. Dusit Thai Properties Plc.	86.79	13,942	0.36	15,521	0.33	14,983	0.29
		4. Devarana Spa Co., Ltd.	99.99	21,785	0.55	22,096	0.47	22,953	0.45
		5. Dusit Executive Development Center Co., Ltd.	99.99	2,515	0.06	-	-	-	-
		6. Le Cordon Bleu Dusit Co., Ltd.	49.99	93,708	2.39	96,833	2.04	111,237	2.18
		7. Dusit Management Co., Ltd.	99.99	27,573	0.70	28,167	0.59	25,250	0.50
		8. DMS Property Investment Pvt. Ltd.	47.72	-	-	73,730	1.55	74,963	1.47
<b>Total Other Revenues</b>				<b>225,580</b>	<b>5.75</b>	<b>300,822</b>	<b>6.33</b>	<b>308,998</b>	<b>6.06</b>
<b>Total Revenue from Hotel Business</b>				<b>3,434,622</b>	<b>87.56</b>	<b>4,195,821</b>	<b>88.35</b>	<b>4,633,993</b>	<b>90.86</b>

Unit: Thousand Baht

Sales and Services	Company	% of shareholding (direct and indirect)	2011		2012		2013	
			Revenues	%	Revenues	%	Revenues	%
2. <u>Revenue from Hotel Management Contracts</u>	1. Dusit Thani Plc.	100.00	10,294	0.26	11,354	0.24	8,575	0.17
	2. Dusit Thai Properties Plc.	86.79	4,600	0.12	4,600	0.10	3,000	0.06
	3. Devarana Spa Co., Ltd.	99.99	1,022	0.03	-	-	-	-
	4. Dusit Worldwide Co., Ltd.	99.99	1,236	0.03	-	-	-	-
	5. Dusit Overseas Company Limited	99.99	45,602	1.16	45,081	0.95	53,013	1.04
	6. Dusit Fudu Management (Shanghai) Company Limited	44.99	-	-	-	-	471	0.01
<b>Total Revenue from Hotel Management Contracts</b>			<b>62,754</b>	<b>1.60</b>	<b>61,035</b>	<b>1.29</b>	<b>65,059</b>	<b>1.28</b>
3. <u>Revenue from Rental Business</u>								
Rental and Services	1. Dusit Thani Plc.	100.00	57,791	1.47	61,621	1.30	66,511	1.30
<b>Total Revenue from Rental Business</b>			<b>57,791</b>	<b>1.47</b>	<b>61,621</b>	<b>1.30</b>	<b>66,511</b>	<b>1.30</b>
4. <u>Other Incomes</u>	1. Dusit Thani Plc.**	100.00	297,504	7.59	340,514	7.17	239,583	4.70
	2. Philippine Hoteliers, Inc.	88.00	15,591	0.40	14,685	0.31	17,769	0.35
	3. Dusit Thai Properties Plc.	86.79	37,511	0.96	49,744	1.05	46,686	0.92
	4. Dusit Thani Properties Co., Ltd.	99.99	256	0.01	58	0.00	601	0.01
	5. Devarana Spa Co., Ltd.	99.99	949	0.02	482	0.01	574	0.01
	6. Dusit Executive Development Center Co., Ltd.	99.99	31	0.00	53	0.00	-	-
	7. Le Cordon Bleu Dusit Co., Ltd.	49.99	379	0.01	539	0.01	1,167	0.02
	8. Dusit Worldwide Co., Ltd.	99.99	4,094	0.10	9,270	0.20	6,266	0.12
	9. Dusit Bird Hotels Private Limited	50.00	91	0.00	-	-	296	0.01
	10. Dusit Management Co., Ltd.	99.99	10,994	0.28	13,656	0.29	15,421	0.30
	11. DMS Property Investment Pvt. Ltd.	47.72	-	-	1,107	0.02	3,238	0.06
	12. Dusit Overseas Company Limited	99.99	-	-	-	-	2,167	0.04
	13. Dusit China Capital Co., Ltd.	99.99	-	-	-	-	143	0.00
	14. Dusit Fudu Hotel Management (Shanghai) Company Limited	44.99	-	-	-	-	1,064	0.02
<b>Total Other Incomes</b>			<b>367,400</b>	<b>9.37</b>	<b>430,108</b>	<b>9.06</b>	<b>334,975</b>	<b>6.56</b>
<b>Total Revenues</b>			<b>3,922,567</b>	<b>100.00</b>	<b>4,748,585</b>	<b>100.00</b>	<b>5,100,538</b>	<b>100.00</b>

\*\* For years 2011, 2012 and 2013, included share of profit from investment in associate accounting for 30.02% at Baht 111.81 million, Baht 106.93 million and Baht 88.57 million respectively. For year 2011, included gain on sales of property, premises and equipment, Rommanee Court in Chiang Mai and hotel's equipment totaling Baht 39.55 million. For year 2012, included gain on sales of investment properties of Baht 101.11 million.

### ■ Revenue by Hotels

Hotel revenues structure of each hotel under Dusit Thani Group, not considering percentage of ownership by the Company, consisted of room, food and beverage and other income of hotel operation for the 3 years ended December 31

Hotels	Operated by	% of shareholding (direct and indirect)	2011		2012		2013	
			Total revenues	%	Total revenues	%	Total revenues	%
Dusit Thani Bangkok	Dusit Thani Plc.	100.00	799,053	23.61	951,232	22.81	895,596	19.56
Dusit Thani Pattaya	Dusit Thani Plc.	100.00	493,863	14.59	526,696	12.63	620,065	13.54
Dusit Thani HuaHin	Dusit Thani Plc.	100.00	295	0.01	824	0.02	-	-
Dusit Thani Manila	Philippine Hoteliers, Inc.	88.00	754,643	22.30	847,302	20.31	803,785	17.56
DusitD2 Chiang Mai	Dusit Thai Properties Plc.	86.79	134	0	-	-	-	-
Royal Princess Larn Laung	Dusit Thai Properties Plc.	86.79	791	0.02	-	-	-	-
Royal Princess Chiang Mai	Dusit Thai Properties Plc.	86.79	78,849	2.33	85,582	2.05	113,640	2.48
Dusit Princess Srinakarin	Dusit Thai Properties Plc.	86.79	164,347	4.85	187,428	4.49	191,032	4.17
Dusit Princess Korat	Dusit Thai Properties Plc.	86.79	96,749	2.86	133,172	3.19	125,153	2.73
Dusit Thani Hua Hin	Dusit Management Co., Ltd.	99.99	354,479	10.47	378,804	9.08	428,720	9.36
Dusit Thani Laguna Phuket	Dusit Management Co., Ltd.	99.99	549,844	16.25	605,815	14.53	621,019	13.56
DusitD2 Chiang Mai	Dusit Management Co., Ltd.	99.99	91,608	2.71	110,169	2.64	124,782	2.74
Dusit Thani Maldives	DMS Property Investment Pvt. Ltd.	47.72	-	-	344,162	8.25	654,474	14.30
<b>Total revenues from hotels under Dusit Thani Group</b>			<b>3,384,655</b>	<b>100.00</b>	<b>4,171,186</b>	<b>100.00</b>	<b>4,578,266</b>	<b>100.00</b>

Unit: Thousand Baht

## ➤ **Business Operation of Each Business**

### **1. Hotel Business**

At present, the Company is engaged in hotel business-related service as follows:

#### **Under Dusit Thani Plc.**

- **Dusit Thani Bangkok** ; 5-star-hotel with 517 guestrooms consisting 232 Superior rooms, 138 Deluxe rooms, 71 Executive Suites, 36 Club Executive Suites, 23 Junior Suite (Thai Heritage Suite), 12 Club King, 2 Dusit Two Bedroom Suite (Princess Suite), 2 Rattanakosin Suites and 1 Majesty Suite. Hotel's facilities including food & drink, banquet rooms, meeting & seminar room and other hotel's facilities i.e. swimming pool, fitness club (DFiT), spa 'Devarana', Dusit Shop and varieties of products for local community and souvenir, Dusit Gourmet, limousine service for hotel transfer and airport pickup, touring service, money exchange service, baby-sitting service, hair salon, laundry, postal service and telephone service.

The hotel's customers mainly are expatriates both travellers and business persons. The hotel normally organize seminars to both local Thailand and overseas. Majority of travellers usually travel and stay in the hotel during October - March in the following year, which is during high season. The low season is during April - August with lesser number of travellers.

The hotel is located on leased land from the Crown Property Bureau, initially for a term of 30 years from April 1, 1973 to March 31, 2003 with rights to renew the lease twice for a term of 15 years each. The Company has renewed the lease for the first 15 year commencing from April 1, 2003 to March 31, 2018.

- **Dusit Thani Pattaya** is located in Chonburi province. The resort-style hotel with 457 guest rooms consisting 304 Deluxe, 58 Club rooms, 42 Club Grand Rooms, 24 Family Suite, 15 One-Bedroom Suite, 9 Cabana Room, 3 Dusit Suite, 2 Royal Princess Suite. Hotel's facilities include Food & Beverage, banquet room, meeting & seminar rooms and others i.e. tennis court, swimming pool, fitness club 'DFit', Deverana Spa, Dusit Shop and retail shop for local products and souvenirs, bakery shop "Dusit Gourmet", limousine service, touring service, money exchange service, baby-sitting service, hair salon, laundry, postal service and telephone service.



The hotel is located on a land lease agreement with Siri Pattaya Co., Ltd. for the period running from February 1, 1994 to September 30, 2017. On January 2006, the Company has renewed the land lease agreement in advance for another 10 years, by canceling the previous land lease agreement and entering into a new agreement which was registered with the Department of Land in Chonburi Province on February 2, 2006. The period of new land lease agreement is effective from January 1, 2006 to December 31, 2027.

#### **Under Dusit Thai Properties Plc.**

- **Royal Princess Chiang Mai** is located on Chang-Klan Road, Chiang Mai. It is a 4-star hotel with 198 guest rooms. The hotel provides accommodation, food and beverage, meeting rooms and catering.
- **Dusit Princess Srinakarin** is located on Srinakarin Road, Bangkok. It is a 4-star hotel with 198 guest rooms. The hotel provides accommodation, food and beverage, meeting rooms and catering.
- **Dusit Princess Korat** is located in Nakornratsima. It is a 4-star hotel with 186 guest rooms. The hotel provides accommodation, food and beverage, meeting rooms, catering and ‘Naam Spa’, a subsidiary spa brand under Dusit Princess Hotels & Resorts.

#### **Under Dusit Management Co., Ltd.**

Dusit Management Co., Ltd. is a subsidiary of the Company which the Company holds shares 99.99 percent. The purpose of incorporation is hotel operations, asset management of Dusit Thani Freehold and Leasehold Property Fund. The company leased the 3 hotels namely Dusit Thani Laguna Phuket, dusitD2 Chiang Mai and Dusit Thani Hua Hin from Dusit Thani Freehold and Leasehold Property Fund, ownership (freehold) of Dusit Thani Laguna Phuket and dusitD2 Chiang Mai and leasehold, period of 30 years of Dusit Thani Hua Hin to perform.

#### **Under Dusit Thani Freehold and Leasehold Property Fund (“Property Fund”)**

On December 21, 2010, the Company has established Dusit Thani Freehold and Leasehold Property Fund which has fund size Baht 4,094 million. The Company has invested in Property Fund by holding unit trust at 30.02 percent. On December 24, 2010 the Company transferred the business of Dusit Thani Laguna Phuket, dusitD2 Chiang Mai and Registered leasehold of Dusit Thani Hua Hin to property fund.



- **Dusit Thani Laguna Phuket** is located at Talang, Phuket. The hotel is decorated in a contemporary Thai style with 226 guest rooms and 28 villas, provides accommodation, food and beverage, meeting rooms and caters to hotel guests and the general public. The Company acquired Dusit Thani Laguna Phuket via a formal tender process from Laguna Resorts and Hotels Public Company Limited amount of Baht 2,715 million and transferred such business to property fund on December 24, 2010.

- **dusitD2 Chiang Mai** is located at Chang Klan Road, Chiang Mai. The hotel has 131 guest rooms, combining modern amenities with Thai hospitality and atmosphere to serve the needs of its guests.

- **Dusit Thani Hua Hin** (leasehold) is located at Amphur Cha-am, Petchaburi. The resort-style hotel with 296 guest rooms provides accommodation, food and beverage, meeting rooms and caters to hotel guests and the general public.

#### **Under Philippine Hoteliers, Inc.**

This company was set up in the Philippines to operate and own **Dusit Thani Manila**, located in Makati City. This hotel has 538 guest rooms; 406 Deluxe, 62 Grand Rooms, 44 Club Rooms, 23 Corner Rooms, 2 Ambassador Suites, 1 Presidential Suite. Hotel's facilities include Food & Beverage, banquet room, meeting & seminar rooms and others i.e. tennis court, swimming pool, fitness club 'DFit', Deverana Spa, Dusit Shop and retail shop for local products and souvenirs, bakery shop "Dusit Gourmet", limousine service, touring service, money exchange service, baby-sitting service, hair salon, laundry service, postal service, telephone service, Valet Service and Medical Clinic.

#### **Under DMS Property Investment Private Limited**

This company was set up in Republic of Maldives to operate and own **Dusit Thani Maldives**, located at Republic of Maldives, Mudhdoo Island. The hotel has 94 villas; 36 Beach villas, 29 Water villas, 20 Ocean Villas, 5 Family Beach Villas, 2 Ocean Pavilion and 2 Beach Residence. The hotel's facilities include Food & Beverage and others i.e. swimming pool, water sport center, fitness club 'DFit', Deverana Spa, Dusit Shop and retail shop for local products and souvenirs, seaplane services between Male International Airport and hotel.



## 2. Hotel Management Business

Management hotels and resorts at present are as follows:

### (1) “Dusit Thani”

Dusit Thani Hotels & Resorts are the 5-star hotels under the brand “Dusit Thani”. Such business includes the grant to use the trademark “Dusit Thani” under the standard of service provision controlled by the Company. All hotel management and franchised agreements are entered into by Dusit Thani Plc.



*Traditional Thai grandeur, a rich heritage and world-renowned hospitality*

Dusit Thani Hotels & Resorts is an up-market, full-service brand which embodies the richness and tradition of Thai culture.

Dusit Thani serves as a trusted symbol of Thai values, with environments that are calm, fragrant and colourful, and with every detail crafted to lift the spirit and engage the senses. Guests experience the genuine warmth, respectfulness and commitment of the staff with each stay and in each moment.

Dusit Thani Hotels & Resorts are located near the central business district and major attractions of each destination, offers exceptional infrastructure and services for all occasions, including special celebrations and major business and social events.

Current **Dusit Thani Hotels & Resorts’** brands listed below:

- Dusit Thani Bangkok, Thailand
- Dusit Thani Hua Hin, Thailand\*
- Dusit Thani Pattaya, Thailand
- Dusit Thani Laguna Phuket, Thailand\*\*
- Dusit Thani Manila, Philippines
- Dusit Thani Dubai, U.A.E.
- Dusit Thani Abu Dhabi, U.A.E.
- Dusit Thani LakeView Cairo, Egypt
- Dusit Thani Maldives, the Republic of the Maldives
- Dusit Island Resort Chiang Rai, Thailand

Remark: \* Leasehold under Dusit Thani Freehold and Leasehold Property Fund

\*\* Freehold under Dusit Thani Freehold and Leasehold Property Fund

Upcoming **Dusit Thani Hotels & Resorts’** brands listed below:

- Dusit Thani Guam, U.S.A.
- Dusit Thani Lingshui Hainan, the Republic of China
- Dusit Thani Shaoxing, the Republic of China



## (2) “dusitD2”

A 5-star hotel represents a colourful lifestyle - catering to the needs and desires of today’s new generation traveller with a distinctive combination of chic design, forward-thinking technology, convenience, comfort and smart service.



*Contemporary colourful chic and a refreshing sense of playfulness*

dusitD2 hotels & resorts are strategically located in key business and entertainment precincts, dusitD2 properties are destinations in themselves, where every experience is designed to surprise and delight. A place to meet and interact, dusitD2 is the new classic of our times, a place known for its contemporary scene, relaxing luxury and colourful charisma.

Current **dusitD2 Hotels & Resorts**’ brands listed below:

- dusitD2 Chiang Mai, Thailand\*
- dusitD2 Baraquda Pattaya, Thailand
- dusitD2 Fudu Binhu, Changzhou, the Republic of China

Remark: \* Freehold under Dusit Thani Freehold and Leasehold Property Fund

Upcoming **dusitD2 Hotels & Resorts**’ brands listed below:

- dusitD2 Khao Yai, Thailand
- dusitD2 Nairobi, Kenya
- dusitD2 Pasadena, U.S.A.
- dusitD2 Urbana Gurgaon, India

## (3) “Dusit Princess”

A 4-star hotel for mid-market, full-service properties reflecting the city or area in which it is located. Each hotel or resort, with its own distinctive personality and understated elegance combined with efficient practicality, embraces the culture and character of its surrounds. Welcoming and uncomplicated, Dusit Princess is ideal for the no-nonsense traveller.



*Affordable excellence in key convenient locations -  
helping you make the most of each individual journey*

Our inside knowledge will give you the inside edge, our long association with each locale translates into elevated guest experiences while our facilities serve to engage or unwind. A modern ambience and personable service experiences ensure the wellbeing of business and leisure travellers alike.

Dusit Princess Hotels and Resorts are situated in prime locations within key and secondary cities along with resort destinations. Appealing to those who seek the optimal combination of a well-located hotel and elegant accommodation, Dusit Princess also offers quality dining experiences, essential business connectivity and leisure facilities, efficient service and genuine value.

Current **Dusit Princess Hotels & Resorts**' brands listed below:

- Dusit Princess Srinakarin, Bangkok, Thailand
- Dusit Princess Korat, Thailand
- Royal Princess Chiang Mai, Thailand
- Pathumwan Princess Hotel, Thailand\*
- Royal Princess Larn Luang, Thailand\*

Remark: \* Franchise under Dusit Thai Properties Public Company Limited

Upcoming **Dusit Princess Hotels & Resorts**' brands listed below:

- Dusit Princess NAIA Gardens Manila, Philippines

#### **(4) “Dusit Devarana”**

A 5-star hotel Catering to the high-powered, discerning sophisticate, Dusit Devarana is a significant niche offering that leverages Dusit International's rich cultural heritage and history of service excellence to offer an intimate, high-end sanctuary experience.



*An intimate sanctuary of cultured refinement for the exacting well-travelled individual*

The brand reflects the ultimate in luxury and refinement, providing an enriching experience through intellectual and artistic touch points, and a modern yet timeless aesthetic. With personalized, discreet, flawless service and privacy for each individual, Dusit Devarana provides an escape from the everyday world - a sense of renewal, a renaissance of the mind.



To be developed in premier locations, Dusit Devarana Hotels & Resorts are one-of-a-kind properties that enrich each destination, private enclaves of tranquility and perfection so sought after by today's global business and leisure elite.

Current **Dusit Devarana Hotels & Resorts'** brands listed below:

- Dusit Devarana New Delhi, India

Upcoming **Dusit Devarana Hotels & Resorts'** brands listed below:

- Dusit Devarana Baoting Hainan, the Republic of China
- Dusit Devarana Dianchi Lake, Kunming, the Republic of China

## 5. "Dusit Residence"

Dusit Residence providing a seamless translation across international lifestyles. With the privacy of modern luxury apartments, and 5 star hotel-like services and conveniences, Dusit Residence fulfills the needs of discerning long-stay guests and foreigner in prime business and leisure districts.

From sophisticated design to flawless service, our focus is on the optimum welfare of our guests and their families. While residences are outfitted with long-term conveniences, each property also provides dining and leisure facilities. Our aim is to provide you with 'The Advantage of Residence'

Current **Dusit Residence Hotels & Resorts'** brands listed below:

- Pearl Coast Premier Hotel Apartments, Dubai, U.A.E.
- Unfurnished Apartment at Dusit Thani Dubai, U.A.E.
- Dusit Residence Dubai Marina, U.A.E.\*

Remark: \* Franchise under Dusit Thani Public Company Limited

Upcoming **Dusit Residence Hotels & Resorts'** brands listed below:

- Dusit Residence & Suites Doha, Qatar

### 3. Office Rent Business

The Company owns a commercial building for rent. The 11-story building is located on leased land from the Crown Property Bureau and is connected to the Dusit Thani Hotel, Bangkok. The lessees are local and foreign companies. This building has a total area of 13,245.54 square meters and basement floor with a total of 336 square meters.

### 4. Other Business

#### 4.1 Spa Business

Spa business is operated under Devarana Spa Co., Ltd. with 6 locations; 4 in Thailand and 2 overseas as follows:

##### **Thailand**

1. Dusit Thani Bangkok
2. Dusit Thani Pattaya
3. Dusit Thani Hua Hin
4. dusitD2 Chiang Mai

##### **Overseas**

1. Dusit Thani Manila
2. Dusit Thani Maldives

Devarana Spa has developed its own exclusive lines of spa products such as natural massage oil blends, shampoo, soap, shower gel and body lotion. All spa product formulations are environmental friendly and design to enhance the natural beauty and well-being. They are 100% natural ingredients and are free from synthetic additives such as parabens, phenoxythanol, SLS or other artificial components.

Following our commitment to the well-being of our valued guests, Devarana Spa also offers the reputable natural organic spa products. This premium organic product range has been developed with an ecological awareness in mind and promised to have the organic plant ingredients up to 70 - 95%.

For facial, Devarana Spa uses the products from the pioneer marine cosmetics and thalassotherapy brand, Algotharm. The brand has been established since 1962 in France and won AsiaSpa Award in the category “Best Spa Brand” in 2009.

The Skillful therapists at Devarana expertly deliver a variety of treatments to provide guests with the ultimate in relaxation and pampering. The massage section alone is inclusive of up to many kinds of massage from Eastern and Western sides of the world such as Swedish Massage and Ayurvedic Massage etc. The “Devarana Signature Massage” is particularly outstanding as it combines several different massage techniques from East and West. A superb variety of treatments includes massage, facial, body treatments, water treatments, beauty treatments and many spa exclusive programs for a more complete rejuvenation experience, using high quality products to nourish and rejuvenate for both body and mind.



## **4.2 Education Business**

Dusit Thani Public Company Limited launched its hospitality management education business since 1993, with the objectives of expanding more education units, both in Thailand and overseas, especially where Dusit's hotels are located for preparing professional workforce and manpower to work in Dusit's hotel as well as global hospitality industry. Since then, the Company's education business has grown into large scale, both domestically and internationally

In 2014, Dusit's education business will in the future cover both formal education (vocational level and higher degree level), and professional education (culinary and cooking schools), as well as skill training and career development for executives in the hospitality industry.

### **Dusit Education Business Units**

#### **(1) DUSIT THANI COLLEGE**

Dusit Thani College started off as a vocational school under Dusit Thani Hotel Group since June 1, 1993 from the determination of Thanpuying Chanut Piyaoui, Chairperson and Managing Director at that moment with the purpose of producing the professional hospitality personnel who would be expected to become a driving force in the development of hotel and tourism business. In its embryonic stage, the school offered two English curriculums at the certificate level: one in the Hotel Operation, and the other in Culinary Arts.

Since the beginning of the operation, the school placed great emphasis on the academic excellence and provided quality teaching and learning - both in theory and practice. Consequently, the standard of education provided by the school was recognized by society at large, and graduates became successful in their job assignments.

Later, the school developed and upgraded curriculum for the Bachelor's degree program in hospitality industry with an eye to meeting the need of society. The curriculum was approved by the Ministry of University Affairs and finally, the school was upgraded to become a higher educational institution (university level). The fully accredited "Dusit Thani College" came into existence on May 30, 1996.

At present, the college offers both degree and non-degree programs. Degree programs are four-year Bachelor's Degree Programs (Thai and International programs), and two-year Master's Degree Program as the details are specified below.

## **Degree Programs**

### **Faculty of Hospitality Industry**

#### **Undergraduate Level**

1. Bachelor of Business Administration in Hotel and Resort Management
2. Bachelor of Business Administration in Culinary Arts and Kitchen Management
3. Bachelor of Business Administration in Tourism Management
4. Bachelor of Business Administration in Spa Management
5. Bachelor of Business Administration in MICE and Events Management

#### **Undergraduate Level (International Program, teaching in English)**

1. Bachelor of Business Administration in Hotel and Resort Management  
(With the academic certification of Ecole hôtelière de Lausanne)
2. Bachelor of Business Administration in Culinary Arts and Restaurant Management  
(A joint degree program with Le Cordon Bleu)

#### **Undergraduate Level (Experience-Based Credit Transfer)**

1. Bachelor of Business Administration in Hotel and Resort Management
2. Bachelor of Business Administration in Culinary Arts and Kitchen Management

#### **Graduate Level**

Master's Degree in Hotel and Restaurant Management

Apart from a range of degree programs mentioned above, Dusit Thani College also offers various short professional courses such as Hospitality Access Program (HAP) – Three-month training programs, Thai-Western Culinary Arts, Pastry and Bakery, How to open and operate a coffee shop, Mini-MBA in Hospitality Management and Executive Programs in Hotel Management.

Furthermore, Dusit Thani College has been authorized by the Department of Skill Development, Ministry of Labor to organize skill tests for overseas job seekers who wish to work in the service industry in foreign countries. The 5 certified job testing comprise of Food Production, Bartending, Food and Beverage Service, Front Office Operations and Housekeeping.

In 2009-2010, Dusit Thani College was appointed by Ministry of Tourism and Sports to develop ASEAN Competency Base programs for personnel in tourism industry in 3 areas including Food and Beverage Service, Front Office Management and Housekeeping Management.





### **Dusit Thani College, Pattaya City Centre**

After a decade of being excellent in hospitality education, Dusit Thani College expanded business to Pattaya City in 2011. Dusit Thani College, Pattaya City Centre Campus destined to be one of the best hospitality education and training providers where people can fulfill their education ambition, and offers both degree and non-degree programs in hospitality industry. The 3 BBA degree programs being offered are:

1. Bachelor of Business Administration in Hotel and Resort Management.
2. Bachelor of Business Administration in Culinary Arts and Kitchen Management
3. Bachelor of Business Administration in MICE and Events Management

### **International Collaborations**

As the leader in Asia's hospitality education, Dusit Thani College sustainably develops international collaborations in various areas with the leading international institutions such as:

- ASO COLLEGE GROUP, JAPAN – in the area of Japanese language and Cultural tourism in Fukuoka, Japan. The intention is to improve the quality of Japanese language study of our students.
- ECOLE HÔTELIÈRE DE LAUSANNE, SWITZERLAND – to develop and certify an international program for Bachelor of Business Administration in Hotel and Resort Management.
- LE CORDON BLEU, FRANCE – to develop and offer an international joint degree program: Bachelor of Business Administration in Culinary Arts and Restaurant Management.
- LYCEUM OF THE PHILIPPINES UNIVERSITY (MANILA, CAVITE, BATANGAS AND LAGUNA) – to assist and improve LPU curriculum in hospitality management offered to LPU students. Dusit Thani College provides professional courses, curricula and guided lesson plans. Also, Dusit Thani College is a consultant for the teaching quality, assessment, and learning resources. LPU successfully has 19,000 students this year.
- THE HONG KONG POLYTECHNIC UNIVERSITY, HONG KONG – jointly offer Executive Hotel Industry Professional Development Programs in Bangkok.
- TSUJI CULINARY INSTITUTE, JAPAN – in the area of joint educational program in Japanese Culinary and cuisine.
- GAMBERO ROSSO, ITALY – in the area of Italian Cuisine courses to the public and Dusit Thani College students.
- UNIVERSITY COLLEGE BIRMINGHAM, ENGLAND – to develop and offer a joint Master of Arts in Tourism and Hospitality.
- BALI INTERNATIONAL TRAINING AND DEVELOPMENT CENTRE, INDONESIA – on consultancy service to operate hospitality institute in Bali.
- HOSEO TECHNICAL COLLEGE, KOREA – to train their students on Thai Cooking and Spa Management.



Dusit Thani College has strong determination to produce the graduates of highest caliber. With this strong conviction and determination, Dusit Thani College has constantly organized quality learning and teaching activities, recruited only top-notch faculty with proven experience in hospitality industry, and at the same time created modern practical classrooms and provide most up-to-date technology for student learning. The College's placement office helps organize students' practical training at various business firms and international hotels both within and outside Thailand. The college currently has more than 3,200 full-time students, and has produced more than 3,000 successful graduates and alumni to the industry.

Dusit Thai College, under the investment of Dusit Thai Properties Public Company Limited, is located on Srinakarin Road, Pravat, Bangkok on 12 rai area consists of 2 buildings with 14,083 square meter space of classrooms, practical rooms, demonstration rooms and fully equipped kitchens, as well as proper student recreation facilities.

## **(2) LE CORDON BLEU DUSIT CULINARY SCHOOL (Le Cordon Bleu Dusit Co., Ltd.)**

Le Cordon Bleu Dusit Co., Ltd. (LCBD) is a joint venture between Dusit Thani Plc. and Le Cordon Bleu International B.V. The Company was established with the purpose of founding Le Cordon Bleu Dusit Culinary School. The School and its courses have been accredited by the Ministry of Education (MOE). The joint venture officially opened on July 2008.

Since 2008, the school has enrolled between 1,200 - 1,500 students per year into its main French cuisine and pastry classes, which continue to be the school's main revenue source. In 2010 the school developed and opened a 540 hour Professional Thai Cuisine course to promote Thai cuisine internationally. Enrolments into the Thai cuisine program have been impressive. Also in 2010 the school opened its first Bakery course - the Art of Bakery - a 240 hour program which has also proved to be very popular. In April 2013, LCBD opened its first 45 hour Wine Studies course which has become very popular and has been full each term. The Wine Studies program cooperates closely with local and international wine suppliers.

Alongside these core programs, the school offers a wide range of culinary workshops for the general public and companies and organizations – especially elite brands - food and culinary equipment suppliers. The school runs many special promotional events with these key suppliers which increases the brand recognition of the Joint Venture and is also a value added for our students and alumni.

In 2014, LCBD plans to open special intensive cooking classes for children – known as **Les Petit Cordon Bleu** – during the Thai and International school breaks. It is hoped this new program will attract a lot of creative and motivated kids who have a passion for cooking. We also plan to develop and offer more short courses in culinary management subjects - and also molecular gastronomy – a very new and exciting subject which is collaboration between our LCBD Chefs - and academics from well-known university. LCBD is committed to innovation - offering the general public courses which reflect new trends in the market.



Le Cordon Bleu is a world renowned network of educational institutions dedicated to providing the highest level of French style culinary through world-class programmes, today Le Cordon Bleu has a presence more than 40 campuses in 20 countries with 118 years of experience and heritage.

In 2009, 2010 and 2011 LCBD was ranked in the top 3 culinary schools in Asia – a award announced at the World Gourmet Summit in Singapore each year. In 2012 LCBD produced a very special book in-house on **Somtum: A Meeting of Tastes, Flavours, & Cultures**, which won Best Cook Book in the World (Asia category) at the International Gourmand Cook Book Awards held in Paris, France.

Also every year since 2008, LCBD has supported the Royal Project Foundation in Chiang Mai; also known as Le tour d' Angkhang whereby a full team of LCBD Chefs and support staff travel north to prepare gourmet breakfasts, lunches and dinners for VIP clients of the Foundation for 2 nights and 3 days.

The school has produced significant operating profits since 2010, with 2013 being the most successful year to date. The joint venture has established itself as the premier private vocational provider of culinary training in Thailand and is attracting more international students into its programs every year.

### Courses

- Classic Cycle Programme – Weekday Class and Saturday Class
  - Diplôme de Cuisine
  - Diplôme de Pâtisserie
  - Grand Diplôme
- The Professional Thai Cuisine Programme
- The Art of Bakery
- Wine Studies Course
- Culinary Discovery Programme (Short Courses)

Le Cordon Bleu Dusit Culinary School locates on the 1<sup>st</sup> floor of Dusit Thani Building, 946 Rama IV Road, Silom, Bangrak, Bangkok with total approximately 2,000 square meter space. School is fully equipped with well and modern facilities with kitchens for cuisine, pastry, demonstration, barista, wines classes and a library.

## ➤ Marketing and Competition

### Revenue Management

1. Provide on-site support for new properties on revenue culture, systems set, policies and procedures
2. Revenue Management to be more involved and accountable for Function Space and Catering Revenue
3. Train staff on pricing decision taking Value Index into consideration together with Integration of ReviewPro or Brand Karma into IDeaS Pricing Decision for Dusit Best Available Rates so that Value Index is also taken into considering when setting price points
4. Provide on-site support to red flag properties on revenue culture, systems set, policies and procedures
5. Review and standardize data set up in sales & catering system across all properties for consistency so that proper analysis can be carried on to plan better strategies

### E-Business

1. With new dusit.com website, design for sub websites will need to be changed to align with the new design. There are two main sub-web websites are Dusit Career and Dusit Image. These are pending until the new web design is finalized.
2. Implement e-learning website for internal user (revenue related)
3. To explore the possibility of multi-language booking capabilities on web booking engine
4. Re-build current web booking engine and guest confirmation letters to be consistent with new dusit.com design
5. Setup external website template which has the same design template as the new website design to be used in the event that might be specific needs that cannot be met on the new website main server because of proprietary restriction. Dusit still has flexibility to link promotion or landing page into this external server thus cut down on 3rd party vendor cost.



## **Global Sales**

1. Maintain and grow existing client base across all market segments through ensuring full coverage of market from Regional Sales Offices (RSO)
2. Identify new client opportunities to grow room nights to Dusit International
3. Drive preferred partner opportunities with Airlines, Financial Institutions and Wholesalers that will give Dusit International increased room nights and brand exposure across all regions
4. To continually identify new markets and opportunities for Dusit International

## **Branding and Loyalty Marketing**

1. The main goals of branding for 2014 will be the creation of a mid-level hotel brand and the clarification of positioning of our existing brands, both in English and Chinese. This includes a stronger communication of the brands to hotels, staff, to the trade and to consumers (i.e. by participation at trade shows, by a consistent brand communication by hotel brands, etc.)
2. The role of corporate advertising for 2014 will be the support of revenue generating campaigns and brand awareness campaigns throughout the year. Additionally, advertisement will be conducted for new hotel launches as part of the overall brand awareness activities.
3. The goals of loyalty marketing in 2014 will be to strengthen databases and increase the reach of our programmes in target markets. Activities include moving Dusit Wine & Dine to property level and increasing the number of operations of the programme, re-launching Dusit Gold as a points-based programme under PHG and increasing activities and regional groups of the Dusit bookers programme - Dusit Stars. In addition to this, loyalty and training programmes for travel agents (Dusit Travel Agent Academy) and meeting planners are being assessed.
4. In 2014 a strong focus will be put on the growth of our partnership network. This includes mainly direct partnerships with airlines and banks in our target markets. Partnerships are an essential part of our dissemination network for campaigns and are expected to grow in importance in 2014.

## **New Media & Communication**

1. Strengthen media relationships in key market; Thailand, Middle East, UK, Russian and Japan
2. Expand Online Presence and maximize the chance to generate revenue (Focus on B2C Communications)

## Occupancy

The number of rooms and percent of occupancy of each hotel are as follows:

Hotel	Company	No. of Rooms	Occupancy (%)			
			Yr 2010	Yr 2011	Yr 2012	Yr 2013
Dusit Thani Bangkok	Dusit Thani Plc.	517	53.37	62.82	64.42	66.43
Dusit Thani Pattaya	Dusit Thani Plc.	457	58.34	61.05	65.18	74.87
Dusit Thani Manila	Philippine Hoteliers, Inc.	538	78.14	76.40	75.29	70.35
Dusit Thani Maldives	DMS Property Investment Private Limited	94	-	-	35.30	60.03
Royal Princess Chiang Mai	Dusit Thai Properties Plc.	198	46.95	58.34	63.66	83.72
Dusit Princess Srinakarin	Dusit Thai Properties Plc.	198	68.93	63.30	71.17	73.35
Dusit Princess Korat	Dusit Thai Properties Plc.	186	51.87	62.59	71.19	72.65
Dusit Thani Hua Hin	Dusit Management Co., Ltd.	296	56.47	64.23	66.90	68.24
dusitD2 Chiang Mai	Dusit Management Co., Ltd.	131	37.43	54.53	63.79	71.73
Dusit Thani Laguna Phuket	Dusit Management Co., Ltd.	254	60.03	75.08	81.21	75.79

In 2013, most hotels of the Company and subsidiaries get occupancy rate increased from year 2012 due to the renovation of hotels in Thailand and the number of international tourist visited to Thailand in 2013 has 19.60 percent year on year growth. Royal Princess Chiang Mai has significant increasing of its occupancy more than 20 percent compared to the previous year. For overseas hotels, Dusit Thani Maldives has occupancy increased over 24 percent due to first full-year operating and Dusit Thani Manila has occupancy slightly decreased from previous year around 5 percent.



## Competitive Situation

The overall arrivals to Thailand in 2013 are extremely encouraging with 19.60 percent year on year growth equivalent to 26,735,583 arrivals due to the continuously increasing of travellers especially during January - September with the significant increase of 23 percent. Chinese tourist is the largest source with 93 percent y-o-y growth.



Source of Data: Immigration Bureau and Department of Tourism

### 2013 VS 2012 – International Tourist Arrivals and Revenue

Nationality	Number of Tourist			Revenue from tourism (THBmillion)		
	Year 2013	Year 2012	%Δ	Year 2013	Year 2012	%Δ
East Asia	16,078,963	12,525,214	+28.37	512,478.17	387,573.78	+32.23
Europe	6,307,503	5,650,222	+11.63	414,875.74	363,707.57	+14.07
The Americas	1,170,642	1,083,433	+8.05	78,753.09	71,397.38	+10.30
South Asia	1,346,462	1,286,861	+4.63	49,664.96	47,075.91	+5.50
Oceania	1,040,420	1,046,755	-0.61	70,201.44	70,154.50	+0.07
Middle East	627,435	605,477	+3.63	36,494.19	34,920.91	+4.51
Africa	164,158	155,941	+5.27	9,183.83	9,098.31	+0.94
<b>Grand Total</b>	<b>26,735,583</b>	<b>22,353,903</b>	<b>+19.60</b>	<b>1,171,651.42</b>	<b>983,928.36</b>	<b>+19.08</b>

Source of Data: Immigration Bureau and Department of Tourism

- Number one tourist arrivals growth year on year from East Asia is China, surpassing 4.7 million arrivals or 68.83 y-o-y growth
- The top tourist arrival from South Asia is India with 3.61 percent growth compared to 2012, surpassing the 1,000,000 arrivals.
- Russia is the number one market from Europe with over 1.7 million visitors - an increase of 31.93%

Tourist arrivals growth in December was lowest in 2013 due to political situation in Thailand that affected confidence of tourist from East Asia and South Asia that preferred travel in Bangkok such as tourist from Hong Kong has decreased 26.76 percent whilst China has increased 1.69 percent, Taiwan has increased 0.31 percent and Japan has increased 0.20 percent.

## **Competition**

### **● Internal**

Each hotel has determined a competitive set with similar property products, brand positioning and location in order to measure performance on the Revenue Per Available Room performance (RevPAR), market penetration and average rate.

The Key Performance Indicators (KPIs) for each hotel is their ranking in the competitive set within these 3 indices percent changes over previous periods. This is tracked both on a daily basis and on a monthly reporting level to corporate office. This has clearly allowed for better monitoring of a hotel's performance indicators and is also substantiated by STR Global, the industry respected benchmark.

### **● External**

There is an oversupply of rooms in all our Thailand locations with Bangkok being the most affected. New hotels are equipped with the latest designs and technologies and very competitively priced.

Emerging destinations in South East Asia, including Vietnam and now Myanmar continue to generate increasing interest for FIT leisure business which will ultimately impact Thailand's market share. High ARR's in Singapore and Hong Kong will provide an opportunity for Thailand in the MICE market.





### ➤ **Product or Service Supplies**

Manpower is the main key for operating hotel business and other related services, besides setting up the place and providing facilities for the customers.

For hotels in Thailand, most employees are domestic workforce with well-trained skills in hospitality service; however, some positions are required foreigner specialist. For overseas hotels, main employees are local workforce in order to facilitate customer's satisfaction in such country whilst remaining of service standard and personalized welcome upon Thai culture.

In addition, Dusit Thani College has the purpose of producing the professional hospitality personnel who would be expected to become a driving force for hotels in Dusit Group.

### ➤ **Government Controls**

Dusit Thani Public Company Limited has been registered with the Department of Business Development as a juristic person in accordance with the Public Limited Companies Act.

For sanitation, the Company conducts in accordance with the provision of Bangkok Metropolitan Administration or Municipality. In addition, most hotels in Dusit Group have participated in Green Leaf Programs under Green Leaf Foundation which established by the Board of Environmental Promotion of Tourism Activities or BEPTA, their vision is to develop both the quality of the environment and the tourism industry at the same time. The visionary organizations are composed of Tourism Authority of Thailand, Thai Hotels Association, United Nations Environment Program, Demand Side Management Office of Electricity Generating Authority of Thailand, Association for the Development of Environmental Quality, and Metropolitan Water works Authority. Green Leaf Program for hotels is the first step in the development of environmental quality for the tourism industry which has completed environmental practical checklists for hotels for the environmental and energy saving assessment which comparable to ISO 14000.

In addition, the Company never had dispute or be accused in environmental matter and no expense related to negative environmental impact. However, the Company had expenses of maintaining standards included preserving hotel's environment which are normal operation expenses.



## **Risk Factors**

Hotel industry is known to be susceptible to a wide range of risks and uncertainties that can adversely affect its success to the greatest extent. For a given hotel company, such risks can be triggered by both internal and external factors; while the first are variable mainly to the Company's operational strength, the latter are, instead, induced by seemingly-uncontrollable incidents. Taken together, these risk factors directly impact upon the efficiency of business operation, eventually resulting in the failure to achieve the Company's goals.

Nevertheless, all risks elaborated herein this report are not exhaustive; there can be either unprecedented risks or ones that their influences are not yet deemed severe to affect the Company in a devastating way. Investors should, therefore, be aware of such unidentified risks and their potential impacts. A due consideration should also be given prior to arriving at any investment decision.

### **➤ Key Risk in Business Opertaion**

#### **Internal Risk Factors**

##### **◆ Risk of Business Expansion Management**

In 2013, the Company has still continued to embark on its long-term business expansion strategy aiming simultaneously at domestic and overseas markets. Such efforts have been put forth to help enhance our competitiveness in a wider market range as well as to mitigate risks of revenue loss triggered by overreliance on domestic market. Nevertheless, the Company has put a greater emphasis on increasing its hotel management services overseas especially in those promising regions, Middle East—United Arab Emirate, Eastern Asia—China, South Asia—India, including Europe and Africa, all of which are deemed major emerging markets with high purchasing power and potentials to grow. In addition to such overseas destinations, the Company has also attempted to expand its hotel management service domestically in a prime location.

In 2012 and 2013, the Company and its subsidiaries earned 1.29 and 1.28 percent of its total revenues respectively from hotel management service which is normally signed under the management agreement within the terms of 2-15 years. Therefore, the Company and its subsidiaries are inclined to encounter with risks caused by the premature cancellation of the agreement or the denial to renew the management contract which will impact the Company's gross revenues. In response to this, the Company and its subsidiaries have improved the terms and conditions of the management agreement in order to reduce the risks arisen from premature cancellation and to mitigate the risk of not obtaining the compensation.

Furthermore, to effectively accommodate its expansion strategy, the Company has revised and contrived all relevant strategies. Additional efforts were also extended to uplift the Company's management standards, ranging from sales & marketing, operations, human resources, finance and IT, to ensure its better work efficiency, enhanced competitiveness and strengthened brand recognition worldwide.

◆ **Risk from New Investment Projects**

In addition to the expansion of its hotel management service, the Company and its subsidiaries have also geared up towards potentially high return investment projects as part of its business expansion strategy. In the past year, the Company has conducted in-depth studies for several investment projects both in domestic and overseas locations. Nevertheless, associated risk factors, together with the return of investment, should be taken into consideration for maximizing the profit of the Company. Despite the fact that a considerable number of studies have been conducted cautiously, the Company still certainly has potential risks from this business movement such as market acceptance, revenues fluctuation, changes in construction cost and related rules and regulation.

To reduce the possible occurrence of such risks, the Company and its subsidiaries have not only employed new skilled and experienced professional to oversee investment projects, but also appointed distinguished private companies with expertise to conduct feasibility studies. The obtained-information from such analysis shall be considered by experienced executive committees before making any decision pertinent to the Company's future investment to ensure the worthwhile returns of each project and the enhancement of the Company's value.

◆ **Risk from Renovation Project Management**

Undeniably, it is of great significance that a hotel property and its facilities be in its best condition to maximize business opportunities. In light of such fact, the Company and its subsidiaries have financially invested in major renovation projects, every 5 to 7 years, to ensure that the standard of five- and four-star hotels are met and to increase the Company's competitiveness in the market.

Implementing a major renovation project is, nevertheless, no simple matter. Reportedly, a number of hotel properties were unable to complete their renovation projects as scheduled due largely to the structural limitations of the properties. Consequently, such renovation project had to be implemented phase by phase, causing the delay in completion of the whole renovation project. Eventually, such delay negatively affects the service and reputation of the hotels. Furthermore, this also leads to risk of cost overrun which not only increases the

expenses of the Company and its subsidiaries, but also decreases the cash flow. However, after the adjustment and standardization of working procedures and workflow of renovation project, the problems and impact caused by the delay of renovation have, thus, been rectified effectively. Renovation projects were completed in accordance with the allocated budget and specified timeframe under the accepted quality.

In 2013, the Company and subsidiaries have spent over Bath 156 million on several renovation projects as well as safety and security systems. Renovation budgets have been approved to uplift safety standards to ensure that appropriate hazard protection systems for the buildings are in place including necessary electricity system and water supply system. As for other renovation projects, the majority of such projects—interior and exterior refurbishment, landscape improvement, infrastructure system, for instance—have been completed as scheduled. Nevertheless, prior to the approval of every renovation project, the Company will take into accounts the worthiness and appropriateness of such project including market conditions simultaneously.

#### ◆ Credit and Financial Security Risk

As of December 31, 2013, the Company and its subsidiaries have long-term loan with financial institutions worth in total of Bath 1,092 million, of which 510 million peso in the credit line of Philippine Hotelier, Inc. for renovation projects of Dusit Thani Manila—the repayment period starting from February 2009 until February 2015. Besides, a subsidy of the Company also has a long-term loan caused by the investment in Dusit Thani Maldives, worth in total of USD 41.50 million with the repayment period starting from September 2013 to June 2018.

For both long-term loans which are made under Peso and US Dollar, the Company has made an agreement with the creditors that throughout the loan period, the Company shall maintain its debt-to-equity ratio not to exceed 2:1 and 1.75:1 respectively. If the Company fails to abide with such obligation, it shall be deemed the Company in breach of loan agreement and the creditors may declare the loans to be canceled and any outstanding amounts under the agreement are immediately due and payable. If so, the Company and its subsidiaries cash flow and, ultimately, operation can be affected.

However, as of December 31, 2013, the Company has managed to settle the aforementioned principals including interests thereof in a timely manner. In addition, the Company has successfully maintained its debt-to-equity ratio at 0.79:1, in accordance with the Company's debt-to-equity policy not to exceed 1:1.



## **External Risk Factors**

### **◆ Risk from High Competition and Increase of Competitors**

A continuous increase of competitors in high potential locations has dramatically intensified the competition landscape. Not surprisingly, therefore, the Company has been competing with a wide range of competitors, ranging from local, domestic and international hoteliers—some of which are international hotel chains with a highly effective management system and lower financial costs. Furthermore, serviced apartments and/or private hospitals providing an accommodation for short-staying guests are also considered the Company’s competitors.

The arrival of such competitors in different locations, especially among major gateway cities, has caused the excessive room supplies in comparison to the slackening demands triggered by various factors. Taken together, the Company’s market share has decreased, eventually affecting to the revenue generation and financial performance.

In addition to that, food and beverage industry has also been competitive and ever-changing. The growing number of restaurants—both hotel’s in-house and standalone—has made the competition in food business apparently fiercer. With a wide variety of alternatives and services that come in a different price and atmosphere, consumers are consequently spoiled for choices.

To mitigate the risk of high competition, the Company and its subsidiaries have committed in providing the best quality of service to the customers. Continuous efforts have been exerted on employee training and development, which are deemed vital to the success of the business. An equal emphasis has also been given to improving the appearances of hotel properties, ensuring the modern, elegant and well-equipped image for the customers. Furthermore, the Company has fine-tuned its marketing strategies, accentuating the unique selling points of each hotel properties as well as improving the competitive advantages of the Company to maintain its market share. An effective control of operating costs was imposed throughout the Company to enhance its competitiveness.

### **◆ Risk from Thailand’s Unstable Economy and Political Instability**

In 2013, Thailand has seen its sluggish economic growth owing to the deceleration of private sector’s consumption and investment. However, the country’s tourism industry has continuously expanded in accordance with the growing number of tourist arrivals from almost every part of the world especially those from China and Russia. Also, the increase of international direct flights to several major city destinations has led to a significant growth of

Thailand's hospitality industry. Nevertheless, the country's political unrest that took place in the second half of the year and apparently intensified in the last quarter of 2013 to the beginning of 2014 has adversely affected Thailand's tourism industry especially in Bangkok.

Nonetheless, the Company and its subsidiaries have been well aware of such risk. In response to that, the Company has promptly adjusted its marketing strategy and diversified its sources of revenues to other regions to avoid overreliance on a particular stream of revenues. In addition, a contingency plan together with security measures was developed to ensure the continuity of business and the reduction of loss that may occur.

#### ◆ Risk from Natural Disasters

Natural disasters such as storm, flood and earthquake cause direct impacts to the country's hospitality and tourism industry especially during the past few years where the effects of such act of god have become detrimental and unprecedented. In light of this, the Company has entered into Global Liability Insurance policy with well-known insurance companies to help cover all possible damages to the customers worldwide (Third Party Liability). In addition, the Company has also made Business Interruption Insurance to ensure that the sufficient amount of compensations shall be paid when the business is interrupted. Moreover, the Company has established its Insurance Committee, responsible for considering insurance related issues and policies. In the past years, the Company has been sufficiently compensated for the physical loss of properties and interrupted business.

The Company has also instituted several risk mitigating measures that help reduce the impacts of such risks. To cite an example, crisis management plan and evacuation drill were made an official policy to be stringently followed by all hotel properties.

#### ◆ Risk from Global Economic Crisis

The world's economy in 2013 remained stagnant. European economy, in particular, showed a slight growth and gradual recovery from its financial crisis that has marred European Union over the past three years. In addition, U.S. economy was reported to be continuously improving as signified by several economic indicators—ascending real estate index, descending unemployment rate, for instance. Despite such positive signs, U.S. FED (Board of Governors of the Federal Reserve System) has continued to impose the Quantitative Easing measure due to its ever-changing financial vulnerability. Nonetheless, Asian economy especially those of China, India and newly industrialized countries—such as South Korea, Taiwan, Singapore and Hong Kong—has been growing significantly and, thus, considered a critical drive that will help the world's economy to recover in the future.



#### ◆ Interest Rate Risk

As of 31 December 2013, the Company and its subsidiaries have current liabilities with financial institutions, worth of Baht 1,940 million, and are inclined to make additional loans for further renovation and new investment projects. This means that the Company may have potential risks caused by the fluctuation of interest rate in the future. If so, it will subsequently have a direct impact upon the Company's performance and cash flow.

In addition, in search of a new financial resource, the Company, with the resolution arrived at a Shareholder Meeting, has approved the issuance of the debentures worth in total of Baht 5 billion (5,000,000,000) which allows the Company to fix its interest rate under the agreed term. This will help the Company in managing risks caused by the fluctuation of interest rate.

However, the Company has also been mitigating this risk by not allowing the ratio of Debt to Equity to exceed 1:1. This is to help reduce the Company's burdens for both interest and principal payment.

#### ◆ Exchange Rate Risk

Due to the fact that the Company generates part of its total revenues from overseas properties in Philippines, the Republic of the Maldives and other managed hotels abroad, this makes the Company exposed to the risk of fluctuating exchange rate. According to the hotel management and marketing agreements made with the Company's business partners, it was clearly stated that such management fee shall be paid in U.S. Dollar only; whereas, a number of room selling contracts, room payment and package payment can be paid in other currencies such as Pound, Yen and Euro. Moreover, rooms sold via website are also quoted in U.S. Dollar. Consequently, in a case where Thai currency is appreciated, it will result in the decrease of the Company's revenues.

However, no significant impact has been seen by such risk for the major revenues of the Company and its subsidiaries are still in Thai Baht. Therefore, no contract for exchange rate risk was hitherto made. Nevertheless, whenever the Company foresees the greater impact this risk would have on the Company's revenues, the Company shall consider employing financial instruments to cope with such risk accordingly.

As for loans made in other foreign currencies which might be affected by the fluctuation in exchange rate, there shall be no impact to the Company as the source of revenues to be paid for such loan is in the same currency.

## ➤ **Investment Risk of Shareholders**

### ◆ **Risk Arising from The Company Being a Major Shareholder (more than 25 per cent)**

As of the latest book closing date, 19 March 2013, group of Thanpuying Chanut Piyaoui and related persons hold 42,439,833 shares, accounting for 49.93 percent of the Company's total paid-up shares. Therefore, it is possible that a resolution made by the major shareholder may dominantly impact shareholders meeting resolutions, except those resolutions pertinent to laws and regulations that require three-fourths of the shareholder votes. Nevertheless, the Board of Directors and high-level executives of the Company shall stringently adhere to the principles for Good Governance to ensure ultimate management transparency.

### ◆ **Low Free Float /Stock Trading Liquidity Risk**

As of the latest book closing date, 19 March 2013, the majority of the Company's shares, 70,298,610 shares that account for 82.70 percent of the total shares, are held by 26 common shareholders who are strategic shareholders. Whereas, other 14,214,369 shares which account for 16.72 percent, are held by non-strategic shareholders. This results in a low free float in the Stock Exchange Market and, hence, triggers low stock trading liquidity. The shareholders are, therefore, exposed to the risk of not being able to immediately trade their stocks at a desirable price.



## Subsidiary and Associated Companies

Subsidiary and associated companies of which the Company held direct and indirect more than 10% of total paid-up shares.

No.	Name	Percentage of share holding	Nature of Business	Paid up Capital (Million Baht)	Shares			Address
					Category	Amount (Shares)	Par per share (Baht)	
1.	Dusit Thani Properties Co.,Ltd.  (Formerly Dusit Thani International Co., Ltd.)	99.99	Holding Company	800	Ordinary shares	80,000,000	10	946 Dusit Thani Building, 5 <sup>th</sup> Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel. +66 (0) 2200-9999 Fax. +66 (0) 2636-3545
2.	Philippine Hoteliers, Inc., Held by Dusit Thani Properties Co.,Ltd.  <b>Remark</b> * Excluding Treasury Preferred Shares	88.01	Hotel And Management	Peso 365 mn.*	Ordinary shares	3,648,701*	Peso 100	3 <sup>th</sup> Floor., Dusit Thani Manila , Ayala Center, Makati City 1223 Metro Manila, Philippines Tel. (632) 867-3333 Fax. (632) 867-3888
3.	Dusit Thai Properties Plc. Held by - Dusit Thani Plc. - Dusit Thani Properties Co., Ltd.	2.75  84.05	Hotel	825	Ordinary shares	82,500,000	10	946 Dusit Thani Building, 5 <sup>th</sup> Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel. +66 (0) 2200-9999 Fax. +66 (0) 2636-3545
4.	Dusit Worldwide Co., Ltd.	99.99	Management	50	Ordinary shares	5,000,000	10	946 Dusit Thani Building, 3 <sup>rd</sup> Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel. +66 (0) 2200-9999 Fax. +66 (0) 2636-3630
5.	Dusit Overseas Co., Ltd. is held by Dusit Worldwide Co., Ltd.	100.00	Management	HKD 33,000	Ordinary shares	33,000	HKD 1	Suite 3001-022, 30/F, Great Eagle Center, 23 Harbour Rd Wanchai, Hong Kong.
6.	Devarana Spa Co., Ltd.	99.99	Spa	8	Ordinary shares	800,000	10	946 Dusit Thani Building, 9 <sup>th</sup> Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel. +66 (0) 2200-9999 Fax. +66 (0) 2233-1655
7.	Le Cordon Bleu Dusit Co., Ltd.	49.99	Cooking School	40	Ordinary shares  Preferred Shares	399,999  1	100  100	946 Dusit Thani Building,1stFloor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel. +66 (0) 2237-8877 Fax. +66 (0) 2237-8878



No.	Name	Percentage of share holding	Nature of Business	Paid up Capital (Million Baht)	Shares			Address
					Category	Amount (Shares)	Par per share (Baht)	
8.	Dusit Bird Hotels Pvt. Ltd.	50.00	Management	Rs. 28.6 mn.	Ordinary shares	2,860,000	Rs 10	E-9, Connaught House, Connaught Place, New Delhi – 110001, Delhi, INDIA
9.	Dusit Management Co., Ltd.	99.99	Hotel Operation	4	Ordinary shares	400,000	10	946 Dusit Thani Building, 5 <sup>th</sup> Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel. +66 (0) 2200-9999 Fax. +66 (0) 2636-3545
10.	Dusit Thani Freehold and Leasehold Property Fund	30.02	Property Fund	4,094	Unit Trust	409.40	10	195 Empire Tower, 32nd Fl., South Sathorn Rd., Yannawa, Sathorn, Bangkok, 10120 Tel. +66 2686 6100 Fax. +66 2670 0430
11.	DMS Property Investment Private Limited held by Dusit Thai Property Plc.	55.00	Hotel Operation	USD 38.5 mn.	Ordinary shares	38,500,000	USD 1	Level 2, Orchid Maage', Ameer Ahmed Magu, Male', Maldives
12.	Dusit USA Management Inc.	100.00	Management	USD 40,000	Ordinary shares	40,000	USD 1	2711 Centerville Road, Suite 400, in the City of Wilmington, Country of New Castle, 19808, State of Delaware, U.S.A.
13.	Dusit China Capital Co., Ltd.	99.99	Holding Company	40.8	Ordinary shares	6,800,000	6	946 Dusit Thani Building, 5 <sup>th</sup> Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel. +66 (0) 2200-9999 Fax. +66 (0) 2636-3545
14.	Dusit Fudu Hotel Management (Shanghai) Co., Ltd.* Held by Dusit China Capital Co., Ltd. <b>Remark</b> * a limited liability company under the Republic of China's law which the registered capital is not specified as a share	45.00	Management	RMB 18 mn.	-	-	-	305A at 2nd – 3rd Floors, Tower One, No. 1287 Shang Cheng Road, Pudong New District, Shanghai, People's Republic of China
15.	Dusit Thani Laguna Singapore Pte. Ltd.	25.01	Hotel Operation	SGD 1 mn.	Ordinary shares	10,000	SGD 100	11 Laguna Golf Green, Laguna National Golf & Country Club, Singapore 488047



## Shareholders

### 10 Major Shareholders

Structure and detail of 10 major shareholders and other minor shareholders as of the latest book closing date, March 19, 2013 are as follows:

Name	No. of shares	%
1. Group of Thanpuying Chanut Piyaoui and related persons	42,439,833	49.93
2. MBK Hotels and Resorts Company Limited	9,920,500	11.67
3. PIONEER INETWORK LIMITED	8,765,072	10.31
4. Group of Mr. Vichit Chinwongworakul and related person	4,718,800	5.55
5. Group of Mr. Chatri Sophonpanich and related person	4,383,939	5.16
6. Thai Life Insurance Public Company Limited	2,188,243	2.57
7. BARCLAYS BANK PLC, HONG KONG	1,950,000	2.29
8. Mr. WANG KONG-WEI	1,451,600	1.71
9. Thai NVDR Company Limited	736,534	0.87
10. Prospack International Company Limited	550,000	0.65
<b>Total</b>	<b>77,104,521</b>	<b>90.71</b>
Other Minor Shareholders	7,895,479	9.29

Authorized share capital	850,000,000	Baht
Par value	10	Baht/share
Number of issued and paid-up ordinary shares	85,000,000	Shares
<u>Less</u> Repurchase ordinary shares by Dusit Thani Properties Co., Ltd.	<u>(471,500)</u>	Shares
Total weighted average of number of ordinary shares	<u>84,528,500</u>	Shares

*Remark: 1. Group of Thanpuying Chanut Piyaoui and related persons consist of Chanut and Children Co., Ltd., group of Mr. Chanin Donavanik, group of Mrs. Sinee Thienprasiddhi and group of Mrs. Sunong Salirathavibhaga.*

*2. MBK Hotels and Resorts Company Limited performs hotel business, major shareholder is MBK Public Company Limited which is a listed company on the Stock Exchange of Thailand, shareholding 99.99 percent of the total shares of MBK Hotels and Resorts Company Limited.*

*3. PIONEER INETWORK LIMITED is Investment Holding, major shareholders are as follows:*

*(1) Pioneer Industries (Holdings) Limited, shareholding 50 percent of the total shares. In addition, Pioneer Global Group Limited, a listed company on the Hong Kong Stock Exchange holds 100 percent of the total shares of Pioneer Industries (Holdings) Limited*

*(2) Add Return Company Limited, shareholding 50 percent of the total shares. In addition, Mrs. Rossana Wang Gaw holds 100 percent of the total shares of Add Return Company Limited*

*4. Group of Mr. Vichit Chinwongworakul and related person consist of Mrs. Charunee Chinwongworakul*

*5. Mr. Chatri Sophonpanich and related person consist of Mrs. Savitri Ramyarupa*

#### **Free Float**

Percent Shares in Minor Shareholders (% Free Float) of the Company as of the latest book closing date, March 19, 2013 which shareholders have the rights to attend the Annual General Meeting of Shareholders No. 20/2013 equivalent to 16.72 percent

## Dividend Policy

### ➤ Policy of the Company

The Company has a policy to pay dividends to its shareholders in the amount of not less than 50 percent of consolidated net income by consideration the result of operating in the consolidated financial statements including the result of operating and retained earnings presented in the Company financial statements to assure that the ability of paying such dividend is not opposed the Public Limited Companies Act. In addition, on August 11, 2011, the Board of Directors Meeting No. 7/2011 resolved to change the policy for allocation of dividend payment by not paying interim dividend.

In 2013, the Company paid dividend for the year of 2012 by retained earnings appropriation at Baht 1.00 per share, totally Baht 85 million.

### ➤ Policy of the Subsidiaries

As for the dividend policy of the Company's subsidiaries, the Company does not fix any particular rates of dividend payment which will be paid to the Company. It depends on the operating results and Statement of Cash Flow of each subsidiary and the Board of Directors of that subsidiary will make the decision concerning dividends on a case-by-case basis after considering the sufficiency of cash flow and legal reserve. However, the dividend payment shall not exceed unappropriated retained earnings of each subsidiary.

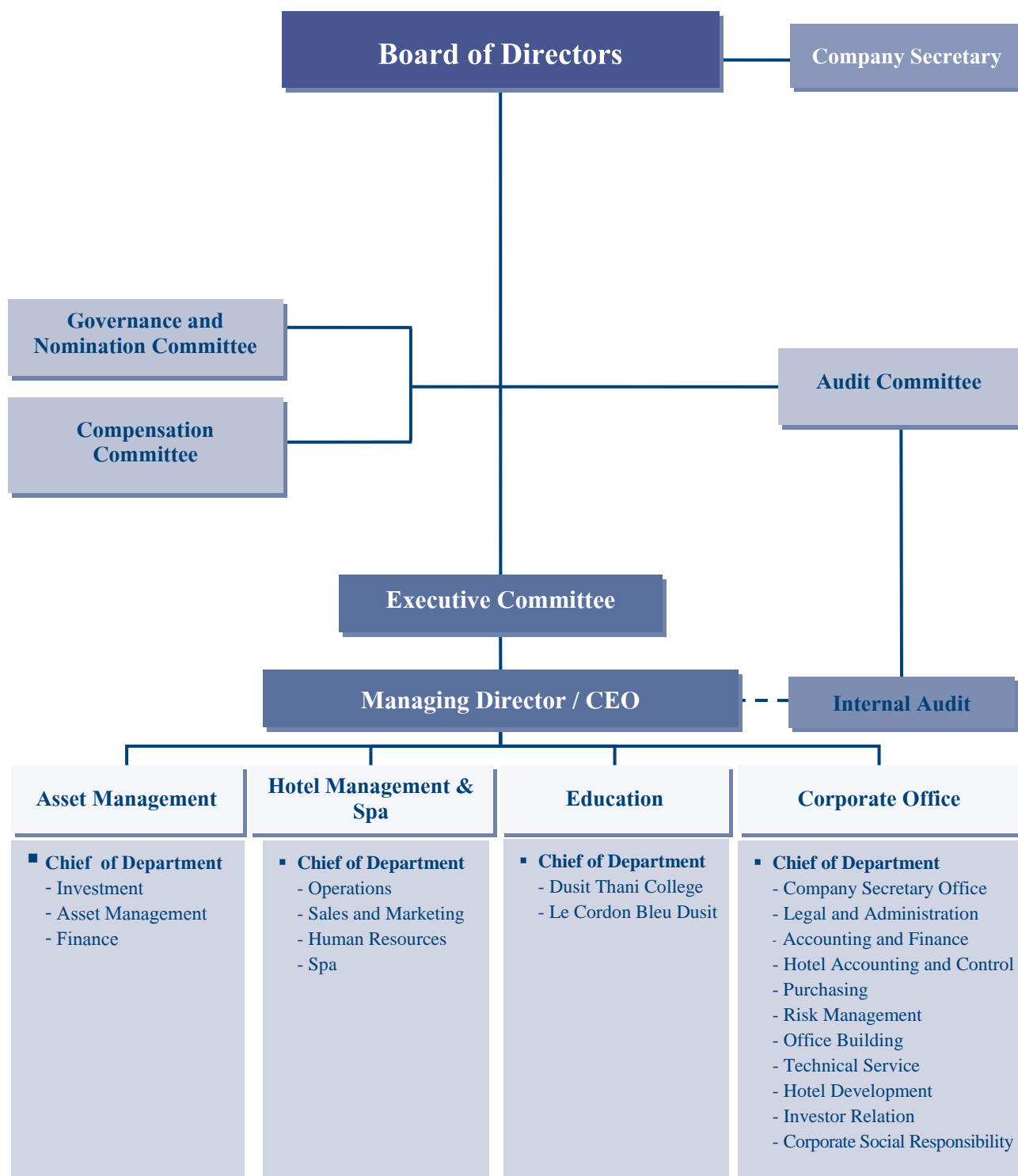
### ➤ The Company's Dividend Payment History

Details of Dividend Payment	Year 2012	Year 2011	Year 2010	Year 2009	Year 2008
1. Net Profit (Million Baht)	156	31	108	(108)	217
2. Number of Shares (Million Shares)	85	85	85	85	85
3. Net Profit (Loss) per share (Baht/Share)	1.86	0.37	1.28	(1.28)	2.56
4. Dividend for the year (Baht/Share)	1.00	0.50	0.50	0.50	1.00
5. Total Dividend (Million Baht)	*85	**42.50	42.50	*42.50	85
6. Dividend: Net Profit Ratio (%)	54	137	39	-	39

Remark      \* Appropriated from retained earnings

                 \*\* Appropriated from profit and retained earnings

## Management Structure as of December 31, 2013



Presently, Dusit International categorizes the management structure into 4 parts as follows:

## **1. Asset Management**

Asset Management's purpose is to add value as much as possible to the assets by utilizing it effectively, productively and considering investment in hotel business and related.

Currently, the Company owns 7 hotels listed below;

- Under the trademark of Dusit Thani, there are 4 hotels with 5-star;
  1. Dusit Thani Bangkok
  2. Dusit Thani Pattaya
  3. Dusit Thani Manila
  4. Dusit Thani Maldives
- Under the trademark of Dusit Princess and Royal Princess, there are 3 hotels with 4-star;
  1. Royal Princess Chiang Mai
  2. Dusit Princess Srinakarin
  3. Dusit Princess Korat

Dusit International has formalized team members to screen any investment in various projects. Hence, the Company will take the most favorable returns and risk factors into consideration.

## **2. Hotel Management & Spa**

Hotel Management & Spa's purpose is to minimize line of authority and maximize the mobility of administrative work in order to make decision faster which is vital towards our business expansion with high competition in nature. In response to business's transparency, sound supervision and control, the Company has specified scope of authority and authorization to certain executives. If certain item is beyond their authorization, line of approval process will be taking place as specified. Hotel management departments are as follow:

- Operations Department
- Sales & Marketing Department
- Human Resources Department
- Spa

After Dusit's Re-branding taking place, Dusit International has identified and standardized our own hotel's products and services discernibly in accordance to our 5 trademarks consisting "Dusit Thani", "Dusit Princess", "dusitD2", "Dusit Devarana", and "Dusit Residence". Individual's hotel has uniquely distinguished in its trademark in order to best tailor to different and various clienteles and guests.

### **Devarana Spa**

Devarana Spa is offering health-related service (spa) whose aim is to create and develop spa service in 5-star hotel with sophisticate service. Devarana Spa emphasizes the combination of therapeutic science both from the East and West with its uniqueness of Devarana Spa. Its interior design reflects an atmosphere of ultimate relaxation in an intimate sanctuary. Hence, Devarana Spa has now become an Asia's top-end spa destination available in the following locations;

- Devarana Spa Bangkok, Dusit Thani Bangkok
- Devarana Spa Hua-Hin, Dusit Thani Hua Hin
- Devarana Spa Pattaya, Dusit Thani Pattaya
- Devarana Spa Chiang Mai, dusitD2 Chiang Mai
- Devarana Spa Manila, Dusit Thani Manila
- Devarana Spa Maldives, Dusit Thani Maldives

### **Naam Spa**

Naam Spa is offering health-related service (spa) for 4-star hotel whose concept depicts simplicity and straightforward both design and service.

### **3. Education**

Dusit Thani Public Company Limited launched its hospitality management education business since 1993, with the objectives of expanding more education units, both in Thailand and overseas, especially where Dusit's hotels are located for preparing professional workforce and manpower to work in Dusit's hotel as well as global hospitality industry. Since then, the Company's education business has grown into large scale, both domestically and internationally.





## **Dusit Education Business Units**

### **(1) Dusit Thani College**

Dusit Thai Properties Plc. is grantee of the license to establish Dusit Thani College, provides the bachelor and master degrees in culinary, tourism, hotel management and other programme related to hotel and tourism business.

### **(2) Le Cordon Bleu Dusit Co., Ltd.**

Le Cordon Bleu Dusit Co., Ltd. is a joint venture between Dusit Thani Plc. and Le Cordon Bleu International B.V. The Company was established with the purpose of founding Le Cordon Bleu Dusit Culinary School. The School and its courses have been accredited by the Ministry of Education. The joint venture officially opened on July 2008.

## **4. Corporate Office**

Corporate Office is purposed for management of the Company's policy, vision and direction including determine the regulations, operation and internal control to be in line with the standard and conform to the overall group. The authority and responsibility of each department is clearly separated for the mobility of administrative work and maximize benefit to overall organization management. Corporate office is under Chief Executive Officer (CEO) and Chief Financial Officer (CFO) except Internal Audit Department which is under the Audit Committee.

Corporate Office consists of the followings departments:

- Company Secretary Office
- Legal and Administration
- Accounting and Finance
- Hotel Accounting and Control
- Internal Audit
- Purchasing
- Risk Management
- Office Building
- Technical Service
- Hotel Development
- Investor Relation
- Corporate Social Responsibility

## ➤ Board of Directors

As of December 31, 2013 the Company had General Prem Tinsulanonda as a Chairman Advisor, Mr. Khwankeo Vajarrodya and Mr. Banterng Tantivit as Advisor to the Board of Directors.

The Board of Directors of the Company consists of 12 directors as follows:

No.	Name	Position	No. of meetings attended in 2013
1.	Thanpuying Chanut Piyaoui**	Honorary Chairperson and Director	-/7
2.	Mr. Chatri Sophonpanich	Chairman	7/7
3.	Pol.Lt. Chatrachai Bunya-Ananta	Director	6/7
4.	Mrs. Varang Chaiyawan	Director	5/7
5.	Mr. Kenneth Korsirisophon	Director	2/7
6.	Mr. Chanin Donavanik	Director / Managing Director	7/7
7.	Mrs. Sinee Thienprasiddhi	Director / Secretary to the Board of Director / Company Secretary	7/7
8.	Professor Hiran Radeesri	Independent Director / Audit Committee Chairman / Governance and Nomination Committee Chairman / Compensation Committee Chairman	7/7
9.	Professor Sansern Kraichitti	Independent Director / Audit Committee Member / Governance and Nomination Committee Member/ Compensation Committee Member	7/7
10.	Mr. Sakdi Kiewkarnkha	Independent Director / Audit Committee Member / Governance and Nomination Committee Member/ Compensation Committee Member	7/7
11.	Mrs. Pranee Phasipol*	Independent Director / Audit Committee Member /	5/5
12.	Mr. Soradis Vinyaratn	Independent Director	5/7

*Remark \* The Annual General Meeting of Shareholders No. 20/2013 held on April 29, 2013 had approved the resolution to appoint Mrs. Pranee Phasipol as the additional Independent Director which effective from April 29, 2013 onwards.*

*In addition, the Board of Directors Meeting No. 3/2013 held on May 13, 2013 resolved to appoint Mrs. Pranee Phasipol as the additional Audit Committee Member which effective from May 13, 2013 to April 2016.*

*Some directors were unable to attend every Board of Directors Meeting due to business matters and health problems.*

*The Company has 5 Independent Directors and 4 Audit Committee Member which the number and qualifications are in accordance with related notifications.*

*In addition, Non-Executive Directors had the meeting on November 19, 2013 without the management.*

*\*\* Thanpuying Chanut Piyaoui has resigned as the Director of the Company due to health problems with effective on February 24, 2014, the Board of Directors Meeting No. 1/2014 held on February 24, 2014 unanimously resolved to appoint Mrs. Pratana Mongkolkul to replace Thanpuying Chanut Piyaoui with effective from February 25, 2014 onwards. However, Thanpuying Chanut Piyaoui is still holding a position of Honorary Chairperson.*



**Shareholding of Director and related party at December 31, 2013 comparing with December 31, 2012**

Dusit Thani Public Company Limited								
No.	Name	Shareholding						
		Held by himself/herself		Held by Related Party		Total		Increase (Decrease)
		2013	2012	2013	2012	2013	2012	
1	Thanpuying Chanut Piyaoui	-	-	42,447,567	42,439,833	42,447,567	42,439,833	7,734
2	Mr. Chatri Sophonpanich	4,325,666	4,373,866	10,073	10,073	4,335,739	4,383,939	(48,200)
3	Pol.Lt. Chatrachai Bunya-Ananta	-	-	-	-	-	-	-
4	Mrs. Varang Chaiyawan	-	-	2,194,508	2,194,508	2,194,508	2,194,508	-
5	Mr. Kenneth Korsirisophon	-	-	8,765,072	8,765,072	8,765,072	8,765,072	-
6	Professor Hiran Radeesri	-	-	-	-	-	-	-
7	Professor Sansern Kraichitti	5,406	5,406	61,660	61,660	67,066	67,066	-
8	Mr. Sakdi Kiewkamkha	-	-	-	-	-	-	-
9	Mrs. Pranee Phasipol*	-	NA	-	NA	-	NA	-
10	Mr. Soradis Vinyaratn	-	-	-	-	-	-	-
11	Mr. Chanin Donovanik	Included in Thanpuying Chanut Piyaoui's group						
12	Mrs. Sinee Thienprasiddhi	Included in Thanpuying Chanut Piyaoui's group						
	<b>Total (Share)</b>	<b>4,331,072</b>	<b>4,379,272</b>	<b>53,478,880</b>	<b>53,471,146</b>	<b>57,809,952</b>	<b>57,850,418</b>	<b>(40,466)</b>

*Remark \* Appointed as a director on April 29, 2013*

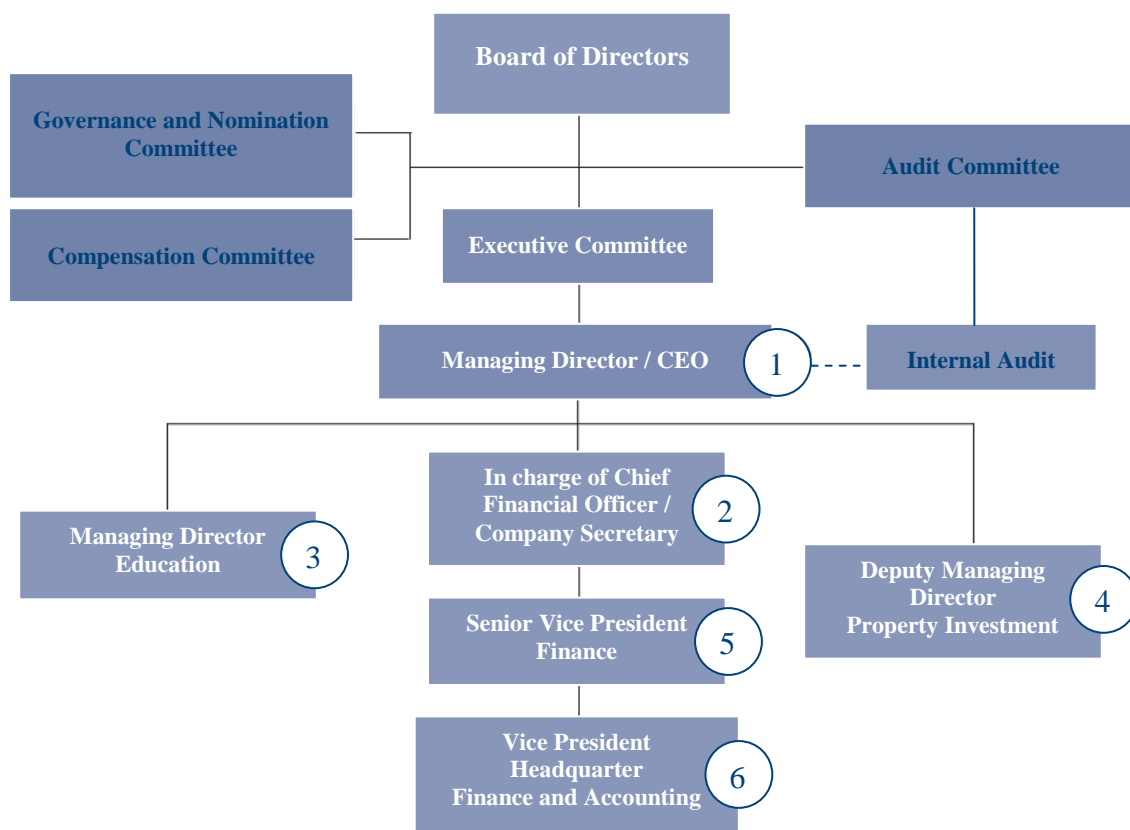
**Authorized Directors**

Directors who have authorized to sign to bind the Company are Thanpuying Chanut Piyaoui, Pol. Lt. Chatrachai Bunya-Ananta, Mr. Chanin Donovanik, and Mrs. Sinee Thienprasiddhi. Two of these Directors must jointly sign and affix the Company's seal.

*Remark : On March 5, 2014, the Company has changed Authorized Directors which the Directors who have authorized to sign to bind the Company are Pol. Lt. Chatrachai Bunya-Ananta, Mr. Chanin Donovanik and Mrs. Sinee Thienprasiddhi. Two of these Directors must jointly sign and affix the Company's seal.*

## ➤ Management Team

### Management Organization Chart as of December 31, 2013



(Name and experience of Management Team is in attachment)

No.	Name	Position
1	Mr. Chanin Donavanik	Managing Director / Chief Executive Officer
2	Mrs. Sinee Thienprasiddhi	In charge of Chief Financial Officer / Company Secretary
3	Mr. Khampi Suwanarat	Managing Director – Education
4	Miss Surang Jirattigalachote	Deputy Managing Director – Property Investment
5	Mr. Chamnarnsil Charmnarnkit	Senior Vice President – Finance
6	Mrs. Jongkonnee Chantavorakit	Vice President – Headquarter Finance and Accounting

*Remark: 1. On July 1, 2013, Mr. David Ian Shackleton was transferred from the Executive of Dusit Thani Public Company Limited to Dusit Worldwide Co., Ltd. which is subsidiary company.*

*2. Miss Surang Jirattigalachote was appointed as Deputy Managing Director – Property Investment on October 4, 2013*

*3. Mrs. Jongkonnee Chantavorakit is holding the position of manager or equivalent in accounting or finance departments according to the definition of the Securities and Exchange Commission Notification.*

In 2013, executives who are not directors did not hold/purchase/sell the Company's share.



➤ **Company Secretary**

The Board of Directors Meeting No.4/2008 held on August 11, 2008 had approved the appointment Mrs. Sinee Thienprasiddhi as a Company Secretary with the following manners:

**1. Duties and responsibilities by the law**

1.1 To provide and file the document as following to comply with the law

- (a) Director Registration
- (b) Invitation for the Board of Directors Meeting, Minute of the Board of Directors Meeting and Company's Annual Report
- (c) Invitation for The Annual General Shareholders Meeting and Minutes of The Annual General Meeting of Shareholders

1.2 File interest transaction report which reported by Director or Management

1.3 To perform any other duties according to the Capital Market Supervisory Board Notification

1.4 To perform any other duties according to Public Limited Companies Act and Securities and Exchange Act

1.5 To perform the duties with responsibility, cautious and honesty inclusive of performing according to the law, Company Objective, Company's Articles of Association, The Board of Directors Resolution and the Shareholders Resolution.

**2. Duties and responsibilities to The Board of Directors**

2.1 To provide report of interest which report by the Director or Management and propose to Chairman and the Board of Directors according to the regulation of the Securities and Exchange Commission and the Stock Exchange of Thailand.

2.2 Report to the Board of Directors regarding new law which concerns the company business including additional item, regulation and notification of the Securities and Exchange Commission and the Stock Exchange of Thailand and report to the Chairman of Audit Committee within 7 days from document receiving date and file that document as evidence.

2.3 Monitor Directors to perform their duties and has the resolution to comply with the law, regulation and notification of the Securities and Exchange Commission and the Stock Exchange of Thailand.

2.4 To provide guidance and support in working performance to Directors as individual and group, especially Directors who are not executives for performing their appropriate duties inclusive of purpose the appropriate training and seminar to Directors.

2.5 Monitor and coordinate with Directors and Subcommittee to receive the information for their consideration and decision, gathering and screening the document of the Board of Directors Meeting in order to comply with the good governance and suggests the point which Directors need to propose to Chairman.

2.6 Coordinate with Chairman and Managing Director in order to provide the agenda for the Board of Directors Meeting.

2.7 To provide accuracy share or securities holding report of Directors according to the regulation of Securities and Exchange Commission and summarize to the Board of Directors in the agenda of the matter for acknowledgement.

2.8 To perform any other duties assigned by the Board of Directors.

### **3. Duties and responsibilities to Management**

3.1 Follow up with the Management performing the resolution and suggestion of the Board of Directors.

3.2 Monitor and follow up with the Management performing according to the law and regulation concerning company business.

3.3 Monitor and follow up with the Management performing with business morality or ethics and good governance policy.

3.4 To provide share or securities holding report of the Executive according to the regulation of Securities and Exchange Commission and the Stock Exchange of Thailand.

### **4. Duties and responsibilities to Shareholder**

4.1 To communicate and provide the appropriate information to shareholder of the Company according to the regulation

4.2 To take care of shareholders to receive the equal performance from the Company with convenience and fast.

4.3 Being a center in contacting with various institutes and minor investors, especially concerning with the good governance matter.

### **5. Others**

5.1 Monitor and prepare shareholders meeting to be compliance with the law, accuracy and transparency.

5.2 Coordinate with the Board of Directors and Management for the preparation of shareholders' meeting agenda.

5.3 Being center for communication, information and news among the Board of Directors, Management, Shareholders, Securities and Exchange Commission and Stock Exchange of Thailand including the relevant organization.

### **Term**

In the event that the Company Secretary is removed or being an incompetent person, the Board of Directors shall appoint the new Company Secretary within 90 days from the date of such removal or become an incompetent person of such Company Secretary. The Board of Directors shall authorize one of any of directors to act on behalf based on temporary basis for such period of time.



➤ **Remuneration for Directors and Management**

The Company has set up the fair and reasonable compensate to directors. The Compensation Committee will consider the remuneration by considering together with the appropriateness of work and responsibilities of each director, the Company's financial position and compare with other companies in the same level business. The remuneration for the year 2013 as follows:

• **Remuneration in Cash**

**1. Meeting Remuneration:**

Remuneration to the Company's directors consisted of the following:

- Monthly remuneration to Chairman is Baht 15,000 and to other directors is Baht 10,000 each.
- Timely remuneration to Chairman is Baht 20,000 and to other directors is Baht 15,000 each.

Remuneration to the sub-committee which are:

- Audit Committee: the monthly remuneration to the Chairman of the Audit Committee is Baht 30,000 and to other members is Baht 20,000 each.
- Governance and Nomination Committee and Compensation Committee, the timely remuneration to Chairman is Baht 10,000 and to other members is Baht 7,500 each.

**2. Annual Remuneration:** The annual remuneration to directors is considered and approved by the Annual General Meeting of Shareholders.



In 2013, the summary of remuneration received by each director was as follows:

Director’s names	Year 2013				
	Board of Directors			Other committees *	Total Remuneration
	Remuneration			Remuneration	
	Monthly	Timely	Yearly		
1. Thanpuying Chanut Piyaoui	120,000	-	70,800	-	190,800
2. Mr. Chattri Sophonpanich	180,000	140,000	141,600	-	461,600
3. Pol. Lt. Chatrachai Bunya-Ananta	120,000	90,000	70,800	-	280,800
4. Mrs. Varang Chaiyawan	120,000	75,000	70,800	-	265,800
5. Mr. Kenneth Korsirisophon	120,000	30,000	70,800	-	220,800
6. Mr. Chanin Donovanick	120,000	105,000	70,800	-	295,800
7. Mrs. Sinee Thienprasiddhi	120,000	105,000	70,800	-	295,800
8. Professor Hiran Radeesri	120,000	105,000	70,800	450,000	745,800
9. Professor Sansern Kraichitti	120,000	105,000	70,800	307,500	603,300
10. Mr. Sakdi Kiewkarnkha	120,000	105,000	70,800	307,500	603,300
11. Mrs. Pranee Phasipol**	80,000	75,000	-	140,000	295,000
12. Mr. Soradis Vinyaratn	120,000	75,000	70,800	-	265,800
<b>Total (Baht)</b>	<b>1,460,000</b>	<b>1,010,000</b>	<b>849,600</b>	<b>1,205,000</b>	<b>4,524,600</b>

Remark: \*Including Audit Committee, Governance and Nomination Committee and Compensation Committee

\*\* Appointed on April 29, 2013

#### Remuneration for Board of Directors

Remuneration*	Amount (Baht)	
	Year 2012	Year 2013
Monthly and timely remuneration	3,800,000	3,675,000
Annual remuneration	424,800	849,600
<b>Total</b>	<b>4,224,800</b>	<b>4,524,600</b>

Remark: \*Excluding remuneration to Advisor to Board of Directors

In addition, the entertainment allowance is provided for each Director Baht 120,000 per year.

In 2013, the actual entertainment spent by all directors was Baht 1,061,377.

### Remuneration for Executives

Year	Amount (Person)	Amount (Million Baht)		
		Salary and bonus	Other benefits	Total
2013	5	24.50	2.41	<b>26.91</b>
2012	13	46.03	6.74	<b>52.77</b>

*Remark 1. Remuneration for Executives in year 2013 decreased from year 2012 in the amount of Baht 25.86 million or 49 percent because the Company appointed new executive, Miss Surang Jirattigalachote on October 4, 2013, in a position of Deputy Managing Director - Property Investment. Therefore, 5 executives who held position equivalent to the fourth executive in year 2012 are excluded in 2013 according to the definition of the Securities and Exchange Commission Notification.*

*2. Remuneration for Executives in year 2012 included remuneration of Mrs. Jongkonnee Chantavorakit as the next four executives succeeding the manager. However, remuneration for Executives in years 2013 excluded remuneration of Mrs. Jongkonnee Chantavorakit who is holding the position of manager or equivalent in accounting or finance departments which is not in a position equivalent to the fourth executive according to the definition of the Securities and Exchange Commission Notification.*

The Company has 3 Executive Directors. In 2013, there was no remuneration for Executive Directors.

- **Other Remuneration**

- Other Remuneration for Board of Directors**

- None -

- Other Remuneration for Executives**

- The Company provides Provident Fund which the contribution by the Company is 5 percent of the Executives' salary. In 2013, the money contributed by the Company for 5 Executives was Baht 0.94 million.

- **Human Resources**

- **Total Employees**

- In 2013, the Company has 3,451 employees consist of the Company and subsidiaries employees, own hotels employees included hotels under Dusit Thani Freehold and Leasehold Property Fund, totaling 10 hotels.

- **Employees' Remuneration**

In 2013, the Company paid employees' remuneration in the amount of Baht 615.95 million which are salary, over time, cost of allowance, bonus, medical expense, uniform, meals, social security fund and money distributed to provident fund. In addition, the subsidiaries paid similar remuneration to their employees in the amount of Baht 853.82 million which the details are as follows:

Year 2013	Dusit Thani Plc.	Dusit Thai Properties Plc.	Dusit Management Co., Ltd.	Dusit Worldwide Co., Ltd.	Devarana Spa Co., Ltd.	Le Cordon Bleu Dusit Co., Ltd.	Philippine Hoteliers, Inc.	Dusit Overseas Co., Ltd.	DMS Property Investment Private Limited	Dusit Fudu Hotel Management (Shanghai) Co., Ltd.	Dusit Bird Hotels Private Limited	Total
Hotel Employees (person)	1,107	472	874	-	21	-	374	-	268	-	-	3,116
Executives (person)	12	4	3	4	1	1	1	-	1	-	-	27
Corporate Office Employees (person)	176	8	-	47	7	50	1	3	-	15	1	308
<b>Total (person)</b>	<b>1,295</b>	<b>484</b>	<b>877</b>	<b>51</b>	<b>29</b>	<b>51</b>	<b>376</b>	<b>3</b>	<b>269</b>	<b>15</b>	<b>1</b>	<b>3,451</b>
<b>Employees' Remuneration (THBmillion)</b>	<b>615.95</b>	<b>154.37</b>	<b>267.44</b>	<b>79.62</b>	<b>13.06</b>	<b>25.26</b>	<b>140.10</b>	<b>19.55</b>	<b>140.66</b>	<b>11.99</b>	<b>1.77</b>	<b>1,469.77</b>

Remark: The Company has no significant change in number of employees or labor dispute in past 3 years.

## Employee Development Policy

The Company believes that the growth of the Company depends on the quality of employees. As such, the employee development policy mainly focuses on knowledge and skill development of employees at all levels to strengthen the enterprises potentials together with the successfulness of the Company. This shall include:

### ▪ Continuing Developing Employee's skills

Development employee's skill is the essential for Human Resource. The Company then focuses on every employee level to continue their training in order that they will be the best specialist to serve the expanding of business in future. The Company set up the training budget and hours for each employee level as follows:

Level	Budget (Baht) / Employee / Year	Hours / Employee / Year
1. Executive	30,000	48
2. Department Head	20,000	48
3. Manager or equivalent	10,000	48
4. Officer	7,000	48
5. Agent	5,000	48

The Company assigns the development process by training, rotating the employee to challenge the employee's ability and experience in new position, such as Mini-MBA in Hospitality Management for Dusit International Executives to increase knowledge and ability to senior staff level of Dusit Thani Group in Hotel Administration section by covering subjects related to business management in the future as well as appoint and promote employees to suit their responsibilities.

### ▪ Development of organization by Dusit Weekly News

In order to be ready for future growth of the Company, Dusit Weekly News has been implemented every Monday morning before working hours. This will communicate all employees to understand the Company's objective and direction to meet the objective in the same direction. Dusit Weekly News is covered the weekly news, working thought and ideas including vision and direction. It also opens for employee to express their opinion in order to develop or improve the effectiveness of the Company's operation.

### ▪ Improving performance by KPIs

The Company has intention to have all management and employees set their working plan in accordance with the Company's direction and goal which can efficiently support the operation to the same direction. The Company has set up the Vision and Direction every year. Each department then set up their business strategy and business plan, so their employee can set up their objective and individual KPIs (Key Performance Indicators) in order to support the Company's operation and their responsibilities. The KPIs will be used as a standard to evaluate employee performance.

## Corporate Governance

### ➤ Policy on Good Corporate Governance

The Board of Directors has emphasized on the Good Corporate Governance which is necessary to operate the Company's business for sustainable growth, increasing transparency and competitive capability as well as creating trust and confidence to the shareholders, investors and stakeholders. Thus, the Board of Directors has determined the policies to promote the Good Corporate Governance which consist of the main principles as follows;

1. Rights of Shareholders
2. Equitable Treatment of Shareholders
3. Roles of Stakeholders
4. Disclosure and Transparency
5. Board Responsibilities

### Important Definition

Wording	Definition
Managing Director	Chief Executive Officer (CEO)/ Managing Director (MD)
Executive Director	The Executive who is appointed as Director of the Company.
Non-Executive Director	The Company's Director who is not the Executive.
Independent Director	The Company's Director who is qualified by the law and independent to provide opinions to improve the performance of the Company's performance to be progressive, transparent and to have Good Corporate Governance.
Sub-Committee	The Subordinate-Committees appointed by the Board of Directors and delegated to assist and determine specified work.
Audit Committee	The Sub-Committee is appointed by the Board of Directors responsible to oversee the efficiency and effectiveness of internal operation, to ensure the completeness, correctness and reliability of the Company's financial report and to disclose the correct important information to comply with international standard by having sufficient and standard internal control and internal audit systems.

Compensation Committee	The Sub-Committee is appointed by the Board of Directors to be responsible to consider the Directors and top Executive's
Governance and Nomination Committee	The Sub-Committee is appointed by the Board of Directors to be responsible to nominate persons to be Director and top Executive and oversee the Company's performance, the disclosure of Investor Relations part and the performance of the Board of Directors, Sub-Committee, Executives and Employees to have Good Corporate Governance complying with the Company's policy and relevant laws, including consideration of the Company's policy and action plan relating to Corporate Social Responsibility.
Company Secretary	The person is appointed by the Board of Directors to be responsible to prepare and keep the invitation letter of the Meetings and Minutes of the Board of Directors' Meeting and Shareholders' Meeting, including other important documents as assigned or specified by the law.

### 1) Rights of shareholders

All shareholders have equitable rights. In this regard, the Company shall support and facilitate shareholders, including Institutional Investors to exercise their rights and shall not perform any action to infringe or lessen the rights of shareholders as follows;

- 1.1 All shareholders have the right to vote equivalent to the amount of shares possess and have basic rights such as the right to trade shares independently, receive dividend equally, attend the Shareholders' Meeting and express their opinions independently, participate in decision-making for important matters of the Company such as appointment of Director and Auditor, approval of Director's remuneration and significant transactions of the Company.
- 1.2 The Company has provided an opportunity to shareholders to vote for appointment of individual Director in order that shareholders can actually vote for each Director.
- 1.3 The Company has provided an opportunity to shareholders to propose an agenda in the Shareholders' Meeting, to nominate candidate for the Company's Director and to submit questions regarding an agenda of the Shareholders' Meeting, 3 months prior to the fiscal year-end date. The shareholders who would like to propose such matter shall hold or combine shares proportion not less than 4 percent of the Company's issued shares.

1.4 The Company has held the Annual General Meeting of Shareholders (AGM) within 4 months after end of the Company's fiscal year in proper date, time and location which the Company will send the notice of the meeting together with supporting documents containing accurate and sufficient information of the background, objectives and Directors' opinions regarding to the propose agenda and inform to shareholders not less than 14 days prior to the meeting.

In addition, in case that significant matter occurs during the year and requires resolution from the Shareholders' Meeting, the Company shall hold the Extraordinary General Meeting of Shareholders.

1.5 The Shareholders' Meeting Practices are as follows;

- Prepare shareholder registration by using bar code system which displays each shareholder's registration number in order to facilitate shareholders and expedite registration process.
- Allow the shareholders to fully exercise their voting right in each agenda. The Company shall use the vote counting method which is transparent, convenient, fast and effective and can promptly display voting results to the meeting.
- Entitle shareholder who attends the meeting after the meeting has begun to have the right to vote in an agenda which is still under consideration and has no resolution yet, and is counted for a quorum commencing from an agenda which the shareholder attends and votes.
- Allow shareholders to provide their opinions, suggestions or submit questions in the agenda independently before voting and shall record the question and answer evidently. In this regard, the Company shall provide sufficient information to shareholders in such matter. In addition, the Company shall appoint the Directors or related persons to answer shareholders under the Board of Directors' responsibility.
- After the Shareholders' Meeting has finished, the Company shall make the Minutes of the Shareholders' Meeting with complete details together with voting results consisting of vote for approved, disapproved and abstained in each voting agenda and send to the Stock Exchange of Thailand (SET) within 14 days after the meeting and publicize it on the SET website and the Company's website at [www.dusit.com](http://www.dusit.com) in order that the Minutes of the Shareholders' Meeting can be verified by shareholders.

1.6 The Directors and the Executives are responsible for shareholders; therefore, it is their responsibility to attend the Shareholders' Meeting in order that shareholders can inquire information about the Company.



## **2) Equitable Treatment of Shareholders**

The Company shall place importance on shareholders and treat all shareholders equally as the Company's owner and no shareholder has special privilege over another shareholder as follows;

- 2.1 The Company has entitled shareholders to vote by one share one vote.
- 2.2 The Company has provided an opportunity to minority shareholders to participate in the Director's nomination by nominating candidate for the Company's Director prior to the AGM.
- 2.3 All shareholders have equitable right to obtain important information in the same time such as the Company's operating results, the acquisition and disposition of assets, the connected transaction under the SET rules and regulations or the Securities and Exchange Commission (SEC) which the Company shall publicize the news on the Company's website and the SET website.
- 2.4 The Company has facilitated shareholder who cannot attend the meeting by authorizing a proxy holder or Independent Director on his behalf to attend and vote in the Shareholders' Meeting. In this regard, the Company makes a proxy form which shareholder can vote, in accordance with form specified by the Ministry of Commerce and send together with the Notice of the Shareholders' Meeting and supporting documents for each agenda, including notification to shareholders of the shareholders' rights to attend the meeting and the voting right.
- 2.5 The Company has publicized the schedule and agenda of the Shareholders' Meeting on the Company's website not less than 30 days prior to the meeting.
- 2.6 The invitation letter of the meeting and supporting documents are made in Thai and English to facilitate foreign shareholders. In addition, shareholders can download the invitation letter of the meeting, supporting documents and proxy form from the Company's website at [www.dusit.com](http://www.dusit.com)
- 2.7 The Company has determined the policy that the Directors and Executives shall inform the Board of Directors at least 1 day before the date of purchase or sale the Company's shares.

### 3) Roles of Stakeholders

The Company gives importance to all stakeholders both inside and outside the Company in order that the stakeholders shall have equitable and appropriate treatment in accordance with related laws and regulations to preserve stakeholders' right because the Company appreciated stakeholders' support that create competitive capability and profitability to the Company which are long term goals. Thus, the Company has determined the policies of the stakeholders' treatment which a group of stakeholder is classified as follows:

#### 3.1 Employees

- Maintain work safety and work environment regularly.
- Provide employees' welfare such as health insurance, provident fund, medical treatment fee and recompense in accordance with the law.
- Continuously support and promote knowledge improvement and career advancement to the employees in every level.
- Support the employees to utilize their knowledge and capability.
- Give an opportunity in career advancement and growth toward the Company's success.
- Provide the projects to support knowledge and capability improvement.
- Provide appropriate Employees' benefit concerning with knowledge, responsibility and working performance of the individual which conform to the Company's operating results in short and long terms.

#### 3.2 Customers

- Treat customers properly in compliance with the agreed terms.
- Treat all customers fairly and equally.
- Maintain customers' relationship as well as sustainable improvement of customers' relationship.
- Accept customers' suggestions and/or complaints and utilize it to improve customers' satisfaction.
- Oversee customers' safety and security.
- Provide accurate, sufficient and timely information to customers.
- Keep customers' information confidential and not improperly utilize customers' information for personal or related person's benefit.

#### 3.3 Trade Competitors

- Perform the business in strict compliance with trade competition rules.
- Maintain the trade competition practices.
- Not to use dishonest approach to defeat the competitors.

### **3.4 Trading Partners**

- Not to perform its business against the tradition and good custom.
- Perform the business in compliance with contractual terms and conditions or other agreements.
- Treat all trading partners appropriately, equitable and fairly.
- Conduct the standard of trading partners' selection by considering the professional, financial stability, no record of working abandonment, capability to deliver the products and services in time, having appropriate standard of product and service quality and having appropriate price according to the market price.

### **3.5 Creditors**

- Conduct in compliance with contracts and conditions or other agreements.
- Treat all creditors appropriately, equitable and fairly.
- Not to request or receive or provide any dishonest benefits.

### **3.6 Society, Resources and Environment**

- Participate in the projects which support and improve society or communities livelihood.
- Support and associate with the government and communities in the activities of communities, society and educational institutes.
- Promote the company group's employees to have consciousness and responsibility to society, communities and environment.
- Provide the activities or support employees to participate in the training related to environment.
- Perform the business in compliance with relevant laws and regulations concerning environment for sustainable environmental development.
- Support and associate with the projects that aim to preserve and sustain environment.
- Maximize the efficiency and effectiveness of resources, materials or other equipment utilization.
- Control and keep materials and equipment upto standard level to reduce the use of natural resources.

### **3.7 Human Rights**

- Have the policy not involving human rights violation.
- Not to support in any activity violating human rights.

### **3.8 Intellectual Property**

- Perform the business in compliance with the intellectual property law and shall not infringe all intellectual property of others, including patent, trademark and copyright.
- Not to support the employees to copy or adapt the intellectual property of others for personal benefit or others.

### **3.9 Anti-Corruption and Bribery**

- Support the government and private sector in Anti-Corruption measure.
- Not to request or receive money, assets or any other benefits from related business parties unless such receipt is owing to traditional providing.

3.10 The Board of Directors shall provide channel for all stakeholders to contact and file a complaint in the matters which may cause damage to the Company by submitting a letter to the Audit Committee and implement the policy of whistleblower protection.

## **4) Information Disclosure and Transparency**

The Company perceived that financial information and non-financial information of the Company have an effect on investor and stakeholders' decision; therefore, the management was determined to thoroughly disclose the complete and transparent information in time to ensure that the shareholders can acquire the information for making decision in time which the management consistently places importance and adheres in strictly practice as follows;

4.1 The Company has disclosed shareholding's structure with transparency.

4.2 Information disclosed in the Annual Report is as follows;

- Financial status and operating results
- Nature of the business operation and competition
- The risk factors in the business operation
- The Board of Directors and the Executives backgrounds
- Identification of the Independent Director
- The Directors' remuneration procedure
- Top Executives' remuneration policy and procedure
- Individual Director's remuneration
- Number of meetings attended by each Director

4.3 The Company has disclosed the complete information of the connected transaction which specifies the name of connected persons, relationship, details of transaction, conditions, pricing policy and transaction size. In addition, in case that such transaction is a connected transaction which the Company shall disclose information or requires shareholders' approval under the SET regulations, the Company shall disclose the details and causes of the connected transaction to inform shareholders before proceeding such transaction.



- 4.4 The Company has determined that the Directors and the Executives shall report on shareholding and/or change in shareholding to the SEC under Section 59 of the Securities and Exchange Act B.E. 2535 (Amended B.E. 2551).
- 4.5 The Company has determined that the Directors shall report their shareholding in the Company to the Board of Directors' Meeting annually.
- 4.6 In case the Company has information or news relating to the Company's operations such as the connected transaction or occurrence of important events which the shareholders should be informed. Although such matters do not require approval from the Shareholders or they are not enforced by the law to disclose, the Company shall disclose such matters to shareholders or other investors via the Company's website or the SET website.
- 4.7 The Company has appointed the Auditors which are independent and credible, and have approbation from the SET.
- 4.8 In order to facilitate shareholders and investors to access the Company's information conveniently and equally, the Company has provided the communication of the Company's information via the following channels.
- The Annual Report
  - The Company's website
  - Analyst Meeting
  - Newsletter presenting the Company's financial status
  - The SET website
- 4.9 The Company has presented its updated information on the Company's website, [www.dusit.com](http://www.dusit.com)
- 4.10 Regarding the Investor Relation part, The Company has assigned top Executives to communicate with the investors, financial institutes, including the analysts and related government sectors.

## **5) The Board of Directors' Responsibility**

The Board of Directors consists of the persons possessing a variety of knowledge and skills. They have important role in determining the Company's policy with top Executives, including business operation planning, risk management and overall image of the Company. Thus, the Company has determined the policies and responsibilities of the Board of Directors as follows;

- 5.1 The Board of Directors has determined the Company's Good Corporate Governance policy.
- 5.2 The Board of Directors has determined the business ethics policy and code of conduct for the Directors, the Executives and the Company's employees.
- 5.3 The Board of Directors has considered, reconsidered and approved on the Company's vision and mission annually, including consideration and approval of strategies, goals, business plans, investment and budget as proposed by the Managing Director and the management, including ensuring that the management performs the business operation efficiently and effectively in accordance with the business plans and budget to create profitability to the Company and maximum benefit to shareholders.
- 5.4 The Board of Directors has determined and categorized roles, duties and responsibilities of the Board of Directors, Sub-Committees, Executive Directors and management clearly and conveys those roles, duties and responsibilities to the Board of Directors, Sub-Committees, management and the Company's employees.
- 5.5 The Board of Directors has overseen and monitored the Managing Director to manage the business in accordance with the specified policies and regulations.
- 5.6 The Board of Directors has determined the policy to each Director to be appointed as a Director, not exceeding than 5 listed companies.
- 5.7 The Board of Directors has determined the policy for the Managing Director to be appointed as Director of the other companies that the Managing Director shall not be appointed as a Director in the other companies which have same business as the Company except being Director of the subsidiaries.
- 5.8 The Board of Directors has determined the terms of the Director, not exceeding than 3 years. When the tenure has ended, the Director may be proposed to the Shareholders' Meeting for re-election.
- 5.9 The Board of Directors has a duty to oversee the Company's operation to comply with the law and regulations of SEC and SET.
- 5.10 The Board of Directors is responsible for the Consolidated Financial Statement of the Company and its subsidiaries and financial information in the Annual Report. The said Financial Statement is made according to the certified Thailand accounting standard by using suitable accounting policy and constantly performing, and carefully considering with the best estimation in making, including disclosure of sufficient information in the Note to Financial Statement.

- 5.11 The Board of Directors has determined that the Managing Director shall report the actual operating results comparing with the goal set to the Board of Directors at least every quarter in order to comply with the goal, including the Financial Report and the progress of the operations in other parts.
- 5.12 The Board of Directors has placed importance to the efficiency of the internal control system in both management and operational levels by clearly determining duties and authorities of the performer in writing, controlling the utilization of the Company's assets and separately categorizing the duties among the performer, controller and evaluator to create the appropriate mutual balance and monitoring to ensure that the financial information is accurate, complete and adequate to sustain the Company's assets and acknowledge the weakness to prevent the fraud or significant irregular operations.

The Internal Audit Department has the duties to monitor the Company's operations and financial activities to comply with the specified directions and have efficiency, including the Management Audit and Compliance Control.

- 5.13 The Board of Directors has determined the Internal Audit Department to report on Audit Results directly to the Audit Committee and its performance shall be evaluated by the Audit Committee in order that the Internal Audit Department shall be independent and be able to fully perform examination and balance.
- 5.14 The Board of Directors has provided an orientation for new Director by informing the Company's information, rules and regulations, including the information relating to the Company's business operation.
- 5.15 The Directors have participated in the training course relating to the Director's practices.
- 5.16 The Board of Directors has supported the Directors to continuously participate in the training courses or seminars which improve knowledge of operations.
- 5.17 The Board of Directors' Meeting shall be held minimum 6 times a year. In case the Company has no meeting by monthly, the Company shall send the report of operating results to the Board of Directors in the month which has no meeting in order that the Board of Directors could oversee, control and monitor the operation of the Company's Management in time and continuously.



The Directors shall attend the Board of Directors' Meeting constantly for acknowledgement and consideration of the matters proposed by the Managing Director and the management. The agendas shall be clearly specified prior to the meeting. The meeting shall be called occasionally in case that there is extraordinary matter to be considered besides those agendas specified in advance. In this regard, the Company Secretary shall send the notice of the meeting together with the meeting agenda at least 5 working days in advance prior to the meeting in order that the Board of Directors shall have sufficient time to consider the matters before the meeting.

After the meeting has finished, the Company Secretary has the duty to prepare the minutes of the meeting to propose to the next Board of Directors' Meeting for certification in the first agenda and have Chairman of the Board of Directors to sign to certify. However, the Directors can provide their opinions or amend the minutes of the meeting to the utmost accuracy.

The certified Minutes of the meeting shall be kept as confidential document at the Company Secretary Office.

- 5.18 The Non-Executive Director has held the meeting as necessary without the management for discussing the problems related to the management.
- 5.19 The Board of Directors has determined the risk management policy to apply to the overall Company's organization and provided the risk management manual as a guideline to manage risks in every functions of the Company.
- 5.20 The Board of Directors has carefully overseen when the transaction might have the conflict of interest or be connected transaction by carefully considering in every transaction. In case that the voting is required, the Interested Director shall not have the right to vote in such agenda, and the SET regulations shall be followed by disclosing the details, transaction size, contract party, cause and necessity of the transaction in the Annual Report and Forms 56-1.
- 5.21 Regarding to the use of internal information, the Directors, the Executives or the department are prohibited to disclose internal information to third party or unrelated person and trade shares by using internal information of the Company and its subsidiaries, including no trading of the Company's shares within 1 month before publication of the Company's Financial Statement.



- 5.22 The Board of Directors has determined the Directors and the Executives to report on the Interest Report under Section 89/14 of the Securities and Exchange Act B.E. 2535 (Amended B.E. 2551) annually and/or when information is changed.
- 5.23 The Board of Directors has clearly separated roles and responsibilities among the Board of Directors and the management.
- 5.24 The Board of Directors has evaluated self-performance annually in accordance with the SET guideline for collaborative consideration and adjustment of the performance and problems.
- 5.25 The Board of Directors has evaluated the performance of the Chief Executive Officer who is the highest executive of the Company in accordance with the SET criteria.
- 5.26 The Governance and Nomination Committee has responsibilities to consider organizational structure and component of the Board of Directors of the Company and its subsidiaries, considered the lists of qualified persons to be appointed as Director of the Company and its subsidiaries. In this regard, the structure of the Board of Directors must have diversity of skills, professions, specialize, gender etc., including consideration and nomination of qualified person to be appointed as the Company's top Executive to the Board of Directors for ensuring that the Company has the Executives possessing knowledge, skills, and capabilities which can be the successor of important position in the future.

Furthermore, regarding the nomination of the Company's Directors, the Board of Directors has responsibility to implement the Board Skill Matrix to specify the qualifications and skills of the qualified persons for nomination of Directors who possess skills of hotel business, finance and accounting, foreign investment and law by considering of important deficient skill in the Board of Directors and use Director Pool as the data base for new director nomination.

- 5.27 The Chairman of the Board of Director is not an Independent Director; however, the Chairman of the Board of Director does not act as the Executive or the employee of the Company.
- 5.28 The Chairman of the Board of Director is not the same person with the Managing Director who has clear separated roles, authorities and responsibilities in order to create the balance between the management and corporate governance.
- 5.29 The Board of Directors has determined the definition of independence for the Directors in accordance with the SEC criteria and disclosed it in the Annual Report.

5.30 The Board of Directors has determined the policy to balance authorities of the Directors as follows;

- The Board of Directors consists of Non-executive Directors not less than 1/3 of the total number of the Directors.
- The Board of Directors consists of Independent Directors not less than 1/3 of the total number of the Directors.

5.31 The Board of Directors has appointed the Sub-Committees to assist in overseeing the Company's business operation as follows;

#### **Audit Committee**

- 1) The Audit Committee consists of at least three persons which are one Audit Committee Chairman and Audit Committee Members. All members of the Audit Committee must be Independent Director, appointed by the Board of Directors, having full qualifications as specified by SEC and SET, with at least one member having sufficient knowledge and experience for reviewing the reliability of financial report. Moreover, one secretary shall be appointed as suitability.
- 2) Term of the Audit Committee member is 3 years. Each member shall be in post no longer than 3 terms except getting a special approval by the Board of Directors.
- 3) The biography and qualifications of the members of the Audit Committee are disclosed in the Annual Report and Forms 56-1.
- 4) Meetings of the Audit Committee shall be convened at least 4 meetings per year. The number of the Audit Committee's Meetings and meetings attended by the Audit Committee are disclosed in the Annual Report.

#### **Duties and Responsibilities**

1. To review the accuracy and adequacy of the Company's financial reporting.
2. To ensure that the Company has an effective internal control system and internal auditing in place and also ensure the independency of the Internal Audit Department and to approve the appointment, transfer, termination or promotion of the head of Internal Audit Department or other relating Internal Auditing.
3. To review the Company's compliance with the Securities and Exchange Commission Act, the SET notifications & regulations, and the relevant laws relating to the Company's business.

4. To consider the independent person to nominate, reappoint and terminate as the Company's external auditor and propose its remuneration and to participate in the meeting with the external auditor without the Company's management at least once a year.
5. To ensure that the related transactions or transactions that may lead to conflict of interest has been done in compliance with the laws and the SET notifications & regulations so as to ensure that they are justified and contribute to the best interest of the Company.
6. To review an adequacy of the Company's Risk Management processes.
7. To report the Audit Committee's performance to Board of Directors at least quarterly.
8. To prepare the Audit Committee's report and disclose it in the annual report of the Company and signed by the Chairman of the Audit Committee in such a report. Such report should contain at least the following details:
  - 8.1) Comment on the accuracy, adequacy and reliability of the Company's financial report.
  - 8.2) Comment on the adequacy of the Company's internal control system.
  - 8.3) Comment on the compliance with the SEC Act, the SET's notifications or relevant laws related to the Company's businesses.
  - 8.4) Ground to believe that the Company's external auditor nominated by the Audit Committee is suitable.
  - 8.5) Comment on transactions that may lead to conflict of interest.
  - 8.6) The frequency of Audit Committee meeting and the participation of each members.
  - 8.7) Overview comments and notices on the Company which the Audit Committee obtains from the duties according to this charter.
  - 8.8) Any other report which should be made to the shareholders and general investors within the scope of duties and responsibilities assigned by Board of Directors.
9. To perform any other duties assigned by Board of Directors
10. If Audit Committee finds any matter which significantly impact on the financial status and the Company's performance, the committee shall report such matter to Board of Directors so that the Board can seek a solution within timely manner:

10.1) Report on conflict of interest

10.2) Suspected or presumed fraud or irregularity or material defect in the internal control system

10.3) Suspected infringement of the SEC Act, the SET notifications & regulations, or relevant laws related to the Company's business

If the Audit Committee finds that such finding has been unreasonably ignored, any member of the Audit Committee may report such finding to the Office of the SEC or the SET.

11. If external auditor has reasonable doubt that Board, Management or any other responsible persons for the Company's performance violate the laws and report to Audit Committee to urgently investigate, the Committee must primarily report investigating results to the office of SEC and external auditor within 30 days since the day acknowledged. The method to pursue the facts of such behavior as mentioned will be in accordance with Capital Market Supervision's notification.

### **Compensation Committee**

- 1) Compensation Committee consists of at least three persons which are one Compensation Committee Chairman who must be Independent Director and Compensation Committee Members. Majority of the Compensation Committee members shall be Independent Director and appointed by the Board of Directors.

The Compensation Committee shall monitor the changing of the Company's performances for further improvement of the Company's rules on remuneration determination and must be able to independently perform the duties, express opinions and report on the performance of the assigned duties.

- 2) Term of the Chairman of Compensation Committee and Compensation Committee Member is 3 years each, ending at the Annual General Meeting of Shareholders. A retiring member is eligible for re-appointment.
- 3) Meetings of the Compensation Committee shall be convened at least 2 meetings per year. The number of the Compensation Committee's Meetings and meetings attended by the Compensation Committee are disclosed in the Annual Report.

### **Duties and Responsibilities**

1. Recommend the policy and payment methods of the remuneration for the Board of Directors and Sub-Committees of the Company and subsidiary companies which appointed by the Board of Directors, both in the form of cash and non-cash.
2. Recommend the policy to consider the remuneration for the top executives of the Company and subsidiary companies, both in the form of cash and non-cash, in line with the Company's operating results before proposing the Board of Directors for approval annually.
3. Regularly review, study, and monitor the changes and trends in remuneration for the Board of Directors and the Management of the Company, as compared to the remuneration offered by other listed companies operating in the same business in order to motivate the Board of Directors and the Management to operate for the Company's advancement.
4. Perform other duties as assigned by the Board of Directors.

### **Governance and Nomination Committee**

- 1) Governance and Nomination Committee consists of at least three persons which are one Governance and Nomination Committee Chairman and Governance and Nomination Committee Members. All members of the Governance and Nomination Committee shall be Independent Director and appointed by the Board of Directors.

The Governance and Nomination Committee must have good knowledge and understanding on corporate governance, be able to independently perform the duties, express opinions, report on the performance of the assigned duties and be neutral in looking for and selection of persons qualified for nomination to hold the position of the Company's directors, replacing those whose terms of office expired or for other cases.

- 2) Term of the Chairman of Governance and Nomination Committee and Governance and Nomination Committee Member is 3 years each, ending at the Annual General Meeting of Shareholders. A retiring member is eligible for re-appointment.
- 3) Meetings of the Governance and Nomination Committee shall be convened at least 4 meetings per year. The number of the Governance and Nomination Committee's Meetings and meeting attended by the Governance and Nomination Committee are disclosed in the Annual Report.

## **Duties and Responsibilities**

1. Responsible for governing and monitoring the Company's business operation, disclosure information of Investor Relations part and the operation of the Board of Directors, Sub-Committees, management and employees to strictly comply with the Good Corporate Governance, the Company's policy and related law and regulations.
2. Determine the scope and review the policy of the Company's operation and make recommendations concerning the Good Corporate Governance and keeping it up-to-date.
3. Consider CSR policy and operating plans to be submitted to the Board of Directors for approval.
4. Consider organizational structure and component of the Board of Directors of the Company and its subsidiaries.
5. Consider the lists of qualified persons to be appointed as Director of the Company and its subsidiaries.
6. Consider and determine qualified persons to be appointed as Managing Director and top executives of the Company and formulate the Succession Plan of the top executive.
7. Recommend a process of performance evaluation of the Board of Directors and the Sub-Committees, and utilizing such information for improvement of work efficiency.
8. Perform other duties as assigned by the Board of Directors.

## **Risk Management Committee**

The Company has appointed the Risk Management Department and the Risk Management Committee which consist of the Managing Director and one top Executive from the Operation Department, one top Executive from the Education Department and two top Executives from the Corporate Office who are responsible to maximize the efficiency of overall risk management by considering the risk factors in Strategic Risk, Operation Risk, Financial Risks and Compliance Risk. In this regard, the Risk Management Department shall prepare Risk Management Report and report on the progress of risk management to the Board of Directors' Meeting quarterly. In addition, the Risk Management Department has provided risk management training to all hotel supervisors in order to comply with the risk management concepts and policies for overall Company's organization.

## **Company Secretary**

The Board of Directors appointed the Company Secretary on August 11, 2008 which is responsible to prepare and keep the documents correctly and completely in accordance with the law and to perform any duty specified in the notifications of the Capital Market Supervisory Board, the Public Limited Companies Act and the Securities and Exchange Act.



## **The Company's Business Ethics**

In order to comply with the Principles of the Good Corporate Governance particularly the principles of responsibility, transparency, honesty, morality and perseverance for the growth and stability of the Company as well as for teamwork and social responsibility, Dusit Thani Public Company Limited has determined the Company's Business Ethics and Code of Conduct for the Board of Directors, the Executives and the Company's employees as follows;

### **Business Ethics**

1. The Company shall perform its business with the consideration of the efficiency, effectiveness, transparency, in adherence to the responsibility with stakeholders and create appropriate return on investment for the investors including create the advancement and sustainable growth to the Company.
2. The Company shall continuously improve the management and other operations to increase competitive capability.
3. The Company shall perform its business in compliance with the law, the standard and the best practice on the business operation and the disclosure of financial information.
4. The Company shall have responsibility to the environment of the society and promote the sustainable development by participating according to the Company's status.

## **Code of Conduct for the Board of Directors, the Executives and the Employees**

### **Code of Conduct for the Board of Directors**

#### **1. Responsibilities to the Company**

- 1.1 The Board of Directors shall conduct in compliance with the Company's Business Ethics.
- 1.2 The Board of Directors shall conduct in compliance with the law, the objectives and the Articles of Associations of the Company, including the resolutions of the Shareholders' Meeting.
- 1.3 The Board of Directors shall conduct in compliance with the Code of Best Practice for Directors of Listed Companies and relevant regulations of the SET, SEC and related authorities.
- 1.4 The Board of Directors shall conduct their duties with responsibility, honesty, morality and caution for the Company's interest.
- 1.5 The Board of Directors shall not seek illegal benefit for personal interest from their duties and shall not perform any action that may directly or indirectly violate the Company's reputation.
- 1.6 The Board of Directors shall consistently seek knowledge of the Company's business, including relevant laws, rules or related regulations affecting a Director's duty.



## **2. Responsibilities and Practices to Shareholders**

- 2.1 The Board of Directors shall perform the duties according to the resolutions of the Shareholders' Meeting with honesty, justice and be circumspect to preserve shareholders' interests both short-term and long-term.
- 2.2 The Board of Directors shall preserve all shareholders' benefits equally.
- 2.3 The Board of Directors shall manage the business in accordance with the goals and directions which maximize shareholders' benefit.
- 2.4 The Board of Directors shall oversee the Company to disclose information and present important information of the Company, including other operations correctly, completely, consistently and timely.

## **3. Responsibilities and Practices to Stakeholders**

- 3.1 The Board of Directors shall treat all shareholders fairly and equally.
- 3.2 The Board of Directors shall provide safety systems and good welfare to the customers and employees.
- 3.3 The Board of Directors shall oversee and promote the Company to perform its business in compliance with trade framework and fair competition.
- 3.4 The Board of Directors shall not request or receive any illegal benefits, and not support the providing of any benefits to acquire personal or companion's benefits.
- 3.5 The Board of Directors shall support to provide channels for the stakeholders to file a complaint.
- 3.6 The Board of Directors shall conduct in compliance with the laws and the rules relating safety, occupational health and environment or other relevant regulations.
- 3.7 The Board of Directors shall support and associate with the government and communities in activities of the society, environment, educational institutes and political activity, including preservation of the tradition where the Company is located.
- 3.8 The Board of Directors shall create the Company's employees consciousness to be responsible for the society, communities and environment and create the mutual understanding with the community where the Company is located in order to create collaboration.
- 3.9 The Board of Directors shall continuously support the development of employees' knowledge and capability.
- 3.10 The Board of Directors shall listen to opinions and suggestions from the employees in every level equally.





#### **4. Conflict of Interest and Information Disclosure**

- 4.1 The Board of Directors shall monitor and control internal information of the Company and shall not disclose confidential information to third party.
- 4.2 The Board of Directors shall disclose information sufficiently, correctly, timely and transparently in accordance with related regulations.
- 4.3 The Board of Directors shall not seek personal and companion's benefits from their positions, duties and confidential information of the Company.
- 4.4 The Board of Directors shall be careful on transactions among the Company's group by considering of maximum benefit for the Company's group as first priority and shall not act against the rules and regulations of the governments and the Article of Associations of the Company. In case that such transaction is the connected transaction, the Company shall proceed in accordance with the SET regulations.
- 4.5 The Director and the management who have a conflict of interest shall not be involved in the consideration process and shall leave the Board of Directors' Meeting in such agenda.
- 4.6 The Board of Directors shall not be appointed as Director in other companies which may lead to conflict of interest with the Company unless it is approved by the Shareholders' Meeting.

#### **Code of Conduct for the Executives**

##### **1. Responsibilities and Practices to Shareholders**

- 1.1 The Executives shall conduct in compliance with the law, the objectives and the Articles of Associations of the Company including the resolutions of the Shareholders' Meeting with honesty, justice and be circumspect for preserving shareholders' interests both short-term and long-term.
- 1.2 The Executives shall perform the duties with honesty and make a decision in good faith and fair to both major and minority shareholders for maximum benefit of all shareholders.
- 1.3 The Executives shall not manage the Company without carefulness or conscience.
- 1.4 The Executives shall be serious and strict in all activities improving the quality, efficiency and develop the Company to the excellence.

- 1.5 The Executives shall perform the duties by utilizing their knowledge and management skills with all capabilities for maximum benefits of shareholders and the Company.
- 1.6 The Executives shall monitor the Company's assets and prevent of irregular damage or improperly loss.
- 1.7 The Executives shall report the actual status and operating results of the Company completely and correctly to the Board of Directors and shareholders.
- 1.8 The Executives shall not seek personal, companion and others' benefits from their positions and duties.
- 1.9 The Executives shall equally inform all shareholders the prospects of the Company in both positive and negative aspects based on the possibility and sufficient supporting information.
- 1.10 The Executives shall not perform any action causing conflict of interest with the Company without notifying the Company.
- 1.11 The Executives shall not disclose confidential information of the Company to third party, especially to the trade competitors.
- 1.12 The Executives shall not perform any action causing damage to the Company's image and reputation.

## **2. Responsibilities and Practices to the Customers**

- 2.1 The Executives shall satisfy the needs of customers/consumers with the quality products and excellent services.
- 2.2 The Executives shall determine quality level of the products and services accepted by the customers.
- 2.3 The Executives shall disclose complete, correct and fair information such as commercial of the products and services to the customers and shall not distort the fact.
- 2.4 The Executives shall guarantee the products and services under appropriate terms.
- 2.5 The Executives shall not deliver the products and services to the customers when knowing that such products and services are defective or may cause danger to the customers and shall not release the products and services which its qualities are poorer than standard to the customers.
- 2.6 The Executives shall provide the customer service system in order to facilitate the customers to file a complaint on the products and services, and shall specify the best practices to promptly respond to the customers.

- 2.7 The Executives shall minimize the production cost; however, remaining the quality of the products and services according to the standard at all time.
- 2.8 The Executives shall seriously and regularly keep customers' information confidential, including not using customers' information for personal or relevant persons' benefits improperly.
- 2.9 The Executives shall seek alternative service channels to constantly serve the customers.
- 2.10 The Executives shall strictly operate the business to comply with the conditions and contracts agreed with the customers.
- 2.11 In case the terms agreed with the customers cannot be complied, the Executives shall inform the customers in advance for collaborative consideration to find the solution and prevent the damage.
- 2.12 The Executives shall provide safety system for the customers such as fire alarm system and thief deterrent system.
- 2.13 The Executives shall not set an exorbitant price comparing to the quality of the products or services and shall not set unfair commercial term to the customers.

### **3. Responsibilities and Practices to the Employees**

- 3.1 The Executives shall provide appropriate compensation according to each employee's capability, responsibility and performance.
- 3.2 The Executives shall support and improve the employees' knowledge and capability for career advancement and stability.
- 3.3 The Executives shall support the employees to participate in determining of work directions and resolutions for the Company's problems.
- 3.4 The Executives shall oversee and maintain working environment for employee's life safety and health.
- 3.5 The Executives shall determine the rewards and punishments for the employees based on justice and fair.
- 3.6 The Executives shall conduct in compliance with the laws and regulations regarding the labor laws and welfare of the employees.
- 3.7 The Executives shall manage the employees' works by preventing any unfair and improperly actions which may affect career advancement and stability of the employees.
- 3.8 The Executives shall treat the employees in adherence to the humanity and respect individual right.

#### **4. Responsibilities and Practices to the Trading Partners, Trade Competitors and Creditors**

- 4.1 The Executives shall strictly conduct to comply with the agreements with the trading partners and the creditors in the matter of the purpose of money usage, the repayment, the quality control of mortgage securities and any other matters agreed with the creditors. In case the agreement cannot be complied, the Executives shall urgently negotiate with the trading partners and the creditors in advance for collaborative consideration to find the solution and prevent the damage.
- 4.2 The Executives shall provide the actual, correct and complete financial information.
- 4.3 The Executives shall not request, receive or provide any illegal benefits to the trading partners or the creditors. If information indicates the occurrence of any illegal benefits, the Executives shall discuss with the trading partners or the creditors to immediately find the fair solution.
- 4.4 The Executives shall constantly report accurate and financial information to the creditors on time.

#### **5. Responsibilities to the Trade Competition**

- 5.1 The Executives shall perform the trade competition in compliance with fair trade competition framework.
- 5.2 The Executives shall not use dishonest, inappropriate or illegal act to approach confidential information of the trade competitors.
- 5.3 The Executives shall not violate the reputation of the trade competitors by accusing or taking any action without truth or unfair.

#### **6. Responsibilities and Practices to Society, Community and Environment**

- 6.1 The Executives shall support the activities which benefit community and society in general.
- 6.2 The Executives shall consistently return part of the Company's profit to the activities which improve the society.
- 6.3 The Executives shall not perform any action which may damage the reputation of the kingdom, resources and environment.
- 6.4 The Executives shall not perform any action to assist and support or being used as a tool to avoid the laws or other regulations or be harmful to the society and national security.
- 6.5 The Executives shall consistently and seriously implant the spirit of social responsibility to the employees in every level.
- 6.6 The Executives shall strictly conduct or control the practices to comply with the spirit of the laws and regulations released by relevant departments.
- 6.7 The Executives shall not use shareholders' money to support politics.

## **Code of Conduct for the Employees**

### **Responsibilities to the Company**

1. The employees shall perform their duties with responsibility, honesty and loyalty for the advancement and stability of the Company and employees.
2. The employees shall maintain and create the harmony and unity among the employees for collaborative working and effective problems solving as teamwork.
3. The employees shall pay attention and perform the Company's works with dedication and patient to improve the quality, efficiency and profitability of the Company and develop the Company to the excellence.
4. The employees shall use the Company's assets efficiently and economically, maintain the assets to prevent irregular damage or loss, and not to use the Company's assets for personal interest.
5. The employees shall strictly keep information of the customers, trading partners and the Company confidential.
6. The employees shall cooperate and support the works of all colleagues for the Company's interest and shall respect other employees' rights.
7. The employees shall constantly pay attention and support any activity which preserves the environmental and work safety in the workplace to be clean and pleasant.
8. The employees shall provide knowledge and pass on work experiences to colleagues by adhering to the Company's interests and goals.
9. The employees shall not accuse the Company, the Executives and the colleagues without truth and unfair.
10. The employees shall inform the relevant departments or the Executive of any improper or illegal action happening in the Company.
11. The employees shall not seek personal benefit or others' from their duties with bad faith.
12. The employees shall not perform any action which shall violate the Company's image and the reputation.
13. The employees shall seriously and strictly pay attention to all activities which improve the quality, efficiency and development of the Company to the excellence.
14. The employees shall not receive the gift valued more than Baht 2,000 without proper reason.

## **Relationship with Investors**

The Company is aware that both financial and non-financial information could affect investors' decision making and stakeholders. Therefore, the management team strongly emphasizes on the disclosure of significant information that should be done completely, precisely, regularly and timely. For investor relations, the Company has formed Investor Relations Department under Mr. Chamnarnsil Charmnarnkit, Senior Vice President - Finance, to contact with all investors such as institution, shareholders, analysts, and government sectors.

For more information, please contact SET's website: [www.set.or.th](http://www.set.or.th) and the Company's website: [www.dusit.com/investor](http://www.dusit.com/investor)

In case that the investor and others have enquires, they can telephone to the Company at +662 200 9999 Ext. 3671 or e-mail: [ircontact@dusit.com](mailto:ircontact@dusit.com)

## **Sub-Committee**

### **(1) Board of Directors Structure**

Board of Directors structure of the Company consists of Board of Directors and 4 committees which are Audit Committee, Compensation Committee, Governance and Nomination Committee and Executive Committee. The Managing Director is the top executive of the Company who manages the Company through the executives which summarize as follows:

#### **o Board of Directors**

As of December 31, 2013, the Board of Directors of the Company consists of 12 directors which the authorities and responsibilities are as follows:

#### **Authorities and Responsibilities of Board of Directors**

1. Approve the appointment and the remuneration of the Managing Director or CEO and the top executives of the Company and subsidiaries 4 level counted from Managing Director or CEO.
2. Annual evaluation of the CEO
3. Consider and approve the organizational structure and management of the Company and its subsidiaries
4. Determine the strategies, directions and objectives of the Company including its investment policies
5. Consider and approve the annual operating budget, capital expenditure budget and investment projects of the Company and its subsidiaries
6. Follow up the operating results and financial status of the Company and its subsidiaries



7. Consider and approve the related transactions and conflict of interest relating to the purchase or disposal of assets according to the regulation of the Stock Exchange of Thailand (SET)
8. Consider and approve the issues of contingent liabilities, commitments and guarantees of the Company and its subsidiaries
9. Consider any dispute and litigation of the Company and its subsidiaries
10. Consider and approve annual manpower plan, annual bonus payment and salary adjustment of the Company and its subsidiaries
11. Consider and approve the agreement on purchasing, hiring, servicing, renting, and leasing which is not included in the annual budget with exceeding value of Baht 5 million
12. Consider the purchase of the out-of budget items which value more than Baht 5 million, and the over budget expenses exceeding 10% of approved value
13. Consider on renting and leasing assets for a period over 3 years
14. Consider and approve on Quarterly Financial Statements, Annual Financial Statements, Annual filing Forms 56-1 and 56-2, etc. according to the regulation of the SET and the Securities and Exchange Commission (SEC)
15. Consider and determine the responsibilities and authorities of Audit Committee and other committees
16. Propose the appointment of external auditors and audit fees in the Shareholders' Meeting in accordance with Audit Committee's recommendation
17. Propose the director whose tenure will end and the new director in the Shareholders' Meeting
18. Propose the meeting attendance remuneration, bonus for Board Members as well as dividend payment to shareholders
19. Consider and approve on any matters presented by Executive Committee including all matters required by law to present to the Board
20. The Board meeting shall be held minimum 6 times a year with at least 50% of attendants
21. Board of Directors may assign a director or any other persons to take action or have authority for the Board within an acceptable period of time, under the Board's consideration. The Board may abrogate, change or revise the assigned person as appropriate, except for the acquisition and purchase of asset which shall follow the regulation of the Securities and Exchange Commission and the Stock Exchange of Thailand. However, the Board may authorize the Executive Committee to process other assignments within their scope of responsibilities. The authorization shall not involve with any personal issues, interests or other benefits relating to the Company or subsidiary companies, unless the issues reviewed and approved under the objectives and principles of the Board



22. Any directors whose interest relating to the issue shall not be entitled to vote and shall leave the meeting
23. Director shall perform their duties with responsibility, cautious and honesty inclusive of conforming to the law, Company's Objectives, Company's Articles of Association, The Board of Directors Resolution and Shareholders Resolution
24. Director shall perform their duties with responsibility, cautious as an responsible man who are the same kind of business operator will perform under the same situation
25. Director shall report to the Company regarding their interest or concerned person which related to Company business or subsidiary according to regulation, condition and method that announced and specified by the Capital Market Supervisory Board
26. Director shall provide Company Secretary to be responsible and perform as follows:
  - (1) Provide and document storage
    - (a) Director Registration
    - (b) Invitation for the Board of Directors Meeting, Minutes of the Board of Directors Meeting and Company's Annual Report
    - (c) Invitation for the Annual General Meeting of Shareholders and Minutes of the Annual General Meeting of Shareholders
  - (2) Storage of interest report which reported by Director or Management
  - (3) To perform any other duties according to the Capital Market Supervisory Board Notification
  - (4) Any other responsibilities other than the responsibility according to the law, conforming with Chairman Statement

In the event that the Company Secretary is removed or being an incompetent person, the Board of Directors shall appoint the new Company Secretary within 90 days from the date of such removal or become an incompetent person as Company Secretary. The Board of Directors shall authorize one of any of directors to act on behalf based on temporary basis for such period of time.

The Chairman of the Board of Directors shall notify the SEC Office of the name of the Company Secretary within fourteen days from the date on which a person in charge of such position has been appointed and shall notify the SEC Office of the place where the documents under (1) and (2) of the first paragraph are kept.

### **Term**

Term of the Board of Directors shall be in line with the Article of Association of Dusit Thani Public Company Limited, Chapter 4. Director, Clause 14 to 18.





## Responsibilities of the Chairman of the Board of Directors

1. To be responsible as the leader of the Board of Directors to oversee the operations of the Company to achieve the objectives pursuant to the specified plan;
2. To act as the Chairman of the Board of Directors Meeting and the Shareholders' Meeting and ensure that the said meetings run in good order in accordance with the Public Limited Company Act and the Securities and Exchange Act;
3. To have a casting vote in case the Board of Directors Meeting and Shareholders' Meeting has a tie vote.

### o Audit Committee

The Audit Committee was formed on June 24, 1999 by 3 independent directors which each person has 3 years term. In addition, the Board of Directors Meeting No. 3/2013 held on May 13, 2013 resolved to appoint Mrs. Pranee Phasipol as the additional Audit Committee Member which effective from May 13, 2013 to April 2016. Presently, the Audit Committee of the Company consists of 4 persons.

The names and details of Audit Committee's members in year 2013 are as follows:

No.	Name	Position	Meetings attendance (No.)
1.	Professor Hiran Radeesri	Chairman of the Audit Committee	11 / 11
2.	Professor Sansern Kraichitti	Audit Committee Member	11 / 11
3.	Mr. Sakdi Kiewkarnkha	Audit Committee Member	11 / 11
4.	Mrs. Pranee Phasipol	Audit Committee Member	5/6

*Mrs. Jongkonnee Chantavorakit, Vice President Headquarter in Finance and Accounting, is the Secretary to Audit Committee.*

The Board of Directors Meeting No. 6/2013 held on November 13, 2013 had approved the amendment of Audit Committee Charter as follows:

**Composition and Qualification:** The Audit Committee consists of at least three persons which are one Audit Committee Chairman and Audit Committee Members. All members of the Audit Committee must be Independent Director, appointed by the Board of Directors, having full qualifications as specified by SEC and SET, with at least one member having sufficient knowledge and experience for reviewing the reliability of financial report. Moreover, one secretary shall be appointed as suitability.

## **Duties and Responsibilities**

1. To review the accuracy and adequacy of the Company's financial reporting.
2. To ensure that the Company has an effective internal control system and internal auditing in place and also ensure the independency of the Internal Audit Department and to approve the appointment, transfer, termination or promotion of the head of Internal Audit Department or other relating Internal Auditing.
3. To review the Company's compliance with the Securities and Exchange Commission Act, the SET notifications & regulations, and the relevant laws relating to the Company's business.
4. To consider the independent person to nominate, reappoint and terminate as the Company's external auditor and propose its remuneration and to participate in the meeting with the external auditor without the Company's management at least once a year.
5. To ensure that the related transactions or transactions that may lead to conflict of interest has been done in compliance with the laws and the SET notifications & regulations so as to ensure that they are justified and contribute to the best interest of the Company.
6. To review an adequacy of the Company's Risk Management processes.
7. To report the Audit Committee's performance to Board of Directors at least quarterly.
8. To prepare the Audit Committee's report and disclose it in the annual report of the Company and signed by the Chairman of the Audit Committee in such a report. Such report should contain at least the following details:
  - 8.1) Comment on the accuracy, adequacy and reliability of the Company's financial report.
  - 8.2) Comment on the adequacy of the Company's internal control system.
  - 8.3) Comment on the compliance with the SEC Act, the SET's notifications or relevant laws related to the Company's businesses.
  - 8.4) Ground to believe that the Company's external auditor nominated by the Audit Committee is suitable.
  - 8.5) Comment on transactions that may lead to conflict of interest.
  - 8.6) The frequency of Audit Committee meeting and the participation of each members.
  - 8.7) Overview comments and notices on the Company which the Audit Committee obtains from the duties according to this charter.
  - 8.8) Any other report which should be made to the shareholders and general investors within the scope of duties and responsibilities assigned by Board of Directors.
9. To perform any other duties assigned by Board of Directors

10. If Audit Committee finds any matter which significantly impact on the financial status and the Company's performance, the committee shall report such matter to Board of Directors so that the Board can seek a solution within timely manner:
  - 10.1) Report on conflict of interest
  - 10.2) Suspected or presumed fraud or irregularity or material defect in the internal control system
  - 10.3) Suspected infringement of the SEC Act, the SET notifications & regulations, or relevant laws related to the Company's businessIf the Audit Committee finds that such finding has been unreasonably ignored, any member of the Audit Committee may report such finding to the Office of the SEC or the SET.
11. If external auditor has reasonable doubt that Board, Management or any other responsible persons for the Company's performance violate the laws and report to Audit Committee to urgently investigate, the Committee must primarily report investigating results to the office of SEC and external auditor within 30 days since the day acknowledged. The method to pursue the facts of such behavior as mentioned will be in accordance with Capital Market Supervision's notification.

#### **Authority**

1. The Audit Committee can invite the Board member, management, manager or any relevant employee to discuss or answer the matter being audited.
2. The Audit Committee is also authorized to hire or bring in specialists to assist with their mission, as, it deemed appropriate.

#### **Term**

Term of the Audit Committee member is 3 years. Each member shall be in post no longer than 3 terms except getting a special approval by the Board of Directors.

Besides the tenure ending, the Audit Committee will be terminated due to the reason as follows:

1. lack of qualification for the office of the Audit Committee;
2. death;
3. resignation;
4. removal;
5. being imprisoned by a final judgment or by lawful order, except for offences committed through negligence or a minor offence;
6. being an incompetent or quasi-incompetent persons and;
7. being a bankrupt.

For resignation, the Audit Committee Member has to submit the resignation letter to the Chairman of the Board of Directors. The resignation is effective since the date of resignation letter delivered to the Chairman of the Board of Directors.

If a member of the Audit Committee resigns or is dismissed from the position before expiration of the term of office, the Company shall immediately inform the Stock Exchange of Thailand. The member of the Audit Committee who resigned or was dismissed may explain the reason to the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand.

In case of vacancies of all members in the Audit Committee, the said Audit Committee shall perform any act in the name of the Audit Committee until new Audit Committee shall be appointed.

In case of a vacancy in the Audit Committee for reason other than expiration of the term of office, the Board of Directors shall appoint a new qualified member to fill up the vacancy. The replaced member shall hold the position for remaining term of the former member.

### **Meetings and Quorum**

Meetings of the Audit Committee shall be convened at least 4 meetings per year.

In calling a meeting of the Audit Committee, the Audit Committee Chairman or the Secretary to the Audit Committee, by order of the Audit Committee Chairman, shall serve a written notice calling for such meeting to members of the Audit Committee not less than 7 days prior to the date of the meeting. Where it is necessary or urgent, the meeting may be called by other methods or set an earlier meeting date.

The Audit Committee should hold meetings to discuss matters within its scope of duties.

At a meeting of the Audit Committee at least half the number of the members of the Audit Committee appointed by the Board of Directors must be present to constitute a quorum. In case the Audit Committee Chairman is absent or unable to perform the duty, the Audit Committee shall appoint a member presents at the meeting to perform the duty on behalf of the Audit Committee Chairman.

Decisions making in the meeting shall be made by a simple majority vote. Each member of the Audit Committee is entitled to one vote, except the member of the Audit Committee who has a conflict of interest in any matter shall not be entitled to vote on such matter. In the event of tie vote, the Chairman of the meeting shall have a casting vote.

In 2013, the Audit Committee regularly held the meeting and submitted their report to the Board of Directors occasionally. The Audit Committee provides opinion to the Board of Directors concerning the sufficient consideration of internal control and fixes the auditors' remuneration for the year 2013.



#### o Compensation Committee

The Compensation Committee was set up on May 14, 2002 which is all independent directors and has 3 years term for each person.

The names and details of Compensation Committee's members in year 2013 are as follows:

No.	Name	Position	Meetings attendance (No.)
1.	Professor Hiran Radeesri	Compensation Committee Chairman	7/7
2.	Professor Sansern Kraichitti	Compensation Committee Member	7/7
3.	Mr. Sakdi Kiewkarnkha	Compensation Committee Member	7/7

*Mrs. Jongkonnee Chantavorakit, Vice President Headquarter in Finance and Accounting, is the Secretary of Compensation Committee.*

**Composition and Qualification:** Compensation Committee consists of at least three persons which are one Compensation Committee Chairman who must be Independent Director and Compensation Committee Members. Majority of the Compensation Committee members shall be Independent Director and appointed by the Board of Directors.

The Compensation Committee shall monitor the changing of the Company's performances for further improvement of the Company's rules on remuneration determination and must be able to independently perform the duties, express opinions and report on the performance of the assigned duties.

#### Duties and Responsibilities

1. Propose the policy and payment methods of the remuneration for the Board of Directors and Sub-Committees of the Company and subsidiary companies which appointed by the Board of Directors, both in the form of cash and non-cash.
2. Propose the policy to consider the remuneration for the top executives of the Company and subsidiary companies, both in the form of cash and non-cash, in line with the Company's operating results before proposing the Board of Directors for approval annually.
3. Regularly review, study, and monitor the changes and trends in remuneration for the Board of Directors and the Management of the Company, as compared to the remuneration offered by other leading companies which operating in the same business in order to motivate the Board of Directors and the Management to operate for the progress of the Company.
4. Perform other duties as assigned by the Board of Directors.

To fulfill the duties under scope of authority, the Compensation Committee is authorized to call and order the Management, manager or any relevant employee to give opinions, attend meetings or submit necessary documents. In addition, the Compensation Committee may seek external consultation from independent consultants or experts in various fields, as deemed necessary and appropriate, at the Company's expense.

### **Term**

Term of the Chairman of Compensation Committee and Compensation Committee Member is 3 years each, ending at the Annual General Meeting of Shareholders. A retiring member is eligible for re-appointment.

Besides the tenure ending, the Compensation Committee will be terminated due to the reason as follows:

1. lack of qualification for the office of the Compensation Committee;
2. death;
3. resignation;
4. removal;
5. being imprisoned by a final judgment or by lawful order, except for offences committed through negligence or a minor offence;
6. being an incompetent or quasi-incompetent persons and;
7. being a bankrupt.

For resignation, the Compensation Committee Member has to submit the resignation letter to the Chairman of the Board of Directors. The resignation is effective since the date of resignation letter delivered to the Chairman of the Board of Directors.

In case of vacancies of all members in the Compensation Committee, the said Compensation Committee shall perform any act in the name of the Compensation Committee until new Compensation Committee shall be appointed.

In case of a vacancy in the Compensation Committee for reason other than expiration of the term of office, the Board of Directors shall appoint a new qualified member to fill up the vacancy. The replaced member shall hold the position for remaining term of the former member.



## **Meetings and Quorum**

Meetings of the Compensation Committee are to be called whenever the Compensation Committee or the Chairman of Compensation Committee sees fit, as deemed necessary and appropriate. There shall be convened at least 2 meetings per year.

In calling a meeting of the Compensation Committee, the Chairman of Compensation Committee or the Secretary to the Compensation Committee, by order of the Chairman of Compensation Committee, shall serve a written notice calling for such meeting to members of the Compensation Committee not less than 7 days prior to the date of the meeting. Where it is necessary or urgent, the meeting may be called by other methods or set an earlier meeting date.

The Compensation Committee should hold meetings to discuss matters within its scope of duties.

At a meeting of the Compensation Committee at least half the number of the members of the Compensation Committee appointed by the Board of Directors must be present to constitute a quorum. In case the Chairman of Compensation Committee is absent or unable to perform the duty, the Compensation Committee shall appoint a member presents at the meeting to perform the duty on behalf of the Chairman of Compensation Committee.

Decisions making in the meeting shall be made by a simple majority vote. Each member of the Compensation Committee is entitled to one vote, except the member of the Compensation Committee who has a conflict of interest in any matter shall not be entitled to vote on such matter. In the event of tie vote, the Chairman of the meeting shall have a casting vote.

In 2013, the Compensation Committee regularly held the meeting and submitted their report to the Board of Directors occasionally.

Compensation Committee performed activities according to its Charter without any limitation and has full access to any information.

#### o Governance and Nomination Committee

The Nomination Committee was set up on May 14, 2002 which all members are independent directors and each person has 3 years term. In addition, the Board of Directors Meeting No. 5/2013 held on August 9, 2013 had approved to form the Governance and Nomination Committee by appointing the former Nomination Committee to be the Governance and Nomination Committee.

The names and details of Governance and Nomination Committee's members in year 2013 are as follows:

No.	Name	Position	Meetings attendance (No.)
1.	Professor Hiran Radeesri	Governance and Nomination Committee Chairman	2/2
2.	Professor Sansern Kraichitti	Governance and Nomination Committee Member	2/2
3.	Mr. Sakdi Kiewkarnkha	Governance and Nomination Committee Member	2/2

*Mrs. Jongkonnee Chantavorakit,, Vice President Headquarter in Finance and Accounting, is the Secretary of Governanace and Nomination Committee.*

**Composition and Qualification:** Governance and Nomination Committee consists of at least three persons which are one Governance and Nomination Committee Chairman and Governance and Nomination Committee Members. All members of the Governance and Nomination Committee shall be Independent Director and appointed by the Board of Directors.

The Governance and Nomination Committee must have good knowledge and understanding on corporate governance, be able to independently perform the duties, express opinions, report on the performance of the assigned duties and be neutral in looking for and selection of persons qualified for nomination to hold the position of the Company's directors, replacing those whose terms of office expired or for other cases.



## **Duties and Responsibilities**

1. Responsible for governing and monitoring the Company's business operation, disclosure information of Investor Relations part and the operation of the Board of Directors, Sub-Committees, management and employees to strictly comply with the Good Corporate Governance, the Company's policy and related law and regulations.
2. Determine the scope and review the policy of the Company's operation and make recommendations concerning the Good Corporate Governance and keeping it up-to-date.
3. Consider CSR policy and operating plans to be submitted to the Board of Directors for approval.
4. Consider organizational structure and component of the Board of Directors of the Company and its subsidiaries.
5. Consider the lists of qualified persons to be appointed as Director of the Company and its subsidiaries.
6. Consider and determine qualified persons to be appointed as Managing Director and top executives of the Company and formulate the Succession Plan of the top executive.
7. Propose a process of performance evaluation of the Board of Directors and the Sub-Committees, and utilizing such information for improvement of work efficiency.
8. Perform other duties as assigned by the Board of Directors.

To fulfill the duties under scope of authority, the Governance and Nomination Committee is authorized to call and order the management, manager or any relevant employee to give opinions, attend meetings or submit necessary documents. In addition, the Governance and Nomination Committee may seek external consultation from independent consultants or experts in various fields, as deemed necessary and appropriate, at the Company's expense.

### **Term**

Term of the Chairman of Governance and Nomination Committee and Governance and Nomination Committee Member is 3 years each, ending at the Annual General Meeting of Shareholders. A retiring member is eligible for re-appointment.

Besides the tenure ending, the Governance and Nomination Committee will be terminated due to the reason as follows:

1. lack of qualification for the office of the Governance and Nomination Committee;
2. death;
3. resignation;

4. removal;
5. being imprisoned by a final judgment or by lawful order, except for offences committed through negligence or a minor offence;
6. being an incompetent or quasi-incompetent persons and;
7. being a bankrupt.

For resignation, the Governance and Nomination Committee Member has to submit the resignation letter to the Chairman of the Board of Directors. The resignation is effective since the date of resignation letter delivered to the Chairman of the Board of Directors.

In case of vacancies of all members in the Governance and Nomination Committee, the said Governance and Nomination Committee shall perform any act in the name of the Governance and Nomination Committee until new Governance and Nomination Committee shall be appointed.

In case of a vacancy in the Governance and Nomination Committee for reason other than expiration of the term of office, the Board of Directors shall appoint a new qualified member to fill up the vacancy. The replaced member shall hold the position for remaining term of the former member.

### **Meetings and Quorum**

Meetings of the Governance and Nomination Committee are to be called whenever the Governance and Nomination Committee or the Chairman of Governance and Nomination Committee sees fit, as deemed necessary and appropriate. There shall be convened at least 4 meetings per year.

In calling a meeting of the Governance and Nomination Committee, the Chairman of Governance and Nomination Committee or the Secretary to the Governance and Nomination Committee, by order of the Chairman of Governance and Nomination Committee, shall serve a written notice calling for such meeting to members of the Governance and Nomination Committee not less than 7 days prior to the date of the meeting. Where it is necessary or urgent, the meeting may be called by other methods or set an earlier meeting date.

The Governance and Nomination Committee should hold meetings to discuss matters within its scope of duties.

At a meeting of the Governance and Nomination Committee at least half the number of the members of the Governance and Nomination Committee appointed by the Board of Directors must be present to constitute a quorum. In case the Chairman of Governance and Nomination Committee is absent or unable to perform the duty, the Governance and Nomination Committee shall appoint a member presents at the meeting to perform the duty on behalf of the Chairman of Governance and Nomination Committee.

Decisions making in the meeting shall be made by a simple majority vote. Each member of the Governance and Nomination Committee is entitled to one vote, except the member of the Governance and Nomination Committee who has a conflict of interest in any matter shall not be entitled to vote on such matter. In the event of tie vote, the Chairman of the meeting shall have a casting vote.

In 2013, the Governance and Nomination Committee regularly held the meeting and submitted their report to the Board of Directors occasionally.

Government and Nomination Committee performed activities according to its Charter without any limitation and has full access to any information.

#### o **Executive Committee**

Names and positions of Executive Committee as of December 31, 2013 are as follows:

No.	Name	Position
1.	Thanpuying Chanut Piyaoui	Advisor to Executive Committee
2.	Mr. Chatri Sophonpanich	Advisor to Executive Committee
3.	Mr. Chanin Donavanik	Executive Committee Chairman
4.	Mrs. Sinee Thienprasiddhi	Executive Director / Company Secretary
5.	Pol.Lt. Chatrachai Bunya-Ananta	Executive Director
6.	Mr. Khampi Suwanarat	Member

*Mrs. Jongkonnee Chantavorakit, Vice President Headquarter in Finance and Accounting, is the Secretary of Executive Committee.*

**Composition and Qualification:** The Board of Directors is responsible for the appointment of the Executive Committee by electing a number of qualified persons from the Board members and the executives of the Company. Managing Director will be the Chairman of the Executive Committee.

## **Authorities and Responsibilities of Executive Committee**

### **1. Issues required to be presented to the Board of Directors**

1.1 Executive Committee shall consider the following items in order to propose to Board of Director for approval

1.1.1 Strategies, Goals and Policy of the Group

1.1.2 Investment Project, Operation Budget and Capital Expenditure

1.1.3 Annual workforce plan,

1.1.4 Annual bonus and Annual Salary increase

1.1.5 Any legal implications including disputes, litigation and suggestions and procedures

1.2 The Executive Committee shall report the following items inclusive providing advice in order to inform Board of Director

1.2.1 Operating Results and Financial Status of the Group

1.2.2 Examine, Prepare and Conclude on important issues

### **2. Issues to be approved by the Executive Committees**

The Executive Director shall has authorize in consideration the following items:

2.1 Appointment, Termination and Consideration of remuneration of management executives in the Directorial Level (Corporate/Group Manager)

2.2 Management Structure and framework under the Executive Level

2.3 Consideration and Supervision on operational management in accordance with the Strategies, Goals and Policy of the Company within the approved budget

2.4 Any purchasing, hiring, servicing which is not included in the annual budget with the value not exceed Baht 5 million per one time of the Board of Directors Meeting

2.5 Contract Signing for management agreement

2.6 Asset Purchasing, excluding the budget with the value not exceeding Baht 5 million and the over budget expense that is within 10% of the approved budget per one time of the Board of Directors Meeting

2.7 Renting or Letting of assets which is land, building, office and store that is not operating normally and not included in the annual budget that is not over 3 years and has the value of the renting or letting within the limit not exceed of Baht 15 million per year per person.

2.8 All issues raised by management team

### **3. Submit details and principles of the Board Committee meeting attendance, remuneration and bonus as well as dividend payment to Shareholders to the Compensation Committee**

4. Proceed on the assigned issues from the Board of Directors and the Audit Committee
5. Executive Committees' meeting shall be held at least 6 times a year. The quorum shall have Executive Committees at least 50% of the total number;

### **Term**

Executive Committee will be removed from the position according to following condition

1. Remove from Director or Management of the Company
2. Submit a letter of resignation
3. The Board of Directors passes the resolution to discharge

If any committee member is unable to hold office, the Board of Directors should appoint a new qualified member to fill up the vacancy.

Besides of Executive Committees, the Company also set up the special management committee to consider and manage in particular matters in order to have the best appropriateness, effectiveness and efficient to the Company. Such management committees are as follows:

- Management Committee
- Risk Management Committee
- Spa Executive Committee
- Project Renovation Committee
- Legal Committee
- IT Committee
- Accounting and Finance Committee
- TS/Design Committee
- Marketing Committee
- HR Committee
- Investment and Development Committee
- Investor Relation Committee
- Corporate Social Responsibility Committee

### **(2) Name list of Audit Committee who have knowledge and experience for reviewing the reliability of financial report and auditing experiences of those directors.**

Professor Hiran Radeesri, Mr. Sakdi Kiewkarnkha and Mrs. Pranee Phasipol have adequate knowledge and experience for reviewing the reliability of financial report which all 3 directors are Certified Public Accountant. The education, trainings and work experiences of those 3 directors are in the Board of Directors, Executive and Authorized Person information.

## **Authorities and Responsibilities of Managing Director**

### **1. Management**

- 1.1 Set up Goal, Policy and Business Plan of the Company and propose to the Board of Directors to approve.
- 1.2 Supervise the corporate governance in accordance with the approved policy, business plan and budget to achieve the target and to increase shareholders' value by maximizing earning per share.
- 1.3 Authorized to take actions in following of objectives, regulations and procedure, policy, command, resolution of shareholders' meeting and/or resolution of the Board of Directors Meeting and/or of Executive Committee.
- 1.4 Meeting will be held at least once a month to follow up process.
- 1.5 Resolve the problems and provide suggestions to operation in case where monthly performance does not achieve the target.
- 1.6 Manage all operations under the Corporate Good Governance principles outlined by the Stock Exchange of Thailand

### **2. Accounting and Finance**

- 2.1 Set Policy and Financial Plan of the Company with CFO as appropriate. Also oversee operational plans to ensure properness.
- 2.2 Set up appropriate accounting system and provide accurate financial reports.
- 2.3 CFO shall engage in producing financial analysis to assess the company performance.
- 2.4 Set up internal audit and risk management to reduce potential risks.
- 2.5 Consider annual budget of revenue and expenses, hotel renovation budget with CFO to be presented to the Board.
- 2.6 Consider all details concerned and approve asset purchasing, renovation projects in accordance with the budget approved by the Board of Directors.
- 2.7 Consider the over-budget purchasing that is within 10% of the approved budget to receive additional approval from the Board.
- 2.8 Approve direct operating expenses exceeding Baht 1 million but not over Baht 10 million with CFO.
- 2.9 Approve other non-operating expenses exceeding a hundred thousand Baht but not over Baht 5 million with CFO.
- 2.10 Approve any emergency purchasing and maintenance expenses limited to Baht 10 million a year.
- 2.11 Consider investment projects, budget, rate of return, risk management with CFO to foresee project feasibility with substantial rate of return.
- 2.12 Control and follow Public Company Limited Act, the regulations of the Stock Exchange of Thailand and other related announcements
- 2.13 Control revenue and expenses following the approved budget with CFO

### **3. Purchasing**

- 3.1 Set up clear policy and transparent guidelines of purchasing including bidding, price comparison, and negotiation by Committees from other segments.
- 3.2 Monitor and verify the purchasing process by guidelines as determined.



#### **4. Human Resources**

- 4.1 Select the well-qualified and competent candidates for all executive levels.
- 4.2 Properly allocate management structure by assigning responsible persons and job descriptions.
- 4.3 Create leadership skills to executives at all levels.
- 4.4 Draw up the efficient Career Development Plan.
- 4.5 Set up employee's regulations relevant to the law of labor and the social welfare.
- 4.6 Consider the promotion of the executives.
- 4.7 Consider the termination of the executives by presenting to the Board of Directors for consideration.
- 4.8 Instruct working ethics to all executives and monitor the practice.

#### **5. Marketing Policy**

- 5.1 Plan in advance for policy and marketing strategy.
- 5.2 Set revenue target of the Company annually.
- 5.3 Set marketing scheme for sale promotions, advertising and public relations with private sector and government unit both domestically and internationally.
- 5.4 Set the competitive analysis for market share possibility.
- 5.5 Define new market channels for increasing market expansion.
- 5.6 Conduct marketing research on consumer behavior for the evaluation on weakness to satisfy customer's needs properly and correctly.
- 5.7 Coordinate with government sectors in terms of social contribution for promoting company's image.

#### **6. Information Technologies**

- 6.1 Conduct a study on integrated technology to improve the existing technology for the better customer service efficiency and further increased revenue.
- 6.2 To provide an internal proper use of Information Technology as specified by laws

#### **7. Others**

- 7.1 Consider in project investment and/or expand the company business and purpose to the Board of Directors for approval
- 7.2 Perform the duties assigned by Board of Directors

However, authority and function of Managing Director will not include the item which can conflict or the item of Managing Director or connected person has an interest or other benefit which conflict to the Company or subsidiary company according to the regulation of the Stock Exchange of Thailand. The mentioned approval need to be purposed to the Board of Directors Meeting and/or the Shareholders Meeting for consideration and approval in order to comply with the Company regulation and legal concern, except some approval for such transaction is to support the business with the normal course of business which clearly specified by Board of Directors.



## Board Self-Assessment

The Board of Directors has an annual self-assessment according to the Stock Exchange of Thailand's guideline. The process and criterion of self-assessment are filling an assessment form by each director and summarizing the average score of each criteria average, the assessment results shall be informed and considered at the Board of Directors Meeting to improve their performance further.

The summary of the Board Self-Assessment 2013, the Board of Directors opines that all matters have **Good** implementation.

## Sub-Committee Self-Assessment

1. According to SET's guideline, Audit Committee has annually performed self-assessment checklists to evaluate and increase their performance which an assessment results in 2013 was **Good**.

2. Compensation Committee has annually performed self-assessment checklists to evaluate and increase their performance which an assessment results in 2013 was **Good**.

3. Governance and Nomination Committee has annually performed self-assessment checklists to evaluate and increase their performance which an assessment results in 2013 was **Good**.

## Chief Executive Officer's Performance Evaluation

The Board of Directors has annually evaluated CEO's performance according to SET's guideline which an assessment results in 2013 was **Good**.

## Board of Directors' Training

In 2013, the Directors who had training courses, summarized below.

Name	Course	Institution
Mr. Sakdi Kiewkarnkha	- COSO Internal Controls – Enterprise Risk Management (ERM) - COSO 2013 : Internal Controls – Integrated Framework	- Federation of Accounting Professions Under The Royal Patronage of His Majesty The King - The Stock Exchange of Thailand
Mrs. Pranee Phasipol	Sustainable Accounting	Federation of Accounting Professions Under The Royal Patronage of His Majesty The King
Mrs. Sinee Thienprasiddhi	CG Forum 2/2013 Board Monitoring – how to build the spirit of good CG	The Stock Exchange of Thailand



## ➤ **Criteria of Director and Top Executive Nomination and Appointment**

### **(1) Independent Director**

Independent Directors of the Company are as follows:

1. Professor Hiran Radeesri
2. Professor Sansern Kraichitti
3. Mr. Sakdi Kiewkarnkha
4. Mrs. Pranee Phasipol
5. Mr. Soradis Vinyaratn

### **Criteria of Independent Director Selection**

#### ○ **Qualifications of Independent Director**

The number of Independent Directors must be not less than one-third of the total number of the Directors, and must not be less than three persons.

The Company set the definition of Independent Director that if Independent Director holds the Company's shares, he shall not hold more than 0.5% of total shares with voting rights of the Company, parent company, subsidiary company, associated company, major shareholder or controlling person, including shares held by related person of such Independent Director. Other qualifications of Independent Director shall be in line with the Notification of Capital Market Supervisory Board.

#### ○ **Procedure and Criteria of Independent Director Selection and Appointment**

In the selection of Independent Director to be defined by the Governance and Nomination Committee which considered from qualification and experience, and must not against with the Securities and Exchange Commission Notification. After passing the consideration from Governance and Nomination Committee, it shall be proposed to the Board of Directors to agree and proposed for shareholders approval.

In addition, Independent Director of the Company does not or never had business relation or be a professional service provider to the Company.

### **(2) Director and Top Executive**

The Board of Directors of the Company consists of 12 Directors and 6 Executives according to definition of the Securities and Exchange Commission Notification which the details appeared in the topics Board of Directors and Management Team.

### **Criteria of Director and Top Level Executive Selection**

#### ○ **Qualification of Director and Executive**

The qualification of Director and Executive shall comply with the Public Company Limited Act, the Securities and Exchange Act, the Article of Association of the Company and other regulations related to listed company.

#### ○ **Procedure and Criteria of Director Selection and Appointment**

In the appointment of the Company's Directors, the Governance and Nomination Committee which consist of 3 Independent Directors have responsibilities to select and nominate the qualified person according to the Public Company Limited Act, the Securities and Exchange Act, the Article of Association of the Company and other regulations related to listed company in order to acquire director with expertise and variety of experiences by considering the Board size and structure and propose to the Board of Directors Meeting for consideration and agree. The Board of Directors resolution regarding the director nomination will be proposed to the Shareholders Meeting for approval according to relevant rules and regulations.

#### **The Appointment of Director by Shareholders Meeting**

The directors shall be elected in accordance with the following rules and procedures:

- (1) Each shareholder shall have one vote per one share;
- (2) When electing the directors, the shareholders may exercise all the votes he/she has to elect one or several persons as a director or directors up to the number of the directors to be elected by such meeting, as the shareholders may deem appropriate. In the voting process, either for one or several persons, each candidate whom elected by the shareholders shall receive all the votes such shareholders have as stipulated in (1) and such shareholders shall not allot his/her votes to any person in any number;
- (3) The candidates shall be ranked in order descending from the highest number of votes received to the lowest until up to the number of directors to be elected by such meeting. Where there is an equality of votes cast for candidates in descending order causing the number of directors exceeding the number of directors to be appointed or elected by such meeting, the Chairman shall have an additional right as a casting vote.

In case the vacancy in the Board of Directors resulting from the reason other than the expiration of the term of office, the Board of Directors shall elect a person who has the qualifications and is not being under any of the prohibitions under Section 68 of the Public Limited Companies Act B.E. 2535 as the substitute director at the next meeting of the Board of Directors, unless the remaining term of office of the said director is less than two months. The substitute director shall hold office only for the remaining term of office of the director whom he/she replaces.

The resolution of the Board of Directors under paragraph one shall be passed by a vote of not less than three-fourths of the number of the remaining directors.

#### ○ **Procedure and Criteria of Top Executive Selection and Appointment**

In the selection of Top Executive level from Hotel General Manager and above, the Executive Committee shall have primary consideration in order to seek for qualified person with capabilities, skills, experiences, understanding in the Company's business and able to manage the Company's to achieve goals set by the Board of Directors. After consideration, the Executive Committee shall propose the said person to the Compensation Committee for consideration and agree then propose to the Board of Director for approval.



## ➤ **The Governance in Subsidiary and Associated Company**

### ▪ **Appointment of representative director according to share proportion**

Since the Company is responsible for any transactions of subsidiaries and associated company, the Company has appointed the Company's Director to be the representative director of subsidiary companies to oversee business operation in compliance with the Company's policy in the matters of operations including responsibility to propose the budgets of subsidiary company to the Board of Directors Meeting for acknowledgement or approval. The Company has determined that the representative director must propose the significant matters to the Board of Directors for approval before voting in the subsidiaries.

In addition, the representative director is responsible for monitoring the connected transaction or the acquisition or disposal of assets transaction which is under criteria of the Stock Exchange of Thailand or other transactions required to conduct in accordance with the Board of Directors policy and resolution, the representative director shall gather information and inform the Company including oversee the subsidiary and associated company to conduct in accordance with the Stock Exchange of Thailand and the Securities and Exchange Commission rules and regulations either the transactions required to conduct in accordance with the Board of Directors policy and resolution.

The appointment of representative director shall be in line with share proportion and approved by the Board of Directors Meeting.

### ▪ **Governance of Information Disclosure and Transactions of Subsidiary**

#### **1. Disclosure of financial position and performance of the Company**

The Board of Directors has assigned the Audit Committee to have responsibilities for reviewing the reliability of the Company and subsidiary financial statements to be conform with general accounting standard; ensuring the accuracy, sufficiency, completeness and reliability of information disclosure in accordance with the Securities and Exchange Act, rules and regulations of the Stock Exchange of Thailand or other applicable laws related to the Company's business.

#### **2. Connected Transaction**

Connected transaction of the subsidiary must be approved by the Company and conduct in accordance with the Stock Exchange of Thailand and the Securities and Exchange Commission rules and regulations which the Audit Committee of the Company has reviewed the price or the rate of such transaction with the officers and internal auditors of the Company that the price is reasonable and disclosed in Financial Statements correctly.

### **3. The Acquisition or Disposal of Assets**

The Company has determined the policy regarding the acquisition or disposal of assets between the Company or subsidiary and related person must be proposed to the Audit Committee for consideration then propose to the Board of Directors and must conduct in accordance with the Stock Exchange of Thailand and the Securities and Exchange Commission rules and regulations.

### **4. Other Significant Transaction**

For other significant transaction, the subsidiary shall conduct in accordance with the laws, regulations or the Stock Exchange of Thailand and the Securities and Exchange Commission rules and regulations. Such transaction will be approved by the Board of Directors and/or the Shareholders' Meeting according to specified laws and regulations.

#### **▪ Govern on Internal Control of Subsidiary**

Internal Audit Department of the Company has a role and responsibility to independently review and evaluate the effectiveness of internal control, risk management, and governance processes including compliance with relevant regulations. For auditing the subsidiaries, financial audit was performed 1 time a year including appropriate connected transaction review and monitoring the operation to protect assets of the Company and subsidiaries, which may be abused by the Executives.

#### **▪ Others**

Other subsidiary's governance such as increase or decrease of the subsidiary's capital must be approved by the Board of Directors including the board and shareholders meetings of the subsidiary and shall conduct in accordance with the Stock Exchange of Thailand and the Securities and Exchange Commission rules and regulations.

#### **➤ Supervision on the Use of Inside Information**

All important internal information is considered strictly confidential and not intended for disclosure, unless to concerned persons, such as, auditor or legal counsel, etc. The Company will disclose only key information to shareholders at appropriate time, and prohibit the management team, directors or staff from releasing information for personal interests. Such conduct is considered an offence and the punishment shall be determined on a case-by-case basis. If there is un-transparency information out of the Company, employees can inform to Internal Auditors, Human Resources, Managing Director, Company Secretary or the Audit Committee. For the public, they can inform to the Audit Committee as the address available on the Company's website [www.dusit.com/investor](http://www.dusit.com/investor) subject Whistleblowing Notice Policy.

In addition, the Directors, the Executives or the related Departments are prohibited to disclose internal information to third party or unrelated person and trade shares by using internal information of the Company and its subsidiaries, including no trading of the Company's shares within 1 month before publication of the Company's Financial Statement.

The Company has determined that the Managing Director and the next four executives succeeding the Managing Director shall report on shareholding and/or change in shareholding to the SEC under Section 59 of the Securities and Exchange Act B.E. 2535. In addition, report on shareholding of the Directors and related persons shall be informed to the Board of Directors Meeting in February annually.

➤ **Compliance on the Code of best practices of the Stock Exchange of Thailand**

In 2013, the Company followed Good Corporate Governance for the listed companies, according to Guideline of the Stock Exchange of Thailand's and the Corporate Governance Survey of Thai Listed Companies of Thai Institute of Directors Association (IOD) in other matters (except those mentioned above) as follows:

1. The Company provides the independent auditor to monitor the vote in the Shareholders Meeting and disclosed in the minutes of the Shareholders Meeting.
2. The Company has Institutional Investors holding shares exceeding 5 percent of the total shares.
3. Managing Director and Chief Executive Officer ("CEO") have mentioned to the CSR Policy in the Message from Managing Director and CEO.

For the terms specification of the Board of Directors and Sub-Committee, the Company has specified that at every Annual General Meeting, one-third of the directors shall vacate in proportion. If the number of directors is not a multiple of three, the number of director closest to one-third shall vacate. The director who vacated his/her office due to the expiration of the term of office may be re-elected. In addition, term of the Audit Committee member is 3 years. Each member shall be in post no longer than 3 terms except getting a special approval by the Board of Directors. Terms of the Compensation Committee and Governance and Nomination Committee are 3 years each, ending at the Annual General Meeting of Shareholders. A retiring member is eligible for re-appointment.

The Board of Directors has opined that the condition of timing does not affect to Directors' performance whilst capability and suitability, including the requirements under relevant regulations or laws shall be the criteria to consider.

## ➤ **Remuneration for Auditors**

In 2013, the Company paid remuneration fees to auditors as follows:

### **Audit Fees**

1. The audit fee of the Company and subsidiaries in Thailand paid to PricewaterhouseCoopers ABAS totalling Baht 3.96 million
2. The audit fee of subsidiaries in overseas:
  - Isla Lipana & Co. (a member firm of PricewaterhouseCoopers), Makati Cty, Philippines, totalling Peso 665,500.
  - PricewaterhouseCoopers, Male, Republic of Maldives, totaling USD 8,000.
  - PricewaterhouseCoopers Zhang Tian LLP, Shanghai, People's Republic of China, totaling RMB 308,000.

### **Non-audit fees**

- **The Company:**
  - Consulting services related to accounting standard – income tax, PricewaterhouseCoopers Legal & Tax Consultants Ltd., Thailand has provided such service. The service fee of Baht 300,000 was already paid.
  - Consulting services related to the structuring of hotel management agreement in overseas, PricewaterhouseCoopers Ltd., Nairobi, Kenya has provided such service. The service fee of USD 8,000 was already paid in 2013 and USD 2,000 will be paid in 2014.
- **Subsidiaries in Thailand** – no non-audit service was provided.
- **Subsidiaries in overseas:**

DMS Property Investment Private Limited: the non-audit fee was the review of quarterly tax calculation according to accounting standard – income tax. PricewaterhouseCoopers, Male, Republic of Maldives has provided such service and fee of USD 1,400 was already paid in 2013.

## Corporate Social Responsibility (CSR)

### ➤ Overall CSR Policy

As one of the leader in hospitality and tourism business, Dusit Thani Plc. aims to develop and expand our business to international; therefore, the Company committed to perform its duties of providing excellent services to serve the needs of both local and international travelers for developing the economic and social along with eco-friendly products and services. Moreover, the Company also has policies which promote social and community activities. With the confidence that the Company's growth by strictly concerning in every impact will lead to the sustainable development in the future. According to the CSR vision of the Company which aims *to lead the hospitality service industry by example, using the ways of Thai culture to responsibly enhance the development of the surrounding communities, environments, and economies of the countries in which we serve*. To achieve the said vision, it is the Company's mission *to operate with a concern for our impact on the surrounding communities, environments, and economies of the countries in which we operate, whilst building the Company in a sustainable way* which appear in the principles of business operation as follows;

- Perform business with adherence of the equality and non-discrimination principle including promote fair business operation to the employees, customers, competitors, trade partners, creditors including social, resources and environment for truly benefit to the economic and business sustainable
- Against for all kind of corruption.
- Strengthen competitive potential and improve the quality of work life to employees by emphasizing on the safety in workplace and personal sanitation and treat every employee fairly based on human rights and human equality
- Adhere to the promise of delivering quality products and services with reasonable prices, concerning on customers' health and satisfaction.
- The Company foresees that environment sustainable is a significant part for operating hotel business and reckon as our mission to operate with concerning on environmental impact and building good relationship with community for sustainability
- Perform the business compliance with the Good Corporate Governance Principles and the Company has determined the Good Corporate Governance Policy and Business Ethic of the Company and scheduled to review and update regularly.



## ➤ **Report Process and Implimentation**

### **(1) Report Process**

The Company has prepared the report by collecting related information from the policies, handbooks and actual normal practice with concerning on all interested person such as trade partners, employees, community, social, overall economic and environment. In addition, to emphasize on the social mission of the Company in year 2013, Dusit Thani Plc. has prepared the Sustainability Reporting according to the CSR Report of the Global Reporting Initiative (GRI), Version 3.1 (G3.1), Level C and received the CSRI Recognition Awards 2013: General Awards from the Stock Exchange of Thailand by Corporate Social Responsibility Institute (CSRI) based on the concept of Global Reporting Initiative. The said award was resulted by providing report of the Company's management on economic, social and environment aspects including operation policy and activities in year 2012 and disclosed both negative and positive impacts as well as the Company's directions to manage the economic, social and environment. The sustainability report which summarized of operating information in year 2013 appears in the subject Sustainability Report and the Company's website [www.dusit.com/investor](http://www.dusit.com/investor) subject Sustainability Report.

### **(2) CSR Implementation**

#### **(2.1) Fair Business**

Dusit Thani Public Company Limited has emphasized on fair business practices with both government and private sector and implemented the policy, works guideline and promotes it through the campaigns for communicating the fair business policies to employees, trade partners and related persons for acknowledgement and conduct in accordance with the policy. The Company business operation and decision-making will be done with concerning on social responsibility and fair treatment to all customers and trade partners according to the fair competition framewrok, shall not seek for confidential information of the competitors by dishonest or improper way and shall not attempt to destroy the trade competitor's reputation with the negative accusation. The Company operates with concerning on fair business practices in various aspects as follows:

- Purchasing activities of the Company shall be conducted under the same purchasing rules and processes which the Company has determined the monitor process for price comparison and implemented by related functions.





- The Company has determined the policy which stated that employee shall not request for gift, money or benefit in any type from trade partners or business related parties unless such receipts are owing to traditional providing.
- Promote the Collaboration on developing the products, services and trainings included profit-making for both parties.
- The Company respects Intellectual Property, not support piracy in any kind and strictly perform in compliance with Intellectual Property Law. In addition, the Company shall not support any kind of piracy by employees.

The Company's fair business policies and practices were determined base on believing that to achieve sustainable growth and development of the Company required strong foundation with integrity, transparency and conform to related laws.

## **(2.2) Anti-Corruption**

Since corruption is one of main obstacles of organization development in every level which will affect business operation, business performance, financial position of the Company and economic system of the country. Dusit Thani Public Company Limited awares of such problem and intents to prevent, adjust and not support or involve in any kind of corruption. Therefore, on August 9, 2013, the Board of Directors Meeting No. 5/2013 has resolved to participate in the Declaration of Intent, In View of Establishing Thailand's Private Sector Collective Action Coalition Against Corruption which is currently in the process of applying for the member certification of the Collective Action Coalition from the Private Sector Collective Action Coalition Council by collecting current practices, additional policies, preventions, monitoring system including PR and communication in promoting Anti-Corruption and schedules to review the Anti-Corruption Policy annually.

## **(2.3) Human Rights**

Dusit Thani Public Company Limited realizes and concerns for human rights as fundamental rights of human and recognizes that human rights is an important foundation of peaceful living of people and vital in developing human resources quality. Human rights is also the important factor to add value and create efficiency to the Company with equitable treatment, equality promoting, respective in personal political rights according to the democracy and against child labor, sexual discrimination and harassment by the practices as follows:

- Support and respect of human rights protection and shall not participate in human rights violation in any kind such as illegal migrant labor, child labor and forced labor.

- Deliver highest standard products and services to every person equally.
- Giving job opportunity to every person equally including handicap people.
- Provide channels for the employees to submit a complaint on human rights violation which the Managements commit to prevent and eliminate the violation of human rights.
- Provide training and promote human rights for employees.

Moreover, the Company has provided the sexual harassment preventive measures which proved by the policy that any sexual harassment will not be accepted. The said policy was disclosed in HR Policy and Operation Manual which identified the behaviors of sexual harassment as follows:

- Improper verbal, non-verbal or physical conduct of a sexual nature, e.g. sexually derogatory or stereotypical remarks.
- Conduct of a sexual nature that creates a hostile or intimidating work environment, or otherwise deemed-to-be unappreciated sexual or obscene jokes around the workplace, displaying or circulating copies of pictures or content presenting sexual harassment.

The Company specified maximum punishment of the said actions which is termination of service. Whistleblower and complaint can be sent to HR department or Hotel General Manager which the information shall be kept as confidential.

#### **(2.4) Equitable Treatment to Employees**

Dusit Thani Public Company Limited places great importance on human dignity and fundamental rights of human as a principle of treatment to employees and stakeholders. The Company realized that employee welfare and safety are foundations of organization sustainability. Equitable treatment and respect will establish good conscious and cooperation in the workplace which will build up creative thinking on work and improve of services given to customers including stakeholders which the implementation are as follows:

- Provide appropriate sanitation and safety work system in the workplace such as pollution prevention system, clean workplace to avoid accident and disease.
- Educate employees to enhance their skills by training classes and on-the-job training regularly. Giving equal opportunity to be promoted under the same standard and performance.
- Provide fair employment conditions and appropriate wages compare to rate in the same business.
- Provide appropriate complaint procedure for employee in case of unfair treatment.

- Provide suitable and sufficient welfare for employee such as annual leave, medical care, annual physical check-up, first aid, duty meals, staff room-rates and family and friends rates for booking the Company or subsidiary's hotels.
- Inform significant information to employees and representative employee to be acknowledged about the performance, status and future plan of the Company via various channels such as Morning Brief, Newsletters and Town Hall.
- Encourage work-life balance of employee by providing the Company's annual trip, New Year Party and activities between employees including making merit in Songkran Festival, making Krathongs in Loy Krathong Festival.
- Provide rewards and compliments to high performance employees or long-service employees such as Dusit Star Award, Green Employee Award and Long Service Award.
- Provide welfares with concerning of the variety of races, religions and cultures for equitable treatment to meet and cover all employees' needs.

## **(2.5) Responsibility to Customer**

The Practices regarding responsibility to customer were base on customer's rights which the Companies in Dusit Thani Group places greatly importance and adheres on the publicized promise of service providing with responsibility and various channels to present the services information with adequacy and easy to facilitate customers' decision-making. The customer can contact or compliant to the Company in convenience way which the complaint will be promptly responded. In addition, the Company has transparent and equitable management system which each committee has responsibilities to consider and manage for the Company's matters with correctness, appropriate manner, maximum effectiveness and efficiency for preserving services standard along with Dusit's service philosophy which is to be modest and sincere to its customers as always. Consequently, hotels of Dusit Group which are Thai hotels, managed by Thai people and are recognized by international.

## **(2.6) Environmental Management**

Dusit Thani Public Company Limited as the leader hotel in Asia realizes that it is one of the top priorities to contribute to the well-being of the communities where the hotels of Dusit Group are located in areas of unique natural landscapes, pristine environments, and cultural heritage. Environmental conservation is the heart of the significant matter of Dusit Thani to operate the hotels and the Company has raised the higher standard of the environmental conservation. In this regards, the Company has marked a significant milestone in environmental under the EarthCheck programme organized by EC3 Global which is an international tourism and environmental management and advisory group. EarthCheck is the certification program by taking a scientific approach to measuring the effectiveness of their sustainability practices and having already certified and benchmarked more than 1,300 organizations in over 70 countries and widely regarded as the world's most scientifically rigorous, that measures key environmental indicators such as energy and water consumption, and total waste production as well as community commitment. Using the EarthCheck tool, the hotels must commit to benchmarking local environmental and social issues, including bio diversity conservation, environmental investment and enhanced community socio-economic benefits. More information on the EarthCheck programme can be found on [www.earthcheck.org](http://www.earthcheck.org)

In 2009, the Company marked a significant milestone by carry forward hotels of Dusit Thani Group both local and overseas to participate in the EarthCheck programme. All participating hotels in EarthCheck Programme shall operate under the regulations for environmental preservation as defined by EarthCheck in order to reduce pollution caused by operation according to the criteria specified by EarthCheck. If the hotel was certified that it can provide a pollution control plan and proper energy management, it will be allowed to be named as EarthCheck's member. In addition, if there is good energy management and pollution control, It will receive a certificate to ensure quality from EarthCheck which consisting of 3 certified levels; bronze, silver and gold respectively. In 2013, hotels in Dusit Group have achieved the Silver Certification by EarthCheck which are Dusit Thani Bangkok, Dusit Thani Dubai, Dusit Thani HuaHin, Dusit Thani Laguna Phuket, Dusit Thani Pattaya, Dusit Thani Manila, Dusit Thani Maldives and Dusit Thani Lakeview Cairo. Furthermore, the Company has determined the goal to all hotels of Dusit Group to be qualified and receive certification from EarthCheck and expected outcome to be one of the leading hotel groups in Asia in environmental and energy management aspects to create positive image as environmental-friendly hotels and finally, to be able to support the national and international policies on preserved environment.



## **(2.7) Community and Social Development by Human Resources Development**

### **Management Trainee:**

The Government spent a large budget to support Thailand tourism industry resulting in the significant expansion in tourism industry and expansion of Dusit International both domestic and overseas. The Company aims to serve its domestic and international hospitality services by starting the Management Trainee Programme as a fast-track career development for high-achieving graduates. The Management Trainee Programme will help to develop the future generation who will soon become the leaders of Dusit Thani. The candidates will be selected through a strict process to attend the programme, which comprises of 15 intensive training units such as Sales and Marketing, Public Relations, Food and Beverage, Reservations, Human Resources, Catering Management and others. The candidates will attend the seminar and study the hotel management for 3 months. After 9 months, the candidates shall actually practice with the Dusit's hotel chain to learn new experience from other departments. Then, the outstanding candidates shall be chosen to work with the Dusit's hotel chain in their expert fields.

## **(2.8) Innovation and Diffusion of Innovative**

Innovation which emphasized on social and environmental responsibility shall lift up and improve the quality of living and environment including create competitive advantage and value-added to the business together with social. In 2012, the Company has official opening of Dusit Thani Maldives which located in the Republic of Maldives that be noted for the richness of beautiful natural and the first target destination of traveler. Natural environment has inspired and motivated the design of Dusit Thani Maldives to ensure that it co-exists in harmony with the magnificent Maldivian biodiversity and sustainable development. The entire operation is geared toward achieving a carbon-neutral programme using pioneering, green energy solutions and chosen of energy saving innovation through new technologies to apply in the operating process as follows:

- Install electrical metered (kilowatt and PEAK) and water metered in all operation areas such as kitchen and laundry areas which is highly safe and efficient system.
- Select the air condition systems which maximize energy saving as well as water saver toilets and faucets in all guest villas.
- Select the mini bar and wine cellars with Absorption Type system in all guest villas which is non-CFC replaced of Compressor system that cause pollution to the environment.
- Not use all type of plastic bags and plastic bottles by using in-house glass bottles.

- Install the desalination system for fresh water plant with effective and highest energy saving.
- All waste water is recycled for landscape, herb and vegetable garden watering. And waste raw material is collected for composting and fertilizing.
- Installed LED light bulbs more than 80 % of all areas and save electric power by using the candle instead for dinner at restaurant and spa at night time.
- Installed eco-friendly commercial garbage incinerator which an oven that has been specially designed to match the characteristics of the waste which has high humidity rate and heating value is variable. Burning process must be strictly controlled in order to prevent pollution to the environment such as toxic gases, soot, and odor which the soot will be eliminated from the gas before releasing into the atmosphere.
- Using electric vehicles (Club Car) within the hotel that battery operated buggies with reverse gear charging system that maximize energy savings. And selected the speed boat with 4-stroke engines that saving energy and does not release toxins into the sea instead of 2-stroke engines which is cheaper.
- Set the system of heat recovery heat pumps that waste back into the boiling hot water in order to replace the power consumption.

Apart from energy saving innovation through new technologies as mentioned above, Dusit Thani Maldives is located on Mudhdhoo Island in Baa Atoll islands which located in the adjoining areas with the World Biosphere Reserve which declared by the United Nations Educational, Scientific and Cultural Organization or UNESCO.

In this regards, Dusit Thani Maldives has collaborated with the UNESCO in conservation activities and protect the biosphere reserve which coordinated by the local marine biologists of Dusit Thani Maldives. The activities are various such as Conservation of Sea Turtles, Manta Ray, Eagle Ray and Whale Sharks, Conservation breeding sharks by campaigning stop consuming shark fin, ban all type of plastic bags and plastic bottles which caused marine animal extinction and also have activities to educate and encourage tourists to conserve and protect the marine environment such as sightseeing of coral reef around the island and visit the Biosphere Reserve area of the UNESCO. The said collaboration and all activities have raised the conservation standard and protection of the Biosphere Reserve to other hotel and resort which located in the sea area and also create social and environment sustainability as well as the collaboration to develop and contribute the success innovation to the public that can be the guideline for others.

## ➤ CSR After Process

Dusit Thani Public Company Limited has the commitment to be part in contributing social responsibility to the well-being of the communities around the Company's business units. Therefore, the Company has embraced Corporate Social Responsibility (CSR) charitable donation through extensive activities in our hotels, resorts and business units across the world.

CSR Activity (After Process) is social activities and environmental activities that affected to social and environmental which are not directly related to the Company's operations. As one of business organization, the Company realizes that we play a vital role in sharing and promoting the principles of CSR due to the social and economic issues that surround us.

CSR does not only consists of "doing the right thing," but also of behaving responsibly as an organization, encouraging our guests, business partners and employees to follow the same values. This ensures that the Company truly enliven the individual spirits of all those whom we have the pleasure to meet and cooperate with.

CSR After Process in year 2013 can be summarized into 2 main activities as follows:

### 1. Social Initiatives

#### **Dusit Smiles (Dusit Smiles for Operation Smile Thailand)** *Smile for children*

Dusit Smiles is the global charity initiated by Dusit Thani Group as part of our Corporate Social Responsibility (CSR) program. To heal children's smiles and make the world a better place, the Company has partnered with Operation Smile ([www.operationsmile.org](http://www.operationsmile.org)), a worldwide organization that mobilizes a force of medical professionals and caring hearts to provide safe, effective reconstructive surgery for children born with facial deformities such as cleft lip and cleft palate.

Through an extensive year-round activity under Dusit Smiles, not only helping to raise funds to support numbers of operations, but also uplifting awareness among our clients, partners, and employees via training, mission visits, government relations, marketing, public relations and others. The Dusit Smile program was initiated in 2010. Funds have been raised through different channels, such as donation envelopes in guest rooms, deductions from employee salaries who are willing to donate money, donations from business partners inside and outside Thailand, etc. The program has collected Baht 3,905,548.03 in donations and has organized medical operations for 262 children with cleft lip.



### **Garage Sales**

DusitD2 Chiang Mai and Royal Princess Chiang Mai staff organized Garage Sales monthly. And activity on November 2013 have raised fund to help victims of Typhoon Haiyan with the total amount of Baht 21,130.

### **Dusit Thani Bangkok Spreading Love & Care to the Elderly**

The staff of Dusit Thani Bangkok took part in a local community project at Bangkae Senior Citizen's Home, a nursing centre that offers shelter and round-the-clock healthcare to 277 Thai nationals without families. Dusit Thani Bangkok staffs were delighted to donate their time and showed enthusiasm when visiting with the residents of the home to hand out food and gifts from the hotel. The overall donation made was worth over Baht 50,833.

### **Buddhist Lent Day**

Dusit Thani Laguna Phuket staffs coordinated with Laguna Group to arrange Joint annual candle procession activity for Buddhist Lent Day. This candle procession was beautifully decorated in dedication to Cherno Talay Temple, Am-phur Talang, Phuket. This activity raises donations of a total Baht 47,616.75 and jointly arrange annually.

### **Dusit Thani Laguna Phuket Hosted a Luncheon for Underprivileged Children**

The management team and staffs of Dusit Thani Laguna Phuket hosted a luncheon for 30 underprivileged children with fun games, and donated stationery, sports equipment and other supplies to child care center, the Holland House in Phuket. This was part of the hotel's on-going Corporate Social Responsibility (CSR) project. The aim of this Holland House program is to help take care and provide basic education to less fortunate children from slums and nearby areas.

### **PohSai Temple**

Management team and staffs of Dusit Princess Srinakarin, Dusit International and Royal Princess Larn Luang have made an off-season of offering robes and other necessities to monks and donate for the renovation at PohSai Temple, Ubon Ratchathani province and the total amount is Baht 146,383.





### **Dusit Thani Pattaya Supported the Cross Bay Swim charity**

Dusit Thani Pattaya received a plaque of appreciation from the Rotary Club Jomtien-Pattaya, for its support to the Cross Bay Swim charity event. The hotel sponsored buffet lunch for the participants as well as all officials and sponsors of the event. The proceeds of the Cross Bay Swim go towards various charities to help under-privileged children by providing clean drinking water in schools. This activity raises donations of a total Baht 60,000.

### **Servicing With Care**

The employees of Dusit Thani Manila expressed their care for the victims of the Typhoon Haiyan by giving out their passion on service, the staff and executives volunteered in delivering the relief goods that will be sent to the areas affected by the typhoon. The hotel donated 250 cases of canned goods, 800 loaves of bread, 500 cases of bottled water, towels and linens. Staff also volunteered at a distribution center packing goods with the members of the British Woman Association.

## **2. Environmental Initiatives**

### **Dusit Thani Manila Goes Full Blast to Save Earth**

In its commitment to save Earth, Dusit Thani Manila has gone full scale in its waste reduction program to conserve resources, protect the environment and help livelihood programs of communities. The hotel collected and donated used aluminum cans and plastic bottles to Little Sisters of ISLA, as well as used cartons, old newspaper and magazines to Mother Teresa's and Mango Tree House to help them raise funds. As a three-time recipient of the Silver Earth check certificate, the hotel also conducts monthly lights-off campaign "Dusit Green Hour" and promotes the use of eco-friendly materials through eco-packages and recycled paper bags. The hotel's restaurants also individually play a part in reducing food wastage and energy conservation.

### **800 Million Saplings Reforestation on the Occasion of HM Queen Sirikit's 80th**

dusitD2 Chiang Mai and Royal Princess Chiang Mai were the head of reforestation activity with the city hall officers of Mae Hia Community to plant the 109 trees. The purpose was creating the nature's preservation mind and increasing more green area in this world.

## **Dusit Thani Pattaya and hotel's Green Team members having been awarded the ASEAN Green Hotel Standard 2012-2014**

The award hosted by Department of Tourism, Ministry of Tourism and Sports along with nine other hotels and resort in Thailand were from Loei, Chiang Mai, Phuket, Samui, Hua Hin, Bangkok and Pattaya. Furthermore, other 9 ASEAN hotels having been received recognition for their environmental efforts included those from Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore and Vietnam. The award ceremony was held at Novotel Manado Golf Resort & Convention Center, Indonesia. Dusit Thani Pattaya received the said award as the initiative of supporting green hotel practices more than ten years ago. This award resulted in the support and appreciation to those who run the hotel business with energy conservation and environmentally friendly principles and also motivated other entrepreneurs to concern of sustainable energy conservation.

Apart from the above mentioned, the Company and hotels in the group perform annual activities which beneficial to the society and environment both Social Initiatives and Environmental Initiatives as follows:

### **Social Initiatives**

1. **Blood Donations** for the Thai Red Cross Society.
2. **Dusit No Tobacco Day Activity** aiming to raise awareness of bad effects of smoking among people and staff. And encouraging others to stop smoking.
3. **Children's Day Celebration** by organized activity to educate on the importance of a green environment including provided school items for the kids.

### **Environmental Initiatives**

1. **Earth Day Activity** by the management team and staff organizing activities in the occasion of Earth Day such as clean-up hotel surrounding areas, giving the 2-sides used papers and desk calendar to school for the blind and donate used aluminum such as the lid can and tea light candle tray to Prostheses Foundation.
2. **Earth Hour Activity** in cooperation with Earth Hour communities worldwide which the 2013 activity was organized on Saturday, March 23, 2013 by switching off 1 hour. The lights will be turned off on the exterior of the building as well as in the restaurants, main lobby and other public areas and also encourages in-house guests to participate by provides the leaflet in Earth Hour day with regards to reducing electricity consumption.



## ➤ **Prevention of Participation in Corruption**

### **(1) Policy**

Dusit Thani Public Company Limited recognizes that corruption is an obstacle of business and country development and commits to Anti-Corruption in any type. Therefore, the Company and subsidiary's directors, executives and employees must be strictly performed in compliance with the Company's business ethics in anti-bribery and corruption including take precaution to prevent all corruption-related actions not only within the Company but also with other organizations. The Company has policy to support Anti-Corruption measure of the government and private sector. Therefore, in 2013, the Board of Directors Meeting resolved to participate in the Declaration of Intent, In View of Establishing Thailand's Private Sector Collective Action Coalition Against Corruption and schedules to review the Anti-Corruption Policy annually.

The Company's policies to prevent participation in corruption are based on practices as follows:

- Not offer, request, accept or giving any advantage or bribery both internally and externally, directly and indirectly with expecting for any type of return, personal advantage or the Company's business advantage.
- Not do any unjust transaction with the government officer, other organization or person directly or indirectly.
- Not donate, giving reward, benefit or any type of return for the purpose of business facilitation.
- Provide controlling system of payments with clear objective including reliable information storage system.
- Communicate about Anti-Corruption Policy of the Company and doing campaign to create awareness about the importance of Anti-Corruption via orientation, training and other PR channels such as the Company's website and Intranet.
- Provide secure channels and processes for whistleblower to report the corruption via suggestion boxes. In addition, the report can be sent directly to the Audit Committee of the Company.

## **(2) Implementation Process**

Currently, the Company is in the process of applying for the member certification of the Collective Action Coalition from the Private Sector Collective Action Coalition Council. At the beginning of the process, the Company has performed in compliance with the Declaration of Intent, In View of Establishing Thailand's Private Sector Collective Action Coalition Against Corruption which the Company already signed as follows:

- Provide risk assessment related to corruption, set anti-corruption policies and compliance programs and provide business conduct guidance to executives and employees
- Disclose and share the Company policies, experiences, best practices and success stories to support ethical, clean, and transparent business transactions in Thailand.
- Reach out to industry peers, suppliers and other stakeholders via the Coalition and participate in joint activities to fight corruption

In addition, when the Company is certified as a member of the Collective Action Coalition from the Private Sector Collective Action Coalition Council, the Audit Committee shall review the completeness and adequacy of the overall process as well as monitor and assessment.

## ➤ **Corporate Sustainability Report**

The Company has prepared CSR Report contains economic, social and environmental management and operations policies from January 1 to December 31, 2013, according to Dusit Thani's annual data updating cycles. Data was last updated on December 31, 2013. This report was compiled following the CSR Report on the Global Reporting Initiative (GRI) Version 3.1 (G3.1) Level C; the data was collected solely in 2013 and can see in the Company's website [www.dusit.com](http://www.dusit.com)

### **Contact information for data collection**

Corporate Human Resources

Dusit Thani Public Company Limited

Dusit Thani Building, 946 Rama IV Road

Bangkok 10500

Telephone 02 200 9999

[www.dusit.com](http://www.dusit.com)

### **Scope of Content**

Data disclosure in this CSR Report is controlled by Dusit Thani in accordance with the control levels on Dusit Thani Group hotels. Thus, the report covers hotel businesses owned or managed by the Company or subsidiaries and located in Thailand, excluding affiliates, subsidiaries, educational businesses and partners, except in the event that they are identified as under direct management of the Company or their operations might significantly affect the performance of the Company.

As such, this report covers policies and operating guidelines for sustainability of Dusit Thani Plc. and eight hotels under its supervision, namely: Dusit Thani Bangkok, Dusit Thani Pattaya, Dusit Thani Hua Hin, Dusit Thani Laguna Phuket, dusitD2 Chiang Mai, Dusit Princess Srinakarin, Dusit Princess Korat and Royal Princess Chiang Mai. For more information apart from this report, please refer to the 2013 Annual Report.

The Company prepared this CSR report according to the CSR Report of the Global Reporting Initiative (GRI), Version 3.1 (G3.1), Level C. The CSR Committee determines the main points, strategies and procedures, gives opinions on significant issues affecting economic, social and environmental sustainability of its businesses, and periodically follows up and evaluates the report so that the content is accurate, complete and transparent.

### GRI Application level Criteria

Report Application Level		C	C +	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures OUTPUT	Report on: 1.1 2.1-2.10 3.1-3.8, 3.10-3.12 4.1-4.4, 4.14-4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9-3.13 4.5-4.13, 4.16-4.17 4.1-4.4, 4.14-4.15	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	G3 Management Approach Disclosures OUTPUT	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category	
	G3 Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Report on a minimum of 10 Performance Indicators, Including at least one from each of: Economic, Social and Environmental		Report on a minimum of 20 Performance Indicators, At least one from each of Economic, Environmental, Human rights, Society, Product Responsibility.		Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.	

\*Dusit Thani Public Company Limited starts the CSR Report at Level C.

Main points and procedures applied in this report are the same as using in Sustainability Report of year 2012 with no significant change. However, in year 2013 the Company has participated in the Declaration of Intent, In View of Establishing Thailand's Private Sector Collective Action Coalition Against Corruption which is currently in the process of applying for member certification of the said Coalition.



## Stakeholders

Organizational stakeholders are individuals or entities affecting or affected by business operations or activities concerning such stakeholders as shareholders and investors, customers, employees, society and government agencies in connection with impacts on the organization.

### Company responsibilities to stakeholders

Stakeholders	Responsibilities
<b>1. Shareholders and investors</b>	<ul style="list-style-type: none"><li>➤ Transparent management</li><li>➤ Appropriate compensation for investors</li><li>➤ Value added to the company</li></ul>
<b>2. Customers</b>  Tourists, business people, seminar attendants, hotel customers	<ul style="list-style-type: none"><li>➤ Service standards</li><li>➤ Satisfaction and safety</li><li>➤ Price-worthy goods and services</li><li>➤ No taking advantage of customers</li><li>➤ Customer confidentiality</li><li>➤ Service and after sale service promotions</li><li>➤ Service information through various channels</li><li>➤ Wholehearted service before customer requests</li><li>➤ Keep business continuity in every situation</li><li>➤ Prompt execution after customer requests</li></ul>
<b>3. Employees</b>  Executives, employees and workers	<ul style="list-style-type: none"><li>➤ Good benefits and remuneration packages</li><li>➤ Security and employee career advancement</li><li>➤ Equal opportunities for skill development and training</li><li>➤ Promotional priorities for current employees</li><li>➤ Good working environment</li></ul>
<b>4. Society</b>  Communities, people, youth, the needy and educational institution.	<ul style="list-style-type: none"><li>➤ Participation in social activities</li><li>➤ Use of environmental friendly products and services</li><li>➤ Energy efficiency</li><li>➤ Efficient waste disposal</li><li>➤ Creative co-living in communities</li></ul>
<b>5. Government agencies</b>  Government agencies and Policy-makers	<ul style="list-style-type: none"><li>➤ Promote legal and regulation compliance</li><li>➤ Disseminate good identity and culture</li><li>➤ Support government activities</li></ul>

Dusit has identified these stakeholders as one of the important elements in order to implement CSR policy. The company operates with responsibility, honesty and transparency keeps playing important role in social responsibility affairs and concerning for stakeholders rights not only the internal stakeholders such as directors, executives and employees but also the external stakeholders such as shareholders, customers, trade partners, creditors, business competitors, social and environment, government and related organizations including their rights given by law and agreement. The Company Board of Directors has set policies of directors, managements and employees conducts in Good Corporate Governance Policy, the Company Business Ethics and Code of Conduct for the Board of Directors, the Executives and the Employees in order to create fairness and transparency to all stakeholders. The said policies were disclosed on the Company's website.

### Major issues and association of stakeholders

Importance for Dusit			
Importance for Stakeholders	Very important	Important	Very important
		<ul style="list-style-type: none"> <li>➤ Satisfying customers and making them feel safe while receiving services, and ensuring that the services and prices are reasonable.</li> <li>➤ Giving returns appropriate for net profits.</li> <li>➤ Disclosing accurate data and reports.</li> <li>➤ Doing PR and advertising of products and services with responsibilities both before and after selling</li> </ul>	<ul style="list-style-type: none"> <li>➤ Standards of goods and services.</li> <li>➤ Deliver full services before customer requests.</li> <li>➤ Good governance.</li> <li>➤ Procure environmentally friendly products and services.</li> </ul>
	Important	Important	Very important
		<ul style="list-style-type: none"> <li>➤ Being a good citizen and regulate and operate business with responsible to social and community nearby.</li> <li>➤ Prevent accidents and disasters that might derive from Dusit businesses.</li> <li>➤ Responding to customers complaints.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Take care of employees and give career security and advancement.</li> <li>➤ Use energy efficiently.</li> <li>➤ Compliance with government laws and regulations.</li> </ul>



## **Business Context**

The Company and hotels under Dusit brands aim to run businesses proactively with effective cost management, focusing on increasing the number of management hotels both in Thailand and abroad. Meanwhile, it is considering investing in hotel, hospitality education with the goal of maintaining its long-term business values based on Thai cultural promotion and selling products and services with responsibilities to our promises. Committees were formed with persons from various departments in order to regulate and monitor the business operation to perform effectively and efficiently in compliance with fair and transparent basis for the benefit of social sustainability.

Dusit also emphasizes social sustainability through employee development and career security, which lead to family and community security. Regards to the education business, the Company develops school curricula in order to produce the competent and ethical graduates in demand by employers. Additionally, The Company places great importance on the communities surrounding the hotels and contributes in social and government activities when given the chance. Environmental awareness is instilled in employees, customers and stakeholders; environmentally friendly and energy-efficient equipment and appliances are used widely in hotels so that future generations can continue to enjoy ample resources.

## **Economic Sustainability**

To achieve the Company's goal to operate fair business with social awareness and maintain long-term business values based on business opportunity expansion and Thai culture promotion. In 2013, the Company entered into joint venture agreements and established 2 joint venture companies in 2 countries which are **Dusit Fudu International Hotel Management (Shanghai) Company Limited** which will operate hotel management business in the Republic of China and **Dusit Thani Laguna Singapore Pte., Ltd.** that aim to expand hotel and resort businesses in Singapore. Since the 2 countries has high potential in tourism business and play important roles in Asia and world economic. The said investment expansion will be a channel to expose the Company trademarks to tourism business in other countries and to present the potential of the Company growth which are the key strategies of economic sustainability. Moreover, it will increase labor employment and income distribution, generate more income and add more value to the Company trademarks to be internationally well known and expand marketing network. This will be a significant move for business of the Company and Economic of Thailand.

## **Wage, Salary and Benefit Management**

Dusit Thani abides by the minimum wage laws of the countries where its hotels are located. Wages of our male and female employees are effectively higher than the minimum wage standards compared to wages offered by local hotels at the same level. In addition, gender is not an indicator of employee wages.

At the beginning of April every year, Dusit Thani reviews salaries of its employees based on their KPIs and the Company's performance. Thus, employees of any gender or age receive fair and proper salaries. Moreover, the Company's pay structure is appropriate and comparable to other businesses in the same category.

Dusit Thani offers many benefits to employees, such as living expense, annual bonus, two duty meals per day, annual leave, sick leave, provident fund, group life and medical insurance with benefits covering medical expenses private and government hospitals, travel insurance in cases of business trip, funeral allowance and wreath in case of decease of employee's immediate family member, disaster relief funds, benefits of staying in affiliated hotels at employee prices and family and friends rate for employees related and friends, Dusit Thani College tuition fee discount for employees' children, laundry discount, discount on wedding reception of employees and their children in hotels in Dusit Thani Group, loans at lower interest rates from participating banks and compensation on retirement.

Annual physical check-up are also provided for employees by professional physicians from hospitals who will give health advice to employees.

## **Environmental Sustainability**

Environmental sustainability is the key to management of hotels in the Dusit Thani Group. All hotels under Dusit Thani management have been awarded environmental and social certification by EarthCheck. Dusit Thani promises that it will constantly improve the environment and society using equipment designed in compliance with EarthCheck standards in terms of energy preservation and efficiency, water usage, environmental protection and management, social and cultural management, space planning and management, air quality protection, noise control, wastewater management, solid waste management and storage of materials hazardous to the environment.



The Company also complies with laws and regulations on the environment and tries its best to achieve global standards.

The Company has appointed regional technical directors so that EarthCheck coordinators and all hotels have a green team working on environmental issues, assessing risks, recording, following up on environmental impacts and setting measures of sustainable environmental and social development. The Company hires local people to work as employees and contractors in its hotels and procures products or services from local communities with environmental awareness. In addition, our employees are encouraged to tell guests, goods and service providers, contractors and goods distributors about the Company's commitment to sustainable environment and social development and our status under EarthCheck activities.

In addition, the Company places importance on selecting materials for equipment in hotels that are environmentally friendly and fresh clean food, quality assured by the procurement department, so that our customers can be sure of quality every time they stay at our hotels.

### **Energy**

In order to reduce electricity use while not compromising our international customer service standards, we are planning to replace incandescent light bulbs with LED light bulbs, in consideration of the environment, within five years from 2012 onwards, and install intelligent lighting control systems in all our hotels in Thailand including system set up of screw-type chillers with variable speed controls, heat-exchange 'heat – pumps', solar water heating systems, use LPG instead of diesel to heat water, and change motors and control systems or replace old appliances with new ones. Employees involved with laundry, kitchens and lifts are trained and educated on how to decrease electricity use in a practical way.

Furthermore, we run energy saving campaigns encouraging personnel to take the stairs instead of lifts, turn off computers during the lunch break while they are not using them, use natural light and set automatic shutdown times on air conditioners. We also invite customers and employees to join the Earth Hour program every year. With full cooperation from employees, energy efficiency plans were successful in reducing energy use to 167.91 mega joules per room usage, 18.3% decreased from 2012.

## **Water**

Since hotel businesses require large amounts of water, we strive for sustainable water management while meeting international customer service standards. Every hotel has concrete water saving measures, such as water pipe and water meter maintenance and replacement, water-saving sanitary ware, faucet and shower installations, use of salt chlorinators for swimming pools and providing water efficiency training to employees. Dusit Thani Hotel Group has ongoing water efficiency plans and activities in order to continuously reduce water use. This has resulted in a decrease of 586.8 liters per room usage, 13.9% decreased from 2012.

## **Waste Landfill**

In order to effectively and efficiently reduce and manage waste, the Green Team Committee has initiated a 3 R's Project (Reduce, Reuse and Recycle). Each hotel, including the central office, educates employees about waste reduction such as using both sides of paper, storing documents on hard drives instead of paper, using kitchenware made of durable materials and sorting waste. Every hotel has an effective waste management system and sorts waste into two categories: waste that can be reused through the Reduce, Reuse and Recycle concept, such as used paper, glass, aluminum, and plastic bottles, which are disposed of and processed, food waste, which is composted into organic fertilizer, and waste that is sent to landfills, such as used batteries. Proper waste disposal methods are in place for public safety. Effective waste management reduced landfill waste to 2.19 liters per room usage, 26.7% decreased from 2012.



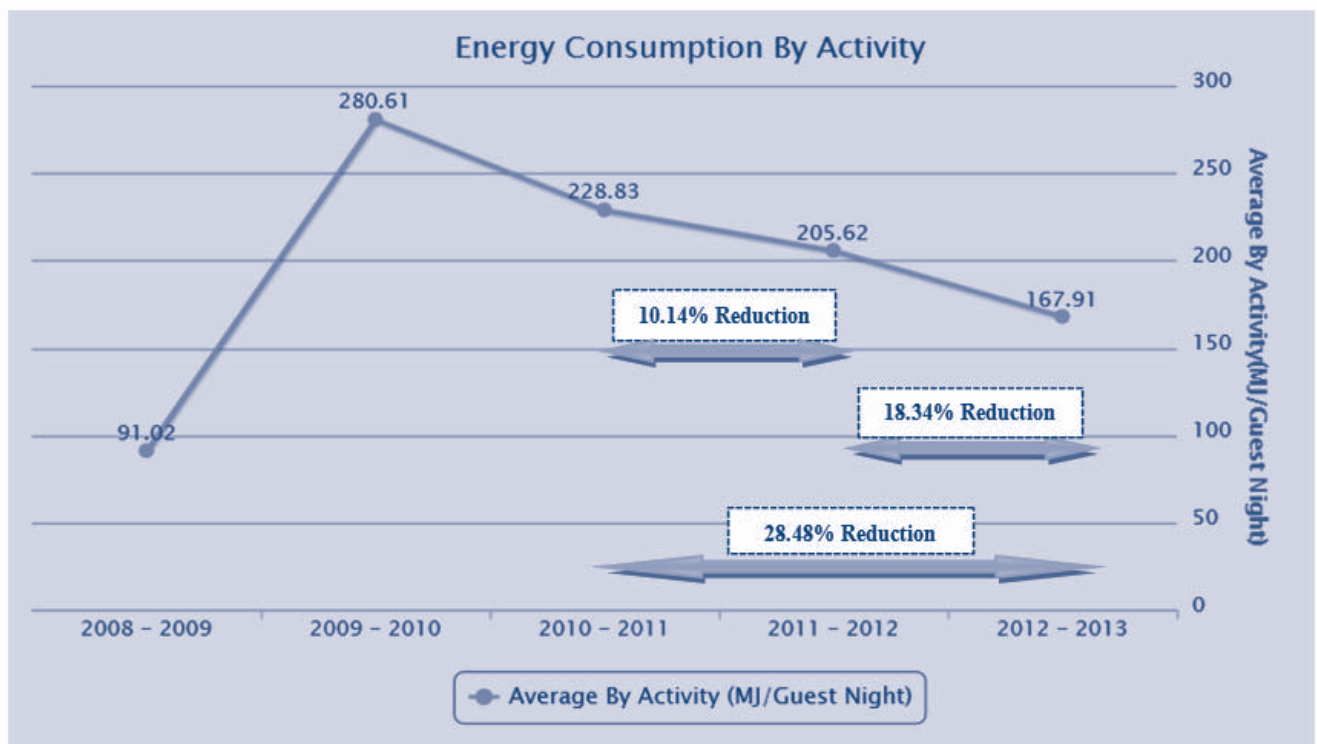
## Summary of Environmental Operations in 2013

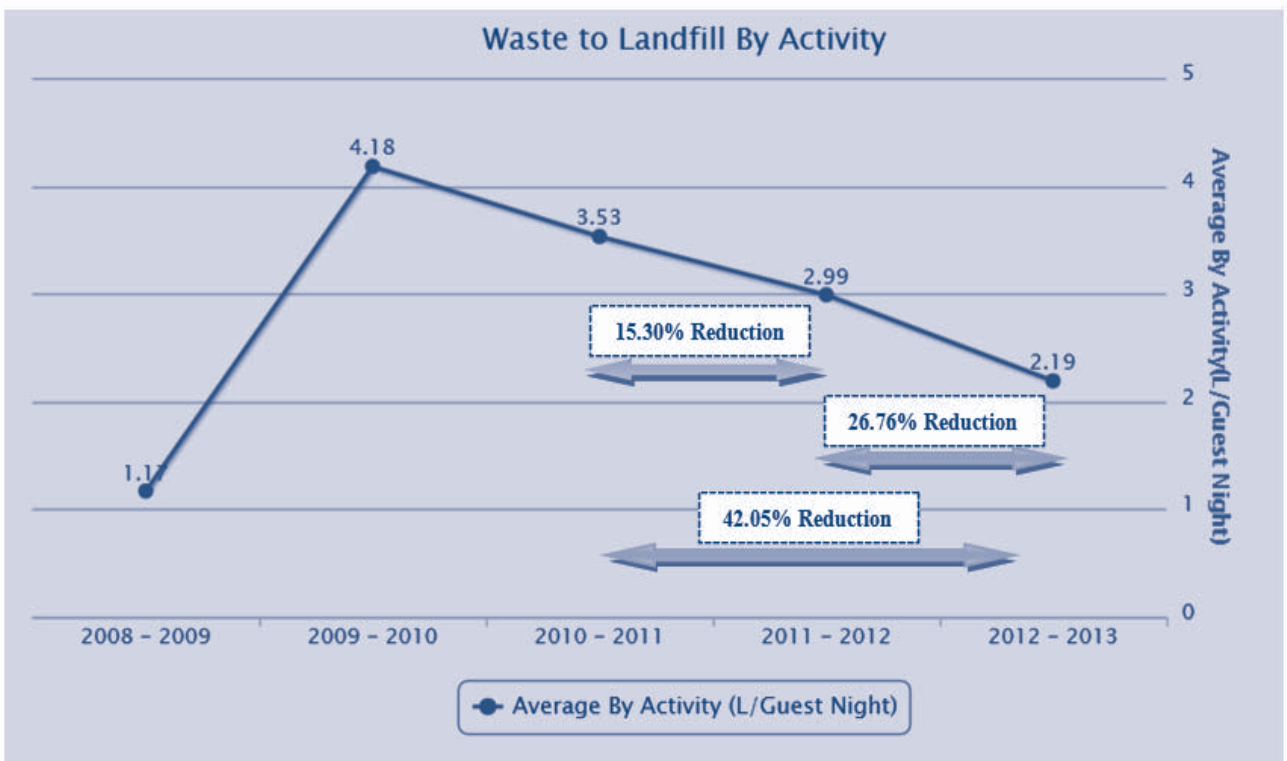
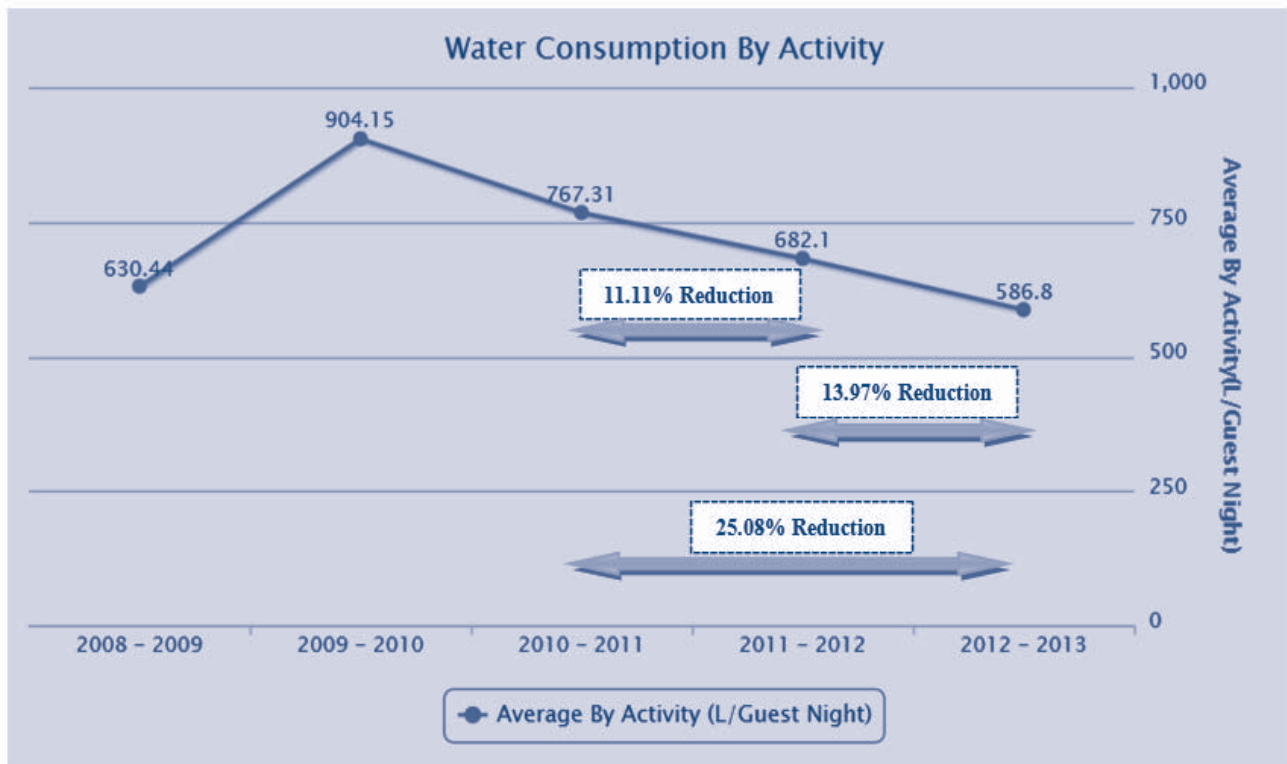
Usage Processes in 2013 Compared to 2012

Percentage: Room Usage of Customer

Electricity	↓	18.3%
Water	↓	13.9%
Waste Landfill	↓	26.7%

Number per Room Usage of Customer	2009-2010	2010-2011	2011-2012	2012-2013	Yearly Goal
<b>Electricity consumption (MJ)</b>	280.61	228.83	205.62	167.91	- 8%
% Difference Compared to the Year Before	N/A	-18.4%	-10.1%	-18.3%	
<b>Water (Liters)</b>	904.15	767.31	682.10	586.80	- 8%
% Difference Compared to the Year Before	N/A	-15.1%	-11.1%	-13.9%	
<b>Waste to Landfill (Liters)</b>	4.18	3.53	2.99	2.19	- 10%
% Difference Compared to the Year Before	N/A	-15.5%	-15.3%	-26.7%	





In 2013, the Company and hotels in the group performed the following environmental activities:

1. Installed LED light bulbs. At present, over 60% of the work is completed in all hotels in the Dusit Thani Group.
2. Installed water saving equipment. At present, 40% of the work is completed in all hotels in the Dusit Thani Group.
3. Maintained and installed heat-pump (hot water) heaters in hotels. At present, 70% of the work is completed in all hotels in the Dusit Thani Group.
4. Recycled used materials. At present, over 80% of all the hotels practice recycling.
5. Maids set the temperature of hotel rooms at 26 degrees Celsius when there are no customers in the rooms and help save water included using heat-reduced curtain.
6. Laundry is done in a water efficient manner. Amounts of chemicals are reduced and ozone laundry systems are used. Water from washing machines is treated and then used to water landscape and garden.
7. Water chillers have been changed to Screw-type and combined with cross-flow cooling towers, energy efficient pumps and variable speed drive and control to increase energy efficiency by 80%. At present over 30% of laundry machines (washers, dryers, and flat iron machines) have been changed to new energy and LPG fuel types.
8. Installing equipment controlling electricity systems and replacing old motors with new ones for increased performance and/or being ‘variable-speed’ type. At present, over 50% of the work is completed in all hotels in the Dusit Thani Group.
9. Selected “ECOLAB” chemical supplies for housekeeping, stewarding and laundry, being their eco-line and cold-wash product series.
10. Changed Swimming Pool Sanitizing system to salt chlorinated “Saline” type using no chemicals but salt for sanitizing. At present, over 60% of all hotels practice this hygienic solution.



<i>Environmental Report</i>				
#	Items	Objectives	Goals	Operations
1	Electricity Use (EN5)	To decrease electricity use	<ul style="list-style-type: none"> <li>&gt; Efficiently decrease electricity use in all types of appliances within 5 years from 2012 onwards and decrease yearly electricity use by 8%.</li> <li>&gt; Replace 100% of old light bulbs with LED light bulbs within five years.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Install lighting systems controlled by key cards and automatic time settings.</li> <li>&gt; Change and install light bulbs, water heating pumps and solar water heating systems. Replace diesel with LPG for water heating systems.</li> <li>&gt; Replace old motors and control systems with new ones for laundry, cooking and lifts.</li> <li>&gt; Train and educate employees so they understand the concept and implementation of energy efficiency.</li> </ul>
2	Water Use (EN8)	Decrease water use	<ul style="list-style-type: none"> <li>&gt; Effectively reduce water use in all activities within 5 years from 2012 onwards and reduce yearly water use by 8%.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Examine wear and tear of water pipes and water meters and fix them if necessary.</li> <li>&gt; Select water-saving sanitary ware, faucets and showers.</li> <li>&gt; Use salt chlorinators for swimming pools.</li> <li>&gt; Train and educate employees so they understand the concept and implementation of saving water.</li> <li>&gt; “ECOLAB” eco-line and cold-wash product range to reduce related water and energy consumption.</li> </ul>
3	Landfill Waste (EN22)	Reduce waste sent to landfills.	<ul style="list-style-type: none"> <li>&gt; Effectively dispose of waste and reduce amounts of each type of waste in each hotel within 5 years, from 2012 onwards and reduce waste produced each year by 10%</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Organize, Reduce, Reuse and Recycle campaigns</li> <li>&gt; Allocate areas for waste sorting.</li> <li>&gt; Turn food waste into organic fertilizer.</li> <li>&gt; Effectively deliver waste to landfills.</li> <li>&gt; Use environmentally friendly and biodegradable containers such as plastic bags made of corn starch.</li> <li>&gt; Train and educate employees so they understand the concept and implementation of waste reduction.</li> </ul>

## Social Sustainability

Thanpuying Chanut Piyaoui, founder of Dusit Thani and Dusit Thani College, saw the importance of sustainable social development through education. As a result, Dusit Thani is the only company managing hotels together with a college and proudly deliver graduated quality people into the hospitality business. Dusit Thani also offers opportunities to students to experience in hotel works as trainees.

Since all employees are part of social sustainability, their works and English language skills are constantly developed and well prepared for the ASEAN Economic Community (AEC). In addition, the company organizes an Executive Trainee program aim to develop and prepare potential employees for promotion and opportunity to be transferred to hotels under Dusit brand in foreign countries. The Company also offers a Management Trainee program to fresh graduate who are interested in the hotel business in order to gain experiences in every core departments to learn about the Company business as a whole and join the most suitable department after the program completed.

Contribution in social activities is another importance mission, as such, the Company organizes yearly activities such as

- Blood drives and donations in cooperation with the Thai Red Cross
- Children's Day activities which organized for children living near hotels under Dusit brands
- Campaigns to promote clean hotels and clean community
- The "Arsa...Dusit" project which will do funding and help employees and communities affected from disaster.
- Contributes and supports in fundraising event "Coins on Silom" held by the Rotary Club of Bangkok South to receive donation from people on Silom Road. The donations will help fund various charity projects of The Rotary Club of Bangkok South throughout Thailand which will benefit the disadvantaged and disabled especially children, water purification projects and libraries for upcountry schools.

## Personnel Development

Employees are precious resources of an organization. Therefore, employee competency development is an important policy. The company allocated 3% of total annual income of each hotel for employee trainings. All employees are required to receive 48 hrs. trainings per year. Training curricula are designed to meet demands of employees at different levels and in different departments. Training is one of the Key Performance Indicators (KPIs) and will be used as employee evaluation standards. Each employee is evaluated during the fourth quarter of every year.

All new employees shall attend orientation training which consist of three programs: the program for new employees, the after-60-day orientation program, and the after-365-day orientation program. Orientation training is aimed to introduce new employees the rules in the workplaces, the organization's policies and products, and the location of each hotel, to prepare them to work with other employees.

### Training plan for each level

TYPE	Management Staff (Min. 48 Hrs)				Non-Management Staff (Min 48 Hrs)	
	Grade 1 Division Head	Hrs	Grade 2 – 3 Dept. Head/Section Manager	Hrs	Grade 4 – 5 Supervisor/Service Agent	Hrs
Compulsory Training	<ul style="list-style-type: none"> <li>New Staff Orientation</li> <li>Dusit Guest Experience Module 1 (Dusit Thai Graciousness)</li> <li>Performance Appraisal</li> <li>Dusit Signature Service (Our Service Behaviours)</li> <li>Professional Trainer</li> </ul>	12 4 2 6	<ul style="list-style-type: none"> <li>New Staff Orientation</li> <li>Dusit Guest Experience Module 1 (Dusit Thai Graciousness)</li> <li>Operational Trainer (For Grade 3)</li> <li>Performance Appraisal</li> <li>Dusit Signature Service (Our Service Behaviours)</li> <li>Interview Skill</li> <li>Front Line Leadership (Some modules)</li> <li>Professional Trainer</li> </ul>	12 4 15 2 6 8-12 15-18	<ul style="list-style-type: none"> <li>New Staff Orientation</li> <li>Dusit Guest Experience Module 1 (Dusit Thai Graciousness)</li> <li>Product Knowledge and Position Skill (SOPs)</li> <li>Performance Appraisal</li> <li>Dusit Guest Experience Module 1&amp;2</li> <li>Frontline Leadership (For Grade 4)</li> <li>Operational Trainer (For Grade 4)</li> <li>Emergency Practice</li> </ul>	12 4 2 2 18 30 15 4-6
Career Training	<ul style="list-style-type: none"> <li>Seminars/Workshops (Job-related/Position-based)</li> </ul>	12-15	<ul style="list-style-type: none"> <li>Job-related Training Program</li> </ul>	12-15	<ul style="list-style-type: none"> <li>Competency Development (Language or Computer)</li> <li>On-The-Job Training</li> <li>Personality Development &amp; Telephone Etiquette</li> </ul>	24-30 30 6
Competitive Training	<ul style="list-style-type: none"> <li>Revenue Management or Finance for Non-Finance</li> <li>Leadership Profiling and Competencies</li> <li>Influencing Skill</li> <li>Presentation Skill</li> <li>Empowered Skill</li> <li>Crisis Management (Emergency Procedure&amp;Practice)</li> </ul>	8-12 6-12 8-12 8-12 12 4-6	<ul style="list-style-type: none"> <li>Situation Leadership the Core Plus (For Executive Trainees)</li> <li>Crisis Management (Emergency Procedure&amp;Practice)</li> </ul>	12 4-6	<ul style="list-style-type: none"> <li>Job-related Training/ On-The-Job Training</li> <li>Other Languages Required</li> <li>Up Selling Trainings</li> </ul>	6
Corrective Training	<ul style="list-style-type: none"> <li>Handling Disciplines and Grievances</li> </ul>	8	<ul style="list-style-type: none"> <li>Handling Disciplines and Grievances</li> </ul>	8	<ul style="list-style-type: none"> <li>Handling Grievances (only for grade 4)</li> </ul>	8



## Sanitation and Safety in the Workplace

The Ministerial Regulation requires a hotel to equip its employees with training on sanitation and safety in the workplace. Therefore, hotels in the Dusit Thani Group organize three training topics for employees as follows:

1. Safety officer curricula for supervisors.
2. Safety officer curricula for executives.
3. Safety committee curricula for committee members.

All hotels have a safety committee in charge of monitoring safety in the workplace, preparing safety regulations, manuals and standards in the workplace, setting up an unsafe working condition reporting system, evaluating safety performance in the workplace, follow-up meetings.

### Proportion of Employees to Workplace Safety Committee

Hotel	Committee	Staff	Average (%)
Dusit Thani Bangkok	13	657	1.98
Dusit Thani Pattaya	11	538	2.04
Dusit Thani Hua Hin	7	398	1.76
Dusit Thani Laguna, Phuket	7	394	1.78
dusitD2 Chiang Mai	7	135	5.19
Dusit Princess Srinakarin	7	183	3.83
Dusit Princess Korat	7	176	3.98
Royal Princess Chiang Mai	8	141	5.67

## Health and Work Safety

For employees to work safely and in order to reduce possible loss, employees are trained about work safety on a regular basis. The workplace safety committee gathers information on the safety of employees, which can be divided into 3 groups: injury rate, lost day rate and absentee rate as follows:

No	Health and Work Safety Results	Year	
		2012	2013
1.	Number of sickness case from work-related (Case)	-	-
2.	Number of Injury case from work-related (Case)	45	11
3.	Number of Fatalities from work-related (Person)	-	-
4.	Injury Rate (Cases / 200,000 Man-Hours)	1.38	0.35
5.	Lost Day Rate (Days / 200,000 Man-Hours)	20.04	3.76
6.	Absentee Rat (Days / Total days scheduled to be worked by the workforce for the same period)	0.31	0.08
7.	Number of Employees as of December 31 (Person)	2,745	2,622

*Remark: 1. Injury : The number of injuries from work-related with at least one day's abstention from work which the data does not include accidents categorized at the first-aid level.*

*2. Lost Day : Time ('days') that an employee could not be worked (and is thus 'lost') because of injury or sickness from work-related. Record begins the next day.*

*3. Absentee : Time ('days') that an employee absent from work because of incapacity of any kind, not just as the result of work-related injury or disease. Permitted leave absences and compassionate leave are excluded.*

*4. Adjusted data of year 2012 to be in the same standard of year 2013*

## Corruption and Human Rights

The Company and its subsidiaries support and encourage all employees to learn about human rights and anti-corruption. Each employee must receive training on human rights and anti-corruption. All executives and employees must abide to the local laws, customs, traditions and culture, which differ in each country where hotels under Dusit brands operate. Employees must strictly observe human rights according to the Universal Declaration of Human Rights. In year 2013, every employee of the hotels under Dusit Group has received one-hour training session on anti-corruption and human rights achieving the goal set in last year.

## **Services and Customer Satisfaction**

**The Market Metrix Hospitality Index (MMHI) by Market Metrix,** Dusit Thani Hotels Group received the evaluation survey of Customer Satisfaction Performance Hospitality Index by Market Metrix. MMHI is based on surveys of 40,000 travelers around the globe in each quarter which the most in-depth and reliable source of hospitality performance information available. In the Third Quarter of year 2013, Dusit Thani Hotels Group received the highest points of Customer Satisfaction Performance Leaders in the Top Five Brand Hotel of Asia Pacific in the Upper Upscale hotels segment at customer satisfaction scores points of 80.5%, which is very high scores points. And addition received the highest points in the Top Ten Brand Hotel of Asia Pacific which combine with Luxury hotels segment together.

**Trip Advisor 2013 Certificate of Excellence,** Certificate of Excellence have been recognized by the world's largest travel site TripAdvisor's website. This website help owned well planning and create their great trip of travelers. This award "Trip Advisor 2013 Certificate of Excellence" celebrates hospitality excellence as Hotel businesses line to Premium Restaurants and is awarded to establishments that consistently achieve outstanding traveler reviews on the TripAdvisor's website. To qualify for the Certificate of Excellence, businesses must maintain an overall rating of four out of a possible five as reviewed by travelers on TripAdvisor and receive positive traveler reviews. Additional criteria include the volume of reviews received within the last 12 months. Leading hotel chain Dusit International have celebrates achieved the Trip Advisor 2013 Certificate of Excellence as follow Dusit Thani hotels : Dusit Thani Bangkok, Dusit Thani Pattaya, Dusit Thani Hua Hin, Dusit Thani Laguna Phuket, Dusit Thani Manila, Dusit Thani Dubai, Dusit Thani LakeView Cairo, Dusit Thani Maldives, Dusit Island Resort Chiang Rai, dusitD2 Chiang Mai, dusitD2 Baraquda Pattaya, Dusit Princess Srinakarin, Dusit Princess Korat, Pathumwan Princess and Royal Princess Chiang Mai altogether awards received 15 properties of Dusit International Group.

## Performance Indicators

Indicator	Description	Page
<b>Economics</b>		
<b>EC5</b>	Range of ratios of standard entry level wage compared to local minimum wage at significant of operation.	129
<b>Environment</b>		
<b>EN22</b>	Total weight of waste by type and disposal method.	131 - 135
<b>EN5</b>	Energy saved due to conservation and efficiency improvements.	130 - 135
<b>EN8</b>	Total water withdrawal by source.	131 - 135
<b>Society</b>		
<b>SO3</b>	Percentage of employees trained in organization's anti-corruption policies and procedures.	139
<b>Labor Practices and Decent Work</b>		
<b>LA6</b>	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	138
<b>LA7</b>	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities compared to previous year.	139
<b>LA10</b>	Average hours of training per year per employee by employee category.	137
<b>Human Rights</b>		
<b>HR8</b>	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	138 - 139
<b>Product Responsibility</b>		
<b>PR5</b>	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	140



## Internal Controls and Risks Management

### ➤ Summary of the Board of Directors' Opinion

The Board of Directors and the Management have responsibilities to provide and maintain the internal control system covering financial reporting, operations, corporate governance, compliance and risk management process. Therefore, the Board of Directors has constituted the Audit Committee of the Company. The Audit Committee is responsible for reviewing the wholeness and reliability of financial statements; ensuring the maintenance of adequate and effective internal control systems and internal audit process; reviewing the effectiveness of risk management process; and ensuring the compliance of SEC regulations, SET notifications and other applicable laws. Internal Audit Department is one of the organizations to audit and evaluate the effectiveness of internal control, risk management, and governance processes.

The Company has a policy to arrange and maintain an efficient internal control system which provides a reasonable assurance that the following objectives can be achieved:

- Reliability and integrity of information and financial reports.
- Compliance with regulations, policies, procedures and related laws.
- Safeguarding of the Company's assets.
- Efficiency, effectiveness of operations and economy of resources.

In the Board of Directors Meeting No. 2/2014 on March 24, 2014, they assessed its internal control system using the Internal Control Self-Assessment Form included Risk Management notified by the office of Securities and Exchange Committee according to Internal Control Framework of COSO (The Committee of Sponsoring Organizations of the Treadway Commission) which consists of the following five components; however, the assessment form also divides into 17 principles for better interpretation of each component:

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information & Communication
5. Monitoring Activities

The Board of Directors also got the comments from the Audit Committee and made any queries to the Management. In summary of the Board of Directors' opinion, internal control system of the Company was fairly adequate; however, some control factors may be enhanced and clarified in order to complete with some new principles. In part of Internal Audit report, there were no significant control weaknesses affecting internal control system. Besides, the external auditor of the Company for year 2013, PricewaterhouseCoopers ABAS, did not have any material notices concerning internal control over financial reporting.

The Management believes that the Company's internal control system with appropriate numbers of designated staff is adequately restrictive to protect assets from damages that may be caused by usage or distribution without approval and monitoring of the Company and its subsidiary Companies to protect assets of the Company and its Subsidiaries, which may be abused by Executives.

In addition, Internal Audit Department manned 7 persons had a role and responsibility independently to review and evaluate the effectiveness of internal control, risk management, and governance processes including compliance with relevant regulations, especially the connected transactions. The Company's Internal Audit planned the schedule, policy and guideline for the year 2013 by auditing 1-2 times a year for each of large hotels and 1 time a year for each of small hotels. Approximately 70% of each audit assignment focused on financial audit and the rest concerned review on operational audit as well as connected transactions and the relevant laws of hotel business as appropriate. For auditing at corporate office of the Company and its major subsidiaries, financial audit was performed 1 time a year including appropriate connected transaction review.

Since late 2006, the risk management team has been set up to study and implement ERM procedure according to the PWC's recommendations both at corporate and hotel levels which will support the efficiency of the Company's internal control accordingly.

➤ **Opinion of the Audit Committee which is different from those of Board of Directors**

**-None-**



## Related Transactions

1. The Company and subsidiaries have related transactions with the persons who may have the conflicts of interest during 2012 and 2013 as follows:

Connected Company	Type of Transactions	Balances/Value of transaction (Million Baht)		Necessity and Rationale
		2012	2013	
Dusit Thani Plc. and subsidiaries with Acme Printing Co., Ltd. by Mrs. Sinee Thienprasiddhi as major shareholder.	Printed the calendar and annual report of the Company	0.05/0.44	1.90/2.19	The Company hired Acme Printing Co., Ltd. though bidding process with other companies and comparing the offering price and conditions and considering the highest benefit for the Company without decision making by connected person.
Dusit Thani Plc. and subsidiaries with MBK Plc. by Mr. Chanin Donavanik and Mrs. Sinee Thienprasiddhi as shareholders.	Management fee and other incomes	0.07 / 1.28	0.02 / 2.92	Price and service rate in sales and marketing activities are similar to other hotels in the group.
	Dividend income	- / 11.74	- / 12.29	Per dividend declaration

Connected Company	Type of Transactions	Balances/Value of transaction (Million Baht)		Necessity and Rationale
		2012	2013	
Dusit Thani Plc. and subsidiaries with Piyasiri Co., Ltd. by Thanpuying Chanut Piyaoui's Group as major shareholder.	Medical expenses	- / 0.29	- / 0.34	Prices and terms are in the normal business transaction.
Dusit Thani Plc. and subsidiaries with Bangkok Bank Plc. by Mr. Chatri Sophonpanich as Chairman	Dividend and interest income	- / 0.64	- / 0.57	Prices and terms are in the normal business transaction and per dividend declaration.
	Selling and administrative expenses	- / 9.76	0.10 / 0.22	Prices and terms are in the normal business transaction.

Connected Company	Type of Transactions	Balances/Value of transaction (Million Baht)		Necessity and Rationale
		2012	2013	
Dusit Thani Plc. and subsidiaries with Laguna Resorts and Hotels Plc. by the Company holds 0.74% of its ownership.	Management fee and other income	1.57 / -	0.09 / -	Such transaction calculated based on similar amount shared to other hotels and on proportion of actual expenses, no margin added.
	Dividend income	- / -	- / 0.15	Per dividend declaration
Dusit Thani Plc. and subsidiaries with JTB (Thailand) Co., Ltd. by Mr. Chanin Donavanik as shareholder.	Revenue from sales and services and other income	1.84 / 9.47	1.67 / 14.12	The Company had travel-agent agreement with JTB (Thailand) Co., Ltd. to perform the guestroom sales, which generally support hotel business. Prices and terms are in the normal business transaction.
Dusit Thani Plc. and subsidiaries with Navakij Insurance Plc. by Professor Hiran Radeesri as director	Insurance expenses	- / 0.67	- / 0.53	Prices and terms are in the normal business transaction.
Subsidiaries and related Board of Directors of Dusit Thani Plc.	Staff accommodation	- / 0.22	- / 0.36	Prices and terms are in the normal business transaction.

According to the Audit Committee meeting No. 2/2014, the Audit Committee had an opinion that the above related transactions are reasonable in pricing and conditions at the normal course of business.

## 2. Related transactions between the Company and subsidiaries in financial supporting

Besides the transactions in normal business which disclosed in the notes to the financial statements, the Company has policies of acquiring, dispose of assets and financial supporting transaction based on SET criterion for subsidiaries to be approved by the Audit Committee and the Board of Directors.

In 2012 and 2013, the Company had transactions related to assets or services and financial supporting to subsidiaries which was in the normal course of business. The summary of financial supporting transactions on conditions and market and fair values were as follows:

Subsidiaries	Changing Balances (Million Baht)		Balances (Million Baht)		Detail of transactions
	2012	2013	2012	2013	
1. Le Cordon Bleu Dusit Co., Ltd.	(12.00)	-	-	-	The Company provided short-term loans.
	(0.58)	-	0.21	-	The Company's interest income.

## 3. Standard or policies governing related transactions

Upon entering to related transaction, the Company has set policies and conditions as follows:

1. Cost, retail price and value of the related transactions follow normal general trading norms.
2. The Company follows the Stock Exchange of Thailand's regulations and proposes to Audit Committee for consideration, including processes for a reasonable related transaction in the best benefits to the Company. The Audit Committee has reviewed the price or the rate of such transaction with the officers and internal auditors of the Company and considers that it is reasonable and appropriate disclosed in financial statements.
3. The Company sets the approval procedures for related transactions to follow the format applied to the Company's general procedures for purchasing and hiring of services. Neither the executive directors nor the shareholders are involved in the benefits or loss or approval of these related transactions.
4. Upon entering the related transactions, the Company has strictly complied with the conditions and regulations of the Stock Exchange of Thailand.

The Audit Committee will give an opinion for a reasonable necessity and fair market price basis to get the optimum benefits for the Company.

The Company has complied with the Regulations by the Stock Exchange of Thailand regarding the connected transactions and/or the acquisition and disposed of assets of listed companies. The amendment will include the disclosures to shareholders of the Company, general investors and related entities including the Stock Exchange of Thailand. Such disclosure will be approved by the Board of Directors and/or the Shareholders Meeting according to the Stock Exchange of Thailand's regulations.

## 4. Policies or trend on future related transactions

For any future related transactions will be based on the standard mentioned above, including related transactions with Acme Printing Co., Ltd., the Peninsula Travel Service Co., Ltd. and Dusit Thai Properties Plc. and/or other companies, may have conflicts of interest.

# Management Discussion and Analysis

## Accounting Policies Overview

The consolidated financial statements for the year ended December 31, 2013 compared with the year ended December 31, 2012, the Company has complied with the effective Accounting Standards for the effective periods beginning on or after 1 January 2013 as follows:

TAS 12 Income Tax, started using since the first quarter of 2013, had retrospectively adjusted to the compare financial statement for 2012 and the bought forward amount of 2012, contributing to shareholders' equity as of December 31, 2012 increased by Baht 121.63 million and as of December 31, 2012 increased by Baht 115.36 million. For Income on income tax in statement of income for 2012 and 2013 recorded at Baht 27.07 million and Baht 4.40 million, respectively.

TAS 21 (revised 2012) The Effects of Changes in Foreign Exchange Rates, the impacts of this accounting standard is to consider using the currency of the primary economic environment in which the entity operates. The Company has considered and concluded that currency uses in operation is Thai Baht, there is no impact to assets, liabilities and retained earnings of the Company.

TFRS 8 Operating Segments requires the operating segment to be described in the same manner as internal reporting used by the chief operating decision-maker. The impact to the Company in applying TFRS 8 is only on a disclosure.

## Business Overview

Key factors affecting to the Company's operations and financial position are attributable to

### External Factors

With the rapid revival of economic and tourism sector after flooding crisis in the late third quarter to fourth quarter 2011 and fully recovered in 2012 to 2013. During the first 10 months in 2013, the Company experienced a healthy increase of revenues from 10 hotels in Thailand, the occupancy rate rose by 10%, with the full 12-month operation of Dusit Thani Maldives. The management service income from managed hotels both in Thailand and overseas grew by 6%. However, Thailand's political climate evolving since November 2013 and continuing up to the first quarter 2014 caused the opportunity loss in the Company's revenues due mainly to a heap cancellation on booking for meeting and leisure and a slowdown in new booking.



## **Internal Factors**

The Company is continuing to implement plans and strategies to reduce risk of revenues centralization from Thailand by expanding revenues proportion in overseas. Key strategies of increasing overseas' income includes the following:

### **▪ Investment Business:**

The Company will invest in regions or countries having high potential tourist attractions and high returns. In 2011, the Company made an investment in hotel business in Maldives, named Dusit Thani Maldives, five stars luxurious hotel with 100 villas located on the secluded Mudhdhoo Island, Republic of Maldives. This investment is made under DMS Property Investment Private Limited (DMS) with its registered capital of USD 38.5 million for total amount of investment of USD 60 million. The Company has invested through Dusit Thai Properties Plc. by 55%. This hotel was inaugurated on September 8, 2012, attributing the revenues from sales and services of 2013 increased from last year by 10.41% due mainly to Dusit Thani Maldives by 8.10%. Moreover the Company put another investment in new joint venture in early 2013, named Dusit Fudu Hotel Management (Shanghai) Co., Ltd. in proportion of 45% of the investment capital RMB 30 million in People's Republic of China with primarily recognized loss of Baht 19.09 million. The Company also had an investment in associate, named Dusit Thani Laguna Singapore Pte. Ltd. in Singapore in proportion of 25.01% of total investment of SGD 115.2 million. This company has high potential in tourism industry in Asia. The objective of this project is to construct new resort in city center, including golf course and laguna club which only 5 minutes drive from Changi International Airport.

### **▪ Hotel Manangement Business**

In 2013 the Company has managed 2 more hotels in Thailand (excluding the existing 10 hotels owned by the Company and 5 hotels in overseas with development and investment office located both in Hong Kong and Dubai. The Company also has a 50% of the investment capital INR 35 million which is joint investment with Indian company to set up the management company in India as well as the newly established company in Delaware, USA to support the management hotel, which successfully signed two management agreements with Dusit Thani Guam and dusitD2 Pasadena. In 2013, the Company ended the year with total management service income of Baht 65.06 million, increased by Baht 4.02 million from last year, mainly from Dusit Thani Abu Dhabi, United Arab Emirates. However, the Company is aiming and focusing on its long-term growth plan by increasing number of managed hotels both in Thailand and overseas, especially in Middle East, such as United Arab Emirates, in East Asia such as People's Republic of China and in South Asia such as India. The new joint venture company in China, in which the Company had 45% shares of investment, is expected to manage 5,000 guest rooms by 2020.

## ▪ Education Business

As the initiator in hotel management education, culinary arts and other related hospitality sciences. These long milestone experience and success is strengthening the Company positioning apart from hotel management. The Company views this promising opportunity of expanding education business and now considers in investing and managing both in Thailand and overseas. In 2013, the education management service income from Lyceum of Philippines University (LPU) was Baht 20.63 million, increased by Baht 1.47 million from last year. In 2014, the Company will sign more educational consulting agreement with Yayasan Pusat Pengembangan Dan Pelatihan Bali International, Indonesia.

In addition, the Company aims to renovate the existing hotels on every year and to have a big renovation in every 5-7 years in order to maintain hotel quality standard and to uplift potential competitiveness in the market. The Company spent renovation budget near Baht 156 million in 2013 and will spend over Baht 322 million in the next 3 years.

The Company launched the business growth strategy since 2007. In 2013, it started showing a strong improvement of Dusit Thani Maldives as yet missed the target. Meanwhile the expansion of business requiring more manpower and integrated systems in all areas coupled with more projects development expenses unavoidably led to higher administrative expenses while the revenue was under budgeted as the impacts of external factors. Therefore, starting from 2014, if there is no impact of external factors to the operation of owned hotels and managed hotels, the Company is expecting to have higher operation profit in future.

## Future Outlook

The expanding of Company's business; new hotel investment, hotel management and education businesses, need more manpower as well as more projects development expenses, resulted to higher administrative expenses. While the revenue will be recognized when such hotels under signed management agreements operate. In addition, the delaying of opening such hotel directly impacted to the Company's revenues.

As previously mentioned on Company's business strategy, they aim to expand more on hotel management to other regions to diversify risk as well as education business - Company's second core strength. The Company also researches the possibility of establishing vocational education in hotel management to support the rapid growing expansion of hotel management in Thailand and overseas which is now lack of serviced-level staff.

## The Operation Analysis, Financial Position and Cash Flows

### Operation Analysis

The quarterly operation performance of 2013 compared to 2012 were as follows:

For the three-month period ended March 31, 2013 compared to the same period of 2012

Unit: Million Baht

Description	2012	2013	Variance	%
Revenue from sales and services	1,127.85	1,428.97	301.12	26.70
Gross Profit	324.02	487.74	163.72	50.53
Profit (loss) from operations	59.49	182.35	122.86	206.52
Profit (loss) before interest and income tax expenses	90.00	211.61	121.61	135.12
Profit (loss) before income tax expenses	75.48	197.22	121.74	161.29
Net profit (loss)	68.03	162.98	94.95	139.57
Net profit – Equity holders of the parent	95.61	142.55	46.94	49.10
Earnings per share (Baht)	1.13	1.69		

The recovering domestic economy and no external factors enables the operation results higher than the same period of 2012, mainly driven by Dusit Thani Maldives which its revenues increased by Baht 192.90 million. This hotel is fully operated in 2013 (unofficially opened in February 2012). The net profit attributed to equity holders of the parent was Baht 142.55 million, increased from the same period of 2012 by Baht 46.94 million.



For the three-month period ended June 30, 2013 compared to the same period of 2012

Unit: Million Baht

Description	2012	2013	Variance	%
Revenue from sales and services	922.21	946.30	24.09	2.61
Gross Profit	174.32	208.89	34.57	19.83
Profit (loss) from operations	(122.33)	(89.84)	32.49	26.56
Profit (loss) before interest and income tax expenses	(86.32)	(53.48)	32.84	38.04
Profit (loss) before income tax expenses	(104.32)	(68.99)	35.33	33.87
Net profit (loss)	(104.86)	(55.57)	49.29	47.01
Net profit (loss) – Equity holders of the parent	(62.89)	(43.73)	19.16	30.47
Earnings (loss) per share (Baht)	(0.74)	(0.52)		

Since the low season of hotel business starts in June, the Company earned total revenue of Baht 946.30 million, increased by Baht 24.09 million, or 2.61% from the same period of last year. The net loss – equity holder of the parent was Baht 43.73 million, decreased by Baht 19.16 million from the same period of last year, or 30.47%, mainly from the increase of hotel's revenues.

For the three-month period ended September 30, 2013 compared to the same period of 2012

Unit: Million Baht

Description	2012	2013	Variance	%
Revenue from sales and services	906.54	995.05	88.51	9.76
Gross Profit	147.06	227.07	80.01	54.41
Profit (loss) from operations	(97.76)	(71.46)	26.30	26.90
Profit (loss) before interest and income tax expenses	(40.65)	(35.15)	5.50	13.53
Profit (loss) before income tax expenses	(60.42)	(53.43)	6.99	11.57
Net profit (loss)	(54.24)	(50.22)	4.02	7.41
Net profit (loss) – Equity holders of the parent	(27.64)	(40.51)	(12.87)	(46.56)
Earnings (loss) per share (Baht)	(0.33)	(0.48)		

The third quarter is still the off-peak season for hotel business, the Company has total revenues of Baht 995.05 million, increased by Baht 88.51 million from the same period of last year, or 9.76%, with attributed net loss to equity holder of the parent of Baht 40.51 million, increased by Baht 12.87 million from the same period of last year, or 46.56%.

For the three-month period ended December 31, 2013 compared to the same period of 2012

Unit: Million Baht

Description	2012	2013	Variance	%
Revenue from sales and services	1,300.84	1,330.18	29.34	2.25
Gross Profit	363.55	391.21	27.66	7.61
Profit (loss) from operations	53.40	52.26	(1.14)	(2.13)
Profit (loss) before interest and income tax expenses	175.35	78.93	(96.42)	(55.00)
Profit (loss) before income tax expenses	157.70	62.51	(95.19)	(60.36)
Net profit (loss)	153.29	55.77	(97.52)	(63.62)
Net profit (loss) – Equity holders of the parent	151.78	31.87	(119.91)	(79.00)
Earnings (loss) per share (Baht)	1.80	0.38		

It enters the high season of hotel business. The political climate beginning in this quarter much slowed all tourism activities down. Dusit Thani Bangkok was directly affected from this situation with revenue decreased by Baht 35.30 million, thereby earning the net profit attributed to equity holders of the parent was Baht 31.87 million, decreased by Baht 18.80 million from the same period of last year (excluding gain on sales of investment properties of Baht 101.11 million).

After adding all quarterly performance of 2013 compared to 2012, it can detail as follows:

Unit: Million Baht

Description	2012	2013	Variance	%
Revenue from sales and services	4,257.44	4,700.50	443.06	10.41
Cost of sales and services and depreciation and amortization	(3,248.48)	(3,385.59)	(137.11)	(4.22)
Gross profit	1,008.96	1,314.91	305.95	30.32
%	24%	28%		
Other income from operations	236.46	265.13	28.67	12.12
Total expenses	(1,352.62)	(1,506.73)	(154.11)	(11.39)
Operating profit (loss)	(107.20)	73.31	180.51	168.39
Other income	144.47	128.60	(15.87)	(10.98)
Gain on sales of investment properties	101.11	-	(101.11)	(100.00)
Profit before interest and income tax expenses	138.38	201.91	63.53	45.91
Interest income (expense) - net	(69.94)	(64.60)	5.34	7.64
Profit before income tax expenses	68.44	137.31	68.87	100.63
Income tax expenses	(6.22)	(24.35)	(18.13)	(291.48)
Net profit	62.22	112.96	50.74	81.55
Net profit (loss) - Non-controlling interests	(94.64)	22.78	117.42	124.07
Net profit - Equity holders of the parent	156.86	90.18	(66.68)	(42.51)
Earnings per share (Baht)	1.86	1.07		



The performance for 2013, the Company experienced a healthy earning from sales and services of Baht 4,700.50 million, increased by Baht 443.06 million from last year, or 10.41%, attributable from the increment of hotel revenues, especially from the newly opened hotel, Dusit Thani Maldives (fully operated) and also from Dusit Thani Pattaya. After deducting cost of sales and depreciation, gross profit was Baht 1,314.91 million, increased by Baht 305.95 million from last year, or 30.32%. By including other income from operations (management service income and other incomes) of Baht 265.13 million, profit before expenses then was Baht 1,580.04 million. After deducting total expenses of Baht 1,506.73 million, increased by Baht 154.11 million from last year, comprised expense from opening sales office in Japan in July 2013 and a new joint venture company in People's Republic of China, marketing, promotion and public relations expenses, employee relations and other administrative expenses, then operating profit was Baht 73.31 million, by including other incomes of Baht 128.60 million, net interest income (expenses) of Baht 64.60 million, income tax expenses of Baht 28.75 million and income on deferred income tax of Baht 4.40 million and net profit – non-controlling interests of Baht 22.78 million, as such net profit attributed to equity holders of the parent was Baht 90.18 million, or Baht 1.07 per share. Net profit increased from last year (excluding gain on sales of investment properties) by Baht 34.43 million. Major reason for the increased profit from hotel's operations was from Dusit Thani Maldives and Dusit Thani Pattaya.

The significant changes in 2013 resulted from the full operation of Dusit Thani Maldives (after it had unofficially opened in February 2012) on September 8, 2013 and in October 2012, there was gain on sales of investment properties of Baht 101.11 million, but no such gain in 2013.

## Revenue Structure

The proportion of revenues of the Company and subsidiaries can classify as follows:

Unit: Million Baht

Revenue Structure	2012		2013		Variance	
	Amount	%	Amount	%	Amount	%
1. Revenue from sales and services						
-Hotel business	4,076.21	85.84	4,499.80	88.22	423.58	10.39
-Rental business	61.62	1.30	66.51	1.30	4.89	7.94
-Spa business	22.10	0.47	22.95	0.45	0.86	3.89
-Culinary school	96.83	2.04	111.24	2.18	14.41	14.88
-Training business	0.68	0.01	-	-	(0.68)	(100.00)
<b>Total revenue from sales and services</b>	<b>4,257.44</b>	<b>89.66</b>	<b>4,700.50</b>	<b>92.16</b>	<b>443.06</b>	<b>10.41</b>
2. Management service income	61.03	1.29	65.06	1.28	4.03	6.60
3. Other incomes						
- Realized income from deferred rental revenue	25.43	0.54	25.43	0.50	-	-
- Gain on sales of property, premises and equipment	-	-	1.26	0.02	1.23	100.00
- Gain on sales of investment properties	101.11	2.13	-	-	(101.11)	(100.00)
- Share of profit from investment in associate	106.93	2.25	88.58	1.74	(18.35)	(17.16)
- Interest income	9.09	0.19	6.30	0.12	(2.79)	(30.69)
- Dividend income	12.12	0.26	13.34	0.26	1.21	9.98
-Others *	175.43	3.69	200.07	3.92	24.64	14.05
<b>Total other incomes</b>	<b>430.11</b>	<b>9.06</b>	<b>334.97</b>	<b>6.57</b>	<b>(95.14)</b>	<b>(18.55)</b>
<b>Total revenues</b>	<b>4,748.58</b>	<b>100.00</b>	<b>5,100.54</b>	<b>100.00</b>	<b>351.96</b>	<b>7.41</b>

\* Other income consists of shop rental at hotels, printing, marketing which related to hotel management business, etc.

Total revenues in 2013 increased from 2012 by Baht 351.96 million, or 7.41%. By excluding gain of sales of investment properties of Baht 101.11million, total revenues of 2013 increased from 2012 by Baht 453.07 million, or 9.75%, mainly from revenue from sales and services of Dusit Thani Maldives and Dusit Thani Pattaya.





## Consolidated Operation Performance

The Company and subsidiaries reported total revenue from sales and services of Baht 4,700.50 million, increased from last year by Baht 443.06 million, or 10.41%. The increase was primarily the result of:

- Hotels under the Company and subsidiaries had revenues increased by Baht 346.18 million from Dusit Thani Maldives increased by Baht 308.55 million.
- Hotels under DTCPF had revenues increased by Baht 77.41 million.
- Other businesses had revenues increased by Baht 19.47 million.

After deducting cost of sales and services and depreciation, the Company had gross profit for 2013 of Baht 1,314.91 million, or 28% of total revenues, increased from the last year by Baht 305.95 million, or 30.32%.

Including other income from operations, comprised management service fee of Baht 65.06 million and other income of Baht 200.07 million, increased from last year by Baht 4.02 million and Baht 24.64 million, respectively. The major increased revenues are resulted from the technical service fee from various projects and other incomes from hotels and other businesses.

Total expenses were Baht 1,506.73 million, increased from last year by Baht 154.11 million, or 11.39%, consisting of selling and administrative and headquarter expenses as follows:

- Selling expenses increased by Baht 26.11 million, such as marketing, promotion and public relations expenses.
- Administrative expenses increased by Baht 141.82 million, comprising the feasibility study for new investment projects, employee relations and other administrative expenses. However, the Company has an ongoing policy on a careful spending from last year.
- Depreciation and amortization decreased by Baht 11.46 million are resulted from the fully depreciated assets of hotels.
- Loss on sale of property, premises and equipment decreased by Baht 2.36 million from the selling of unused assets in 2012.

The operation profit was Baht 73.31 million, increased by Baht 180.51 million from last year. After including other income: dividend income, realized income from deferred rental revenue, gain on sales of property, premises and equipment and share of profit from investment in associate, gain on sales of investment properties Baht 101.11 million (only for 2012), then profit before interest and income tax was Baht 201.91 million, increased by Baht 63.53 million from last year. By deducting net interest income (expense) of Baht 64.60 million (mainly from Dusit Thani Maldives), then net profit before income tax was Baht 137.31 million. After deducting income tax expense of Baht 24.35 million and non-controlling interest of Baht 22.78 million, net profit contributed to equity holders of the parent was Baht 90.18 million, increased by Baht 34.43 million from last year (excluding gain on sales of investment properties).



The changes can summarize as follows:

Unit: Million Baht

Description	Amount
Gross profit increased	305.95
<b>Other incomes increased:</b>	
- Other income: management service income, rental, dividend, etc.	29.88
- Gain on sales of property, premises and equipment	1.26
<b>Other income decreased:</b>	
- Share of profit from investment in associate	(18.35)
- Gain on sales of investment properties	(101.11)
<b>Expenses increased:</b>	
- Selling and administrative expenses	(167.93)
<b>Expenses decreased:</b>	
- Depreciation and amortization	11.46
- Loss on impairment of property, premises and equipment	2.36
- Interest income (expense) - net	5.34
Income tax expenses increased from 2012	(18.13)
Net profit – Non-controlling interests increased	117.41
<b>Net profit decreased</b>	<b>(66.68)</b>

### Financial Position Analysis

The consolidated statement of financial position of the Company and subsidiaries as of December 31, 2013 compared with the balances as of December 31, 2012 which already adjusted deferred income tax assets and liabilities, entailing the shareholders' equity a higher value of Baht 121.63 million and as of December 31, 2012 had higher value of Baht 115.36 million.

Unit: Million Baht

Description	As of December 31, 2013	As of December 31, 2012	Variance	%
Total current assets	1,297.11	1,399.50	102.39	7.89
Total non-current assets	7,241.63	7,229.45	(12.18)	(0.17)
<b>Total assets</b>	<b>8,538.74</b>	<b>8,628.95</b>	<b>90.21</b>	<b>1.06</b>
Total current liabilities	1,745.82	1,839.61	93.79	5.37
Total non-current liabilities	2,109.13	1,967.83	(141.30)	(6.70)
<b>Total liabilities</b>	<b>3,854.95</b>	<b>3,807.44</b>	<b>(47.51)</b>	<b>(1.23)</b>
Equity attributable to owners of the parent	4,060.49	4,142.95	82.46	2.03
Total shareholders' equity	4,683.79	4,821.51	137.72	2.94
<b>Total liabilities and shareholders' equity</b>	<b>8,538.74</b>	<b>8,628.95</b>	<b>90.21</b>	<b>1.06</b>



**Total Assets** were Baht 8,628.95 million, increased by Baht 90.21 million, resulted from these factors as follows:

- Current assets increased by Baht 102.39 million, mostly from cash and cash equivalents from operations increased by Baht 49.07 million (from operating), trade and other receivables-net increased by Baht 30.19 million (resulted from trade accounts receivable, other receivables, prepaid income tax and prepaid expenses), prepaid rental of land and buildings increased by Baht 2.10 million, and other current assets increased by Baht 22.43 million (VAT refundable and advance payment for investment in associate). Whereas, inventories decreased by Baht 1.40 million.

- Non-current assets decreased by Baht 12.18 million. The major reasons are resulted from prepaid rental of land and buildings exceeding one year-net by Baht 98.79 million because of amortization according to the lease period, deferred income tax assets by Baht 7.52 million from tax-loss carried forward. Whereas the increase of available-for-sale investments increased by Baht 59.44 million (increased in fair value or market value), investments in associate – DTCPPF by Baht 0.68 million (from share of profit from investment and dividend income during the year), property, premises and equipment-net and investment properties – net increased by Baht 14.67 million (majority were from renovation and depreciation during the year), intangible assets – net increased by Baht 17.90 million (computer software), and other non-current asset increased by Baht 1.44 million.

**Total Liabilities** were Baht 3,807.44 million, decreased by Baht 47.51 million, from following reasons:

- Current liabilities increased by Baht 93.79 million. The main increases are resulted from current portion of long-term loans by Baht 87.19 million, short-term loans from financial institutions by Baht 7.40 million, trade and other payables by Baht 6.96 million, liabilities under rental guaranteed to DTCPPF by Baht 5.67 million, whereas accrued income tax and other current liabilities decreased by Baht 13.43 million.

- Non-current liabilities decreased by Baht 141.30 million from repayment of long-term loans Baht 133.13 million and deferred rental revenue from DTCPPF decreased by Baht 25.43 million resulted from the realized as revenue during the period and others by Baht 2.03 million, but retirement benefit obligation increased by Baht 17.51 million (according to the calculation by Actuarial), and other non-current liabilities increased by Baht 1.78 million.

**Shareholders' Equity** was Baht 4,821.51 million, increased by Baht 137.72 million, majority resulted from net profit of Baht 112.96 million, gain on re-measuring available-for-sale investments (from market value) by Baht 59.44 million, exchange differences on the translation of financial statements of subsidiaries by Baht 67.03 million, actuarial losses on define employee benefit plan by Baht 2.94 million and income tax relating to components of other comprehensive income by Baht 10.66 million and deducted dividend of Baht 85.00 million and for non-controlling interest by Baht 3.11 million.

The effects of deferred income tax assets were more than deferred income tax liabilities, impacted to shareholders' equity as of December 31, 2012 by Baht 121.63 million and as of December 31, 2013 by Baht 115.36 million. As a result, as of December 31, 2013, debt (excluding deferred rental revenue) to equity ratio was 0.65:1, and debt (only interest bearing debts) to equity ratio was 0.41:1 and book value of Baht 49.01 per share.

## Cash Flows Analysis

The Company and subsidiaries had cash flows from operations in past 3 years as follows:

Unit: Million Baht

	2011	2012	2013
Net cash flow from operating activities	402.78	528.82	730.95
Net cash flow from investing activities	(2,058.99)	(493.23)	(405.29)
Net cash flow from financing activities	1,864.80	32.91	(284.58)
Effect of exchange rate changes on cash	4.24	4.17	7.99
Net increase (decrease) in cash flows	212.83	72.67	49.07

The Company and subsidiaries have cash flows for 2012 compared with 2013 as follows:

**Net cash flows provided by operating activities** of Baht 730.95 million, resulted from operation profit before changes in operating assets and liabilities of Baht 815.56 million, mainly from better in operation, decreased in trade and other receivables of Baht 22.59 million (uncollected balance from receivables), other current assets of Baht 22.24 million (mainly from advance payment for investment in associate-Dusit Thani Laguna Singapore Pte. Ltd. of Baht 25.25 million and other non-current assets decreased by Baht 3.15 million. While inventories increased by Baht 2.71 million. Adding trade and other payables of Baht 26.79 million, liabilities under rental guaranteed to DTCPF increased of Baht 5.67 million, and other non-current liabilities of Baht 3.53 million, less other current assets decreased of Baht 12.58 million and payment for employee benefit of Baht 15.09 million. Adding cash received from refund of prepaid income tax of Baht 4.85 million and payment of income tax of Baht 52.51 million.

**Net cash flow used in investing activities** of Baht 405.29 million, resulted from payment for purchasing property, premises and equipment Baht 506.05 million (for own hotels renovation), payment for intangible assets, software of Baht 9.85 million and payment for purchasing of investment properties of Baht 0.19 million. While cash received from interest income of Baht 4.75 million, dividend income of Baht 13.33 million, dividend received from DTCPF Baht 87.89 million and cash received from sales of property, premises and equipment of Baht 4.83 million.

**Net cash flows used in financing activities** of Baht 284.58 million, resulted from payment for long-term loans of Baht 135.02 million, mainly from DMS Property Investment Private Limited (DMS), payment for interest of Baht 67.83 million, payment for long-term liabilities under finance lease agreement of Baht 0.49 million and payment for dividend of Baht 88.12 million and payment for short-term loans from financial institution of Baht 6.82 million.



## 2. Profitability

The profitability of the Company and subsidiaries in the past 3 years can be described as follows:

### Profitability Ratio

		2011	2012	2013
Net profit margin	%	0.79	3.30	1.77
Return on Equity (ROE)	%	0.79	3.91	2.20

In reference to the above ratios, in 2013, the Company had net profit margin at 1.77% of total revenues, and return on equity (ROE) was at 2.20%, decreased from 2012 as in 2013 the Company and subsidiaries had operating profit of Baht 90.18 million, decreased from 2012 by Baht 66.68 million. In 2012, by excluding gain on sales of investment properties of Baht 101.11 million, the profitability ratio of 2012 would be 1.17%, as a result, the profitability ratio of 2012 increased from 2011, because of having higher revenues from hotel business according to the growing tourism business in Thailand prior to political crisis and the consolidation operating results of DMS Property Investment Private Limited. As there was the political crisis since November 2013 which directly impacted the revenues of Dusit Thani Bangkok. Any initial new investment entailing with high expenses at the beginning which its profitability may not sufficient to cover all expenses. Higher expenses directly impacted to the Company's net profit.

In addition, the Company had continually paid dividend to the shareholders and had policy to pay dividend not less than 50% of basic earnings per share. In 2013, the Board of Directors meeting on February 24, 2014, declared the dividend payment for 2013 by appropriated from profit to shareholders at Baht 1.00 per share, totaling Baht 85.00 million

### 3. Ability to Manage Assets

The Company and subsidiaries have managed their assets effectively in order to obtain the highest benefits and margins as follows:

Trade and other receivables consists of the following:

Unit : Million Baht

	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2013
Trade accounts receivable – net	262.62	273.54	286.01
Other receivables - Management and other service - net	48.28	47.63	44.64
Other receivable – other companies	21.46	16.49	28.61
<u>Less</u> Allowance for doubtful accounts	(0.40)	(0.64)	(0.61)
Accrued interest income	2.33	0.39	2.04
Accrued income	0.15	0.19	0.21
Prepaid expenses	38.40	32.00	35.62
Prepaid income tax	29.53	18.77	25.41
Advance payments	9.27	9.53	3.65
Prepaid for Assets	115.59	-	-
Deposits	-	9.13	11.85
Refundable deposits	0.54	0.50	0.30
Trade and other receivables - net	<u>527.77</u>	<u>407.53</u>	<u>437.73</u>

As at December 31, 2013, the Company and subsidiaries had trade and other receivables increased because of trade accounts receivable of Dusit Thani Maldives.

Trade accounts receivable classified by aging as follows:

Unit: Million Baht

Outstanding amount	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2013
- Less than 3 months	256.71	264.85	287.36
- More than 3 months	20.14	25.68	8.36
Total trade accounts receivable	276.85	290.53	295.72
<u>Less:</u> Allowance for doubtful accounts	(14.23)	(16.99)	(9.71)
Trade accounts receivable - net	262.62	273.54	286.01

As at December 31, 2013, the Company and subsidiaries had trade accounts receivable past due more than 3 months of Baht 8.36 million which mostly were agents. However, the Company and subsidiaries had set up the allowance for doubtful accounts totaling Baht 9.71 million, which were sufficient for their operations.



## Effective Assets Management

		2011	2012	2013
Return on Assets (ROA)	%	0.83	1.63	2.35
Return on Fixed Assets	%	11.17	13.64	13.43
Assets turnover	%	0.54	0.56	0.59

Efficiency ratio for management of assets for 2013: return on assets (ROA) was 2.35%, increased from 2012, because in 2013, the Company and subsidiaries had net profit of Baht 90.18 million and total assets of 2013 was Baht 8,628.95 million, increased from last year by Baht 90.21 million. However, the Company still has to continually invest in more fixed assets, for instance, renovation of hotels and restaurants. These assets will be sufficient in generating revenues to receive higher return in future years. According to the mentioned ratios, it shows the Company capacity in using assets for higher efficiency in operations.

## 4. The Capital Efficiency

The capital structure of the Company consisted of short-term and long-term loans and from shareholders.

As at December 31, 2013, borrowings were detailed as follows:

Unit : Million Baht			
	Limit	Balance	Interest
1. Bank overdraft	88.00	-	MOR
2. Short-term loans from financial institutions			
- Dusit Thani Plc.	450.00	260.70	MMR
- Dusit Thani Plc.	150.00	-	MMR
- Dusit Thani Plc.	250.00	-	Be specified by bank
- Dusit Thani Plc.	800.00	-	MMR
- Dusit Thani Plc.	350.00	350.00	MMR
- Dusit Thai Properties Plc.	50.00	-	MMR
- Dusit Thai Properties Plc.	50.00	33.00	MMR
- Dusit Thai Properties Plc.	50.00	19.00	MMR
- DMS Property Investment Pvt. Ltd. <sup>(1)</sup>	76.95	-	LIBOR6months+3.425%
3. Short-term loans from related company			
- DMS Property Investment Pvt. Ltd.	24.47	13.11	LIBOR6months+3.425%
4. Long-term loans from financial institutions			
- Philippine Hoteliers, Inc. <sup>(2)</sup>	364.32	32.06	2.6348%
- DMS Property Investment Pvt. Ltd. <sup>(1)</sup>	1,269.17	1,245.05	LIBOR6months+3.425%
<b>Total</b>	<b>3,972.91</b>	<b>1,952.92</b>	

(1) DMS Property Investment Private Limited has short-term and long-term loans with financial institutions in Thailand totaling USD 2.50 million and USD 41.50 million, respectively. Short-term loans were for working capital and long-term loans were for payment of liabilities according the sale and purchase agreement and for acquiring operating assets, furniture, installation of fixture and equipment and preopening expenses and others. Such short-term and long-term loans are pledged by total securities - share certificates of such subsidiary of 38.5 million shares and 60% guaranteed by the company and 40% by other 2 shareholders of such subsidiary. Long-term loans had fully withdrawn.

(2) Limitation of long-term loans of Philippine Hoteliers, Inc. was Peso 510 million

As at December 31, 2012, debt to equity ratio was 0.79:1. If excluding deferred rental revenue of Baht 686.14 million, debt to equity ratio would be 0.65:1. Total equity attributable to owners of the parent was Baht 4,142.94 million and book value was Baht 49.01 per share.

#### **Liquidity Ratio**

		<b>2011</b>	<b>2012</b>	<b>2013</b>
Current Ratio	times	0.72	0.74	0.76
Quick Ratio	times	0.59	0.61	0.62

The Company's current ratio and quick ratio for 2013 were increased from 2012 because current asset increased: cash from operations increased by Baht 49.07 million, trade and other receivables - net increased by Baht 30.20 million, inventories increased by Baht 1.40 million, prepaid rental of land and building increased by Baht 2.10 million of DMS, other current asset increased by Baht 22.43 million, mainly from advance payment for investment in associate (Dusit Thani Laguna Singapore Pte. Ltd.) in Singapore. The current liabilities increased, as in 2013, the Company had bank overdraft and short-term loans from financial institutions increased by Baht 7.40 million, trade and other payables, such as payable - assets acquisition to renovate and decorate, accrued expenses, deposit received increased by Baht 6.96 million, liabilities under rental guaranteed to DTCPPF increased by Baht 5.67 million. Current portion of long-term loans increased by Baht 87.19 million, therefore, the liquidity ratios of the Company was higher. The liquidity ratios of the Company analysed according to the financial position were lower because the Company managed to use short-term borrowing in high proportion as lower of interest rate. However, the Company has already considered the payment ability of such loans and will convert such short-term loan to long-term loans according to the situation.





## Debt Management Ratio

		2011	2012	2013
Debt to Equity Ratio	times	0.65	0.67	0.65
(for liabilities - excluding deferred rental revenue)				
Debt to Equity Ratio	times	0.81	0.82	0.79
Time-Interest Earned Ratio	times	20.09	6.69	10.31

As at December 31, 2013, the Company and subsidiaries had debt to equity ratio equal to 0.65 times and as at December 31, 2012 equaled to 0.67 times (such liabilities excluding deferred rental revenue). The main reason for decreasing in such ratio were part of liabilities of the Company and subsidiaries, there were repayment of borrowing. The above mentioned ratio was lower than the ratio specified in loan agreements which is to maintain the debt to equity ratio to not more than 1.75:1. The time-interest earned ratio was 10.31 times, increased from 2012 because in 2013, the Company and subsidiaries had cash flows from operation increased and had interest expenses decreased by Baht 8.13million. In conclusion, the Company still has ability to pay interest when it dues. In order to manage liabilities, the Company set up the policy of debt to equity ratio in not over 1 time.

## 5. Factors may affect to the future operations or financial positions

### External Factor to the hotel business

The hotel business is quite sensitive and consequential by external factors, especially from political crisis, domestic unrest, terrorism, disaster, epidemic, domestic economy and worldwide economy as well as competitions in the market. However, the Company has set up the policies to prevent those effects by insuring with the insurer for all risks, business interruption and terrorism to reduce the effect from such risk. In marketing viewpoint, the Company continuously seek more new customer bases to replace the lost customers from economic-problem region by setting up sale offices in Japan, China, Dubai, Russia and America, etc.

Moreover to reduce the centralization of revenues from Thailand, the Company has policies and strategy to minimize such risk by expanding in investment and hotel management in various regions in overseas. For hotel management business, there would be risk in the management agreement termination before due date or non-renewal of agreement after due date. This matter will conceivably effect to total revenues of the Company and subsidiaries. Thereby the company has carefully set up term and condition before signing the agreement in order to reduce risk from termination of agreement before the due date. Moreover, the occurrence of World Financial Crisis of hotel business may impact to the expected revenues. However, the Company has set up the Development and Investment office in Hong Kong and Dubai to have more management hotels. Moreover, in 2013, the Company has new joint venture company, Dusit Fudu Hotel Management (Shanghai) Co., Ltd. in People's Republic of China and has new joint brand "Dusit Fudu" to support hotel management business in China. The Company will receive not only licensing fee, but also expand "Dusit" brand recognition to be widely known in that region. In addition, it also bolsters Dusit marketing-network up to have more sale channels in future.



### **Internal Factor to the business**

Manpower is substantially important to the operation of the Company. Currently, hotel business is lacking of skilled manpower, especially in part of hotel management section. When there are new hotels opened, the current staff has to transfer from the existing hotels to these new hotels, the Company, therefore, set as the first priority in developing those manpower by training to support the high growth expansion of owned and managed hotels in future. Moreover, Dusit Thani College also provides the bachelor's and master's degrees in hospitality business, from which the Company can select the qualified person. Apart from that, the Company also manages Lyceum of Philippines University (LPU) which can support the needs of manpower for the future expansion.

### **Impairment of property, premises and equipment**

With the high competition and regression of tourism industry, the number of tourists are continually decreased, the Company considers about impairment of property, premises and equipment of each hotel by engaging the independent appraiser to appraise, based on discounted cash flow of all hotels owned by the Company and subsidiaries. In case that the carrying value of such property, premises and equipment is less than the appraised value, based on discounted cash flows, the Company will, therefore, recognize the loss on impairment of property, premises and equipment as an expense.

## Audit Committee's Report

The Audit Committee comprises four Independent Directors: Prof. Hiran Radeesri as Chairman of the Audit Committee, Prof. Sansern Kraichitti, Khun Sakdi Kiewkarnkha and Khun Pranee Phasiphol as Committee Members.

During the year 2013, the Audit Committee met for 11 times. Each of Committee members attended the meeting as follows:

1) Prof. Hiran Radeesri	Chairman of the Audit Committee	11 out of 11 times of attendance
2) Prof. Sansern Kraichitti	Committee Member	11 out of 11 times of attendance
3) Khun Sakdi Kiewkarnkha	Committee Member	11 out of 11 times of attendance
4) Khun Pranee Phasiphol	Committee Member	5 out of 6 times of attendance

Audit Committee carried out their duties within the scope of its Charter as assigned by the Board of Directors. Audit Committee reported the performance for the year 2013 as follows:

1. Reviewing the quarterly and annual financial statements: Audit Committee invited external auditors and the management to attend the meetings considering financial reporting in conformity with the auditing standards and the general accepted accounting principles to ensure all financial reports presented fairly in all material respects and their relevant information and footnotes were disclosed adequately and reliably. The external auditors' observations and advices reported have been considered and led to improvement for the accounting controls. Audit Committee meets separately with the external auditors once a year. The external auditors confirmed that they performed the engagements objectively and independently and obtained a kind cooperation with the management. Vice President Finance & Accounting confirmed that the company's accounting systems were effective to ensure that collecting and recording data were complete and accurate according to the current accounting standard. As a result of such review and confirmation of external auditors and the management, Audit Committee agreed that the annual financial statements were presented in conformity with the general accepted accounting principles and disclosed adequately and reliably.
2. Reviewing internal control system: Audit Committee reviewed and evaluated the plan and the reports from internal audit department which there was no significant control weakness. Director of internal audit informed that internal control system was adequate to prevent and detect frauds. Furthermore, the external auditors reported that financial internal control of the company was adequate and appropriate. Audit Committee, therefore, agreed that internal control system was adequate and appropriate. Besides, Audit Committee also reviewed the plan and the report from the management regarding risk management activity. Audit Committee acknowledged that risk management system was under process.
3. Reviewing the disclosure of related transactions and compliance with SEC acts, SET rules & notifications and relevant laws: In 2013, Audit Committee was confirmed by the management that the company and management complied with relevant laws and regulations. Considering on the reports and confirmations from the responsible management as well as reviewing results, Audit Committee agreed to declare that the company complied with relevant laws and regulations and disclosed the related transactions correctly and accordingly.
4. Audit Committee performed activities according to its Charter without any limitation. Audit Committee has full and free access to any information. Audit Committee conducted the performance self-assessment with a good result. Audit Committee can also approve on the appointment, transfer and make the performance evaluation of Director of internal audit.
5. Nominating external auditors for the year 2014: Audit Committee evaluated the performance of external auditors and their independency with satisfactory result. Audit Committee found that all qualifications were met the SEC office requirements. However, due to over five-year audit period, Audit Committee considered the proposal from 3 qualified audit firms for nominating new auditors. Therefore, Audit Committee proposed the Board of Directors to recommend the shareholders meeting the nomination of Ms. Boonsri Chotpaiboonpun or Ms. Vannaporn Jongperadechanon or Ms. Vipavan Pattavanvivek or Ms. Patamavan Vadhanakul of KPMG Phoomchai Audit Ltd. as external auditors for the year 2014 which yearly audit fees for the Company and its subsidiaries in Thailand are 1,260,000 baht and 2,150,000 baht respectively.



Professor Hiran Radeesri  
Audit Committee Chairman

## The Board of Directors' Responsibility for Financial Reports

The Board of Directors gives priority to and takes responsibility for the consolidated financial statements of the Company and its subsidiaries, as well as the financial information presented in the 2013 annual report. Hence, such financial statements has been prepared in accordance with the generally accepted accounting principles and standards under appropriate accounting policy and regular adherence with prudence, accuracy and completeness to reflect the true operating performance of the Company. In this regard, the Company has continuously reported the operating results and disclosed adequately key information with transparency to the Stock Exchange of Thailand for the benefit of the shareholders and general investors.

The Board of Directors has provided and maintained appropriate and efficient risk management, internal control, internal audit and supervision to ensure accurate, complete and adequate financial information for retention of assets and prevention of frauds or significant irregularities.

The Board of Directors has appointed the Audit Committee comprising four of Independent Directors to oversee and review the reliability and accuracy of the financial reports, including the internal control system that must be adequate and appropriate to ensure true reliability of such financial statements.

Name	Position
1. Mr. Chatri Sophonpanich	Chairman
2. Mr. Chanin Donavanik	Managing Director
3. Mrs. Sinee Thienprasiddhi	Director/Company Secretary

Signature



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## AUDITOR'S REPORT

To the Shareholders and the Board of Directors of Dusit Thani Public Company Limited

I have audited the accompanying consolidated and company financial statements of Dusit Thani Public Company Limited and its subsidiaries and of Dusit Thani Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2013, and the related consolidated and company statements of income, comprehensive income, changes in shareholders' equity, and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



*Opinion*

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of Dusit Thani Public Company Limited and its subsidiaries and of Dusit Thani Public Company Limited as at 31 December 2013, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

A handwritten signature in blue ink, appearing to read "Nattaporn Phan-Udom".

Nattaporn Phan-Udom  
Certified Public Accountant (Thailand) No. 3430  
PricewaterhouseCoopers ABAS Ltd.

Bangkok  
24 February 2014

**Dusit Thani Public Company Limited and Subsidiaries**  
**Statements of Financial Position**  
**As at 31 December 2013 and 2012**

								Baht
		Consolidated			Company			
		financial statements			financial statements			
		(Restated)			(Restated)			
		31 December	31 December	1 January	31 December	31 December	1 January	
Notes		2013	2012	2012	2013	2012	2012	
<b>Assets</b>								
<b>Current assets</b>								
Cash and cash equivalents	5.1	711,974,349	662,907,841	590,233,725	161,397,713	158,817,002	126,179,211	
Trade and other receivables - net	6	437,726,304	407,533,873	527,773,595	209,360,839	206,594,695	244,609,447	
Inventories - net	7	84,778,264	86,181,551	74,196,923	24,776,158	27,225,622	26,873,594	
Short-term loans to related companies	32.3	-	-	6,000,180	-	-	12,000,000	
Prepaid rental of land and buildings	13	105,620,793	103,519,347	89,817,390	74,066,640	74,066,640	74,066,640	
Deposit at bank with collateral		-	-	47,252,250	-	-	-	
Other current assets - net	8	59,394,920	36,967,129	28,284,449	29,250,495	9,031,660	10,325,624	
<b>Total current assets</b>		<b>1,399,494,630</b>	<b>1,297,109,741</b>	<b>1,363,558,512</b>	<b>498,851,845</b>	<b>475,735,619</b>	<b>494,054,516</b>	
<b>Non-current assets</b>								
Available-for-sale investments	9	358,584,400	299,147,850	266,293,475	322,422,400	270,993,150	243,498,500	
Investment in associate	32.1	1,310,213,660	1,309,525,818	1,302,779,562	1,229,202,500	1,229,202,500	1,229,202,500	
Investment in subsidiaries	32.1	-	-	-	944,152,676	907,109,034	899,074,034	
Investment in joint ventures	32.1	-	-	-	29,830,302	26,079,945	23,469,945	
Other long-term investments	10	217,715,882	217,715,882	217,715,882	-	-	-	
Investment properties - net	11	273,462,526	273,149,054	297,708,004	210,028,501	226,629,699	256,449,805	
Property, premises and equipment - net	12	4,556,129,732	4,541,772,948	4,314,575,701	832,658,174	847,427,664	861,136,144	
Prepaid rental of land and buildings exceeding one year - net	13	311,691,812	410,484,345	530,606,610	240,716,580	314,783,220	388,849,860	
Intangible assets - net	14	63,959,740	46,063,601	42,864,792	58,354,486	41,897,788	41,925,576	
Deferred tax assets	16	129,147,320	136,667,587	114,219,620	42,225,221	50,682,092	59,641,574	
Other non-current assets - net	15	8,546,508	7,102,529	5,240,253	3,126,794	3,255,042	1,339,043	
<b>Total non-current assets</b>		<b>7,229,451,580</b>	<b>7,241,629,614</b>	<b>7,092,003,899</b>	<b>3,912,717,634</b>	<b>3,918,060,134</b>	<b>4,004,586,981</b>	
<b>Total assets</b>		<b>8,628,946,210</b>	<b>8,538,739,355</b>	<b>8,455,562,411</b>	<b>4,411,569,479</b>	<b>4,393,795,753</b>	<b>4,498,641,497</b>	

**Dusit Thani Public Company Limited and Subsidiaries**  
**Statements of Financial Position (Continued)**  
**As at 31 December 2013 and 2012**

		Consolidated			Company			Baht
		financial statements			financial statements			
				(Restated)			(Restated)	
Notes	31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012		
<b>Liabilities and shareholders' equity</b>								
<b>Current liabilities</b>								
Bank overdrafts and short-term loans								
from financial institutions	17	662,700,000	655,297,760	822,400,000	610,700,000	576,900,000	822,400,000	
Trade and other payables	18	829,517,039	822,553,419	872,899,269	246,665,949	283,903,854	270,888,895	
Current portion of long-term liabilities								
under financial lease agreements	19	772,071	488,219	449,295	699,050	279,115	254,341	
Current portion of long-term loans	20	185,195,279	98,009,749	20,610,799	-	-	-	
Short-term loan from related companies	32.3	13,105,780	12,232,960	5,999,820	-	-	-	
Current portion of deferred rental revenue	21	25,433,333	25,433,333	25,433,333	-	-	-	
Accrued income tax		9,370,061	11,108,026	7,541,821	-	-	-	
Liabilities under rental guaranteed		74,129,009	68,454,870	87,703,789	74,129,009	68,454,870	87,703,789	
Others current liabilities		39,386,755	52,241,716	46,830,339	17,690,341	24,991,695	26,226,212	
<b>Total current liabilities</b>		<b>1,839,609,327</b>	<b>1,745,820,052</b>	<b>1,889,868,465</b>	<b>949,884,349</b>	<b>954,529,534</b>	<b>1,207,473,237</b>	
<b>Non-current liabilities</b>								
Long-term liabilities under financial lease agreements	19	-	777,415	1,272,599	-	704,394	990,474	
Long-term loans	20	1,091,913,364	1,225,044,223	1,015,787,914	-	-	-	
Unrealized gain on sales of assets held for sale	22	6,904,215	6,904,215	6,904,215	6,904,215	6,904,215	6,904,215	
Deferred rental revenue	21	660,709,223	686,142,556	711,575,889	-	-	-	
Retirement benefit obligation	23	172,135,348	154,622,356	124,264,083	96,296,350	89,554,253	60,926,211	
Deferred tax liabilities	16	13,784,454	15,037,586	16,290,718	-	-	-	
Other non-current liabilities		22,388,030	20,602,675	13,921,113	19,259,110	15,592,675	13,921,113	
<b>Total non-current liabilities</b>		<b>1,967,834,634</b>	<b>2,109,131,026</b>	<b>1,890,016,531</b>	<b>122,459,675</b>	<b>112,755,537</b>	<b>82,742,013</b>	
<b>Total liabilities</b>		<b>3,807,443,961</b>	<b>3,854,951,078</b>	<b>3,779,884,996</b>	<b>1,072,344,024</b>	<b>1,067,285,071</b>	<b>1,290,215,250</b>	





**Dusit Thani Public Company Limited and Subsidiaries**  
**Statements of Financial Position (Continued)**  
**As at 31 December 2013 and 2012**

							Baht
Consolidated				Company			
financial statements				financial statements			
			(Restated)			(Restated)	
	31 December	31 December	1 January	31 December	31 December	1 January	
Notes	2013	2012	2012	2013	2012	2012	
Liabilities and shareholders' equity (Continued)							
Shareholders' equity							
Share capital							
Authorized share capital							
85,000,000 common shares of							
Baht 10 each	850,000,000	850,000,000	850,000,000	850,000,000	850,000,000	850,000,000	
Issued and paid-up share capital							
85,000,000 common shares of							
Baht 10 each, fully paid	850,000,000	850,000,000	850,000,000	850,000,000	850,000,000	850,000,000	
Additional paid-in capital							
Premium on common shares	1,643,000,000	1,643,000,000	1,643,000,000	1,643,000,000	1,643,000,000	1,643,000,000	
Paid-in surplus - treasury							
common shares	26.1	18,365,540	18,365,540	16,950,268	16,950,268	16,950,268	
Retained earnings							
Appropriated							
Legal reserve	24	85,000,000	85,000,000	85,000,000	85,000,000	85,000,000	
Other reserves	25 and 26.1	15,740,202	15,740,202	-	-	-	
Unappropriated		1,372,148,050	1,368,779,972	598,737,212	627,165,839	531,077,124	
Less Treasury common shares	26.1	(15,740,202)	(15,740,202)	-	-	-	
Other components of equity		174,430,154	95,342,102	145,537,975	104,394,575	82,398,855	
Equity attributable to							
owners of the parent		4,142,943,744	4,060,487,614	3,339,225,455	3,326,510,682	3,208,426,247	
Non-controlling interests		678,558,505	623,300,663	-	-	-	
Total shareholders' equity		4,821,502,249	4,683,788,277	3,339,225,455	3,326,510,682	3,208,426,247	
Total liabilities and shareholders' equity		8,628,946,210	8,538,739,355	4,411,569,479	4,393,795,753	4,498,641,497	

**Dusit Thani Public Company Limited and Subsidiaries**  
**Statements of Income**  
**For the years ended 31 December 2013 and 2012**

		<b>Consolidated</b>		<b>Company</b>		<b>Baht</b>
		<b>financial statements</b>		<b>financial statements</b>		
		<b>(Restated)</b>		<b>(Restated)</b>		
<b>Notes</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>		
Revenue from sales and services	4,700,504,799	4,257,442,247	1,565,733,026	1,513,599,631		
Cost of sales and services						
Cost of sales and services	(2,858,583,562)	(2,807,638,777)	(929,753,057)	(910,326,459)		
Cost of services - depreciation and amortization	(527,013,594)	(440,844,111)	(210,665,633)	(188,556,548)		
Total cost of sales and services	(3,385,597,156)	(3,248,482,888)	(1,140,418,690)	(1,098,883,007)		
Gross profit	1,314,907,643	1,008,959,359	425,314,336	414,716,624		
Other incomes						
Management service income	65,058,775	61,035,294	64,415,042	62,092,703		
Interest income	6,298,842	9,091,635	1,649,384	1,132,936		
Dividend income	13,333,350	12,115,125	139,328,579	147,382,008		
Realized income from deferred rental revenue	21 25,433,333	25,433,333	-	-		
Gain on sales of property, premises and equipment	1,262,028	-	350,694	1,744,816		
Gain on sales of investment properties	11 -	101,110,332	-	101,110,332		
Share of profit from investment in associate	27 88,575,678	106,926,093	-	-		
Other income	200,070,914	175,430,955	271,955,336	249,153,659		
Total other incomes	400,032,920	491,142,767	477,699,035	562,616,454		
Profit before expenses	1,714,940,563	1,500,102,126	903,013,371	977,333,078		
Expenses						
Selling expenses	(390,322,421)	(364,212,645)	(231,577,963)	(201,432,794)		
Administrative expenses	(1,075,690,218)	(933,874,383)	(575,656,030)	(548,840,943)		
Depreciation and amortization	(40,714,334)	(52,177,399)	(21,348,488)	(34,567,335)		
Loss on sales of property, premises and equipment	-	(2,356,293)	-	-		
Financial expenses	(70,900,912)	(79,033,107)	(19,688,496)	(25,851,178)		
Total expenses	(1,577,627,885)	(1,431,653,827)	(848,270,977)	(810,692,250)		
Profit before income tax	137,312,678	68,448,299	54,742,394	166,640,828		
Income (expense) on income tax	16 and 28 (24,352,457)	(6,219,415)	1,828,979	(8,378,864)		
<b>Net profit</b>	<b>112,960,221</b>	<b>62,228,884</b>	<b>56,571,373</b>	<b>158,261,964</b>		
<b>Attributable net profit (loss) to:</b>						
- Equity holders of the parent	90,184,944	156,864,289	56,571,373	158,261,964		
- Non-controlling interests	22,775,277	(94,635,405)	-	-		
	<b>112,960,221</b>	<b>62,228,884</b>	<b>56,571,373</b>	<b>158,261,964</b>		
<b>Basic earnings per share</b>						
- Equity holders of the parent	<b>Baht</b>	1.07	1.86	0.67	1.86	
<b>Weighted average number of ordinary shares</b>	<b>Shares</b>	26.2	84,528,500	84,528,500	85,000,000	85,000,000



**Dusit Thani Public Company Limited and Subsidiaries**  
**Statements of Comprehensive Income**  
**For the years ended 31 December 2013 and 2012**

	<b>Consolidated</b>		<b>Company</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	<b>(Restated)</b>		<b>(Restated)</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>Net profit</b>	112,960,221	62,228,884	56,571,373	158,261,964
<b>Other comprehensive income (loss)</b>				
Actuarial losses on				
define employee benefit plan	(2,938,946)	(21,399,411)	-	(24,591,561)
Exchange differences on the translation of				
financial statements of subsidiaries	67,035,446	(13,201,862)	-	-
Gains on remeasuring available				
for sale investments	59,436,550	32,854,375	51,429,250	27,494,650
Income tax relating to components of				
other comprehensive income	(10,663,948)	(3,912,828)	(10,285,850)	(580,618)
<b>Other comprehensive income (loss)</b>	<u>112,869,102</u>	<u>(5,659,726)</u>	<u>41,143,400</u>	<u>2,322,471</u>
<b>Total comprehensive income</b>	<u>225,829,323</u>	<u>56,569,158</u>	<u>97,714,773</u>	<u>160,584,435</u>
<b>Total comprehensive income (loss) attributable to:</b>				
- Owners of the parent	167,456,130	133,003,099	97,714,773	160,584,435
- Non-controlling interests	<u>58,373,193</u>	<u>(76,433,941)</u>	<u>-</u>	<u>-</u>
	<u>225,829,323</u>	<u>56,569,158</u>	<u>97,714,773</u>	<u>160,584,435</u>

**Dusit Thani Public Company Limited and Subsidiaries**  
**Statements of Changes in Shareholders' Equity**  
**For the years ended 31 December 2013 and 2012**

Consolidated financial statements													Baht
Attributable to owners of the parent													
Other components of equity													
Other comprehensive income													
Notes	Issued and paid-up share capital	Premium on common shares	Paid-in surplus-treasury common shares	Retained earnings		Unappropriated common shares	Treasury common shares	Unrealized gain (loss)	statements of subsidiaries	Total	Total owners of the parent	Non-Controlling interests	Total shareholders' equity
				Appropriated	Other reserves								
Beginning balance : 1 January 2012	850,000,000	1,643,000,000	18,365,540	85,000,000	15,740,202	1,155,434,463	(15,740,202)	201,301,617	(76,498,179)	124,803,438	3,876,603,441	696,148,468	4,572,751,909
	2.19 and 2.20												
Adjustment from changes in accounting policy	-	-	-	-	-	117,234,658	-	(24,197,913)	344,329	(23,853,584)	93,381,074	9,544,432	102,925,506
Balance after adjustment	850,000,000	1,643,000,000	18,365,540	85,000,000	15,740,202	1,272,669,121	(15,740,202)	177,103,704	(76,153,850)	100,949,854	3,969,984,515	705,692,900	4,675,677,415
Changes in shareholders' equity for the year	-	-	-	-	-	(42,500,000)	-	-	-	-	(42,500,000)	(5,958,296)	(48,458,296)
Dividend paid	-	-	-	-	-	-	-	23,817,663	(29,425,415)	(5,607,752)	133,003,099	(76,433,941)	56,569,158
Total comprehensive income (losses) for the year	-	-	-	-	-	138,610,851	-	200,921,367	(105,579,265)	95,342,102	4,060,487,614	623,300,663	4,683,788,277
Ending balance : 31 December 2012	850,000,000	1,643,000,000	18,365,540	85,000,000	15,740,202	1,368,779,972	(15,740,202)	200,921,367	(105,579,265)	95,342,102	4,060,487,614	623,300,663	4,683,788,277
Beginning balance : 1 January 2013	850,000,000	1,643,000,000	18,365,540	85,000,000	15,740,202	1,235,111,689	(15,740,202)	231,073,696	(105,569,897)	125,503,799	3,956,981,028	596,156,475	4,553,137,503
Adjustment from changes in accounting policy	-	-	-	-	-	133,668,283	-	(30,152,329)	(9,368)	(30,161,697)	103,506,586	27,144,188	130,650,774
Balance after adjustment	850,000,000	1,643,000,000	18,365,540	85,000,000	15,740,202	1,368,779,972	(15,740,202)	200,921,367	(105,579,265)	95,342,102	4,060,487,614	623,300,663	4,683,788,277
Changes in shareholders' equity for the year	-	-	-	-	-	(85,000,000)	-	-	-	-	(85,000,000)	(3,115,351)	(88,115,351)
Dividend paid	-	-	-	-	-	88,368,078	-	46,703,906	32,384,146	79,088,052	167,456,130	58,373,193	225,829,323
Total comprehensive income for the year	-	-	-	-	-	1,372,148,050	-	247,625,273	(73,195,119)	174,430,154	4,142,943,744	678,558,505	4,821,502,249
Ending balance : 31 December 2013	850,000,000	1,643,000,000	18,365,540	85,000,000	15,740,202	1,372,148,050	(15,740,202)	247,625,273	(73,195,119)	174,430,154	4,142,943,744	678,558,505	4,821,502,249

**Dusit Thani Public Company Limited and Subsidiaries**  
**Statements of Changes in Shareholders' Equity (Continued)**  
**For the years ended 31 December 2013 and 2012**

	Company financial statements							Baht	
	Notes	Issued and paid-up share capital	Premium on common shares	Paid-in surplus-Treasury common shares	Retained earnings		Other component of equity		
					Appropriated Legal reserve	Unappropriated	Unrealized gain (loss)		Other comprehensive income
<b>Beginning balance : 1 January 2012</b>									
Adjustment from changes in accounting policy	2.19	850,000,000	1,643,000,000	16,950,268	85,000,000	450,835,836	102,998,569	3,148,784,673	
		-	-	-	-	80,241,288	(20,599,714)	59,641,574	
<b>Balance after adjustment</b>									
Changes in shareholders' equity for the year		850,000,000	1,643,000,000	16,950,268	85,000,000	531,077,124	82,398,855	3,208,426,247	
Dividend paid	29	-	-	-	-	(42,500,000)	-	(42,500,000)	
Total comprehensive income for the year		-	-	-	-	138,588,715	21,995,720	160,584,435	
<b>Ending balance : 31 December 2012</b>									
		850,000,000	1,643,000,000	16,950,268	85,000,000	627,165,839	104,394,575	3,326,510,682	
<b>Beginning balance : 1 January 2013</b>									
Adjustment from changes in accounting policy	2.19	850,000,000	1,643,000,000	16,950,268	85,000,000	550,385,103	130,493,219	3,275,828,590	
		-	-	-	-	76,780,736	(26,098,644)	50,682,092	
<b>Balance after adjustment</b>									
Changes in shareholders' equity for the year		850,000,000	1,643,000,000	16,950,268	85,000,000	627,165,839	104,394,575	3,326,510,682	
Dividend paid	29	-	-	-	-	(85,000,000)	-	(85,000,000)	
Total comprehensive income for the year		-	-	-	-	56,571,373	41,143,400	97,714,773	
<b>Ending balance : 31 December 2013</b>									
		850,000,000	1,643,000,000	16,950,268	85,000,000	598,737,212	145,537,975	3,339,225,455	

**Dusit Thani Public Company Limited and Subsidiaries**  
**Statements of Cash Flows**  
**For the years ended 31 December 2013 and 2012**

	Notes	Consolidated		Company		Baht
		financial statements		financial statements		
		2013	2012	2013	2012	
<b>Cash flows from operating activities</b>						
Profit before income tax		137,312,678	68,448,299	54,742,394	166,640,828	
Items to reconcile:						
Realized income from deferred rental revenue	21	(25,433,333)	(25,433,333)	-	-	
Interest income		(6,298,842)	(9,091,635)	(1,649,384)	(1,132,936)	
Dividend income		(13,333,350)	(12,115,125)	(139,328,579)	(147,382,008)	
Bad debts and allowance for doubtful accounts (Reversal)		5,950,992	(23,829,945)	(19,260,447)	10,923,356	
Depreciation and amortization of property, premises and equipment	12	546,293,121	474,724,097	207,470,772	200,825,164	
Depreciation of investment properties	11	11,173,298	11,266,612	15,752,597	16,277,579	
Amortization of prepaid rental of land and buildings	13	103,754,564	102,188,618	74,066,640	74,066,640	
Amortization of intangible assets	14	10,261,509	7,000,048	8,790,752	6,021,140	
Amortization of other non - current assets	15	-	30,753	-	-	
Withholding tax written off		12,350,375	2,160,449	-	-	
Employee benefit obligation	23	27,201,859	25,374,160	10,402,107	12,329,519	
Share of profit from investment in associate	27	(88,575,678)	(106,926,093)	-	-	
Gain on sales of investment properties	11	-	(101,110,332)	-	(101,110,332)	
Loss (gain) on sales of property, premises and equipment		(1,262,028)	2,356,293	(350,694)	(1,744,816)	
Loss on property, premises and equipment written off	12	25,038,753	8,594,238	8,481,014	4,049,229	
Loss on intangible assets written off	14	294,131	53	294,131	2	
Gain on liquidated subsidiary		(71,298)	-	(71,298)	-	
Financial expenses		70,900,912	79,033,107	19,688,496	25,851,178	
<b>Income from operations before changes in operating assets and liabilities</b>		<b>815,557,663</b>	<b>502,670,264</b>	<b>239,028,501</b>	<b>265,614,543</b>	
(Increase) decrease in operating assets						
Trade and other receivables		(22,587,305)	61,230,249	26,573,650	18,398,746	
Inventories		2,710,108	(12,667,877)	2,449,464	(352,028)	
Other current assets		(22,243,322)	(8,735,280)	(20,218,835)	1,293,964	
Other non-current assets		(3,153,132)	(1,862,276)	128,248	(1,915,999)	





**Dusit Thani Public Company Limited and Subsidiaries**  
**Statements of Cash Flows (Continued)**  
**For the years ended 31 December 2013 and 2012**

		Consolidated		Company		Baht
		financial statements		financial statements		
	Notes	2013	2012	2013	2012	
<b>Cash flows from operating activities (Continued)</b>						
Increase (decrease) in operating liabilities						
Trade and other payables		26,793,139	37,121,999	(15,684,555)	(16,875,297)	
Liabilities under rental guaranteed		5,674,139	(19,248,919)	5,674,139	(19,248,919)	
Other current liabilities		(12,582,092)	5,451,208	(7,301,354)	(1,234,517)	
Other non-current liabilities		3,529,813	6,681,562	3,666,435	1,671,562	
Repayment for retirement benefit obligation	23	(15,095,115)	(20,393,108)	(3,660,010)	(6,680,696)	
Cash provided by operating activities before income tax paid		778,603,896	550,247,822	230,655,683	240,671,359	
Proceeds from refund of prepaid income tax		4,854,120	10,796,242	-	7,500,227	
Payment for income tax		(52,511,397)	(32,225,027)	(10,079,347)	(259,788)	
Net cash provided by operating activities		730,946,619	528,819,037	220,576,336	247,911,798	
<b>Cash flows from investing activities</b>						
Interest income		4,752,892	11,029,155	1,649,384	2,585,147	
Dividend income		13,333,350	12,115,125	51,440,779	47,202,208	
Dividend income received from associate		87,887,800	100,179,800	87,887,800	100,179,800	
Proceeds from repayment of loans to related companies	32.3	-	6,000,180	-	12,000,000	
Payment for purchase of shares in subsidiaries		-	-	(50,078,582)	-	
Payment for purchase of shares in joint venture		-	-	(3,750,357)	(2,610,000)	
Proceeds from a liquidated subsidiary		-	-	5,071,238	-	
Proceeds from sales of investment properties	11	-	114,720,000	-	114,720,000	
Payment for purchase of investment properties	11	(185,862)	(1,453,237)	(262,036)	(2,099,581)	
Proceeds from sales of property, premises and equipment		4,825,430	16,405,871	1,907,593	1,896,385	
Payment for purchase of property, premises and equipment	5.2.1	(506,048,294)	(742,031,290)	(233,598,996)	(174,379,004)	
Payment for purchase of intangible assets	14	(9,850,352)	(10,191,055)	(7,133,688)	(5,993,354)	
Net cash provided by (used in) investing activities		(405,285,036)	(493,225,451)	(146,866,865)	93,501,601	



**Dusit Thani Public Company Limited and Subsidiaries**  
**Statements of Cash Flows (Continued)**  
**For the years ended 31 December 2013 and 2012**

		Consolidated		Company		Baht
		financial statements		financial statements		
	Notes	2013	2012	2013	2012	
<b>Cash flows from financing activities</b>						
Proceeds from short-term loans from financial institutions		653,989,323	996,497,760	564,200,000	918,100,000	
Repayment for short-term loans from financial institutions		(647,173,253)	(1,162,638,020)	(530,400,000)	(1,163,600,000)	
Proceeds from short-term loans from related companies	32.3	-	12,232,960	-	-	
Repayment for short-term loans from related companies	32.3	-	(5,999,820)	-	-	
Payment for long-term liabilities under finance lease agreement	5.2.1	(493,563)	(456,260)	(284,459)	(261,306)	
Proceeds from long-term loans	20	-	336,177,106	-	-	
Repayment of long-term loans	20	(135,023,076)	(20,610,799)	-	-	
Interest paid		(67,767,940)	(73,830,596)	(19,644,301)	(20,514,302)	
Dividends paid	29	(88,115,351)	(48,458,296)	(85,000,000)	(42,500,000)	
Net cash provided by (used in) financing activities		(284,583,860)	32,914,035	(71,128,760)	(308,775,608)	
Net increase in cash and cash equivalents		41,077,723	68,507,621	2,580,711	32,637,791	
Cash and cash equivalents as at 1 January		662,907,841	590,233,725	158,817,002	126,179,211	
Exchange gain on cash		7,988,785	4,166,495	-	-	
<b>Cash and cash equivalents as at 31 December</b>	5.1	711,974,349	662,907,841	161,397,713	158,817,002	

**Dusit Thani Public Company Limited and Subsidiaries**  
**Notes to the Consolidated and Company Financial Statements**  
**For the years ended 31 December 2013 and 2012**

**1. General information**

Dusit Thani Public Company Limited is a company registered in Thailand with its head office located at 946 Dusit Thani Office Building, 5<sup>th</sup> floor, Rama IV Road, Silom, Bangrak, Bangkok. The Company's main objective is to operate hotel business and hotel management service business.

The Company is listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to as the "Group".

The consolidated and company financial statements were approved for issuing by the board of directors of the Company on 24 February 2014.

**2. Accounting policies**

The principal accounting policies applied in the preparation of these consolidated and company financial statements are set out below:

**2.1 Basis for preparation**

The accompanying 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 historical cost convention, except those explain in accounting policies.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and company financial statements are disclosed in Note 3.

An English version of the consolidated and company financial statements have been prepared from the 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 financial statements shall prevail.

## 2. Accounting policies (Continued)

### 2.1 Basis for preparation (Continued)

The consolidated financial statements include all account balances of the Company, subsidiaries and the proportionate of investment in joint ventures and investment in associates are accounted for using equity method as follows:

	% of shareholding	
	2013	2012
Dusit Thani Properties Company Limited	99.99	99.99
Dusit Thai Properties Public Company Limited		
by the Company	2.75	2.75
by Dusit Thani Properties Company Limited	84.05	84.05
Philippine Hoteliers, Inc.		
by Dusit Thani Properties Company Limited	88.01	88.01
Devarana Spa Company Limited	99.99	99.99
Dusit Executive Development Center Company Limited <sup>(6)</sup>	-	99.99
Le Cordon Bleu Dusit Company Limited	49.99	49.99
Dusit Worldwide Company Limited	99.99	99.99
Dusit Overseas Company Limited		
by Dusit Worldwide Company Limited	100.00	100.00
Dusit Bird Hotels Private Limited	50.00	50.00
Dusit Management Company Limited	99.99	99.99
Dusit Thani Freehold and Leasehold Property Fund	30.02	30.02
DMS Property Investment Private Limited		
by Dusit Thai Properties Public Company Limited <sup>(1)</sup>	55.00	55.00
Dusit USA Management Inc. <sup>(2)</sup>	100.00	100.00
Dusit China Capital Company Limited <sup>(3)</sup>	99.99	-
Dusit Fudu Hotel Management (Shanghai) Co., Ltd. <sup>(4)</sup>		
by Dusit China Capital Company Limited	45.00	-
Dusit Thani Laguna Singapore Pte. Ltd. <sup>(5)</sup>	25.01	-

<sup>(1)</sup> Dusit Thai Properties Public Company Limited invested in DMS Property Investment Private Limited on 15 August 2011 and share certificates of such company are pledged as collateral of loan from financial of such company.

<sup>(2)</sup> Dusit USA Management Inc. has registered on 14 August 2012 and the Company paid its share subscription on 17 July 2013.

<sup>(3)</sup> Dusit China Capital Co., Ltd. has registered on 18 January 2013 and as at 31 December 2013, the Company paid its share subscription of 60.00%.

<sup>(4)</sup> Dusit Fudu Hotel Management (Shanghai) Co., Ltd. is 45.00% owned by Dusit China Capital Co., Ltd. which is a subsidiary of the Company. Such company registered on 16 April 2013 and as at 31 December 2013, such company has called and received share subscription of 60.00%.

<sup>(5)</sup> Dusit Thani Laguna Singapore Pte. Ltd. was registered on 6 September 2013. Such subsidiary has not called share subscription as at 31 December 2013.

<sup>(6)</sup> Dusit Executive Development Center Co, Ltd. registered for liquidation with Department of Business Development on 29 June 2012 and liquidated on 20 May 2013.



## 2. Accounting policies (Continued)

### 2.2 Revised accounting standards, revised financial reporting standards, and related interpretations

1. New/revised accounting standards which are effective on 1 January 2013 and are relevant and have an impact to the Company are:

TAS 12	Income Taxes
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

TAS 12 requires tax expenses to be recognised for current and deferred tax. New accounting policy of income taxes is provided and the significant impact to the Company is described in Note 2.19.

TAS 21 (Revised 2009) requires the Company to determine the functional currency which is the currency of the primary economic environment in which the entity operates. The Company assessed and concluded that Thai Baht is the Company's functional currency. As a consequence, applying TAS 21 has no impact to assets, liabilities and retained earnings. New accounting policy is described in Note 2.4.

TFRS 8 requires the operating segment to be described in the same manner as internal reporting used by the chief operating decision-maker. New accounting policy is described in Note 2.23. The impact to the Company in applying TFRS 8 is only on a disclosure.

2. Revised accounting standards, revised financial reporting standards, and related interpretations that are not yet effective and have not been early adopted by the Group:

a) Revised accounting standards effective for the periods beginning on or after 1 January 2014

TAS 1 (Revised 2012)	Presentation of Financial Statements
TAS 7 (Revised 2012)	Statement of Cash Flows
TAS 12 (Revised 2012)	Income Taxes
TAS 17 (Revised 2012)	Leases
TAS 18 (Revised 2012)	Revenue
TAS 19 (Revised 2012)	Employee Benefits
TAS 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (Revised 2012)	Related Party Disclosures
TAS 28 (Revised 2012)	Investments in Associates
TAS 31 (Revised 2012)	Interest in Joint Ventures
TAS 34 (Revised 2012)	Interim Financial Reporting
TAS 36 (Revised 2012)	Impairment of Assets
TAS 38 (Revised 2012)	Intangible Assets
TFRS 2 (Revised 2012)	Share-based Payment
TFRS 3 (Revised 2012)	Business Combinations
TFRS 5 (Revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (Revised 2012)	Operating Segments

TAS 1 (revised 2012) clarifies that conversion features that are at the holder's discretion do not impact the classification of the liability component of the convertible instrument. TAS 1 also explains that, for each component of equity, an entity may present the breakdown of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. This standard has no impact to the Group.

TAS 7 (revised 2012) clarifies that only expenditures that result in a recognized asset in the statement of financial position are eligible for classification as investing activities. This standard has no impact to the Group.

TAS 12 (revised 2012) amends an exception to the existing principle for the measurement of deferred tax assets or liabilities on investment property measured at fair value. TAS 12 currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. This amendment therefore adds the rebuttable presumption that the carrying amount of an investment property measured at fair value is entirely recovered through sale. As the result of the amendment, TSIC 21 – Income tax – recovery of revalued non-depreciable assets is incorporated in to TAS 12 (revised 2012). This standard has no impact to the Group.

TAS 17 (revised 2012) deletes the guidance for a lease of land with an indefinite useful life to be classified as an operating lease. The standard has been amended to clarify that when a lease includes both land and buildings, classification as a finance or operating lease is performed separately in accordance with TAS 17's general principles. This standard has no impact to the Group.



## 2. Accounting policies (Continued)

### 2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Continued)

#### 2. Revised accounting standards, revised financial reporting standards, and related interpretations that are not yet effective and have not been early adopted by the Group: (Continued)

##### a) Revised accounting standards effective for the periods beginning on or after 1 January 2014 (Continued)

TAS 18 (revised 2012) removes the appendix to TAS 18. This standard has no impact to the Group.

TAS 19 (revised 2012) deletes the transition provisions of the current TAS 19. This standard has no impact to the Group.

TAS 21 (revised 2012) clarifies the method of recording cumulative amount of the exchange different relating to disposal or partial disposal of a foreign operation. This matter should be adjusted prospectively effective for the period begins on or after 1 January 2011. This standard has no impact to the Group.

TAS 24 (revised 2012) removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. It also clarifies and simplifies the definition of related parties. This standard has no impact to the Group.

TAS 28 (revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. An entity losses significant influence, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively effectively for the period begins on or after 1 January 2011. This standard has no impact to the Group.

TAS 31 (revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. An entity loss of joint control in its interest in joint control, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively effectively for the period begins on or after 1 January 2011. This standard has no impact to the Group.

TAS 34 (revised 2012) emphasizes the existing disclosure principles for significant event and transactions. Additional requirements cover disclosure of changes in fair value measurements (if significant), and the need to update relevant information from the most recent annual report. This standard has no impact to the Group.

TAS 36 (revised 2012) clarifies that goodwill being allocated to cash-generating units shall not be larger than an operating segment before aggregation as defined under TFRS 8 - Operating Segments. This standard has no impact to the Group.

TAS 38 (revised 2012) clarifies that an intangible asset acquired in a business combination might be separable, but only together with a related contract, identifiable asset or liability. In such cases, intangible asset is recognized separately from goodwill, but together with related item. Intangible assets are recognized as a single asset provided the individual assets have similar useful lives. This standard has no impact to the Group.

TFRS 2 (revised 2012) expands the scope to cover classification and accounting of both cash-settled and equity-settled share-based payment transactions in group situation. This standard has no impact to the Group.

TFRS 3 (revised 2012) amends the measurement required for non-controlling interests. The choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation. All other component of non-controlling interests is measured at fair value unless another measurement basis is required by TFRS. The application guidance in TFRS 3 (revised 2012) also applies to all share-based payment transactions that are part of a business combination, including un-replaced and voluntarily replaced share-based payment awards. This standard has no impact to the Group.

TFRS 5 (revised 2012) specifies the disclosures required for assets held for sale and discontinued operations. Disclosures in other standards do not apply, unless those TFRS requires. This standard has no impact to the Group.

TFRS 8 (revised 2013) clarifies that an entity is required to disclose a measure of segment assets only if the measure is regularly reported to the chief operating decision-maker. This standard has no impact to the Group.

## 2. Accounting policies (Continued)

### 2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Continued)

2. Revised accounting standards, revised financial reporting standards, and related interpretations that are not yet effective and have not been early adopted by the Group: (Continued)

b) Interpretations of Thai Financial Reporting Interpretations Committee (TFRIC) and Thai Standard Interpretations Committee (TSIC) effective for the periods beginning on or after 1 January 2014

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement Contains a Lease
TFRIC 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosure
TSIC 32	Intangible Assets - Web Site Costs

TFRIC 1 provides guidance on accounting for changes in the measurement of an existing decommissioning, restoration and similar liability that results from changes in estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate. This interpretation has no impact to the Group.

TFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. TFRIC 4 is not relevant to the Group's operations.

TFRIC 5 provides guidance on accounting in the financial statements of a contributor for interests arising from decommissioning funds that the assets are administered separately and a contributor's right to access the assets is restricted. TFRIC 5 is not relevant to the Group's operations.

TFRIC 7 provides guidance on how to apply the requirements of TAS 29, Financial Reporting in Hyperinflationary Economics, in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. TFRIC 7 is not relevant to the Group's operations.

TFRIC 10 prohibits reversal of an impairment losses recognized in a previous interim period in respect of goodwill. This interpretation has no impact to the Group.

TFRIC 12 applies to public-to-private service concession arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. TFRIC12 is not relevant to the group's operations.

TFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement, and the consideration received or receivable from the customer is allocated between the components of the arrangement using fair values. The management is currently assessing the impact of applying this interpretation.

TFRIC 17 provides guidance on accounting for the distributions of non-cash assets to owners acting in their capacity as owners. The interpretation addresses the issues on the dividend payable recognition and measurement and the accounting for any difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable when an entity settles the dividend payable. This interpretation has no impact to the Group.



## 2. Accounting policies (Continued)

### 2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Continued)

2. Revised accounting standards, revised financial reporting standards, and related interpretations that are not yet effective and have not been early adopted by the Group: (Continued)

b) Interpretations of Thai Financial Reporting Interpretations Committee (TFRIC) and Thai Standard Interpretations Committee (TSIC) effective for the periods beginning on or after 1 January 2014 (Continued)

TFRIC 18 sets out the accounting for transfers of items of property, plant and equity by entities that receive such transfers from their customers. Agreements within the scope of this interpretation are agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect to a network or to provide the customer with ongoing access to supply of goods or services. The interpretation addresses the issues on the initial recognition and the accounting treatment of the transferred assets. This interpretation has no impact to the Group.

TSIC 15 sets out the accounting for the recognition of incentive that a lessor provides to a lessee in an operating lease. This interpretation has no impact to the Group.

TSIC 27 provides guidance on evaluating the substance of transactions in the legal form of a lease between the entity and the investor whether a series of transactions is linked and should be accounted for as one transaction and whether the arrangement meets the definition of a lease under TAS 17 “Leases”. The accounting shall reflect the substance of the arrangement. This interpretation has no impact to the Group.

TSIC 29 contains disclosure requirements in respect of public-to-private service arrangements. This interpretation has no impact to the Group.

TSIC 32 provides guidance on the internal expenditure on the development and operation of the entity web site for internal or external access. The entity shall comply with the requirements described in TAS 38 “Intangible Assets”. This interpretation has no impact to the Group.

c) New accounting standard which is effective for the periods beginning on or after 1 January 2016

TFRS 4 Insurance Contracts

TFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. TFRS 4 is not relevant to the Group’s operations.

### 2.3 Group Accounting - Investments in subsidiaries and associates and interests in joint ventures

(a) 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 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.

Investments in subsidiaries are accounted for at cost less impairment.

Intercompany transactions, balances and unrealized gains or loss on transactions between the Group’s companies are eliminated. Unrealized losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.



## 2. Accounting policies (Continued)

### 2.3 Group Accounting - Investments in subsidiaries and associates and interests in joint ventures (Continued)

#### (b) 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 shareholders' 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 recognized 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 recognized 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 recognized in other comprehensive income is reclassified to profit or loss where appropriate.

#### (c) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognized in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized 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 equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates 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 recognized in the profit or loss.

In the Company financial statements, investments in associates are accounted for using the cost method.

A list of the Group's associates is set out in Note 32.1.

#### (d) Joint Ventures

The Group's interests in jointly controlled entities are accounted for by proportionate consolidation in the consolidated financial statements. The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements. The Group recognizes that portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other ventures. The Group does not recognize its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realizable value of current assets or an impairment loss, the loss is recognized immediately.

In the Company financial statements, interests in jointly controlled entities are accounted for using the cost method.

A list of the Group's principal joint ventures is set out in Note 32.1.

## **2. Accounting policies (Continued)**

### **2.4 Foreign currency translation**

#### **(a) Functional and presentation currency**

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Baht, which is the company's functional and the group's presentation currency.

#### **(b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit or loss.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognized in profit and loss, any exchange component of that gain or loss is recognized in profit and loss.

#### **(c) Group companies**

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognized as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

### **2.5 Cash and cash equivalents**

In the consolidated and company statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated and company statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

### **2.6 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 recognized in profit or loss within administrative expenses.

### **2.7 Inventories**

Inventories are stated at the lower of cost or net realizable value. Cost is determined on a moving weighted average basis.

Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.



## **2. Accounting policies (Continued)**

### **2.8 Investments**

Investments other than investments in subsidiaries, associates and interests in joint ventures are classified into the following two categories: (1) available-for-sale investments; and (2) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

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; and 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.

Investments in non-marketable equity securities, are classify as general investments.

The above 2 categories of investments are initially recognized 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. The unrealized gains and losses of available for sale investments are recognized in shareholders' equity.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statements of income.

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 Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

### **2.9 Investment property**

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.

Land held under operating leases is classified and accounted for by the Group as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

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 capitalized as part of its cost. Borrowing costs are capitalized while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.



## 2. Accounting policies (Continued)

### 2.9 Investment property (Continued)

Land is not depreciated. Depreciation on other investment properties is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

Building on leased land	Per lease agreement
Interior and renovation on leased land	5 - 30 years
Furniture and equipment on leased land	3 - 20 years

Subsequent expenditure is capitalized 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 derecognized.

### 2.10 Property, premises and equipment

Land is stated at cost. Premises and equipment are stated at cost, net of accumulated depreciation and allowance for impairment.

Subsequent costs are included in the asset's carrying amount or recognized as the Group 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 derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is computed by the straight-line method. Estimated useful lives of the assets are as follows:

Building on leased land	Per lease agreement
Building	20 - 50 years
Interior and renovation on leased land	5 - 50 years
Interior and renovation	5 - 20 years
Furniture and equipment on leased land	3 - 20 years
Furniture and equipment	3 - 20 years
Chinaware, glassware, silverware and linen	1 - 10 years
Vehicles	5 - 10 years
Building and land rights	Per lease agreement

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

In case an impairment of property, premises and equipment has occurred, the resultant loss is recognized in the statement of income (see Note 2.14).

The Group recognized repairs and maintenance as Interior and renovation of buildings when their future economic benefits are in excess of one fiscal year.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "Other gains / (losses) - net" in profit or loss.

### 2.11 Borrowing cost

The Group records their borrowing cost incurred during the renovation and decoration period as cost of buildings and equipment under renovation and decoration until their completion and total costs are not over net realizable value.

Borrowing cost subsequently incurred is recognized as expense for the period.

### 2.12 Non-current assets held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower end of the carrying amount and fair value less cost to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.



## **2. Accounting policies (Continued)**

### **2.13 Intangible assets**

Intangible assets are computer software which is amortized over 10 years.

In case of impairment in value of intangible assets has occurred, the resultant loss is recognized in the statement of income.

### **2.14 Impairment of assets**

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized 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 is separately identifiable cash flows. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

### **2.15 Employee benefits**

The Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a Company entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. 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 recognized 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 unrecognized 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 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.

When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets.

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.

#### **- Defined benefit plans**

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### **Retirement benefit**

Under Labour Laws applicable in Thailand and the Group' employment policy, all employees completing 120 days of service are entitled to severance pay on termination or retrenchment without cause or upon retirement age of 50 years, 55 years or 60 years as specify in employment policy of each entities. The severance pay will be at the rate according to number of years of service as stipulated in the Labor Law which is currently at a maximum rate of 300 days of final salary.

## **2. Accounting policies (Continued)**

### **2.16 Long-term lease**

#### **a) Operating lease**

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.

#### **b) Finance lease**

The Group leases certain property, plant and equipment. Leases of property, plant or equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair 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 or 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 or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

### **2.17 Treasury common shares**

Treasury common shares are stated at cost. Cost is determined on a weighted average basis.

In the resale of treasury common shares, the excess or (lower) of resale prices and costs of treasury common shares are recognized as addition (reduction) in premium on treasury common shares. In case of lower than premium, the remaining reduction is deducted to retained earnings.

### **2.18 Recognition of revenues and expenses**

Revenues and expenses of the Group are recognized on an accrual basis.

For hotel business; room, food and beverage and other income are recognized when services and goods have been rendered or transferred.

For joint venture business; revenues from training and tuition fee income are recognized according to the teaching period.

Management fees are recognized on an accrual basis.

Interest income is recognized on a time proportion basis.

Dividends are recognized when the right to receive payment is established.



## 2. Accounting policies (Continued)

### 2.19 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognized in profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in shareholders' equity. In this case the tax is also recognized in other comprehensive income or directly in shareholders' equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid.

Deferred income tax is recognized, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit (loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

TAS 12 Current and deferred income tax, requires the Group to recognize income tax expense for a period comprised current income tax and deferred income tax. Tax is recognized in profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in shareholders' equity.

The Group applied this standard from 1 January 2013. The retrospective impacts to the adoption of the above standards and presented as follows:

	<b>Consolidated financial statements</b>	<b>Baht Company financial statements</b>
<b>Statement of financial position</b>		
<b>As at 1 January 2012</b>		
Deferred tax assets - increased	114,219,620	59,641,574
Deferred tax liabilities - increased	(16,290,718)	-
Unappropriated retained earnings - increased	112,870,730	80,241,288
Other components of equity - decreased	(23,891,743)	(20,599,714)
Non-controlling interests - increased	8,949,915	-
<b>Statement of financial position</b>		
<b>As at 31 December 2012</b>		
Deferred tax assets - increased	136,667,587	50,682,092
Deferred tax liabilities - increased	(15,037,586)	-
Unappropriated retained earnings - increased	125,577,074	76,780,736
Other components of equity - decreased	(29,988,959)	(26,098,644)
Non-controlling interests - increased	26,041,886	-



## 2. Accounting policies (Continued)

### 2.19 Current and deferred income taxes (Continued)

	Consolidated financial statements	Baht Company financial statements
<b>Statement of income</b>		
<b>For the year ended 31 December 2012</b>		
Income tax - increased (decreased)	(27,071,946)	8,378,864
Net profit - increased (decreased)	27,071,946	(8,378,864)
Basic earnings per share - owners of the parent		
- increased (decreased) (Baht)	0.11	(0.10)
<b>Statement of comprehensive income</b>		
<b>For the year ended 31 December 2012</b>		
Net profit - increased (decreased)	27,071,946	(8,378,864)
Income tax related to components of other comprehensive income - (increased) decreased	(3,912,828)	(580,618)

### 2.20 Retroactive financial statements

An overseas subsidiary had retroactively adjusted financial statements due to the adjustment of actuarial losses on defined employee benefit plan related to employee benefit. Such retrospective impacts to the consolidated financial statements are as follows:

	Baht Consolidated financial statements
<b>Statement of financial position</b>	
<b>As at 1 January 2012</b>	
Retirement benefit obligation - decreased	4,996,604
Unappropriated retained earnings - increased	4,363,928
Other components of equity - increased	38,159
Non-controlling interests - increased	594,517
<b>Statement of financial position</b>	
<b>As at 31 December 2012</b>	
Retirement benefit obligation - decreased	9,020,773
Unappropriated retained earnings - increased	8,091,209
Other components of equity - decreased	(172,738)
Non-controlling interests - increased	1,102,302
<b>Statement of income</b>	
<b>For the year ended 31 December 2012</b>	
Cost of sales and services - increased	1,664,107
Net profit - decreased	(1,664,107)
Basic earnings per share	
- equity holders of the parent - decreased (Baht)	(0.02)
<b>Statement of comprehensive income</b>	
<b>For the year ended 31 December 2012</b>	
Net profit - decreased	(1,664,107)
Actuarial loss on defined employee benefit plan - increased	5,839,018

## **2. Accounting policies (Continued)**

### **2.21 Provident fund**

The Company and other 5 companies in the Group, namely Dusit Thai Properties Public Company Limited, Devarana Spa Company Limited, Le Cordon Bleu Dusit Company Limited, Dusit Worldwide Company Limited and Dusit Management Company Limited have set up a provident fund for their employees, for each company. Each fund has been registered in accordance with the Provident Fund Act B.E. 2530 (1987).

The Group recorded their contribution to provident fund for their employees as expenses when incurred.

### **2.22 Basic earnings (loss) per share - Equity holders of the parent**

Basic earnings (loss) per share - equity holders of the parent are computed by dividing net profit (loss) for the year for equity holders of the parent by the weighted average number of outstanding ordinary shares during the year. In case of a capital increase, the number of shares is weighted according to time of registration of issued and paid-up share capital.

### **2.23 Segment information**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group's Chief Executive Officer that makes strategic decisions.

## **3. Critical accounting estimates, assumptions and judgement**

Estimates, assumptions 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.

### **Critical accounting estimates and assumptions**

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates, by definition, will seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

#### **3.1 Impairment of receivables**

The determination of the allowance for doubtful accounts is considered by the management, based on the collection experience of the Group in the prior years.

#### **3.2 Write-down of inventories**

Net realizable value is the estimate of the selling price in the ordinary course of business less necessary expenses. Allowance is made, for obsolete, slow-moving and defective inventories, based on observation and judgement by the management.

#### **3.3 Depreciation and amortization**

Management determines the estimated useful lives for the Group's property, premises and equipment and other non-current assets. Management will revise the depreciation and amortization 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. Critical accounting estimates, assumption and judgement (Continued)

#### 3.4 Retirement benefit obligation

The present value of the retirement benefit obligations 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 benefit include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of retirement benefit obligation.

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 retirement benefit obligations. In determining the appropriate discount rate, the Group considers the 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 the terms of the related retirement benefit liability.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 23.

### 4. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group's manage, maintain and/or make adjustment to their capital structures according to the changes in economic conditions and the risk characteristics of the underlying assets. In this regard, they may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

### 5. Supplementary disclosures of cash flow information

#### 5.1 Cash and cash equivalents as at 31 December are as follows:

	Consolidated financial statements		Company financial statements		Baht
	2013	2012	2013	2012	
Cash and deposits at bank	711,974,349	662,907,841	161,397,713	158,817,002	
Deposits at financial institutions	-	-	-	-	
Total	<u>711,974,349</u>	<u>662,907,841</u>	<u>161,397,713</u>	<u>158,817,002</u>	

## 5. Supplementary disclosures of cash flow information (Continued)

### 5.2 Non-cash transactions are as follows:

#### 5.2.1 In the consolidated and Company financial statements for the years ended 31 December 2013 and 2012:

##### Purchases of property, premises and equipment

	Consolidated financial statements		Company financial statements	
	2013	2012	2013	2012
Payables-Assets acquisition				
Balance brought forward	75,688,618	166,758,240	42,545,076	27,639,038
Add Purchases of				
fixed assets	476,070,446	794,846,060	220,036,452	189,285,042
Less Deposit for asset				
acquisition	-	(115,591,825)	-	-
Cash payments	(506,048,294)	(742,031,290)	(233,598,996)	(174,379,004)
Exchange gain				
on translation	-	(28,292,567)	-	-
Balance carried forward	45,710,770	75,688,618	28,982,532	42,545,076
Long-term liabilities under				
finance lease agreements				
(including current portion)				
Balance brought forward	1,265,634	1,721,894	983,509	1,244,815
Add Purchases of				
fixed assets	-	-	-	-
Less Cash payments	(493,563)	(456,260)	(284,459)	(261,306)
Balance carried forward	772,071	1,265,634	699,050	983,509

#### 5.2.2 In the consolidated financial statements for the years ended 31 December 2013 and 2012:

5.2.2.1 The recording of available-for-sale investments at fair value and recognizing unrealized gain on such investments of Baht 59,436,550 and Baht 32,854,375, respectively, were included in shareholders' equity.

5.2.2.2 The recording of exchange differences on the translation of the subsidiary's financial statements into Baht was presented as an addition (deduction) in the shareholders' equity in the amount of Baht 67,035,446 and Baht (13,201,862), respectively.

5.2.2.3 The recording losses on defined employee benefit plan in the amount of Baht (2,939,946) and Baht (21,399,411), respectively, were included in shareholders' equity.

#### 5.2.3 In the Company financial statements:

5.2.3.1 For the years ended 31 December 2013 and 2012, the recording of available-for-sale investments at fair value and recognizing unrealized gain on such investments of Baht 51,429,250 and Baht 27,494,650, respectively, were included in shareholders' equity.

5.2.3.2 For the year ended 31 December 2012, the recording losses on defined employee benefit plan in the amount of Baht (24,591,561), was included in shareholders' equity.

5.2.3.3 For the year ended 31 December 2012, the Company had additional invested in Dusit Thai Properties Public Co., Ltd. by purchasing of 500,000 ordinary shares, equivalent to Baht 8,035,000 from another related company. However, as at 31 December 2012, the Company has not yet paid such share purchased which presented including in current liabilities (trade and other payables).



## 6. Trade and other receivables - net

Trade and other receivables - net as at 31 December consisted of the following:

	Notes	Consolidated financial statements		Company financial statements	
		2013	2012	2013	2012
Trade accounts receivable - net	6.1	286,008,728	273,544,623	74,887,911	80,400,341
Other receivables					
- Management fee and other service - net	6.2	44,636,990	47,629,596	66,282,267	71,794,294
Accounts receivable - World Intertrade Corporation Limited		40,879,585	40,879,585	40,879,585	40,879,585
<u>Less</u> Allowance for doubtful accounts		<u>(40,879,585)</u>	<u>(40,879,585)</u>	<u>(40,879,585)</u>	<u>(40,879,585)</u>
		-	-	-	-
Other receivables					
- Related companies		-	-	38,972,483	9,529,347
- Other companies		28,605,875	16,492,545	3,235,860	27,682,587
		28,605,875	16,492,545	42,208,343	37,211,934
<u>Less</u> Allowance for doubtful accounts		<u>(610,678)</u>	<u>(637,425)</u>	<u>(1,458,207)</u>	<u>(223,652)</u>
		27,995,197	15,855,120	40,750,136	36,988,282
Accrued interest receivable		2,035,445	391,381	-	-
Accrued income		208,000	192,749	208,000	53,200
Prepaid expenses		35,618,589	32,002,757	7,635,511	7,693,251
Prepaid income tax		25,411,917	18,770,503	19,381,442	9,302,094
Advances		3,654,352	9,525,264	215,572	363,233
Deposits		11,854,357	9,126,736	-	-
Refundable deposits		302,729	495,144	-	-
Trade and other receivables - net		<u>437,726,304</u>	<u>407,533,873</u>	<u>209,360,839</u>	<u>206,594,695</u>

6.1 Trade accounts receivable - net as at 31 December are classified by aging as follows:

	Consolidated financial statements		Company financial statements	
	2013	2012	2013	2012
Number of accounts receivable	1,404	1,139	428	407
	Baht	Baht	Baht	Baht
Outstanding amount				
Less than 3 months	287,362,611	264,846,307	76,077,258	81,452,725
3-6 months	4,536,306	12,180,561	-	287,559
6-12 months	769,784	804,651	-	-
Over 12 months	3,053,815	12,703,130	1,192,229	8,798,029
	295,722,516	290,534,649	77,269,487	90,538,313
<u>Less</u> Allowance for doubtful accounts	<u>(9,713,788)</u>	<u>(16,990,026)</u>	<u>(2,381,576)</u>	<u>(10,137,972)</u>
Trade accounts receivable - net	<u>286,008,728</u>	<u>273,544,623</u>	<u>74,887,911</u>	<u>80,400,341</u>

## 6. Trade and other receivables - net (Continued)

6.2 Others receivables - Management fee and other service - net as at 31 December are classified by aging as follows:

	Consolidated financial statements		Company financial statements	
	2013	2012	2013	2012
Number of accounts	57	59	31	33
	Baht	Baht	Baht	Baht
Outstanding amount				
Less than 3 months	40,467,472	38,770,560	56,274,695	55,700,940
3-6 months	3,040,503	8,796,815	9,733,321	15,329,127
6-12 months	7,686,390	109,013	8,894,206	17,464,336
Over 12 months	7,280,635	282,865	7,233,823	11,892,275
	58,475,000	47,959,253	82,136,045	100,386,678
<u>Less</u> Allowance for doubtful accounts	(13,838,010)	(329,657)	(15,853,778)	(28,592,384)
Other receivables - Management fee and other service - net	44,636,990	47,629,596	66,282,267	71,794,294

## 7. Inventories - net

Inventories - net as at 31 December consisted of the following:

	Consolidated financial statements		Company financial statements		Baht
	2013	2012	2013	2012	
Food and beverage	39,522,528	35,866,294	13,883,107	15,284,349	
Chinaware, glassware, silverware and linen	593,148	3,360,513	-	-	
Mechanical supplies	7,810,623	2,100,410	710,999	998,802	
Other supplies	34,872,574	43,347,625	9,204,584	9,811,739	
Retail products	1,979,391	1,506,709	977,468	1,130,732	
Total	84,778,264	86,181,551	24,776,158	27,225,622	

## 8. Other current assets

Other current assets as at 31 December consisted of the following:

	Consolidated financial statements		Company financial statements		Baht
	2013	2012	2013	2012	
VAT refundable	33,640,465	36,601,253	3,979,680	9,031,660	
Advance payment for investment in associate (Note 40.2)	25,270,815	-	25,270,815	-	
Others	483,640	365,876	-	-	
Total	59,394,920	36,967,129	29,250,495	9,031,660	

## 9. Available-for-sale investments

Available-for-sale investments as at 31 December consisted of the following:

	Consolidated financial statements		Company financial statements		Baht
	2013	2012	2013	2012	
Available-for-sale					
Equity securities					
Cost	64,991,858	64,991,858	140,499,931	140,499,931	
<u>Add</u> Net valuation adjustment for change in fair value	293,592,542	234,155,992	181,922,469	130,493,219	
	358,584,400	299,147,850	322,422,400	270,993,150	

Movements in available-for-sale investments for the year ended 31 December 2013 are summarized as follows:

		Baht
	Consolidated financial statements	Company financial statements
Available-for-sale investments		
Net book value at beginning	299,147,850	270,993,150
Change in fair value of Available-for-sale investments	59,436,550	51,429,250
Net book value at ending	358,584,400	322,422,400

## 10. Other long-term investments

Other long-term investments as at 31 December consisted of the following:

	Consolidated financial statements		Company financial statements		Baht
	2013	2012	2013	2012	
General investments in Equity securities	241,186,732	241,186,732	20,000,000	20,000,000	
<u>Less</u> Allowance for impairment in value of securities	(23,470,850)	(23,470,850)	(20,000,000)	(20,000,000)	
	217,715,882	217,715,882	-	-	





# 11. Investment properties - net

Investment properties - net consisted of the following:

Consolidated financial statements as at 31 December 2012

	Balance as at 31 December 2011	Additions	Disposal	Transfer out	Baht Balance as at 31 December 2012
<b>Cost</b>					
Land	228,555,029	-	(13,609,668)	-	214,945,361
Buildings on leased land	2,922,991	-	-	(48,013)	2,874,978
Interior and renovation on leased land	111,156,391	1,453,237	-	(1,825,855)	110,783,773
Furniture and equipment on leased land	6,702,497	-	-	(110,095)	6,592,402
<b>Total cost</b>	<b>349,336,908</b>	<b>1,453,237</b>	<b>(13,609,668)</b>	<b>(1,983,963)</b>	<b>335,196,514</b>
<b>Accumulated Depreciation</b>					
Buildings on leased land	(2,662,406)	(187,921)	-	43,732	(2,806,595)
Interior and renovation on leased land	(44,784,728)	(10,647,485)	-	735,634	(54,696,579)
Furniture and equipment on leased land	(4,181,770)	(431,206)	-	68,690	(4,544,286)
<b>Total accumulated depreciation</b>	<b>(51,628,904)</b>	<b>(11,266,612)</b>	<b>-</b>	<b>848,056</b>	<b>(62,047,460)</b>
<b>Investment properties - net</b>	<b>297,708,004</b>	<b>(9,813,375)</b>	<b>(13,609,668)</b>	<b>(1,135,907)</b>	<b>273,149,054</b>
Depreciation					<u>11,266,612</u>

Consolidated financial statements as at 31 December 2013

	Balance as at 31 December 2012	Additions	Transfer in	Baht Balance as at 31 December 2013
<b>Cost</b>				
Land	214,945,361	-	-	214,945,361
Buildings on leased land	2,874,978	-	688,108	3,563,086
Interior and renovation on leased land	110,783,773	-	26,515,388	137,299,161
Furniture and equipment on leased land	6,592,402	185,862	1,622,333	8,400,597
<b>Total cost</b>	<b>335,196,514</b>	<b>185,862</b>	<b>28,825,829</b>	<b>364,208,205</b>
<b>Accumulated Depreciation</b>				
Buildings on leased land	(2,806,595)	(68,327)	(688,094)	(3,563,016)
Interior and renovation on leased land	(54,696,579)	(10,705,400)	(15,653,546)	(81,055,525)
Furniture and equipment on leased land	(4,544,286)	(399,571)	(1,183,281)	(6,127,138)
<b>Total accumulated depreciation</b>	<b>(62,047,460)</b>	<b>(11,173,298)</b>	<b>(17,524,921)</b>	<b>(90,745,679)</b>
<b>Investment properties - net</b>	<b>273,149,054</b>	<b>(10,987,436)</b>	<b>11,300,908</b>	<b>273,462,526</b>
Depreciation				<u>11,173,298</u>

# 11. Investment properties - net (Continued)

Investment properties - net consisted of the following: (Continued)

Company financial statements as at 31 December 2012

	Balance as at 31 December 2011	Additions	Disposal	Transfer out	Baht Balance as at 31 December 2012
<b>Cost</b>					
Land	158,181,293	-	(13,609,668)	-	144,571,625
Buildings on leased land	4,153,660	-	-	(100,392)	4,053,268
Interior and renovation on leased land	157,956,665	2,099,581	-	(3,868,508)	156,187,738
Furniture and equipment on leased land	9,524,455	-	-	(230,203)	9,294,252
Total cost	329,816,073	2,099,581	(13,609,668)	(4,199,103)	314,106,883
<b>Accumulated Depreciation</b>					
Buildings on leased land	(3,783,362)	(271,502)	-	98,005	(3,956,859)
Interior and renovation on leased land	(63,640,482)	(15,383,087)	-	1,909,974	(77,113,595)
Furniture and equipment on leased land	(5,942,424)	(622,990)	-	158,684	(6,406,730)
Total accumulated depreciation	(73,366,268)	(16,277,579)	-	2,166,663	(87,477,184)
<b>Investment properties - net</b>	<u>256,449,805</u>	<u>(14,177,998)</u>	<u>(13,609,668)</u>	<u>(2,032,440)</u>	<u>226,629,699</u>
Depreciation					<u>16,277,579</u>

Company financial statements as at 31 December 2013

	Balance as at 31 December 2012	Additions	Transfer out	Baht Balance as at 31 December 2013
<b>Cost</b>				
Land	144,571,625	-	-	144,571,625
Buildings on leased land	4,053,268	-	(67,626)	3,985,642
Interior and renovation on leased land	156,187,738	-	(2,605,892)	153,581,846
Furniture and equipment on leased land	9,294,252	262,036	(159,441)	9,396,847
Total cost	314,106,883	262,036	(2,832,959)	311,535,960
<b>Accumulated Depreciation</b>				
Buildings on leased land	(3,956,859)	(96,330)	67,625	(3,985,564)
Interior and renovation on leased land	(77,113,595)	(15,092,934)	1,538,406	(90,668,123)
Furniture and equipment on leased land	(6,406,730)	(563,333)	116,291	(6,853,772)
Total accumulated depreciation	(87,477,184)	(15,752,597)	1,722,322	(101,507,459)
<b>Investment properties - net</b>	<u>226,629,699</u>	<u>(15,490,561)</u>	<u>(1,110,637)</u>	<u>201,028,501</u>
Depreciation				<u>15,752,597</u>

# **11. Investment properties - net (Continued)**

On 17 October 2012, the Company has sold partially investment properties (land) to the third party in the amount of Baht 114,720,000 and had gain on sales of Baht 101,110,332.

As at 31 December 2013, the fair value of investment property which presented in the consolidated and company financial statements were Baht 764,416,821 and Baht 661,491,443, respectively.

The Group's investment properties were revalued as at 31 December 2011 by independent professionally qualified valuers who hold a recognized relevant professional qualification and have recent experience in the locations and categories of the investment properties valued.

Amounts recognised in profit and loss that are related to investment property are as follows:

	Consolidated financial statements		Company financial statements		Baht
	2013	2012	2013	2012	
Rental income	83,682,659	78,995,041	71,737,390	68,212,595	
Operating expenses arise from investment property that generated rental income	47,027,451	37,848,418	40,693,209	38,491,180	

## 12. Property, premises and equipment - net

Property, premises and equipment - net consisted of the following:

Consolidated financial statements as at 31 December 2012

	Balance as at 31 December 2011	Additions	Disposals	Amortization	Written off	Assets transfer to related	Exchange gain (loss) on translation	Baht Balance as at 31 December 2012
<b>Cost</b>								
Land	261,558,176	-	-	-	-	-	-	261,558,176
Land improvement	8,857,084	-	-	-	-	-	64,304	8,921,388
Buildings	969,311,777	-	(407,589)	-	-	800,000	-	969,704,188
Buildings on leased land	1,168,115,042	62,409,699	(30,107,333)	-	(206,049,530)	1,774,931,275	45,148,928	2,814,448,081
Furniture and equipment	450,115,841	53,075,753	(4,421,212)	-	(6,545,186)	379,642,951	(486,648)	871,381,499
Furniture and equipment on leased land	1,345,884,606	54,547,588	(49,570,922)	-	(14,203,080)	49,092,821	19,718,084	1,405,469,097
Interior and renovation	375,745,647	7,096,121	-	-	(481,224)	64,751,504	-	447,112,048
Interior and renovation on leased land	1,125,144,330	11,784,332	(18,000)	-	(5,066,428)	54,751,601	21,973,248	1,208,569,083
Vehicles	71,916,764	7,756,162	(9,079,344)	-	-	13,177,475	75,943	83,847,000
Chinaware, glassware, silverware and linen	90,805,726	26,932,757	(369,329)	-	(15,896,639)	41,313,490	-	142,786,005
Building and land rights - net	61,373,145	-	-	(14,876,136)	-	-	-	46,497,009
Construction in process	1,994,066,363	571,243,648	(2,097,050)	-	(2,352,297)	(2,376,477,154)	(80,107,679)	104,275,831
<b>Total cost</b>	<b>7,922,894,501</b>	<b>794,846,060</b>	<b>(96,070,779)</b>	<b>(14,876,136)</b>	<b>(250,594,384)</b>	<b>1,983,963</b>	<b>6,386,180</b>	<b>8,364,569,405</b>

12. Property, premises and equipment - net (Continued)

Consolidated financial statements as at 31 December 2012 (Continued)

	Balance as at 31 December 2011	Additions	Disposals	Amortization	Written off	Assets transfer to related	Exchange gain (loss) on translation	Baht Balance as at 31 December 2012
<b>Accumulated Depreciation</b>								
Land improvement	(7,295,353)	(220,982)	-	-	-	-	(45,308)	(7,561,643)
Buildings	(601,147,256)	(14,721,156)	213,224	-	-	-	(586,066)	(616,241,254)
Buildings on leased land	(770,505,551)	(102,501,046)	15,761,268	-	206,219,990	(43,732)	(39,053,173)	(690,122,244)
Furniture and equipment	(263,538,783)	(38,552,208)	2,542,943	-	6,409,649	-	1,552,164	(291,586,235)
Furniture and equipment on leased land	(1,014,456,865)	(146,080,129)	49,399,627	-	9,894,074	(68,690)	(38,348,991)	(1,139,660,974)
Interior and renovation	(72,747,296)	(32,137,520)	-	-	26,497	-	1,564	(104,856,755)
Interior and renovation on leased land	(671,606,293)	(97,890,095)	17,998	-	4,045,249	(735,634)	3,332,557	(762,836,218)
Vehicles	(61,954,318)	(6,978,130)	9,079,335	-	-	-	(41,466)	(59,894,579)
China ware, glassware, silverware and linen	(52,678,275)	(20,766,695)	294,220	-	10,828,903	-	98,318	(62,223,529)
Total accumulated depreciation	(3,515,929,990)	(459,847,961)	77,308,615	-	237,424,362	(848,056)	(73,090,401)	(3,734,983,431)
<b>Property, premises and equipment</b>	4,406,964,511	334,998,099	(18,762,164)	(14,876,136)	(13,170,022)	1,135,907	(66,704,221)	4,629,585,974
Less Allowance for impairment	(92,388,810)	-	-	-	4,575,784	-	-	(87,813,026)
<b>Property, premises and equipment - net</b>	4,314,575,701	334,998,099	(18,762,164)	(14,876,136)	(8,594,238)	1,135,907	(66,704,221)	4,541,772,948
Depreciation								459,847,961
Amortization								14,876,136

12. Property, premises and equipment - net (Continued)

Consolidated financial statements as at 31 December 2013

	Balance as at 31 December 2012	Additions	Disposals	Amortization	Written off	Assets transfer to related	Exchange gain (loss) on translation	Baht Balance as at 31 December 2013
<b>Cost</b>								
Land	261,558,176	-	-	-	-	-	-	261,558,176
Land improvement	8,921,388	-	-	-	-	-	(12,324)	8,909,064
Buildings	969,704,188	-	(3,925,234)	-	(7,566,993)	-	19,490	958,231,451
Buildings on leased land	2,814,448,081	23,848,416	-	-	(2,764,016)	62,709,672	122,616,373	3,020,858,526
Furniture and equipment	871,381,499	39,515,349	(4,167,454)	-	(19,496,135)	63,312,133	24,210,405	974,755,797
Furniture and equipment on leased land	1,405,469,097	92,020,421	(41,484,141)	-	(21,751,024)	79,503,614	(1,823,045)	1,511,934,922
Interior and renovation	447,112,048	4,596,081	-	-	-	32,800,174	128,970	484,637,273
Interior and renovation on leased land	1,208,569,083	6,789,201	-	-	(28,006,576)	49,708,859	24,303	1,237,084,870
Vehicles	83,847,000	2,963,709	(2,192,000)	-	-	-	1,360,887	85,979,596
Chinaware, glassware, silverware and linen	142,786,005	20,085,769	(1,331,337)	-	(10,644,725)	-	3,461,212	154,356,924
Building and land rights - net	46,497,009	-	-	(4,685,152)	-	-	-	41,811,857
Construction in process	104,275,831	286,251,500	-	-	(544,014)	(334,422,124)	(538,396)	55,022,797
<b>Total cost</b>	<b>8,364,569,405</b>	<b>476,070,446</b>	<b>(53,100,166)</b>	<b>(4,685,152)</b>	<b>(90,773,483)</b>	<b>(46,387,672)</b>	<b>149,447,875</b>	<b>8,795,141,253</b>



12. Property, premises and equipment – net (Continued)

Consolidated financial statements as at 31 December 2013 (Continued)

	Balance as at 31 December 2012	Additions	Disposals	Amortization	Written off	Assets transfer to related	Exchange gain (loss) on translation	Baht Balance as at 31 December 2013
<b>Accumulated Depreciation</b>								
Land improvement	(7,561,643)	(219,927)	-	-	-	-	8,217	(7,773,353)
Buildings	(616,241,254)	(23,653,029)	2,095,500	-	3,787,373	-	-	(634,011,410)
Buildings on leased land	(690,122,244)	(136,965,224)	-	-	-	688,094	(4,445,600)	(830,844,974)
Furniture and equipment	(291,586,235)	(49,852,179)	4,029,735	-	1,890,270	(939,196)	(36,678)	(336,494,283)
Furniture and equipment on leased land	(1,139,660,974)	(162,093,234)	39,989,685	-	20,209,654	1,183,281	(384,369)	(1,240,755,957)
Interior and renovation	(104,856,755)	(37,692,201)	-	-	-	-	(25,078)	(142,574,034)
Interior and renovation on leased land	(762,836,218)	(98,725,995)	-	-	24,175,411	15,653,546	(8,191)	(821,741,447)
Vehicles	(59,894,579)	(6,794,206)	2,191,997	-	-	-	(435,867)	(64,932,655)
Chinaware, glassware, silverware and linen	(62,223,529)	(25,611,974)	1,229,846	-	11,793,048	-	(1,136,747)	(75,949,356)
Total accumulated depreciation	(3,734,983,431)	(541,607,969)	49,536,763	-	61,855,756	16,585,725	(6,464,313)	(4,155,077,469)
<b>Property, premises and equipment</b>	4,629,585,974	(65,537,523)	(3,563,403)	(4,685,152)	(28,917,727)	(29,801,947)	142,983,562	4,640,063,784
Less Allowance for impairment	(87,813,026)	-	-	-	3,878,974	-	-	(83,934,052)
<b>Property, premises and equipment - net</b>	<b>4,541,772,948</b>	<b>(65,537,523)</b>	<b>(3,563,403)</b>	<b>(4,685,152)</b>	<b>(25,038,753)</b>	<b>(29,801,947)</b>	<b>142,983,562</b>	<b>4,556,129,732</b>
Depreciation								541,607,969
Amortization								4,685,152



## 12. Property, premises and equipment - net (Continued)

### Company financial statements as at 31 December 2012

	Balance as at 31 December 2011	Additions	Disposals	Amortization	Written off	Assets transfer to Related	Baht Balance as at 31 December 2012
<b>Cost</b>							
Buildings on leased land	1,731,867	-	-	-	-	100,392	1,832,259
Interior and renovation on leased land	1,149,804,499	10,837,699	(18,000)	-	(5,066,428)	56,433,897	1,211,991,667
Furniture and equipment on leased land	1,167,943,276	46,273,809	(38,775,608)	-	(6,403,325)	49,212,929	1,218,251,081
Vehicles	49,344,328	1,279,906	(7,340,650)	-	-	-	43,283,584
Chinaware, glassware, silverware and linen	51,537,740	13,406,888	(68,421)	-	(9,948,567)	-	54,927,640
Building and Land rights - net	90,672,224	-	-	(14,876,136)	-	-	75,796,088
Construction in process	26,756,606	117,486,740	-	-	(66,762)	(101,548,115)	42,628,469
<b>Total cost</b>	<b>2,537,790,540</b>	<b>189,285,042</b>	<b>(46,202,679)</b>	<b>(14,876,136)</b>	<b>(21,485,082)</b>	<b>4,199,103</b>	<b>2,648,710,788</b>
<b>Accumulated Depreciation</b>							
Buildings on leased land	(1,577,472)	(113,202)	-	-	-	(98,005)	(1,788,679)
Interior and renovation on leased land	(698,419,360)	(93,332,309)	17,998	-	4,045,249	(1,909,974)	(789,598,396)
Vehicles	(900,671,367)	(83,104,712)	38,630,480	-	6,386,831	(158,684)	(938,917,452)
Chinaware, glassware, silverware and linen	(42,636,352)	(2,687,568)	7,340,643	-	-	-	(37,983,277)
<b>Total accumulated depreciation</b>	<b>(1,676,654,396)</b>	<b>(185,949,028)</b>	<b>46,051,110</b>	<b>-</b>	<b>17,435,853</b>	<b>(2,166,663)</b>	<b>(1,801,283,124)</b>
<b>Property, premises and equipment - net</b>	<b>861,136,144</b>	<b>3,336,014</b>	<b>(151,569)</b>	<b>(14,876,136)</b>	<b>(4,049,229)</b>	<b>2,032,440</b>	<b>847,427,664</b>
Depreciation							185,949,028
Amortization							14,876,136

### Company financial statements as at 31 December 2013

	Balance as at 31 December 2012	Additions	Disposals	Amortization	Written off	Assets transfer to Related	Baht Balance as at 31 December 2013
<b>Cost</b>							
Buildings on leased land	1,832,259	-	-	-	-	67,626	1,899,885
Interior and renovation on leased land	1,211,991,667	6,789,203	-	-	(27,643,341)	78,522,138	1,269,659,667
Furniture and equipment on leased land	1,218,251,081	61,204,563	(41,484,141)	-	(21,751,024)	78,561,710	1,294,782,189
Vehicles	43,283,584	42,500	-	-	-	-	43,326,084
Chinaware, glassware, silverware and linen	54,927,640	8,894,126	(1,219,828)	-	(9,313,026)	-	53,288,912
Building and Land rights - net	75,796,088	-	-	(14,876,136)	-	-	60,919,952
Construction in process	42,628,469	143,106,060	-	-	-	(172,726,408)	13,008,121
<b>Total cost</b>	<b>2,648,710,788</b>	<b>220,036,452</b>	<b>(42,703,969)</b>	<b>(14,876,136)</b>	<b>(58,707,391)</b>	<b>(15,574,934)</b>	<b>2,736,884,810</b>
<b>Accumulated Depreciation</b>							
Buildings on leased land	(1,788,679)	(43,546)	-	-	-	(67,625)	(1,899,850)
Interior and renovation on leased land	(789,598,396)	(94,224,268)	-	-	24,175,411	(1,538,406)	(861,185,659)
Vehicles	(938,917,452)	(89,767,698)	39,989,684	-	19,528,707	(116,291)	(969,283,050)
Chinaware, glassware, silverware and linen	(37,983,277)	(1,725,224)	-	-	-	-	(39,708,501)
<b>Total accumulated depreciation</b>	<b>(1,801,283,124)</b>	<b>(192,594,636)</b>	<b>41,147,069</b>	<b>-</b>	<b>50,226,377</b>	<b>(1,722,322)</b>	<b>(1,904,226,636)</b>
<b>Property, premises and equipment - net</b>	<b>847,427,664</b>	<b>27,441,816</b>	<b>(1,556,900)</b>	<b>(14,876,136)</b>	<b>(8,481,014)</b>	<b>(17,297,256)</b>	<b>832,658,174</b>
Depreciation							192,594,636
Amortization							14,876,136

## **12. Property, premises and equipment - net (Continued)**

### **12.1 Dusit Thani Public Company Limited**

Property, premises and equipment - net included building and building improvement on lease land of Dusit Thani Hotel, Pattaya at a book value as at 31 December 2013 and 2012 of Baht 60,919,952 and Baht 75,796,088, respectively. Even though the title to the building of Dusit Thani Hotel, Pattaya has not been transferred to the Company, the management believes that by the fact and law, the Company has the right to use such building for its operations, as the building is located on the land which the subsidiary is the lessee. On 21 January 2002, the Company has registered such right on land lease with the Department of Land, Pattaya. In addition, the Company has peacefully and openly possessed this property with intention to be its owner for more than 10 years, by virtue of the Civil and Commercial Code of Thailand, section 1382 (see Note 33.3).

### **12.2 Dusit Thai Properties Public Company Limited, a subsidiary**

As at 31 December 2013 and 2012, land, premises and equipment of Dusit Thani Hua Hin under Dusit Thai Properties Public Company Limited, as subsidiary in net book value of Baht 340,093,469 and Baht 353,111,598, respectively, are mortgaged as a guaranteed condition which specified in lease agreement for land and building with Dusit Thani Freehold and Leasehold Property Fund in the amount of Baht 1,300,000,000 (see Note 21).

### **12.3 Philippine Hoteliers, Inc., an indirect subsidiary**

As at 31 December 2013 and 2012, hotel building and equipment and rights on lease agreement of the subsidiary in net book value of Peso 485,243,336 and Peso 438,262,604, respectively, or approximately Baht 355,804,676 and Peso 324,073,283, respectively, are used as collateral for long-term loan of this subsidiary in the amount of Peso 510,000,000 (see Note 20.1).

### **12.4 DMS Property Investment Private Limited, an indirect subsidiary**

12.4.1 On 13 July 2011, Dusit Thai Properties Public Company Limited has entered into resort sale and purchase agreement with Coastline Hotels and Resort Private Limited in order to purchase assets, composed of the leasehold right from the Government of Republic of Maldives, five-star resort and construction over Mudhdhoo Island in Baa Atoll, Republic of Maldives in the total value of USD 60,000,000. The subsidiary has operated to comply with the conditions in the agreement as follows:

1. Purchase deal of USD 500,000 as specified in the Memorandum of Understanding
2. Deposit of USD 6,000,000
3. Purchase price installment of USD 9,000,000
4. First completion payment of USD 43,000,000
5. Second completion payment of USD 1,500,000

The leasehold right which Coastline Hotels and Resort Private Limited got from Government of Republic of Maldives is for 35 years, started from 8 September 2009 and included in the amount of USD 60,000,000 was prepaid rental of USD 5,000,000 which already paid to the Government of Republic of Maldives for the first 5 years period (see Note 13). In addition, such sale and purchase agreement had specific the annual rental for year one to ten from the date of commencement of operation of resort or 30 months from 8 September 2009, whichever happens earlier at USD 1,000,000. Such rental will be paid every 3 months by off-setting with the prepaid rental of USD 5,000,000.

However, the Government of Republic of Maldives issued the law to extend the leasehold right for a maximum period of 50 years which such subsidiary has to pay additional yearly rental of USD 100,000 from September 2044 onwards. As such the lease period will be due in September 2059.

## **12. Property, premises and equipment - net (Continued)**

### **12.4 DMS Property Investment Private Limited, an indirect subsidiary (Continued)**

- 12.4.2 On 7 August 2011, Dusit Thai Properties Public Company Limited and other 2 shareholders had established the Company, namely DMS Property Investment Private Limited, registered in Republic of Maldives with registered capital of USD 100,000, divided into 100,000 ordinary shares at USD 1 par value each. Dusit Thai Properties Public Company held at 60% of ownership. Subsequently, such company has increased its registered share capital to USD 38,500,000, divided into 38,500,000 shares at USD 1 par value each. Dusit Thai Properties Public Company held at 55% of ownership.
- 12.4.3 On 7 August 2011, Dusit Thai Properties Public Company Limited transferred right and obligation under sales and purchase agreement dated 13 July 2011 from Coastline Hotels and Resort Private Limited to DMS Property Investment Private Limited.
- 12.4.4 As at 31 December 2013 and 2012, premises and building in the consolidated financial statements, included interest expenses from loan of DMS Property Investment Private Limited, a subsidiary in Republic of Maldives, in the amount of USD 452,154 or Baht 13,827,954. The capitalized interest rate was 3.82%.

### **12.5 Fully depreciated premises and equipment**

As at 31 December 2013 and 2012, premises and equipment of the Company and subsidiaries amounting to Baht 1,946,175,794 and Baht 1,865,732,360, respectively, were fully depreciated but still in use.

As at 31 December 2013 and 2012, premises and equipment of the Company amounting to Baht 1,155,144,577 and Baht 1,095,690,487, respectively, were fully depreciated but were still in use.

### **12.6 Impairment of property, premises and equipment**

During the year 2011, the impairment charged of Baht 1,935,286 for property, premises and equipment as a result of economic situation and hotels' performance. The Group considered recoverable amount at the cash-generating unit level considering operation of each hotel. The recoverable amount at the cash-generating unit is determined based on value in use calculations. This calculation is determined based on discounted projected-operation cash flows reference with hotel's past performance and expected growth of each hotel business. The growth and discounted rates are determined to be 3.50% and 13.50%, respectively, based on the appraisal report appraised by independent appraiser authorized by the Stock Exchange of Thailand.

### 13. Prepaid rental - land and buildings - net

Prepaid rental-land and buildings - net as at 31 December consisted of the following:

	Consolidated financial statements		Company financial statements		Baht
	2013	2012	2013	2012	
Prepaid rental amount	1,257,507,500	1,257,507,500	1,100,000,000	1,100,000,000	
Other fees	11,000,000	11,000,000	11,000,000	11,000,000	
	1,268,507,500	1,268,507,500	1,111,000,000	1,111,000,000	
<u>Less</u> Accumulated amortization of prepaid rental	(854,026,707)	(750,272,118)	(796,216,780)	(722,150,140)	
	414,480,793	518,235,382	314,783,220	388,849,860	
<u>Less</u> Prepaid rental of land and buildings - due within one year	(105,620,793)	(103,519,347)	(74,066,640)	(74,066,640)	
Gain (loss) on translation adjustment	2,831,812	(4,231,690)	-	-	
Prepaid rental of land and buildings exceeding one year - net	311,691,812	410,484,345	240,716,580	314,783,220	
Amortization	103,754,564	102,188,618	74,066,640	74,066,640	

As at 31 December 2013 and 2012, prepaid rental amount included lease rental of DMS Property Investment Private Limited in the amount of USD 5,000,000 for the period of 5 years (see Note 12.4).

### 14. Intangible assets - net

Intangible assets - net consisted of the following:

Consolidated financial statements as at 31 December 2012

	Balance as at 31 December 2011	Additions	Written off	Gain on translation adjustment	Balance as at 31 December 2012	Baht
<b>Computer software</b>						
Cost	85,450,916	10,191,055	(3,752,941)	-	91,889,030	
Accumulated amortization	(42,586,124)	(7,000,048)	3,752,888	7,855	(45,825,429)	
<b>Intangible assets - net</b>	<u>42,864,792</u>	<u>3,191,007</u>	<u>(53)</u>	<u>7,855</u>	<u>46,063,601</u>	
Amortization					<u>7,000,048</u>	

Consolidated financial statements as at 31 December 2013

	Balance as at 31 December 2012	Additions	Written off	Transfers	Gain (loss) on translation adjustment	Balance as at 31 December 2013	Baht
<b>Computer software</b>							
Cost	91,889,030	9,850,352	(302,909)	18,796,942	286,148	120,519,563	
Accumulated amortization	(45,825,429)	(10,261,509)	8,778	(389,033)	(92,630)	(56,559,823)	
<b>Intangible assets - net</b>	<u>46,063,601</u>	<u>(411,157)</u>	<u>(294,131)</u>	<u>18,407,909</u>	<u>193,518</u>	<u>63,959,740</u>	
Amortization						<u>10,261,509</u>	



14. Intangible assets - net (Continued)

Company financial statements as at 31 December 2012

	Balance as at 31 December 2011	Additions	Written off	Baht Balance as at 31 December 2012
<b>Computer software</b>				
Cost	75,354,385	5,993,354	(2,231,119)	79,116,620
Accumulated amortization	(33,428,809)	(6,021,140)	2,231,117	(37,218,832)
<b>Intangible assets - net</b>	<b>41,925,576</b>	<b>(27,786)</b>	<b>(2)</b>	<b>41,897,788</b>
Amortization				<u>6,021,140</u>

Company financial statements as at 31 December 2013

	Balance as at 31 December 2012	Additions	Written off	Transfers	Baht Balance as at 31 December 2013
<b>Computer software</b>					
Cost	79,116,620	7,133,688	(302,909)	18,407,893	104,355,292
Accumulated amortization	(37,218,832)	(8,790,752)	8,778	-	(46,000,806)
<b>Intangible assets - net</b>	<b>41,897,788</b>	<b>(1,657,064)</b>	<b>(294,131)</b>	<b>18,407,893</b>	<b>58,354,486</b>
Amortization					<u>8,790,752</u>

15. Other non-current assets - net

Other non-current assets - net consisted of the following:

Consolidated financial statements as at 31 December 2012

	Balance as at 31 December 2011	Increase	Decrease	Baht Balance as at 31 December 2012
<b>Leasehold rights</b>				
Cost	17,305,793	-	-	17,305,793
Accumulated amortization	(17,275,040)	(30,753)	-	(17,305,793)
Leasehold rights - net	30,753	(30,753)	-	-
Deposits	3,858,591	3,243,938	-	7,102,529
Others	1,350,909	-	(1,350,909)	-
<b>Other non-current assets - net</b>	<b>5,240,253</b>	<b>3,213,185</b>	<b>(1,350,909)</b>	<b>7,102,529</b>
Amortization				<u>30,753</u>

15. Other non-current assets - net (Continued)

Consolidated financial statements as at 31 December 2013

	Balance as at 31 December 2012	Increase	Decrease	Baht Balance as at 31 December 2013
Deposits	7,102,529	1,916,535	(472,556)	8,546,508
Other non-current assets - net	7,102,529	1,916,535	(472,556)	8,546,508

Company financial statements as at 31 December 2012

	Balance as at 31 December 2011	Increase	Decrease	Baht Balance as at 31 December 2012
Deposits	1,339,043	2,033,591	(117,592)	3,255,042
	1,339,043	2,033,591	(117,592)	3,255,042

Company financial statements as at 31 December 2013

	Balance as at 31 December 2012	Increase	Decrease	Baht Balance as at 31 December 2013
Deposits	3,255,042	14,258	(142,506)	3,126,794
	3,255,042	14,258	(142,506)	3,126,794

16. Deferred income taxes

Deferred income tax as of 31 December consisted of the following:

	Consolidated financial statements		Baht Company financial statements	
	2013	2012	2013	2012
Deferred income tax assets	129,147,320	136,667,587	42,225,221	50,682,092
Deferred income tax liabilities	(13,784,454)	(15,037,586)	-	-
Deferred income taxes - net	115,362,866	121,630,001	42,225,221	50,682,092

# 16. Deferred income taxes (Continued)

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Consolidated financial statements		Company financial statements	
	2013	2012	2013	2012
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	15,562,915	3,971,136	11,411,951	3,938,673
Deferred tax assets to be recovered after more than 12 months	157,176,394	168,302,462	68,068,128	73,076,088
	172,739,309	172,273,598	79,480,079	77,014,761
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	935,890	4,837,222	870,364	234,025
Deferred tax liabilities to be settled after more than 12 months	56,440,553	45,806,375	36,384,494	26,098,644
	57,376,443	50,643,597	37,254,858	26,332,669
Deferred income taxes - net	115,362,866	121,630,001	42,225,221	50,682,092

The gross movement and the deferred income tax account is as follows:

	Consolidated financial statements		Company financial statements	
	2013	2012	2013	2012
At 1 January	121,630,001	97,928,902	50,682,092	59,641,574
Charged/(credited) to profit or loss	4,738,491	26,815,154	1,828,979	(8,378,864)
Credited directly to other comprehensive income	(11,005,626)	(3,114,055)	(10,285,850)	(580,618)
At 31 December	115,362,866	121,630,001	42,225,221	50,682,092



16. **Deferred income taxes (Continued)**

The movement in deferred tax assets and liabilities during the year is as follows:

**16.1 Consolidated financial statements**

	<b>Tax loss carried forward</b>	<b>Retirement benefit obligation</b>	<b>Unrealized gain</b>	<b>Others</b>	<b>Baht Total</b>
Deferred income tax assets:					
As at 1 January 2012	68,977,671	28,464,562	-	42,403,280	139,845,513
Charged (Credited) to profit and loss	29,066,711	2,306,251	-	(2,401,697)	28,971,265
Charged to other comprehensive income	-	3,456,820	-	-	3,456,820
As at 31 December 2012	<u>98,044,382</u>	<u>34,227,633</u>	<u>-</u>	<u>40,001,583</u>	<u>172,273,598</u>
Deferred income tax liabilities:					
As at 1 January 2012	-	-	24,197,914	17,718,697	41,916,611
Charged to profit and loss	-	-	-	2,156,111	2,156,111
Charged to other comprehensive income	-	-	6,570,875	-	6,570,875
As at 31 December 2012	<u>-</u>	<u>-</u>	<u>30,768,789</u>	<u>19,874,808</u>	<u>50,643,597</u>
Deferred income taxes - net	<u>98,044,382</u>	<u>34,227,633</u>	<u>(30,768,789)</u>	<u>20,126,775</u>	<u>121,630,001</u>

	<b>Tax loss carried forward</b>	<b>Retirement benefit obligation</b>	<b>Unrealized gain</b>	<b>Others</b>	<b>Baht Total</b>
Deferred income tax assets:					
As at 1 January 2013	98,044,382	34,227,633	-	40,001,583	172,273,598
Charged (Credited) to profit and loss	(3,240,699)	1,396,157	-	(1,428,569)	(415,973)
Charged to other comprehensive income	-	881,684	-	-	881,684
As at 31 December 2013	<u>94,803,683</u>	<u>36,505,474</u>	<u>-</u>	<u>41,430,152</u>	<u>172,739,309</u>
Deferred income tax liabilities:					
As at 1 January 2013	-	-	30,768,789	19,874,808	50,643,597
Credited to profit and loss	-	-	-	(5,154,464)	(5,154,464)
Credited to other comprehensive income	-	-	11,887,310	-	11,887,310
As at 31 December 2013	<u>-</u>	<u>-</u>	<u>42,656,099</u>	<u>14,720,344</u>	<u>57,376,443</u>
Deferred income taxes - net	<u>94,803,683</u>	<u>36,505,474</u>	<u>(42,656,099)</u>	<u>26,709,808</u>	<u>115,362,866</u>

## 16. Deferred income taxes (Continued)

The movement in deferred tax assets and liabilities during the year is as follows: (Continued)

### 16.2 Company financial statements

					Baht
	Tax loss carried forward	Retirement benefit obligation	Unrealized gain	Others	Total
Deferred income tax assets:					
As at 1 January 2012	54,303,038	12,385,663	-	15,068,676	81,757,377
Charged (Credited) to profit and loss	(9,536,561)	606,876	-	(731,243)	(9,660,928)
Charged to other comprehensive income	-	4,918,312	-	-	4,918,312
As at 31 December 2012	44,766,477	17,910,851	-	14,337,433	77,014,761
Deferred income tax liabilities:					
As at 1 January 2012	-	-	20,599,714	1,516,089	22,115,803
Credited to profit and loss	-	-	-	(1,282,064)	(1,282,064)
Credited to other comprehensive income	-	-	5,498,930	-	5,498,930
As at 31 December 2012	-	-	26,098,644	234,025	26,332,669
Deferred income taxes - net	44,766,477	17,910,851	(26,098,644)	14,103,408	50,682,092

					Baht
	Tax loss carried forward	Retirement benefit obligation	Unrealized gain	Others	Total
Deferred income tax assets:					
As at 1 January 2013	44,766,477	17,910,851	-	14,337,433	77,014,761
Charged (Credited) to profit and loss	(17,020)	1,348,419	-	1,133,919	2,465,318
As at 31 December 2013	44,749,457	19,259,270	-	15,471,352	79,480,079
Deferred income tax liabilities:					
As at 1 January 2013	-	-	26,098,644	234,025	26,332,669
Charged to profit and loss	-	-	-	636,339	636,339
Credited to other comprehensive income	-	-	10,285,850	-	10,285,850
As at 31 December 2013	-	-	36,384,494	870,364	37,254,858
Deferred income taxes - net	44,749,457	19,259,270	(36,384,494)	14,600,988	42,225,221

17. **Bank overdrafts and short-term loans from financial institutions**

Bank overdrafts and short-term loans from financial institutions as at 31 December consisted of the following:

	Consolidated		Company		Baht
	financial statements		financial statements		
	2013	2012	2013	2012	
Bank overdrafts and short-term loans from Financial institutions	662,700,000	655,297,760	610,700,000	576,900,000	
	662,700,000	655,297,760	610,700,000	576,900,000	

The Group has entered into loan agreements with financial institutions for working capital of the following:

				Baht	
Agreement date	Limit		Interest rate	Short-term loans 31 December	
	2013	2012		2013	2012
<b>Dusit Thani Public Company Limited</b>					
17 December 2007	450,000,000	450,000,000	MMR	260,700,000	267,000,000
2 November 2010	150,000,000	150,000,000	MMR	-	-
8 December 2010	250,000,000	250,000,000	be specified by bank	-	-
15 December 2010	800,000,000	800,000,000	MMR	-	-
1 November 2011	350,000,000	350,000,000	MMR	350,000,000	309,900,000
Total <sup>(1)</sup>	2,000,000,000	2,000,000,000		610,700,000	576,900,000
<b>Dusit Thai Properties Public Company Limited</b>					
24 June 2009	50,000,000	50,000,000	MMR	-	-
15 October 2012	50,000,000	50,000,000	MMR	33,000,000	-
6 November 2012	50,000,000	50,000,000	MMR	19,000,000	5,000,000
Total <sup>(1)</sup>	150,000,000	150,000,000		52,000,000	5,000,000
<b>DMS Property Investment Private Limited</b>					
3 September 2011	76,950,000	76,950,000	LIBOR plus 3.425%	-	73,397,760
Total <sup>(2)</sup>	76,950,000	76,950,000		-	73,397,760
	2,226,950,000	2,226,950,000		662,700,000	655,297,760

- MMR : Money Market Rate

<sup>(1)</sup> Such short-term loans have no guarantor.

<sup>(2)</sup> As at 31 December 2013 and 2012, such short-term loans have facilities of USD 2,500,000. As at 31 December 2012, such company withdrew such short-term loan totalling USD 2,400,000. Such loan was pledged by total securities - share certificates of such subsidiary of 38,500,000 shares (see Note 32.1). As at 31 December 2013 and 2012, such loan of USD 1,000,000 was guaranteed by the Company at 60% and other 2 shareholders of such subsidiary at 40% and amount of USD 1,500,000 was guaranteed by the Company at 55% and other 3 shareholders of such subsidiary at 45%.

As at 31 December 2013 and 2012, the Group have credit lines for bank overdrafts totalling Baht 88,000,000 and Baht 89,000,000, respectively. As of 31 December 2013, such credit lines has no guarantor and as of 31 December 2012, was guaranteed by the Company totalling Baht 1,000,000 (see Note 33.6).

As at 31 December 2013 and 2012, the Company has credit lines for bank overdrafts totalling Baht 43,000,000 with no guarantor.

**18. Trade and other payables**

Trade and other payables as at 31 December consisted of the following:

	Consolidated financial statements		Company financial statements		Baht
	2013	2012	2013	2012	
Trade account payables	205,655,622	221,466,214	43,886,670	54,205,293	
Other payables	53,424,825	39,909,802	28,799,303	25,915,403	
Payables - Assets acquisition	45,710,770	75,688,618	28,982,532	42,545,076	
Payables - Shares	-	-	-	8,035,000	
Accrued expenses	312,365,529	297,895,581	85,810,741	83,454,020	
Deposit received	145,246,218	114,242,182	35,623,686	34,212,151	
Others	67,114,075	73,351,022	23,563,017	35,536,911	
Trade and others payables	829,517,039	822,553,419	246,665,949	283,903,854	

**19. Long-term liabilities under finance lease agreements**

Long-term liabilities under finance lease agreements as at 31 December consisted of the following:

	Consolidated financial statements		Company financial statements		Baht
	2013	2012	2013	2012	
Long-term liabilities under finance lease agreements	813,859	1,396,943	739,766	1,100,569	
<u>Less</u> Deferred interest	(41,788)	(131,309)	(40,716)	(117,060)	
	772,071	1,265,634	699,050	983,509	
<u>Less</u> Current portion	(772,071)	(488,219)	(699,050)	(279,115)	
	-	777,415	-	704,394	

**20. Long-term loans**

Long-term loans as at 31 December consisted of the following:

	Interest rate % p.a.		Consolidated financial statements		Baht
	2013	2012	2013	2012	
Loans from financial institutions					
Repayable in semi-annual installments through 2015 by Philippine Hoteliers, Inc.	2.6348	4.3865	32,059,543	53,884,371	
Repayable in every three months from September 2013 through 2018 by DMS Property Investment Private Limited	3.8180	4.1240	1,245,049,100	1,269,169,601	
			1,277,108,643	1,323,053,972	
<u>Less</u> Current portion			(185,195,279)	(98,009,749)	
			1,091,913,364	1,225,044,223	



## 20. Long-term loans (Continued)

Movements in the long-term loans account for the years ended 31 December are summarized as follows:

	Baht	
	Consolidated financial statements	
	2013	2012
Balance brought forward	1,323,053,972	1,036,398,713
<u>Add</u> Additional loans	-	336,177,106
<u>Less</u> Repayments	(135,023,076)	(20,610,799)
Exchange (gain) loss on translation	89,077,747	(28,911,048)
Balance carried forward	1,277,108,643	1,323,053,972

The Company and subsidiaries have long-term loan agreements as follows:

20.1 On 2 February 2007, Philippine Hoteliers, Inc., an indirect subsidiary, has entered into loan agreement with a bank to renovate its hotel in the limit of Peso 510,000,000, guaranteed by mortgaged of its hotel building and equipment and rights on lease agreement (see Note 12.3). The agreement identified the terms and conditions as follows:

- Interest rate for first 6 months refer to corresponding promissory note, thereafter interest rate refer to 6-month MART1 in Philippines plus 1.70% per annum, repayment every 6 months.
- Repayment of principal in semi-annual installments through 2015 is for 13 installments. The first installment is from 24 months from the first draw down date which is 9 February 2007.

As at 31 December 2013 and 2012, this subsidiary had outstanding long-term loan of Peso 43,722,527 and Peso 72,870,878, respectively.

Such loan agreement specifies to declare dividends, carries certain restrictive covenants pertaining to the debt to equity ratio and current ratio of such subsidiary.

20.2 On 3 September 2011, DMS Property Investment Private Limited, an indirect subsidiary in Republic of Maldives has entered into a long-term loan agreement with a financial institution in Thailand for payment of operating assets and equipment, furniture, fixture and equipment installation, preopening expenses and others totalling USD 38,500,000. Such loan was pledged by total securities - share certificates of such subsidiary of 38,500,000 shares (see Note 32.1) and guaranteed by the Company by 55% and other 3 shareholders of such subsidiary by 45%.

On 14 May 2012, such subsidiary had amended such agreement to borrow additional long-term loan amounting of USD 3,000,000, as such totalling long-term loan are USD 41,500,000. Such loan was pledged by total securities - share certificates of such subsidiary of 38,500,000 shares (see Note 32.1) and guaranteed by the Company by 60% and other 2 shareholders of such subsidiary by 40%.

As at 31 December 2013 and 2012, the subsidiary had outstanding long-term loan in the amount of USD 38,000,000 and USD 41,500,000, respectively.

Such loan agreement specifies to declare dividends, carries certain restrictive covenants pertaining to the debt to equity ratio and current ratio of such subsidiary.

## 21. Deferred rental revenue

On 24 December 2010, Dusit Thai Properties Public Company Limited, a subsidiary, entered into lease agreement for land, premises and utility systems of Dusit Thani Hua Hin with Dusit Thani Freehold and Leasehold Property Fund (DTCPF) for a period of 30 years with rental of Baht 763,000,000, covered lease period. This subsidiary has committed itself to comply with lease condition as specified in lease agreement for land and building with DTCPF by mortgaged such land and building with DTCPF in the amount of Baht 1,300,000,000 (see Note 12.2).

Deferred rental revenue consisted of the following:

	Baht	
	Consolidated financial statements	
	2013	2012
Total deferred rental received	763,000,000	763,000,000
<u>Less</u> Accumulated realized income from deferred rental revenue	(76,857,444)	(51,424,111)
	686,142,556	711,575,889
<u>Less</u> Current portion	(25,433,333)	(25,433,333)
Deferred rental revenue	660,709,223	686,142,556
Realized income from deferred rental revenue	25,433,333	25,433,333

## 22. Net revenue from assets held for sale and net revenue from assets held for sale

On 12 October 2010, the Company purchased operations assets of Dusit Thani Laguna Phuket from Laguna Resorts and Hotels Public Company Limited, Phuket Resort Development Limited and Laguna Grande Limited in amount of including inventories and operating equipment for hotel operation totalling Baht 2,620,000,000 (included VAT). On 24 December 2010, the Company sold these assets to Dusit Thani Freehold and Leasehold Property Fund (DTCPF) in the amount of Baht 2,715,000,000 (included VAT) and had gain on sales of such assets, net of related transferring expenses, of Baht 6,904,215. This gain is separately presented as unrealized gain on sales of assets held for sale, under non-current liabilities because the Company provided a guarantee for lease and/or sublease payment (in a such case) that Dusit Management Company Limited, a subsidiary, has to pay to DTCPF for a period of 4 years.

### 23. Retirement benefit obligation

	Consolidated financial statements		Company financial statements		Baht
	2013	2012	2013	2012	
Present value of funded obligations	217,926,897	206,643,409	96,296,350	89,554,253	
Fair value of plan assets	(45,791,549)	(51,947,516)	-	-	
Present value of unfunded obligation	172,135,348	154,695,893	96,296,350	89,554,253	
Unrecognized past service cost	-	(73,537)	-	-	
Liability in the statement of financial position	172,135,348	154,622,356	96,296,350	89,554,253	

The movement in the defined benefit obligation over the year is as follows:

	Consolidated financial statements		Company financial statements		Baht
	2013	2012	2013	2012	
As at 1 January	154,622,356	124,264,083	89,554,253	60,926,211	
Current service cost	22,441,177	20,294,208	7,636,617	8,573,779	
Interest cost	7,211,892	7,204,535	2,765,490	2,143,399	
Actuarial losses	2,938,946	21,399,411	-	24,591,560	
Exchange differences	16,092	1,853,227	-	-	
Benefits paid	(15,095,115)	(20,393,108)	(3,660,010)	(6,680,696)	
As at 31 December	172,135,348	154,622,356	96,296,350	89,554,253	

The movement in the fair value of plan assets over the year is as follows:

	Consolidated financial statements		Company financial statements		Baht
	2013	2012	2013	2012	
As at 1 January	51,947,516	46,000,270	-	-	
Expected return on plan assets	2,451,210	4,038,864	-	-	
Actuarial gains	-	3,039,354	-	-	
Exchange difference	(556,970)	2,151,554	-	-	
Actual contributions	5,177,972	7,304,000	-	-	
Benefits paid	(13,228,179)	(10,586,526)	-	-	
As at 31 December	45,791,549	51,947,516	-	-	



## 23. Retirement benefit obligation (Continued)

The amounts recognized in the statement of income are as follows:

	Consolidated financial statements		Company financial statements		Baht
	2013	2012	2013	2012	
Current service cost	22,441,177	20,294,108	7,636,617	8,573,778	
Interest cost	7,211,892	7,204,535	2,765,490	2,143,399	
Expected return on plan assets	(2,451,210)	(4,038,864)	-	-	
Past service cost	-	1,914,281	-	1,612,342	
Total, included in staff costs	27,201,859	25,374,160	10,402,107	12,329,519	

The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Company financial statements		
	2013	2012	2013	2012	
Discount rate	3.7%, 5.4%	3.7%, 5.4%	3.7%	3.7%	
Inflation rate	3.0%	3.0%	3.0%	3.0%	
Expected return rate on plan assets	8.5%	8.5%	-	-	
Future salary increases rate	4.0% - 9.0%	4.0% - 9.0%	4.0% - 9.0%	4.0% - 9.0%	

## 24. Legal reserve

	Consolidated financial statements		Company financial statements		Baht
	2013	2012	2013	2012	
As at 1 January	85,000,000	85,000,000	85,000,000	85,000,000	
Appropriated during the year	-	-	-	-	
As at 31 December	85,000,000	85,000,000	85,000,000	85,000,000	

Pursuant to the Public Companies Act B.E. 2535 (1992), the Company must allocate to a reserve fund not less than five percent of the annual net income, after deduction of the total accumulated loss brought forward (if any) until the reserve fund reaches an amount of not less than ten percent of the registered capital, unless the Company has a regulation or other law which prescribes for a higher amount of such reserve. Such reserve is not available for distribution as dividend.

## 25. Other reserves

Other reserves as at 31 December consisted of the following:

	Consolidated financial statements		Company financial statements		Baht
	2013	2012	2013	2012	
Reserve for treasury common shares	15,740,202	15,740,202	-	-	
Total	15,740,202	15,740,202	-	-	

The Company has complied with the letter from The Securities and Exchange Commission No. Kor Lor Tor Chor Sor (Vor) 2/2548 dated 14 February 2005, regarding comment on information disclosure of appropriation of treasury common shares reserve. The Board of Directors appropriated its retained earnings to treasury common shares reserve (see Note 26.1).

## 26. Treasury common shares and weighted average number of ordinary shares

### 26.1 Treasury common shares

#### 26.1.1 Dusit Thani Public Company Limited

On 13 November 2003, the Board of Directors of the Company passed a resolution to repurchase 2,779,500 ordinary shares or 3.27% of the Company's paid-up share capital. The purpose is for financial management because the Company has excess liquidity. The resale period of such repurchase share was from 1 July 2004 to 29 December 2006.

The 2,760,500 shares or 3.25% of the Company's paid-up capital has been repurchased, totalling Baht 115,818,208.

During 2006, the Company sold 2,760,500 treasury common shares and gain on sales in the amount of Baht 16,950,268 has been presented as paid-in surplus - treasury common shares.

#### 26.1.2 Dusit Thani Properties Company Limited

Dusit Thani Properties Company Limited, a subsidiary, held 606,300 ordinary shares of the Company with the acquisition cost of Baht 20,240,264. Such shares were presented as treasury common shares in the consolidated statements of financial position.

During 2006, Dusit Thani Properties Company Limited sold 134,800 ordinary shares of the Company to third parties totalling Baht 5,915,334 and gain on sales in the amount of Baht 1,415,272 has been presented as paid-in surplus - treasury common shares. As at 31 December 2013 and 2012, Dusit Thani Properties Company Limited held 471,500 ordinary shares of the Company with the carrying value of Baht 15,740,202. Such shares were presented as treasury common shares in the consolidated statements of financial position.

The Company has complied with the letter from The Securities and Exchange Commission No. Kor Lor Tor Chor Sor (Vor) 2/2548 dated 14 February 2005, regarding comment on information disclosure of appropriation of treasury common shares reserve. As at 31 December 2013 and 2012, the Company has appropriately retained earnings to treasury common shares reserve in the amount of Baht 15,740,202 which has been included in other reserves (see Note 25).

26. Treasury common shares and weighted average number of ordinary shares (Continued)

26.2 Weighted average number ordinary shares

Weighted average number of ordinary shares for the years ended 31 December calculated as follows:

	Consolidated financial statements		Company financial statements		Baht
	2013	2012	2013	2012	
Number of issued and paid-up ordinary shares	85,000,000	85,000,000	85,000,000	85,000,000	
<u>Less</u> Repurchased ordinary shares by Dusit Thani Properties Company Limited	(471,500)	(471,500)	-	-	
Weighted average number of ordinary shares	84,528,500	84,528,500	85,000,000	85,000,000	

27. Share of profit from investment in associate

For the year ended 31 December 2013, share of profit from investment in associate is included unrealized gain from investment property revaluation of Dusit Thani Freehold and Leasehold Property Fund (DTCPF) of Baht 7,505,000 (for the year ended 31 December 2012 of Baht 8,718,373), according to the investment percentage by the Company. The fair value of investments in properties has assessed by independent appraisers who are authorized by the Securities and Exchange Commission, by using the income approach per their following reports date, with discount rates approximately 10% - 14%.

	The appraisal reporting date	
	2013	2012
<b>For the years ended 31 December</b>		
Projects:		
Dusit Thani Laguna Phuket Hotel,	29 July 2013	3 August 2012
Dusit Thani Hua Hin Hotel	29 July 2013	15 August 2012
dusitD2 Chiang Mai Hotel	1 August 2013	6 September 2012

In addition, the management of the Company had received the confirmation letter from DTCPF's manager that DTCPF has already considered and agreed the reasonable of the assumption information, discounted rate and the revalued of assets, together with the actual performance and types of right on such assets of DTCPF which also agreed by the management of the Company.

## 28. Income tax expense

For the years ended 31 December 2013 and 2012, income tax of the Group has been calculated on the net profit after deduction of revenue which is not subjected to tax calculation and adding back certain expenses which are disallowance for tax computation purposes.

Income tax expense for the years ended 31 December summarized as follows:

	Consolidated		Company	
	financial statements		financial statements	
	2013	2012	2013	2012
Current income tax:				
Current income tax on profits for the year	28,749,270	33,291,361	-	-
<b>Total current tax</b>	<b>28,749,270</b>	<b>33,291,361</b>	<b>-</b>	<b>-</b>
Deferred income tax:				
Origination and reversal of temporary differences	(4,396,813)	(27,071,946)	(1,828,979)	8,378,864
<b>Total deferred income tax</b>	<b>(4,396,813)</b>	<b>(27,071,946)</b>	<b>(1,828,979)</b>	<b>8,378,864</b>
<b>Total (income) expense on income tax</b>	<b>24,352,457</b>	<b>6,219,415</b>	<b>(1,828,979)</b>	<b>8,378,864</b>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country as follows:

	Consolidated		Company	
	financial statements		financial statements	
	2013	2012	2013	2012
Profit before tax	137,312,678	68,448,299	54,742,394	166,640,828
Tax calculated at a tax rate	48,917,938	39,489,051	10,948,479	33,328,166
Tax effect of:				
Revenues/expenses not deductible for tax purpose	(35,519,852)	(33,954,685)	(26,020,917)	(26,137,334)
Tax loss for tax purpose	7,451,644	1,371,103	13,243,459	1,188,032
Exchange on translation	3,502,727	(686,054)	-	-
<b>Tax charge</b>	<b>24,352,457</b>	<b>6,219,415</b>	<b>(1,828,979)</b>	<b>8,378,864</b>

The weighted average applicable tax rate was 17.74% for the year ended 31 December 2013 (2012: 9.09%). The decrease is caused by a change in corporate income tax rate announced by the Government.

## 28. Income tax (Continued)

The tax (credit)/charge relating to component of other comprehensive income is as follows:

	Consolidated financial statements						Baht
	2013			2012			
	Before tax	Tax (credit)/ charge	After tax	Before tax	Tax (credit)/ charge	After tax	
Fair value gains:							
Available-for-sale financial asset	59,436,550	11,887,310	47,549,240	32,854,375	6,570,875	26,283,500	
Actuarial loss on retirement benefit obligations	(2,938,946)	(1,223,362)	(1,715,584)	(21,399,411)	(2,658,047)	(18,741,364)	
Exchange on translation	67,035,446	-	67,035,446	(13,201,862)	-	(13,201,862)	
<b>Other comprehensive income</b>	<u>123,533,050</u>	<u>10,663,948</u>	<u>112,869,102</u>	<u>(1,746,898)</u>	<u>3,912,828</u>	<u>(5,659,726)</u>	
Current income tax		-			-		
Deferred income tax		10,663,948			3,912,828		
		<u>10,663,948</u>			<u>3,912,828</u>		

	Company financial statements						Baht
	2013			2012			
	Before tax	Tax charge	After tax	Before tax	Tax (credit)/ charge	After tax	
Fair value gains:							
Available-for-sale financial asset	51,429,250	10,285,850	41,143,400	27,494,650	5,498,930	21,995,720	
Actuarial loss on retirement benefit obligations	-	-	-	(24,591,561)	(4,918,312)	(19,673,249)	
<b>Other comprehensive income</b>	<u>51,429,250</u>	<u>10,285,850</u>	<u>41,143,400</u>	<u>2,903,089</u>	<u>580,618</u>	<u>2,322,471</u>	
Current income tax		-			-		
Deferred income tax		10,285,850			580,618		
		<u>10,285,850</u>			<u>580,618</u>		



## 29. Dividend paid

On 29 April 2013, the shareholders' meeting of the Company passed a resolution to approve and appropriate retained earnings as dividend payment for the year 2012 for 85,000,000 ordinary shares at Baht 1.00 per share, totalling Baht 85,000,000 which was paid on 13 May 2013.

On 27 April 2012, the shareholders' meeting of the Company passed a resolution to approve and appropriate retained earnings as dividend payment for the year 2011 for 85,000,000 ordinary shares at Baht 0.50 per share, totalling Baht 42,500,000 was paid on 11 May 2012.

## 30. Revenues arising from exchanges of goods or services

The Group have revenues arising from exchange of goods or services with the outside parties. The Company recognized revenues from such parties when the goods or services are rendered from the Company and subsidiaries. Such revenues are charged at the arm-length prices that charged to the other customers or at the agreed price to exchange according to each agreement.

For the years ended 31 December 2013 and 2012, revenues arising from exchange of goods or services included in revenues from sales and services are as follows:

	Consolidated financial statements		Company financial statements	
	2013	2012	2013	2012
Revenues arising from exchanges of goods or services	50,212,859	19,035,910	43,514,097	12,673,789

## 31. Long-term leases

### 31.1 Dusit Thani Public Company Limited

The land lease agreement of Dusit Thani Hotel and Dusit Thani Office Building dated 16 March 1966 between The Crown Property Bureau and the Company scheduled to expire on 31 March 2003 which the right on building transferred to the lessor since the date of construction completion. However, under the condition of the lease, the Company can extend the lease period twice for a period of 15 years each with related lease payments to be renegotiated by the parties.

On 26 August 2002, the Company signed the first extension of the above land lease agreements for period from 1 April 2003 to 31 March 2018. The prepaid rental for the period of 15 years is Baht 1,100,000,000.

On 27 January 2006, the Company entered into the land lease agreement with Siri Pattaya Company Limited for rental period 22 years started from 1 January 2006 to 31 December 2027. Currently, Dusit Thani Hotel, Pattaya (formerly Dusit Resort Pattaya) is now located on such land. Total rental thorough the lease agreement is totalling of Baht 1,002,000,000. The rental payment may vary in accordance with fluctuation in the Swiss Franc exchange rate. During the lease period, if the Swiss Franc is cancelled, the exchange rate between Baht and US dollar will be used instead. In this case, the rate to be used is the average exchange rate for US dollars on the date of the original agreement, which is the commercial bank selling rate announced by The Bank of Thailand, one US dollar for Baht 39.14. When the lease agreement is expired, the Company can extend the lease period twice for a period of 10 years each with related lease payments to be renegotiated by the parties.

### 31. Long-term leases (Continued)

#### 31.2 Philippine Hoteliers, Inc.

Philippine Hoteliers, Inc., a subsidiary, has a lease agreement for the land on which the hotel building is situated with a specified rental payable quarterly at a rate of 5% of the annual gross income. The term of the lease is up to 31 December 2002 and is renewable for another period of 25 years at the option of the subsidiary. Upon termination of the lease, the subsidiary shall return and surrender to the lessor the leased property together with the building constructed thereon, and with all the permanent fixtures therein.

On 17 May 2001, the term of the lease was renewed for an additional period of 25 years from 1 January 2003 to 31 December 2027, under the same terms and conditions.

#### 31.3 Dusit Management Company Limited

On 24 December 2010, Dusit Management Company Limited, a subsidiary entered the lease agreements for operating assets of Dusit Thani Laguna Phuket, DusitD2 Chiang Mai and sublease agreement for operating assets of Dusit Thani Hua Hin from Dusit Thani Freehold and Leasehold Property Fund (DTCPF) for a period of 3 years and has rights to renew such lease and sublease agreements for 6 times with 3 years period each. The Company guaranteed the minimum lease and/or sublease payment by this subsidiary to DTCPF (see Note 33.7). The rental amount detailed as follows:

31.3.1 Fixed rental of Baht 205,000,000 per year, monthly payment amount was specified in the lease agreement. Rental amount during 24 December 2010 to 31 December 2010 was calculated by days in proportion of such rental amount.

31.3.2 Variable rental is paid on a quarterly basis which is calculated based on percentage of hotel operating profit before interest, income tax and depreciation and amortization (EBITDA). Such percentage specified as follows:

Years 2011 - 2016	90%
Years 2017 - 2022	85%
Years 2023 onwards	80%

Rental amount during 24 December 2010 to 31 December 2010 was calculated by days, using 90%.

#### 31.4 DMS Property Investment Private Limited

Reference from Dusit Thai Properties Public Company Limited and/or DMS Property Investment Private Limited have right on leasehold land from the Government of Republic of Maldives, resort and construction on Mudhdhoo Island, Baa Atoll, Republic of Maldives as mentioned in Note 12.4, as at 31 December 2013, the rental for remaining lease period is as follows:

Due period		Amount
Not over 1 year	USD	1,000,000
Over 1 year but not over 5 years	USD	4,000,000
Over 5 years	USD	42,182,787

However, prepaid rental amounting to USD 5,000,000 of DMS Property Investment Private Limited is amortized as expense of USD 1,000,000 per year for the period of 5 years.



### 32. Transactions between related companies

Transactions between related companies are as follows:

#### 32.1 Investment in subsidiaries, associates and joint ventures

As at 31 December 2013

Company's name	Country of incorporation	Type of business	Relationship	Issued and paid-up (ordinary shares)	% of shareholding	Investment		Baht
						Company financial statements Cost	Consolidated financial statements Equity	
Subsidiaries								
1. Dusit Thani Properties Co., Ltd.	Thailand	Holding	Subsidiary	800,000,000	99.99	799,999,300	-	-
- Dusit Thai Properties Public Co., Ltd.	Thailand	Hotel and Hotel management	Subsidiary (Indirect holding)	825,000,000	84.04 <sup>(1)</sup>	-	-	-
- Philippine Hoteliers, Inc.	Philippines	Hotel	Subsidiary (Indirect holding)	PESO 364,870,100	88.00 <sup>(1)</sup>	-	-	-
						799,999,300	-	-
2. Landmark Hotel Co., Ltd.	Thailand	Hotel	Subsidiary	10,000,000	99.88	9,988,000	-	-
3. Devarana Spa Co., Ltd.	Thailand	Spa	Subsidiary	8,000,000	99.99	7,999,930	-	-
4. Dusit Thai Properties Public Co., Ltd.	Thailand	Hotel and Hotel management	Subsidiary	825,000,000	2.75	40,109,974	-	-
- DMS Property Investment Private Limited	Republic of Maldives	Hotel	Subsidiary (Indirect holding)	USD 38,500,000	47.72 <sup>(3)</sup>	-	-	-
						40,109,974	-	-
5. Dusit Worldwide Co., Ltd.	Thailand	Management	Subsidiary	50,000,000	99.99	49,999,930	-	-
- Dusit Overseas Co., Ltd.	Hong Kong	Management	Subsidiary (Indirect holding)	HKD 33,000	99.99 <sup>(2)</sup>	-	-	-
						49,999,930	-	-
6. Dusit Management Co., Ltd.	Thailand	Hotel	Subsidiary	1,000,000	99.99	3,999,960	-	-
7. Dusit USA Management Inc.	United State of America	Hotel management	Subsidiary	USD 40,000	100.00 <sup>(4)</sup>	1,243,600	-	-
8. Dusit China Capital Co., Ltd.	Thailand	Holding	Subsidiary	68,000,000	99.99 <sup>(5)</sup>	40,799,982	-	-
						954,140,676	-	-
Less Allowance for impairment						(9,988,000)	-	-
						944,152,676	-	-

## 32. Transactions between related companies (Continued)

## 32.1 Investment in subsidiaries, associates and joint ventures (Continued)

As at 31 December 2013

	Company's name	Country of incorporation	Type of business	Relationship	Issued and paid-up (ordinary shares)	% of shareholding	Investment		Baht
							Company financial statements Cost	Consolidated financial statements Equity	
Joint ventures									
1.	Le Cordon Bleu Dusit Co., Ltd.	Thailand	Cooking School	Joint venture	40,000,000	49.99	19,999,400	-	-
2.	Dusit Bird Hotels Private Limited	India	Hotel management	Joint venture	INR 28,600,000	50.00 <sup>(8)</sup>	9,830,902	-	-
3.	Dusit Fudu Hotel Management (Shanghai) Co., Ltd.	Republic of China	Hotel management	Joint venture	Yuan 18,072,574	44.99 <sup>(6)</sup>	-	-	-
Associates									
1.	Dusit Thani Freehold and Leasehold Property Fund	Thailand	Leasing	Associate	4,094,000,000	30.02	1,229,202,500	1,310,213,660	-
2.	Dusit Thani Laguna Singapore Pte. Ltd.	Singapore	Hotel	Associate	SGD 1,000,000	25.01 <sup>(7)</sup>	-	-	-
							1,229,202,500	1,310,213,660	-

<sup>(1)</sup> Dusit Thani Properties Company Limited holds 84.05% in Dusit Thai Properties Public Company Limited and 88.01% in Philippine Hoteliers, Inc.

<sup>(2)</sup> Dusit Worldwide Company Limited holds 100.00% in Dusit Overseas Company Limited.

<sup>(3)</sup> Dusit Thai Properties Public Company Limited holds 55.00% in DMS Property Investment Private Limited and share certificates of such company are pledged as collateral of loan from financial institution of such company (see Notes 17 and 20.2).

<sup>(4)</sup> Dusit USA Management Inc. has registered on 14 August 2012 and the Company paid its share subscription on 17 July 2013.

<sup>(5)</sup> Dusit China Capital Co., Ltd. has registered on 18 January 2013 and as at 31 December 2013, the Company has paid its share subscription of 60.00%.

<sup>(6)</sup> Dusit Fudu Hotel Management (Shanghai) Co., Ltd. is 45.00% owned by Dusit China Capital Co., Ltd. which is a subsidiary of the Company. Such company registered on 16 April 2013 and as at 31 December 2013, such subsidiary has called and received paid-up capital of 60.00%.

<sup>(7)</sup> Dusit Thani Laguna Singapore Pte. Ltd. has registered on 6 September 2013 and as at 31 December 2013, such company has not called its share subscription.

<sup>(8)</sup> Dusit Bird Hotels Private Limited called the additional issued and paid-up share capital 1,460,000 shares from the existing shareholders. The Company paid such share subscription for the Company's proportion in October 2013.

32. Transactions between related companies (Continued)

32.1 Investment in subsidiaries, associates and joint ventures (Continued)

As at 31 December 2012

Company's name	Country of incorporation	Type of business	Relationship	Issued and paid-up (ordinary shares)	% of shareholding	Investment		Baht
						Company financial statements Cost	Consolidated financial statements Equity	
<b>Subsidiaries</b>								
1. Dusit Thani Properties Co., Ltd.	Thailand	Holding	Subsidiary	800,000,000	99.99	799,999,300	-	-
- Dusit Thai Properties Public Co., Ltd.	Thailand	Hotel and Hotel management	Subsidiary (Indirect holding)	825,000,000	84.04 <sup>(1)</sup>	-	-	-
- Philippine Hoteliers, Inc.	Philippines	Hotel	Subsidiary (Indirect holding)	PESO 364,870,100	88.00 <sup>(1)</sup>	-	-	-
						799,999,300	-	-
2. Landmark Hotel Co., Ltd.	Thailand	Hotel	Subsidiary	10,000,000	99.88	9,988,000	-	-
3. Devarana Spa Co., Ltd.	Thailand	Spa	Subsidiary	8,000,000	99.99	7,999,930	-	-
4. Dusit Executive Development Center Co., Ltd.	Thailand	Training	Subsidiary	5,000,000	99.99 <sup>(4)</sup>	4,999,940	-	-
5. Dusit Thai Properties Public Co., Ltd.	Thailand	Hotel and Hotel management	Subsidiary	825,000,000	2.75 <sup>(7)</sup>	40,109,974	-	-
- DMS Property Investment Private Limited	Republic of Maldives	Hotel	Subsidiary (Indirect holding)	USD 38,500,000	47.72 <sup>(3)</sup>	-	-	-
						40,109,974	-	-
6. Dusit Worldwide Co., Ltd.	Thailand	Hotel management	Subsidiary	50,000,000	99.99	49,999,930	-	-
- Dusit Overseas Co., Ltd.	Hong Kong	Hotel management	Subsidiary (Indirect holding)	HKD 33,000	99.99 <sup>(2)</sup>	-	-	-
						49,999,930	-	-
7. Dusit Management Co., Ltd.	Thailand	Hotel	Subsidiary	1,000,000	99.99	3,999,960	-	-
8. Dusit USA Management Inc.	United State of America	Hotel	Subsidiary	USD 40,000	100.00 <sup>(6)</sup>	-	-	-
		Hotel management	Subsidiary					
						917,097,034	-	-
						(9,988,000)	-	-
						907,109,034	-	-
Less Allowance for impairment								

### 32. Transactions between related companies (Continued)

#### 32.1 Investment in subsidiaries, associates and a joint ventures (Continued)

As at 31 December 2012

	Company's name	Country of incorporation	Type of business	Relationship	Issued and paid-up (ordinary shares)	% of shareholding	Investment		Baht
							Company financial statements Cost	Consolidated financial statements Equity	
Joint ventures									
1.	Le Cordon Bleu Dusit Co., Ltd.	Thailand	Cooking School	Joint venture	40,000,000	49.99	19,999,400	-	-
2.	Dusit Bird Hotels Private Limited	India	Hotel management	Joint venture	INR 5,000,000	50.00 <sup>(5)</sup>	6,080,545	-	-
Associate									
1.	Dusit Thani Freehold and Leasehold Property Fund	Thailand	Leasing	Associate	4,094,000,000	30.02	1,229,202,500	1,309,525,818	1,309,525,818

<sup>(1)</sup> Dusit Thani Properties Company Limited holds 84.05% in Dusit Thai Properties Public Company Limited and 88.01% in Philippine Hoteliers, Inc.

<sup>(2)</sup> Dusit Worldwide Company Limited holds 100.00% in Dusit Overseas Company Limited.

<sup>(3)</sup> Dusit Thai Properties Public Company Limited holds 55.00% in DMS Property Investment Private Limited and share certificates of such company are pledged as collateral of loan from financial institution of such company (see Notes 17 and 20.2).

<sup>(4)</sup> Dusit Executive Development Center Co., Ltd. registered for liquidation with Department of Business Development on 29 June 2012 and liquidated on 20 May 2013.

<sup>(5)</sup> Dusit Bird Hotels Private Limited called the issued and paid-up share capital 900,000 shares, at par value 10.00 Indian Rupees each from the existing shareholders. The Company paid such share subscription for the Company's proportion of 450,000 shares, totalling 4,500,000 Indian Rupees, equivalent to Baht 2,610,000 on 30 October 2012.

<sup>(6)</sup> Dusit USA Management Inc. has registered on 14 August 2012 and as at 31 December 2012, such company has not called its share subscription.

<sup>(7)</sup> The Company had additional invested in Dusit Thai Properties Public Co., Ltd. from another related company.

### 32. Transactions between related companies (Continued)

#### 32.1 Investment in subsidiaries, associates and a joint ventures (Continued)

Total assets, liabilities, revenue and net increase in net assets from operations of associate of the Group are presented as follows:

Name	Assets	Liabilities	Revenues	Baht Net increase in net assets from operations
<b>2013</b>				
<b>Associate</b>				
Dusit Thani Freehold and Leasehold Property Fund	4,392,868,483	29,034,163	388,336,559	295,011,463
<b>2012</b>				
<b>Associate</b>				
Dusit Thani Freehold and Leasehold Property Fund	4,390,179,219	28,635,362	386,947,572	356,129,624

32. Transactions between related companies (Continued)

32.2 Relationship with related companies

As at 31 December 2013

Related companies	Country of incorporation	Type of business	Relationship
1. Acme Printing Co., Ltd.	Thailand	Printing house	Director holds the shares
2. The Peninsula Travel Service Co., Ltd.	Thailand	Sale air ticket	Director holds the shares
3. MBK Public Co., Ltd.	Thailand	Property development	Company and director hold the shares
4. Laguna Resorts & Hotels Public Co., Ltd.	Thailand	Hotel	Company holds the shares and director is director
5. Piyasiri Co., Ltd.	Thailand	Hospital	Director holds the shares
6. Bangkok Bank Public Co., Ltd.	Thailand	Bank	Company and director hold the shares
7. Thai Life Insurance Co., Ltd.	Thailand	Life insurance	Director is director
8. The Navakij Insurance Public Co., Ltd.	Thailand	Non-life insurance	Director is director
9. New Atlantic Co., Ltd.	Thailand	Department store	Director holds the shares
10. Thana-jirang Co., Ltd.	Thailand	Office rental	Director holds the shares
11. JTBC (Thailand) Co., Ltd.	Thailand	Sale package tour and hotel reservation, air ticket	Director holds the shares

32. Transactions between related companies (Continued)

32.2 Relationship with related companies

As at 31 December 2012

Related companies	Country of incorporation	Type of business	Relationship
1. Acme Printing Co., Ltd.	Thailand	Printing house	Director holds the shares
2. The Peninsula Travel Service Co., Ltd.	Thailand	Sale air ticket	Director holds the shares
3. MBK Public Co., Ltd.	Thailand	Property development	Company and director hold the shares
4. Laguna Resorts & Hotels Public Co., Ltd.	Thailand	Hotel	Company holds the shares and director is director
5. Piyasiri Co., Ltd.	Thailand	Hospital	Director holds the shares
6. Bangkok Bank Public Co., Ltd.	Thailand	Bank	Company and director hold the shares
7. Thai Life Insurance Co., Ltd.	Thailand	Life insurance	Director is director
8. The Navakij Insurance Public Co., Ltd.	Thailand	Non-life insurance	Director is director
9. New Atlantic Co., Ltd.	Thailand	Department store	Director holds the shares
10. Thana-jirang Co., Ltd.	Thailand	Office rental	Director holds the shares
11. JTB (Thailand) Co., Ltd.	Thailand	Sale package tour and hotel reservation, air ticket	Director holds the shares



### 32. Transactions between related companies (Continued)

#### 32.3 Short-term loans to and from related companies

Short-term loans to and from related companies as at 31 December consisted of the following:

	Consolidated financial statements		Company financial statements		Baht
	2013	2012	2013	2012	
Short-term loan from related company MBK Hotels and Resorts Co., Ltd.	13,105,780	12,232,960	-	-	
Total	13,105,780	12,232,960	-	-	

The costs of borrowing are as follows:

- Loan to joint venture - minimum loan rate of commercial banks or not lower than 8.50% p.a.
- Loans from related companies - interest rate LIBOR plus 3.425% per annum or not less than those pays to the financial institution.
- All inter - company borrowings are unsecured.

Movements in the short-term loans to and from related companies account are summarized as follows:

	Consolidated financial statements		Company financial statements		Baht
	2013	2012	2013	2012	
Loan to related companies					
Balance brought forward	-	6,000,180	-	12,000,000	
<u>Less</u> Repayments	-	(6,00,180)	-	(12,000,000)	
Balance carried forward	-	-	-	-	
Loan from related company					
Balance brought forward	12,232,960	5,999,820	-	-	
<u>Add</u> Additional loans	-	13,231,275	-	-	
<u>Less</u> Repayments	-	(5,999,820)	-	-	
Exchange translation	872,820	(998,315)	-	-	
Balance carried forward	13,105,780	12,232,960	-	-	

32. Transactions between related companies (Continued)

32.4 Significant related business transactions

Related balances

Company financial statements

	As at 31 December 2013					As at 31 December 2012					Baht
	Trade accounts receivable	Other receivables	Accrued expenses	Other payables	Trade accounts receivable	Trade accounts receivable	Other receivables	Accrued expenses	Payable - shares	Other payables	
Dusit Thai Properties Public Co., Ltd.	24,614	16,243,027	-	39,222	63,908	1,901,976	-	-	-	248,317	
Dusit Thani Properties Co., Ltd.	-	228,584	-	-	-	101,650	-	-	8,035,000	-	
Philippine Hoteliers, Inc.	11,743	104,785	-	-	-	32,414	-	-	-	-	
Devarana Spa Co., Ltd.	1,459	207,752	-	721,169	148,536	88,960	-	-	-	1,019,148	
Dusit Worldwide Co., Ltd.	215,575	16,847,390	-	5,637,330	314,417	37,830,571	-	-	-	5,919,515	
Dusit Overseas Co., Ltd.	-	2,094,555	1,544,618	59,239	-	4,650,938	-	-	-	-	
Dusit Management Co., Ltd.	161,258	39,860,593	-	1,548,746	488,086	25,633,824	-	-	-	-	
Le Cordon Bleu Dusit Co., Ltd.	273,496	-	-	-	156,210	-	-	-	-	384,834	
Dusit Thani Freehold and Leasehold Property Fund	-	-	74,129,010	-	-	978,799	68,454,870	-	-	-	
Acme Printing Co., Ltd.	-	-	-	1,904,814	-	-	46,224	-	-	-	
Laguna Resorts & Hotels Public Co., Ltd.	-	-	-	-	-	1,565,573	-	-	-	-	
Dusit Bird Hotels Private Limited	36,878	68,524	-	-	-	-	-	-	-	-	
DMS Property Investment Private Limited	-	914,624	-	-	738,684	2,746,968	-	-	-	-	
Dusit USA Management Inc	-	281,687	-	-	-	-	-	-	-	-	
Dusit China Capital Co., Ltd.	-	282,802	-	-	-	-	-	-	-	-	
Dusit Fudu Hotel Management (Shanghai) Co., Ltd.	-	877,772	919,349	-	-	-	-	-	-	-	
Bangkok Bank Public Co., Ltd.	-	-	-	139,641	-	-	-	-	-	-	
JTB (Thailand) Co., Ltd.	1,535,207	-	-	-	1,710,820	-	-	-	-	-	
	2,260,230	78,012,095	76,592,977	10,050,161	3,620,661	75,531,673	68,501,094	8,035,000		7,571,814	

32. Transactions between related companies (Continued)

32.4 Significant related business transactions (Continued)

Related transactions

Company financial statements

Company	For the year ended 31 December 2013							Bath	
	Revenue from sales and services	Management service income	Interest income	Dividend income	Other income	Cost of sales	Selling expenses		Administrative expenses
Dusit Thai Properties Public Co., Ltd.	996,652	14,145,252	-	-	29,261,285	-	-	23,123,896	-
Dusit Thani Properties Co., Ltd.	64,380	-	-	23,999,979	1,140,000	-	-	1,204,380	-
Philippine Hoteliers, Inc.	-	-	-	-	1,351,872	-	-	-	-
Devarana Spa Co., Ltd.	2,394,843	-	-	-	6,632,602	311,304	6,931	1,287,883	-
Dusit Worldwide Co., Ltd.	4,672,623	-	-	-	25,851,387	-	74,278,807	17,275,687	-
Dusit Overseas Co., Ltd.	-	-	-	-	9,905,102	-	-	24,477,217	-
Dusit Management Co., Ltd.	2,655,527	43,588,327	-	3,999,960	49,585,956	-	-	234,509	-
Le Cordon Bleu Dusit Co., Ltd.	7,981,948	-	-	11,999,640	157,831	-	-	-	-
DMS Property Investment Private Limited	-	-	-	-	10,127,068	-	-	-	-
Dusit Fudu Hotel Management (Shanghai) Co., Ltd.	-	-	-	-	836,134	-	-	-	-
Dusit Thani Freehold and Leasehold Property Fund	-	-	-	87,887,800	-	-	-	76,592,977	-
Acme Printing Co., Ltd.	-	-	-	-	-	-	-	2,128,890	-
MBK Public Co., Ltd.	-	-	-	10,873,500	-	-	-	-	-
Piyasiri Co., Ltd.	-	-	-	-	-	-	-	340,982	-
Bangkok Bank Public Co., Ltd.	-	-	139,043	411,450	-	-	-	-	27,664
Laguna Resorts & Hotels Public Co., Ltd.	-	-	-	156,250	-	-	-	-	-
The Navakij Insurance Public Co., Ltd.	-	-	-	-	-	-	-	434,008	-
JTB (Thailand) Co., Ltd.	12,541,318	-	-	-	-	-	-	-	-
	31,307,291	57,733,579	139,043	139,328,579	134,849,237	311,304	74,285,738	147,100,429	27,664

32. Transactions between related companies (Continued)

32.4 Significant related business transactions (Continued)

Related transactions (Continued)

Company financial statements

Company	For the year ended 31 December 2012										Baht
	Revenue from sales and services	Management service income	Interest income	Dividend income	Other income	Cost of sales	Selling expenses	Administrative expenses	Financial expenses		
Dusit Thai Properties Public Co., Ltd.	231,660	12,327,027	-	443,189	16,861,126	-	-	28,561,912	-	-	-
Dusit Thani Properties Co., Ltd.	96,570	-	-	35,999,969	2,105,839	-	-	-	-	-	-
Philippine Hoteliers, Inc.	-	-	-	-	200,482	-	-	-	-	-	-
Devarana Spa Co., Ltd.	2,525,436	-	-	-	6,523,563	346,350	-	1,228,590	-	-	-
Dusit Executive Development Center Co., Ltd.	1,325,176	-	-	-	720,302	-	-	-	-	-	-
Dusit Worldwide Co., Ltd.	5,896,799	-	-	-	22,793,239	-	68,334,438	8,234,320	-	-	-
Dusit Overseas Co., Ltd.	-	-	-	-	7,760,613	-	-	23,635,229	-	-	-
Dusit Management Co., Ltd.	1,027,875	41,661,127	-	-	17,263,383	-	-	-	-	-	-
Le Cordon Bleu Dusit Co., Ltd.	7,592,241	-	213,774	-	360,370	-	-	-	-	-	-
DMS Property Investment Private Limited	-	-	-	-	4,056,762	-	-	-	-	-	-
Dusit Thani Freehold and Leasehold Property Fund	-	-	-	100,179,800	-	-	-	366,857	-	-	-
Acme Printing Co., Ltd.	-	-	-	-	-	-	-	68,454,670	-	-	-
MBK Public Co., Ltd.	-	-	-	10,379,250	-	-	-	352,324	-	-	-
Piyasiri Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-
Bangkok Bank Public Co., Ltd.	-	-	-	379,800	-	-	-	284,734	-	-	-
The Navakij Insurance Public Co., Ltd.	-	-	-	-	-	-	-	566,994	9,197,351	-	-
JTB (Thailand) Co., Ltd.	7,303,801	-	-	-	-	-	-	479,771	-	-	-
	25,999,558	53,988,154	213,774	147,382,008	78,645,679	346,350	68,334,438	132,165,401	9,197,351	-	-

## 32. Transactions between related companies (Continued)

### 32.4 Significant related business transactions (Continued)

Prices and terms are as follows:

Management fees are similar to the fee charged to other hotels which were managed by the Company.

Other income is calculated based on actual expenses incurred and the price agreed upon by the Company and the subsidiaries according to the agreement.

The interest income sees Note 32.3.

Other expenses are based on the price agreed upon by the Company and the subsidiaries according to the agreement.

The remuneration received for transferring of rights and obligations of the Hotels Management Agreement to the subsidiary is equivalent to 1.50% of total revenue or gross operation profit, depending on the condition of each agreement which is used as the base for computation of management fee or licensing fee charged from each hotel.

Sales and purchase of equipment by the Company and the subsidiary are based on book value plus margin as agreed.

Other sales and purchase transactions are in the normal prices transacted with third parties and discount policies.

### 32.5 Key management compensation

Key management includes directors (executive and non-executive), members of the Executive Committee, the Company Secretary and the Head of Internal Audit. The compensation paid or payable to key management for employee services is shown below:

	Consolidated		Company		Baht
	financial statements		financial statements		
	2013	2012	2013	2012	
Salaries and other					
short-term employee benefits	105,677,617	86,219,757	63,315,957	55,679,824	
	<u>105,677,617</u>	<u>86,219,757</u>	<u>63,315,957</u>	<u>55,679,824</u>	

## 33. Commitments and contingent liabilities

33.1 As at 31 December 2013 and 2012, the Company and subsidiaries had letter of guarantees issued by banks totalling Baht 145,580,200 and Baht 148,385,800, respectively (see Note 33.7).

33.2 As at 31 December 2013 and 2012, the Company had letter of guarantees issued by banks totalling Baht 135,173,000 and Baht 139,158,600, respectively (see Note 33.7).



### 33. Commitments and contingent liabilities (Continued)

- 33.3 On 26 June 2001, the Company paid Baht 44,246,000 to the Official Receiver on behalf of World Intertrade Corporation Limited. Subsequently, the Company submitted a notice to World Intertrade Corporation Limited requesting for the repayment of debt to the Company. However, the Company did not receive any repayment from World Intertrade Corporation Limited. Therefore, on 19 December 2001, the Company filed a claim with The Southern Bangkok Civil Court against World Intertrade Corporation Limited for demanding the repayment of Baht 45,782,488 which the Company has a lawful right to claim.

On 7 December 2001, World Intertrade Corporation Limited filed a claim with The Southern Bangkok Civil Court against the Company. The claim demands the return of property (Dusit Thani Hotel, Pattaya) and damages. The amount claimed for damages is Baht 2,760,000,000. The Company has already filed an answer to the claim on such issue with The Southern Bangkok Civil Court on 16 January 2002 due to the reason that the Company has peacefully and openly possessed the property with intention to be its owner for more than 10 years and has obtained the Building by operation of law.

On 29 July 2002, the Southern Bangkok Civil Court ordered to tie conjointly the following cases, the case under which World Intertrade Corporation Limited sued the Company calling for its assets (Dusit Thani Hotel, Pattaya) and claiming for compensation on ground of wrongful act of the Company and the case under which the Company sued World Intertrade Corporation Limited.

On 26 March 2004, the Court has declared the case filed by World Intertrade Corporation Limited has been dismissed with the verdict that the Company is the owner of the property (Dusit Thani Hotel, Pattaya) by virtue of the law found in the Civil and Commercial Code of Thailand, sections 1382 and 1385 without doubt and the Court has given the verdict that World Intertrade Corporation Limited must pay compensation amounting to Baht 45,782,488 with 7.5% interest per annum of the principal amount of Baht 44,246,000 starting from 20 December 2001 until the entire amount has been fully paid.

On 26 April 2004, World Intertrade Corporation Limited filed the appeal with the Appeal Court. On 7 July 2004, the Company then filed the appeal answer and filed the objection against petition requesting the Court to delay the execution.

On 31 January 2005, the Company filed a bankruptcy case against World Intertrade Corporation Limited with the Central Bankruptcy Court. Thereafter, on 11 July 2005, the Central Bankruptcy Court granted the receivership order. Then, on 9 August 2005, World Intertrade Corporation Limited filed the appeal against the receivership order and the Company then filed the appeal answer against the said appeal. On 21 October 2008, the Bankruptcy department of the Supreme Court has considered by sustaining result of the Court of First Instance to the receiving order of World Intertrade Corporation Limited. Currently, the case is under the calling for creditors' meeting by the Enforcement Officer.

On 30 January 2006, the Official Receiver of World Intertrade Corporation Limited carried out the case to the Southern Bangkok Civil Court against the Company to claim for returning of the assets (Dusit Thani Hotel, Pattaya).

On 3 April 2007, the Southern Bangkok Civil Court made an appointment with litigant the result of case of the Appeal Court of World Intertrade Corporation Limited filed the Company to the Southern Bangkok Civil Court to claim for returning of the assets (Dusit Thani Hotel, Pattaya) by standing the result of the Court of First Instance to dispose such case of World Intertrade Corporation Limited out of the case list.

On 3 May 2007, World Intertrade Corporation Limited filed the Company to the supreme case with the Southern Bangkok Civil Court against the result of the Court of First Instance and Appeal Court. However, on 26 July 2007, the Company filed the case against such Supreme Court. Currently, the case is under the consideration of the Supreme Court.

On 31 July 2013, the Southern Bangkok Civil Court appointed to listen to the result of the Supreme Court and considered to agree with the result of the First Instance and Appeal Court. Therefore, such case is finally ended.



### 33. Commitments and contingent liabilities (Continued)

33.4 For Philippine Hoteliers, Inc., an indirect subsidiary, as at 31 December 2013 and 2012, there are pending litigations, unasserted claims, and contingent liabilities that may arise in the normal course of operations of the subsidiary which are not reflected in the accompanying financial statements such as pending labor dispute cases filed with the NLRC-NCR. The subsidiary's management is of the opinion that expenses, if any, from these contingencies, are not significant and will not have material adverse effects and no provision has been made on subsidiary's financial statements.

33.5 As at 31 December 2013 and 2012, the Group has commitments for renovation contracts totalling Baht 55,727,588 and Baht 139,026,222, respectively.

As at 31 December 2013 and 2012, the Company has commitments for renovation contracts totalling Baht 22,915,417 and Baht 75,974,909, respectively.

33.6 The Company has contingent liabilities for the guarantee of credit facilities granted to the subsidiaries as at 31 December consisted of the following:

	<u>Note</u>	<u>2013</u>	<u>Baht 2012</u>
Bank overdraft and short-term loans from financial institution	17	-	1,000,000
Total		-	1,000,000

33.7 The Company has contingent liabilities, as guarantor, the minimum lease and/or sublease payment by Dusit Management Company Limited, a subsidiary, to Dusit Thani Freehold and Leasehold Property Fund (DTCPF) for the lease period 1st - 4th years. The minimum lease and/or sublease payment are as follows:

1st year	Baht 381,342,000
2nd year	Baht 382,741,000
3rd year	Baht 384,649,000
4th year	Baht 386,144,000

The Company has pledged the 1 year bank guarantee in the amount of Baht 125,000,000 to DTCPF (see Notes 31.3, 33.1 and 33.2) and will pledge new bank guarantee every year during such guarantee period.

33.8 As at 31 December 2013 and 2012, the Company has contingent liabilities from guarantee to DMS Property Investment Private Limited, an indirect subsidiary in Republic of Maldives for short-term and long-term loans not excess USD 24,400,000.

### 34. Investment Promotion Privileges

On 28 February 2007, Le Cordon Bleu Dusit Company Limited, joint venture, was granted investment promotion privileges for human resources development activity by virtue of the provisions of the Investment Promotion Act B.E. 2520 (1977), amendment by the Investment Promotion Act (No. 3) B.E. 2544 (2001) such as exemption from payment of import duties on machinery, etc. In addition, the joint venture also obtained exemption from company income tax for human resources development activity for 8 years from the date of receiving income from such activity. Shareholders of this joint venture will also benefit from exemption of tax on dividends from human resources development activity during the period in which this joint venture receives exemption from company income tax.

The aforementioned joint venture has to comply with certain terms and conditions required under investment promotion privileges as follows:

1. Authorized and paid-up share capital is not less than Baht 40,000,000.
2. Investing capacity (excluding land and working capital) is not less than Baht 1,000,000.



### 35. Revenues from promoted activities

Revenues from joint venture which is promoted activities included in the consolidated financial statements consist of the following:

	Promoted activities	Non-promoted activities	Baht Total
<b>For the year ended 31 December 2013</b>			
Revenue from sales and services	111,236,710	-	111,236,710
Interest income	-	879,339	879,339
Other income	-	287,207	287,207
<b>Total</b>	<b>111,236,710</b>	<b>1,166,546</b>	<b>112,403,256</b>
<b>For the year ended 31 December 2012</b>			
Revenue from sales and services	96,833,099	-	96,833,099
Interest income	-	291,596	291,596
Other income	-	247,498	247,498
<b>Total</b>	<b>96,833,099</b>	<b>539,094</b>	<b>97,372,193</b>

### 36. Provident fund

For the years ended 31 December 2013 and 2012, the contributions of the Group to the provident fund recorded as expenses were Baht 27,734,902 and Baht 25,357,856, respectively.

For the years ended 31 December 2013 and 2012, the contributions of the Company to the provident fund recorded as expenses were Baht 14,923,601 and Baht 13,833,235, respectively.

### 37. Expense by nature

The following expenditure items, classified by nature, have been charged in arriving at the operating profit:

	Consolidated financial statements		Company financial statements		Baht
	2013	2012	2013	2012	
<b>For the years ended 31 December</b>					
Salary and other benefits	1,473,063,901	1,238,085,105	615,947,026	523,133,653	
Rental expenses	584,569,352	605,220,724	204,700,979	197,511,719	
Repair and maintenance expenses	116,063,767	143,622,147	40,821,526	38,869,642	
Utility expenses	296,829,486	299,028,397	107,620,709	104,380,716	

### 38. Business segment information

Business segment information of the Group classified by business segments are as follows:

	Revenues	Net profit (loss)	Baht : Million Assets employed
<b>For the year ended 31 December 2013</b>			
Hotels business	3,379.19	191.67	5,258.67
Hotels business under DTCPPF	1,164.93	(71.29)	285.83
Other businesses	1,183.98	(40.25)	5,673.56
Total	5,728.10	80.13	11,218.06
<u>Add (Less)</u> Inter-company transactions	(627.56)	32.83	(2,589.11)
Total	5,100.54	112.96	8,628.95
<u>Less</u> Net profit of non-controlling interests		(22.77)	
Consolidated net profit - owners of the parent		90.19	
Consolidated assets			8,628.95
<b>For the year ended 31 December 2012</b>			
Hotels business	3,012.02	(33.90)	5,275.59
Hotels business under DTCPPF	1,081.89	(58.05)	269.24
Other businesses	1,262.27	147.09	5,581.84
Total	5,356.18	55.14	11,126.67
<u>Add (Less)</u> Inter-company transactions	(607.60)	7.08	(2,587.93)
Total	4,748.58	62.22	8,538.74
<u>Add</u> Net loss of non-controlling interests		94.64	
Consolidated net profit - owners of the parent		156.86	
Consolidated assets			8,538.74

### **39. Disclosure of financial instruments**

#### **39.1 Accounting policies**

Financial assets carried on the statements of financial position consisted of cash and cash equivalents, trade and other receivables, short-term loans to related companies and other long-term investments. Financial liabilities carried on the statements of financial position consisted of bank overdrafts and short-term loans from financial institutions, trade and other payables, short-term loans from related companies, long-term liabilities under financial lease agreements and long-term loans.

Details of significant accounting policies are disclosed in Note 2 to the financial statements.

#### **39.2 Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Concentrations of the credit risk with respect to trade receivables are limited due to the large number of customers comprising the customer base, and dispersion across different geographic regions in Thailand and overseas.

In the case of recognized financial assets, the carrying amount of the assets recorded in the statements of financial position, net of a portion of allowance for doubtful debts, represents the Group's maximum exposure to credit risk.

#### **39.3 Foreign exchange risk**

Foreign exchange risk arises from the change in foreign currency exchange rates to have an adverse effect on the Group in the current reporting period and in future years. The Group expects that there may be an effect from changes in exchange rates resulted from investment in foreign currencies which has not been hedged. The Group expect that the effect from foreign exchange risk on its financial statements will not be material.

#### **39.4 Interest rate risk**

Interest rate risk in the statements of financial position arises from the potential for a change in interest rates to have an adverse effect on the Group in the current reporting period and in future years.

Information regarding interest rates and term of payments of loan are disclosed in Note 20 to the financial statements.

#### **39.5 Fair value of financial instruments**

The Group used the methods and assumptions to estimate fair value of financial instruments as follows:

- Cash in hand and at banks, current investments whose maturity is less than 90 days and trade accounts receivable; the carrying values approximate their fair values.
- The determination of fair value of investments and the presentation of such items are described in Note 9 to the financial statements.
- As at 31 December 2013 and 2012, there is no information on fair value of other long-term investments (investment in Dusit Thani College) due to cost constraint.
- Bank overdrafts and short-term loans from financial institutions, carrying variable rates of interest and trade accounts payable; the carrying amounts of these financial liabilities approximate their fair values.
- Short-term and long-term loans carrying variable rates of interest; the carrying values approximate their fair values.



## **40. Others**

### **40.1 The issue and offer of debentures**

On 17 December 2007, the Extraordinary Shareholders meeting of the Company passed a resolution to issue and offer of debentures for the Company's business operation and expansion and/or for partial debt repayment. Such debenture is specific or non-specific name of holder, subordinated or unsubordinated, secured or unsecured, with or without debentureholders' representative, redeemable or non-redeemable prior to the term. The total debentures is not exceeding Baht 5,000,000,000 with face value of Baht 1,000 per unit. The maturity of this debenture is not over 7 years from the issue date. The debenture's interest rate depends on the market situation at the time of debenture issue and offering. This debenture will domestically and/or internationally offer to public and/or institutional investor high net-worth investors, and/or specific investors. The Board of Directors of the Company or the person assigned by Board of Directors is authorized to determine conditions and other necessary details relating to the issuance and offering of debentures and other matters.

On 29 April 2011, the Shareholders' meeting of the Company passed a resolution to approve the extension the issuance and offering debentures of another 5 years commencing 29 April 2011.

The Board of Directors of the Company will carry out this resolution later.

### **40.2 Investment in joint venture**

On 20 June 2013, the Board of Directors meeting of the Company passed a resolution to approve to establish a joint venture company in Singapore, namely Dusit Thani Laguna Golf Resort Pte. Ltd. This company has objective to expand the Company's portfolio of hotels and resorts into Singapore. This company will be invested by Dusit Thani Properties Co., Ltd., a subsidiary, at 25.01%, with investment fund of SGD 28,810,000 (approximately Baht 713,050,000).

On 6 September 2013, such joint venture company is established, namely "Dusit Thani Laguna Singapore Pte. Ltd." with initial registered capital of SGD 1,000,000.

On 6 November 2013, Dusit Thani Properties Co., Ltd., a subsidiary, has paid shareholder - advance payment to Dusit Thani Laguna Singapore Pte. Ltd. according to its proportion of investment in the amount of SGD 1,000,400, equivalent to Baht 25,270,815, which was presented as other current assets - advance payment for investment in associate (see Note 8).

On 19 December 2013, the Board of Directors' meeting of the Company passed a resolution to change the investment in Dusit Thani Laguna Singapore Pte. Ltd. from Dusit Thani Properties Co., Ltd. to the Company as for the benefit of operation.

As at 31 December 2013, such company has not called its share subscription.

## **41. Event occurring after the financial position date**

On 24 February 2014, the Board of Directors' meeting of the Company considered to propose dividend payment for the year 2013 to shareholders for 85,000,000 ordinary shares at Baht 1.00 per share, totalling Baht 85,000,000. The Board of Directors will propose such dividend payment to the shareholders at the meeting.

# Board of Directors, Executive and Authorized Person as of December 31, 2013

## Board of Directors

Name / Position	Age	Education/Training	Share Holding in the Company including related person (%)	Working Experience		
				Period	Position	Company
<b>1. Thanpuying Chanut Piyaoui</b>  - Honorary Chairperson - Director - Authorized Director entitled to sign to bind the Company  <b>Director Appointing Date</b> September 30, 1966  <b>Relationship</b> - Mother of Mr.Chanin Donovanik, Mrs. Since Thienprasiddhi	89	- Honorary Degree of Doctor in Business Administration, NIDA  - Honorary Degree of Doctor in Tourism and Hotel, Sripatum University  - Honorary Degree of Doctor of Arts in Tourism Industrial, Mahidol University.  - Honorary Degree of Doctor of Business Administration in Hospitality Management, Johnson & Wales University, U.S.A.	49.94	Present	Honorary Chairperson / Director / Executive Committee Advisor	Dusit Thani Plc.
					Chairperson Emeritus	Philippine Hoteliers, Inc.
					Chairperson	Dusit Thai Properties Plc. Chanut and Children Co., Ltd. New Atlantic Co., Ltd. Thana Jirang Co., Ltd.
				1966 - 2006	Director	The Statesman General Prem Tinsulanonda Foundation Dusit Thani Plc.
<b>2. Mr. Chatri Sophonpanich</b>  - Chairman  <b>Director Appointing Date</b> April 27, 2005  <b>Relationship</b> - None	80	- Diploma in Accountancy, Kwang Tai High Accountancy College, Hong Kong  - Certificate from London Regent Street Polytechnic, U.K.  - Certificate of Banking from Institute of Bankers, U.K.  - Honorary Degree of Doctor of Law, Pepperdine University, Malibu, California, U.S.A.  - Honorary Degree of Doctor of Business Management, De La Salle University, Republic of the Philippines  - Honorary Degree of Doctor of Business Administration, Thammasat University  - Honorary Professor, Shan Tou University, People's Republic of China  - Director Accreditation Program CP/2005	5.10	1996 - 2000	Chairperson / Managing Director / Chairperson of Executive Committee Senator	The Senate
				1982 - 1986	President	Thai Hotels Association
				2005 - Present	Chairman / Executive Committee Advisor	Dusit Thani Plc.
				1999 - Present	Chairman	Bangkok Bank Plc.
				Present	Chairman	Bangkok Entertainment Co., Ltd.



Name / Position	Age	Education/Training	Share Holding in the Company including related person (%)	Working Experience		
				Period	Position	Company
<b>3. Pol. Lt. Chatrachai Bunya-Ananta</b>  - Director - Authorized Director entitled to sign to bind the Company  <b>Director Appointing Date</b> April 29, 1994  <b>Relationship</b> - None	81	- Advanced Management Program, Harvard University, U.S.A.  - Bachelor's degree in Economics, University of Wales, U.K.  - Director Certification Program 66/2005  - Director Accreditation Program 45/2005	-	1994 - Present	Director / Executive Director	Dusit Thani Plc.
				Present	Committee	Dusit Thai College
					Independent Director / Nomination Committee Chairman/ Compensation Committee Chairman	MBK Plc.
					Chairman	Royal Orchid Hotel (Thailand) Plc.
					Chairman	Italian Thai Development Plc.
<b>4. Mrs. Varang Chaiyawan</b>  - Director  <b>Director Appointing Date</b> August 11, 2009  <b>Relationship</b> - None	46	- MBA Finance and Investment, George Washington University, Washington D.C., USA  - Bachelor of Accountancy, Thammasat University (First class honors)  - Director Accreditation Program 60/2006  - Certified Financial Planner Batch I, Thai Financial Planners Association  - The Invitation Life Insurance Top Executives Seminar 2008, FALIA, JAPAN  - The student of Capital Market Academy (CMA), The Stock Exchange of Thailand, Batch 5	2.58	2006 - 2008	Member	The Statesman General Prem Tinsulanonda Foundation National Legislative Assembly
				1992 - 1993	President	Thai Airways International Plc.
				Present	Director	Dusit Thani Plc. Dusit Thai Properties Plc. Thai Life Insurance Plc. Sangsom Co., Ltd. Kanchana Singkhorn Co., Ltd. Fuengfuanant Co., Ltd. Thanapakdi Co., Ltd. Mongkolsamai Co., Ltd. Thai Ginebra Trading Co., Ltd.
				2006 - Present	Deputy Managing Director Managing Director	Thai Life Insurance Plc. Thai Health Insurance Plc.
				2007 - 2009	Director	Thai Asia Pacific Brewery Co., Ltd.
				2001 - 2006	Vice President	Thai Life Insurance Co., Ltd.

Name / Position	Age	Education/Training	Share Holding in the Company including related person (%)	Working Experience		
				Period	Position	Company
<b>5. Mr. Kenneth Korsirisophon</b>  - Director  <b>Director Appointing Date</b> April 30, 2003  <b>Relationship</b> - None	43	- Bachelor of Science in Applied Mathematics and Economics (Magna Cum Laude), Brown University, U.S.A.	10.31	2008 - Present  2006 - Present  2005 - Present  2003 - Present   1998 - Present  1994 - Present  2000 - 2006	Director  Director  Director  Director Director  Managing Director  Director Director  Director	Cape Nga Development Ltd.  Home Inns and Hotels Management Inc. Gaw Capital Partners  Dusit Thani Plc. Pioneer Hospitality Siam (GBR) Ltd.  Pioneer Global Group Ltd.  Strand Hotels International Ltd. Myanmar Hotel International Pte. Ltd. Siam Food Products Plc.
<b>6. Mr. Chanin Donovanik</b>  - Director - Authorized Director entitled to sign to bind the Company  <b>Director Appointing Date</b> February 28, 1980  <b>Relationship</b> - Son of Thanpuying Chanut Piyaoui - Brother of Mrs. Sinee Thienprasiddhi	56	- Master of Business Administration (MBA), Boston University, U.S.A.  - Director Certification Program 72/2006  - Director Accreditation Program 10/2004	Included in the item of Than puying Chanut Piyaoui and Related Persons	Present   <		

Name / Position	Age	Education/Training	Share Holding in the Company including related person (%)	Working Experience		
				Period	Position	Company
<b>7. Mrs. Sinee Thienprasiddhi</b>  - Director and Company Secretary - Authorized Director entitled to sign to bind the Company  <b>Director Appointing Date</b> April 26, 1979  <b>Relationship</b> - Daughter of Thanpuying Chanut Piyaoui - Sister of Mr. Chanin Donavanik	55	- Mac Duffies Springfield, MA., USA.  - Fundamental Legal and Regulations on the Listed Company 8/2012  - Director Certification Program Refresher Course 2/2009  - Improving Quality of Financial Reporting 1/2006  - Finance for Non-Finance Director 22/2005  - Director Certification Program 65/2005  - Director Accreditation Program 9/2004	Included in the item of Thanpuying Chanut Piyaoui and Related Persons	Present	Director/ Company Secretary/ Secretary to the Board of Director/ Executive Director/ In charge of Chief Financial Officer Director	Dusit Thani Plc.  Dusit Thai Properties Plc. Dusit Thani Properties Co., Ltd Devarana Spa Co., Ltd. Le Cordon Bleu Dusit Co., Ltd. Dusit Worldwide Co., Ltd. Dusit Management Co., Ltd. Dusit China Capital Co., Ltd. Philippine Hoteliers, Inc. Dusit Overseas Co., Ltd. Dusit Bird Hotels Pvt. Ltd. DMS Property Investment Pvt. Ltd. Dusit USA Management Inc. Acme Printing Co., Ltd. Chanut and Children Co., Ltd. New Atlantic Co., Ltd. Piyasiri Co., Ltd. Thana Jirang Co., Ltd.
<b>8. Professor Hiran Radeesri</b>  - Independent Director  <b>Director Appointing Date</b> April 30, 1999  <b>Relationship</b> - None	84	- Master of Business Administration University of Pennsylvania, USA  - Honorary Degree of Doctor of Accounting, Thammasat University  - Certificate (High Level) of Accounting, Thammasat University  - Director Certification Program 0/2000  - Fellow Member, Thai Institute of Directors (IOD)  - Diploma, National Defense College, 1981  - Director Training Certificate, School of Management, Yale University, USA.	-	2003 - Present  2002 - Present  2002 - Present  2000 - Present  1999 - Present  1999 - Present  2000 - 2008  1990 - 1994  1986 - 1988	Chairman Advisory Group Corporate Governance Center  Committee Chairman of Auditing Examiner  Honorable Committee of University Council  Director / Audit Committee Chairman  Director / Audit Committee Chairman  Independent Director / Audit Committee Chairman / Governance and Nomination Committee Chairman / Compensation Committee Chairman  Chairman  Chairman  Governor	The Stock Exchange of Thailand  The Revenue Department  Thammasat University  Thaicom Plc.  Navakij Insurance Plc.  Dusit Thani Plc.  Thai Institute of Directors (IOD)  Metropolitan Rapid Transit Authority  State Railway of Thailand

Name / Position	Age	Education/Training	Share Holding in the Company including related person (%)	Working Experience		
				Period	Position	Company
<b>9. Professor Sansern Kraichitti</b>  - Independent Director  <b>Director Appointing Date</b> April 28, 1988  <b>Relationship</b> - None	87	- LL.B., Thammasat University  - Barrister - At - Law of Lincoln's Inn, London  - Honorary Degree of Doctor of Law, Chulalongkorn University and Ramkhamhaeng University  - Director Accreditation Program 5/2003  - Diploma, National Defence College, Class 1970 (NDC 13)	0.08	1999 - Present    1996 - Present  1988 - Present  1987 - Present  1991 - 2000	Audit Committee Member / Compensation Committee Member / Governance and Nomination Committee Member  Chairman of Juridical Council Group 7  Independent Director  Director  Senator	Dusit Thani Plc.    Juridical Council  Dusit Thani Plc.  The Thai Red Cross Society  The Senate
<b>10. Mr. Sakdi Kiewkarnkha</b>  - Independent Director  <b>Director Appointing Date</b> June 24, 1999  <b>Relationship</b> - None	78	- Bachelor's degree in Accounting, Thammasat University - Bachelor's degree in Commerce, Thammasat University - Bachelor's degree in Law, Thammasat University - Executive Program, Stanford - National University of Singapore - Senior Executive Program, SASIN - Role of Compensation Committee Program 9/2009 - Director Certification Program Refresher Course 2/2006 - Role of the Chairman Program 4/2001 - Director Certification Program 13/2001 - Handling Conflict of Interest: What the Board should do? 4/2008 - How to Develop a Risk Management Plan HRP 2/2012 - Audit World – Conference - Audit World – Post Conference June 2012, Resorts World Convention Center Singapore - COSO Internal Controls – Enterprise Risk Management (ERM) Federation of Accounting Professions Under the Royal Patronage of His Majesty the King - COSO 2013 : Internal Controls – Integrated Framework, The Stock Exchange of Thailand - Certified Public Accountant from 1962 - Attorney of Law from 1986	-	1999 - Present   2000 - Present  2011 - Present   2000 - 2010  1985 - 1999	Independent Director / Audit Committee Member / Compensation Committee Member / Governance and Nomination Committee Member  Independent Director / Audit Committee Chairman  Nomination and Remuneration Committee Member / Risk Management Committee Member  Vice President  Director / Treasurer  Director / Assistant Treasurer	Dusit Thani Plc.    Thai Union Frozen Products Plc.  Thai Union Frozen Products Plc.  The Princess Mothers' Medical Volunteer Foundation  The Princess Mothers' Medical Volunteer Foundation  The Princess Mothers' Medical Volunteer Foundation

Name / Position	Age	Education/Training	Share Holding in the Company including related person (%)	Working Experience		
				Period	Position	Company
<b>11. Mrs. Pranee Phasipol</b>  - Independent Director  <b>Director Appointing Date</b> April 29, 2013  <b>Relationship</b> - None	64	- Master of Science in Accounting, Thammasat University  - Bachelor of Business Administration, Major: Accounting (Second Class Honors), Thammasat University  - Diploma, National Defence College, The Joint State - Private Sector Course, Class 2003-2004  - Diploma in Public Law, Batch 9, Thammasat University and The Office of the Council of State  - Top Executive Program in Commerce and Trade (TEPCoT), Commerce Academy  - Certificate of Civil Service Executive Development Program, Course 1, Batch 30, Office of the Civil Service Commission  - Certificate of Chang Management, Ripa International, UK  - Certificate of Distance Learning Course for Insurance Supervisors (Module 2), World Bank  - Certified Public Accountant  - Director Certification Program 10/2001  - Advance Audit Committee Programs	-	Present	Independent Director / Audit Committee Member	Dusit Thani Plc.
					Member of Foreign Business Commission	Ministry of Commerce
					Audit Committee	The Support Arts and Crafts International Center of Thailand
					Member of Life Insurance Fund Commission	Life Insurance Fund
					Advisor of Auditing Firm Quality Assurance Committee/ Executive Committee and Member of CPA Examination Committee	Federation of Accounting Professions Under the Royal Patronage of His Majesty the King
					Advisor of Account - Finance and Investment Committee	Thai General Insurance Association
					Qualified Person in Finance and Account	Office of the Civil Service Commission
				2007 – 2010	Chief of Inspector General	Ministry of Commerce
				2006	Commercial Advisor	Ministry of Commerce
				2004	Deputy Director General	Department of Business Development, Ministry of Commerce
<b>12. Mr. Soradis Vinyaratn</b>  - Independent Director  <b>Director Appointing Date</b> April 30, 2010  <b>Relationship</b> - None	73	- Banking Training, City of London College of Banking, U.K.  - Director Accreditation Program CP/2005	-	Present	Independent Director / Independent Director / Member of Audit Committee	Dusit Thani Plc. Bumrungrad Hospital Plc.
					Managing Director	Sorachaiwiwat Co.,Ltd.
					Managing Director	M.V.S. Holding Co., Ltd.
					Managing Director	Ph.D. Chiangrai Co., Ltd.
					Managing Director	Prime Management (Thailand) Co., Ltd.
						Landmark Hotel Group
				1982 - 2001	Vice Chairperson	
				1987 - 1998	Executive Director	Post Publishing Plc.
				1957 - 1990	Executive Vice President Marketing & Credit Card	Bangkok Bank Plc.

## Management Team as of December 31, 2013

Name / Position	Age	Education/Training	Share Holding in the Company including related person (%)	Working Experience			
				Period	Position	Company	
1. Mr. Chanin Donovanik		Details are in the section of Board of Director					
2. Mrs. Sinee Thienprasiddhi		Details are in the section of Board of Director					
3. Mr. Khampi Suwanarat  Relationship - None	69	<div>- Bachelor of Business Administration, University of Hawaii</div> <div>- Post Graduate Studies, School of Hotel, Administration, Cornell University of New York</div> <div>- Director Accreditation Program</div> <div>- Leading at a Higher Level, Dr.Ken Blanchard, Thailand Management Association</div> <div>- General Managers Program (GMP), Cornell University School of Hotel Administration</div> <div>- Professional Development Program (PDP), Cornell University, School of Hotel Administration</div>	-	<div>2007 - Present</div> <div>1997 - 2007</div> <div>1986 - 1997</div>	<div>Managing Director - Education Committee Director</div> <div>Chief Operating Officer</div> <div>Assistant Managing Director/ Senior Vice President/ Executive Vice President</div>	<div>Dusit Thani Plc.</div> <div>Dusit Thani College</div> <div>Dusit Thai Properties Plc.</div> <div>Dusit Thani Properties Co., Ltd</div> <div>Devarana Spa Co., Ltd.</div> <div>Le Cordon Bleu Dusit Co., Ltd.</div> <div>Philippine Hoteliers, Inc.</div> <div>Worldclass Rent A Car Co., Ltd.</div> <div>Dusit Hotels &amp; Resorts Co., Ltd.</div> <div>Dusit Thani Plc.</div>	
4. Miss Surang Jirattigalachote  Relationship - None	54	<div>- Master Degree of Computer Sciences</div>	-	<div>Present</div> <div>2012 - Present</div> <div>2010 - 2012</div> <div>2005 - 2010</div> <div>2002 - 2005</div>	<div>Deputy Managing Director – Property Development</div> <div>Business Development Consultant</div> <div>Vice President and Chief Operation Officer</div> <div>Vice President, Development &amp; Construction</div> <div>Vice President, Development &amp; Construction</div>	<div>Dusit Thani Plc.</div> <div>Thai Obayashi Corporation</div> <div>Phuket Square Co., Ltd.</div> <div>Minor International Pcl.</div> <div>Central Retail Corporation Co., Ltd.</div>	



Name / Position	Age	Education/Training	Share Holding in the Company including related person (%)	Working Experience		
				Period	Position	Company
<b>5. Mr. Chamnarnsil Charmnarnkit</b>  <b>Relationship</b> - None	55	- Master of Business Administration, Tarleton State University, Texas, USA.  - Bachelor of Science (Marketing), Kasetsart University  - Fundamental Legal and Regulations on the Listed Company 8/2012  - Director Accreditation Program 2003	-	Present	Senior Vice President – Finance	Dusit Thani Plc.
				2005 - Present	Managing Director	Wattanakarn Co., Ltd.
				1996 - 2005	Director and Senior Executive Vice President- CFO & Life Operation	Interlife John Hancock Assurance PLC.
<b>6. Mrs. Jongkonnee Chantavorakit</b>  <b>Relationship</b> - None	60	- Master's Degree of Business Administration, Ramkhamhaeng University	-	Present	Vice President - Headquarter Finance and Accounting	Dusit Thani Plc.
					Director	Dusit Thai Properties Plc. Devarana Spa Co., Ltd. Dusit Worldwide Co., Ltd.
				1997-2004	Director of Finance and Accounting	Dusit Thani Plc.

*Remark : In the past 5 years, there was no Director, Executive and Authorized Person which has penalty record on the Securities and Exchange Act B.E. 2535 or the Derivatives Act B.E. 2546.*

## General Information and Other Significant Information

### General Information

Company Name:	Dusit Thani Public Company Limited
Securities Symbol:	DTC
Head Office:	946 Dusit Thani Building, 5 <sup>th</sup> Floor, Rama 4 Road, Silom, Bangrak, Bangkok 10500
Type of Business:	Hotel
Registration No.:	0107536000617
Telephone No.:	+66 (0) 2200-9999
Facsimile No.:	+66 (0) 2636 3630 / +66 (0) 2636-3545
Website:	www.dusit.com
Authorized and paid-up Capital	Baht 850,000,000 Comprising 85 million ordinary shares at par 10 baht each

### References Information

Registrar	Thailand Securities Depository Co., Ltd. 62 The Stock Exchange of Thailand Building, Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand Telephone No: + 66 (0) 2229 2800 Facsimile No.: + 66 (0) 2359 1259
Auditor	Mrs. Nattaporn Phan-Udom Certified Public Accountant No. 3430 PricewaterhouseCoopers ABAS Limited 15th Floor Bangkok City Tower, 179/74-80 South Sathorn Road, Bangkok 10120 Telephone No.: + 66 (0) 2344 1000 Facsimile No.: + 66 (0) 2286 5050
Legal Counselor	Dherakupt Law Office Co., Ltd. 546 Uninvest Complex Building, 15th Floor, Ratchadaphisek Road, Ladyao, Jatujak, Bangkok 10900 Telephone No.: +66 (0) 2511 1512 / + 66 (0) 2513 1976 Facsimile No.: +66 (0) 2938 1247 / + 66 (0) 2938 1957

### Other Significant Information

No other significant information that could affect investors' decision making

***\* Investor can acquire more information of the Company from the Annual Registration Statement (Form 56-1) which publicized on [www.sec.or.th](http://www.sec.or.th) or the Company's website [www.dusit.com/investor](http://www.dusit.com/investor)***