



รายงานประจำปี 2558  
บริษัท ดุสิตธานี จำกัด (มหาชน)



Annual Report 2015  
Dusit Thani Public Company Limited







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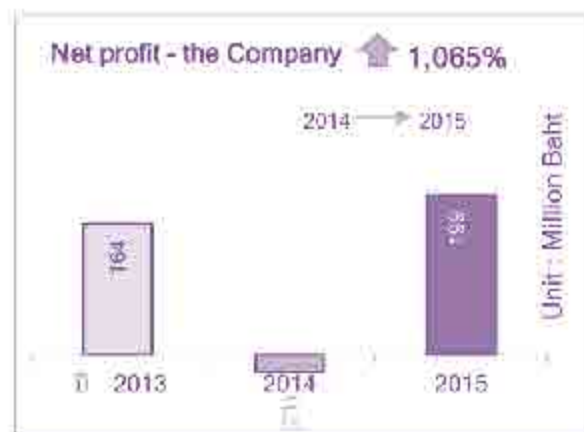
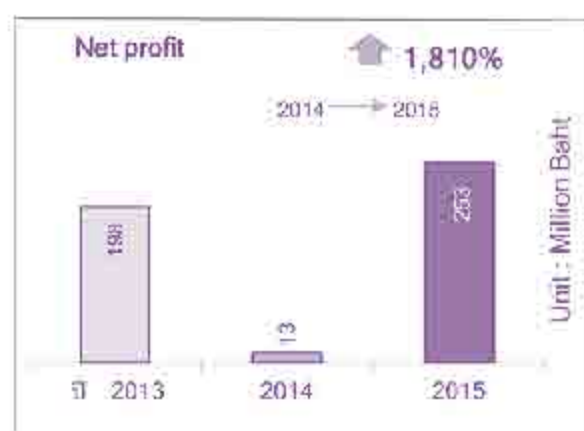
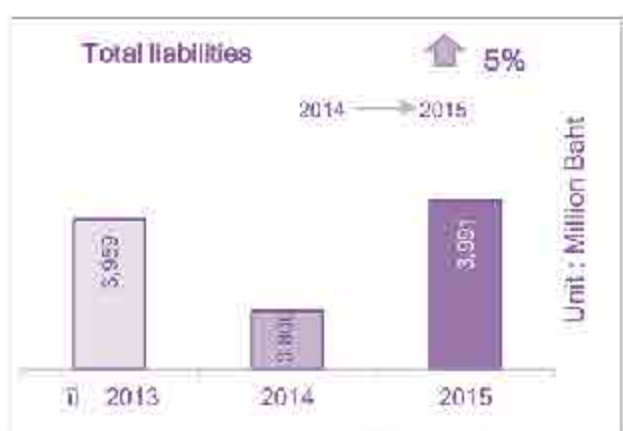
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**Significant financial information (Consolidated Financial Statements)**

	% Changes				
	2013	2014	2015	2014/2013	2015/2014
<b>Financial position (in Thousand Baht)</b>					
As of December 31,					
Total assets	9,226,511	9,012,391	9,395,676	-2.3	+4.3
Total liabilities	3,958,638	3,800,281	3,991,211	-4.0	+5.0
Equity - the Company	4,530,398	4,443,286	4,593,203	-1.9	+3.4
<b>Operation performance (in Thousand Baht)</b>					
For the years ended December 31,					
Total revenues	5,330,845	5,174,699	5,369,590	-2.9	+3.8
Revenues from sales and services	4,909,706	4,675,480	4,895,150	-4.8	+4.7
Cost of sales and services	2,924,474	2,902,863	2,901,951	-0.7	-0.0
Cost of services - depreciation and amortization	559,173	618,382	643,922	+10.6	+4.1
Total expenses	1,625,219	1,618,021	1,531,209	-0.4	-5.4
Net profit (loss) - the Company	163,705	(20,645)	199,189	-112.6	+1,064.8
Net profit	197,625	13,250	253,101	-93.3	+1,810.2
<b>Ratio per share (in Baht)</b>					
Net profit (loss) - the Company	1.94	(0.24)	2.36	-112.6	+1,064.8
Dividend	1.00	1.00	1.20	0.0	+20.0
Book value	55.60	52.57	54.34	-1.9	+3.4
<b>Financial ratio (%)</b>					
Net profit (loss) / Total revenues	3.07	(0.40)	3.71	-113.0	+1,029.8
Return on equity	3.68	(0.46)	4.41	-112.5	+1,058.1
Return on assets	3.10	1.00	3.57	-67.6	+256.4

Dividend for 2015, Board of Directors will propose to the 2016 Annual General Meeting of Shareholders to approve unappropriated retained earnings as dividend payment of Baht 1.20 per share.







## MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

In 2015, Thailand welcomed 29.88 million international tourist arrivals, representing a 20.44% increase compared to 2014. Arrivals from China were the largest contributor to the country's tourism industry. It is expected that 2016 will continue to see a surge of international tourist arrivals, unless an event jeopardizing the industry takes place. In order to accommodate such growth and future demand, the Company has expanded its education and hotel businesses simultaneously in order to develop qualified manpower for the growing tourism and hospitality industries.

In late 2014 the first Dusit Thani Hotel School, under a newly established subsidiary named "Dusit Thani Hotel Studies Co., Ltd.," was founded to boost the Company's education business expansion by providing hospitality training programs in Thailand and overseas. Additionally, in 2015, subsidiary company Philippine Hoteliers, Inc., made a 40% investment in a joint venture company named Philippine Hoteliers International Center for Hospitality Education, Inc. All efforts are to ensure that our educational business will grow sustainably, becoming another revenue-generating and well-known business for the Company.

Meanwhile, the Company foresees a promising future for its hotel management service which can help generate more financial returns to the Company. The Company has continued to expand this business in several locations to diversity its portfolio, increase its customer base and leverage Dusit's brand recognition in the global market. In 2015, the Company and its subsidiaries entered into 9 hotel management agreements. An additional 9 hotel management contracts were signed under the Company's joint venture in China.

According to the Consolidated Financial Statements 2015, the Company earned total revenue of 5,369 million Baht and reported net profit of 253 million Baht. After the deduction of non-controlling interests, the Company posted a net profit of 199 million Baht.

On behalf of the Company's Board of Directors, I would like to express my sincerest appreciation to our guests and all shareholders for your continuous support to the Company and its subsidiaries. I would also like to take this opportunity to thank our executives and staff members for their dedication and contributions to help ensure the Company's sustainable growth.

Mr. Arsa Sarasin  
Chairman



## MESSAGE FROM MANAGING DIRECTOR & CEO

Dear Shareholders,

In 2015, the Company continued to expand its hotel management business overseas, especially in the People's Republic of China and countries throughout the ASEAN Economic Community to meet future demand. However, successful expansion alone does not reflect true achievement of the Company if no efforts have been made to nurture the sustainable development of the stakeholders, the economy, society and the environment. Dusit Thani Public Company Limited is, therefore, highly committed to operating responsibly via policies and plans that endorse the mutual sustainability of all concerned parties.

Creating Shared Value (CSV) is another major milestone embarked on by the company to ensure the sustainable co-existence between business operators and society. With its 49 years of experience in hotel industry alongside its 19 years of success in hospitality education, the Company has strived to expand the education business domestically and internationally to generate returns to the Company and society simultaneously. In 2014, the first Dusit Thani Hotel School was established in Bangkok and, in 2015, the Philippine Hoteliers International Center for Hospitality Education, Inc. was established in the Philippines with an aim to provide and develop hospitality education which, in return, will lead to the development of human capital. Such efforts manifest the company's commitment to Creating Shared Value.

The Company is well aware of our important role in supporting and promoting corporate social responsibility efforts and has, in pursuit of its business success, taken the mutual benefit of the company and society into account to allow the sustainable co-existence of stakeholders as well as Thailand's economy and society.

  
Chanin Detavanik

Managing Director and CEO





## The Result of Operations and Profit Appropriation for Year 2015

The Board of Directors present the results of operations of the Company presented in the financial statements for the year ended December 31, 2015, the unappropriated retained earnings at the beginning was Baht 1,342,695,833, deducted amount of Dusit Thani College of Baht 138,366,076, the unappropriated retained earnings was Baht 1,204,329,757. After deducting final dividend of 2014 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 1,119,329,757.

**The Board of Directors proposes the appropriation of retained earnings for 2015 dividend as follows:**

	Baht
Unappropriated retained earnings brought forward	1,119,329,757
Unappropriated retained earnings brought forward – Dusit Thani College	138,366,076
Unappropriated retained earnings brought forward	1,257,695,833
Add Profit for 2015	199,188,627
Less Transfer excess of revenues over expenses to Dusit Thani College fund	(50,489,042)
Add Acquisition of non-controlling interest without a change in control	618,804
Less Defined benefit plan actuarial gains for 2015	(12,893,759)
<b>Total unappropriated retained earnings</b>	<b>1,394,120,463</b>
Dividend of 2015 on 85,000,000 shares at Baht 1.20 per share, totaling	(102,000,000)
<b>Unappropriated retained earnings carried forward</b>	<b>1,292,120,463</b>

If the Annual General meeting of Shareholders approves the mentioned appropriation, the Company will pay such dividend on May 12, 2016.



## 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

### ▪ Objective

Provide long term growth in revenue, diversify business to reduce risk and good return to shareholder.

### ▪ 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 under trademark licensing of “Dusit Thani”. 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”, “Namin 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 Dusit Princess Chiang Mai are under Dusit Thai Properties Public Company Limited.</li> <li>Manages 1 local hotel dusitD2 Phuket Resort</li> <li>Manages 1 overseas hotel dusitD2 Pasadena, U.S.A.</li> <li>Will manage 1 local hotel dusitD2 Khao Yai</li> <li>Will manage 1 overseas hotel Dusit Thani Laguna Golf Resort, Singapore</li> <li>Grants to licensee a trademark 4 hotels, namely Dusit Island Resort Chiang Rai, Dusit Thani Krabi Beach Resort, Dusit Thani Residence Davao and dusitD2 Residence Manila</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 the hotels in the Philippines, namely Dusit Princess NALA Gardens Manila and dusitD2 Davao, Dusit Thani Lubi Plantation Resort Davao and Dusit Princess Cebu City</li> </ul>





Company	Nature of Operations
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 Company Limited were merged as Dusit Thai Properties Public Company Limited</li> <li>Owns the brand "Royal Princess"</li> <li>Owns the land and hotel building of Dusit Thani Hua Hin</li> <li>Owns Dusit Princess Chiang Mai, Dusit Princess Srinakarin and Dusit Princess Korat</li> <li>Grants to licensee a trademark 2 hotels, namely 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 Abu Dhabi, unfurnished Apartment at Dusit Thani Dubai, Pearl Coast Premier Hotel Apartments, Dusit Thani LakeView Cairo and dusitD2 Nairobi</li> <li>Grants to licensee a trademark 3 hotels, namely Dusit Residence Dubai Marina, dusitD2 Kenz and dusitD2 Residence AL Manzel Abu Dhabi</li> <li>Will manage overseas hotels Dusit Devarana Hainan, Dusit Residence &amp; Suites Doha, Dusit Devarana Maldives, Dusit Thani Samara Beach Sousse, Dusit Thani Brookwater, Dusit Thani Cam Ranh, dusitD2 Residence Yangon, dusitD2 Yarkay Thimphu, Dusit Thani Jeddah, Dusit Thani Paradise Safari Park Hotel and Casino, dusitD2 Ulaanbaatar, dusitD2 Punaka, dusitD2 Palm Mall Muscat and dusitD2 Salwa 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>



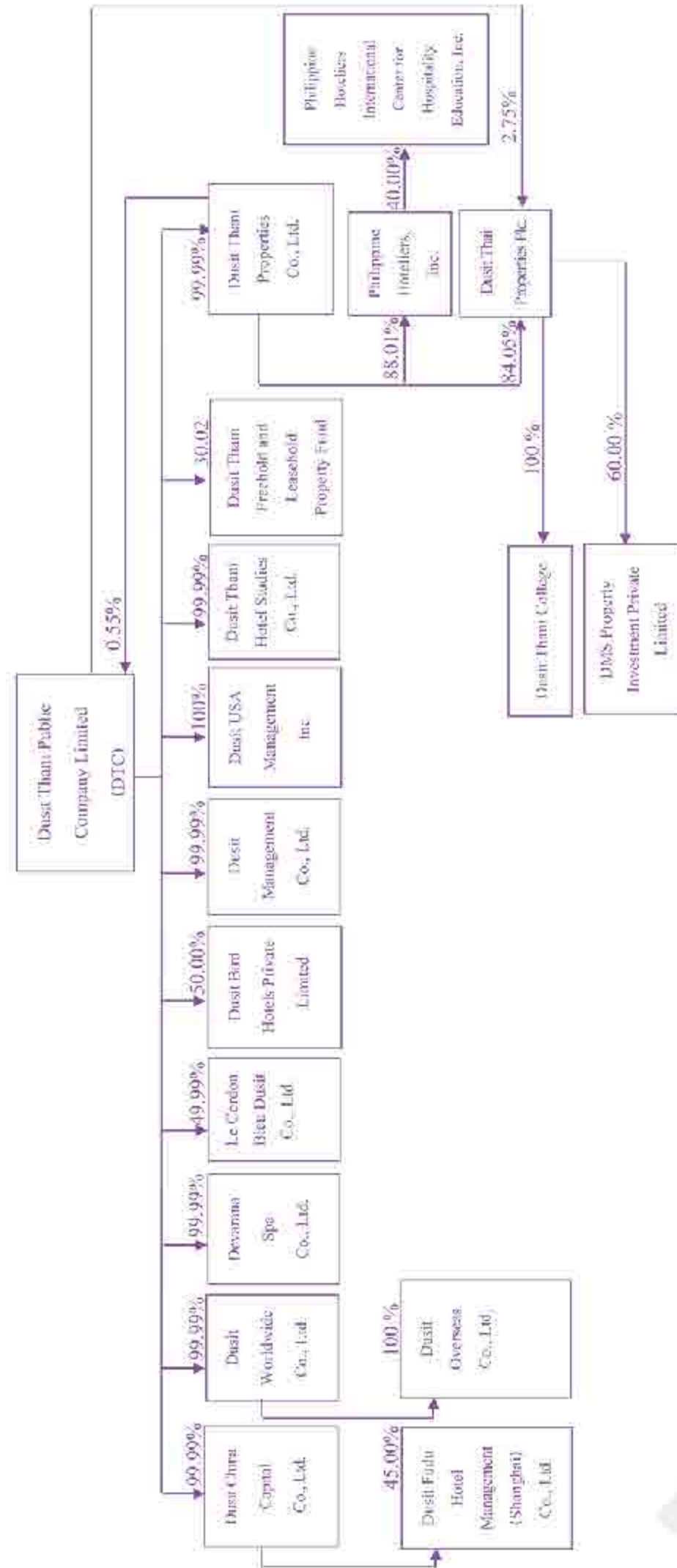


Company	Nature of Operations
Dusit Thani Freehold and Leasehold Property Fund	<ul style="list-style-type: none"> <li>Owns 2 hotels, namely Dusit Thani Laguna Phuket and dusitD2 Chiang Mai</li> <li>Owns a leasehold at Dusit Thani Hua Hin</li> </ul>
DMS Property Investment Private Limited	<ul style="list-style-type: none"> <li>Owns the Dusit Thani Maldives which is under management agreement with Dusit Worldwide Co., Ltd.</li> </ul>
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>Manages Dusit Thani Guam</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 25 hotels in the Republic of China</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 Hotel Studies Co., Ltd.	<ul style="list-style-type: none"> <li>Education</li> </ul>
Philippine Hoteliers International Center for Hospitality Education, Inc.	<ul style="list-style-type: none"> <li>Education</li> </ul>



## Dusit Thani Public Company Limited

### Shareholding Structure as of December 31, 2015





## Nature of Business

### ➤ Significant Changes and Development of the Company's controlling authority in year 2015

1. Appointed Mr. Arsa Sarasin as Independent Director to replace Mr. Soradis Vinyaratn who resigned effective from March 24, 2015.
2. Appointed Mr. Arsa Sarasin as Chairman to replace Mr. Chatri Sophonpanich who resigned effective from April 1, 2015.
3. Appointed Mr. Chatri Sophonpanich as Honorary Chairman effective from April 2, 2015.
4. Appointed Thanpuying Chanut Piyaoui as Founder and Advisor to the Board of Directors effective from April 2, 2015.
5. Appointed Mr. Bunterng Tantivit as Director to replace Mr. Chatri Sophonpanich who resigned effective from April 28, 2015.
6. Appointed Mr. Vichit Chinwongvorakul as Director to replace Pol. Lt. Chatrachai Bunya-Ananta who passed away effective from April 28, 2015.
7. Appointed Mrs. Suphaje Suthumpun as Director to replace Mr. Sakdi Kiewkarnkha who resigned effective from October 1, 2015.
8. Appointed Professor Hiran Radeesri as Audit Committee Chairman and Professor Sansern Kraichitti as Audit Committee Member effective from October 1, 2015.
9. Appointed Mrs. Pranee Phasipol as Compensation Committee Member and Governance and Nomination Committee to replace Mr. Sakdi Kiewkarnkha who resigned effective from October 1, 2015.
10. Appointed Mr. Sakdi Kiewkarnkha as Advisor to the Board of Directors and Advisor to the Audit Committee effective from October 1, 2015.
11. Appointed Mr. Chanin Donavanik as Vice Chairman and Executive Committee Chairman effective from January 1, 2016.
12. Appointed Mrs. Suphaje Suthumpun as Group CEO effective from January 1, 2016.
13. Appointed the Executive Committee which is composed of Mr. Chanin Donavanik, Mrs. Sinee Thienprasiddhi and Mrs. Suphaje Suthumpun effective from January 1, 2016.
14. Amended the duties and responsibilities of the Board of Directors, Sub-Committee, Executive Committee Chairman, Executive Committee and Group CEO.
15. Changed the authorized directors who can sign to bind the Company in April 2015.

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

**To** Directors who have authorized to sign to bind the Company are Mr. Chanin Donavanik, Mrs. Sinee Thienprasiddhi and Mrs. Varang Chaiyawan. Two of these Directors must jointly sign and affix the Company's seal.

16. Changed the authorized directors who can sign to bind the Company in October 2015.

**From** Directors who have authorized to sign to bind the Company are Mr. Chanin Donavanik, Mrs. Sinee Thienprasiddhi and Mrs. Varang Chaiyawan. Two of these Directors must jointly sign and affix the Company's seal.

**To** Directors who have authorized to sign to bind the Company are Mr. Chanin Donavanik, Mrs. Sinee Thienprasiddhi, Mrs. Varang Chaiyawan and Mrs. Suphaje Suthumpun. Two of these Directors must jointly sign and affix the Company's seal.





➤ **Significant Changes and Development of the Company's Business in year 2015**

1. Dusit Thani Hotel School, established under Dusit Thani Hotel Studies Co., Ltd. located on Petchburi Road Bangkok, started operation in August 2015.
2. Philippine Hoteliers, Inc. invested 40 percent in the project of hotel school and hotel business and set up the Joint venture company in Philippines on July 15, 2015.

➤ **Significant Changes of the Shareholding Structure or Business Operation or other important events in the past 3 years.**

1. The Board of Directors' Meeting No. 4/2015 on August 13, 2015 approved Dusit Thai Property Public Company Limited to purchase shares of DMS Property Investment Private Limited from Mr. Chattri Sophonpanich in the amount of 1,925,000 shares or 5 percent of the registered and paid-up capital at USD 1 per share with the exchange rate of USD 1 equalling to Baht 31.60, total value of Baht 60.83 Million.
2. The Board of Directors' Meeting No. 6/2015 on September 30, 2015 approved Dusit Thai Properties Public Company Limited to purchase shares of DMS Property Investment Private Limited from Coastline Investment Private Limited in the amount of 1,925,000 shares or 5 percent of the registered and paid-up capital according to the appraised value from Jones Lang LaSalle Limited at the total of USD 2,435,125 or equivalent to USD 1.265 per share.

➤ **Awards of Dusit International for year 2015**

1. **Certificate of Excellence 2015 by TripAdvisor:** Dusit Thani Hua Hin was awarded the Certificate of Excellence 2015 by TripAdvisor. The award is normally given to businesses that consistently earn high ratings from TripAdvisor travelers. With this prestigious award, this places Dusit Thani Hua Hin among the top performing hotels worldwide on TripAdvisor.
2. **Global Winner of World Luxury Diplomatic Hotel Awards 2015:** Dusit Thani Hua Hin has won the Global Winner Category "World Luxury Diplomatic Hotel" for 7 consecutive years in recognition of its success in hosting numerous high-ranking royal and government officials.
3. **EarthCheck GOLD Certified:** Dusit Thani Laguna Phuket and Dusit Thani Hua Hin are proud to announce the achievement of "EarthCheck GOLD Certified" Certification for 2015 recognised by the EarthCheck Program, for earning a high - standard of environmental and sustainable hotel's management performance to maintain its high percentage in saving energy and water consumption as well as proper waste management in reducing an environment impact.
4. **Best Italian Restaurant 2015 by Thailand Tatler:** San Marco Restaurant, Dusit Thani Hua Hin was awarded the certification as one of Thailand's best Italian restaurants by the Thailand Tatler, a luxury lifestyle magazine. Over 25 years, this restaurant has still maintain the service and food quality standard.
5. **Best Thai Restaurant by FACT Abu Dhabi:** Benjarong, Dusit Thani Abu Dhabi was awarded the Best Thai Restaurant among all Thai restaurants in the city by the Fact Abu Dhabi Edition which is the country's first metropolitan culture magazine that boasts international standards of design.



6. **Salon Culinaire Champions:** Dusit Thani Dubai was awarded the Salon Culinaire Competition at the Gulfood Trade Show – the world's biggest annual food and hospitality show. Competitors were evaluated by a panel of 25 renowned experts, mandated by the World Association of Chiefs Societies (WACS) to judge culinary events across the globe.
7. **Middle East Hospitality:** Dusit Thani Dubai was awarded the Hospitality Excellence Awards 2015 that over 400 candidates entered the race to be nominated as one of the best in the various Categories. The Hospitality Excellence Awards 2015 was presented to recognize top industry organizations which have shown skill, creativity, ingenuity and success in the Middle East & North Africa's growing hospitality industry. Dusit Thani Dubai has garnered the Most Prestigious Awards below:
  1. General Manager of the Year Grand Winner
  2. Human Resources of the Year 1<sup>st</sup> Runner Up
  3. Information Technology of the Year 1<sup>st</sup> Runner Up
  4. Finalist Administrator and Secretary of the Year



## ➤ Revenue Structure

### • Classify by services

Revenues and shareholding structures of the Company in subsidiaries for 3 years ended December 31,

(Unit : Thousand Baht)

Sales and Services	Company	% of shares holding (direct and indirect)	2013		2014		2015	
			Revenues	%	Revenues	%	Revenues	%
<b>1. Revenue from Hotel Business</b>								
1.1 Room	1. Dusit Thani Plc.	100.00	814,009	15.27	653,897	12.64	823,280	15.33
	2. Philippine Hoteliers, Inc.	88.00	509,703	9.56	429,831	8.31	381,412	7.10
	3. Dusit Thai Properties Plc.	86.79	240,717	4.52	256,436	4.96	270,377	5.04
	4. Dusit Management Co., Ltd.	99.99	777,892	14.59	785,802	15.18	746,099	13.90
	5DMS Property Investment Pvt. Ltd.	52.07	421,008	7.90	483,014	9.33	485,330	9.04
<b>Total Room Revenue</b>			<b>2,763,329</b>	<b>51.84</b>	<b>2,608,980</b>	<b>50.42</b>	<b>2,706,698</b>	<b>50.41</b>
<b>1.2 Food and Beverage</b>								
	1. Dusit Thani Plc.	100.00	628,165	11.79	512,931	9.91	606,055	11.29
	2. Philippine Hoteliers, Inc.	88.00	254,982	4.78	239,568	4.63	254,429	4.74
	3. Dusit Thai Properties Plc.	86.79	166,958	3.13	183,384	3.54	185,882	3.46
	4. Dusit Management Co., Ltd.	99.99	356,297	6.68	364,893	7.05	353,862	6.59
	5DMS Property Investment Pvt. Ltd.	52.07	155,264	2.91	179,439	3.47	183,300	3.41
<b>Total Food and Beverage Revenue</b>			<b>1,561,666</b>	<b>29.29</b>	<b>1,480,215</b>	<b>28.60</b>	<b>1,583,528</b>	<b>29.49</b>





(Unit : Thousand Baht)

Sales and Services	Company	% of shares holding (direct and indirect)	2013		2014		2015	
			Revenues	%	Revenues	%	Revenues	%
1.3 Others	1. Dusit Thani Plc 2. Philippine Hoteliers, Inc. 3. Dusit Thani Properties Plc. 4. Devarana Spa Co., Ltd. 5. Dusit Management Co., Ltd. 6. DMS Property Investment Pvt. Ltd.	100.00 88.00 86.79 99.99 99.99 52.07	38,281 21,331 14,983 22,953 25,250 46,726	0.72 0.40 0.28 0.43 0.47 0.88	35,710 16,303 10,522 10,896 27,948 57,895	0.69 0.32 0.20 0.21 0.54 1.12	57,084 13,186 8,060 - 28,210 50,653	1.06 0.25 0.15 - 0.53 0.94
<b>Total Other Revenues</b>			<b>169,524</b>	<b>3.18</b>	<b>159,274</b>	<b>3.08</b>	<b>157,193</b>	<b>2.93</b>
<b>Total Revenue from Hotel Business</b>			<b>4,494,519</b>	<b>84.31</b>	<b>4,248,469</b>	<b>82.10</b>	<b>4,447,419</b>	<b>82.83</b>
2. Revenue from Hotel Management Contracts	1. Dusit Thani Plc 2. Dusit Thani Properties Plc. 3. Dusit Overseas Company Limited	100.00 86.79 99.99	8,575 3,000 53,013	0.16 0.06 0.99	5,907 3,000 107,202	0.11 0.06 2.07	5,734 3,000 115,385	0.11 0.05 2.15
<b>Total Revenue from Hotel Management Contracts</b>			<b>64,588</b>	<b>1.21</b>	<b>116,109</b>	<b>2.24</b>	<b>124,119</b>	<b>2.31</b>
3. Revenue from Rental Business								
Rental and Services	1. Dusit Thani Plc	100.00	74,493	1.40	77,537	1.50	76,289	1.42
<b>Total Revenue from Rental Business</b>			<b>74,493</b>	<b>1.40</b>	<b>77,537</b>	<b>1.50</b>	<b>76,289</b>	<b>1.42</b>





(Unit : Thousand Baht)

Sales and Services	Company	% of shares holding (direct and indirect)	2013		2014		2015	
			Revenues	%	Revenues	%	Revenues	%
4. Other Incomes								
	1. Dusit Thani Plc. <sup>(1)</sup>	100.00	242,578	4.55	251,444	4.86	200,432	3.73
	2. Philippine Hoteliers, Inc.	88.00	17,769	0.33	18,108	0.33	31,734	0.59
	3. Dusit Thai Properties Plc.	86.79	46,686	0.88	31,075	0.60	32,479	0.60
	4. Dusit Thani Properties Co., Ltd.	99.99	601	0.01	576	0.01	569	0.01
	5. Devarana Spa Co., Ltd.	99.99	574	0.01	184	0.00	61	0.00
	6. Dusit Worldwide Co., Ltd.	99.99	6,266	0.12	8,688	0.17	9,869	0.18
	7. Dusit Management Co., Ltd.	99.99	15,421	0.29	5,453	0.11	13,179	0.25
	8. DMS Property Investment Pvt. Ltd.	52.07	31,475	0.59	37,368	0.72	20,693	0.39
	9. Dusit Overseas Company Limited	99.99	2,167	0.04	2,320	0.05	3,048	0.06
	10. Dusit China Capital Co., Ltd.	99.99	143	0.00	6	0.00	5,232	0.10
	11. Dusit Thani College	86.79	333,565	6.26	377,161	7.29	403,067	7.51
	12. Dusit USA Management Inc	100.00	-	-	-	-	62	0.00
	13. Dusit Thani Hotel Studies Co., Ltd.	99.99	-	-	-	-	1,338	0.02
<b>Total Other Incomes</b>			<b>697,245</b>	<b>13.08</b>	<b>732,583</b>	<b>14.16</b>	<b>721,763</b>	<b>13.44</b>
<b>Total Revenues</b>			<b>5,330,845</b>	<b>100.00</b>	<b>5,174,698</b>	<b>100.00</b>	<b>5,369,590</b>	<b>100.00</b>

<sup>(1)</sup> For years 2013, 2014 and 2015 included share of profit from investment in associate of 30.02% of Baht 88.57 million, Baht 92.20 million and Baht 53.71 million, respectively.

<sup>(2)</sup> For years 2013, 2014 and 2015 included share of profit (loss) from investment in joint venture – Dusit Fadu Hotel Management (Shanghai) Co., Ltd.; Le Cordon Bleu Co., Ltd. and Dusit Bird Hotels Pvt. Ltd.



### ■ Classify by Hotels

Revenues structure from each hotel under Dusit Thani Group, by 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,

(Unit : Thousand Baht)

Hotel	Company	% of shares holding (direct and indirect)	2013		2014		2015	
			Revenues	%	Revenues	%	Revenues	%
Dusit Thani Bangkok	Dusit Thani Plc.	100.00	895,596	19.56	659,679	15.12	897,161	19.70
Dusit Thani Pattaya	Dusit Thani Plc.	100.00	620,065	13.54	606,573	13.90	619,089	13.59
Dusit Thani Manila	Philippine Hoteliers, Inc.	88.00	803,785	17.56	703,810	16.13	680,761	14.94
Dusit Princess Chiang Mai	Dusit Thai Properties Plc.	86.79	113,640	2.48	118,408	2.71	142,214	3.12
Dusit Princess Srinakarin	Dusit Thai Properties Plc.	86.79	191,032	4.17	208,302	4.77	218,742	4.80
Dusit Princess Korat	Dusit Thai Properties Plc.	86.79	125,153	2.73	125,582	2.88	111,972	2.46
Dusit Thani Hua Hin	Dusit Management Co., Ltd.	99.99	428,720	9.36	416,235	9.54	450,402	9.89
Dusit Thani Laguna, Phuket	Dusit Management Co., Ltd.	99.99	621,019	13.56	643,620	14.75	542,630	11.91
DusitD2 Chiang Mai	Dusit Management Co., Ltd.	99.99	124,782	2.74	124,069	2.84	152,090	3.34
Dusit Thani Maldives	DMS Property Investment Pvt. Ltd.	52.07	654,474	14.30	757,716	17.36	740,176	16.25
<b>Total revenues from owned hotels operated by Dusit Thani Group</b>			<b>4,578,266</b>	<b>100.00</b>	<b>4,363,994</b>	<b>100.00</b>	<b>4,555,237</b>	<b>100.00</b>





## ➤ 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 Clubrooms, 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.**

- **Dusit 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 Gourmer", 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" (Licensing) under the standard of service provision controlled by the Company. All hotel management and licensing agreements are entered into by Dusit Thani Plc.



*Grand Hotel with a rich heritage and renowned hospitality*

Dusit Thani Brand is a renowned, up-market, full-service brand that embodies the richness and tradition of Asian culture that are calm, fragrant and colorful, 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**<sup>7</sup> 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\*\*\*
- Dusit Thani Guam, U.S.A.
- Dusit Thani Krabi Beach Resort, Thailand \*\*\*\*

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

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

\*\*\* Licensing Agreement with Dusit Thani Public Company Limited

Upcoming **Dusit Thani Hotels & Resorts**<sup>7</sup> brands listed below:

- Dusit Thani Laguna Golf Resort, Singapore
- Dusit Thani Samara Beach Sousse, Tunisia
- Dusit Thani Brookwater, Australia
- Dusit Thani Cam Ranh, Vietnam
- Dusit Thani Jeddah, Saudi Arabia
- Dusit Thani Shaoxing, the Republic of China
- Dusit Thani Hot Springs Qingyuan, the Republic of China
- Dusit Thani Resort Fuxian Lake, Yunnan, the Republic of China
- Dusit Thani Fudu Qingfeng, Changzhou, the Republic of China
- Dusit Thani Dongtai, the Republic of China
- Dusit Thani Castle Resort Fushun, the Republic of China
- Dusit Thani Panzhihua, the Republic of China
- Dusit Thani Suining, the Republic of China
- Dusit Thani Thai Culture City Resort, Zaozhuang, the Republic of China



- Dusit Thani Shanghai Zhabei, the Republic of China
- Dusit Thani Huizhou, the Republic of China
- Dusit Thani Zaozhuang, the Republic of China
- Dusit Thani Paradise Safari Park Hotel and Casino Nairobi, Kenya
- Dusit Thani Dusit Thani Lubi Plantation Resort Davao, Philippines

## (2) “dusitD2”

dusitD2 is a contemporary hotel and resort brand whose distinctive combination of cutting-edge design, high-tech connectivity and efficient, modern convenience reflects the needs and desires of today’s new generation traveler. dusitD2 hotels & resorts are a smart and happening place to stay for the savvy modern traveller. Offering a refreshing take on destinations\*, the upper scale dusitD2 brand promises to inspire and energize.



*Contemporary hotel with combination of style and modern convenience”*

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 Phuket Resort, Thailand
- dusitD2 Fudu Binhu, Changzhou, the Republic of China
- dusitD2 Pasadena, U.S.A.
- dusitD2 Nairobi, Kenya

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

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

- dusitD2 Khao Yai, Thailand
- dusitD2 Urbana Gurgaon, India
- dusitD2 Residence Yangon, Myanmar
- dusitD2 Yarkay Thimphu, Bhutan
- dusitD2 Davao, Philippines
- dusitD2 Ulaanbaatar, Mongolia
- dusitD2 Punaka, Bhutan





- DusitD2 Palm Mall, Muscat, Oman
- DusitD2 Salwa, Doha, Qatar
- DusitD2 Tianjin, the Republic of China
- DusitD2 Suining, the Republic of China
- DusitD2 Fudu Hongmei Changzhou, the Republic of China
- DusitD2 Dabeishan Resort, the Republic of China
- DusitD2 Hot Spring Valley Dabeishan, the Republic of China
- DusitD2 Kenz, U.A.E.\*

Remark:\* Licensing Agreement with Dusit Overseas Co., Ltd.

### (3) “Dusit Princess”

Dusit Princess is an upper-midscale hotel brand. Each hotel has its own distinctive personality, embracing the culture and character of the local community. The hotels are designed to appeal to travelers who seek an optimal combination of a well-located hotel with comfortable and functional rooms, essential business facilities, services and sustainable value.



*Convenient – Affordable – Welcoming*

The hotels are efficient, affordable and dynamic with modern facilities that provides experiences that ensure the well-being of business and leisure travelers.

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

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

Remark: \* Licensing Agreement with Dusit Thai Properties Public Company Limited

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

- Dusit Princess NATA Gardens Manila, Philippines
- Dusit Princess Serviced Residence Xuhui Shanghai, the Republic of China
- Dusit Princess Panzhuhua, the Republic of China
- Dusit Princess Cebu, Philippines



#### (4) “Dusit Devarana”

Dusit Devarana provides an exceptional enclave for those who lead truly global lives. What makes it different is that its properties are select intimate hotels and resorts where each person is regarded as being ‘at home in residence’ with all resources at their disposal. Its role is to create ‘a world of one’ that perfectly meets an individual’s leisure or business needs. This is transfused through devotion in understanding individuality of need, and delivering individuality in experience.

### DUSIT DEVARANA

HOTELS & RESORTS

Intimate hotel of cultured refinement for the exacting and well-travelled

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.

Current **Dusit Devarana Hotels & Resorts**<sup>\*</sup> brands listed below:

- Dusit Devarana New Delhi, India

Upcoming **Dusit Devarana Hotels & Resorts**<sup>\*</sup> brands listed below:

- Dusit Devarana Maldives
- Dusit Devarana Hainan, the Republic of China
- Dusit Devarana Resort, Kunming Dianchi Lake, the Republic of China
- Dusit Devarana Fuxian Lake, Yunnan, the Republic of China
- Dusit Devarana Hot Spring & Spa Guangzhou Conghua, the Republic of China
- Dusit Devarana Haikou West, the Republic of China
- Dusit Devarana Zhuzhou, 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**<sup>\*</sup> 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.\*

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

- Dusit Residence & Suites Doha, Qatar
- Dusit Thani Residence Davao, Philippines\*
- dusitD2 Residence Manila, Philippines\*
- dusitD2 Residence Al Manzel Abu Dhabi, U.A.E.\*\*
- Dusit Princess Hotel and Residence Jiangin Wuxi, the Republic of China

Remark: \* Trademark licensing under Dusit Thani Public Company Limited

\*\* Licensing Agreement with Dusit Overseas Company Limited

### 3. Office Rent Business

The Company operates 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 Dusit Thani Public Company Limited with 9 locations; 4 in Thailand and 5 overseas as follows:

##### Four Devarana Spas in Thailand:

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

##### Five Devarana Spas in overseas:

1. Dusit Thani Manila
2. Dusit Thani Maldives
3. dusitD2 Nairobi
4. Dusit Thani Guam
5. Dusit Thani Lakeview Cairo

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, *Algotherrm*. 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 has set up the Education Business Unit with the objectives of expanding more education units and training both in Thailand and overseas, especially where Dusit's hotels are located for preparing professional workforce and manpower to work in global hospitality industry especially Dusit's hotel. At present, the Company's education business has been recognized and consistently grown into large scale.

In 2015, Dusit education business covered both formal education (at vocational level and higher degree level), and professional education (culinary and cooking schools), as well as skills training and career development for managers and 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 on June 1, 1993 from the determination of Thanpuying Chanut Piyaoui, Chairperson and Managing Director of Dusit Thani Public Company Limited 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 whereby has offered two English curriculums at the certificate level: one in the Hotel Operation (Diploma in Hotel Operation), and another in Culinary Arts (Professional Chef Diploma).



Since the beginning of the operation, the school placed great emphasis on the academic excellence and provided quality teaching and learning - both on the theoretical and practical aspects. Consequently, the standard of education provided by the school was well recognized by the society more widely. Later, the school developed and upgraded the curriculum for the Bachelor's degree program in the hospitality industry with an eye to meet 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 Bachelor's Degree Program and Master's Degree Program as the details specified below.

#### **Dusit Thani College (Bangkok)**

##### 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

1. Master's Degree in Hotel and Restaurant Management

#### **Dusit Thani College (Pattaya City Centre)**

##### 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 MICE and Events Management





Furthermore, Dusit Thani College also offers various short professional courses such as Hospitality Access Program (HAP) – Four-month training programs, Thai Culinary Arts, Mini-MBA in Hospitality Management and Executive Programs in Hotel Management etc.

Apart from focusing on the academic excellence and producing qualified graduates, Dusit Thani College has supported and contribute to the social on developing qualified personnels who wish to work in the service industry in foreign countries. Throughout 17 years, Dusit Thani College has been authorized by the Department of Skill Development, Ministry of Labor to organize skill tests for job seekers in the 5-certified job testing which is composed of Food Production, Bartending, Food and Beverage Service, Front Office Operations and Housekeeping. Currently, there are a large number of personnels who have passed the test and worked in overseas.

In 2015 Dusit Thani College (Bangkok and Pattaya City Center) has been certified by Thailand Professional Qualification Institute (Public Organization) (TPQI), as an organization responsible to certify the professional competency standard in Tourism Hotel and Restaurant Occupation for Thai Food production, Thai cuisine, and Thai desserts. Dusit Thani College has organized three tests for Thai Cuisine level 1 and 2 at Dusit Thani College Bangkok and one test at Dusit Thani College Pattaya City Center. There are 66 participants who passed the test.

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. Dusit Thani College provided 28 students for 3 batches to attend this program taught by Japanese teacher from ASO COLLEGE GROUP at Dusit Thani College.
- **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)** – Dusit Thani College act as a consultant on teaching quality, assessment, and learning resources. Successfully, LPU has 14,587 students in 2015.
- **THE HONG KONG POLYTECHNIC UNIVERSITY, HONG KONG** – One of renown university in Asia and the world, jointly offer Executive Hotel Industry Professional Development Programs with the course of Innovation, Leader in Hospitality Industry and MICE.



- **TSUJI CULINARY INSTITUTE, JAPAN** – in the area of joint educational program in Japanese Culinary and cuisine course to the public and Dusit Thani College students for selecting as a free elective subject for Bachelor Degree.
- **GAMBERO ROSSO, ITALY** – in the area of Italian Cuisine courses to the public and Dusit Thani College students for selecting as a free elective subject for Bachelor Degree.
- **BALI INTERNATIONAL TRAINING AND DEVELOPMENT CENTRE, INDONESIA** – Dusit Thani College acts as a consultancy service to operate hospitality institute in Bali and have a plan to offer a short program to the public in January 2016.

In addition, Dusit Thani College is also co-operating with other hospitality education in exchanging and sharing knowledge and experience such as:

- Co-Hosting the 4<sup>th</sup> International Conference on Entrepreneurship and Business Management with Tarumanagara University, Indonesia on November 5-6, 2015 at Dusit Princess Srinakarin Hotel, Bangkok.
- Organizing the training program for Hospitality and Catering Training Academy (HCTA) from Myanmar in the following topics:
  - Training on management system to 5 executives on January 26-27, 2015
  - Train the trainer to 5 teaching assistant on September 21-25, 2015

In order to maintain the up-to-date knowledge of hospitality industry and for its further development of this field, Dusit Thani College has been a membership of the well-known hospitality institutes as follows:

- THE INTERNATIONAL COUNCIL ON HOTEL, RESTAURANT AND INSTITUTE EDUCATION (ICHRIE)
- THE ASIA PACIFIC COUNCIL ON HOTEL, RESTAURANT, AND INSTITUTIONAL EDUCATION (APACCHRIE) - The Dean of Dusit Thani College has been appointed to be the director of marketing from June 2015 - June 2016
- THE PACIFIC ASIA TRAVEL ASSOCIATION (PATA) – The Dean of Dusit Thani College has been appointed to be the committee on Education Board since 2013.
- THE THAILAND CONVENTION AND EXHIBITION BUREAU (TCER)
- THE THAILAND INTENSIVE AND CONVENTION ASSOCIATION (TICA)
- THE INTERNATIONAL CENTER OF EXCELLENCE IN TOURISM AND HOSPITALITY EDUCATION (THE-ICE) – The Dean of Dusit Thani College has been appointed to be the director of THE-ICE Board from 2014-2016.

In 2015, Dusit Thani College has won the bid to host the 14<sup>th</sup> APacCHRIE Conference scheduled to take place from May 11-13, 2016 at Dusit Thani Bangkok Hotel. The theme of the conference will be





"Crisis Management and Business Continuity in the Tourism Industry" which are expected to have many academicians, practitioners presenting their research in the conference.

The college, thus, strives for its constant development on research projects. The college publishes the book "The Authentic Thai Cuisine, Dusit Thani College Standard" which developed from the research project entitled "The Development of Thai Food Recipes in Accordance with Dusit Thani College Standard", a research that obtained a copyright and trademark registration with Department of Intellectual Property, Ministry of Commerce, to with the purpose in promoting and preserving the authentic Thai Food to public.

Additionally, the Dusit Thani College Journal is also certified by the Thai-Journal Citation Index (TCI) Centre and be listed in the first tier which does have the content and quality according to the international standard and will be selected to be listed in ASEAN Citation Index (ACI) later.

Dusit Thani College has been invited to be 1) Thailand and Asia representative in Congress-Disciples Escoffier International in France from March 5 to 7, 2016; 2) Thailand representative to participate in Food & Hotel Asia 2016 in Singapore from April 9 to 17, 2016; and 3) Thailand representative to participate in IKA / Culinary Olympics in Germany from October 20 to 26, 2016.

For over 22 years of success, Dusit Thani College has been recognized as one of the international hospitality education institutions with quality learning and teaching activities from top notch faculty with professional experience in hospitality industries. The college has produced qualified graduates to be competence in both practical skills and managerial skills with high creativity and vision that meet the need of the industry both domestic and overseas. The college currently has more than 3,639 full-time students, and has produced more than 4,141 successful graduates and alumni to the industry.

Dusit Thani College, under the investment of Dusit Thai Properties Public Company Limited, is located on Srinakarin Road, Prayet, Bangkok on 12 rai area which 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. In 2015, Dusit Thani College has built the practical room such as kitchen rooms, bakery rooms and renovated bartender rooms. Food and Beverage room.

## **(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 the school opened it 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.

Le Cordon Bleu Dusit also offers many short courses, workshops and a wide range of corporate team building or incentive activities as well as exclusive corporate member events which can be tailor-made to meet customers' needs. All courses are sustained by chefs to support and expand learning and enrichment opportunities for students and alumni, but also a great place where the school's reputation underpins its success.

In 2014, LCBD opened special intensive cooking classes for children – known as **Les Petit Cordon Bleus** – offered 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 programs, today Le Cordon Bleu has a presence more than 50 campuses in 20 countries with 120 years of experience and heritage. In 2009, 2010 and 2011 LCBD was ranked in the top 3 culinary schools in Asia – an award announced at the World Gourmet Summit in Singapore each year. Then, in 2014, LCBD was awarded First Place at the World Gourmet Summit and became the Electrolux Best Culinary Institute in Asia. This was a wonderful achievement for the Joint Venture.

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, in 2015 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
- Professional Thai Cuisine Programme
- The Art of Bakery
- Wine Studies Course
- Culinary Discovery Programme (Short Courses)

Le Cordon Bleu Dusit Culinary School is located 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 kitchen for cuisine, pastry, demonstration, barista, wine classes and a library.

### **(3) Dusit Thani Hotel School**

After the newly appointed Director of Vocational Education joined the company in late 2013, together with a team of Managers of Vocational Education, a new concept for the Dusit Thani Hotel School was developed. This new school offers certificate and diploma level programs, all part of the Dusit portfolio of learning programs. The school is created due to an identified high demand in the hospitality business for well trained and educated young professionals for jobs and careers in operations. Furthermore, this offer of education, in which the development of professional skills prevails, can act as an attractive and efficient bridge between secondary education and employment. The first Dusit Thani Hotel School is established in August 2015, located on Petchaburi Road, Bangkok. It is Dusit's strategy to develop and implement similar vocational schools in other regions of Thailand and in other ASEAN countries.

Dusit Thani Hotel School is a school for professional hotel training at certificate and diploma levels. The programs, ranging from 6 – 18 months, aim to provide knowledge and skills in various fields of the hotel business to youth who want to pursue careers in the hotel business as well as those who are working in the industry and wish to improve their skills to further excel in their profession.

The programs are developed on the basis of Job Titles and Common Labor Divisions of the Hotel Service, fully adhering to the ASEAN Common Competency Standards for Tourism Professionals covering all areas of hotel operations, i.e., Food Production, Food and Beverage Service, and Rooms Division (Front Office and Housekeeping).





The programs are segmented into 4 levels: Basic, Professional, and Advanced Certificate Programs, and Diploma Programs. The Basic Certificate Programs concentrate on competencies in basic skills, routine knowledge and attitudes in a defined context. Professional Certificate Programs concentrate on competencies in broad ranges of skills and attitudes in more varied contexts and team leader responsibilities. Advanced Certificate Programs concentrate on competencies in Greater technical competencies with supervisory skills. Finally, Diploma Programs concentrate on competencies in specialized competences with managerial skills.

The curriculums for these programs are developed in close collaboration with experts and faculty of Dusit Thani College as to also ensure that students will earn credits, which can be transferred credits to to their bachelor programs of Dusit Thani College or other colleges and universities that have signed Memorandum of Understanding with the school. The Dusit Thani Hotel School is the very first of its kind that adheres 100% to the ASEAN competence standards. This will qualify and enable graduates from these programs to seek employment and work throughout the ASEAN community.

By using unique curriculums that meets the needs of the labor market, both domestic and internationally, together with provision of quality and effective teaching from well qualified faculty who have knowledge and direct experience in the teaching field, arrangement of an internship with establishments in the industry, and extra curricular activities to enhance professional skills, graduates will have the necessary knowledge and ability to work professionally in hotels or restaurants in the country and abroad. Their competencies and skills meet the ASEAN Common Competency Standards for Tourism Professionals.

Dusit Thani Hotel School is certified by Ministry of Education, under Office of the Private Education Commission. Its courses run on four levels:

❖ **Basic Certificate Programs**

1. Food and Bakery Production Basic
2. Food and Beverage Service Basic
3. Room Division Basic (Housekeeping and Front Office)

❖ **Professional Certificate Programs**

1. Food Production Professional
2. Pastry Professional
3. Food and Beverage Service Professional
4. Room Division Professional (Housekeeping and Front Office)

❖ **Advanced Professional Certificate Programs**

1. Food Production Advanced
2. Pastry Advanced
3. Food and Beverage Service Advanced
4. Housekeeping Advanced
5. Front Office Advanced



#### ❖ **Diploma Programs**

1. Kitchen Management
2. Food & Beverage Management
3. Room Division Management

Currently, the school offers 3 approved courses at the Basic Certificate level in August 2015. However, the Professional Certificate Programs and the Advanced Professional Certificate Programs are expected to get approval from MOE in January and July 2016, respectively. The Diploma Programs are expected to get approval from MOE in January 2017.

#### **Duration of Learning and Teaching**

For Basic, Professional, and Advanced of Certificate Programs, there are 3-month in-class learning (both theory and practice) and 3-month internships at the establishment. Duration for each program is 6 months.

The Diploma program consists of 15-month in-class learning (both theory and practice), and 3-month internships at the establishment. Duration throughout the course is 18 months.

Dusit Thani Hotel School is located on 588/5 Phetchaburi Road, Ratchathewe District in central Bangkok. The school building will be 7-story building, built on 1 rai and 66 square wah plot of land. It has a total built area of approximately 6,947.5 square meters. It is fully equipped with modern classrooms, IT and Language labs, demo and practical kitchens, mock-up for front office, restaurant, and hotel guest-room, cafeteria and recreational facilities for students, library, teachers' office, and other supporting facilities.

#### **(4) Philippine Hoteliers International Center for Hospitality Education, Inc.**

Philippine Hoteliers International Center for Hospitality Education, Inc. (PHI Education) has operated the Education Institute, registering in the Republic of the Philippines since 15 July 2015. PHI Education will offer a Bachelor's Degree in Hospitality Management and certified courses in Culinary Arts and Hotel Operations.

### ✧ **Marketing and Competition**

#### **Revenue Management**

1. Role of Property Director of Revenue has been expanded in order to instill a stronger revenue culture and increase focus on driving profitability across the company. An Advanced Revenue Management Skills Workshop was also conducted in January 2015 for General Managers to ensure understanding and support.
2. A Corporate Director of Revenue has been appointed to provide more support to new opening properties, i.e. Dusit Thani Guam, dusitD2 Nairobi and dusitD2 Khao Yai, as well as need hotels, i.e. Dusit Thani Maldives which has recorded a healthy market share index (RGI) growth. Going forward, this position is also tasked to drive more online initiatives such as hotelcombined.com metasearch, ITB dynamic pricing, Hotel Quickly mobile App to maximize room revenues.





3. Revamped Dusit website was rolled out in Jul. Bookings via [www.dusit.com](http://www.dusit.com) grew by 19% in room nights and 28% in revenue with continued focus on converting return guests to book on our website, increased digital marketing activities and enhancement of managed contents.
4. Emphasis on segmentation strategies supported by Corporate guidelines provided to Dusit International's properties throughout the year has yielded growth over 2014 for the Group in the following key segments:
  - Corporate Negotiated – room nights up by 6% and revenue by 26%
  - E-Commerce – room nights up by 19% and revenue by 15%
  - Group Business – room nights up by 32% and revenue by 42%
5. Driving reputation management through ReviewPro to raise Global Guest Index remains a key focus. Regular monitoring provides data and support to Operations to identify areas of concern to drive continuous improvement in product and service delivery to raise ranking and online presence, i.e. review sites (TripAdvisor) and online travel agencies.

### **E-Business**

1. [www.dusit.com](http://www.dusit.com) was relaunched in July with a new design and enhanced content. A landing page for each Dusit brand is now available in 5 languages to include Thai, Chinese, Japanese, Arabic and English. With full proprietary rights and control over content management, we expect to be able to continue to generate more traffic and bookings through new initiatives in digital marketing.
2. Dusit's private label GDS chain code "DW" went live in Jun and is aimed to eventually provide all Dusit International's properties direct GDS connectivity to TMCs.
3. Integrated social media into E-Business to provide better coordination on content management and online digital marketing capabilities for i.e. Facebook campaigns and online reviews.
4. Dedicated Chinese Centre was set up in May 2015 to handle translation, guest enquiries, rate loading with the additional feature of a fully functional Chinese online booking engine. In conjunction with that, confirmation letters in Chinese can now also be generated to enhance guest experience.
5. Workshops have been organized to provide training to individual properties on reputation and web content management to ensure understanding of digital marketing, online distribution, management of online reviews.
6. Digital marketing initiatives to drive online presence, more web traffic and improve search engine capabilities have generated double amount of traffic to [www.dusit.com](http://www.dusit.com) and increased online sales conversion.

### **Global Sales/Regional Sales**

1. New Regional Sales Office (RSO) based out of Riyadh was set up in May to expand sales coverage in the Middle East region with the objective to capture growing business potential from the Kingdom of Saudi Arabia market.
2. A native senior Korean Sales Manager was recruited to fill the opening since June this year, based in our Global Sales Office (GSO) in Bangkok. In 2016, it will focus on strengthening our direct sales and growing the Korean market to drive significantly more business into our hotels especially Guam, Maldives which are popular resort destinations for Koreans.





3. To develop the Australian and New Zealand markets, a General Sales Agent will be appointed by the Q1/2016 with the objective to grow our share of this market for Maldives, Manila and our Thai properties especially in the leisure and MICE segments.
4. Total RSO room night production increased by 123% compared to the previous year. Resources and efforts will be intensified to cultivate new emerging markets in each region to include coverage of potential cities in China, as well as the Indo-China region.
5. GSO and RSO will continue to foster close relationships with tourism boards, airlines and strategic partners to strengthen Dusit brand awareness, generate more sales leads and exposure through collaborative marketing initiatives and joint promotions for the Group especially for our new and need properties.
6. MICE business increased from 15% to 20%. We will continue our focus on growing this market with more GSO and RSO resources directed towards supporting need and MICE hotels especially Guam with the opening of its Convention Center to further develop this important segment.
7. Tradeshow and roadshows will be market specific and more targeted based on business potential for participating hotels in order to ensure the Return on Investment (ROI). Representation by the Directors of Sales and Marketing (DOSMs) and the General Managers (GMs) will be encouraged especially for those markets that are significantly important or potential for individual hotels who commit to attend.

#### **Branding and Loyalty Marketing**

1. The revamped Dusit Gold Programme was rolled out in May 2015 with a dedicated service center and members' hotline. The new program features enhanced benefits including instant rewards and free nights with the objective to drive guest loyalty and grow revenues. Membership has strengthened by 87% since the re-launch. Our target in 2016 is to double the number of members, implement a more comprehensive CRM system and aggressively use this as a marketing tool to increase members' spends. A dedicated Dusit Gold website will also be made available in January for members to sign up and manage their accounts online.
2. Dusit Princess (DP) has been updated and re-defined as a "Welcoming, Efficient, Affordable" mid-market brand offering a no-frill product at great value and have been developed to provide clear direction for existing DP properties to complete their rebranding process, as well as for Development to present to prospective investors so as to ensure brand consistency and delivery.
3. The Corporate Dusit Stars has been decentralized to allow individual hotels to develop a booker program that is more effective and specific to their market to incentivize members to generate more bookings.
4. Dusit Wine & Dine which has been managed by an outside company Promark, will be transferred to Dusit Thani Bangkok when Dusit International's contract with them expired in January 2016, in order to assume better control and improve the hotel's Food & Beverage profitability.
5. Sales collaterals were updated and enhanced with new designs, i.e. Global Directory, MICE brochure, Featured Hotels in 4 languages – Japanese, Russian, Chinese and English, Dusit Gold as well as a revamped Development brochure.
6. Current corporate video was re-adapted and translated into more languages for presentation in different geographic markets for Sales presentations. Plan is underway to produce a more up-to-date corporate video to include new hotels and also incorporate other biz units to showcase and market Dusit's full portfolio.





### Public Relations/Marketing Communication

1. A new PR agency based in Dubai was appointed in Mar 2015 to promote the Dusit brand and also our MEA properties in the Gulf Cooperation Council (GCC) market.
2. To strengthen Dusit brand awareness and promote the opening of Dusit Thani Guam, a media presentation led by Mr. Chanin Donavanik and attended by General Manager of Dusit Thani Guam as well as Dusit Thani Maldives was held in August at the Prince Hotel in Tokyo. The event was well attended by more than 50 media and generated media coverages in key publications such as Yahoo! News, Nikkei, Japan Times.
3. Dusit Thani Guam has been promoted from a Japanese press group sponsored by UA coordinated through our Tokyo RSO and PR agency, as well as a celebrity fashion photo shoot from the prestigious high-end magazine Ploy Gaem Pet with an exclusive 20-page feature.
4. A CNN interviewed with Khim Chanin on their "Road to ASEAN" program which was aired in November to 15.4 million viewers, also promoted Dusit's hotel development pipeline and Education Division.
5. For Europe, editorial features in both print and online media including coverage in OK! Magazine, Business Traveller, etc. Dusit Thani Maldives also received a great amount of social media exposure from the honeymoon visit of top UK celebrity, Sam Faiers to her 1.4 million followers.
6. A Russian media was also hosted in Oct to promote our Thai properties with editorial coverage in both consumer as well as trade media, i.e. Cosmopolitan, ELLE and TTG.
7. To drive brand awareness in our key focus markets, we will be appointing a new PR partner in Korea and Japan on retainer in 2016. PR efforts will be stepped up further to increase exposure of the Dusit brand in China with planned media events in conjunction with our roadshows as well as hosting of a select media fam in Q2.
8. Social media campaigns to promote new and need hotels, i.e. Dusit Thani Guam, Dusit Thani Krabi Beach Resort, DusitD2 Phuket Resort, Dusit Thani Maldives as well as Dusit Gold, etc. generated 22% more international posts over 2014. Dusit International's Facebook share of voice had a significantly wider reach of 121,070.

### Partnership Marketing and Corporate Advertising

1. Partner airline ITPs generated a great number of room nights from paid mileage redemptions from Thai Airways, Bangkok Airways, etc.
2. Successfully signed up Hainan Airlines directly into our Frequent Flyer Program network thus giving us more opportunities to tap into their Frequent Flyer database for creating partnership marketing campaigns to promote rooms, Food & Beverage and Dusit Gold to their members.
3. Developed marketing campaigns with Bangkok Bank and Bangkok Airways themed "Paradise in Maldives" to generate brand exposure and promote DTMD through expressway billboard ads and EDM to their database of 250,000. Social media exposures on Facebook and Line also reached out to 7,050,000 followers, supported by screen ads on 5,000 Bangkok Bank ATMs in metro Bangkok.
4. Signed up UnionPay Global with 18 million cardholders, over 400 institutions worldwide as our marketing partner from January 2016 to promote Dusit hotel offers us including Dusit Gold to their members in China and rest of the Asia region.
5. Joint promotion with Standard Chartered Bank in the "Asian Yearend Campaign" provided opportunity to promote our properties via print newsletters and website features in Thailand, Hong Kong and Singapore.





6. To leverage and enhance our brand equity, Dusit International also sponsored "The EM District" Grand Opening during Q2/2015 which provided nationwide exposure through a series of press releases, PR campaign, ads and wraps in publications i.e. Thairath, Bangkok Post, the Nation, BK and Guru Magazine.
7. Advertising focus was on generating Dusit brand awareness in new destinations through opening ads, i.e. Nairobi, Krabi. Ad campaigns both on and offline were geared towards supporting tactical promotions to reach key target international markets, Middle East, China, Japan, Korea.

#### **Local Economic and Political environmental**

Recovering from a slump in 2014 when political unrest disrupted the economy, Thailand's economic situation has so far remained unexpectedly tepid. The economy did gain some strength in Q3/2015 as pickup in exports more than offset faltering domestic demand. Big infrastructure projects and an improvement in political stability has seen Gross Domestic Product (GDP) growth (2.5% in the first half) recovering modestly in 2015 after a sharp slowdown in 2014. However, the economy's average annual expansion pace in 2015-19 will remain below potential at 3.6%.

Europe and the US still account for a large portion of Thailand's biggest spending source markets. As such, dampened economic activities in these regions have affected tourism in Thailand. On the other hand, the Thai Baht which was at its weakest (as of November 2015) against the US dollar in six years will help to increase tourist spending power.

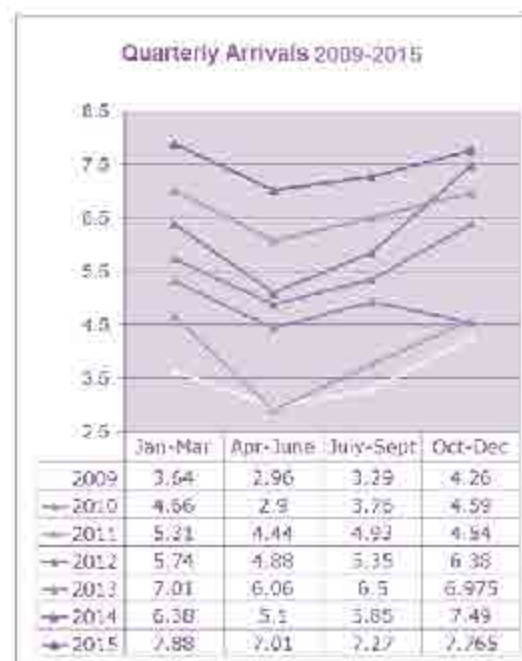
Chinese tourists accounted for almost 17% of all arrivals. While this is a boon to local trade, it should be noted that any downturn in trade from China will have dire consequences for the Thai economy. The Tourism of Thailand launched its Muslim Friendly Destination campaign partly due to the country ranking #2 in the Global Muslim Travel index 2015.

Arrivals from January to July 2015 were up 30% compared to the same period the year before. Russian arrivals declined to half the number at 506,000 in the first seven months due to the collapse of the rouble.

In terms of infrastructure, U-Tapao Rayong-Pattaya International Airport became a fully functional commercial airport in June 2015. The low-cost carrier, AirAsia has since October launched new connections to China from U-Tapao, which is set to open a 3 million capacity passenger terminal by February 2016. According to Airports of Thailand, international flights grew 13.7% while international flights by low-cost carriers increased by 19.6%.

In the first half of 2015, the Revenue per Available Room (RevPAR) of hotels in Thailand averaged at Baht 2,789, up 18.4% compared to the same period in 2014, driven by a 9% increase in occupancy to 74.7%. Average Daily Rate (ADR) however fell 2.8% to Baht 3,728. According to STR Global, Bangkok in the first half of 2015 recorded the highest increase in occupancy, up 38.7% to 76%, and the highest RevPAR growth of 46.1% to Baht 2,491. Koh Samui had the highest ADR of Baht 8,479, compared to Chiang Mai, which had the lowest at Baht 3,182.





Source: [www.focus-economics.com](http://www.focus-economics.com)

Chart shows number of tourist arrivals (in million). Dates of political unrest and untoward events:

- 2009: Political unrest events in some area in Bangkok on 11-12 April
- 2010: Political unrest events on Ratchaprasong Intersection around 19 May
- 2011: Flooding of Central Thailand and part of Bangkok during October-December
- November 2013 - May 2014: Political demonstrations and Martial Law imposition on 20 May 2014.
- The first three quarters of 2014 saw a drop in arrivals when compared with corresponding quarters in 2013, a decrease by 10.28% or about 2 million visitors). However, a few months after the military Coup d'Etat, during the final quarter of the year, the tourism recovered.
- The first two quarters of 2015 saw a good start to the year recording the highest number of arrivals. This trend continued during the third quarter, but with less of an increase in September and October).
- 17 August 2015: bombing at Erawan Shrine in Central Bangkok, with over 20 casualties.

Interestingly negative factors seemed to impact on the number of visitors; however after each incident, visitors resuming interest in Thailand as a tourist destination thereafter.

Occupancy - Total available rooms and occupancy %:

Hotel	Company	No. of Rooms	Occupancy (%)			
			2012	2013	2014	2015
Dusit Thani Bangkok	Dusit Thani Plc.	517	64.42	66.43	47.39	76.89
Dusit Thani Pattaya	Dusit Thani Plc.	457	65.18	74.87	68.55	74.11
Dusit Thani Manila	Philippine Hoteliers, Inc.	538	75.29	70.35	78.61	74.87
Dusit Thani Maldives	DMS Property Investment Private Limited	94	35.30	60.03	65.67	63.47
Dusit Princess Chiang Mai	Dusit Thai Properties Plc.	198	63.66	83.72	84.71	92.21
Dusit Princess Srinakarin	Dusit Thai Properties Plc.	198	71.17	75.35	74.75	74.93
Dusit Princess Korat	Dusit Thai Properties Plc.	186	71.19	72.65	72.44	57.27
Dusit Thani Hua Hin	Dusit Management Co., Ltd.	296	66.90	68.24	62.68	67.63
dusitD2 Chiang Mai	Dusit Management Co., Ltd.	131	63.79	71.73	73.58	84.12
Dusit Thani Laguna Phuket	Dusit Management Co., Ltd.	254	81.21	75.79	78.65	67.33



## Competitive Situation

### International Arrivals into Thailand

Tourist Arrivals in Thailand increased to 2,549,460 in November from 2,228,800 in October 2015. Arrivals averaged 1,235,287 from 1997 until 2015, reaching an all-time high of 2,841,330 in December 2014 and a record low of 399,600 in May of 2003.

## 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' percentage changes over the previous periods. This is tracked both on a daily basis and on a monthly report to the corporate office. This has allowed for better monitoring of each hotel's performance indicators which is also substantiated by STR Global, the industry's respected benchmark.

A new measurement Global Review Index was introduced to measure and monitor each property's online reputation, data from which will be used to identify and correct operational issues for driving improvement in service and ranking.

### 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.

International MICE did not pick up in 2015 as booking window for MICE bookings had passed the average 6-month booking lead time for international events, hence, focus was more on small to medium size local and regional groups.

## ➤ 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**

In today's rapidly changing and complex business environment, organizations face a wide arrays of risks and uncertainties that could severely disrupt the business. Hotel industry is likewise known to be susceptible to such factors, be it external forces or internal factors, all of which can adversely affect the success of hoteliers to a certain extent.

In light of such impacts, Dusit Thani has initiated its Enterprise Risk Management practice with an aim to reduce the overall uncertainties, mitigate critical risks and seize business opportunities in a systematic approach. The company's Risk Management Department was, therefore, established since 2006 under the supervision of Risk Management Committee whose responsibilities are to oversee the implementation of risk management to meet the most acceptable level of risks.

Nevertheless, all risk information described herein this report is not exhaustive; there can be either unprecedented risks or ones that their influences are not yet deemed severe to affect the company in a significant 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 risks for the corporate business operation

### Internal Risk Factors

#### ❖ Risk from Business Expansion Management

In 2015, the Company has still continued to embark on its long-term business expansion strategy to enhance our competitiveness in a wider market range as well as to mitigate the possible risk of revenue loss triggered by overreliance on the domestic market. Therefore, the company has put a greater emphasis on extending 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 potential growth. However, to ensure a proper balance of its portfolio, the Company has taken the diversification of expansion destinations into account.

In 2014 and 2015, the Company and its subsidiaries earned 2.24 and 2.31 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, the denial to renew the management contract or changes in related rules and regulations, which will impact the company's gross revenues. In response to this, the company and its subsidiaries have carefully considered the terms and conditions of the management agreement in order to reduce the impact from such risks.

In addition, to effectively accommodate its expansion strategy, the company has revised and contrived all relevant strategies. Additional efforts were also extended to leverage the Company's management standards—ranging from sales & marketing, operations, human resources, finance and IT—to ensure its work efficiency, to enhance competitiveness and to strengthen the 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 plan.

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, were taken into consideration for maximizing the benefit 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 regulations.

To mitigate the possible materialization of such risks, companies well-known for their expertise in feasibility studies are hired. The obtained information from such analysts shall be considered by experienced executive committees prior to any future investment decision to ensure the worthwhile returns of each project and the enhancement of the company's value.



In 2015, the Company has also geared up its education business expansion by opening its first Dusit Thani Hotel School in Thailand and expects this business to grow substantially in the future. This will help provide an alternate source of revenues to ensure the sustainable growth of the Company.

#### ❖ **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, every 5 to 7 years, invested in several major renovation projects to ensure that the standard of five- and four-star hotels are met and the company's competitiveness in the market remains intact.

Implementing a major renovation project is, nevertheless, no simple matter. A considerable number of factors—building structure, room occupancy, inventory, manpower and climate, for instance—can cause delay in completion of each project. Such delay negatively affects an opportunity to generate revenues, service quality and guest satisfaction. Furthermore, it can also lead to the risk of cost overrun which not only increases the expenses of the company and its subsidiaries, but also decreases the cash flow.

To mitigate this risk, a complete renovation work guideline was developed with the details of workflow, working procedures, approval process, project planning and contractor selection to ensure that each renovation project will be completed in a timely manner in accordance with the allocated budget and specified timeframe under the accepted quality.

Nevertheless, prior to the approval of every renovation project, the worthiness of such project as well as market conditions will be taken into accounts. An equal significance is also given to the upgrade of building safety systems.

#### ❖ **Risk of Manpower Shortage**

To enhance business competitiveness and accommodate business expansion, it is essential that qualified candidates be attracted and, skilled manpower especially those in an executive level, be retained. However, the Company and subsidiaries are fully aware of such risk which is intensified by the labor shortage in the hospitality industry, both domestic and overseas, not to mention the competition from those outside service industry. To mitigate this risk, effective human resources development and succession plan were developed and executed organization-wide.

#### ❖ **Credit and Financial Security Risk**

As of December 31, 2015, the Company and its subsidiaries have long-term loan with financial institutions worth in total of Baht 1,501.49 million, of which Peso 991.68 million for hotel renovation with repayment within 10 years. Besides, a subsidiary 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. Also, the Company has the long-term loan of Dusit Thani Hotel Studies Co., Ltd. in total of Baht 116.2 million

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 1.75:1. 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, 2015, the Company has settled the aforementioned principals including interests thereof in a timely manner. In addition, the company has successfully maintained its debt-to-equity ratio at 0.74:1, in accordance with the company's debt-to-equity policy not to exceed 1:1.

#### ❖ Regulatory Risk

The Company and its subsidiaries operate and manage a number of hotels across the globe under the environment where laws and regulations governing the business can be unfamiliar and complex. Therefore, the company is exposed to the risk that is caused by an unintentional breach of relevant laws and regulations. In addition, an unprecedented change in laws and regulations can also put a dramatic impact on the operation of such hotels, resulting in financial and reputational loss. In attempts to mitigate such risks, the company has hired profession law firms to provide legal consultancy and ensure that those who are involved shall be informed of such laws and regulations.

#### ❖ Information Technology Risk

The Company and its subsidiaries are fully aware of the significance of IT systems and their vital roles in operating business. Therefore, the company has made continuous investments on several operating systems for the management of customer data, financial data and personnel-related data, for instance. Inevitably, the Company is exposed to the risks of data security—loss of critical data, unauthorized disclosure of confidential information, inaccuracy of data, to name a few, all of which can lead to other risks such as reputational risk, financial risk and operational risk. To mitigate such risks, the Company has imposed data security policies to be stringently followed by all members. To cite some examples, data backup policy, authorization policy, crisis management plan for IT systems.

### External Risk Factors

#### ❖ Risk from High Competition and Increase of Competitors

A continuous increase of competitors in prime 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 globally-known international hotel chains with a highly effective management system, distribution network and lower financial costs, for instance. The Company foresees that as the demand fluctuates cyclically, the competition will remain high. This will put the Company at risk of revenue generation.





In addition to that, food and beverage industry has also been competitive and ever-changing. The growing number of restaurants-both in hotels and freestanding-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 delivering high quality 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 and functionality of hotel properties, ensuring that modern, elegant and well-equipped facilities are upgraded to accommodate the needs of customers. Furthermore, the company has fine-tuned its marketing strategies, leveraging distribution channels, accentuating the unique selling points of each hotel property as well as improving the competitive advantages of the company to maintain its market share. Additional efforts have been put in customer relationship management via an effective management of customer database to make the service more personalized. In addition, 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 2015, Thailand has seen its sluggish economic growth owing to the deceleration of private sector's consumption and investment. Moreover, the country's tourism industry has been inflicted by an ongoing political upheaval that took place since the last quarter of 2013. And in May 2014, the imposition of martial law by National Council for Peace and Order after a coup d'état has adversely affected Thai 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 and Manmade 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 addition, manmade disasters such as international terrorism can also impact the industry. On 17 August 2015, Thailand has witnessed an act of international terrorism when a bomb took place inside the Erawan Shrine at the Ratchaprasong Intersection, killing and injuring a number of casualties. Tourist confidence to travel to Thailand was, therefore, affected.

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, together with Political





Violence 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

2015 has continued to see the global economic recession despite a slight improvement of the U.S. economy. This is mainly because the economy of major industrialized countries especially in Europe has still been unstable and vulnerable. China has, likewise, experienced an economic downturn, which could weak the entire economic system. With all these factors, the world's economic growth will continue to be low for a prolonged period of time, even though the government and central banks of those countries have imposed several financial policies in attempt to boost up the economy.

To cope with such risk, the Company and its subsidiaries have diversified its revenue streams by diminishing the reliance on China's market and securing the replacement markets, both domestically and internationally.

#### ❖ Interest Rate Risk

As of 31 December 2015, the Company and its subsidiaries have current liabilities with financial institutions, worth of Bath 2,039.49 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.

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 made hitherto.



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.

#### ❖ **Company's Reputational Risks Caused by Corruption**

The Company and its subsidiaries have stringently adhered to Good Governance principles to ensure the highest transparency and accountability in all of management practices and to protect the reputation of the company. Nevertheless, the Company and its subsidiaries are exposed to the risk of corruption involvement considering the fact that Thailand has long been identified as a country with high Corruption Index. Therefore, the company may be involved with corruption activities, both directly and indirectly, which eventually jeopardize the long-established reputation of the company. In light of this, Anti-Corruption Policy was developed as a resolution of the company's Board of Directors with an aim to raise awareness of anticorruption and provide tangible guidelines as well as standardized practices against corruption, both inside and outside the organization, to be fully understood and strictly followed by all staff.

#### ➤ **Investment Risks for Shareholders**

##### ❖ **Risk Arising from the Company Being a Major Shareholder (more than 25 percent)**

As of the latest booking closing date, 12 March 2015, group of Thanpuying Chanut Piyaoui and related persons hold 42,447,568 shares, accounting for 49.94 percent of the company's total paid-up shares. Therefore, it is possible that a resolution made by the major shareholder may dominantly impact shareholder meeting resolutions, except those resolutions pertinent to laws and regulations that requires three-fourths of the shareholder's votes. Nevertheless, the Board of Directors and high-level executives of the company shall stringently adhere to the principles for Good Governance to ensure the highest management transparency.

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

As of the latest booking closing date, 12 March 2015, the majority of the company's shares—70,703,295 shares that account for 83.18 percent of the total shares—are held by 24 common shareholders who are strategic shareholders. Whereas, other 13,809,831 shares, which account for 16.25 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 shares at a preferable 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, Bangkok, Bangkok 10500 Tel. +66 (0) 2200-9999 Fax. +66 (0) 2636-3545
2	Philippine Hoteliers, Inc. Held by Dusit Thani Properties Co., Ltd.  Remark * Excluding Treasury Preferred Shares	88.01	Hotel And Management	Peso 365 mn. *	Ordinary shares	3,648,701 *	Peso 100	3 <sup>rd</sup> Floor., Dusit Thani Manila, Ayala Center, Makati City 1223 Metro Manila, Philippines Tel. (632) 867-3333 Fax. (632) 867-3838
3	Dusit Thani 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, Bangkok, 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, Bangkok, Bangkok 10500 Tel. +66 (0) 2200-9999 Fax. +66 (0) 2636-3630
5	Dusit Overseas Co., Ltd. Held by Dusit Worldwide Co., Ltd.	100.00	Management	HKD 33,000	Ordinary shares	33,000	HKD 1	Suite 3001-022, 30/F, Great Hagler Center, 23 Harbour Rd Wanchai, Hong Kong
6	Devatana Spa Co., Ltd.	99.99	Spa	8	Ordinary shares	800,000	10	946 Dusit Thani Building, 5 <sup>th</sup> Floor, Rama IV Road, Silom, Bangkok, Bangkok 10500 Tel. +66 (0) 2200-9999 Fax. +66 (0) 2233-1655



No.	Name	Percentage of share holding	Nature of Business	Paid up Capital (Million Baht)	Shares			Address
					Category	Amount (Shares)	Par per share (Baht)	
7	Le Cordon Bleu Dusit Co., Ltd.	49.99	Cooking School	40	Ordinary shares	399,999	100	946 Dusit Thani Building, 1st Floor, Rama IV Road, Silom, Bangkok, Bangkok 10500 Tel: +66 (0) 2237-8877 Fax: +66 (0) 2237-8878
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, Bangkok, 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	1 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 Thani Property Plc	60.00	Hotel Operation	USD 38.5 mn.	Ordinary shares	38,500,000	USD 1	Level 2, Orchid Maage', Amner Ahmadi Magn, 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, County of New Castle, 19808, State of Delaware, U.S.A.
13	Dusit China Capital Co., Ltd.	99.99	Holding Company	68	Ordinary shares	6,800,000	10	946 Dusit Thani Building, 5 <sup>th</sup> Floor, Rama IV Road, Silom, Bangkok, Bangkok 10500 Tel: +66 (0) 2200-9999 Fax: +66 (0) 2636-3545





No.	Name	Percentage of share holding	Nature of Business	Paid up Capital (Million Baht)	Shares			Address
					Category	Amount (Shares)	Par per share (Baht)	
14	Dusit Fuda 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 30 mn	—	—	—	302A w/ 2nd – 3rd Floors Tower One, No. 1287 Shang Cheng Road, Pudong New District, Shanghai People's Republic of China
15	Dusit Thani Hotel Studies Co., Ltd.	99.99	Education	120	Ordinary shares	1,200,000	100	946 Dusit Thani Building, 5 <sup>th</sup> Floor, Rama IV Road, Silom, Bangkok, Bangkok 10500 Tel: +66 (0) 2200-9999 Fax: +66 (0) 2636-3545
16	Dusit Thani College Held by Dusit Thai Property Plc.	100.00	Education Institute	Capital (investment) 217.72	—	—	—	1 Soi Kuantong, Nongchon, Praves, Bangkok 10250. Tel: +66 (0) 2361-7811-3 Fax: +66 (0) 2361-7806
17	Philippine Hoteliers International Center for Hospitality Education, Inc. Held by Philippine Hoteliers, Inc.	40.00	Education Institute	Peso 430 mn	Ordinary shares	1,719,997	Peso 100	Block 2 and 4, Lots 15222 C, D and F of Mini Park, Mackinley Parkway, Bonifacio, Global City, Taguig City, Philippines



## Shareholders

### 10 Major Shareholders

Structure and detail of 10 major shareholders and other minor shareholders as of the latest book closing date, March 12, 2015 are as follows:

Name	No. of shares	%
1. Group of Thanpuying Chanut Piyaoui and related persons	42,447,568	49.94
2. MBK Hotels and Resorts Company Limited	9,918,600	11.67
3. UOB KAY HIAN (HONG KONG) LIMITED – Client Account (PIONEER INETWORK LIMITED)	8,731,772	10.27
4. Group of Mr. Vichit Chinwongworakul and related person	5,201,900	6.12
5. Group of Mr. Chatri Sophonpanich and related person	4,335,739	5.10
6. Thai Life Insurance Public Company Limited	2,188,243	2.57
7. BARCLAYS BANK PLC, HONG KONG	1,950,000	2.29
8. Thai NVDR Company Limited	1,504,434	1.77
9. Mr. WANG KONG-WEI	744,400	0.88
10. Mr. Sahanun Chaimrakoon	571,000	0.67
<b>Total</b>	<b>77,593,656</b>	<b>91.29</b>
Other Minor Shareholders	7,406,344	8.71

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

Remarks: 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 Salrathavibhaga.

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 Ranyarupa*

## Free Float

Percent Shares in Minor Shareholders (% Free Float) of the Company as of the latest book closing date, March 12, 2015 which shareholders have the rights to attend the Annual General Meeting of Shareholders No. 22/2015 equivalent to 16.25 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 2015, the Company paid dividend for the year of 2014 by retained earnings appropriation at Baht 1.00 per share, totally Baht 85 million

### ➤ Subsidiary's policy:

The Company has not set up the dividend payment rate by subsidiaries to the Company. The dividend payment of each subsidiary will be set up based on its performance and its cash flows. In case, the subsidiary has sufficient and after set up the legal reserve, the board of directors of each subsidiary will consider its dividend payment. However, the dividend payment will not exceed the unappropriated retained earnings of such subsidiaries.



Dividend payment information of the Company for previous years:

Dividend payment information	Unit	2014	2013	2012	2011	2010
1. Profit (loss), excluding Dusit Thani College	Million Baht	(88)	90	156	31	108
Profit - Dusit Thani College <sup>(1)</sup>	Million Baht	67	74	67		
<b>Total</b>	Million Baht	<b>(21)</b>	<b>164</b>	<b>223</b>	<b>31</b>	<b>108</b>
2. Number of shares	Million shares	85	85	85	85	85
3. Profit (loss) per share, excluding Dusit Thani College	Baht/Share	(1.03)	1.07	1.86	0.37	1.28
Profit per share - Dusit Thani College	Baht/Share	0.79	0.87	0.77		
<b>Total</b>	Baht/Share	<b>(0.24)</b>	<b>1.94</b>	<b>2.63</b>	<b>0.37</b>	<b>1.28</b>
4. Dividend for the year	Baht/Share	1.00	1.00	1.00	0.50	0.50
5. Dividend amount	Million Baht	*85	*85	*85	**42.50	42.50
6. Dividend paid per profit (loss), excluding Dusit Thani College	%	-	94	54	137	39

Remarks:

\* Appropriated from retained earnings

\*\* Appropriated from net profit and retained earnings

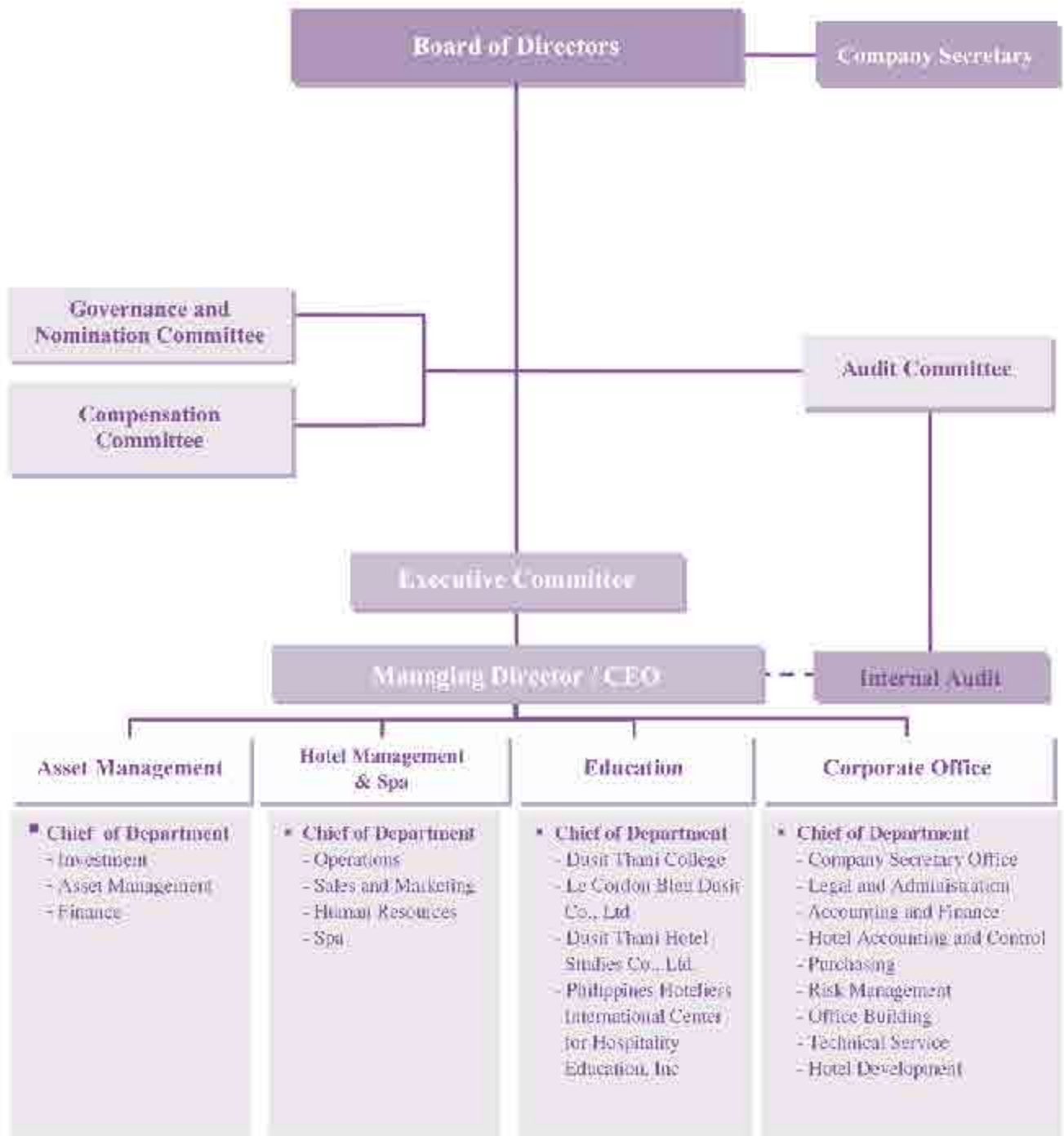
<sup>(1)</sup> In the consolidated financial statements of 2013 compared to 2012 included the financial statement of Dusit Thani College which indirectly invested of 86.79% by the Company. The Company had re-evaluated the control in Dusit Thani College and concluded that Dusit Thani College is a subsidiary of the Company. As such, since the 3<sup>rd</sup> quarter 2014, the Company consolidated the financial statements of Dusit Thani College in the consolidated financial statements and has restated the consolidated financial statements retrospectively, and later resubmitted the restated financial statements for the year ended December 31, 2013 compared to year 2012.

The Private Higher Education Institutions Act B.E. 2546 Amendment (No.2) B.E. 2550 requires that a private higher education institution shall allocate, not over 30 percent of its annual excess revenues over expenses as benefit to the licensor.





## Management Structure as of December 31, 2015



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

1. Asset Management
2. Hotel Management & Spa
3. Education
4. Corporate Office



## 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. Dusit 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:

1. Operations Department
2. Sales & Marketing Department
3. Human Resources Department
4. Spa

After Dusit's Re-branding taking place, Dusit International has identified and standardized our own hotel's products and services discernibly in accordance with 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 Pattaya, Dusit Thani Pattaya
- Devarana Spa Hua-Hin, Dusit Thani Hua Hin
- Devarana Spa Chiang Mai, dusitD2 Chiang Mai
- Devarana Spa Manila, Dusit Thani Manila
- Devarana Spa Maldives, Dusit Thani Maldives
- Devarana Spa Nairobi, dusitD2 Nairobi
- Devarana Spa Guam, Dusit Thani Guam
- Devarana Spa Cairo, Dusit Thani Lakeview Cairo

### **Naam Spa**

Naam Spa is offering health-related service (spa) for 4-5 star hotel whose concept depicts simplicity and straightforward both design and service with the following locations:

- Naam Spa Korat, Dusit Princess Korat
- Naam Spa Abu Dhabi, Dusit Thani Abu Dhabi
- Naam Spa Dubai, Dusit Thani Dubai

### **3. Education**

Dusit Thani Public Company Limited has set up the Education Business Unit with the objectives of expanding more education units and training both in Thailand and overseas, especially where Dusit's hotels are located for preparing professional workforce and manpower to work in global hospitality industry especially Dusit's hotel. At present, the Company's education business has been recognized and consistently grown into large scale.

#### **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 programs 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 2007.

**(3) Dusit Thani Hotel Studies Co., Ltd.**

Dusit Thani Hotel Studies Co., Ltd. operates Dusit Thani Hotel School for hotel professional training at diploma and certificate levels. The aim is to provide knowledge and skills in various fields of the hotel business to the youth who want to pursue a career in the hotel business as well as those who are working in the industry and still want to improve their skills in the profession.

The programs are developed on the basis of Job Titles and Common Labor Divisions of the Hotel Service, fully adhering to the ASEAN Common Competency Standards for Tourism Professionals covering all areas of hotel operations, i.e., Food Production, Food and Beverage Service, and Rooms Division (Front Office and Housekeeping).

**(4) Philippine Hoteliers International Center for Hospitality Education, Inc.**

Philippine Hoteliers International Center for Hospitality Education, Inc. (PHI Education) has operated the Education Institute, registering in the Republic of the Philippines since 15 July 2015. PHI Education will offer a Bachelor's Degree in Hospitality Management and certified courses in Culinary Arts and Hotel Operations.

**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
- Purchasing
- Risk Management
- Office Building





- Technical Service
- Hotel Development

#### ➤ Board of Directors

As of December 31, 2015 the Company had General Prem Tinsulanonda as Chairman Advisor, Mr. Khwankeo Vajarrodaya and Mr. Sakdi Kiewkamkha as Advisors to the Board of Directors, Trianpuying Chanut Piyaoui as Founder and Advisor to the Board of Directors and Mr. Chatri Sophompanich as Honorary Chairman.

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

No.	Name	Position	No. of meetings attended	
			Board of Directors	Meeting without the Management
1	Mr. Arsa Sarasin*	Independent Director / Chairman	6/6	1/1
2	Professor Hiran Radeesri	Independent Director / Audit Committee Chairman / Compensation Committee Chairman / Governance and Nomination Committee Chairman	8/8	1/1
3	Professor Sansern Kraichitti	Independent Director / Audit Committee Member / Compensation Committee Member / Governance and Nomination Committee Member	8/8	1/1
4	Mrs. Pranee Phasipol	Independent Director / Audit Committee Member / Compensation Committee Member / Governance and Nomination Committee Member	8/8	1/1
5	Mr. Banterng Tantivit*	Director	2/6	-/1
6	Mr. Vichit Chinwongworakul*	Director	5/6	1/1
7	Mrs. Pratana Mongkolkul	Director	7/8	-/1
8	Mrs. Varang Chaiyawan	Director	6/8	1/1
9	Mr. Kenneth Korsirisophon	Director	1/8	-/1
10	Mrs. Suphaje Suthumpun*	Director	2/2	-/1
11	Mr. Chatin Donovanik	Director / Managing Director	8/8	-
12	Mrs. Sinee Thienprasiddhi	Director / Secretary to the Board of Director / Company Secretary	7/8	1/1

Remark \*Mr. Arsa Sarasin

was appointed as Independent Director on March 24, 2015 and Chairman on April 1, 2015

Mr. Banterng Tantivit

was appointed as Director on April 28, 2015

Mr. Vichit Chinwongworakul

was appointed as Director on April 28, 2015

Mrs. Suphaje Suthumpun

was appointed as Director on October 1, 2015



Some directors were unable to attend every Board of Directors Meeting due to business matters.

The Company has 4 Independent Directors and 3 Audit Committee Members which the number and qualifications are in accordance with related notifications.

In addition, Non-Executive Directors had the meeting on November 9, 2015 without the management.

#### Shareholding of Director and related party at December 31, 2015 comparing with December 31, 2014

Dusit Thani Public Company Limited								
No.	Name	Shareholding						Increase  (Decrease)
		Held by himself/herself		Held by Related Party		Total		
		2015	2014	2015	2014	2015	2014	
1	Mr. Arsa Sarasin*	-	-	-	-	-	-	-
2	Professor Hiran Radeesri	-	-	-	-	-	-	-
3	Professor Sansern Krachitti	5,406	5,406	58,910	61,660	64,316	67,066	(2,750)
4	Mrs. Pranee Phasipol	-	-	-	-	-	-	-
5	Mr. Banterng Tantivit*	-	-	9,918,600	-	9,918,600	-	9,918,600
6	Mr. Vichit Chinwongworakul*	3,158,800	-	2,043,100	-	5,201,900	-	5,201,900
7	Mrs. Pratana Mongkolkul	-	-	-	-	-	-	-
8	Mrs. Varang Chaiyawan	-	-	2,191,108	2,191,108	2,191,108	2,191,108	-
9	Mr. Kenneth Kornirisophon	-	-	8,731,772	8,731,772	8,731,772	8,731,772	-
10	Mrs. Suphaje Suthumpun*	-	-	-	-	-	-	-
11	Mr. Chanin Donovanik	52,600	52,600	42,338,944	42,338,944	42,447,568	42,447,568	-
12	Mrs. Sinee Thienprasiddhi	56,024	56,024	-	-	-	-	-
Total (Shares)		3,272,830	114,030	65,282,434	53,323,484	68,555,264	53,437,514	15,117,750

Remarks \* Mr. Arsa Sarasin was appointed as Independent Director on March 24, 2015 and Chairman on April 1, 2015

Mr. Banterng Tantivit was appointed as Director on April 28, 2015

Mr. Vichit Chinwongworakul was appointed as Director on April 28, 2015

Mrs. Suphaje Suthumpun was appointed as Director on October 1, 2015

#### Authorized Directors

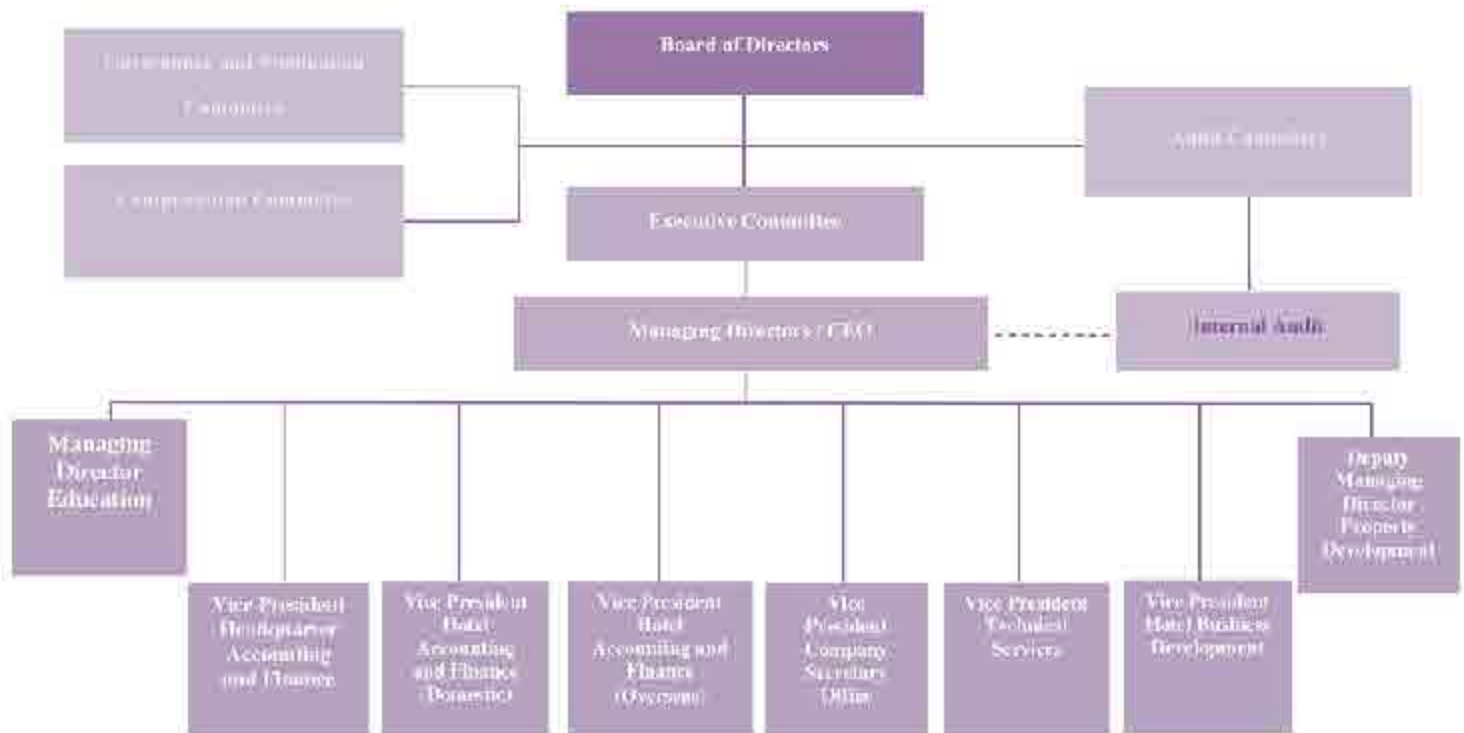
Directors who have authorized to sign to bind the Company are Mr. Chanin Donovanik, Mrs. Sinee Thienprasiddhi, Mrs. Varang Chaiyawan and Mrs. Suphaje Suthumpun. Two of these Directors must jointly sign and affix the Company's seal.





## ➤ Management Team

### Management Organization Chart as of December 31, 2015



(Name and experience of Management Team is in attachment)

(Name and experience of Management Team is in attachment)

No.	Name	Position
1	Mr. Chanin Donovanik	Managing Director / Chief Executive Officer
2	Mr. Lars Eltvik	Managing Director – Education
3	Miss Surang Jirattigalachote	Deputy Managing Director – Property Development
4	Mrs. Jongkonnee Chantavorakit*	Vice President – Headquarter Accounting and Finance
5	Miss Warunee Anekritmongkol	Vice President – Hotel Accounting and Finance (Domestic)
6	Mr. Yudishtra Jeganathan	Vice President – Hotel Accounting and Finance (Overseas)
7	Miss Amara Kulworasroth	Vice President – Company Secretary Office
8	Mr. Ian Newton Brewis	Vice President – Technical Services
9	Mr. Rustom Alexis Vickers	Vice President – Hotel Business Development

Remarks: \* 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 2015, 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 2015 as follows:

##### • Remuneration in Cash

##### 1. Meeting Remuneration:

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

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



Remuneration to the sub-committee which are:

- **Audit Committee:**
  - Monthly remuneration: Chairman of Audit Committee is Baht 20,000 and other members is Baht 10,000 each.
  - Timely remuneration: Chairman and other members is Baht 10,000 each.
- **Compensation Committee and Governance and Nomination Committee:**
  - Timely remuneration to Chairman is Baht 20,000 and to other members is Baht 10,000 each.

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

In 2015, the summary of remuneration received by each director was as follows:

Director's names	Year 2015				
	Board of Directors			Other committees*	Total Remuneration
	Remuneration				
	Monthly	Timely	Yearly	Remuneration	
1. Thanpuying Chanut Piyaoui**	-	-	10,892	-	10,892
2. Mr. Chatri Sophonpanich	45,000	-	130,700	-	175,700
3. Mr. Arsa Sarasin**	137,581	140,000	-	-	277,581
4. Pol. Lt. Chattrachai Bunya-Ananta	40,000	15,000	65,350	-	120,350
5. Mrs. Pratana Mongkolkeul	120,000	105,000	54,458	-	279,458
6. Mrs. Varang Chaiyawan	120,000	105,000	65,350	-	290,350
7. Mr. Kenneth Korsiripon	120,000	15,000	65,350	-	200,350
8. Mr. Chanin Donavanik	120,000	120,000	65,350	-	305,350
9. Mrs. Sinee Thienprasiddhi	120,000	120,000	65,350	-	305,350
10. Professor Hirun Radeesri	120,000	135,000	65,350	260,000	580,350
11. Professor Sansern Kraichitti	120,000	135,000	65,350	400,000	720,350
12. Mr. Sakdi Kiewkamkha	90,000	75,000	65,350	260,000	490,350
13. Mrs. Pranee Phaisipol	120,000	135,000	65,350	220,000	540,350
14. Mr. Soradis Vinayarat	25,484	-	65,350	-	90,834
15. Mr. Banerng Tanvivit***	80,000	30,000	-	-	110,000
16. Mr. Vichit Chinwongworakul****	80,000	90,000	-	-	170,000
17. Mrs. Suphajea Suthumpun****	30,000	30,000	-	-	60,000
Total (Baht)	1,488,065	1,250,000	849,550	1,140,000	4,727,615

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

*\*\* Thanpuying Chanut Piyaoui was Director until February 24, 2014.*

*\*\*\* Mr. Arsa Sarasin was appointed as Independent Director to replace Mr. Soradis Vinayarat who resigned effective from March 24, 2015 and as Chairman to replace Mr. Chatri Sophonpanich who resigned effective from April 1, 2015.*

*Mr. Banerng Tanvivit was appointed as Director to replace Mr. Chatri Sophonpanich who resigned effective from April 28, 2015.*

*Mr. Vichit Chinwongworakul was appointed as Director to replace Pol. Lt. Chattrachai Bunya-Ananta who passed away effective from April 28, 2015.*

*Mrs. Suphajea Suthumpun was appointed as Director to replace Mr. Sakdi Kiewkamkha who resigned effective from October 1, 2015.*





#### Remuneration for Board of Directors

Remuneration*	Amount (Baht)	
	Year 2014	Year 2015
Monthly and timely remuneration	2,740,000	3,878,065
Annual remuneration	827,767	849,550
<b>Total</b>	<b>3,567,767</b>	<b>4,727,615</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 which has been approved since 2005. The Board of Directors' Meeting No. 6/2015 on September 30, 2015, therefore approved the additional entertainment allowance for each Director Baht 240,000 per year effective from October 1, 2015 onwards. In 2015, the actual entertainment spent by all directors was Baht 1.38 million.

#### Remuneration for Executives

Year	Amount (Person)	Amount (Million Baht)		
		Salary and bonus	Other benefits	Total
2014	5	23.92	0.96	24.88
2015	8	28.67	3.84	32.51

In 2015, 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 2015, the money contributed by the Company for 2 Executives was Baht 0.56 million.

#### ➤ Human Resources

##### • Total Employees

In 2015, the Company has 3,621 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 2015, the Company paid employees' remuneration in the amount of Baht 645.91 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 998.11 million which the details are as follows:

Year 2013	Dusit Thani Plc.	Dusit Thani Properties Plc.	Dusit Management Co., Ltd.	Dusit Worldwide Co., Ltd.	Dusit Thani Hotel Studies Co., Ltd.	Philippine Hoteliers, Inc.	Dusit Overseas Co., Ltd.	DMS Property Investment Private Limited	Dusit Thani College	Total
Hotel Employees (person)	1,121	462	874		27	313		239	293	3,329
Executives (person)	12	3	3	2	1	1	-	1	1	26
Corporate Office Employees (person)	213	7		11		3	2			266
Total (person)	1,346	472	877	45	28	317	2	240	294	3,621
Employees' Remuneration (THB million)	645.91	160.53	294.73	76.60	8.91	169.35	5.40	147.10	135.49	1,644.02

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 allocated 1.5% of total annual income of total staff for employee trainings.

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.

To ensure that the company continues to develop employees and covers all the skills. Total training plan is used as a training guideline for employees and to assure that the all year training plan is met the company objective. Moreover, the company set a target for achieving the total training plan at 70% which more focuses on the end result of people development in order to increase guest satisfaction instead of the number of training hours. As a result, training structure is established as following:

- Grade 1-3 employees emphasize on Company Core course, Departmental workshop, and Skill Development Training.
- Grade 4-5 employees especially front line employees emphasize on Standard Operating Procedures (SOP) Training at least 2 hours per month.

Dusit Compulsory Programs by Grade Level								
GL	NSO 18 hours	DTG 3 hours	DSS 18 hours	FLL 30 hours	OPT 12 hours	HG 3 hours	PA 6 hours	MD 6 hours
1	X	X	X			X	X	X
2	X	X	X			X	X	X
3	X	X	X	X	X	X	X	X
4	X	X	X	X	X			
5	X	X	X	X				

NSO New Staff Orientation

DSS Dusit Signature Service

OPT Operational Trainer

PA Performance Appraisal

DTG Dusit Thai Graciousness

FLL Frontline Leadership

HG Handling Grievances

MD Maintaining Discipline

#### ▪ 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
Group Chief Executive Officer	The top executive of the Group.
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-Committee is 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 Group Chief Executive Officer's remuneration.





The Governance and Nomination Committee	The Sub-Committee is appointed by the Board of Directors to be responsible to nominate persons to be Director and Group Chief Executive Officer 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 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 or the person whom assigned by 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 up to 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. The said receipt shall be reported to the superior and proceed complying with the Company's regulations.

- 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 Executives or Internal Audit or Audit Committee members 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 SEC.
- 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 Chief Financial Officer (CFO) 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 and disclosed in Annual Report and the Company's website.
- 5.3 The Board of Directors has considered, reconsidered and approved on the Company's vision, mission, strategies, goals, business plans, investment and budget annually as proposed by the Group Chief Executive Officer and the management, including ensuring and monitoring that the management performs the business operation efficiently and effectively in accordance with the resolution approved 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 Committee and management clearly and convey 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 Group Chief Executive Officer 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 that the Group Chief Executive Officer shall not be appointed as a Director in more than 2 other listed companies and must be agreed by the Board of Directors.

In addition, the Group Chief Executive Officer shall not hold Director position in other company which has the same nature as and is in competition with the business of the Company unless the Board of Director has agreed and informed to the Shareholders' Meeting prior the appointment. The above regulations are except being Director in subsidiary company.

- 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 Group Chief Executive Officer 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 audit 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 shall schedule the Board of Directors Meeting in advance every year which shall be held more than 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 Group Chief Executive Officer 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 Directors 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 SEC and 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 Group 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 Group Chief Executive Officer 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, consistency with the business strategies and use Director Pool as the data base for new director nomination.

- 5.27 The Chairman of the Board of Director is an Independent Director and 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 Group Chief Executive Officer 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 the responsibility to set and enforce the anti-corruption policy to ensure that the management acknowledges the importance of anti-corruption.

5.32 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 one is Audit Committee Chairman. 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 accounting 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. Review the accuracy and adequacy of the Company's financial reporting.
2. Review whether the Company has an appropriate and effective internal control system and internal audit procedure and evaluate the independence of Internal Audit Department as well as the appointment, transfer, termination or promotion of the Head of Internal Audit Department.
3. Review the Company's compliance with the Securities and Exchange Act, SET regulations, and relevant laws relating to the Company business.
4. Consider an external auditor to propose appointment and termination of the Company auditor and to propose their remuneration and responsibilities, include participating with the auditor in the meeting without the Company's management at least once a year.
5. Evaluate any transactions which may cause conflict of interest by according to the law and the SET regulations in order to ensure that the transactions are reasonable and contribute to the best interest of the Company.
6. Review the adequacy of the Company's Risk Management processes.
7. Review the Company's performance according to the Anti-Corruption Policy.
8. Report the Audit Committee's performance to Board of Directors at least four times a year.
9. Prepare the Audit Committee report and disclose said report, signed by the Audit Committee Chairman, in the Annual Report. The Audit Committee's report should contain at least the following information:
  - 9.1 Opinion on the accuracy, adequacy and reliability of the Company's financial report
  - 9.2 Opinion on the adequacy of the Company's internal control system





- 9.3 Opinion on the Company's compliance with the Securities and Exchange Act, the SET regulations, and the relevant laws relating to the Company's business
- 9.4 Opinion on the appropriation of the external auditor
- 9.5 Opinion on transactions that may cause conflict of interests
- 9.6 The frequency of Audit Committee meetings and the participation of each member
- 9.7 Opinion or raise the points on which the Audit Committee obtains from the duties according to the charter
- 9.8 Other reports which shareholders and general investors should know under the scope of duties and responsibilities assigned by Board of Directors
- 10. Perform any other duties assigned by Board of Directors.
- 11. If the Audit Committee finds any matter which significantly impacts the financial status and/or Company performance, the committee shall report such matters to Board of Directors in order to resolve such matters in timely manner:
  - 11.1 Conflicts of interest
  - 11.2 Fraud or irregularity or a significant deficiency in the internal control system
  - 11.3 Infringement of the SEC Act, the SET regulations, or relevant laws related to the Company business

If the Board of Directors or the management fails to seek an improvement within a reasonable period, any member of the Audit Committee may report such matter directly to the SEC or SET.
- 12. If the Auditor finds suspicious circumstances in which a Director, Manager or responsible person in the Company has committed an offense under the law, the Audit Committee should be contacted in order to conduct further investigation immediately. The Audit Committee shall report the primary result to the SEC and the Auditor within 30 of being informed. The method to obtain clarification on the above mentioned circumstances should be accordance with the notification of the Capital Market Supervisory Board.

#### **Compensation Committee**

- 1) Compensation Committee consists of at least three persons which one is Compensation Committee Chairman who must be Independent Director. 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. Each member shall be in post no longer than 3 terms except getting a special approval by the Board of Directors.



- 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. Propose the policy and procedure of remuneration for the Board of Directors and Sub-Committees of the Company and subsidiary companies appointed by the Board of Directors, both in cash and non-cash.
2. Propose the remuneration policy for Group CEO, both in cash and non-cash, to comply with the Company's performance prior to the Board of Directors approval annually.
3. Regularly review, study and follow up the changes and trends of remuneration for the Board of Directors, including the management of the Company, by comparing with other leading companies in the same business in order to motivate the administration progress.
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 one is Governance and Nomination Committee Chairman. All Governance and Nomination Committee members 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. Each member shall be in post no longer than 3 terms except getting a special approval by the Board of Directors.
- 3) Meetings of the Governance and Nomination Committee shall be convened at least 2 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. Govern and monitor the Company's business operation, disclose information of Investor Relations and ensure the Board of Directors, Sub-Committees, management and employees strictly comply with good corporate governance, Company policies and related laws and regulations.
2. Determine the scope of and review the Company's operation policies, making recommendations concerning good corporate governance and keeping the policies up-to-date.
3. Consider CSR policy and operating plans to be submitted to the Board of Directors for approval.





4. Propose organizational structures of the Board of Directors of the Company and its subsidiaries
5. Propose a list of qualified persons to be appointed as Director of the Company and its subsidiaries.
6. Consider and determine qualified persons to be appointed as Group CEO and formulate the Succession Plan.
7. Recommend a process of performance evaluation for the Board of Directors and the Sub-Committees, 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 Group Chief Executive Officer 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 except such receipt is owing to tradition providing. The said receipt shall be reported to the superior and proceed complying with the Company's regulations.

### 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 assigned Chief Financial Officer (CFO) 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**

##### **➤ 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. CEO is the top executive of the Company who manages the Company through the executives which summarize as follows:

##### **○ Board of Directors**

As of December 31, 2015, 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 Group CEO
2. Evaluate the performance of Group CEO
3. Approve the organizational structure and management of the Group
4. Approve the vision, mission, policies, strategies, goals, business plan, investments and annual budget for the Group and ensures performance according to the plan and budget
5. Regularly evaluate the performance and finances of the Group, including determining remuneration and succession planning review
6. Approve related transactions, conflicts of interest, acquisition or disposition of assets, etc. according to the laws and regulations of the SEC and SET
7. Approve the issues of contingent liabilities, commitments and guarantees of the Group and authorize management to process appropriately
8. Consider any dispute or litigation of the Group where the capital has claimed is in excess of 5 million Baht
9. Approve the payment of the Group which is not in the annual budget and/or exceeds the authority of the Executive Committee
10. Approve the payment of the Group which over budget and exceed the authority of the Executive Committee
11. Approve the rental and leasing of immovable property for a period over 3 years
12. Consider and determine the responsibilities and authorities of: Audit Committee and other Sub-Committees; representative Board of Directors in subsidiary companies; and Executive Committee





13. Consider matters to be proposed at the Shareholders Meeting
14. Approve matters proposed by the Executive Committee, including all matters required by law or SEC or SET, to be proposed to Board of Directors for approval
15. The 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 disposition of assets which shall follow the regulations of the SEC and SET. However, the Board may authorize the Executive Committee to process other assignments within their scope of responsibilities. The authorization shall not involve any personal issues, interests or other benefits relating to the Company or subsidiary companies, unless the issues are reviewed and approved under the objectives and principles of the Board.

#### **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.

#### **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. 6/2015 held on September 30, 2015 approved the resolution with effective from October 1, 2015 as follows:

1. To appoint Professor Hiran Radeesri as Audit Committee Chairman.
2. To approve the resignation from Audit Committee of Mr. Sakdi Kiewkarnkha who was appointed as Advisor to the Audit Committee.

At present, the Audit Committee of the Company consists of 3 persons and 1 Advisor

The names and details of Audit Committee's members during January-September 2015 are as follows:

No.	Name	Position	Meetings attendance (No.)
1.	Professor Sansern Kraichitti	Audit Committee Chairman	8/8
2.	Mr. Sakdi Kiewkarnkha	Audit Committee Member	8/8
3.	Mrs. Pranee Phasipol	Audit Committee Member	8/8



The names and details of Audit Committee's members during October-December 2015 are as follows:

No.	Name	Position	Meetings attendance (No.)
1.	Professor Hiran Radeesti	Audit Committee Chairman	2/2
2.	Professor Sansern Kraichitti	Audit Committee Member	2/2
3.	Mrs. Pranee Phasipol	Audit Committee Member	2/2
4.	Mr. Sakdi Kiewkarnkha	Advisor to the Audit Committee	2/2

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

**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 the 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 in Accounting and experience for reviewing the reliability of financial report. Moreover, one secretary shall be appointed as suitability.

#### **Duties and Responsibilities**

1. Review the accuracy and adequacy of the Company's financial reporting.
2. Review whether the Company has an appropriate and effective internal control system and internal audit procedure and evaluate the independence of Internal Audit Department as well as the appointment, transfer, termination or promotion of the Head of Internal Audit Department.
3. Review the Company's compliance with the Securities and Exchange Act, SET regulations, and relevant laws relating to the Company business.
4. Consider an external auditor to propose appointment and termination of the Company auditor and to propose their remuneration and responsibilities, include participating with the auditor in the meeting without the Company's management at least once a year.
5. Evaluate any transactions which may cause conflict of interest by according to the law and the SET regulations in order to ensure that the transactions are reasonable and contribute to the best interest of the Company.
6. Review the adequacy of the Company's Risk Management processes.
7. Review the Company's performance according to the Anti-Corruption Policy.
8. Report the Audit Committee's performance to Board of Directors at least four times a year.
9. Prepare the Audit Committee report and disclose said report, signed by the Audit Committee Chairman, in the Annual Report. The Audit Committee's report should contain at least the following information:
  - 9.1 Opinion on the accuracy, adequacy and reliability of the Company's financial report
  - 9.2 Opinion on the adequacy of the Company's internal control system





- 9.3 Opinion on the Company's compliance with the Securities and Exchange Act, the SET regulations, and the relevant laws relating to the Company's business
- 9.4 Opinion on the appropriation of the external auditor
- 9.5 Opinion on transactions that may cause conflict of interests
- 9.6 The frequency of Audit Committee meetings and the participation of each member
- 9.7 Opinion or raise the points on which the Audit Committee obtains from the duties according to the charter
- 9.8 Other reports which shareholders and general investors should know under the scope of duties and responsibilities assigned by Board of Directors
- 10. Perform any other duties assigned by Board of Directors.
- 11. If the Audit Committee finds any matter which significantly impacts the financial status and/or Company performance, the committee shall report such matters to Board of Directors in order to resolve such matters in timely manner:
  - 11.1 Conflicts of interest
  - 11.2 Fraud or irregularity or a significant deficiency in the internal control system
  - 11.3 Infringement of the SEC Act, the SET regulations, or relevant laws related to the Company business

If the Board of Directors or the management fails to seek an improvement within a reasonable period, any member of the Audit Committee may report such matter directly to the SEC or SET.

- 12. If the Auditor finds suspicious circumstances in which a Director, Manager or responsible person in the Company has committed an offense under the law, the Audit Committee should be contacted in order to conduct further investigation immediately. The Audit Committee shall report the primary result to the SEC and the Auditor within 30 of being informed. The method to obtain clarification on the above mentioned circumstances should be accordance with the notification of the Capital Market Supervisory Board.

#### **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 2015, 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 2015.





### 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 Board of Directors' Meeting No.6/2015 on September 30, 2015 had approved the appointment of Mrs. Pranee Phasipol as Compensation Committee Member to replace Mr. Sakdi Kiewkarnkha who resigned effective from October 1, 2015. During October 1 – December 31, 2015, there is no Compensation Committee Meeting.

The names and details of Compensation Committee's members in year 2015 are as follows:

No.	Name	Position	Meetings attendance (No.)
1.	Professor Hiran Radeesri	Compensation Committee Chairman	4/4
2.	Professor Sansern Kraichitti	Compensation Committee Member	4/4
3.	Mrs. Pranee Phasipol	Compensation Committee Member	-/-

*Mrs. Jongkoonnee Chantaworakit, 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 procedure of remuneration for the Board of Directors and Sub-Committees of the Company and subsidiary companies appointed by the Board of Directors, both in cash and non-cash.
2. Propose the remuneration policy for Group CEO, both in cash and non cash, to comply with the Company's performance prior to the Board of Directors approval annually
3. Regularly review, study and follow up the changes and trends of remuneration for the Board of Directors, including the management of the Company, by comparing with other leading companies in the same business in order to motivate the administration progress.
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 Compensation Committee Chairman and Compensation Committee Member is 3 years each. 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 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 Compensation Committee Chairman 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 Compensation Committee Chairman 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 Compensation Committee Chairman 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 Compensation Committee Chairman.

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 2015, 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.

#### **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 Board of Directors's Meeting No. 6/2015 on September 30, 2015 had approved the appointment of Mrs. Pranee Phasripol as Governance and Nomination Committee Member to replace Mr. Sakdi Kiewkarnkha who resigned effective from October 1, 2015. During October 1 – December 31, 2015, there is no Compensation Committee Meeting.

The names and details of Governance and Nomination Committee's members in year 2015 are as follows:



No.	Name	Position	Meetings attendance (No.)
1.	Professor Hiran Radeesri	Governance and Nomination Committee Chairman	5/5
2.	Professor Sansern Kraichiti	Governance and Nomination Committee Member	5/5
3.	Mrs. Pranee Phasipol	Governance and Nomination Committee Member	-/-

*Mrs. Jongkonnee Chantavorakit, Vice President Headquarter in Finance and Accounting, is the Secretary of Governance 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. Govern and monitor the Company's business operation, disclose information of Investor Relations and ensure the Board of Directors, Sub-Committees, management and employees strictly comply with good corporate governance, Company policies and related laws and regulations.
2. Determine the scope of and review the Company's operation policies, making recommendations concerning good corporate governance and keeping the policies up-to-date.
3. Consider CSR policy and operating plans to be submitted to the Board of Directors for approval.
4. Propose organizational structures of the Board of Directors of the Company and its subsidiaries.
5. Propose a list of qualified persons to be appointed as Director of the Company and its subsidiaries.
6. Consider and determine qualified persons to be appointed as Group CEO and formulate the Succession Plan.





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.

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. 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 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 Governance and Nomination Committee Chairman sees fit, as deemed necessary and appropriate. There shall be convened at least 2 meetings per year.

In calling a meeting of the Governance and Nomination Committee, the Governance and Nomination Committee Chairman 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 Governance and Nomination Committee Chairman 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 2015, 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.

### **Executive Committee**

The Board of Director's Meeting No.5/2015 on September 8, 2015 had approved the appointment of Mr. Chanin Donavanik as the Executive Committee Chairman.

The Board of Director's Meeting No.8/2015 on December 21, 2015 had approved the appointment of the Executive Committee effective from January 1, 2016.





No.	Name	Position
1.	Mr. Chanin Donavanik	Executive Committee Chairman
2.	Mrs. Sinee Thienprasiddhi	Executive Director
3.	Mrs. Suphatee Suthumpun	Executive Director

**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.

#### **Authorities and Duties of Executive Committee Chairman**

1. Govern and monitor the performance of Executive Committee
2. Advise the management on business procedure
3. Govern and monitor Management to perform according to the resolution of the Board of Directors
4. Perform other duties as assigned by the Board of Directors

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

1. Evaluate the vision, mission, policy, strategy, goal, business plan, investment and annual budget proposed by the Group CEO for Board of Directors approval
2. Approve the investment plan, workforce plan, bonus and salary increase under the annual budget approved by Board of Directors
3. Consider any dispute and litigation of the Group in which the capital claimed does not exceed 5 million Baht
4. Approve the appointment, termination and remuneration of Management at MD, CFO and COO levels.
5. Approve management structures and frameworks below Executive Level
6. Approve salary and remuneration structures of staff and executives
7. Govern and monitor the operation to comply with policies, strategies and goals effectively, as well as comply with legal requirements and without any conflict of interest to maximize the benefits of the company
8. Approve the payment of the Group which is not in the annual budget and exceed the authority of the Group CEO, not exceeding 30 million Baht per one round of the Board of Directors Meeting, in compliance with the announcement and regulations of SEC and SET.
9. Approve the payment of the Group when over budget by 5% but not exceeding 10% or 30 million Baht, whichever amount is higher, per one round of the Board of Directors Meeting in compliance with the announcement and regulations of SEC and SET
10. Approve the rental and leasing of immovable property which falls outside of standard business practices for a period not exceeding 3 years



## 11. Perform other duties as assigned by the Board of Directors

### 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 the Executive Committee, 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

### ➤ 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 and Mrs. Pranee Phasipol have adequate knowledge in Accounting and experience for reviewing the reliability of financial report and are Certified Public Accountant. The education, trainings and work experiences of Audit Committee Members are in the Board of Directors, Executive and Authorized Person information.

### Authorities and Responsibilities of Group CEO

1. Set up vision, mission, policies, strategies, goals, business plan, investment and annual budget of the Group and submit to Executive Committee for consideration before proposing to Board of Directors for approval
2. Govern and monitor business affairs in accordance with the approved policies, strategies, goals, business plan and annual budget of the Group to achieve the targets and to increase shareholder value by maximizing earnings per share
3. Govern and monitor the management of the Group's business to comply with objectives, articles of association, policies, regulations, commands, resolutions of Shareholder meetings and/or





- resolution of Board of Directors meetings and/or Executive Committee, as well as follow up on the implementation of the management in order to regularly report progress and performance of the Group to the Board of Directors
4. Set up the HR management policy of the Group and support the operation of all units of the Group to develop and utilize existing potential efficiently
  5. Approve promotions of executive level
  6. Create a vision of leadership for all management levels
  7. Advise and share the experience in business operation for management and staff to benefit the operation of the Group
  8. Provide internal control systems, financial and investment risk assessment of the Group to reduce the risks by setting the risk management policy, including the follow up and evaluation to report to the Board of Directors
  9. Approve the payment of the Group which is not in the annual budget, not exceeding 10 million Baht per one round of the Board of Directors Meeting and comply with the announcements and regulations of SEC and SET
  10. Approve the payment of the Group when over budget not exceeding 5% or 10 million Baht whichever amount is higher per one round of the Board of Directors Meeting and shall comply with the announcement and regulation of SEC and SET
  11. Manage the financial and budget expenditures of the Group to maximize benefits efficiently
  12. Perform other duties as assigned by the Board of Directors and/or Executive Committee

#### **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 2015, 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 2015 was **Good**.
2. Compensation Committee has annually performed self-assessment checklists to evaluate and increase their performance which an assessment results in 2015 was **Good**.
3. Governance and Nomination Committee has annually performed self-assessment checklists to evaluate and increase their performance which an assessment results in 2015 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 2015 was **Good**.

### Board of Directors' Training

In 2015, the Directors who had training courses, summarized below.

Name	Course	Institute	Training Date
Mrs. Pranee Phasipol	- DCPU 3	- Thai Institute of Directors	17-18 March 2015
	- Anti-Corruption for Executive Program (ACEP15)	- Thai Institute of Directors	29 May 2015
	- Role of Compensation Committee (RCC) 2015	- Thai Institute of Directors	15-16 June 2015
	- CG Forum 2/2015	- The Stock Exchange of Thailand	21 June 2015
	- Risk Management Program for Corporate Leaders Class 1/2015	- Thai Institute of Directors	6 and 13 July 2015
Mr. Vichit Chinwongvorakul	DCP 212/2015	Thai Institute of Directors	14 September 2015 to 16 December 2015
Mrs. Suphajea Suthumpun	Senior Executive on Justice Administration	- National Justice Academy	10 September 2014 to 24 September 2015

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

### (1) Independent Director

Independent Directors of the Company are as follows:

1. Mr. Arsa Sarasin
2. Professor Hiran Radeesri
3. Professor Sansern Kraichitti
4. Mrs. Pranee Phasipol

### 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 8 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**

#### **o 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.

#### **o 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**

The Board of Directors shall approve the appointment and remuneration of CEO, considered by the Governance and Nomination Committee who 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. Furthermore, the Executive Committee shall approve the appointment and remuneration of the Executive in level of MD, CFO and COO. The appointment and remuneration of the descending level shall be approved by CEO.

➤ **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 Audit Committee, Group Chief Executive Officer, Company Secretary or Director of Internal Audit 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 2015, 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, Compensation Committee member and Governance and Nomination Committee member are 3 years. Each member shall be in post no longer than 3 terms except getting a special approval by the Board of Directors.

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 2015, the Company paid remuneration fees to audits as follows:

##### **Audit Fees**

1. The audit fee of the Company and subsidiaries in Thailand paid to KPMG Phoomchai Audit Limited totaling Baht 4.09 million
2. The audit fees of subsidiaries, associated companies and joint ventures in overseas:
  - R.G. Manabat & Co. (a member firm of KPMG), Makati City, Philippines totaling Peso 700,000.





- KPMG, Male, Republic of Maldives totaling USD 9,800.
- KPMG Huazhen (Special General Partnership), Shanghai, People's Republic of China totaling RMB 250,000.

**Non-audit fees****• The Company**

- Consulting service fee related to income tax on investment in overseas, KPMG Phoomchai Tax Limited has provided such service. The service fee of Baht 320,000 was already paid.

**• Subsidiaries in overseas**

- Consulting service fee related to filing income tax, KPMG, Male, Republic of Maldives has provided such service. The service fee of USD 2,444 was already paid in 2015 and will be paid in 2016 of USD 5,144.



## 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 2015, 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 given details of management plan on Economics, Social and Environmental issues including the execution policies and activities along the year 2015. In order to disclose, not only the positive but also the negative effects and results together with the Company action plan on the matters. The sustainability report which summarized of operating information and activities in year 2015 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 framework, 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. The said receipt shall be reported to the superior and proceed complying with the Company's regulations.
- Promote the Collaboration on developing the products, services and trainings included profit-making for mutual 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 intends 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. In year 2014 the Board of Directors Meeting No. 6/2014 on October 27, 2014 has resolved to approve Anti-Corruption policy of the Company and the Board of Directors Meeting No. 4/2015 on August 13, 2015 has resolved to approve the self-assessment of Anti-Corruption measures reviewed by the Audit Committee and submitted to Thai Institute of Directors (IOD) in order to entering into the certification process to be a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption. In October 2015, IOD on behalf of the Secretary to Thailand's Private Sector Collective Action Coalition has resolved to certify Dusit Thani Public Company Limited to be a member of Thailand's Private Sector Collective Action Coalition Against Corruption with the 3-year-validity Certification since October 16, 2015.

## **(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**

Environment is constantly changing with a substantial influx of natural disasters, warming and cooling periods and different types of weather patterns. The quality of the environment, both natural and man-made, is affect to human quality of life. We all are responsible to protect and concern environment.

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 signification milestone in environmental under the EarthCheckprogramme 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 EarthCheckprogramme can be found on [www.earthcheck.org](http://www.earthcheck.org)

In 2009, the Company marked a signification 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 under support from our senior management and a group of dedicated Environmental Coordinator and passionate Greenteam members in each property. In addition, if there is good energy





management and pollution control, it will receive a certificate to ensure quality from EarthCheck. Currently 9 hotels in Dusit Group have achieved the Gold Certification by EarthCheck which are Dusit Thani Bangkok, Dusit Thani Dubai, Dusit Thani HuaHin, Dusit Thani Laguna Phuket, Dusit Thani Pattaya, Dusit Princess Korat, Dusit Princess Srinakarin, Dusit Princess Chiang Mai and DusitD2 Chiang Mai with 3 silver certified hotels Dusit Thani Manila, Dusit Thani Maldives and Dusit Thani Lakeview Cairo. Totally 12 properties to be one of the leading hotel groups in environmental and energy management aspects to create positive image as environmental-friendly.

## **(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

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 including a part in contributing social responsibility to the well-being of the communities around the Company's business units. Dusit Thani





Public Company Limited has embraced Corporate Social Responsibility (CSR) charitable donation through extensive activities in our hotels, resorts and business units across the world.

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 can be summarized into 2 main activities as follows:

### **1. CSR 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.operationssmile.org](http://www.operationssmile.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 envelops in guest rooms, deductions from employee salaries who are willing to donate money, charity activities, donations from business partners inside and outside Thailand, etc. Up until year 2015, program has collected Baht 7,430,784 in donations and has organized medical operations for 400 children with cleft lip.

Dusit International consists of Dusit Thani Bangkok, Dusit Princess Chiang Mai and dusitD2 Chiang Mai joined hands for medical mission to the children born with facial deformities such as cleft lip and palate in Tak Province on November 4-5, 2015. Operation Smile Thailand has organized medical operations for 120 children with cleft lip and palate.

#### **- Annual Charity Run "2015 Dusit Smiles Charity Run"**

Dusit Princess Srinakarin held an annual charity project "2015 Dusit Smiles Charity Run" at Suan Luang Rama IX on November 2015. Money after cost deduction in the amount of Baht 129,633.94 will be donated to Operation Smiles Thailand campaign for helping children with cleft lip and palate throughout Thailand.

#### **- Donation**

Dusit Thani Maldives has donated of 5,000 USD to Operation Smile Foundation.



## - 27th Year Anniversary With CSR Initiative

Dusit Thani Pattaya sold white and blue polo shirts to mark our hotel's 27th anniversary. Money after cost deduction in the amount of Baht 15,000 will be donated to Operation Smiles Thailand to help the children and young adults born with facial deformities and kids who need surgery to correct their facial deformities.

### ➤ Donation of Old Calendars to the Foundation for the Blind in Thailand

Dusit Thani Hua Hin as well as Dusit Princess Korat participated in donation 700 desktop calendars to the Foundation for the Blind under the Royal Patronage of H.M. the Queen in Thailand in order to produce creative teaching and learning materials to be utilized in various subjects for visually impaired students.

### ➤ DTAD Provides Internship Opportunity To Down Syndrome Student

Dusit Thani Abu Dhabi has accepted an internship student who has Down syndrome from the Future Center Institution, interning with the Pastry team that made that student gain more useful experiences. The sessions with the team not only allows him to gain additional skills but more importantly help him to become more independent in his own life.

### ➤ Blood donation campaign and handed a total of 60 bags of donation to the Thai Red Cross Society

Dusit Thani Pattaya organized a blood donation campaign and donated a total of 60 bags of blood to the Thai Red Cross Society to help poor families with ailing loved ones in need of blood supply.

### ➤ Support Construction of Dhonfanu Pre-School

Dusit Thani Maldives joined forces with the Island Council and the School Board of Dhonfanu, to construct a pre-school for local children and donated construction materials worth USD 20,000 (Maldivian Rufiya 308,400) to encompass a classroom, a teacher's office with store room, bathing facilities and a covered porch. Completion of the project is expected by June 2015.

### ➤ Share Love – Share Smiles for Orphans at “Baan Dek Dee”

dusitD2 Chiang Mai in collaboration with The Cabin Foundation and Studio Group joined hands to hold a charitable event, a “garage sale” at D-square to raise funds for charity. The amount of THB25,100 was raised and donated to Baan Dek Dee, an orphanage which helps children whose parents were killed by alcohol and drugs.

### ➤ CSR Activities

Dusit Princess Chiang Mai and dusitD2 Chiang organize some CSR campaigns that the staff went to Sri Sangwan Chiang Mai School for children with disabilities on June 16, 2015 and blood donation drive held by the Thai Red Cross Society on June 17, 2015.





➤ **Donation to the Chaipattana Foundation under the patronage of His Majesty the King**

Her Royal Highness Princess Maha Chakri Sirindhorn graciously grants an audience to Dusit Thani Pattaya at the Chitralada Palace as the hotel presented its donation raised by members of staff and management led by Chatchawal Supachayanont, General Manager of Dusit Thani Pattaya. The yearly donation will benefit the Chaipattana Foundation under the patronage of His Majesty the King in the amount of Baht 200,000 to help the less fortunate by giving them the opportunity to get involved in sustainable livelihood projects in order to make them self-sufficient.

**(2) Environmental Initiatives**

➤ **Earth Hour Activity**

Earth Hour Activity in cooperation with Earth Hour communities worldwide which the 2015 activity was organized 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.

➤ **Joined Together To Clean The Beachfront**

Dusit Thani Hua Hin joined hands to clean the beachfront from the recent oil spillage & garbage washed up along the shoreline. The team has been assigned to closely monitor the situation in order to reduce any further impact from this unwelcome and unnatural cause.

➤ **Beach Cleaning with Other Hotels in Patong**

dusitD2Phuket Resort participated in a Beach Combing Activity with staff from other hotels around the Patong area and Kalim beach which is just next to the tourist-filled Patong beach. The aim of the activity is to help improve our surrounding environment.

➤ **Tree Planting at Lumpini Park**

General Manager together with the management and staff of Dusit Thani Bangkok jointly organized a CSR tree planting activity at Lumpini Park to show their commitment towards caring for the environment.

➤ **GREEN activity with “Men-Yen Muang-Yen”**

The staff and management team of dusitD2 Chiang Mai joined hands with various Chiang Mai municipalities and organizations in town to initiate a GREEN activity of planting 800 trees along the moat for the future good living of our next generations to come.

➤ **Supporting Earth Hour at Dusit Thani Hua Hin**

Dusit Thani Hua Hin supported Earth Hour 2015 on March 28, 2015. The event started off with a special activity for guests who wish to show support for the Earth Hour Day. The participants were invited



to join in the activity of making gel candles and they subsequently received a discount of Baht 60 per candle on food items by presenting the candles to the hotel staff between 20:30 - 21:30 hrs. as part of the movement against climate change.

➤ **National Tree Day and World Environment Day**

On June 10, 2015 a group of Dusit Thani Laguna Phuket staff joined in an afforestation event, held on the occasion of National Tree Day and World Environment Day. The idea behind the event is to increase Phuket's forest area and "restore the eco-system of the forest for the well-being of the people". The project took place on 5 Rai of Suan Pa Bang Ka Noon near Layan Beach in Thalang.

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 by Dusit Thani Bangkok's staff and Corporate staff including other company staff in Dusit Thani Building as annually activity of a year, in 2015 organized on July 2, 2015 at Dusit Thani Bangkok. This activity was got 120 bags of blood donations.

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.

**Environmental Initiatives**

**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 Prosthesis Foundation.

➤ **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 in 2014 the Board of Directors Meeting No. 6/2014 on October 27, 2014 had approved the Company's Anti-Corruption Policy which based on principles 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**

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

## **Company business in context of CSV (Creating Shared Value)**

The Company has been operating business with concern about effects will caused to Social and Environment. We trying to less the negative effects with varies CSR-in-Process policies such as Environment impact control measures, Human rights policies, Anti-corruption procedures and Human resource development and welfare plan. In addition, we also keep running the Company CSR-after-Process activities in terms of promotion and cooperation with the government or other CSR entities and philanthropy in order to give back to social for mutual sustainability. However, the above activities are not the Company core businesses. Year 2015 the company considered to expand to business that integrate it's profit with benefit of social and serve the social needs while generating business income. Therefore, started the Dusit Thani Hotel School project which will develop knowledge in tourism business together



with increasing opportunity to study in hotel and hospitality business in Thailand according to the demand which continually raise. Moreover, this project also aim to delivery high standard personnel in to hotel industry both in Thailand and AEC countries. Educational business will be a business department of the Company that will drive the Company social responsibility role and at the same time generate financial benefit for mutual sustainability.

#### ➤ **Corporate Sustainability Report**

The Company has prepared CSR Report contains economic, social and environmental management and operations policies from January 1 to December 31, 2015, according to Dusit Thani's annual data updating cycles. Data was last updated on December 31, 2015. 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 2015 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 Dusit Princess Chiang Mai. For more information apart from this report, please refer to the 2015 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	(a) Policy Disclosure	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
	(b) Management Approach Disclosure	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category	
	(c) Performance Indicators & Sector Supplement Performance Indicators	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 2014.

### 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>



Stakeholders	Responsibilities
<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	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 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>
	<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, consider to investing in hotel, hospitality educational business with the goal of maintaining its long-term business values based on Thai cultural promotion and expanding to business in CSV (Creating Shared Value) context. The Company foresees that currently, hotel and hospitality business in Thailand confronting the lack of experienced and knowledgeable personnel situation. Meanwhile, the hotel and hospitality business educational opportunity in Thailand also not enough to serve the needs. Therefore, in 2015 the Company started the Dusit Thani Hotel School project which will increase opportunity to study in hotel and hospitality business in Thailand including in ASEAN and lift up the standard of hotel and hospitality education in Thailand. Moreover, this project also aims to delivery high standard personnel in to hotel industry therefore we can recruit more capability with high quality persons into the business. In addition, 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 the Company has appointed committees which will responsible to consider and monitor the matters.

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 going toward to the business in CSV (Creating Shared Value) context. Therefore, in 2015 the Board of Directors of the Company has approved the Dusit Thani Hotel School project since the project is business that will promote and develop hotel and hospitality business standard of Thailand. Moreover, increase the educational opportunity in hotel business for students not only in Thailand but also AEC countries. 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. In 2015, it was 206.10 mega joules per guest night usage, 7.9% decreased from 2014.



## 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 waterpipe 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. In 2015, it was 750.54 liters per guest night usage, 17.7% decreased from 2014.

## 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. In 2015, it was 3.86 liters per guest night usage, 34 % increased from 2014 due to the additional organized banquet in hotels.

## **Summary of Environmental Operations in 2015**

Usage Processes in 2015 Compared to 2014

Electricity

Water

Waste Landfill

Percentage: Guest Night



7.9 %



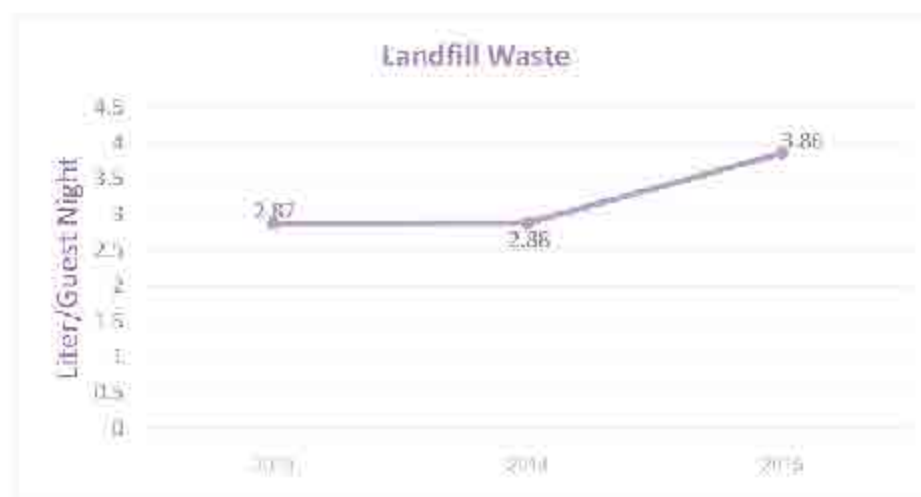
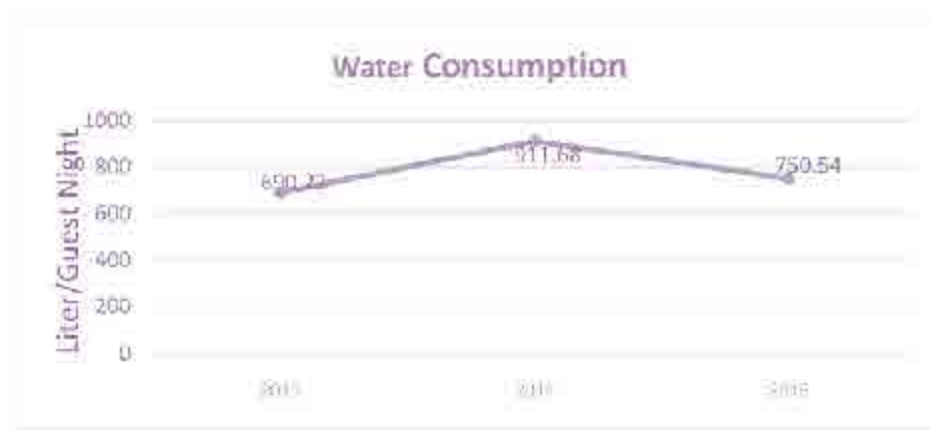
17.7%



34.0 %

Number per Guest Night	2013	2014	2015	Yearly Goal
<b>Electricity consumption (MJ)</b>	193.42	223.75	206.10	- 8%
% Difference Compared to the Year Before	-6.0%	+15.7%	-7.9%	
<b>Water (Liters)</b>	690.22	911.68	750.54	- 8%
% Difference Compared to the Year Before	-1.5%	+32.0%	-17.7%	
<b>Waste to Landfill (Liters)</b>	2.87	2.88	3.86	- 10%
% Difference Compared to the Year Before	-1.8%	+0.3%	+34%	







In 2015, the Company and hotels in the group performed the following environmental activities:

1. Installed LED light bulbs. At present, over 75% of the work is completed in all hotels in the Dusit Thani Group.
2. Installed water saving equipment. At present, 60% 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, 90% of the work is completed in all hotels in the Dusit Thani Group.
4. Recycled used materials. At present, over 90% 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.
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 68% 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 80% of all hotels practice this hygienic solution.





<i>Environmental Report</i>				
<i>#</i>	<i>Items</i>	<i>Objectives</i>	<i>Goals</i>	<i>Operations</i>
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 lift.</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
- Energy saving campaign

## 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. The training course divided in 2 categories comprise of compulsory training which the Company tailored for each position and career training which is special course that employee can apply with outsource institution for specific development. 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	Grade 1-2	Grade 3	Grade 4-5
<b>Compulsory Training</b>	<ul style="list-style-type: none"> <li>New Staff Orientation</li> <li>Dusit Guest Experience Module1</li> <li>Performance Appraisal</li> <li>Behavior-based interview</li> <li>Professional Trainer</li> <li>Handling Grievance</li> <li>Maintain Discipline</li> </ul>	<ul style="list-style-type: none"> <li>Dusit Guest Experience M. 1 &amp; 2</li> <li>Frontline Leadership (Some modules)</li> <li>Behavior-based interview</li> <li>Operational Trainer</li> <li>Handling Grievance</li> <li>Maintain Discipline</li> </ul>	<ul style="list-style-type: none"> <li>New Staff Orientation</li> <li>Product Knowledge</li> <li>Position Skill (SOPs)</li> <li>Dusit Guest Experience M.1 &amp; M.2</li> <li>Frontline Leadership (For Grade 4)</li> <li>Operational Trainer (For Grade4)</li> </ul>
<b>Career Training</b>	<ul style="list-style-type: none"> <li>Management courses Related to individual development plan</li> </ul>	<ul style="list-style-type: none"> <li>Management Courses Related to individual development plan</li> </ul>	<ul style="list-style-type: none"> <li>Competency Development (Related to position skills, language, and computers)</li> </ul>
<b>Competitive Training</b>	<ul style="list-style-type: none"> <li>Finance for Non Finance</li> <li>Revenue Management</li> <li>Entrepreneurship</li> <li>Budgeting, P&amp;L, Financial Analysis</li> <li>Leadership Profiling and Influencing</li> <li>Situational Leadership the core plus</li> <li>High Impact Presentation</li> </ul>	<ul style="list-style-type: none"> <li>Presentation Skill</li> <li>Training topics based on business and functional needs</li> </ul>	<ul style="list-style-type: none"> <li>Training topics based on business and functional needs</li> <li>Other languages required</li> <li>Up Selling Trainings</li> </ul>
<b>Corrective Training</b>	<ul style="list-style-type: none"> <li>Handling Complaint</li> </ul>	<ul style="list-style-type: none"> <li>Handling Complaint</li> </ul>	<ul style="list-style-type: none"> <li>Handling Complaint</li> </ul>

### 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 in year 2015**

Hotel	Committee	Staff	Average (%)
Dusit Thani Bangkok	13	615	2.11
Dusit Thani Pattaya	11	499	2.20
Dusit Thani Hua Hin	7	376	1.86
Dusit Thani Laguna, Phuket	7	368	1.90
dusitD2 Chiang Mai	10	133	7.52
Dusit Princess Srinakarin	7	188	3.72
Dusit Princess Korat	7	148	4.73
Dusit Princess Chiang Mai	7	138	5.07

**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	
		2014	2015
1.	Number of sickness case from work-related (Case)	0	0
2.	Number of injury case from work-related (Case)	32	22
3.	Number of fatalities from work-related (Person)	0	0
4.	Injury rate from work-related (Injury case / 200,000 Man-Hours)	1.09	0.73
5.	Lost day rate (Days / 200,000 Man-Hours)	8.85	8.95
6.	Absentee rate (Days / Total days scheduled to be worked by the workforce)	0.24	0.02
7.	Number of Employees as of December 31 (Person)	2,535	2,465

*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.*





### 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 2015, 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

**TripAdvisor 2015 Certificate of Excellence Hall of Fame**, a latest certificate have been also recognized by TripAdvisor in occasion of its 5th anniversary that the prestigious Certificate of Excellence award recognizes establishments. This certificate is to honor hotels that have won TripAdvisor Certificate of Excellence all five years and to help reinforce the success of the hotels. Dusit Princess Srinakarin Bangkok has been awarded the TripAdvisor 2015 Certificate of Excellence Hall of Fame, which places the hotel in the top-performing of all business worldwide on TripAdvisor.

**TripAdvisor 2015 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 2015 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 2015 Certificate of Excellence as follow Dusit Thani, Dusit Thani Bangkok, Dusit Thani Pattaya, Dusit Thani Hua Hin, Dusit Thani Krabi Beach Resort, Dusit Thani Maldives, dusitD2 Chiang Mai, dusitD2 Phuket resort, Dusit Princess Chiang Mai, Dusit Princess Korat, Dusit Princess Srinakarin and Pathumwan Princess.

**World Luxury Hotel Awards:** awards are established as a celebration of ultimate achievement in service excellence. They are about rewarding and congratulating hotels and spas that have excelled beyond the normal call of duty and aim to raise standards within the luxury hotel industry by giving recognition to hotels for world class facilities and service excellence, which are presented to luxury hotels in different categories on a country, continent and global basis. In 2015, the grand annual World Luxury Hotel Award Gala Ceremony was held on October 24, 2015 at Harbour Grand Hong Kong. Leading hotel chain Dusit International have celebrates accomplished the awards as follows:



- Luxury Diplomatic Hotel 2015, Dusit Thani Hua Hin
- Luxury Romantic Hotel 2015, Dusit Devarana New Delhi
- Luxury Business Hotel 2015, dusitD2 Nairobi
- Luxury Boutique Hotel 2015, dusitD2 Nairobi

Dusit Thani's service philosophy is to be humble and sincere to its customers, which is why hotels in the Dusit Thani Group Thai hotels, managed by Thaas, are internationally recognized. This brings pride to all Dusit Thani executives and employees alike. We will help strengthen Dusit Thani so its hotels retain their status as the world's top hotels.





### Performance Indicators

Indicator	Description	Page
<b>Economics</b>		
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant of operation.	123
<b>Environment</b>		
EN22	Total weight of waste by type and disposal method.	125-128
EN5	Energy saved due to conservation and efficiency improvements.	124-128
EN8	Total water withdrawal by source.	125-128
<b>Society</b>		
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	132
<b>Labor Practices and Decent Work</b>		
LA6	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.	131
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities compared to previous year.	131
LA10	Average hours of training per year per employee by employee category.	129-130
<b>Human Rights</b>		
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	129-132
<b>Product Responsibility</b>		
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	132-133



## 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 with 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. 1/2016 on February 25, 2016, 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 received 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 was no significant control weakness affecting internal control system. Besides, the external auditor of the Company for year 2015, KPMG





Phoomchai Audit Ltd., 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 6 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 related transactions. The Company's Internal Audit planned the schedule, policy and guideline for the year 2015 by auditing 1-2 times a year for each of large hotels and 1 time a year for each of small hotels. The majority of each audit engagement focused on financial audit covering revenue, cash receipts, purchase and disbursements, financial statement close process, inventory, cost control, adjustment transactions, together with fixed assets cycle. Aside from that, the audit were concerning review on operational audit and compliance with SEC especially related transactions as well as relevant laws regarding hotel business. For auditing at corporate office of the Company and its major subsidiaries, financial audit was performed 1 time a year including appropriate related transaction review. On top of that, data analysis tools was implemented to assist and increase efficiency of audit process particularly in analyzing and comparing profit and loss statement, significant general ledgers, as well as account recording in each document including sampling data for testing control, etc. As well, the tools will help identify and analyze irregularities of transactions recording and financial reporting

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. At present, the risk management team, which manned 2 persons, is responsible for consulting and assessing risks of the hotels, along with periodically reporting the results to Risk Management Committee. Therefore, risk management process has been continuously improved.

- **Opinion of the Audit Committee which is different from those of Board of Directors**  
-None



### Related Transactions

I. The Company and subsidiaries have related transactions with the persons who may have the conflicts of interest during 2014 and 2015 as follows:

Transactions with the Company/Subsidiaries	Types of transactions	Balances/Value of transaction (Million Baht)		Details, conditions and their necessary
		2014	2015	
Dust Thani Plc. and subsidiaries with Acme Printing Co., Ltd. by Mrs. Sinee Thienprasiddhi is the major shareholder.	Printed the calendar and annual report of the Company	1.58 / 1.87	1.58 / 1.87	The Company engaged Acme Printing Co., Ltd. by bidding process with other companies and comparing the offering price and conditions. The Company has selected the best company in order to meet the highest benefit to the Company and without decision making by connected person.
Dust Thani Plc. and subsidiaries with MBK PCL. by Mr. Chanin Donavanik and Mrs. Sinee Thienprasiddhi are the shareholders.	Management fee and other incomes	- / 0.79	0.02 / 1.48	The conditions of pricing and services in sales and marketing are similar to those charged to other hotels in the group.
Dust Thani PCL. and subsidiaries with Piyasiri Co., Ltd. by Thanpuying Chanut Piyasiri's Group held majority of its ownership.	Dividend income	- / 13.42	- / 13.41	Per dividend declaration
	Medical expenses	- / 0.09	- / 0.02	Prices and terms are in the normal business transaction.
Dust Thani PCL. and subsidiaries with JTB (Thailand) Co., Ltd. by Mr. Chanin Donavanik is the shareholder.	Revenue from sales and services and other income	8.92 / 30.39	5.35 / 62.38	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.





Transactions with the Company/Subsidiaries	Types of transactions	Balances/Value of transaction (Million Baht)		Details, conditions and their necessary
		2014	2015	
Dusit Thani PCL. and subsidiaries with Bangkok Bank PCL. by Mr. Chatri Sophonpanich, Chairman	Revenue from sales and services	- / 1.29	- / 0.22	Prices and terms are in the normal business transaction and per dividend declaration.
	Dividend and interest income	- / 0.52	- / 0.42	Prices and terms are in the normal business transaction and per dividend declaration.
	Selling and administrative expenses	- / 1.01	- / 1.63	Prices and terms are in the normal business transaction.
	Revenue from sales and services	- / 0.03	- / 0.07	Prices and terms are in the normal business transaction.
Dusit Thani PCL. and subsidiaries with New Atlantic Co., Ltd. by Thanpuying Chanul Piyaoui's Group held majority of its ownership.				
Dusit Thani PCL. and subsidiaries with The Navakij Insurance PCL. by Professor Hiran Radeesri is the director	Insurance expenses	- / 0.34	0.01 / 1.42	Prices and terms are in the normal business transaction.
Subsidiaries and related board of directors of Dusit Tham PCL.	Staff accommodation	- / 0.09	- / -	Prices and terms are in the normal business transaction.

According to the Audit Committee meeting No. 2/2016, the Audit Committee had considered 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 normal transactions in doing business which already disclosed in the notes to the financial statements, the Company has policies for related transactions with subsidiaries to acquire and dispose of assets and financial supporting transaction according to the Stock Exchange of Thailand's regulations. Even though the Company has related transactions with subsidiaries, such transaction must be approved by the Audit Committee and Board of Directors.

In 2014 and 2015, 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 conditions and compensations of market and fair values from financial supporting transactions to subsidiaries by changing in balances and outstanding of loans were as follows:

Subsidiaries	Changing balances (Million Baht)		Balances (Million Baht)		Detail of transactions
	2014	2015	2014	2015	
1. Dusit China Capital Co., Ltd.	1.80	36.70	1.80	38.50	The Company provided short-term loans.
	0.12	0.83	0.12	0.83	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 that the price 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 followed the conditions and regulations of the Stock Exchange of Thailand.

As such, the Audit Committee will give the opinion for a reasonable and necessary of entering to related transactions to get the best benefits for the Company.

The Company has complied with the Regulations issued 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

The entering on future related transactions according to the standard mentioned above including related transactions with Acme Printing Co., Ltd. and Dusit Thai Properties PCL. and/or other companies may conflict.

## 5. The reasons of conflict by persons who have indirectly held over 10% in subsidiaries, associates

The Company has no person who may has conflict directly held over 10% in subsidiaries and associates.





## Management Discussion and Analysis

### 1. Analysis of Operations, Financial Position and Significant Changes

For 2015, the tourism is the majority income of Thailand. The tourists travelled to Thailand increased by 20% which were from Asia countries of 36%, especially from China which was higher than other countries. However, the European tourists have decreased by 9%, especially from Russia due to the slowdown in economy of their countries, including the world economic which slowly recovered. These impacted to hotel business, especially resort hotels for example Maldives, Phuket, etc.

The Chinese and Asian tourist have been replaced tourists from Europe and Russia caused the increase in occupancy, but their behavior and style of travelling were different and caused the decrease in average room rate. In addition, on August 17, 2015, the car-bomb occurred at Ratchapraong area which declined the tourists come to Thailand. However, the result from the stimulus economic and tourism industry from the Government together with the high season period push the 2015 revenues from sales and services of hotel business for the fourth quarter increased, compared to last year.

The Company's business has been impacted by the external factors and also by the internal factors also caused the costs and expenses; depreciation. The 4 and 5 stars hotels need to renovate their hotels in order to maintain their standard, either major renovation or touchup renovation every year. This causes the depreciation expenses were more Baht 600 million. There are employee's benefits, the maintenance, and development of information technology for hotels and education management business and marketing to support the future business expansion. Such expenses are fixed and impacted to the Company's operation. In order to increase the selling channel, the Company has contacted the on line travel agents, set up the sale office in overseas to be the representatives and promote the business, including selling expenses with the alliance to Preferred Hotel Group (PHG). Moreover, the Company has continuing expanded the hotel management business to meet the target planned, therefore the cost of development and studying including employee expenses incurred to support that expansion. In 2015, the liabilities under rental guarantee to Property Fund was ended, while in 2014, the Company paid such rental guarantee of Baht 86.31 million.

The Company has potential and opportunity to expand business to China to increase networks and channels by investing in Dusit Fudn Hotel Management (Shanghai) Co., Ltd. to manage hotels in China. This is the second year operations, and the revenues were less than expenses and resulted of loss which was impacted to the financial statement of Baht 41.23 million. In future, if the expected management hotels be increased as expected, the Company would have more profit. In addition, the Company has opened new hotel school under Dusit Thani School Studies Co., Ltd. on September 15, 2015, the first year of opening class and has loss of Baht 28.14 million.



## The analysis of operation performance

For the year ended December 31, 2015, the first quarter, the Company has adjusted the financial information to comply with TFRS 11 by reclassification the investment in jointly controlled entities to joint ventures. As a consequence, the Group has changed the accounting policy for the investment in joint venture from proportionate consolidation to the equity method. These joint ventures are Le Cordon Bleu Dusit Co., Ltd., Dusit Bird Hotels Pvt. Ltd. and Dusit Furu Hotel Management (Shanghai) Co., Ltd. The effects of such changes impacted the recognition of assets, liabilities and comprehensive income of the Group. During the third quarter, one subsidiary had increased its investment in DMS Property Investment Pvt. Ltd. by 1,925,000 shares or 5%, bringing its total investment increased from 55% to 60%.

The 2014 financial statements have already restated to comply with 2015.

The 2015 operation significant increased from last year resulted from the operations of Dusit Thani Bangkok after the political crisis in last year and Dusit Thani Manila after the first phase renovation were 90% completed in December 2015. However, revenues from Dusit Thani Laguna Phuket was significant decreased resulted from the impact from the decrease of Russian guests.

For the year ended December 31, 2015, the Company has profit Baht 199.19 million, increased from last year by Baht 219.83 million, or 110.36%. The major increase resulted from hotels business by Baht 198.78 million, or 4.62%.

The performance for the year ended December 31, 2015 compared to the the year ended December 31, 2014 as follows:

### Revenues

The Company has total revenues of Baht 5,369.59 million, increased from last year by Baht 194.89 million, or 3.77%, consisted of the following:

### Revenues classify by businesses

#### Hotel Business

At the year end 2015, the Company owned totalling 10 hoteles: 8 hotels in Thailand and 2 hotels in overseas.

Description	Unit: Million Baht			
	2014	2015	Variance	%
<b>Revenues:</b>				
- Hotel business in Thailand	1,695.25	1,988.02	292.77	+17.27%
- Hotel business under DTCPE	1,081.24	1,050.56	-30.68	-2.84%
- Hotel business in Overseas	1,460.15	1,409.01	-51.14	-3.50%
<b>Total</b>	<b>4,236.64</b>	<b>4,447.59</b>	<b>210.95</b>	<b>4.98%</b>





### Occupancy, Average Room Rate and RevPAR (Hotels in Thailand)



### The performance of hotel business

The major revenues of the Company are from hotel business, 85% of total revenue. For 2015, the hotel revenues increased by 5% consisted of the following:

Hotels in Thailand, the revenues compared to the same period of last year growth by 17% resulted from the recover of Thailand tourism industry, majority tourists were from China 17%, Japan 13% and Thailand 23%.

Hotels under DTCPP, the revenues decreased from last year by 2.8%, main decreased was from Dusit Thani Laguna Phuket because the tourists from Europe decreased since the beginning of 2015, especially from Russia decreased by 38%, England by 17%. In addition, the tourist from Australia also decreased by more 39%.

The 2015 occupancy rate was 74%, increased from 2014 by 7%, resulted from Dusit Thani Bangkok, the occupancy increased by 30%. However, the average room rate has little decreased from last year, resulted from the strategy pricing to attract the tourist for longer staying. The RevPar was higher than 2014 resulted from the higher occupancy, mostly from every hotel.

## Occupancy, Average Room Rate and RevPAR (Hotels in Overseas)



Hotels in overseas had revenue compared to last year, decreased by 35% resulted from Dusit Thani Manila had partially rooms and restaurants were closed for major renovation. While Dusit Thani Maldives had higher occupancy from Chinese tourists increased more 30%. In 2015, the Europe market was decreased, the tourists especially from Russian decreased by 60%, from German by 67% and from Japan by 35%.

The average room rate decrease resulted from partially closed room for major renovation of Dusit Thani Manila caused their available rooms were not enough for the demand. However, the average room rate increased from 2014 resulted from the renovated room were completed and ready for service with a higher rate. Therefore, the RevPar was little higher than 2014.

However, the hotel business had variable and fixed cost, for example employee's salary and depreciation in higher amounts, therefore, the Company had gross profit of 27.56% of revenues from sales and services and profit before interest and income tax of hotel business for 2015 was 6% of total revenues, higher than last year which had profit of 2% of total revenues.

Hotel business is the main business of the Company. The management has developed sale channels guideline to generate more revenues. The service is the key to business services, therefore, the Company need to develop human resources together with the cost efficiency management.





### Education business

Unit: Million Baht				
Description	2014	2015	Variance	%
<b>Revenues</b>				
- Education business	433.51	462.92	29.41	6.78
<b>Total</b>	<b>433.51</b>	<b>462.92</b>	<b>29.41</b>	<b>6.78</b>

The education business consisted of Dusit Thani College, Le Cordon Bleu Dusit Culinary School and a new opening school in late 2015, Dusit Thani Hotel School, with classes relate to services of hotel. Moreover, there was education management revenues from Lycyem in Philippines and licensing fee received from Yayasan, the education institute in Bali, Indonesia.

The education business is one strength business of the Company and generated profit. This business generated revenues only 10% of total revenues, but the profit was Baht 114 million, or 23% of the Company - total profit.

The performance of education business for the year ended December 31, 2015, the revenues increased from last year more Baht 29 million, or 6%, comprised Dusit Thani College Baht 21 million, Le Cordon Bleu Dusit Co., Ltd., a joint venture and culinary school Baht 4 million and Dusit Thani Hotel Studies Co., Ltd. Baht 1 million, and revenue from education management in Philippines increased by Baht 3 million. After deducting cost and expenses, the net profit of education business was 20% of revenue, increased from last year by 9%.

### Other business

Unit: Million Baht				
Description	2014	2015	Variance	%
<b>Other business</b>				
- Hotel management service income	116.11	124.12	8.01	6.90
- Others	388.44	334.97	(53.47)	13.77
<b>Total</b>	<b>504.55</b>	<b>459.09</b>	<b>(45.46)</b>	<b>9.01</b>
<b>Total revenues</b>	<b>5,174.70</b>	<b>5,369.59</b>	<b>194.89</b>	<b>3.77</b>

### Hotel management service

For the year ended December 31, 2015, the hotel management services income was increased from last year over Baht 8.01 million, or 6.90%; from Dusit Thani Dubai, Dusit D2 Nairobi and 2 new management hotels: Dusit D2 Phuket Resort started operating in February 2014 and Dusit Thani Krabi Resort started operating in July 2015. Currently, the Company has higher marketing expenses to increase sales channels and promotion and the market management fee is not covered the expenses. If the Company has management fee from additional management hotels as expected, those expenses could be shared to them. Therefore, marketing expenses ratio would be decreased and the Company would have more management profit because the Company has already set up the information technology and others to support this expansion.

**Others**

For the year ended December 31, 2015, other income decreased from last year over Baht 53.47 million, comprised

- Revenue from office building increased by Baht 2.88 million.
- Share of net profit from investments by the equity method – DTCPP of Baht 53.71 million, decreased by Baht 38.48 million.
- Gain on exchange, technical service fee for new projects and other income of hotels, including the changes of sharing expenses and marketing expenses to manage hotels to directly deal with their parties.

The Company has cooperate administrative expenses net Baht 168 million, decreased from last year 33%, resulted from expenses controlling. In 2014, the Company had paid rental guarantee to DTCPP and such guarantee was due in 2015.

The result operations of the Company:

Unit: Million Baht

Description	2014	2015	Variance	%
Revenues from sales and services	4,675.48	4,895.15	219.67	4.70
Other incomes	499.22	474.44	(24.78)	(4.96)
<b>Total revenues</b>	<b>5,174.70</b>	<b>5,369.59</b>	<b>194.89</b>	<b>3.77</b>
<b>Profit (loss) before interest, income tax and depreciation (EBITDA)</b>	<b>753.24</b>	<b>1,017.98</b>	<b>264.74</b>	<b>35.15</b>
<i>% of total revenues</i>	<i>14.56</i>	<i>18.96</i>		
<b>Interest, income tax and depreciation</b>	<b>739.99</b>	<b>764.87</b>	<b>24.89</b>	<b>3.25</b>
<b>Net profit (loss)</b>	<b>13.25</b>	<b>253.10</b>	<b>239.85</b>	<b>94.77</b>
Net profit – non controlling interest	33.89	53.91	20.02	37.13
<b>Net profit (loss) – the Company</b>	<b>(20.64)</b>	<b>199.19</b>	<b>219.83</b>	<b>110.36</b>
<b>Earning (loss) per share (Baht)</b>	<b>(0.24)</b>	<b>2.36</b>	<b>2.60</b>	<b>110.36</b>

The Company's profit before interest, income tax and depreciation (EBITDA) was Baht 1,017.98 million, increased from last year by Baht 264.74 million, or 35.15%, mainly from Dusit Thani Bangkok by Baht 154.74 million.

For the year ended December 31, 2015, interest expenses, income tax, depreciation (including in cost of sales and expenses) were Baht 777.84 million, increased from last year by Baht 29.42 million, mainly from depreciation on renovated and decorated hotel assets for 5-star hotel-image, but interest expenses decreased from last year by Baht 15.04 million.

After deducting interest expenses, income tax, depreciation, the Company's net profit was Baht 253.10 million. After deducting the profit of non-controlling interest of Baht 53.91 million, net profit contributed to the Company was Baht 199.19 million. Net profitability ratio increased 3.71%, whereas last year was loss 0.39%, which was summarized as follows:





Unit: Million Baht

Description	Amount
Gross profit increased	195.04
<b>Other incomes increased:</b>	
- Management service income	8.01
- Gain on sales of equipment and realized deferred gain on sales of asset held for sale	9.55
<b>Other income decreased:</b>	
- Other income, share profit from investment in associates and dividend	(46.86)
<b>Expenses increased:</b>	
- Depreciation and amortization	(1.70)
<b>Expenses decreased:</b>	
- Net interest expenses	19.57
- Selling and administrative expenses	68.34
- Loss on sales of equipment	5.12
Income tax expenses increased from 2014	(17.22)
Net profit – Non-controlling interests increased	(20.02)
<b>Net profit increased</b>	<b>219.83</b>

### The analysis of financial position

The consolidated statement of financial position of the Company and subsidiaries as of December 31, 2015 compared with the balances as of December 31, 2014 were as follows:

Unit: Million Baht

Description	31 Dec. 2014	31 Dec. 2015	Variance	%
Total current assets	1,681.26	1,817.06	135.80	8.08
Total non-current assets	7,331.13	7,578.62	247.49	3.38
<b>Total assets</b>	<b>9,012.39</b>	<b>9,395.68</b>	<b>383.29</b>	<b>4.25</b>
Total current liabilities	2,050.85	1,919.81	(131.04)	(6.39)
Total non-current liabilities	1,749.43	2,071.40	321.97	18.40
<b>Total liabilities</b>	<b>3,800.28</b>	<b>3,991.21</b>	<b>190.93</b>	<b>5.02</b>
Equity attributable to owners of the Company	4,443.29	4,593.20	149.91	3.37
Total equity	5,212.11	5,404.47	192.36	3.69
<b>Total liabilities and equity</b>	<b>9,012.39</b>	<b>9,395.68</b>	<b>383.29</b>	<b>4.25</b>

Total Assets were Baht 9,395.68 million, increased by Baht 383.28 million, as follows:

The increase of assets amount of Baht 496.66 million, the majorities were from:

- The increase of cash and cash equivalents and short-term investments by Baht 84.07 million resulted from the better of Group's operations.



- The increase of trade and other receivables by Baht 48.57 million, from other receivables - management fee and other services - net by Baht 15.39 million, other receivables by Baht 3.10 million, prepaid expenses by Baht 12.80 million, advances by Baht 25.59 million, deposit by Baht 8.23 million, accrued interest receivables and others by Baht 7.10 million. While trade accounts receivable - net decreased by Baht 23.64 million.
- The increase of other current assets by Baht 4.99 million, from value added tax receivable.
- The increase of investments in associates by Baht 92.77 million, due to an additional investment by a subsidiary in the Philippines of Baht 122.77 million, the recognition of share of net profits from investments in associates during the year of Baht 52.36 million and dividend received of Baht 82.36 million.
- The increase of long-term loan to related party by Baht 39.55 million, in which Dusit China Capital Co., Ltd. provided loan to Dusit Fudai Hotel Management (Shanghai) Co., Ltd.
- The increase of property, plant and equipment and investment property by Baht 217.56 million, the attributable to the renovation of several hotels by Baht 891.32 million (especially of Dusit Thani Manila by Baht 319.56 million and Dusit Thani Hotel Studies Co., Ltd. by Baht 176.61 million which already opened the study class in September 2015) and depreciation during the year of Baht 673.76 million.
- The increase of non-other current assets by Baht 9.16 million, from deposit of rental of land and building of Dusit Thani Hotel Studies Co., Ltd. Baht 7.20 million and others Baht 1.96 million.

The decrease of assets amount of Baht 113.38 million, the majorities were from:

- The decrease of inventories by Baht 5.13 million, since the Company reserved as its necessary.
- The decrease of available-for-sale investments by Baht 18.76 million, resulted from the decrease in fair value of available-for-sale investments.
- The decrease of investments in joint ventures by Baht 4.20 million, resulted from share of net profits from investments by the equity method by Baht 24.38 million, exchange gain on translation of foreign operations by Baht 0.42 million and dividend received of Baht 29.00 million.
- The decrease of prepaid rental of land and buildings by Baht 67.19 million, resulted from the amortization according to the agreement of Baht 106.47 million. In addition, the prepaid rental paid during the year of Baht 31.59 million and exchange gain on translation of foreign operations of Baht 7.69 million.
- The decrease of other non-current assets by Baht 8.94 million, from the additional investment in software of Baht 6.34 million and amortization of Baht 15.28 million.
- The decrease of deferred tax assets by Baht 9.16 million, resulted from the decrease of tax loss carried forward.

**Total Liabilities** were Baht 3,991.21 million, increased by Baht 190.93 million, as a result of the following key movements:

The increase of liabilities amount of Baht 446.33 million, the majorities were from:

- The increase of current portion of long-term loans and long-term loans by Baht 360.03 million from the additional borrowing of subsidiaries to renovate the hotels and school buildings.
- The increase of employee benefit obligations by Baht 30.86 million, which was in accordance with the principal actuarial assumptions.
- The increase in liabilities from investment in joint venture by Baht 36.11 million, resulted from the recognition of share of capital deficiency of Dusit Fudai Hotel Management (Shanghai) Co., Ltd.





- The increase in deferred tax liabilities of Baht 7.52 million.
- The increased in other current liabilities and other non-current liabilities of Baht 11.81 million.

The decrease of liabilities amount of Baht 255.40 million, the majorities were from:

- The decrease of bank overdraft and short-term loans from financial institutions by Baht 100.56 million, resulted from better performance, so the Company paid the over necessary amount.
- The decrease of trade and other payables by Baht 36.21 million, comprised trade accounts payable by Baht 11.19 million, other payables by Baht 44.56 million, unearned revenue of Dusit Thani College by Baht 5.26 million and others by Baht 17.11 million, while payables from acquisition of assets increased by Baht 7.08 million, accrued expenses increased by Baht 25.48 million and deposits received increased by Baht 9.35 million.
- The decrease of liabilities under rental guarantee by Baht 86.31 million, resulted from the expiration of guarantee period to DTCPE and the Company already withdrawn such guarantee during the year.
- The decrease of deferred gain on sales of assets held for sale by Baht 6.90 million, resulted from the realized of gain after withdrawal rental guarantee to DTCPE.
- Deferred rental revenue decreased by Baht 25.43 million resulted from the recognition according to the rental period.

The Equity attributable to owners of the Company was Baht 4,593.20 million, increased by Baht 149.92 million, resulted from the operations profit of Baht 199.19 million, the measurement loss on available-for-sale investments (fair value) of Baht 14.90 million, the rate exchange conversion difference on the foreign operations of Baht 62.90 million, loss on defined benefit plan actuarial of Baht 12.89 million, the acquisition of non-controlling interests without a change in control of Baht 0.62 million and dividends payment of the Company by Baht 85.00 million. The non-controlling interest was Baht 811.26 million, increased by Baht 42.44 million.

As at December 31, 2015, the financial ratios: debt to equity was 0.74 : 1, debt (excluding deferred rental revenue of Baht 635.28 million) to equity was 0.62 : 1 and equity attributable to owners of the Company was Baht 4,594.00 million, the book value was Baht 54.34 per share.

### The analysis of cash flows

The Company and subsidiaries had cash flows from operations in past 3 years as follows:

	Unit: Million Baht		
	2013	2014	2015
Net cash flow provided by operating activities	851.86	863.17	863.24
Net cash flow provide by (used in) investing activities	(461.98)	(521.28)	(1,025.20)
Net cash flow provided by (used in) financing activities	(297.36)	(334.16)	15.18
Effect of exchange rate changes			
on balances held in foreign currencies	6.37	4.39	1.25
Net increase (decrease) in cash flows	98.89	12.12	(145.53)



The Company and subsidiaries have cash flows for 2014 compared with 2015 as follows:

**Net cash flows provided by operating activities** for 2015 of Baht 863.24 million, similar to last year, resulted from increased of operation profit before changes in operating assets and liabilities by Baht 280.41 million; majority increases were from profit for the year by Baht 239.85 million, bad debts and doubtful accounts by Baht 16.26 million, depreciation for buildings and equipments by Baht 26.71 million, loss of written off withholding tax by Baht 16.41 million, but share of profit from investments by the equity method decreased by Baht 34.07 million, from DTCPF and associates in overseas, gain on sales of equipment by Baht 7.78 million, the realized deferred gain on sales of assets held for sale to DTCPF in late 2010 of Baht 6.90 million. The Company and subsidiaries had partially paid their borrowings, then the interest expenses decreased by Baht 15.04 million and loss on written off hotel's equipments and others by Baht 40.40 million. Including the operating assets; trade and other receivables increased by Baht 104.15 million, inventories decreased by Baht 3.14 million, other current asset decreased by Baht 38.39 million, other non-current asset increased by Baht 8.16 million and the decrease from trade and other payables by Baht 102.22 million, liabilities under rental guaranteed to DTCPF by Baht 98.49 million, other non-current liabilities by Baht 23.90 million and the increase from other current liabilities by Baht 11.50 million and payment for employee benefits by Baht 5.62 million. Adding cash refund from prepaid income tax decreased by Baht 8.91 million and payment of income tax decreased by Baht 6.82 million.

**Net cash flows used in investing activities** for 2015 was Baht 1,025.20 million, increased from last year by Baht 503.92 million, mainly resulted from payment for short-term investments (mainly from Dusit Thani College) by Baht 141.16 million, cash paid for short-term loans to related party Baht 36.36 million by Dusit China Capital Co., Ltd. to Dusit Fudu Hotel Management (Shanghai) Co., Ltd., dividend received from associate of Baht 8.11 million, cash payment for additional investment in subsidiary (1,925,000 shares, or 5% in DMS Property Investment Pvt. Ltd.) of Baht 60.83 million, cash payment for investment in associate of Baht 122.77 million by Philippine Hoteliers, Inc. invested 40% in Philippine Hoteliers International Center for Hospitality Education, Inc., payment for prepaid rental of land and buildings of Dusit Thani Maldives Baht 13.32 million, payment for purchase of equipment (net of assets sold) Baht 160.23 million, mainly to renovate and decorate Dusit Thani Manila and Dusit Thani Hotel School. While last year, there was cash payment for share subscription of joint venture of Baht 28.37 million and this year there was dividend received from joint venture increased by Baht 4.00 million and cash paid for intangible assets and others Baht 6.49 million.

**Net cash flows provided by financing activities** for 2015 of Baht 15.18 million, increased from last year by Baht 349.34 million, mainly resulted from cash received from long-term loans by Baht 465.71 million (mainly from Philippine Hoteliers, Inc. to renovate and decorate its hotel), cash payment for short-term loans to related party by Baht 8.51 million and interest paid decreased by Baht 19.18 million, cash paid for long-term loans from financial institution Baht 66.30 million, mainly by DMS Property Investment Private Limited (DMS), payment for short-term loans from financial institutions of Baht 8.80 million and cash received from short-term loans decreased by Baht 68.50 million.





## 2. The Profitability

The profitability of the Company and subsidiaries in the past 3 years were as follows:

### Profitability Ratios

		2013	2014	2015
Net profit margin	%	3.01	(0.40)	3.71
Return on Equity (ROE)	%	3.68	(0.46)	4.41

In reference to the above ratios, in 2015, the Company had net profit at 3.71% of total revenues, and return on equity (ROE) was at 4.41%, increased from last year because in 2015 the Company had net profit of Baht 199.19 million, increased from last year by Baht 219.84 million. The profitability ratios of 2015 increased, resulted that in 2015, the tourists returned back to Thailand, mostly were from China and Asia, while the European and Russia tourists, the main markets continued to decline due to the economic downturn in each country and also the World economy recover slowly. The Company continues controlling cost and selling and administrative expenses, therefore, the net profit of the Company increased and profitability, return on equity was 4.41% increased from last 2 years.

The 2015 liabilities increased from last year more Baht 190 million, resulted from the borrowing Baht 360.03 million, by Philippine Hoteliers, Inc. of Baht 393.69 million and Dusit Thani Hotel Studies co., Ltd. of Baht 116.20 million, while DMS Property Investment Pvt. Ltd. repaid its borrowing of Baht 149.86 million.

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. The Board of Directors meeting on February 25, 2016, had a solution to declare the dividend payment for 2015 by appropriated from retained earnings to shareholders at Baht 1.20 per share, totalling Baht 102.00 million.

## 3. The Ability to Manage Assets

The ability to manage assets of Company and subsidiaries for the last 3 years were as follows:

### The ability to manage asset ratios

		2013	2014	2015
Trade accounts receivable turnover	times	16.75	16.62	20.29
Inventory turnover	times	33.53	33.42	35.31

The Company and subsidiaries have managed their assets effectively in order to have the highest benefits and returns as follows:

- Trade accounts receivable turnover for 2015 was 20.29 times of revenues from sales and services, increased from last 2 years because the increase of trade accounts receivable, mainly from Dusit Thani Bangkok as their revenues increased.

As of December 31, 2015, the Company and subsidiaries had trade accounts receivable past due more than 3 months of Baht 9.57 million which mostly were travel agents. The Company and subsidiaries had set up the allowance for doubtful accounts totalling Baht 10.85 million, which were sufficient for their operation

- Inventory turnover for 2015 was 35.31 times of cost of sales and services, increased from last 2 years because inventories and cost of sales and services decreased.

**Effective Assets Management**

		2013	2014	2015
Return on Assets (ROA)	%	3.09	1.00	3.57
Return on Fixed Assets	%	14.10	11.98	16.64
Assets turnover	Times	0.59	0.57	0.58

Efficiency ratio for management of assets for 2015: return on assets (ROA) was 3.57%, return on fixed assets was 16.64% and assets turnover was 0.58%, increased from last year, because in 2015, the Company and subsidiaries had profit before interest (net) and income tax (EBIT) of Baht 328.94 million, increased from last year by Baht 237.50 million. The 2015 total assets was Baht 9,395.68 million, increased from last year by Baht 383.29 million, mainly from property, plant and equipment of each hotel which continuing reconvating and decorating rooms and restaurant. These assets will be sufficient in generate revenues to receive higher return in future years.

**4. The Capital Efficiency**

The capital structure of the Company consisted of short-term, long-term loans and short-term loan from shareholders. As at December 31, 2015, borrowings were detailed as follows:

Unit : Million Baht			
	Limit	Balance	Interest rate per p.a.
1. Short-term from financial institutions			
- Dusit Thani PCL.	1,850.00	390.00	MMR
- Dusit Thani PCL.	300.00	-	Be specified by bank
- Dusit Thai Properties PCL.	300.00	148.00	MMR
- DMS Property Investment Pvt. Ltd.	126.15	-	LIBOR 6 months + 2.925%
2. Short-term loans of subsidiaries			
- Dusit Thani Hotel Studies Co., Ltd.	15.00	-	MMR
4. Long-term loans from financial institutions			
- Philippine Hoteliers, Inc.	759.03	455.41	Philippine Dealing System Treasury 6 month + 1.50%
- DMS Property Investment Pvt. Ltd.	1,495.73	929.88	LIBOR 6 months + 2.925%
- Dusit Thani Hotel Studies Co., Ltd.	116.20	116.20	BIBOR 1 month + 2.20%
<b>Total</b>	<b>4,962.11</b>	<b>2,039.49</b>	





### The Liquidity Ratios

		2013	2014	2015
Current Ratio	times	0.82	0.82	0.95
Quick Ratio	times	0.66	0.63	0.62

The Company's current ratio and quick ratio for 2015 were increased from 2014 because current asset increased by Baht 135.80 million: cash from operations and short-term investments increased by Baht 84.07 million, prepaid rental of land and building increased by Baht 3.30 million of DMS, trade and other receivables - net increased by Baht 48.57 million, while inventories decreased by Baht 5.13 million, other current assets decreased by Baht 4.99 million. For current liabilities decreased by Baht 131.04 million: bank overdraft and short-term loans from financial institutions by Baht 101.00 million, trade and other payables, such as payable - assets acquisition to renovate and decorate, accrued expenses deposit received by Baht 36.21 million, and liabilities under rental guaranteed to DTCPF Baht 86.31 million, while current portion of long-term loans increased by Baht 83.31 million and other current liabilities increased by Baht 13.75 million. The analysis of liquidity ratios of the Company's financial position were lower because the Company had higher short-term borrowings at lower of interest rate. However, the Company has already considered the payment ability of such loans and will convert of such short-term loan to long-term loans according to the situation.

### The Ratios in Debt Management

		2013	2014	2015
Debt to Equity Ratio (for liabilities - excluding deferred rental revenue)	times	0.62	0.60	0.62
Debt to Equity Ratio	times	0.75	0.73	0.74
Time Interest Earned Ratio	times	12.01	13.40	17.48

As at December 31, 2015, the Company and subsidiaries had debt to equity ratio equal to 0.74 times, increased from last year which equaled to 0.73 times and had debt to equity ratio (liabilities excluding deferred rental revenue) equaled to 0.62 times, increased from last year which equaled to 0.60 times. The main reason for increasing in such ratio were the increase of liabilities of the Company and subsidiaries from the borrowings. 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 17.48 times, increased from last year because in 2015, the Company and subsidiaries had cash flows from operations similar to last year. The interest expenses decreased by Baht 15.04 million. However, 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 affects to the hotel business

The hotel business is sensitive to be affected by external factors, especially political crisis, terrorism, disaster, disease, economic both in Thailand and overseas, and competition. However, the Company has set up the policies to prevent those effects by insuring with the insurer for all risks and business interruption, and terrorism in order to reduce the effect from such risk. In marketing areas, the Company finds new group





customers to compensate the losing customers from economic-problem region by setting up sale offices in Hong Kong, Shanghai and Beijing, etc.

In order to minimize the concentration of revenues, 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 terminate the management agreement before its expiry date or in not renewal such agreement after its expiry date. This matter will impact to total revenues. Therefore, the Company and subsidiaries have carefully set up terms and conditions before signing the agreement in order to reduce risk from termination of agreement before the expiry date. Moreover, the occurrence of world finance crisis of hotel business may impact to the expected revenues. However, the Company has set up the Development and Investment Office in 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. Such investment, the Company will receive not only licensing fee, but also the expanding of brand and the reputation of the Company to such region. In addition, it also increases Dusit marketing-network in order to have more revenues in future.

#### **Internal factor affects to the business**

Manpowers are substantially significant to the operation of the Company. Currently, hotels are lack of manpowers, especially in part of management of hotels. 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 manpowers by training in order to support the expansion of the owned and managed hotels in future. Moreover, Dusit Thani College also provides the bachelor and master degrees in hotel business, as such the Company can self select those qualify manpowers. In addition, the Company also manages in Lyceum of Philippines University (LPU) which can be another channel in having quality manpowers to support the expansion of hotel business in future. In 2014, the Company set up, Dusit Thani Hotel Co., Ltd. in order to operate "Dusit Thani Hotel School". The school will open class related to hotel industry to develop and increase student's skills related to hotel industry to support the expansion of hotels. The study-class be opened in September 2015.

#### **Impairment of property, plant and equipment**

From economic downturn and although tourists back to Thailand, mostly the tourists from the Chinese and Asia. But European tourists and Russia are the main markets decreased due to the slowdown in the economy of each country, including the world economy continues to recover slowly. With the high competitive, the Company, therefore considers about impairment of property, plant 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 the carrying value of such property, plant and equipment is less than such appraised, based on mentioned discounted cash flows, the Company, therefore, recognizes loss on impairment of property, plant and equipment as an expense. In 2015, the valuation amount under the discounted cash flow is not less than the carrying value of property, plant and equipment.

#### **Business development and future trend**

Currently, 72% of revenues of the Company are from Thailand. The political crisis occurred in Thailand and together with the economic conditions, both within and outside Thailand affect to the





Company's revenue over the years. The Company has the strategies to increase the higher ratio of overseas revenues to similar to the revenue from Thailand, in order to spread the risk of concentration of income arising from Thailand. The Company has policy to expand its investment to maximize the benefits to the Company.

The Company has set up the growth strategy to expand the business since 2007. The expansion of hotel management is the main target because it does not need high investment and it can create network to increase marketing channels. However, the Company has also considered of investing in hotel business, but be considered to the regions that have high tourism potentials and have a high return and channels for business expansion. In addition, the Company has considered in expanding to education business that has high potential and is one of the Company's strength to be competitive. In 2015, the hotel management business did not achieve as the problems of economic conditions, the global recession has not recovered, or in some countries such as China has the growing economy problems. Moreover, the owners of the management hotels could not complete the construction of the hotel as scheduled. These various factors are affected to the Company's targets. However, in expansion of the company business needs to more staff, the system works in all areas, including the costs of project's studies. Therefore, the Company's administrative expenses has increased, while the revenues has not been as expected, these all due to external factors. If the external factors have not been affected to the operation of the hotel under the Company and subsidiaries, and hotels which already signed management contracts can open as planned, the Company expects to generate profits from operations be increased in the future.

The expansion during last 3-5 years

- **Hotel business**

In 2011, the Company has invested in hotel business in Maldives, 5 stars hotel, 100 villas located on Mudhdhoo Island, Republic of Maldives, under DMS Property Investment Pvt. Ltd. (DMS), with investment amount of USD 60 million, its registered capital was USD 38.5 million. The hotel name was Dusit Thani Maldives. The Company has invested through Dusit Thai Properties Plc. with investment proportion of 55%. This hotel had grand opening on September 8, 2012. During the 3rd quarter, the investment was 5% increased, and the total investment was 60% holding and in 2016, another 5% will be increased, therefore, the total investment will be 65% holding. In 2014, the revenues from sales and services increased from 2013 by 16%. But at the beginning of 2015, Russia's economic crisis resulted in a major Russian tourists dropped suddenly, then the hotel management changed strategy target customers to increase the occupancy. However, this also affected the income of hotels dropped 2%.

In addition, the Company considered to invest in hotel and education business in Philippines by Philippine Hoteliers, Inc., had 40% invested Philippine Hoteliers International Center for Hospitality Education, Inc., registered in Philippines on July 15, 2015 and the Company recorded this investment by the equity method which has loss in 2015 of Baht 1.35 million.

- **Hotel management business**

After agreeing to set up a joint venture company in India to manage hotels in India that the Company invested 50% of investment totalling INR 35 million since 2010 and later in February 2013, the Company had 45% holding of CNY 30.00 million in joint venture in People's Republic of China, namely Dusit Fudu Hotel Management (Shanghai) Co., Ltd. During the start-up period, the Company has to form the executive and management teams in China, so there were highly administrative expenses whereas lower number of signed hotel management contracts. As such, the result performance of this joint venture was loss of Baht 41.23 million.





The expansion of hotel management business, the Company has set up the Development and Investment Office in Hong Kong and Dubai and a company in Delaware, USA to support the management hotel. In 2015, there were signed management contracts and opened for operations: Dusit Thani Guam had soft opening in June 2015, Dusit Thani Krabi Resort opened in July 2015, and DusitD2 Nairobi opened in June 2015. In 2015, the Company and subsidiaries had signed 9-hotel-management contracts, and a joint venture in China had signed 9-hotel-management contracts located in China. However, the Company will follow the long-term plan: increase number of management 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.

In 2015, the Company has management service income of Baht 124.12 million, increased from 2014 by Baht 8.01 million, mainly from management hotel located in Middle East.

#### **Education business**

The Company was the founder of hotel education related to hotel and kitchen managements, etc. by set up Dusit Thani College since 1996 and expanded to Pattaya campus in December 2012. These experience and success have been accepted both in Thailand and overseas. The Company has opportunity to expand this education business by investing and managing both in Thailand and overseas. In 2015, the management service income by education division to Lyceum of Philippines University (LPU) was Baht 23.27 million, increased from last year by Baht 1.46 million and Yayasan Pusat Pengembangan Dan Pelatihan Bali International, Indonesia, the education consultant agreement was signed in 2014 and in 2015, the Company had service income of Baht 8.92 million.

In 2015, The Company has set up Dusit Thani Hotel Studies Co., Ltd. with its registered capital of Baht 120 million to operate the Dusit Thani Hotel School in order to develop and increase student's skills relates to hotel industry to support the expansion of future management hotels. Moreover, there is more demand manpowers in hotel business in Thailand and overseas, therefore the Company agreed to sign the sublease land and building agreement for one year period from January 1, 2015 to December 31, 2015 with a third party and a period of 30 years, starting from January 1, 2016 to December 31, 2045 with Bangkok Commercial College. After signing and registered such agreement with the Department of Land, the Company started renovating and decorating the building and the areas and expected total investment of Baht 236.20 million and the study-class was opened on September 14, 2015 and in 2015, there was operation loss of Baht 28.14 million.

Furthermore, the Company has policy to renovate the existing hotels every year and plan to have big renovation every 5-7 years, in order to maintain hotel standard and to increase potential to compete with competitors in the same level business. The Company spent renovation budget more than Baht 512 million in 2014 and Baht 578 million in 2015.

#### **Future trend**

In 2016, the Company is maintained the growth strategy for hotel management hotel and education business with the goal to bring the Way of Thailand -Thai Hospitalitys by driven "Dusit Thani" to the World market leader for international competitive and comparable to foreign brands. This is consistent with the initial purpose of the founders, and in line with former management's goal.





The management style of 2016 would be little changed, but the objective and goal are in the same direction; to comply with market conditions, economy and the change of consumer's trends and behaviors and to create a sustainable income in the future.

The Company also aims to focus on the expansion of hotel management to different regions, to spread risk and create a network to enhance more sales channels.

Business education, Dusit Thani College is another strength of the Company's business experience and success. This is an opportunity for the Company to future expand this business and growth and to have the competitive advantage to generate more revenues and profits for the Company in the future.

In addition, the Company is considering investing in the hotel business has a high return and in high tourism potential, together with finding new business that support to the existing business, potential and strength. In addition, the Company will managing the existing assets to generate more revenues, for example, considering to develop vacant land owned by the Company and investing in new projects to generate more revenue in future. However, all projects must be studied carefully before making a decision.

However, the Company still has risk in case the management hotels might have their performance under their target budget, and cancel the contracts. In addition, delaying of opening the hotel which contracted has been signed or any unexpected circumstance related to the tourism industry affects to the Company's target profit.



### The 2015 Audit Committee's Report

The Audit Committee of Dusit Thani Public Company Limited comprises three Independent Directors who are qualified according to The Securities and Exchange Commission and The Stock Exchange of Thailand's notification regarding Audit Committee Good Practice. Each of Committee members has term of position as follows:

#### From January – September 2015

1) Prof. Sansern Kraichitti	Audit Committee Chairman	8 out of 8 times of attendance
2) Khun Sakdi Kiewkamkha	Audit Committee Member	8 out of 8 times of attendance
3) Khun Pranee Phasiphol	Audit Committee Member	8 out of 8 times of attendance

#### From October – December 2015

1) Prof. Hiran Radeesri	Audit Committee Chairman	2 out of 2 times of attendance
2) Prof. Sansern Kraichitti	Audit Committee Member	2 out of 2 times of attendance
3) Khun Pranee Phasiphol	Audit Committee Member	2 out of 2 times of attendance

The Audit Committee carried out their duties within the scope of its Charter as assigned by the Board of Directors as follow:

1. Reviewing the quarterly and annual financial statements of the year 2015: the Audit Committee invited 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 auditors' observations and advices reported have been considered and led to improvement for the accounting controls. The Audit Committee meets separately with the auditors once a year. The 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 auditors and the management, the 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: The Audit Committee reviewed and evaluated the plan and the reports from Internal Audit department which there was no significant control weaknesses. Director of Internal Audit informed that internal control system was adequate to prevent and detect frauds. Furthermore, the auditors reported that financial internal control system of the company was adequate and appropriate. The Audit Committee, therefore, agreed that internal control system was adequate and appropriate. Besides, the Audit Committee also reviewed plans and reports from the management regarding risk management activities. The Audit Committee acknowledged that the senior management should closely monitor all levels of the management participating in risk management process.
3. Reviewing the disclosure of related transactions and compliance with SEC acts, SET rules & notifications and relevant laws: In 2015, the management assured the Audit Committee that the company and management complied with relevant laws and regulations. Considering the reports and confirmations from the responsible management as well as reviewing results, the Audit Committee agreed to declare that the company complied with relevant laws and regulations and disclosed the related transactions correctly and accordingly.





4. The Audit Committee performed activities according to its Charter without any limitation. The Audit Committee has full and free access to any information. The Audit Committee conducted the performance self-assessment with a good result. The Audit Committee can also approve an appointment, transferring and evaluating the performance of Director of Internal Audit including reviewing and approving annual risk-based internal audit plan.
5. Nominating auditors for the year 2016: the Audit Committee evaluated the performance of auditors and their independence with satisfactory result. The Audit Committee found that all qualifications of auditors were met the SEC office requirements. Therefore, the Audit Committee proposed the Board of Directors to recommend the shareholders meeting the nomination of Ms. Boonsri Chotpathoonpun or Ms. Vannaporn Jongperadechanon or Ms. Vipavan Pattavanvivek or Ms. Patamavan Vadhanakul or Ms. Somboon Suppasiripinyo of KPMG Phoomchai Audit Ltd. as auditors for the year 2016 which yearly audit fees for the Company are 1,475,000 baht and its 7 subsidiaries in Thailand are 2,280,000 baht.

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 2015 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 three 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	Signature
1. Mr. Arsa Sarasin	Chairman	 .....
2. Mr. Chanin Donavanik	Managing Director and CEO	 .....





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## Independent Auditor's Report

### To the Shareholders of Dusit Thani Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Dusit Thani Public Company Limited and its subsidiaries (the "Group") and of Dusit Thani Public Company Limited (the "Company"), respectively which comprise the consolidated and separate statements of financial position as at 31 December 2015, the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Consolidated and Separate Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate 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 consolidated and separate 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 consolidated and separate 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.

S. Y



### *Opinion*

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2015, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### *Emphasis of Matter*

Without qualifying my opinion, I draw attention to note 3 to the financial statements describing the effect of the Group's adoption from 1 January 2015 of certain new accounting policies. The corresponding figures presented are based on the audited consolidated financial statements as at and for the year ended 31 December 2014, after making the adjustments described in note 3.

(Boonsri Chotpaiboonpun)  
Certified Public Accountant  
Registration No. 3756

KPMG Phoomchai Audit Ltd.  
Bangkok  
25 February 2016





**Dusit Thani Public Company Limited and its Subsidiaries**  
**Statement of financial position**

Assets	Note	Consolidated financial statements			Separate financial statements	
		31 December		1 January	31 December	
		2015	2014 (Restated)	2014 (Restated) (in Baht)	2015	2014
<i>Current assets</i>						
Cash and cash equivalents	5	714,227,528	859,759,510	847,645,602	189,995,121	179,870,310
Short-term investments		380,180,104	150,578,786	62,139,915	-	-
Trade and other receivables	6	475,026,279	426,457,411	469,824,394	219,593,613	207,890,911
Inventories	7	79,617,899	84,750,301	88,969,581	22,342,014	23,898,136
Short-term loan to related party	29	-	-	-	38,500,000	1,800,000
Current portion of prepaid rental of land and buildings	17	109,073,479	105,769,297	105,620,793	74,066,640	74,066,640
Other current assets	8	58,935,841	53,946,136	59,321,350	1,767,051	1,588,629
<b>Total current assets</b>		<b>1,817,061,130</b>	<b>1,681,261,441</b>	<b>1,633,521,635</b>	<b>546,264,439</b>	<b>489,114,626</b>
<i>Non-current assets</i>						
Restricted bank deposits	9	2,176,362	1,955,785	1,499,197	-	-
Available-for-sale investments	10	356,440,850	375,196,500	358,584,400	241,662,250	337,484,700
Other long-term investments	11	-	-	-	-	-
Investments in associates	12	1,404,715,110	1,311,945,283	1,310,213,660	1,229,202,500	1,229,202,500
Investments in subsidiaries	13	-	-	-	1,091,352,364	1,001,352,589
Investments in joint ventures	14	52,517,563	56,720,332	71,476,975	29,830,302	29,830,302
Long-term loan to related party	29	39,553,081	-	-	-	-
Investment properties	15	246,499,598	259,856,399	273,462,526	179,837,710	194,766,188
Property, plant and equipment	16	5,107,900,224	4,876,980,427	5,049,901,650	577,022,240	722,058,362
Prepaid rental of land and buildings	17	154,276,498	224,773,286	311,691,812	92,583,300	166,649,940
Other intangible assets	18	61,765,812	70,702,085	70,037,159	43,171,820	52,923,030
Deferred tax assets	19	100,951,867	110,105,978	129,147,320	32,613,836	33,188,053
Deposit for hotel management right	20	25,270,104	25,270,104	-	25,270,104	25,270,104
Other non-current assets		26,547,870	17,623,369	16,975,062	3,400,632	3,062,189
<b>Total non-current assets</b>		<b>7,578,614,939</b>	<b>7,331,129,748</b>	<b>7,592,989,761</b>	<b>3,545,947,058</b>	<b>3,795,787,957</b>
<b>Total assets</b>		<b>9,395,676,069</b>	<b>9,012,391,189</b>	<b>9,226,511,396</b>	<b>4,092,211,497</b>	<b>4,284,902,583</b>

The accompanying notes are an integral part of these financial statements.

**Dusit Thani Public Company Limited and its Subsidiaries****Statement of financial position**

		Consolidated financial statements		1 January 2014 (Restated) (in Baht)	Separate financial statements	
		31 December 2015	2014 (Restated)		31 December 2015	2014
<b>Liabilities and equity</b>	<i>Note</i>					
<i>Current liabilities</i>						
Bank overdrafts and short-term loans						
from financial institutions	21	538,000,000	639,000,000	662,700,000	390,000,000	593,000,000
Short-term loan from related party	29	5,045,831	4,608,611	13,105,780	-	-
Trade and other payables	22	962,429,440	998,634,290	967,653,793	245,785,246	236,929,530
Current portion of finance lease liabilities		1,151,484	935,093	772,071	-	-
Current portion of long-term loans	23	324,374,850	241,067,512	185,195,279	-	-
Current portion of deferred rental revenue	24	25,433,333	25,433,333	25,433,333	-	-
Income tax payable		2,261,852	397,033	9,370,061	-	-
Liabilities under rental guarantee		-	86,308,379	74,129,009	-	86,308,379
Deferred gain on sales of assets held for sale		-	6,904,215	6,904,215	-	6,904,215
Others current liabilities		61,114,572	47,366,309	49,781,400	22,743,374	22,054,775
<b>Total current liabilities</b>		<b>1,919,811,362</b>	<b>2,050,854,777</b>	<b>1,995,044,941</b>	<b>658,828,620</b>	<b>945,196,899</b>
<i>Non-current liabilities</i>						
Finance lease liabilities		3,107,467	3,975,608	-	-	-
Long-term loans	23	1,177,112,720	900,390,670	1,091,913,364	-	-
Deferred rental revenue	24	609,842,557	635,275,890	660,709,223	-	-
Deferred tax liabilities	19	20,054,530	12,531,322	13,784,454	-	-
Employee benefit obligations	25	205,751,959	174,892,900	172,875,141	112,931,822	99,712,351
Liabilities from investment in joint venture		36,108,769	-	-	-	-
Other non-current liabilities		19,421,296	22,360,308	24,311,108	19,337,304	17,308,309
<b>Total non-current liabilities</b>		<b>2,071,399,298</b>	<b>1,749,426,698</b>	<b>1,963,593,290</b>	<b>132,269,126</b>	<b>117,020,660</b>
<b>Total liabilities</b>		<b>3,991,210,660</b>	<b>3,800,281,475</b>	<b>3,958,638,231</b>	<b>790,797,746</b>	<b>1,062,217,559</b>

The accompanying notes are an integral part of these financial statements.





# Dusit Thani Public Company Limited and its Subsidiaries

## Statement of financial position

Liabilities and equity (Continued) <i>Note</i>	Consolidated financial statements		1 January 2014 (Restated) <i>(in Baht)</i>	Separate financial statements	
	31 December			31 December	
	2015	2014 (Restated)		2015	2014
<b>Equity</b>					
Share capital <i>26</i>					
Authorised share capital	850,000,000	850,000,000	850,000,000	850,000,000	850,000,000
Issued and paid-up share capital	850,000,000	850,000,000	850,000,000	850,000,000	850,000,000
Treasury shares <i>27</i>	(15,740,202)	(15,740,202)	(15,740,202)	-	-
Additional paid in capital					
Premium on ordinary shares <i>26</i>	1,643,000,000	1,643,000,000	1,643,000,000	1,643,000,000	1,643,000,000
Surplus on treasury shares <i>27</i>	18,365,540	18,365,540	18,365,540	16,950,268	16,950,268
Retained earnings					
Appropriated <i>28</i>					
Legal reserve	85,000,000	85,000,000	85,000,000	85,000,000	85,000,000
Dusit Thani College funds	366,375,697	315,886,655	269,784,021	-	-
Treasury share reserve <i>27</i>	15,740,202	15,740,202	15,740,202	-	-
Unappropriated	1,394,120,463	1,342,695,833	1,489,818,299	598,158,988	470,146,941
Other components of equity	236,341,239	188,338,022	174,430,154	108,304,495	157,587,815
Equity attributable to owners of the Company	4,593,202,939	4,443,286,050	4,530,398,014	3,301,413,751	3,222,685,024
Non-controlling interests <i>13</i>	811,262,470	768,823,664	737,475,151	-	-
Total equity	5,404,465,409	5,212,109,714	5,267,873,165	3,301,413,751	3,222,685,024
Total liabilities and equity	9,395,676,069	9,012,391,189	9,226,511,396	4,092,211,497	4,284,902,583

The accompanying notes are an integral part of these financial statements.

**Dusit Thani Public Company Limited and its Subsidiaries****Statement of income**

		Consolidated financial statements For the year ended 31 December		Separate financial statements For the year ended 31 December	
	Note	2015	2014 (Restated)	2015	2014
			(in Baht)		
Revenue from sales and services	29	4,895,149,503	4,675,479,767	1,573,012,309	1,289,596,732
Cost of sales and services					
Cost of sales and services	29	(2,901,950,884)	(2,902,863,503)	(924,207,851)	(831,755,307)
Cost of services - depreciation and amortisation		(643,922,090)	(618,381,777)	(229,203,492)	(225,424,601)
Total cost of sales and services		(3,545,872,974)	(3,521,245,280)	(1,153,411,343)	(1,057,179,908)
Gross profit		1,349,276,529	1,154,234,487	419,600,966	232,416,824
Other income					
Management service income	29	124,119,256	116,109,503	64,093,328	62,933,383
Interest income		12,961,419	8,430,229	1,707,996	610,244
Dividend income	29	14,451,000	14,719,750	160,353,388	165,734,967
Realised income from deferred rental revenue		25,433,333	25,433,333	-	-
Gain on sales of equipment		2,652,878	-	1,682,933	-
Realised deferred gain on sales of asset held for sale		6,904,215	-	6,904,215	-
Share of net profit (loss) from investments by the equity method		40,625,045	74,694,280	-	-
Other income	29	247,293,336	259,831,708	334,788,562	293,531,868
Total other income		474,440,482	499,218,803	569,530,622	522,810,662
Profit before expenses		1,823,717,011	1,653,453,290	989,131,588	755,227,486
Expenses					
Selling expenses	29, 31	(387,963,855)	(394,777,801)	(229,039,133)	(202,732,437)
Administrative expenses	29, 32	(1,048,736,368)	(1,110,268,267)	(485,873,744)	(548,951,342)
Depreciation and amortisation		(45,111,644)	(43,416,651)	(23,238,460)	(23,681,303)
Loss on sales of equipment		-	(5,121,651)	-	(10,242)
Finance costs	35	(49,395,223)	(64,436,274)	(14,433,987)	(17,417,725)
Total expenses		(1,531,209,090)	(1,618,020,644)	(752,585,324)	(792,793,049)
Profit (loss) before income tax expense		292,507,921	35,432,646	236,546,264	(37,565,563)
Income tax expense	36	(39,407,065)	(22,182,842)	(15,022,881)	(6,024,708)
Profit (loss) for the year		253,100,856	13,249,804	221,523,383	(43,590,271)
Profit (loss) attributable to:					
Owners of the Company		199,188,627	(20,644,908)	221,523,383	(43,590,271)
Non-controlling interests	13	53,912,229	33,894,712	-	-
Total		253,100,856	13,249,804	221,523,383	(43,590,271)
Earnings (loss) per share					
Basic earnings (loss) per share	37	2.36	(0.24)	2.61	(0.51)





## Dusit Thani Public Company Limited and its Subsidiaries

### Statement of comprehensive income

		Consolidated financial statements For the year ended 31 December		Separate financial statements For the year ended 31 December	
	Note	2015	2014 (Restated)	2015	2014
		(in Baht)			
<b>Profit (loss) for the year</b>		<b>253,100,856</b>	<b>13,249,804</b>	<b>221,523,383</b>	<b>(43,590,271)</b>
<b>Other comprehensive income</b>					
<i>Items that are not or may not be reclassified to profit or loss</i>					
Defined benefit plan actuarial gains (losses)	25	(16,414,816)	7,498,013	(10,639,170)	-
Income tax on other comprehensive income		3,565,792	(2,249,404)	2,127,834	-
		<u>(12,849,024)</u>	<u>5,248,609</u>	<u>(8,511,336)</u>	<u>-</u>
<i>Items that are or may be reclassified to profit or loss</i>					
Foreign currency translation differences for foreign operations		118,940,312	3,303,402	-	-
Net change in fair value of available-for-sale investments	10	(18,755,650)	16,612,100	(61,604,150)	15,062,300
Income tax on other comprehensive income		3,751,130	(3,322,420)	12,320,830	(3,012,460)
		<u>103,935,792</u>	<u>16,593,082</u>	<u>(49,283,320)</u>	<u>12,049,840</u>
<b>Other comprehensive income (loss) for the year, net of income tax</b>		<b>91,086,768</b>	<b>21,841,691</b>	<b>(57,794,656)</b>	<b>12,049,840</b>
<b>Total comprehensive income (loss) for the year</b>		<b>344,187,624</b>	<b>35,091,495</b>	<b>163,728,727</b>	<b>(31,540,431)</b>
<b>Total comprehensive income (loss) attributable to:</b>					
Owners of the Company		234,298,085	(2,111,964)	163,728,727	(31,540,431)
Non-controlling interests		109,889,539	37,203,459	-	-
<b>Total comprehensive income (loss) for the year</b>		<b>344,187,624</b>	<b>35,091,495</b>	<b>163,728,727</b>	<b>(31,540,431)</b>

The accompanying notes are an integral part of these financial statements.



Public Company Limited and its Subsidiaries

Public Company Limited and its Subsidiaries

Note	Financial statements									
	Retained earnings				Other components of equity					
	Issued and paid-up share capital	Treasury shares	Premium on ordinary shares	Surplus on treasury shares	Tian Tian College funds	Treasury shares reserve	Unappropriated (in Rmb)	Translation differences for foreign operations	Net change in fair value of available-for-sale investments	Total
Year ended 31 December 2014										
Balance at 1 January 2014	880,000,000	(14,760,202)	1,643,000,000	18,365,540	669,784,024	82,000,000	1,489,818,299	(79,179,617)	267,632,273	5,267,873,065
Transfers with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-
Transfer of income from subsidiaries in Tian Tian College funds	-	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-
Total distributions to owners of the Company	-	-	-	-	-	-	-	-	-	-
Comprehensive income for the year	-	-	-	-	-	-	-	-	-	-
Profit (loss)	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income (loss) for the year	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2014	880,000,000	(15,760,202)	1,643,000,000	18,365,540	315,835,653	82,000,000	1,337,636,593	(72,113,236)	268,761,366	6,213,809,714
Year ended 31 December 2015										
Balance at 1 January 2015	880,000,000	(15,760,202)	1,643,000,000	18,365,540	315,835,656	82,000,000	1,337,636,593	(72,113,236)	268,761,366	6,213,809,714
Transfers with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-
Distributions to owners of the Company	-	-	-	-	-	-	-	-	-	-
Transfer of income from subsidiaries in Tian Tian College funds	-	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-
Total distributions to owners of the Company	-	-	-	-	-	-	-	-	-	-
Comprehensive income for the year	-	-	-	-	-	-	-	-	-	-
Profit	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income (loss) for the year	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2015	880,000,000	(15,760,202)	1,643,000,000	18,365,540	366,115,699	82,000,000	1,337,636,593	(72,113,236)	268,761,366	6,213,809,714





# Dusit Thani Public Company Limited and its Subsidiaries

## Statement of changes in equity

Separate financial statements									
		Retained earnings				Other component of equity			
		Premium on ordinary shares		Surplus on treasury shares	Legal reserve (in Baht)	Unappropriated	Net change in fair value of available-for-sale investments	Total equity	
Note	Issued and paid-up share capital								
Year ended 31 December 2014									
	850,000,000	1,643,000,000	16,950,268	85,000,000	598,737,212	145,537,975		3,339,225,455	
Transactions with owners, recorded directly in equity									
<i>Distributions to owners of the Company</i>									
38	-	-	-	-	(85,000,000)	-	-	(85,000,000)	
<i>Total distributions to owners of the Company</i>									
Comprehensive income for the year									
	-	-	-	-	(43,590,271)	-	-	(43,590,271)	
	-	-	-	-	-	-	12,049,840	12,049,840	
<i>Total comprehensive income (loss) for the year</i>									
	850,000,000	1,643,000,000	16,950,268	85,000,000	470,146,941	157,587,815		3,222,685,024	
Year ended 31 December 2015									
	850,000,000	1,643,000,000	16,950,268	85,000,000	470,146,941	157,587,815		3,222,685,024	
Transactions with owners, recorded directly in equity									
<i>Distributions to owners of the Company</i>									
38	-	-	-	-	(85,000,000)	-	-	(85,000,000)	
<i>Total distributions to owners of the Company</i>									
Comprehensive income for the year									
	-	-	-	-	221,523,383	-	-	221,523,383	
	-	-	-	-	(8,511,336)	-	(49,283,320)	(57,794,656)	
<i>Total comprehensive income (loss) for the year</i>									
	850,000,000	1,643,000,000	16,950,268	85,000,000	598,158,988	108,304,495		3,301,413,751	

**Dusit Thani Public Company Limited and its Subsidiaries****Statement of cash flows**

		Consolidated financial statements		Separate financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
Note		2015	2014	2015	2014
			(Restated)		
		(in Baht)			
<b>Cash flows from operating activities</b>					
Profit (loss) for the year		253,100,856	13,249,804	221,523,383	(43,590,271)
<i>Adjustments for</i>					
Realised income from deferred rental revenue	24	(25,433,333)	(25,433,333)	-	-
Interest income		(12,961,419)	(8,430,229)	(1,707,996)	(610,244)
Dividend income		(14,451,000)	(14,719,750)	(160,353,388)	(165,734,967)
Bad debts and doubtful accounts (reversal)		8,803,205	(7,458,995)	1,234,024	(4,931,319)
Depreciation of plant and equipment	16	659,854,259	633,139,522	226,022,155	222,798,162
Depreciation of investment properties	15	13,901,347	13,889,673	15,536,761	15,451,818
Amortisation of other intangible assets	18	15,278,128	14,769,233	10,883,035	10,855,924
Loss on written off withholding tax		16,610,640	202,805	-	855,800
Amortisation of prepaid rental of land and buildings	17	106,470,694	105,337,149	74,066,640	74,066,640
Employee benefit obligations	25	28,823,599	31,214,392	13,141,225	13,502,595
Share of profits from investments by the equity method		(40,625,045)	(74,694,280)	-	-
Gain on sales of available-for-sale investment		-	-	(43,881,700)	-
Loss (gain) on sales of equipment		(2,653,927)	5,121,651	(1,683,982)	10,242
Loss on equipment written off	16	4,345,216	44,824,393	1,676,684	1,951,409
Realised deferred gain on sales of assets held for sale		(6,904,215)	-	(6,904,215)	-
Reversal of impairment on property, plant and equipment		-	(5,316,816)	-	-
Loss on sales of other intangible assets	18	1,049	237,765	1,049	-
Finance costs		49,395,223	64,436,274	14,433,987	17,417,725
Income tax expense		39,407,065	22,182,842	15,022,881	6,024,708
		1,092,964,342	812,552,100	379,010,543	146,068,222
<i>Changes in operating assets and liabilities</i>					
<i>Operating assets (increase) decrease</i>					
Trade and other receivables		(31,786,108)	72,358,816	(12,537,295)	6,930,946
Inventories		7,346,687	4,203,494	1,556,122	878,022
Other current assets		(936,343)	(39,326,339)	(178,422)	2,391,761
Other non-current assets		(8,810,276)	(654,580)	(338,443)	64,605
<i>Operating liabilities increase (decrease)</i>					
Trade and other payables		(79,783,454)	22,435,843	9,516,952	9,039,094
Liabilities under rental guarantee		(86,308,379)	12,179,370	(86,308,379)	12,179,370
Other current liabilities		12,117,930	617,222	688,599	4,364,433
Other non-current liabilities		(2,939,008)	20,959,862	2,028,995	(1,950,801)
Payment for employee benefits		(15,895,677)	(21,514,814)	(10,560,924)	(8,086,594)
Cash generated from operating activities		885,969,714	883,810,974	282,877,748	171,879,058
Proceeds from prepaid income tax refunded		2,424,925	11,334,912	80,497	9,289,063
Income tax paid		(25,157,287)	(31,979,949)	-	(10,662,636)
<b>Net cash from operating activities</b>		<b>863,237,352</b>	<b>863,165,937</b>	<b>282,958,245</b>	<b>170,505,485</b>

The accompanying notes are an integral part of these financial statements.





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

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## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

These notes form an integral part of the financial statements

The financial statements issued for Thai statutory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 25 February 2016.

#### 1 General information

Dusit Thani Public Company Limited, the “Company”, is incorporated in Thailand and has its registered head office at 946 Dusit Thani Office Building, 5th floor, Rama IV Road, Silom, Bangrak, Bangkok.

The Company was listed on the Stock Exchange of Thailand in April 1975.

The Company’s major shareholders during the financial year were Thanpuying Chanut Piyaoui and related persons (49.94% shareholding).

The principal activities of the Company and its subsidiaries are to operate hotel business, hotel management and education. Details of the Company’s subsidiaries as at 31 December 2015 and 2014 are given in note 29.

#### 2 Basis of preparation of the financial statements

##### 2.1 Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2015. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. The effects of these changes, where such effects are considered material to the financial statements, are disclosed in note 3.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2016 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 45.

##### 2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

<i>Items</i>	<i>Measurement bases</i>
Available-for-sale financial assets	Fair value
Net defined benefit liabilities	Present value of the defined benefit obligation, as explained in note 25

##### 2.3 Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company’s functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to Baht unless otherwise stated.





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

## 2 Basis of preparation of the financial statements (Continued)

### 2.4 Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 4.20	Current and deferred taxation
Note 19	Utilisation of tax losses
Note 25	Measurement of defined benefit obligations
Note 40	The revaluation of financial instruments

#### *Measurement of fair value*

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.



## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 2 Basis of preparation of the financial statements (Continued)

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 15	Investment properties
Note 40	Financial instruments

#### 3 Changes in accounting policies

##### 3.1 Overview

From 1 January 2015, consequent to the adoption of new and revised TFRS as set out in note 2, the Group has adopted the following new TFRS having a material effect on the Group's financial statements as follows:

TFRS 11	<i>Joint Arrangements</i>
TFRS 12	<i>Disclosure of Interests in Other Entities</i>
TFRS 13	<i>Fair Value Measurement</i>

A description of the nature and effect of the changes in accounting policies consequent to the adoption of these new TFRS is included in notes 3.2 to 3.4, as follows:

##### 3.2 Joint arrangement

As a result of TFRS 11, the Group has changed its accounting policy for its interests in joint arrangements. Under TFRS 11, the Group classifies its interests in joint arrangements as either joint operations or joint ventures depending on the Group's right to the assets and obligations for the liabilities of the arrangements. When making this assessment, the Group considers the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances. Previously, the structure of the arrangement was the sole focus of classification.

The Group has re-evaluated its involvement in its joint arrangements and has reclassified the investments from jointly controlled entities to joint ventures. As a consequence, the Group has changed its accounting policy for the investment in joint venture from proportionate consolidation to the equity method; accordingly, there has been impact on the recognised assets, liabilities and comprehensive income of the Group. Further details of the effect of the change are set out in note 3.4.

##### 3.3 Fair value measurement

TFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other TFRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurements date. It also replaces and expands the disclosure requirements about fair value measurements in other TFRSs.

In accordance with the transitional provisions of TFRS 13, the Group has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures.





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

### 3 Changes in accounting policies (Continued)

#### 3.4 Summary of quantitative impact

The following tables summarise the material impacts resulting from the above changes in accounting policies on the Group's financial position and comprehensive income.

As the Group has taken advantage of the transitional provisions of TFRS 10 *Consolidated Financial Statements*, TFRS 11 *Joint Arrangements* and TFRS 12 *Disclosure of Interests in Other Entities*, the following tables do not include the effect of the changes in accounting policies on the current period.

	Effect of changes in accounting policies			
	As previously reported	Reclassification	Joint ventures (see note 3.2) (in Baht)	As restated
<b>Consolidated statement of financial position as at 1 January 2014</b>				
Cash and cash equivalents	878,236,303	-	(30,590,701)	847,645,602
Short-term investments	112,138,415	-	(49,998,500)	62,139,915
Trade and other receivables	472,338,250	-	(2,513,856)	469,824,394
Inventories	89,994,372	-	(1,024,791)	88,969,581
Other current assets	59,394,920	-	(73,570)	59,321,350
Investments in joint ventures	-	-	71,476,975	71,476,975
Property, plant and equipment	5,077,487,588	-	(27,585,938)	5,049,901,650
Other intangible assets	70,442,920	-	(405,761)	70,037,159
Other non-current assets	20,633,509	-	(3,658,447)	16,975,062
Other assets	2,490,219,708	-	-	2,490,219,708
<b>Total assets</b>	<b>9,270,885,985</b>	<b>-</b>	<b>(44,374,589)</b>	<b>9,226,511,396</b>
Trade and other payables	1,010,519,209	-	(42,865,416)	967,653,793
Others current liabilities	50,731,167	-	(949,767)	49,781,400
Employee benefit obligations	175,357,625	-	(2,482,484)	172,875,141
Other non-current liabilities	22,388,030	-	1,923,078	24,311,108
Other liabilities	2,744,016,789	-	-	2,744,016,789
<b>Total liabilities</b>	<b>4,003,012,820</b>	<b>-</b>	<b>(44,374,589)</b>	<b>3,958,638,231</b>
<b>Total equity</b>	<b>5,267,873,165</b>	<b>-</b>	<b>-</b>	<b>5,267,873,165</b>



## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

### 3 Changes in accounting policies (Continued)

	Effect of changes in accounting policies		
	As previously reported	Reclassification	Joint ventures (see note 3.2)
			(in Baht)
Consolidated statement of financial position as at 31 December 2014			
Cash and cash equivalents	889,827,123	-	(30,067,613)
Short-term investments	203,077,211	-	(52,498,425)
Trade and other receivables	428,940,753	-	(2,483,342)
Inventories	85,980,376	-	(1,230,075)
Other current assets	54,105,478	-	(159,342)
Investments in joint ventures	-	-	56,720,332
Property, plant and equipment	4,899,607,498	-	(22,627,071)
Other intangible assets	67,916,725	2,986,123	(200,763)
Other non-current assets	20,800,149	(2,986,123)	(190,457)
Other assets	2,414,872,632	-	-
<b>Total assets</b>	<b>9,065,127,945</b>	<b>-</b>	<b>(52,736,756)</b>
Trade and other payables	1,049,961,349	-	(51,327,059)
Others current liabilities	48,345,849	-	(979,540)
Employee benefit obligations	177,119,767	-	(2,226,867)
Other non-current liabilities	20,563,598	-	1,796,710
Other liabilities	2,557,027,668	-	-
<b>Total liabilities</b>	<b>3,853,018,231</b>	<b>-</b>	<b>(52,736,756)</b>
<b>Total equity</b>	<b>5,212,109,714</b>	<b>-</b>	<b>-</b>

	Effect of changes in accounting policies		
	As previously reported	Joint ventures (see note 3.2)	As restated
		(in Baht)	
Consolidated statement of comprehensive income for the year ended 31 December 2014			
Revenues	4,789,448,401	(113,968,634)	4,675,479,767
Share of profit from investments by equity method	92,200,743	(17,506,463)	74,694,280
Other income	435,699,477	(11,174,954)	424,524,523
Cost of sales and services	(3,572,653,182)	51,407,902	(3,521,245,280)
Selling expenses	(398,808,236)	4,030,435	(394,777,801)
Administrative expenses	(1,196,329,815)	86,061,548	(1,110,268,267)
Depreciation and amortisation	(44,939,165)	1,522,514	(43,416,651)
Loss on sales of equipment	(4,726,402)	(395,249)	(5,121,651)
Finance costs	(64,459,175)	22,901	(64,436,274)
Income tax expense	(22,182,842)	-	(22,182,842)
<b>Profit for the year</b>	<b>13,249,804</b>	<b>-</b>	<b>13,249,804</b>
Other comprehensive income for the year, net of tax	21,841,691	-	21,841,691
<b>Total comprehensive income for the year</b>	<b>35,091,495</b>	<b>-</b>	<b>35,091,495</b>





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3, which addresses changes in accounting policies.

##### 4.1 Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and joint ventures.

##### *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

##### *Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

##### *Interests in equity-accounted investees*

The Group’s interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

##### *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 4 Significant accounting policies (Continued)

##### 4.2 Foreign currencies

###### *Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

###### *Foreign operations*

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are stated at exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve in equity until disposal of the investment, except to the extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

##### 4.3 Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

##### 4.4 Trade and other receivables

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 4 Significant accounting policies (Continued)

##### 4.5 Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

##### 4.6 Investments

###### *Investments in associates, subsidiaries and joint ventures*

Investments in associates, subsidiaries and joint ventures in the separate financial statements of the Company are accounted for using the cost method. Investments in associates and joint ventures in the consolidated financial statements are accounted for using the equity method.

###### *Investments in other debt and equity securities*

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

###### *Disposal of investments*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.



## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 4 Significant accounting policies (Continued)

##### 4.7 Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Building on leased land	Lease terms
Interior and renovation on leased land	5 - 30 years
Furniture and equipment on leased land	3 - 20 years

##### 4.8 Property, plant and equipment

###### *Recognition and measurement*

###### *Owned assets*

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net in profit or loss.

###### *Leased assets*

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 4 Significant accounting policies (Continued)

##### *Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

##### *Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment. The estimated useful lives are as follows:

	Lease terms
Building on leased land	20 - 50 years
Building	5 - 20 years
Interior and renovation on leased land	5 - 20 years
Interior and renovation	3 - 20 years
Furniture and equipment on leased land	3 - 20 years
Furniture and equipment	1 - 10 years
Chinaware, glassware, silverware and linen	5 - 10 years
Vehicles	

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

##### 4.9 *Prepaid rental of land and buildings*

Prepaid rental of land and buildings are stated at cost less accumulated amortisation and impairment losses.

##### *Amortisation*

Amortisation of prepaid rental of land and buildings is charged to profit or loss on a straight-line basis over the terms of lease agreements.

##### 4.10 *Other intangible assets*

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses.

##### *Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.



## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 4 Significant accounting policies (Continued)

##### *Amortisation*

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value and recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Computer software	10 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

##### *4.11 Impairment*

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. Intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

##### *Calculation of recoverable amount*

The recoverable amount of held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

##### *Reversals of impairment*

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 4 Significant accounting policies (Continued)

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

##### 4.12 Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

##### 4.13 Trade and other payables

Trade and other payables are stated at cost.

##### 4.14 Employee benefits

###### *Defined contribution plans*

Obligations for contributions to defined contribution plans are expensed in profit or loss as the related service is provided.

###### *Defined benefit plans*

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.



## **Dusit Thani Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

#### **4 Significant accounting policies (Continued)**

##### ***Short-term employee benefits***

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

##### **4.15 Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

##### **4.16 Treasury shares**

When share capital recognised as equity is repurchased, the amount of consideration paid, including directly attributable costs, is classified as treasury shares and recognised as a deduction from equity. An equal amount is appropriated from retained earnings and taken to a reserve for treasury shares within equity.

When treasury shares are sold, the amount received is recognised as an increase in equity by crediting the cost of the treasury shares sold, calculated using the weighted average method, to the treasury shares account and transferring the equivalent amount back from reserve for treasury shares to retained earnings. Surpluses on the sale of treasury shares are taken directly to a separate category within equity, 'Surplus on treasury shares'. Net deficits on sale or cancellation of treasury shares are debited to retained earnings after setting off against any remaining balance of surplus on treasury shares.

##### **4.17 Revenue**

Revenue excludes value added tax and is arrived at after deduction of trade discounts.

##### ***Revenue from hotel business***

For hotel business, room, food and beverage and other income are recognised when services and goods have been rendered or transferred.

##### ***Management fees***

Management fees are recognised in profit or loss as they accrue.

##### ***Tuition and education fees***

Tuition and education fees are recognised in profit or loss according to the teaching period.

##### ***Rental income***

Rental income from investment properties is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 4 Significant accounting policies (Continued)

##### *Dividend income*

Dividends are recognised in profit or loss on the date the Group's right to receive payments is established.

##### *Interest income*

Interest income is recognised in profit or loss as it accrues.

#### 4.18 Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available-for-sale financial assets, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables) that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

#### 4.19 Lease payment

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

##### *Determining whether an arrangement contains a lease*

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

#### 4.20 Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.



## **Dusit Thani Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

#### **4 Significant accounting policies (Continued)**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### **4.21 Earnings (loss) per share**

The Group presents basic earnings (loss) per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

#### **4.22 Segment reporting**

Segment results that are reported to the Group's chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Cash on hand	16,100,632	12,814,192	7,524,097	8,685,692
Cash at banks	697,647,704	734,334,048	182,471,024	171,184,618
Highly liquid short-term investments	479,192	112,611,270	-	-
<b>Total</b>	<b>714,227,528</b>	<b>859,759,510</b>	<b>189,995,121</b>	<b>179,870,310</b>

The currency denomination of cash and cash equivalents as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Thai Baht (THB)	552,411,102	675,689,814	189,575,716	179,448,390
United States Dollars (USD)	76,920,230	120,884,483	-	-
Chinese Yuan Renminbi (CNY)	-	494,470	-	-
Philippines Peso (PESO)	75,045,016	60,797,788	-	-
Others	9,851,180	1,892,955	419,405	421,920
<b>Total</b>	<b>714,227,528</b>	<b>859,759,510</b>	<b>189,995,121</b>	<b>179,870,310</b>

#### 6 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Trade accounts receivable - net	229,475,461	253,118,070	67,360,043	68,188,221
Other receivables - management fee and other services - net	53,500,210	38,110,027	46,750,798	50,317,161
Other receivables - others	46,238,284	36,494,898	47,422,141	51,178,166
Less allowance for doubtful accounts	(9,387,296)	(2,740,220)	(9,764,310)	(4,696,253)
	<u>36,850,988</u>	<u>33,754,678</u>	<u>37,657,831</u>	<u>46,481,913</u>
Other receivable - World Intertrade Corporation Limited (see note 42)	40,879,585	40,879,585	40,879,585	40,879,585
Less allowance for doubtful account	(40,879,585)	(40,879,585)	(40,879,585)	(40,879,585)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Accrued interest receivables	7,453,669	38,986	491,851	11,923
Accrued income	2,698,747	3,848,208	104,000	39,000
Prepaid expenses	62,274,436	49,478,861	16,089,545	11,358,673
Prepaid income tax	27,844,277	27,016,212	19,818,718	19,899,214
Advances	39,873,522	14,283,517	31,320,827	11,594,806
Deposits	14,738,967	6,507,527	-	-
Insurance claim	316,002	301,325	-	-
<b>Total</b>	<b>475,026,279</b>	<b>426,457,411</b>	<b>219,593,613</b>	<b>207,890,911</b>



## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 6 Trade and other receivables (Continued)

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in Baht)			
<b>Related parties</b>				
Outstanding amount				
Less than 3 months	6,203,331	9,733,493	6,077,064	10,461,633
	6,203,331	9,733,493	6,077,064	10,461,633
Less allowance for doubtful accounts	-	-	-	-
Net	6,203,331	9,733,493	6,077,064	10,461,633
<b>Other parties</b>				
Outstanding amount				
Less than 3 months	224,555,038	245,834,599	61,183,875	58,046,808
3 - 6 months	8,130,016	3,396,102	1,464,684	288,028
6 - 12 months	191,210	361,632	191,210	-
Over 12 months	1,243,526	2,479,577	19,920	1,201,456
	234,119,790	252,071,910	62,859,689	59,536,292
Less allowance for doubtful accounts	(10,847,660)	(8,687,333)	(1,576,710)	(1,809,704)
Net	223,272,130	243,384,577	61,282,979	57,726,588
<b>Trade accounts receivable - net</b>	<b>229,475,461</b>	<b>253,118,070</b>	<b>67,360,043</b>	<b>68,188,221</b>
 Bad and doubtful debts expense for the year (reversal)	 2,160,327	 (1,026,455)	 (232,994)	 (571,872)

Aging analyses for other receivables - management fee and other services were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in Baht)			
<b>Related parties</b>				
Outstanding amount				
Less than 3 months	2,460,082	6,576	38,459,105	41,703,490
3 - 6 months	403,407	153,268	1,700,684	3,912,900
6 - 12 months	762,023	5,574	38,520	1,593,241
Over 12 months	888,837	54,079	35,845	27,040
	4,514,349	219,497	40,234,154	47,236,671
Less allowance for doubtful accounts	(1,700,422)	(58,260)	(128,444)	(1,567,108)
Net	2,813,927	161,237	40,105,710	45,669,563





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 6 Trade and other receivables (Continued)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
<b>Other parties</b>				
Outstanding amount				
Less than 3 months	46,856,818	36,280,515	3,662,534	3,541,725
3 - 6 months	1,293,357	1,575,165	425,997	829,293
6 - 12 months	586,176	1,653,709	-	1,643,788
Over 12 months	7,245,059	5,380,888	7,083,359	5,321,969
	<u>55,981,410</u>	<u>44,890,277</u>	<u>11,171,890</u>	<u>11,336,775</u>
Less allowance for doubtful accounts	<u>(5,295,127)</u>	<u>(6,941,487)</u>	<u>(4,526,802)</u>	<u>(6,689,177)</u>
Net	<u>50,686,283</u>	<u>37,948,790</u>	<u>6,645,088</u>	<u>4,647,598</u>
<b>Other receivables - management fee and other services - net</b>	<u>53,500,210</u>	<u>38,110,027</u>	<u>46,750,798</u>	<u>50,317,161</u>
Reversal of bad and doubtful debts expense for the year	<u>(4,198)</u>	<u>(6,896,523)</u>	<u>(3,601,039)</u>	<u>(7,597,493)</u>

The currency denomination of trade and other receivables as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Thai Baht (THB)	246,117,200	280,216,721	183,106,119	180,568,210
United States Dollars (USD)	146,910,868	73,892,689	18,371,818	11,081,623
Others	81,998,211	72,348,001	18,115,676	16,241,078
<b>Total</b>	<u>475,026,279</u>	<u>426,457,411</u>	<u>219,593,613</u>	<u>207,890,911</u>

#### 7 Inventories

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Food and beverage	42,436,059	43,411,534	13,583,637	14,140,726
Mechanical supplies	4,904,828	6,241,091	672,503	723,198
Other supplies	24,110,306	27,301,469	6,103,723	6,497,062
Retail products	8,166,706	7,796,207	1,982,151	2,537,150
<b>Total</b>	<u>79,617,899</u>	<u>84,750,301</u>	<u>22,342,014</u>	<u>23,898,136</u>

**Dusit Thani Public Company Limited and its Subsidiaries****Notes to the financial statements****8 Other current assets**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Value added tax receivable	58,935,841	53,178,956	1,767,051	1,588,629
Others	-	767,180	-	-
<b>Total</b>	<b>58,935,841</b>	<b>53,946,136</b>	<b>1,767,051</b>	<b>1,588,629</b>

**9 Restricted bank deposits**

As at 31 December 2015 and 2014, cash at bank of a subsidiary amounting to Baht 2,176,362 and Baht 1,955,785, respectively, were pledged as collateral to letter of guarantee issued by the bank (see note 41.3).

**10 Available-for-sale-investments**

Available-for-sale-investments as at 31 December were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
<b>Equity securities available-for-sale</b>				
At cost	64,991,858	64,991,858	106,281,632	140,499,931
Net changes in fair value of available-for-sale investments	291,448,992	310,204,642	135,380,618	196,984,769
<b>Total</b>	<b>356,440,850</b>	<b>375,196,500</b>	<b>241,662,250</b>	<b>337,484,700</b>

Movements during the years ended 31 December of available-for-sale investments were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
<b>Available-for-sale investments</b>				
At 1 January	375,196,500	358,584,400	337,484,700	322,422,400
Disposal of available-for-sale investments	-	-	(34,218,300)	-
Net changes in fair value of available-for-sale investments	(18,755,650)	16,612,100	(61,604,150)	15,062,300
<b>At 31 December</b>	<b>356,440,850</b>	<b>375,196,500</b>	<b>241,662,250</b>	<b>337,484,700</b>





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 11 Other long-term investments

Other long-term investments as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
<b>Other investments</b>				
Other non-marketable equity securities	23,470,850	23,470,850	20,000,000	20,000,000
Less allowance for impairment	(23,470,850)	(23,470,850)	(20,000,000)	(20,000,000)
<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Other long-term investments of the Group and the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

During the years ended 31 December 2015 and 2014, there were no acquisition and disposal of other long-term investments.





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 12 Investments in associates

Investments in associates as at 31 December 2015 and 2014, and dividend income from those investments for the years ended 31 December 2015 and 2014 were as follows:

	Ownership Interest		Paid-up capital		Consolidated financial statements Equity		Separate financial statements Cost		Dividend income	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	(in Baht)									
	(%)									
<b>Associates</b>										
Dusit Thani Freehold and Leasehold Property Fund <sup>(1)</sup>	30.02	30.02	Baht 4,094,000,000	Baht 4,094,000,000	1,283,301,282	1,311,945,283	1,229,202,500	1,229,202,500	82,356,400	90,469,120
Philippine Hoteliers International Center for Hospitality Education, Inc. <sup>(2)</sup>	35.20	-	PHP 430,000,000	PHP -	121,413,828	-	-	-	-	-
<b>Total</b>					<b>1,404,715,110</b>	<b>1,311,945,283</b>	<b>1,229,202,500</b>	<b>1,229,202,500</b>	<b>82,356,400</b>	<b>90,469,120</b>

<sup>(1)</sup> Dusit Thani Freehold and Leasehold Property Fund is listed on Stock Exchange of Thailand. As at 31 December 2015, the fair value of the Company's investment in Dusit Thani Freehold and Leasehold Property Fund was Baht 1,100 million, which fair value has been categorised as Level 2 hierarchy (31 December 2014: Baht 1,051 million).

<sup>(2)</sup> Philippine Hoteliers, Inc. (indirect subsidiary, holding 88%) holds 40% interest in Philippine Hoteliers International Center for Hospitality Education, Inc. which was incorporated in the Philippines on 13 July 2015.





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 12 Investments in associates (Continued)

Movements in investments in associates during the years ended 31 December are summarised as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in Baht)			
<b>Associates</b>				
At 1 January	1,311,945,283	1,310,213,660	1,229,202,500	1,229,202,500
Addition	122,768,000	-	-	-
Transfer from investment in associate	-	632	-	632
Share of profits from investments by the equity method	52,358,227	92,200,743	-	-
Disposal of investment in associate	-	(632)	-	(632)
Dividend income	(82,356,400)	(90,469,120)	-	-
<b>At 31 December</b>	<b>1,404,715,110</b>	<b>1,311,945,283</b>	<b>1,229,202,500</b>	<b>1,229,202,500</b>

The following table summarises the financial information of the associates as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these companies.

	Dusit Thani Freehold and Leasehold Property Fund	
	2015	2014
	(in million Baht)	
Revenue	267	389
Net investment income	236	356
Net loss from investments	(57)	(49)
<b>Increase in net assets from operations</b>	<b>179</b>	<b>307</b>
Attributable to the Company	54	92
Current assets	73	170
Non-current assets	4,224	4,219
Current liabilities	(23)	(19)
<b>Net assets</b>	<b>4,274</b>	<b>4,370</b>
Attributable to the Company	1,283	1,312
Company's interest in net assets at 1 January	1,365	1,402
Dividends received during the year	(82)	(90)
<b>Carrying amount of interest in investee at 31 December</b>	<b>1,283</b>	<b>1,312</b>



## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 12 Investments in associates (Continued)

The following is summarised financial information for the Group's interest in immaterial associate based on the amounts reported in the Group's consolidated financial statements:

	Immaterial Associate	
	2015	2014
	<i>(in million Baht)</i>	
Carrying amount of the Group's interest in immaterial associate	122	-
Group's share of		
- Profit from continuing operations	(2)	-
- Total comprehensive income	(2)	-





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 13 Investments in subsidiaries

Investments in subsidiaries as at 31 December 2015 and 2014 and dividend income for the years ended 31 December 2015 and 2014 were as follows:

	Ownership interest		Paid-up capital		Separate financial statements			
	2015	2014	2015	2014	2015	2014	2015	2014
	(%)				(in Baht)			
<b>Subsidiaries</b>								
Dusit Thani Properties Co., Ltd.	99.99	99.99	Baht 800,000,000	Baht 800,000,000	999,999,300	999,999,300	35,999,968	35,999,968
Dusit Thai Properties Public Company Limited <sup>(1)</sup>	84.04	84.04	Baht 825,000,000	Baht 825,000,000	-	-	-	-
Philippine Hotels, Inc. <sup>(1)</sup>	88.00	88.00	PHP 364,870,100	PHP 364,870,100	-	-	-	-
Landmark Hotel Co., Ltd.	99.88	99.88	Baht 10,000,000	Baht 10,000,000	9,988,000	9,988,000	-	-
Devana Spa Co., Ltd.	99.99	99.99	Baht 8,000,000	Baht 8,000,000	7,999,930	7,999,930	-	-
Dusit Thai Properties Public Company Limited	7.75	7.75	Baht 825,000,000	Baht 825,000,000	40,109,974	40,109,974	568,189	568,189
DMS Property Investment Pvt. Ltd. <sup>(2)</sup>	52.07	47.71	USD 38,500,000	USD 38,500,000	-	-	-	-
Dusit Thani College <sup>(3)</sup>	86.79	86.79	Baht 217,715,882	Baht 217,715,882	-	-	-	-
Dusit Worldwide Co., Ltd.	99.99	99.99	Baht 50,000,000	Baht 50,000,000	49,999,950	49,999,950	-	-
Dusit Overseas Co., Ltd. <sup>(2)</sup>	99.99	99.99	HKD 33,000	HKD 33,000	-	-	-	-
Dusit Management Co., Ltd.	99.99	99.99	Baht 4,000,000	Baht 4,000,000	3,999,960	3,999,960	-	-
Dusit USA Management Inc.	100.00	100.00	USD 40,000	USD 40,000	1,243,600	1,243,600	-	-
Dusit China Capital Co., Ltd.	99.99	99.99	Baht 68,000,000	Baht 68,000,000	67,999,970	67,999,970	-	-
Dusit Thani Hotel Studies Co., Ltd. <sup>(4)</sup>	99.99	99.99	Baht 30,000,000	Baht 30,000,000	29,999,925	29,999,925	-	-
<b>Total</b>					<b>1,101,340,364</b>	<b>1,011,340,589</b>	<b>36,568,157</b>	<b>37,568,147</b>
Less allowance for impairment					(9,988,000)	(9,988,000)		
<b>Net</b>					<b>1,091,352,364</b>	<b>1,001,352,589</b>		



## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 13 Investments in subsidiaries (Continued)

- (1) Dusit Thani Properties Co., Ltd. holds 84.05% interest in Dusit Thai Properties Public Company Limited and 88.01% interest in Philippine Hoteliers, Inc.
- (2) Dusit Worldwide Co., Ltd. holds 100.00% interest in Dusit Overseas Co., Ltd.
- (3) As at 31 December 2014, Dusit Thai Properties Public Company Limited, a subsidiary holds 55% interest in DMS Property Investment Pvt. Ltd. Subsequently, on 4 September 2015, the subsidiary additionally invested for another 5% by acquiring 1,925,000 shares from the existing shareholder, totaling Baht 60,830,000. Therefore, as at 31 December 2015, the subsidiary holds 60% in DMS Property Investment Pvt. Ltd. All share certificates of DMS Property Investment Pvt. Ltd. are pledged as collateral for loan from financial institution of DMS Property Investment Pvt. Ltd. (see notes 21 and 23). The subsidiary also holds 100% in Dusit Thani College.
- (4) Dusit Thani Hotel Co., Ltd. was registered on 18 December 2014, with authorised share capital of Baht 120.00 million. During the year ended 31 December 2015, the subsidiary has called-up and received paid-up capital for another 75.00%, totaling Baht 90.00 million. As at 31 December 2015 and 2014, the subsidiary has called-up and received paid-up capital of 100.00% and 25.00%, respectively. The subsidiary changed its name to Dusit Thani Hotel Studies Co., Ltd. on 30 April 2015.





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 13 Investments in subsidiaries (Continued)

Movements in investments in subsidiaries during the years ended 31 December were as follows:

	Separate financial statements	
	2015	2014
	<i>(in Baht)</i>	
<b>Subsidiaries</b>		
At 1 January	1,001,352,589	944,152,676
Additional investment	-	29,999,925
Increase from share subscription paid	89,999,775	27,199,988
<b>At 31 December</b>	<b>1,091,352,364</b>	<b>1,001,352,589</b>

#### Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	31 December 2015				Total
	DMS Property Investment Pvt. Ltd.	Dusit Thani College	Other individually immaterial subsidiaries <i>(in million Baht)</i>	Intra-group eliminations	
Non-controlling interest percentage	47.93	13.21			
Current assets	169	531			
Non-current assets	2,142	526			
Current liabilities	(456)	(194)			
Non-current liabilities	(605)	(7)			
<b>Net assets</b>	<b>1,250</b>	<b>856</b>			
Carrying amount of non- controlling interest	599	113	100	(1)	811
Revenue	740	406			
Profit	76	114			
Other comprehensive income	-	-			
<b>Total comprehensive income</b>	<b>76</b>	<b>114</b>			
Profit allocated to non- controlling interest	39	15	-	-	54
Other comprehensive income allocated to non-controlling interest	-	-			

**Dusit Thani Public Company Limited and its Subsidiaries****Notes to the financial statements****13 Investments in subsidiaries (Continued)**

	<b>31 December 2015</b>				
	<b>DMS Property Investment Pvt. Ltd.</b>	<b>Dusit Thani College</b>	<b>Other individually immaterial subsidiaries (in million Baht)</b>	<b>Intra-group eliminations</b>	<b>Total</b>
Cash flows from operating activities	281	147			
Cash flows from investing activities	(33)	(255)			
Cash flows from financing activities	(283)	-			
<b>Net decrease in cash and cash equivalents</b>	<b>(35)</b>	<b>(108)</b>			

	<b>31 December 2014</b>				
	<b>DMS Property Investment Pvt. Ltd.</b>	<b>Dusit Thani College</b>	<b>Other individually immaterial subsidiaries (in million Baht)</b>	<b>Intra-group eliminations</b>	<b>Total</b>
Non-controlling interest percentage	52.27	13.21			
Current assets	181	412			
Non-current assets	2,115	527			
Current liabilities	(377)	(190)			
Non-current liabilities	(849)	(8)			
<b>Net assets</b>	<b>1,070</b>	<b>741</b>			
Carrying amount of non-controlling interest	559	98	112	(1)	768
Revenue	758	380			
Profit	44	77			
<b>Total comprehensive income</b>	<b>44</b>	<b>77</b>			
Profit allocated to non-controlling interest	23	10	1	-	34
Other comprehensive income allocated to non-controlling interest	-	-			
Cash flows from operating activities	331	128			
Cash flows from investing activities	(71)	(112)			
Cash flows from financing activities	(235)	-			
<b>Net increase in cash and cash equivalents</b>	<b>25</b>	<b>16</b>			





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 14 Investments in joint ventures

Investments in joint ventures as at 31 December 2015 and 2014 and dividend income for the years ended 31 December 2015 and 2014 were as follows:

	Ownership interest (%)		Paid-up capital		Consolidated financial statements Equity		Separate financial statements Cost		Dividend income	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	<i>(in Baht)</i>									
<b>Joint ventures</b>										
Le Cordon Bleu Dusit Co., Ltd.	49.99	49.99	Baht 40,000,000	Baht 40,000,000	52,061,306	51,579,516	19,999,400	19,999,400	28,999,855	24,999,250
Dusit Brid Hotel Pvt. Ltd.	50.00	50.00	INR 28,600,000	INR 28,600,000	456,257	413,888	9,830,902	9,830,902	-	-
Dusit Fadu Hotel Management (Shanghai) Co., Ltd. <sup>(b)</sup>	44.99	44.99	CNY 30,000,000	CNY 30,000,000	-	4,726,926	-	-	-	-
<b>Total</b>					<b>52,517,563</b>	<b>56,720,332</b>	<b>29,830,302</b>	<b>29,830,302</b>	<b>28,999,855</b>	<b>24,999,250</b>

(1) Dusit Fudu Hotel Management (Shanghai) Co., Ltd. was held by Dusit China Capital Co., Ltd. which is a subsidiary at 45.00%.

**Dusit Thani Public Company Limited and its Subsidiaries****Notes to the financial statements****14 Investments in joint ventures (Continued)**

Movements in investments in joint ventures during the year ended 31 December are summarised as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
<b>Joint ventures</b>				
At 1 January	56,720,332	71,476,974	29,830,302	29,830,302
Additional share subscription	-	28,370,047	-	-
Dividend received	(28,999,855)	(24,999,250)	-	-
Share of profit (loss) from investments by the equity method	24,375,587	(17,506,463)	-	-
Exchange gain (loss) on translation of foreign operations	421,499	(620,976)	-	-
<b>At 31 December</b>	<b>52,517,563</b>	<b>56,720,332</b>	<b>29,830,302</b>	<b>29,830,302</b>

The following table summarises the financial information of the joint ventures as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these companies.

	<b>Le Cordon Bleu Dusit Co., Ltd.</b>	
	2015	2014
	<i>(in million Baht)</i>	
Revenue	252	246
Profit from continuing operations	59 <sup>a</sup>	57 <sup>a</sup>
Other comprehensive income	3	-
<b>Total comprehensive income</b>	<b>62</b>	<b>57</b>
Attributable to the joint venturer	31	28
Attributable to the Company	31	29
Current assets	179 <sup>b</sup>	153 <sup>b</sup>
Non-current assets	32	44
Current liabilities	(101)	(90)
Non-current liabilities	(8)	(4)
<b>Net assets</b>	<b>102</b>	<b>103</b>
Attributable to the joint venturer	51	51
Attributable to the Company	51	52
Company's interest in net assets at 1 January	52	48
Total comprehensive income attributable to the Company	30	29
Dividends received during the year	(29)	(25)
<b>Carrying amount of interest in investee at 31 December</b>	<b>53</b>	<b>52</b>





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 14 Investments in joint ventures (Continued)

	<b>Le Cordon Bleu Dusit Co., Ltd.</b>	
	2015	2014
	<i>(in million Baht)</i>	
Remark:		
a. Includes:		
- depreciation and amortisation	13	14
b. Includes cash and cash equivalents	60	45

The following is summarised financial information for the Group's interest in immaterial joint ventures based on the amounts reported in the Group's consolidated financial statements:

	<b>Immaterial joint ventures</b>	
	2015	2014
	<i>(in million Baht)</i>	
Carrying amount of interest in immaterial joint ventures	-	5
Group's share of		
- Profit from continuing operations	(41)	(47)
- Other comprehensive income	(2)	(2)
- <b>Total comprehensive income</b>	<b>(43)</b>	<b>(49)</b>



## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 15 Investment properties

Movements in investment properties during the years ended 31 December were as follows:

	At 1 January 2014	Consolidated financial statements Additions (in Baht)	Reclassification from plant and equipment	At 31 December 2014
<b>Cost</b>				
Land	214,945,361	-	-	214,945,361
Building on leased land	3,563,086	2,592	-	3,565,678
Interior and renovation on leased land	137,299,161	274,843	-	137,574,004
Furniture and equipment on leased land	8,400,597	6,111	-	8,406,708
<b>Total</b>	<b>364,208,205</b>	<b>283,546</b>	<b>-</b>	<b>364,491,751</b>
<b>Accumulated depreciation</b>				
Building on leased land	(3,563,016)	(2,592)	-	(3,565,608)
Interior and renovation on leased land	(81,055,525)	(13,352,665)	-	(94,408,190)
Furniture and equipment on leased land	(6,127,138)	(534,416)	-	(6,661,554)
<b>Total</b>	<b>(90,745,679)</b>	<b>(13,889,673)</b>	<b>-</b>	<b>(104,635,352)</b>
<b>Investment properties - net</b>	<b>273,462,526</b>	<b>(13,606,127)</b>	<b>-</b>	<b>259,856,399</b>
Depreciation for the year				<b>13,889,673</b>

	At 1 January 2015	Consolidated financial statements Additions (in Baht)	Reclassification from plant and equipment	At 31 December 2015
<b>Cost</b>				
Land	214,945,361	-	-	214,945,361
Building on leased land	3,565,678	517,284	-	4,082,962
Interior and renovation on leased land	137,574,004	27,262	-	137,601,266
Furniture and equipment on leased land	8,406,708	-	-	8,406,708
<b>Total</b>	<b>364,491,751</b>	<b>544,546</b>	<b>-</b>	<b>365,036,297</b>
<b>Accumulated depreciation</b>				
Building on leased land	(3,565,608)	(64,145)	-	(3,629,753)
Interior and renovation on leased land	(94,408,190)	(13,307,243)	-	(107,715,433)
Furniture and equipment on leased land	(6,661,554)	(529,959)	-	(7,191,513)
<b>Total</b>	<b>(104,635,352)</b>	<b>(13,901,347)</b>	<b>-</b>	<b>(118,536,699)</b>
<b>Investment properties - net</b>	<b>259,856,399</b>	<b>(13,356,801)</b>	<b>-</b>	<b>246,499,598</b>
Depreciation for the year				<b>13,901,347</b>





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 15 Investment properties (Continued)

	At 1 January 2014	Separate financial statements Additions (in Baht)	Reclassification to plant and equipment	At 31 December 2014
<b>Cost</b>				
Land	144,571,625	-	-	144,571,625
Building on leased land	3,985,642	-	(483)	3,985,159
Interior and renovation on leased land	153,581,846	195,589	(18,637)	153,758,798
Furniture and equipment on leased land	9,396,847	-	(1,139)	9,395,708
Total	311,535,960	195,589	(20,259)	311,711,290
<b>Accumulated depreciation</b>				
Building on leased land	(3,985,564)	-	483	(3,985,081)
Interior and renovation on leased land	(90,668,123)	(14,859,440)	12,789	(105,514,774)
Furniture and equipment on leased land	(6,853,772)	(592,378)	903	(7,445,247)
Total	(101,507,459)	(15,451,818)	14,175	(116,945,102)
<b>Investment properties - net</b>	<b>210,028,501</b>	<b>(15,256,229)</b>	<b>(6,084)</b>	<b>194,766,188</b>
Depreciation for the year				15,451,818

	At 1 January 2015	Separate financial statements Additions (in Baht)	Reclassification to plant and equipment	At 31 December 2015
<b>Cost</b>				
Land	144,571,625	-	-	144,571,625
Building on leased land	3,985,159	577,813	-	4,562,972
Interior and renovation on leased land	153,758,798	30,470	-	153,789,268
Furniture and equipment on leased land	9,395,708	-	-	9,395,708
Total	311,711,290	608,283	-	312,319,573
<b>Accumulated depreciation</b>				
Building on leased land	(3,985,081)	(71,691)	-	(4,056,772)
Interior and renovation on leased land	(105,514,774)	(14,872,764)	-	(120,387,538)
Furniture and equipment on leased land	(7,445,247)	(592,306)	-	(8,037,553)
Total	(116,945,102)	(15,536,761)	-	(132,481,863)
<b>Investment properties - net</b>	<b>194,766,188</b>	<b>(14,928,478)</b>	<b>-</b>	<b>179,837,710</b>
Depreciation for the year				15,536,761



## **Dusit Thani Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

#### **15 Investment properties (Continued)**

Investment properties as at 31 December 2015 and 2014 were valued by a firm of independent professional valuers, at open market values on an existing use basis.

As at 31 December 2015, the fair value of investment properties presented in the consolidated and separate financial statements were Baht 1,445,904,932 and Baht 1,351,952,310, respectively.

#### **Measurement of fair value**

##### *Fair value hierarchy*

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment property portfolio on a regular basis.

The fair value measurement for investment property of Baht 1,445,904,932 has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 16 Property, plant and equipment

Property, plant and equipment as at 31 December 2014 and 2015 consisted of the following:

Cost	At 1 January 2014	Consolidated financial statements				At 31 December 2014
		Additions	Disposals	Write-offs (in Baht)	Transfers	Exchange gain (loss) on translation of foreign operations
Land	481,558,176	-	-	-	-	481,558,176
Land improvement	8,909,064	-	-	-	-	8,902,306
Buildings	1,276,565,625	2,164,677	(5,404,038)	(6,704,005)	25,368,096	1,291,990,355
Buildings on leased land	3,317,746,130	57,427,055	-	(132,634,438)	41,468,413	3,288,489,857
Furniture and equipment	1,069,722,151	52,212,418	(24,479,097)	(4,304,162)	27,913,404	1,122,968,420
Furniture and equipment on leased land	1,545,153,649	65,071,726	(55,558,313)	(84,685,986)	21,175,205	1,489,244,493
Interior and renovation	467,834,262	6,619,761	(12,053,020)	(1,309,070)	29,841,811	490,935,258
Interior and renovation on leased land	1,237,084,870	4,009,343	(46,196,658)	(7,727)	45,114,435	1,240,004,263
Vehicles	89,226,762	6,220,179	(2,767,652)	-	-	92,756,498
Chinaware, glassware, silverware and linen	153,573,623	18,825,257	(469,416)	(34,224,995)	-	137,668,806
Construction in process	75,988,125	288,797,272	-	-	(191,029,252)	174,537,968
Total	9,723,362,437	501,347,688	(146,928,194)	(263,870,383)	(147,888)	9,819,056,400



## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 16 Property, plant and equipment (Continued)

Consolidated financial statements							
	At 1 January 2014	Additions	Disposals	Write-offs (in Baht)	Transfers	Exchange gain (loss) on translation of foreign operations	At 31 December 2014
<i>Accumulated depreciation</i>							
Land improvement	(7,773,353)	(217,359)	-	-	-	4,762	(7,985,950)
Buildings	(786,739,140)	(35,430,679)	4,587,159	613,508	-	-	(816,969,152)
Buildings on leased land	(1,024,674,594)	(183,497,422)	-	109,955,070	-	1,425,712	(1,096,791,234)
Furniture and equipment	(420,445,013)	(112,516,147)	22,975,114	2,213,398	-	(1,023,545)	(508,796,193)
Furniture and equipment on leased land	(1,254,833,148)	(123,839,285)	54,535,311	85,783,466	-	1,075,226	(1,237,278,430)
Interior and renovation	(133,139,778)	(41,820,950)	10,195,101	1,309,067	-	(1,457)	(163,458,017)
Interior and renovation on leased land	(821,741,447)	(102,242,336)	46,152,538	2,592	-	-	(877,828,653)
Vehicles	(67,388,784)	(7,556,969)	2,644,049	-	-	(81,216)	(72,382,920)
Chinaware, glassware, silverware and linen	(75,389,220)	(26,018,375)	380,595	19,168,889	-	(110,077)	(81,968,188)
Total	(4,592,124,477)	(633,139,522)	141,469,867	219,045,990	-	1,289,405	(4,863,458,737)
Property, plant and equipment	5,131,237,960	(131,791,834)	(5,458,327)	(44,824,393)	(147,888)	6,582,145	4,955,597,663
Less allowance for impairment	(83,934,052)	-	-	5,316,816	-	-	(78,617,236)
Property, plant and equipment - net	5,047,303,908	(131,791,834)	(5,458,327)	(39,507,577)	(147,888)	6,582,145	4,876,980,427
Depreciation for the year							633,139,522





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 16 Property, plant and equipment

Cost	Consolidated financial statements				
	At 1 January 2015	Additions	Disposals	Write-offs (in Baht)	Transfers
				Exchange gain (loss) on translation of foreign operations	At 31 December 2015
Land	481,558,176	-	-	-	481,558,176
Land improvement	8,902,306	-	-	-	8,972,971
Buildings	1,291,990,355	12,822,892	(50,212)	-	1,427,362,962
Buildings on leased land	3,288,489,857	13,926,302	-	-	3,567,397,927
Furniture and equipment	1,122,968,420	48,808,177	(25,474,964)	(3,103,753)	1,223,766,559
Furniture and equipment on leased land	1,489,244,493	32,903,254	(59,240,407)	(3,954,730)	1,546,133,050
Interior and renovation	490,935,258	3,978,035	(3,522,614)	-	499,382,262
Interior and renovation on leased land	1,240,004,263	1,513,397	(105,956,335)	-	1,156,991,327
Vehicles	92,756,498	3,274,567	(21,422,391)	(438,276)	76,734,580
China ware, glassware, silverware and linen	137,668,806	17,518,892	-	(19,507,588)	144,525,684
Construction in process	174,537,968	548,436,673	-	-	427,287,204
Total	9,819,056,400	683,182,189	(215,666,923)	(27,004,347)	10,560,112,702



## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 16 Property, plant and equipment (Continued)

##### Consolidated financial statements

	At 1 January 2015	Additions	Disposals	Write-offs (in Baht)	Transfers	Exchange gain (loss) on translation of foreign operations	At 31 December 2015
<i>Accumulated depreciation</i>							
Land improvement	(7,985,950)	(188,813)	-	-	-	(54,778)	(8,229,541)
Buildings	(816,969,152)	(36,737,556)	49,778	-	-	-	(853,656,930)
Buildings on leased land	(1,096,791,234)	(179,327,012)	-	-	(1,934,158)	(54,806,071)	(1,332,858,475)
Furniture and equipment	(508,796,193)	(99,881,411)	25,165,044	3,094,481	-	(14,112,162)	(594,530,241)
Furniture and equipment on leased land	(1,237,278,430)	(161,732,965)	59,071,454	3,932,649	2,967,448	(14,923,263)	(1,347,963,107)
Interior and renovation	(163,458,017)	(44,645,444)	3,190,166	-	-	-	(204,913,295)
Interior and renovation on leased land	(877,828,653)	(105,180,383)	105,518,640	-	-	(21,067)	(877,511,463)
Vehicles	(72,382,920)	(8,776,915)	21,422,367	438,277	162,937	(1,265,068)	(60,401,322)
China ware, glassware, silverware and linen	(81,968,188)	(23,383,760)	-	15,193,724	(1,193,575)	(2,179,069)	(93,530,868)
Total	(4,863,458,737)	(659,854,259)	214,417,449	22,659,131	2,652	(87,361,478)	(5,373,595,242)
Property, plant and equipment	4,955,597,663	23,327,930	(1,249,474)	(4,345,216)	(164,200)	213,350,757	5,186,517,460
Less allowance for impairment	(78,617,236)	-	-	-	-	-	(78,617,236)
Property, plant and equipment - net	4,876,980,427	23,327,930	(1,249,474)	(4,345,216)	(164,200)	213,350,757	5,107,900,224
Depreciation for the year							659,854,259





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 16 Property, plant and equipment (Continued)

	At 1 January 2014	Separate financial statements				At 31 December 2014
		Additions	Disposals (in Baht)	Write-offs	Transfers	
<b>Cost</b>						
Buildings on leased land	353,132,596	-	-	-	483	353,133,079
Furniture and equipment on leased land	1,294,782,189	27,447,718	(55,586,956)	(6,640,151)	20,913,663	1,280,916,463
Interior and renovation on leased land	1,269,659,667	4,088,597	(46,196,658)	(7,727)	45,133,073	1,272,676,952
Vehicles	43,326,084	494,385	(161,500)	-	-	43,658,969
Chinaware, glassware, silverware and linen	53,288,912	8,367,743	-	(6,327,440)	-	55,329,215
Construction in process	13,008,121	74,827,254	-	-	(66,026,960)	21,808,415
<b>Total</b>	<b>3,027,197,569</b>	<b>115,225,697</b>	<b>(101,945,114)</b>	<b>(12,975,318)</b>	<b>20,259</b>	<b>3,027,523,093</b>
<b>Accumulated depreciation</b>						
Buildings on leased land	(292,212,609)	(14,876,136)	-	-	(483)	(307,089,228)
Furniture and equipment on leased land	(969,283,050)	(98,637,599)	54,563,954	6,529,984	14,637	(1,006,812,074)
Interior and renovation on leased land	(861,185,659)	(100,735,562)	46,152,538	2,592	(12,789)	(915,778,880)
Vehicles	(39,708,501)	(1,687,471)	140,516	-	-	(41,255,456)
Chinaware, glassware, silverware and linen	(32,149,576)	(6,861,394)	-	4,497,417	(15,540)	(34,529,093)
<b>Total</b>	<b>(2,194,539,395)</b>	<b>(222,798,162)</b>	<b>100,857,008</b>	<b>11,029,993</b>	<b>(14,175)</b>	<b>(2,305,464,731)</b>
<b>Property, plant and equipment - net</b>	<b>832,658,174</b>	<b>(107,572,465)</b>	<b>(1,088,106)</b>	<b>(1,945,325)</b>	<b>6,084</b>	<b>722,058,362</b>
Depreciation for the year						222,798,162



## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 16 Property, plant and equipment (Continued)

	At 1 January 2015	Additions	Separate financial statements (in Baht)			At 31 December 2015
			Disposals	Write-offs	Transfers	
<i>Cost</i>						
Buildings on leased land	353,133,079	275,536	-	-	-	353,408,615
Furniture and equipment	1,280,916,463	26,443,530	(59,218,186)	(3,954,731)	17,187,820	1,261,374,896
on leased land						
Interior and renovation	1,272,676,952	1,510,190	(105,956,335)	-	17,955,845	1,186,186,652
on leased land	43,658,969	145,794	(12,562,994)	-	-	31,241,769
Vehicles						
Chinaaware, glassware, silverware and linen	55,329,215	6,219,403	-	(9,219,719)	-	52,328,899
Construction in process	21,808,415	48,659,470	-	-	(35,143,665)	35,324,220
Total	3,027,523,093	83,253,923	(177,737,515)	(13,174,450)	-	2,919,865,051
<i>Accumulated depreciation</i>						
Buildings on leased land	(307,089,228)	(14,910,323)	-	-	-	(321,999,551)
Furniture and equipment	(1,006,812,074)	(99,148,651)	59,064,693	3,932,650	-	(1,042,963,382)
on leased land						
Interior and renovation	(915,778,880)	(103,444,684)	105,518,640	-	-	(913,704,924)
on leased land	(41,255,456)	(1,563,485)	12,562,976	-	-	(30,255,965)
Vehicles						
Chinaaware, glassware, silverware and linen	(34,529,093)	(6,955,012)	-	7,565,116	-	(33,918,989)
Total	(2,305,464,731)	(226,022,155)	177,146,309	11,497,766	-	(2,342,842,811)
Property, plant and equipment - net	722,058,362	(142,768,232)	(591,206)	(1,676,684)	-	577,022,240
Depreciation for the year						226,022,155





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 16 Property, plant and equipment (Continued)

##### *Dusit Thani Public Company Limited*

Property, plant and equipment - net included building and building improvement on lease land of Dusit Thani Hotel, Pattaya at a net book value as at 31 December 2015 and 2014 of Baht 31,167,680 and Baht 46,043,816, 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 the 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 the leasehold right on land 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 42).

##### *Dusit Thai Properties Public Company Limited, a subsidiary*

As at 31 December 2015 and 2014, property, plant and equipment of Dusit Thani Hua Hin under Dusit Thai Properties Public Company Limited at a net book value of Baht 318,723,390 and Baht 329,408,577, respectively, are mortgaged as a guarantee condition which is specified in a 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 24).

##### *Philippine Hoteliers, Inc., an indirect subsidiary*

As at 31 December 2014, hotel building and equipment on leased land and leasehold rights on land of the subsidiary at a net book value of Peso 468,423,087 or approximately Baht 341,246,219 are used as collateral for long-term loan of this subsidiary in the amount of Peso 510,000,000 (see note 23 (a)).

As at 31 December 2015, building and equipment in the consolidated financial statement included interest expense from loan of Philippine Hoteliers, Inc. in the amount of Peso 14,341,675 or Baht 10,663,155. The capitalised interest rate was 4.125% - 4.617%.

##### *Fully depreciated plant and equipment*

As at 31 December 2015 and 2014, plant and equipment of the Group amounted to Baht 2,073,032,467 and Baht 1,990,532,406, respectively, were fully depreciated but still in use.

As at 31 December 2015 and 2014 plant and equipment of the Company amounted to Baht 984,068,438 and Baht 1,095,677,171, respectively, were fully depreciated but still in use.



## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 17 Prepaid rental of land and buildings

Movements in prepaid rental of land and buildings during the years ended 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in Baht)			
<b>Net book value</b>				
At 1 January	330,542,583	417,312,605	240,716,580	314,783,220
Additional payments	31,589,170	18,264,543	-	-
Amortisation	(106,470,694)	(105,337,149)	(74,066,640)	(74,066,640)
Exchange gain on translation of foreign operations	7,688,918	302,584	-	-
<b>At 31 December</b>	<b>263,349,977</b>	<b>330,542,583</b>	<b>166,649,940</b>	<b>240,716,580</b>
Less current portion of prepaid rental of land and buildings	(109,073,479)	(105,769,297)	(74,066,640)	(74,066,640)
<b>Prepaid rental of land and buildings</b>	<b>154,276,498</b>	<b>224,773,286</b>	<b>92,583,300</b>	<b>166,649,940</b>

DMS Property Investment Pvt. Ltd. has leasehold right from the Government of Republic of Maldives, for five-star resort and construction over Mudhdhoo Island in Baa Atoll, Republic of Maldives for 35 years with prepaid rental of USD 5,000,000 for the first 5 years in the amount of USD 1,000,000 per year, starting from 23 January 2012. The Government of Republic of Maldives passed the law to extend the leasehold right to a maximum period of 50 years which the subsidiary has to pay additional annual rental of USD 100,000 from September 2044 onwards. As such, the lease period will be due in September 2059. Consequently, the Government of Republic of Maldives issued a letter to the subsidiary to prepay the additional annual rental for the last 15 years. As of 31 December 2015 and 2014, the subsidiary prepaid the rental of USD 1,312,500 and USD 562,500, respectively.



Dusit Thani Public Company Limited and its Subsidiaries  
Notes to the financial statements

18 Other intangible assets

Movements in other intangible assets during the years ended 31 December were as follows:

Consolidated financial statements							
	At 1 January 2014	Additions	Disposals	Write-offs (in Bahl)	Transfers	Exchange gain (loss) on translation of foreign operations	At 31 December 2014
Computer softwares							
Cost	133,338,369	9,698,300	(2,569,797)	-	5,429,774	494	145,897,140
Softwares under installation	2,597,743	3,233,695	-	-	(5,281,886)	-	549,552
Accumulated amortisation	(63,301,211)	(14,769,233)	2,332,032	-	-	(6,195)	(75,744,607)
Intangible asset - net	72,634,901	(1,837,238)	(237,765)	-	147,888	(5,701)	70,702,085
Amortisation for the year							14,769,233

Consolidated financial statements							
	At 1 January 2015	Additions	Disposals	Write-offs (in Bdt)	Transfers	Exchange gain (loss) on translation of foreign operations	At 31 December 2015
Computer softwares							
Cost	145,897,140	4,816,404	-	(530,495)	1,783,808	813,248	152,780,105
Softwares under installation	549,552	1,067,404	-	-	(1,616,956)	-	
Accumulated amortisation	(75,744,607)	(15,278,128)	-	529,446	(2,652)	(518,352)	(91,014,293)
Intangible asset - net	70,702,085	(9,394,320)	-	(1,049)	164,200	294,896	61,765,812
Amortisation for the year							15,278,128

**Dusit Thani Public Company Limited and its Subsidiaries****Notes to the financial statements****18 Other intangible assets (Continued)**

	Separate financial statements				
	At 1 January 2014	Additions	Disposals (in Baht)	Write-offs	At 31 December 2014
<b>Computer softwares</b>					
Cost	104,355,292	5,424,468	-	-	109,779,760
Accumulated amortisation	(46,000,806)	(10,855,924)	-	-	(56,856,730)
<b>Intangible asset - net</b>	<b>58,354,486</b>	<b>(5,431,456)</b>	<b>-</b>	<b>-</b>	<b>52,923,030</b>
Amortisation for the year					10,855,924

	Separate financial statements				
	At 1 January 2015	Additions	Disposals (in Baht)	Write-offs	At 31 December 2015
<b>Computer softwares</b>					
Cost	109,779,760	1,132,874	-	(530,495)	110,382,139
Accumulated amortisation	(56,856,730)	(10,883,035)	-	529,446	(67,210,319)
<b>Intangible asset - net</b>	<b>52,923,030</b>	<b>(9,750,161)</b>	<b>-</b>	<b>(1,049)</b>	<b>43,171,820</b>
Amortisation for the year					10,883,035





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 19 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Deferred tax assets	135,270,755	157,136,890	60,557,799	73,711,217
Set off of tax	(34,318,888)	(47,030,912)	(27,943,963)	(40,523,164)
<b>Net deferred tax assets</b>	<b>100,951,867</b>	<b>110,105,978</b>	<b>32,613,836</b>	<b>33,188,053</b>
Deferred tax liabilities	(54,373,418)	(59,562,234)	(27,943,96)	(40,523,164)
Set off of tax	34,318,888	47,030,912	27,943,963	40,523,164
<b>Net deferred tax liabilities</b>	<b>(20,054,530)</b>	<b>(12,531,322)</b>	<b>-</b>	<b>-</b>
<b>Net</b>	<b>80,897,337</b>	<b>97,574,656</b>	<b>32,613,836</b>	<b>33,188,053</b>

Movements in total deferred tax assets and liabilities during the years were as follows:

	Consolidated financial statements (Charged) / credited to:			
	At 1 January 2015	Profit or loss	Other comprehensive income	At 31 December 2015
	<i>(in Baht)</i>			
<b>Deferred tax assets</b>				
Tax losses carried forward	78,418,590	(33,902,932)	-	44,515,658
Employee benefit obligations	35,270,809	2,887,015	3,565,792	41,723,616
Others	43,447,491	5,583,990	-	49,031,481
<b>Total</b>	<b>157,136,890</b>	<b>(25,431,927)</b>	<b>3,565,792</b>	<b>135,270,755</b>
<b>Deferred tax liabilities</b>				
Unrealised gain	45,978,519	(8,776,340)	(3,751,130)	33,451,049
Others	13,583,715	7,338,654	-	20,922,369
<b>Total</b>	<b>59,562,234</b>	<b>(1,437,686)</b>	<b>(3,751,130)</b>	<b>54,373,418</b>
<b>Net</b>	<b>97,574,656</b>	<b>(23,994,241)</b>	<b>7,316,922</b>	<b>80,897,337</b>



# Dusit Thani Public Company Limited and its Subsidiaries

## Notes to the financial statements

### 19 Deferred tax (Continued)

	Consolidated financial statements (Charged) / credited to:			
	At 1 January 2014	Profit or loss	Other comprehensive income	At 31 December 2014
		(in Baht)		
<b>Deferred tax assets</b>				
Tax losses carried forward	94,803,683	(16,385,093)	-	78,418,590
Employee benefit obligations	36,505,474	1,017,913	(2,252,578)	35,270,809
Others	41,430,152	2,017,339	-	43,447,491
<b>Total</b>	<b>172,739,309</b>	<b>(13,349,841)</b>	<b>(2,252,578)</b>	<b>157,136,890</b>
<b>Deferred tax liabilities</b>				
Unrealised gain	42,656,099	-	3,322,420	45,978,519
Others	14,720,344	(1,136,629)	-	13,583,715
<b>Total</b>	<b>57,376,443</b>	<b>(1,136,629)</b>	<b>3,322,420</b>	<b>59,562,234</b>
<b>Net</b>	<b>115,362,866</b>	<b>(12,213,212)</b>	<b>(5,574,998)</b>	<b>97,574,656</b>
		Separate financial statements (Charged) / credited to:		
	At 1 January 2015	Profit or loss	Other comprehensive income	At 31 December 2015
		(in Baht)		
<b>Deferred tax assets</b>				
Tax losses carried forward	39,252,097	(16,663,792)	-	22,588,305
Employee benefit obligations	20,122,290	336,241	2,127,834	22,586,365
Others	14,336,830	1,046,300	-	15,383,130
<b>Total</b>	<b>73,711,217</b>	<b>(15,281,251)</b>	<b>2,127,834</b>	<b>60,557,800</b>
<b>Deferred tax liabilities</b>				
Unrealised gain	39,396,954	-	(12,320,830)	27,076,124
Others	1,126,210	(258,370)	-	867,840
<b>Total</b>	<b>40,523,164</b>	<b>(258,370)</b>	<b>(12,320,830)</b>	<b>27,943,964</b>
<b>Net</b>	<b>33,188,053</b>	<b>(15,022,881)</b>	<b>14,448,664</b>	<b>32,613,836</b>





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 19 Deferred tax (Continued)

	At 1 January 2014	Separate financial statements (Charged) / credited to:		At 31 December 2014
		Profit or loss	Other comprehensive income	
		(in Baht)		
<b>Deferred tax assets</b>				
Tax losses carried forward	44,749,457	(5,497,360)	-	39,252,097
Employee benefit obligations	19,259,270	863,020	-	20,122,290
Others	15,471,352	(1,134,522)	-	14,336,830
<b>Total</b>	<b>79,480,079</b>	<b>(5,768,862)</b>	<b>-</b>	<b>73,711,217</b>
<b>Deferred tax liabilities</b>				
Unrealised gain	36,384,494	-	3,012,460	39,396,954
Others	870,364	255,846	-	1,126,210
<b>Total</b>	<b>37,254,858</b>	<b>255,846</b>	<b>3,012,460</b>	<b>40,523,164</b>
<b>Net</b>	<b>42,225,221</b>	<b>(6,024,708)</b>	<b>(3,012,460)</b>	<b>33,188,053</b>

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in Baht)			
Deductible temporary differences	5,646,615	5,914,880	5,374,464	5,651,257
Tax losses	58,282,494	56,677,530	55,665,019	55,635,588
<b>Net</b>	<b>63,929,109</b>	<b>62,592,410</b>	<b>61,039,483</b>	<b>61,286,845</b>

The tax losses will be expired during 2017 - 2020 and the deductible temporary differences do not expire under current tax legislation, the deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

#### 20 Deposit for hotel management right

On 13 August 2014, the Board of Directors of the Company had passed a resolution to terminate the joint venture agreement in Dusit Thani Laguna Singapore Pte. Ltd., an associate. The Company shall instead conduct hotel management for the hotel. The Company's investment in shares of the joint venture shall be transferred to Laguna Hotel Holdings Pte. Ltd. or another company or person assigned by Laguna Hotel Holdings Pte. Ltd. The joint venture shall no longer use the word "Dusit Thani" in its name.

The Company has terminated the joint venture agreement in Dusit Thani Laguna Singapore Pte. Ltd. on 21 August 2014.



## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 20 Deposit for hotel management right (Continued)

On 21 August 2014, the Company has entered into a memorandum with Laguna Hotel Holdings Pte. Ltd., in order to provide the deposit for hotel management right totaling SGD 4,000,000 to Laguna Hotel Holdings Pte. Ltd. or its affiliate to be assigned by Laguna Hotel Holdings Pte. Ltd. which benefits to the Company to manage hotels of such company, and also agreed to transfer the advance payment to Dusit Thani Laguna Singapore Pte. Ltd. of SGD 1,000,400 (or Baht 25,270,104) as partial payment of the deposit. The remaining amount of SGD 2,999,600 will be paid in two installments according to the progress of the construction of the hotel. The deposit will be refunded to the Company under conditions as specified in the memorandum.

#### 21 Bank overdrafts and short-term loans from financial institutions

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Bank overdrafts	-	-	-	-
Short-term loans from financial institutions	538,000,000	639,000,000	390,000,000	593,000,000
<b>Total</b>	<b>538,000,000</b>	<b>639,000,000</b>	<b>390,000,000</b>	<b>593,000,000</b>

The Group entered into loan agreements with local financial institutions for working capital as follows:

Agreement date	Limit		Interest rate	Short-term loans	
	2015	2014		31 December 2015	31 December 2014
	(in Baht)			(in Baht)	
<b>Dusit Thani Public Company Limited</b>					
17 December 2007	450,000,000	450,000,000	MMR	390,000,000	450,000,000
2 November 2010	150,000,000	150,000,000	MMR	-	-
			As specified		
8 December 2010	300,000,000	250,000,000	by bank	-	-
15 December 2010	800,000,000	800,000,000	MMR	-	-
1 November 2011	450,000,000	450,000,000	MMR	-	143,000,000
Total <sup>(1)</sup>	2,150,000,000	2,100,000,000		390,000,000	593,000,000
<b>Dusit Thai Properties Public Company Limited</b>					
24 June 2009	50,000,000	50,000,000	MMR	-	-
15 October 2012	200,000,000	50,000,000	MMR	148,000,000	46,000,000
6 November 2012	50,000,000	50,000,000	MMR	-	-
Total <sup>(1)</sup>	300,000,000	150,000,000		148,000,000	46,000,000
<b>DMS Property Investment Pvt. Ltd.</b>					
			LIBOR +		
3 September 2011	126,145,775	115,215,100	2.925%	-	-
Total <sup>(2)</sup>	126,145,775	115,215,100		-	-
<b>Dusit Thani Hotel Studies Co., Ltd.</b>					
13 July 2015	15,000,000	-	MMR	-	-
Total <sup>(3)</sup>	15,000,000	-		-	-
Total	2,591,145,775	2,365,215,100		538,000,000	639,000,000





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 21 Bank overdrafts and short-term loans from financial institutions (Continued)

- MMR : Money Market Rate

- (1) The short-term loans have no collateral.
- (2) The short-term loans have facilities of USD 3,500,000. The loans were pledged by all share certificates of the subsidiary of 38,500,000 shares (see note 13). As at 31 December 2015, the loan facility of USD 1,500,000 was guaranteed by the Company at 60% and the other 2 shareholders of the subsidiary at 40%. The loan facility of USD 2,000,000 was guaranteed by the Company at 65% and another shareholder of the subsidiary at 35%. As at 31 December 2014, the loan facility of USD 1,500,000 was guaranteed by the Company at 55% and the other 3 shareholders of the subsidiary at 45%. The loan facility of USD 2,000,000 was guaranteed by the Company at 60% and the other 2 shareholders of the subsidiary at 40%.
- (3) The short-term loan has drawdown period within 10 years and is guaranteed by the Company in the amount of Baht 15,000,000.

As at 31 December 2015 and 2014, the Group had credit lines for bank overdrafts totaling Baht 85,000,000 with no collateral.

As at 31 December 2015 and 2014, the Company had credit lines for bank overdrafts totaling Baht 40,000,000 with no collateral.

#### 22 Trade and other payables

Trade and other payables as at 31 December consisted of the following:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Trade accounts payable	151,314,965	162,505,705	48,290,116	46,118,702
Other payables	12,637,818	57,195,935	27,137,315	26,291,879
Payables from acquisition of assets	37,694,387	30,616,203	9,816,111	10,369,852
Accrued expenses	407,407,518	381,924,979	94,493,199	77,415,339
Deposit received	156,521,956	147,163,697	25,658,294	18,713,996
Unearned revenue of Dusit Thani College	148,768,434	154,027,670	-	-
Others	48,084,362	65,200,101	40,390,211	58,019,762
<b>Total</b>	<b>962,429,440</b>	<b>998,634,290</b>	<b>245,785,246</b>	<b>236,929,530</b>



## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 22 Trade and other payables (Continued)

The currency denomination of trade and other payables as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Thai Baht (THB)	626,079,201	704,827,746	238,609,776	236,929,530
US Dollar (USD)	144,949,510	135,510,893	6,999,619	-
Philippines Peso (PESO)	177,764,650	157,665,810	-	-
Others	13,636,079	629,841	175,851	-
<b>Total</b>	<b>962,429,440</b>	<b>998,634,290</b>	<b>245,785,246</b>	<b>236,929,530</b>

#### 23 Long-term loans

Long-term loans consisted of the following:

	Interest rate		Consolidated financial statements	
	2015	2014	2015	2014
	<i>(% per annum)</i>		<i>(in Baht)</i>	
Loans from financial institutions				
By Philippine Hoteliers, Inc.				
- Repayable in semi-annual installments through 2015	-	3.8833	-	10,636,962
- Repayable in semi-annual installments from December 2016 through 2024	4.1250 - 4.3703	4.2500	455,413,000	51,089,500
By DMS Property Investment Pvt. Ltd.				
- Repayable every 3 months from September 2013 through 2018	3.4600	3.2569	929,874,570	1,079,731,720
By Dusit Thani Hotel Studies Co., Ltd.				
- Repayable every 3 months from October 2017 through 2022	3.7608	-	116,200,000	-
			<b>1,501,487,570</b>	<b>1,141,458,182</b>
Less current portion			<b>(324,374,850)</b>	<b>(241,067,512)</b>
<b>Total</b>			<b>1,177,112,720</b>	<b>900,390,670</b>





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 23 Long-term loans (Continued)

Movements in the long-term loans are summarised as follows:

	Consolidated financial statements	
	2015	2014
	(in Baht)	
<b>Net book value</b>		
At 1 January	1,141,458,182	1,277,108,643
Add additions	515,847,100	50,134,000
Less repayments	(258,001,034)	(191,698,247)
Add exchange loss on translation of foreign operations	102,183,322	5,913,786
<b>At 31 December</b>	<b>1,501,487,570</b>	<b>1,141,458,182</b>

#### *Philippine Hoteliers, Inc.*

- a) On 2 February 2007, Philippine Hoteliers, Inc., a subsidiary (indirect holding), entered into loan agreement with a bank to renovate its hotel in the limit of Peso 510.00 million, guaranteed by mortgage of its hotel building and equipment and leasehold rights on land (see note 16). The agreement specified the terms and conditions as follows:

Interest rate for the first 6 months refers to corresponding promissory note, thereafter interest rate refers to 6-month MART1 in the Philippines plus 1.70% per annum, repayment every 6 months.

Repayment of principal in semi-annual installments through 2015 was for 13 installments. The first installment was from 24 months from the first draw down date which was 9 February 2007.

The loan agreement restricts the declaration of dividends and carries certain restrictive covenants pertaining to the debt to equity ratio and current ratio of the subsidiary.

As at 31 December 2014, the subsidiary had outstanding long-term loan of Peso 14,574,176 (Baht 10,636,962). During 2015, the subsidiary fully paid the outstanding balances of the loan.

- b) On 3 June 2014, the subsidiary had entered into another loan agreement with another bank to finance the renovation of its hotel in the limit of Peso 991.68 million with maturity date of 10 years with a 24-month grace period from the initial borrowing (19 September 2014). The agreement specified the terms and conditions as follows:

(1) The interest payment is on a quarterly basis with interest rate options as follows:

- Quarterly repricing at 3-months Philippine Dealing System Treasury - Fixing plus 1.50% spread or BSP\* Overnight Borrowing rate plus 0.125% spread, whichever is higher at the time of interest setting and repricing;
- Semi-annual repricing at 6-month Philippine Dealing System Treasury - Fixing plus 1.50% spread or BSP\* Overnight Borrowing rate plus 0.25% spread, whichever is higher at the time of interest setting and repricing;
- Yearly repricing at 1-year Philippine Dealing System Treasury - Fixing plus 1.50% spread or BSP\* Overnight Borrowing rate plus 0.475% spread, whichever is higher at the time of interest setting and repricing;

The subsidiary has to choose 1 option to set the interest rate.

\* BSP or Bangko Sentral ng Pilipinas





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 23 Long-term loans (Continued)

- (2) Repayment of principal shall be semi-annually after a 2-year grace period from each drawdown date and subject to the following conditions:
- 10% of the principal to be repaid semi-annually in the third year.
  - The remaining 90% of the principal shall be repaid semi-annually within the remaining 7 years, from the date of borrowing until the maturity date, with the remaining principal to be fully repaid in last installment.

The loan agreement restricts the declaration of dividends and carries certain restrictive covenants pertaining to the debt to equity ratio and current ratio of the subsidiary.

The subsidiary selected interest rate option (1) b) the semi-annual repricing at 6-month Philippine Dealing System Treasury rate plus 1.50% spread.

As at 31 December 2015 and 2014, the subsidiary had outstanding long-term loan in the amount of Peso 595,000,000 million (Baht 455,413,000 million) and Peso 70,000,000 (Baht 51,089,500), respectively.

#### *DMS Property Investment Pvt. Ltd.*

DMS Property Investment Pvt. Ltd., a subsidiary (indirect holding) in Republic of Maldives, entered into a long-term loan agreement with a financial institution in Thailand totaling USD 41,500,000. The loan was pledged by all share certificates of the subsidiary of 38,500,000 shares (see note 13). As at 31 December 2015, the loan facility of USD 38,500,000 was guaranteed by the Company at 60% and the other 2 shareholders of the subsidiary at 40%. The loan facility of USD 3,000,000 was guaranteed by the Company at 65% and another shareholder of the subsidiary at 35%. As at 31 December 2014, the loan facility of USD 38,500,000 was guaranteed by the Company at 55% and the other 3 shareholders of the subsidiary at 45%. The loan facility of USD 3,000,000 was guaranteed by the Company at 60% and the other 2 shareholders of the subsidiary at 40%.

The loan agreement restricts the declaration of dividends and carries certain restrictive covenants pertaining to the debt to equity ratio and current ratio of the subsidiary.

As at 31 December 2015 and 2014, the subsidiary had outstanding long-term loan in the amount of USD 25,800,000 (Baht 929,874,570) and USD 32,800,000 (Baht 1,079,731,720), respectively.

#### *Dusit Thani Hotel Studies Co., Ltd.*

On 13 July 2015, Dusit Thani Hotel Studies Co., Ltd., a subsidiary, entered into a long-term loan agreement with a bank of Baht 116.20 million for its business support, building renovation, acquiring new equipment and computer system which guaranteed by the Company. The loan has a term of 7 years after the first drawdown date (24 August 2015), bears interest rate at 1-month BIBOR\* plus 2.20% per annum and repayable every 3 months. The first repayment is within the 27th month from the first drawdown date. The repayment date is the last working day of the month and the repayment amounts are as follows:

- 1 <sup>st</sup> - 4 <sup>th</sup> installment	Baht 750,000 each
- 5 <sup>th</sup> - 8 <sup>th</sup> installment	Baht 4,500,000 each
- 9 <sup>th</sup> - 19 <sup>th</sup> installment	Baht 8,250,000 each
- Final repayment	Baht 4,450,000 or the remaining balance

\* BIBOR (Bangkok Interbank Offered Rate) represents the average borrowing interest rates among banks in money market in Bangkok.





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 23 Long-term loans (Continued)

The loan agreement carries certain restrictive covenants pertaining to the debt service coverage ratio (DSCR), not less than 1.1 of the subsidiary from 2017 onwards.

As at 31 December 2015, the subsidiary has outstanding long-term loan in the amount of Baht 116,200,000.

#### 24 Deferred rental revenue

On 24 December 2010, Dusit Thai Properties Public Company Limited, a subsidiary, entered into lease agreement for land, building 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, covering the lease period. This subsidiary has committed to comply with lease conditions as specified in lease agreement for land and building with DTCPF by mortgage of the land and building with DTCPF in the amount of Baht 1,300,000,000 (see note 16).

Deferred rental revenue as at 31 December consisted of the following:

	<b>Consolidated financial statement</b>	
	2015	2014
	<i>(in Baht)</i>	
Deferred rental revenue	763,000,000	763,000,000
Less realised income from deferred rental revenue	(127,724,110)	(102,290,777)
	635,275,890	660,709,223
Less current portion of deferred rental revenue	(25,433,333)	(25,433,333)
Deferred rental revenue	<u>609,842,557</u>	<u>635,275,890</u>

#### 25 Employee benefit obligations

	<b>Consolidated financial statement</b>		<b>Separate financial statements</b>	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Present value of unfunded Obligations	190,897,540	166,489,109	112,931,822	99,712,351
Present value of funded Obligations	57,333,550	59,485,485	-	-
Fair value of plan assets	(42,479,131)	(51,081,694)	-	-
Statement of financial position obligation	<u>205,751,959</u>	<u>174,892,900</u>	<u>112,931,822</u>	<u>99,712,351</u>

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in Baht)			
For the year ended 31 December				
Statement of income				
Recognised in profit or loss:				
Post-employment benefits	31,084,032	33,235,810	13,141,225	11,502,595

**Dusit Thani Public Company Limited and its Subsidiaries****Notes to the financial statements****25 Employee benefit obligations (Continued)**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
<i>For the year ended 31 December</i>				
<i>Statement of comprehensive income</i>				
<b>Recognised in comprehensive income</b>				
Actuarial (gains) losses	<u>16,414,816</u>	<u>(7,498,013)</u>	<u>10,639,170</u>	<u>-</u>

Movements in the present value of the defined benefit obligations

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Defined benefit obligations				
at 1 January	225,974,594	218,666,691	99,712,351	96,296,350
Benefits paid by the plan	(25,818,575)	(21,783,993)	(10,560,924)	(8,086,594)
Current service costs and interest	31,084,032	33,235,810	13,141,225	11,502,595
Actuarial (gains) losses in other comprehensive income	13,214,269	(3,822,305)	10,639,170	-
Exchange (gain) loss on translation of foreign operations	<u>3,776,770</u>	<u>(321,609)</u>	<u>-</u>	<u>-</u>
<b>Defined benefit obligations at 31 December</b>	<u><b>248,231,090</b></u>	<u><b>225,974,594</b></u>	<u><b>112,931,822</b></u>	<u><b>99,712,351</b></u>

Movements in the present value of plan assets during the years were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
At 1 January	51,081,694	45,791,549	-	-
Expected return on plan asset	2,258,433	2,021,418	-	-
Actuarial gains (losses)	(3,200,547)	3,736,118	-	-
Exchange gain (loss) on translation of foreign operations	2,262,449	(198,212)	-	-
Actual contributions	-	10,214,744	-	-
Benefit paid	<u>(9,922,898)</u>	<u>(10,483,923)</u>	<u>-</u>	<u>-</u>
<b>At 31 December</b>	<u><b>42,479,131</b></u>	<u><b>51,081,694</b></u>	<u><b>-</b></u>	<u><b>-</b></u>

Expenses recognised in profit or loss:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Current service costs	23,814,337	26,536,054	10,339,659	8,915,343
Interest on obligation	<u>7,269,695</u>	<u>6,699,756</u>	<u>2,801,566</u>	<u>2,587,252</u>
<b>Total</b>	<u><b>31,084,032</b></u>	<u><b>33,235,810</b></u>	<u><b>13,141,225</b></u>	<u><b>11,502,595</b></u>





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 25 Employee benefit obligations (Continued)

Actuarial gains and losses recognised in other comprehensive income:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Demographic assumptions	1,013,030	-	540,362	-
Financial assumptions	7,652,936	(593,643)	5,184,862	-
Improve the experience	7,748,850	(6,904,370)	4,913,946	-
<b>Total</b>	<b>16,414,816</b>	<b>(7,498,013)</b>	<b>10,639,170</b>	<b>-</b>

Actuarial gains and losses recognised in other comprehensive income:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Included in retained earnings:				
At 1 January	19,032,402	26,530,415	26,701,391	26,701,391
Recognised during the year	16,414,816	(7,498,013)	10,639,170	-
<b>At 31 December</b>	<b>35,447,218</b>	<b>19,032,402</b>	<b>37,340,561</b>	<b>26,701,391</b>

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>%</i>			
Discount rate	2.8 - 4.79	3.7 - 5.4	2.8	3.7
Inflation rate	3.0	3.0	3.0	3.0
Future salary increases	4.0 - 9.0	4.0 - 9.0	4.0 - 9.0	4.0 - 9.0



## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 25 Employee benefit obligations (Continued)

##### *Sensitivity analysis*

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Defined benefit obligation 31 December 2015	Consolidated financial statement		Separate financial statement	
	(in Baht)			
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(14,643,235)	15,711,886	(5,729,677)	6,420,437
Future salary growth (1% movement)	14,901,694	(14,075,946)	6,102,274	(5,569,560)
Turnover rate (20% movement)	(10,187,481)	12,623,234	(5,293,358)	6,571,280

#### 26 Share capital

	Par value per share (in Baht)	Consolidated financial statements			
		2015		2014	
		Number	Amount (shares in Baht)	Number	Amount
<i>Authorised</i>					
At 1 January					
- ordinary shares	10	85,000,000	850,000,000	85,000,000	850,000,000
At 31 December					
- ordinary shares	10	85,000,000	850,000,000	85,000,000	850,000,000
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	10	85,000,000	850,000,000	85,000,000	850,000,000
At 31 December					
- ordinary shares	10	85,000,000	850,000,000	85,000,000	850,000,000
Less treasury shares by Dusit Thani Properties Co., Ltd.		(471,500)	(15,740,202)	(471,500)	(15,740,202)
<b>Total</b>		<b>84,528,500</b>	<b>834,259,798</b>	<b>84,528,500</b>	<b>834,259,798</b>





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 26 Share capital (Continued)

	Par value per share (in Baht)	Number	Separate financial statements		Amount
			2015	2014	
<i>Authorized</i>					
At 1 January					
- ordinary shares	10	85,000,000	850,000,000	85,000,000	850,000,000
At 31 December					
- ordinary shares	10	85,000,000	850,000,000	85,000,000	850,000,000
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	10	85,000,000	850,000,000	85,000,000	850,000,000
At 31 December					
- ordinary shares	10	85,000,000	850,000,000	85,000,000	850,000,000

#### Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

#### 27 Treasury shares

##### *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 was for financial management because the Company had excess liquidity. The resale period of such repurchase share was from 1 July 2004 to 29 December 2006.

2,760,500 shares or 3.25% of the Company's paid-up capital had been repurchased, totaling Baht 115,818,208.

During 2006, the Company sold 2,760,500 treasury shares and had gain on sales in the amount of Baht 16,950,268 and was presented as surplus on treasury shares.

##### *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. The shares were presented as treasury 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 had gain on sale in the amount of Baht 1,415,272 which was presented as surplus on treasury shares. As at 31 December 2015 and 2014, Dusit Thani Properties Company Limited held 471,500 ordinary shares of the Company with the carrying value of Baht 15,740,202. The shares were presented as treasury shares in the consolidated statements of financial position.



## **Dusit Thani Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

#### **27 Treasury shares (Continued)**

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 shares reserve. As at 31 December 2015 and 2014, the Company has appropriated retained earnings to treasury shares reserve in the amount of Baht 15,740,202 which has been included in treasury share reserve (see note 28).

#### **28 Reserves**

Reserves comprise:

##### *Appropriations of profit and/or retained earnings*

##### **Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the authorised share capital. The legal reserve is not available for dividend distribution.

##### **Treasury share reserve**

The treasury share reserve represents the amount appropriated from retained earnings equal to the cost of the Company's own shares held by the Group. The treasury share reserve is not available for dividend distribution.

##### **Dusit Thani College funds**

Dusit Thani College funds are cumulative fund balances of Dusit Thani College in accordance with Private Higher Education Institutions Act B.E. 2546 Amendment (No. 2) B.E. 2550.

The Private Higher Education Institutions Act B.E. 2546 Amendment (No.2) B.E. 2550 requires that a private higher education institution shall firstly allocate its annual excess revenues over expenses in general fund to compensate other negative balance funds. Then, at least 60% of the remaining excess revenues over expenses shall be allocated to other funds, not over 30% shall be allocated as benefit to the licensor and not less than 10% shall be kept as working capital in the general fund.

##### *Other components of equity*

##### **Currency translation differences**

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

##### **Fair value changes**

The fair value changes within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 29 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Type of business	Nature of relationships
Key management personnel	Thailand	-	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.
Dusit Thani Properties Co., Ltd.	Thailand	Holding	Subsidiary
Dusit Thai Properties Public Company Limited	Thailand	Hotel and hotel management	Subsidiary (indirect holding)
Philippine Hoteliers, Inc.	Philippines	Hotel	Subsidiary (indirect holding)
Dusit Thani College	Thailand	Education	Subsidiary (indirect holding)
Dusit Thani Hotel Studies Co., Ltd.	Thailand	Education	Subsidiary
Landmark Hotel Co., Ltd.	Thailand	Hotel	Subsidiary
Devarana Spa Co., Ltd.	Thailand	Spa	Subsidiary
DMS Property Investment Pvt. Ltd.	Republic of Maldives	Hotel	Subsidiary (indirect holding)
Dusit Worldwide Co., Ltd.	Thailand	Management	Subsidiary
Dusit Overseas Co., Ltd.	Hong Kong	Management	Subsidiary (indirect holding)
Dusit Management Co., Ltd.	Thailand	Hotel	Subsidiary
Dusit USA Management Inc.	United States of America	Hotel management	Subsidiary
Dusit China Capital Co., Ltd.	Thailand	Holding	Subsidiary
Le Cordon Bleu Dusit Co., Ltd.	Thailand	Cooking school	Joint venture
Dusit Bird Hotels Pvt. Ltd.	India	Hotel management	Joint venture
Dusit Fudu Hotel Management (Shanghai) Co., Ltd.	People's Republic of China	Hotel management	Joint venture
Dusit Thani Freehold and Leasehold Property Fund ("DTCPF")	Thailand	Leasing	Associate
Philippine Hoteliers International Center for Hospitality Education, Inc.	Philippines	Education	Associate
Acme Printing Co., Ltd.	Thailand	Printing house	Director holds the shares
The Peninsula Travel Service Co., Ltd.	Thailand	Sale air tickets	Director holds the shares

**Dusit Thani Public Company Limited and its Subsidiaries****Notes to the financial statements****29 Related parties (Continued)**

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Type of business</b>	<b>Nature of relationships</b>
MBK Public Company Limited	Thailand	Property development	The Company and director hold the shares
Piyasiri Co., Ltd.	Thailand	Hospital	Director holds the shares
Bangkok Bank Public Company Limited	Thailand	Bank	The Company and director hold the shares
Thai Life Insurance Public Company Limited	Thailand	Life insurance	Common director
The Navakij Insurance Public Company Limited	Thailand	Non-life insurance	Common director
New Atlantic Co., Ltd.	Thailand	Department store	Director holds the shares
Thana-jirang Co., Ltd.	Thailand	Office rental	Director holds the shares
JTB (Thailand) Co., Ltd.	Thailand	Sale tour package, hotel reservation and air ticket	Director holds the shares
Thai Asia Pacific Brewery Company Limited	Thailand	Brewer and distributor of quality beer	Common director
Amata City Co., Ltd.	Thailand	Real estate development	Common director
Padaeng Industry Public Company Limited	Thailand	Mining and refining	Common director
Siam Makro Public Company Limited	Thailand	Distributor	Common director
Charoen Pokphand Foods Public Company Limited	Thailand	Food and agriculture	Common director
The Siam Cement Public Company Limited	Thailand	Cement-building materials	Common director
Thainamthip Co., Ltd.	Thailand	Brewer and distributor of beverage	Common director
Mac Sod Clean Energy Co., Ltd.	Thailand	Energy	Common director
Mitsubishi Elevator Asia (Thailand) Co., Ltd.	Thailand	Manufacturing and selling machinery	Common director
Thanachart Capital Public Company Limited	Thailand	Finance	Common director
Thanschart Public Company Limited	Thailand	Bank	Director of the ultimate parent company holds the shares
Patum Rice Mill and Granary Public Company Limited	Thailand	Agricultural business	Director holds the shares and is advisor
Deebook Company Limited	Thailand	Investments in securities	Common director
Thai Farming Co., Ltd.	Thailand	Land rental	Common director
Siam Piwat Co., Ltd.	Thailand	Real estate development	Common director
MBK Resort Public Company Limited	Thailand	Real estate development	Common director
B.V. Holding Company Limited	Thailand	Real estate development	Common director
Plan Estate Company Limited	Thailand	Real estate	Common director





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 29 Related parties (Continued)

Name of entities	Country of incorporation/ nationality	Type of business	Nature of relationships
Siam Piwat Holding Company Limited	Thailand	Holding	Common director
Chinwong Food Company Limited	Thailand	Manufacturing and export food	Director holds the shares and common director
Unity Food Company Limited	Thailand	Manufacturing and export food	Director holds the shares and common director
CPEC Company Limited	Thailand	Manufacturing and distribution of food	Director holds the shares and common director
Port Authority of Thailand	Thailand	Port operations and management	Common director
T.K.S Technologies Public Company Limited	Thailand	Printing	Common director
Boutique Consulting Group Co., Ltd.	Thailand	Consulting	Director holds the shares and common director
Boutique International Group Co., Ltd.	Thailand	Consulting	Director holds the shares and common director
Boutique Property Group Co., Ltd.	Thailand	Real estate	Director holds the shares and common director
Boutique Trading Group Co., Ltd.	Thailand	Import	Director holds the shares and common director
MC Group Public Company Limited	Thailand	Manufacturing and distribution of textile	Director holds the shares and common director
Kamchad - Pranee Foundation	Thailand	Foundation	Common director

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
The remuneration received for transferring of rights and obligations of the Hotels Management Agreement	Based on percentage of total revenue or gross operating profit, depending on the condition of each agreement which is fee or licensing fee charged from each hotel.
Hotel management fees	Based on the similar fee charged to other hotels which were managed by the Company.
Sales and purchase of equipment	Based on book value plus margin as agreed.
Other sales and purchase transaction	Based on the normal prices transacted with third parties and discount policies.
Interest income	
- Loan to related party	- Minimum loan rate of commercial banks plus 0.5% per annum - Rate of 7.50% per annum



## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 29 Related parties (Continued)

##### Transactions

Other income

##### Pricing policies

Based on actual expenses incurred and the price according to the agreement.

Interest expense

- Loan from related party

Based on LIBOR plus 2.925% per annum or not less than those pays to the financial institution.

Other expenses

Based on the price according to the agreement.





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 29 Related parties (Continued)

Significant transactions for the years ended 31 December 2015 and 2014 with related parties were as follows:

	Consolidated financial statements					
	Revenue from sales and services	Management service income	Dividend income	Other income (in Baht)	Cost of sales and services	Selling expenses Administrative expenses
<i>For the year ended 31 December 2015</i>						
<b>Joint ventures</b>						
Le Cordon Bleu Dusit Co., Ltd.	17,623,710	-	-	270,185	252,200	-
Dusit Bird Hotels Pvt. Ltd.	-	-	-	194,542	-	46,200
Dusit Fudu Hotel Management (Shanghai) Co., Ltd.	-	-	-	12,497	-	1,513,263
<b>Associate</b>						
Dusit Thani Freehold and Leasehold Property Fund	-	-	-	1,400,988	262,363,422	-
<b>Other related parties</b>						
Acme Printing Co., Ltd.	-	-	-	-	-	1,633,567
New Atlantic Co., Ltd.	67,182	-	-	-	-	5,297
MBK Public Company Limited	-	-	13,411,800	1,484,100	-	-
The Navakj Insurance Public Company Limited	-	-	-	-	-	1,417,087
Thai Life Insurance Public Company Limited	44,138	-	-	-	-	-



## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 29 Related parties (Continued)

For the year ended 31 December 2015

	Consolidated financial statements					
	Revenue from sales and services	Management service income	Dividend income	Other income (in Baht)	Cost of sales and services	Selling expenses Administrative expenses
<b>Other related parties</b>						
JTB (Thailand) Co., Ltd.	62,379,843	-	-	-	-	-
The Siam Cement Public Company Limited	14,579,702	-	-	-	-	-
Piyasiri Co., Ltd.	-	-	-	-	-	19,700
Bangkok Bank Public Company Limited	224,192	-	411,250	4,019	-	1,629,423
Thainitthip Co., Ltd.	379,913	-	-	-	-	1,691,257
Siam Makro Public Company Limited	-	-	-	-	-	7,519
Key management personnel	-	2,648,374	-	682,664	-	37,804
<b>Total</b>	<b>95,298,680</b>	<b>2,648,374</b>	<b>13,823,050</b>	<b>4,048,995</b>	<b>262,615,622</b>	<b>7,963,313</b>





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 29 Related parties (Continued)

For the year ended 31 December 2014

	Consolidated financial statements				
	Revenue from sales and services	Management service income	Dividend income	Other income	Cost of sales and services
			(in Baht)		
<b>Joint ventures</b>					
Le Cordon Bleu Dusit Co., Ltd.	8,782,340	-	-	157,395	-
Dusit Fudu Hotel Management (Shanghai) Co., Ltd.	-	56,607	-	1,863,440	-
<b>Associate</b>					
Dusit Thani Freehold and Leasehold Property Fund	-	-	-	-	299,835,621
					86,308,379
<b>Other related parties</b>					
Acme Printing Co., Ltd.	-	-	-	-	90,000
New Atlantic Co., Ltd.	30,508	-	-	-	-
MBK Public Company Limited	-	-	13,411,800	793,940	-
Piyasiri Co., Ltd.	-	-	-	-	89,231
Bangkok Bank Public Company Limited	1,287,955	-	411,450	109,458	-
The Navakij Insurance Public Company Limited	-	-	-	-	1,013,965
Thai Life Insurance Public Company Limited	-	-	-	-	340,631
JTB (Thailand) Co., Ltd.	30,393,639	-	-	-	6,000
<b>Total</b>	<b>40,494,442</b>	<b>56,607</b>	<b>13,823,250</b>	<b>2,924,233</b>	<b>299,925,621</b>
					<b>89,538,431</b>



## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 29 Related parties (Continued)

For the year ended 31 December 2015

	Separate financial statements						
	Revenue from sales and services	Management service income	Dividend income	Other income	Cost of sales and services	Selling expenses	Administrative expenses
<i>(in Baht)</i>							
<b>Subsidiaries</b>							
Dusit Thai Properties Public Company Limited	466,333	15,695,664	568,189	25,169,383	10,400	18,330,000	14,133
Dusit Thani Properties Co., Ltd.	64,380	-	35,999,969	900,000	-	-	-
Philippine Hoteliers, Inc.	-	-	-	2,490,085	-	-	-
Devarana Spa Co., Ltd.	30,000	-	-	7,635	-	-	-
Dusit Worldwide Co., Ltd.	5,876,222	1,344,786	-	46,137,201	-	64,865,286	5,580,627
Dusit Overseas Co., Ltd.	-	85,621	-	15,576,082	-	-	-
Dusit Management Co., Ltd.	2,268,860	41,233,611	-	42,505,160	77,110	8,575	87,983
DMS Property Investment Pvt. Ltd.	-	-	-	13,218,056	-	-	-
Dusit China Capital Co., Ltd.	30,000	-	-	1,015,179	-	-	-
Dusit Thani College	756,658	-	-	667,604	-	52,900	2,953,739
Dusit Thani Hotel Studies Co., Ltd.	812,153	-	-	8,249,467	50,401	-	-
<b>Joint ventures</b>							
Le Cordon Bleu Dusit Co., Ltd.	17,623,710	-	28,999,130	270,000	252,200	-	-
Dusit Bird Hotels Pvt. Ltd.	-	-	-	194,542	-	6,399	46,200
Dusit Fudu Hotel Management (Shanghai) Co., Ltd.	-	-	-	-	-	-	1,513,263





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 29 Related parties (Continued)

For the year ended 31 December 2015

	Revenue from sales and services	Management service income	Separate financial statements			
			Dividend income	Other income (in Baht)	Cost of sales and services	Selling expenses Administrative expenses
<b>Associate</b>						
Dusit Thani Freehold and Leasehold Property Fund	-	-	82,356,400	1,400,988	-	-
<b>Other related parties</b>						
Acme Printing Co., Ltd.	-	-	-	-	-	1,632,357
Piyasiri Co., Ltd.	-	-	-	-	-	19,700
Bangkok Bank Public Company Limited	224,192	-	411,450	-	-	1,596,228
The Navakij Insurance Public Company Limited	-	-	-	-	-	537,574
Thai Life Insurance Public Company Limited	44,138	-	-	-	-	-
JTB (Thailand) Co., Ltd.	61,473,201	-	-	-	-	-
New Atlantic Co., Ltd.	59,382	-	-	-	-	5,297
Thainamthip Co., Ltd.	379,913	-	-	-	-	1,691,257
Siam Makro Public Company Limited	-	-	-	-	-	7,519
Key management personnel	-	2,648,374	-	682,661	-	37,804
<b>Total</b>	<b>90,109,142</b>	<b>61,008,056</b>	<b>148,335,138</b>	<b>158,484,046</b>	<b>390,111</b>	<b>83,300,964</b>
						<b>15,685,877</b>



## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 29 Related parties (Continued)

For the year ended 31 December 2014

	Separate financial statements					
	Revenue from sales and services	Management service income	Dividend income	Other income (in Baht)	Cost of sales and services	Selling expenses Administrative expenses
<b>Subsidiaries</b>						
Dusit Thai Properties Public Company Limited	593,254	21,393,219	568,189	27,689,452	37,372	18,859,465
Dusit Thani Properties Co., Ltd.	64,380	-	35,999,968	1,140,000	-	-
Philippine Hoteliers, Inc.	-	43,945	-	778,313	-	-
Devarana Spa Co., Ltd.	1,570,185	-	-	4,951,227	199,615	1,779,393
Dusit Worldwide Co., Ltd.	4,946,141	363,039	-	21,533,075	-	16,093,497
Dusit Overseas Co., Ltd.	-	-	-	13,714,419	-	1,763,866
Dusit Management Co., Ltd.	2,213,627	63,609,376	999,990	46,007,527	234,274	131,952
DMS Property Investment Pvt. Ltd.	-	-	-	9,704,251	-	-
Dusit China Capital Co., Ltd.	30,000	-	-	191,923	-	-
Dusit Thani College	104,489	-	-	541,733	-	2,534,636
Dusit Thani Hotel Studies Co., Ltd.	-	-	-	4,491,051	-	-
<b>Joint ventures</b>						
Le Cordon Bleu Dusit Co., Ltd.	17,564,154	-	24,999,250	314,781	-	-
Dusit Iudu Hotel Management (Shanghai) Co., Ltd.	-	-	-	5,388,073	-	-





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 29 Related parties (Continued)

For the year ended 31 December 2014

	Separate financial statements				
	Revenue from sales and services	Management service income	Dividend income	Other income (in Baht)	Cost of sales and services
<b>Associate</b>					
Dusit Thani Freehold and Leasehold Property Fund	-	-	90,469,120	-	-
					86,308,379
<b>Other related parties</b>					
Acme Printing Co., Ltd.	-	-	-	-	90,000
MBK Public Company Limited	-	-	11,862,000	-	-
Piyasiri Co., Ltd.	-	-	-	-	-
Bangkok Bank Public Company Limited	1,287,955	-	411,450	105,869	-
The Navakij Insurance Public Company Limited	-	-	-	-	-
Thal Life Insurance Public Company Limited	-	-	-	-	-
JTB (Thailand) Co., Ltd.	30,268,548	-	-	-	-
New Atlantic Co., Ltd.	30,508	-	-	-	-
<b>Total</b>	<b>58,673,241</b>	<b>85,409,577</b>	<b>165,309,967</b>	<b>134,551,694</b>	<b>65,785,235</b>
					<b>130,402,834</b>



## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 29 Related parties (Continued)

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
<b>Key management personnel compensation</b>				
Salaries and other short-term employee benefits	113,394,186	122,538,164	64,358,781	67,553,459
Post-employment benefits	836,399	928,770	195,969	182,823
<b>Total key management personnel compensation</b>	<b>114,230,585</b>	<b>123,466,934</b>	<b>64,554,750</b>	<b>67,736,282</b>





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 29 Related parties (Continued)

Balances as at 31 December 2015 and 2014 with related parties were as follows:

	Consolidated financial statements					
	31 December 2015			31 December 2014		
	Trade accounts receivable	Other receivables	Accrued expenses	Trade accounts receivable	Other receivables	Accrued expenses
<b>Joint ventures</b>						
Dusit Bird Hotels Pvt. Ltd.	754,649	186,520	-	-	51,385	-
Le Cordon Bleu Dusit Co., Ltd.	-	-	-	404,711	12,038	-
Dusit Fuda Hotel Management (Shanghai) Co., Ltd.	-	9,744,392	-	-	2,273,925	-
<b>Associate</b>						
Dusit Thani Freehold and Leasehold Property Fund	-	11,961,140	-	-	-	86,308,379
<b>Other related parties</b>						
The Navakij Insurance Public Company Limited	-	-	-	-	-	-
Acme Printing Co., Ltd.	-	-	-	-	-	1,584,991
MBK Public Company Limited	-	22,338	-	-	-	-
Bangkok Bank Public Company Limited	-	-	-	6,000	-	-
ITB (Thailand) Co., Ltd.	5,355,455	-	-	8,918,095	-	-
New Atlantic Co., Ltd.	93,227	-	-	-	-	-
<b>Total</b>	<b>6,203,331</b>	<b>21,914,390</b>	<b>-</b>	<b>9,328,806</b>	<b>2,337,348</b>	<b>86,308,379</b>
						<b>1,584,991</b>



## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 29 Related parties (Continued)

##### Separate financial statements

	31 December 2015				31 December 2014			
	Trade accounts receivable	Other receivables	Accrued expenses	Trade accounts receivable	Other receivables	Accrued expenses	Other payables	
	(in Baht)							
<b>Subsidiaries</b>								
Dusit Thai Properties Public Company Limited	46,302	8,075,615	518	28,422	8,724,170	-	-	
Dusit Thani Properties Co., Ltd.	-	80,250	-	-	101,650	-	-	
Philippine Hoteliers, Inc.	-	768,394	-	-	314,632	-	-	
Devarana Spa Co., Ltd.	-	2,640	-	-	262,416	-	-	
Dusit Worldwide Co., Ltd.	335,568	7,854,480	-	684,800	9,809,817	-	-	
Dusit Overseas Co., Ltd.	-	4,447,233	338,329	-	4,254,363	-	-	
Dusit Management Co., Ltd.	132,757	20,104,993	21,234	219,518	38,237,977	-	-	
DMS Property Investment Pvt. Ltd.	-	2,936,365	34,867	-	926,287	-	-	
Dusit USA Management Inc.	-	377,014	-	-	369,281	-	-	
Dusit China Capital Co., Ltd.	-	556,051	-	-	43,603	-	-	
Dusit Thani College	11,020	5,024,182	-	-	114,559	2,534,636	-	
Dusit Thani Hotel Studies Co., Ltd.	8,055	39,329	-	-	4,491,051	-	-	





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 29 Related parties (Continued)

	Separate financial statements					
	31 December 2015			31 December 2014		
	Trade accounts receivable	Other receivables	Accrued expenses	Trade accounts receivable	Other receivables	Accrued expenses
<i>(in Baht)</i>						
<b>Joint ventures</b>						Other payables
Dusit Bird Hotels Pvt. Ltd.	-	186,520	-	-	102,770	-
Le Cordon Bleu Dusit Co., Ltd.	754,649	-	-	809,398	24,076	-
Dusit Fudu Hotel Management (Shanghai) Co., Ltd.	-	7,229,784	-	-	4,134,408	-
<b>Associate</b>						
Dusit Thani Freehold and Leasehold Property Fund	-	125,546	-	-	-	86,308,379
<b>Other related parties</b>						
Acme Printing Co., Ltd.	-	-	-	1,362,952	-	-
JTB (Thailand) Co., Ltd.	4,695,485	-	-	-	8,719,495	-
The Navakij Insurance Public Company Limited	-	-	-	78	-	-
Thainamthip Co., Ltd.	93,227	-	-	-	-	-
Key management personnel	-	861,503	-	-	-	-
<b>Total</b>	<b>6,077,063</b>	<b>58,669,899</b>	<b>394,948</b>	<b>10,461,633</b>	<b>71,911,060</b>	<b>88,843,015</b>
						<b>1,584,991</b>



## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 29 Related parties (Continued)

	Interest rate 2015    2014 (% per annum)	Consolidated financial statements		Separate financial statements	
				31 December 2015	31 December 2014
		31 December 2015	31 December 2014	(in Baht)	
<b>Short-term loan to related party</b>					
Dusit China Capital Co., Ltd.	3.14    3.14	-	-	38,500,000	1,800,000
<b>Long-term loan to related party</b>					
Dusit Fudu Hotel Management (Shanghai) Co., Ltd.	7.50    -	39,553,081	-	-	-

Movements in the loans to related parties were summarised as follows:

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2015	2014	2015	2014
	(in Baht)			
<b>Short-term loan to related party</b>				
At 1 January	-	-	1,800,000	-
Addition	-	-	36,700,000	1,800,000
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>38,500,000</b>	<b>1,800,000</b>
<b>Long-term loan to related party</b>				
At 1 January	-	-	-	-
Addition	36,362,432	-	-	-
Exchange gain on translation of foreign operations	3,190,649	-	-	-
<b>At 31 December</b>	<b>39,553,081</b>	<b>-</b>	<b>-</b>	<b>-</b>

On 12 January 2015, Dusit China Capital Co., Ltd., a subsidiary, has entered to a shareholder loan agreement with Dusit Fudu Hotel Management (Shanghai) Co., Ltd., a joint venture in People's Republic of China in order to lend to the joint venture totaling Chinese Yuan Renminbi 13,500,000 for its working capital for a period of 5 years. Interest rate shall be floated on the benchmark lending rate (BLR) for 1 - 5 year loan of the People's Bank of China. As at 31 December 2015, the joint venture had drawdown the loan by Chinese Yuan Renminbi 6,750,000 (Baht 39,553,081 million).





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 29 Related parties (Continued)

	Interest rate 2015 2014 (% per annum)	Consolidated financial statements		Separate financial statements	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
		(in Baht)			
<b>Short-term loan from related party</b>					
MBK Hotels and Resorts Co., Ltd.*	3.4600 3.2569	<u>5,045,831</u>	<u>4,608,611</u>	<u>-</u>	<u>-</u>

\* MBK Hotels and Resorts Co., Ltd. is a subsidiary of MBK Public Company Limited.

Movements in the short-term loan from related party were summarised as follows:

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2015	2014	2015	2014
	(in Baht)			
<b>Short-term loan from related party</b>				
At 1 January	4,608,611	13,105,780	-	-
Repayment	-	(8,514,948)	-	-
Exchange loss on translation of foreign operations	437,220	17,779	-	-
<b>At 31 December</b>	<u>5,045,831</u>	<u>4,608,611</u>	<u>-</u>	<u>-</u>

#### 30 Segment information

The Group has four reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different services, and are managed separately because they require different marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis.

Information regarding the results of each reportable segment is included below as included in the internal management reports that are reviewed by the Group's CODM. Management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

<i>For the year ended 31 December 2015</i>	Revenues	Net profit (in thousand Baht)	Assets employed
Hotels business	3,409,883	189,742	7,664,869
Hotels business under DTCPE	1,145,121	9,368	320,039
Education business	406,760	91,486	1,292,698
Other businesses	1,231,706	112,372	3,433,640
<b>Total</b>	<u>6,193,470</u>	<u>402,968</u>	<u>12,711,246</u>
<b>Less inter-company transactions</b>	<u>(823,880)</u>	<u>(149,867)</u>	<u>(3,315,570)</u>
<b>Total</b>	<u>5,369,590</u>	<u>253,101</u>	<u>9,395,676</u>
<b>Less net profit of non-controlling interests</b>		<u>(53,912)</u>	
<b>Consolidated net profit – owners of the Company</b>		<u>199,189</u>	
<b>Consolidated assets</b>			<u>9,395,676</u>



## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 30 Segment information (Continued)

<i>For the year ended 31 December 2014</i>	Revenues	Net profit (loss) <i>(in thousand Baht)</i>	Assets employed
Hotels business	3,187,392	24,776	4,961,587
Hotels business under DTCPP	1,190,539	360	300,830
Education business	438,518	115,928	988,925
Other businesses	848,081	(20,528)	5,693,220
Total	5,664,530	120,536	11,944,562
Less inter-company transactions	(489,832)	(107,286)	(2,932,171)
Total	5,174,698	13,250	9,012,391
Less net profit of non-controlling interests		(33,895)	
Consolidated net loss - owners of the Company		(20,645)	
Consolidated assets			9,012,391

#### 31 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2015
	<i>(in Baht)</i>			
Marketing expenses	138,646,105	167,839,499	112,054,210	100,190,684
Employee benefit expenses	143,918,026	147,589,652	69,460,498	47,343,286
Others	105,401,724	79,348,650	47,524,425	55,198,467
Total	387,965,855	394,777,801	229,039,133	202,732,437

#### 32 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Rental guarantee expense	-	86,308,629	-	86,308,629
Consulting expenses	83,350,804	95,424,010	68,431,612	70,774,854
Employee benefit expenses	646,620,462	601,604,289	292,021,997	274,669,752
Others	318,765,102	326,931,339	125,420,135	117,198,107
Total	1,048,736,368	1,110,268,267	485,873,744	548,951,342

#### 33 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Salaries and employee benefits	1,656,016,874	1,516,287,465	619,323,242	560,210,187
Contributions to social security fund	15,983,666	27,304,310	9,937,098	9,557,399
Contributions to defined contribution plans	42,527,309	32,106,690	16,648,280	15,286,384
Total	1,714,527,849	1,575,698,465	645,908,620	585,053,970





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 33 Employee benefit expenses (Continued)

##### *Defined contribution plans*

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at the rate of 5% of their basic salaries and by the Group at the rate of 5% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed fund managers.

#### 34 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in Baht)			
Employee benefit expenses	1,714,527,849	1,575,698,465	645,908,620	585,053,970
Land and building rental expenses	510,010,982	593,607,685	121,950,724	202,580,989
Maintenance expenses	123,477,938	128,658,563	38,276,585	37,112,125
Utilities expenses	348,189,046	287,204,692	102,439,026	102,868,697

#### 35 Finance costs

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in Baht)			
<i>Interest expense</i>				
Finance leases	311,849	67,714	-	66,642
Related parties	162,348	264,318	-	-
Bank loans and overdrafts	48,921,026	64,104,242	14,433,987	17,351,083
<b>Total</b>	<b>49,395,223</b>	<b>64,436,274</b>	<b>14,433,987</b>	<b>17,417,725</b>

#### 36 Income tax expense

##### *Income tax recognised in profit or loss*

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in Baht)			
<b>Current tax expense</b>				
Current year	13,412,824	9,969,630	-	-
	13,412,824	9,969,630	-	-
<b>Deferred tax expense</b>				
Movements in temporary differences	23,994,241	12,213,212	15,022,881	6,024,708
<b>Total income tax expense</b>	<b>39,407,065</b>	<b>22,182,842</b>	<b>15,022,881</b>	<b>6,024,708</b>



## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 36 Income tax expense (Continued)

##### Income tax recognised in other comprehensive income

	Consolidated financial statements					
	Before tax	2015 Tax benefit	Net of tax	Before tax	2014 Tax expense	Net of tax
			(in Baht)			
Foreign currency translation differences for foreign operations	118,955,340	-	118,955,340	3,303,402	-	3,303,402
Net change in fair value of available-for-sale investments	(18,755,650)	3,751,130	(15,004,520)	16,612,100	(3,322,420)	13,289,680
Defined benefit plan actuarial gains (losses)	(16,411,816)	3,565,792	(12,846,024)	7,498,013	(2,249,404)	5,248,609
<b>Total</b>	<b>83,784,874</b>	<b>7,316,922</b>	<b>91,101,796</b>	<b>27,413,515</b>	<b>(5,571,824)</b>	<b>21,841,691</b>

	Separate financial statements					
	Before tax	2015 Tax benefit	Net of tax	Before tax	2014 Tax expense	Net of tax
			(in Baht)			
Net change in fair value of available-for-sale investments	(61,604,150)	12,320,830	(49,283,320)	15,062,300	(3,012,460)	12,049,840
Actuarial gains (losses)	(10,639,170)	2,127,834	(8,511,336)	-	-	-
<b>Total</b>	<b>(72,243,320)</b>	<b>14,448,664</b>	<b>(57,794,656)</b>	<b>15,062,300</b>	<b>(3,012,460)</b>	<b>12,049,840</b>

##### Reconciliation of effective rate

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
			(in Baht)	
Profit (loss) before income tax expense	292,507,921	35,432,646	236,546,264	(37,565,563)
Income tax using tax rates	68,399,691	3,055,857	47,309,253	(7,513,113)
Income/expenses not subject to tax	(31,586,809)	(24,256,285)	(32,286,372)	(25,285,345)
Current year losses for which no deferred tax asset was recognised	981,983	43,345,976	-	38,823,166
Foreign currency translation differences for foreign operations	1,612,200	37,294	-	-
<b>Total</b>	<b>39,407,065</b>	<b>22,182,842</b>	<b>15,022,881</b>	<b>6,024,708</b>





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 36 Income tax expense (Continued)

##### *Income tax reduction*

Royal Decree No. 577 B.E. 2557 dated 10 November 2014 grants the reduction of the corporate income tax rate to be 20% of net taxable profit for the accounting period 2015 which begins on or after 1 January 2015.

On 22 January 2016, The National Legislative Assembly has approved a reduction of the corporate income tax rate from 30% to 20% of net taxable profit for the accounting period which begins on or after 1 January 2016.

The Group has applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2015 and 2014 in accordance with the clarification issued by the FAP in 2012.

#### 37 Earnings (loss) per share

The calculations of basic earnings (loss) per share for the years ended 31 December 2015 and 2014 were based on the profit (loss) for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in Baht / share)			
<b>Profit (loss) for the year attributable to ordinary shareholders of the Company (basic)</b>				
Profit (loss) excluding Dusit Thani College	99,937,522	(87,477,525)	221,523,383	(43,590,271)
Profit Dusit Thani College	99,251,105	66,832,617	-	-
<b>Total</b>	<b>199,188,627</b>	<b>(20,644,908)</b>	<b>221,523,383</b>	<b>(43,590,271)</b>
<b>Weighted average number of ordinary shares outstanding (basic)</b>				
Number of ordinary shares outstanding				
At 1 January	85,000,000	85,000,000	85,000,000	85,000,000
At 31 December	85,000,000	85,000,000	85,000,000	85,000,000
Less: treasury shares by Dusit Thani Properties Company Limited	(471,500)	(471,500)	-	-
<b>Weighted average number of ordinary shares outstanding (basic)</b>	<b>84,528,500</b>	<b>84,528,500</b>	<b>85,000,000</b>	<b>85,000,000</b>
<b>Earnings (loss) per share (basic)</b>				
Earnings (loss) per share excluding Dusit Thani College	1.18	(1.03)	2.61	(0.51)
Earnings per share Dusit Thani College	1.18	0.79	-	-
<b>Total</b>	<b>2.36</b>	<b>(0.24)</b>	<b>2.61</b>	<b>(0.51)</b>

**Dusit Thani Public Company Limited and its Subsidiaries****Notes to the financial statements****38 Dividends**

On 28 April 2015, the general shareholders' meeting of the Company passed a resolution to approve and appropriate retained earnings as dividend payment for the year 2014 for 85,000,000 ordinary shares at Baht 1.00 per share, totaling Baht 85,000,000 which was paid on 12 May 2015.

On 25 April 2014, the general shareholders' meeting of the Company passed a resolution to approve and appropriate retained earnings as dividend payment for the year 2013 for 85,000,000 ordinary shares at Baht 1.00 per share, totaling Baht 85,000,000 which was paid on 9 May 2014.

**39 Revenues arising from exchanges of goods or services**

The Group has revenues arising from exchange of goods or services with outside parties. The Company and subsidiaries recognised 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 would be charged to the other customers or at the agreed price to exchange according to each agreement.

For the years ended 31 December 2015 and 2014, revenues arising from exchange of goods or services included in revenues from sales and services are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Revenues arising from exchanges of goods or services	<u>38,713,214</u>	<u>31,082,985</u>	<u>33,580,597</u>	<u>29,582,986</u>

**40 Financial instruments*****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 recognised 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.

***Foreign currency 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 resulting 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.

***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 notes 21 and 23 to the financial statements.





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 40 Financial instruments (Continued)

##### Fair values of financial assets and liabilities

The fair values of financial assets and liabilities together with the carrying amounts in the consolidated and separate statement of financial position as at 31 December 2015 are as follows:

	Carrying amount	Consolidated financial statements		Total
		Level 1 (in Baht)	Fair value Level 2	
<b>31 December 2015</b>				
<b>Non-current</b>				
Available-for-sale investments	356,440,850	9,653,250	346,787,600	356,440,850
Long-term loans from financial institutions	1,177,112,720	-	1,177,112,720	1,177,112,720
	Carrying amount	Separate financial statements		Total
		Level 1 (in Baht)	Fair value Level 2	
<b>31 December 2015</b>				
<b>Non-current</b>				
Available-for-sale investments	241,662,250	9,653,250	232,009,000	241,662,250

##### Fair value hierarchy

The table above analyses recurring fair value measurements for financial assets. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

#### 41 Commitments

##### 41.1 Capital commitments

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in Baht)			
<b>Capital commitments</b>				
Contracted but not provided for	<u>232,636,480</u>	<u>263,260,286</u>	<u>24,281,829</u>	<u>16,722,428</u>



## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 41 Commitments (Continued)

##### 41.2 Service agreement commitments

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Within one year	94,347,576	38,439,802	42,022,601	16,811,021
After one year but within five years	19,586,801	25,017,436	9,418,284	5,986,215
After five years	726,708	-	-	-
<b>Total</b>	<b>114,661,085</b>	<b>63,457,238</b>	<b>51,440,885</b>	<b>22,797,236</b>

##### 41.3 Other commitments

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Bank guarantee (see note 42)	23,568,500	147,408,700	15,611,800	135,173,000
<b>Total</b>	<b>23,568,500</b>	<b>147,408,700</b>	<b>15,611,800</b>	<b>135,173,000</b>

As at 31 December 2015 and 2014, the above bank guarantee include bank guarantee of a subsidiary of Baht 2,176,362 and Baht 1,955,785, respectively, which were pledged by cash at bank of the subsidiary (see note 9).

##### 41.4 Contractual commitments

###### *Dusit Thani College*

Dusit Thani College has entered into agreements with institutions in order to provide international courses as follows:

- 1) Le Cordon Bleu, Switzerland for a period of 10 years, starting June 2006. Dusit Thani College has to pay royalty fee to Le Cordon Bleu as specified in the agreement.
- 2) Ecole Hotelier de Lausanne, Switzerland for a period of 3 years, starting February 2013. Dusit Thani College has to pay royalty fee to Ecole Hotelier de Lausanne as specified in the agreement. During 2015, Dusit Thani College renewed the agreement for another 3 years, starting February 2016.

###### *Le Cordon Bleu Dusit Co., Ltd.*

Joint venture agreement between the Company and Le Cordon Bleu Helvetia Sarl and Le Cordon Bleu International B.V. specified that Le Cordon Bleu Dusit Co., Ltd. can use trademark and copyright from Le Cordon Bleu Helvetia Sarl and education services from Le Cordon Bleu (Thailand) Co., Ltd. As such, Le Cordon Bleu Dusit Co., Ltd. has to pay trademark fee, royalty fee and service fee to those companies as specified in the joint venture agreement.





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 41 Commitments (Continued)

##### *Dusit Overseas Co., Ltd.*

On 9 October 2014, the Company guaranteed to an overseas hotel owner for technical, management and other services as specified in the hotel management agreement entered into by Dusit Overseas Co., Ltd., a subsidiary in Hong Kong. Term and conditions are as specified in the hotel management agreement.

#### 41.5 Long-term operating leases

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Within one year	108,819,680	105,181,457	48,000,000	48,000,000
After one year but within five years	445,928,613	447,338,706	202,800,000	199,200,000
After five years	2,374,273,260	2,341,066,976	397,200,000	448,800,000
<b>Total</b>	<b>2,929,021,553</b>	<b>2,893,587,139</b>	<b>648,000,000</b>	<b>696,000,000</b>

Long-term operating leases were as follows:

##### *Dusit Thani Public Company Limited*

The land lease agreement of Dusit Thani Hotel, Bangkok 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 both 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 a 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 the land. Total rent through the lease agreement is 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 USD will be used instead. In this case, the rate to be used is the average exchange rate for USD on the date of the original agreement, which is a commercial bank's selling rate announced by The Bank of Thailand, one USD for Baht 39.14. When the lease agreement is expired, the Company can extend the lease twice for a period of 10 years each with related lease payments to be renegotiated by both parties.

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

Philippine Hoteliers, Inc., an indirect 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.



## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 41 Commitments (Continued)

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.

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

On 24 December 2010, Dusit Management Co., Ltd., a subsidiary entered into 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 a 3-year period each. The Company guaranteed the minimum lease and/or sublease payment by these subsidiaries to DTCPF (see note 42). The rental amount detailed as follows:

- 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.
- 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 amortisation (EBITDA). The percentages 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%.

##### *DMS Property Investment Pvt. Ltd.*

DMS Property Investment Pvt. Ltd. have right on leasehold land from the Government of Republic of Maldives, resort and construction on Mudhdhoo Island, Baa Atoll, Republic of Maldives for 50 years, due within September 2059 (see note 17).

As at 31 December 2015, the rental for remaining lease periods are as follows:

Due period		Amount
Less than 1 year	USD	1,000,000
After 1 year but less than 5 years	USD	4,000,000
After 5 years	USD	40,182,787

However, DMS Property Investment Pvt. Ltd. can amortise prepaid rental amounting to USD 5,000,000 as rental expense of USD 1,000,000 per year for a period of 5 years from 23 January 2012 and the prepaid of additional yearly rental of USD 100,000 for last 15 years can partially be yearly rental of such last 15 years.

##### *Dusit Thani College*

On 23 June 2010, Dusit Thani College, an indirect subsidiary entered into a sublease agreement for land where Dusit Thani College (Pattaya Campus) with a school for a period of 21 years starting from 23 June 2010 to 22 June 2031. Total rental through the lease agreement is Baht 129,303,750.





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 41 Commitments (Continued)

Dusit Thani College has pledged a rental deposit of Baht 12,000,000 which is included in other non-current assets. Dusit Thani College has rights to renew the lease under new terms and conditions.

##### *Dusit Thani Hotel Studies Co., Ltd.*

On 19 December 2014, Dusit Thani Hotel Studies Co., Ltd., a subsidiary has entered into a lease land and building agreement with a third party for 1 year from 1 January 2015 to 31 December 2015 and a sublease land and building agreement from an education institution to renovate the building for a vocational school for a period of 30 years from 1 January 2016 to 31 December 2045. Total rental through the lease period is Baht 566,547,300. This subsidiary has sole right to extend the lease agreement for another 10 years from the expiry date of the sublease agreement.

#### 42 Contingent liabilities

##### *Dusit Thani Public Company Limited*

On 26 June 2001, the Company paid Baht 44,246,000 to the Official Receiver on behalf of World Intertrade Corporation Co., Ltd. The Company thereafter submitted a notice to World Intertrade Corporation Co., Ltd. requesting for the repayment of debt to the Company. However, the Company did not receive any repayment from World Intertrade Corporation Co., Ltd. Therefore, on 19 December 2001, the Company filed a claim in the Southern Bangkok Civil Court against World Intertrade Corporation Co., Ltd. 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 Co., Ltd. filed a claim in the Southern Bangkok Civil Court against the Company. The claim demanded 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 Co., Ltd. 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 Co., Ltd.

On 26 March 2004, the Court has declared the case filed by World Intertrade Corporation Co., Ltd. had 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 Co., Ltd. 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 Co., Ltd. appealed to 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.





## **Dusit Thani Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

#### **42 Contingent liabilities (Continued)**

On 31 January 2005, the Company filed a bankruptcy case against World Intertrade Corporation Co., Ltd. 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 Co., Ltd. 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 Co., Ltd.

On 30 January 2006, the Official Receiver of World Intertrade Corporation Co., Ltd. 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 Co., Ltd. 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 Co., Ltd. out of the case list.

On 3 May 2007, World Intertrade Corporation Co., Ltd. made Dika appeal to the Supreme Court with the Southern Bangkok Civil Court against the decision of the Court of First Instance and Appeal Court. However, on 26 July 2007, the Company appealed against such Dika appeal.

On 31 July 2013, the Supreme Court confirmed the decision of the Court of First Instance and Appeal Court. The civil case was absolute. Also, World Intertrade Corporation Co., Ltd., shall be responsible for lawyer fees in amount of Baht 200,000 on behalf of the Company.

However, World Intertrade Corporation Co., Ltd., was unable to pay such lawyer fees to the Company, which this was on the ground that World Intertrade Corporation Co., Ltd. was granted the receivership order by the Bankruptcy Division of the Supreme Court. The official receiver later sent the Company a notice dated 16 September 2013 to inform that the official receiver could not collect any possessions of World Intertrade Corporation Co., Ltd. which the same was reported to all of its creditors also. The case will be closed after all creditors acknowledged such report back to the official receiver. Recently, a precise period to close this case cannot be predicted.

#### ***Philippine Hotelier, Inc.***

For Philippine Hoteliers, Inc., an indirect subsidiary, as at 31 December 2015 and 2014, 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 National Labour Relations Commission - National Capital Region. 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.





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 42 Contingent liabilities (Continued)

##### *Dusit Thani Public Company Limited and Dusit Management Co., Ltd.*

The Company has contingent liabilities, as a guarantor, regarding the minimum lease and/or sublease payment of Dusit Management Co., Ltd., a subsidiary, to Dusit Thani Freehold and Leasehold Property Fund (DTCPF) for the 1st - 4th years of the lease period. 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 1st year bank guarantee of Baht 125,000,000 to DTCPF (see notes 41.3 and 41.5) and will pledge new bank guarantee every year during such guarantee period.

During the year ended 31 December 2015, the Company has already terminated such bank guarantee.

##### *Dusit Thani Public Company Limited and DMS Property Investment Pvt. Ltd.*

As at 31 December 2015 and 2014, the Company has contingent liabilities from guarantee to DMS Property Investment Pvt. Ltd., an indirect subsidiary in Republic of Maldives for short-term and long-term loans not exceeding USD 27,250,000 and USD 25,000,000, respectively.

##### *Dusit Thani Public Company Limited and Dusit Thani Hotel Studies Co., Ltd.*

As at 31 December 2015, the Company has contingent liabilities from guarantee to Dusit Thani Hotel Studies Co., Ltd, a subsidiary for short-term and long-term loans not exceeding Baht 131,200,000.

#### 43 Others

##### 43.1 Issuance and offering 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. The debenture is specific or non-specific name of holder, subordinated or unsubordinated, secured or unsecured, with or without debenture holders' representative, redeemable or non-redeemable prior to the term. The total debentures will not exceed 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 authorised 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 of issuance and offering debentures for another 5 years commencing 29 April 2011. The Board of Directors of the Company will carry out this resolution later.





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 43 Others (Continued)

##### 43.2 Transfer business

On 29 September 2014, the Board of Directors of the Company passed a resolution to accept the entire business transfer from Devarana Spa Co., Ltd., a subsidiary which 99.99% owned by the Company. The Company have received the entire business transfer from the subsidiary from 1 November 2014 onwards.

##### 43.3 Investment in overseas

On 24 March 2015, the Board of Directors of the Company approved the establishment of a joint venture in Saudi Arabia, namely Dusit Saudi LLC, which invested by Dusit Overseas Co., Ltd., an indirect subsidiary, in order to provide hotel management and technical consultancy services with an authorised share capital of USD 0.13 million (approximately Baht 4.38 million). The subsidiary will invest at 51%. On 2 April 2015, Dusit Overseas Co., Ltd. has signed the joint venture agreement.

As of 31 December 2015, the subsidiary has not called its share subscription.

##### 43.4 DMS Property Investment Pvt. Ltd.

On 30 September 2015, the Board of Directors of the Company passed a resolution to approve Dusit Thai Properties Public Company Limited, a subsidiary (direct and indirect holding) to additionally invest in DMS Property Investment Pvt. Ltd., a subsidiary (indirect holding) in Republic of Maldives, for another 5% by acquiring the shares from the existing shareholder totaling 1,925,000 shares totaling USD 2,435,000. After this additional acquisition, the subsidiary will have interest in DMS Property Investment Pvt. Ltd. totaling 65%.

The subsidiary will acquire and pay for share subscription within March 2016.

#### 44 Event after the reporting period

44.1 On 25 February 2016, the Board of Directors' meeting of the Company considered to propose dividend payment for the year 2015 to shareholders by appropriation from retained earnings for 85,000,000 ordinary shares at Baht 1.20 per share, totalling Baht 102,000,000. The Board of Directors will propose such dividend payment to the annual general shareholders' meeting.

44.2 On 25 February 2016, the Board of Directors' meeting of the Company considered to propose the change in par value of the Company's ordinary shares from 85,000,000 shares at Baht 10.00 par value each to 850,000,000 shares at Baht 1.00 par value each. The Board of Directors will propose the change in par value to the annual general shareholders' meeting.

#### 45 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January 2016, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors





## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 45 Thai Financial Reporting Standards (TFRS) not yet adopted (Continued)

TFRS	Topic
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 33 (revised 2015)	Earnings Per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement
TSIC 15 (revised 2015)	Operating Leases - Incentives
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 31 (revised 2015)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2015)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 13 (revised 2015)	Customer Loyalty Programmes
TFRIC 21	Levies

The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.



## Board of Directors, Executives and Authorized Persons

### Board of Directors

As of 31 December 2015

Name / Position	Age	Education/Training	Share Holding in the Company (including related person (%)	Working Experience		
				Period	Position	Company
<b>L. Mr. Arsa Sarasit</b> – Independent Director / Chairman  <b>Director Appointing Date</b> March 24, 2015  <b>Relationship</b> None	39	– Bachelor of Business, Boston University, USA – Director Accreditation Program 5/2003 – Audit Committee Program 19/2007 – Finance for Non-Finance Directors 30/2008 Role of Chairman Program 12/2013 Thai Institute of Directors Association	None	Present	Independent Director / Chairman <u>Position in Other Listed Companies</u> Chairman	Dan Thai Plc.
				Present	Chairman / Independent Director / Vice Chairman / Audit Committee Chairman / Director – / Corporate Social Responsibility Committee for Sustainable Development / Chairman / Governance and Nomination Committee Member <u>Position in other Businesses</u> Chairman Chairman Chairman Chairman Director <u>Experiences</u> His Majesty's Office of H.M. Principal Private Secretary Vice Chairman President of the Association Minister Ambassador Permanent Secretary Ambassador	Puchong Industry Plc. Siam Muzo Plc. Charoen Pukhram Woods Plc. The Siam Cement Plc. Thai Asia Pacific Brewery Co., Ltd. Asiatra City Co., Ltd. Masvot Clean Energy Co., Ltd. Mitsubishi Education Asia Co., Ltd. Tannantap Co., Ltd. Office of H.M. Principal Private Secretary Bangkok Bank Plc. Thai-Lao Association Ministry of Foreign Affairs Royal Thai Embassy, USA Ministry of Foreign Affairs Royal Thai Embassy, Belgium





Name / Position	Age	Education/Training	Share Holding in the Company including related person (%)	Working Experience		
				Period	Position	Company
2. Professor Hiran Radeesri - Independent Director	86	- 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 002000 - Fellow Member, Thai Institute of Directors Association - Diploma, National Defense College, 1981 - Director Training Certificate, School of Management, Yale University, USA	None	Present	Independent Director / Governance and Nomination Committee Chairman / Compensation Committee Chairman Audit Committee Chairman	Dusit Thani Plc.
Director Appointing Date April 30, 1999				2015-Present		
Relationship - None				2000 - Present	<u>Position in Other Listed Companies</u> Director / Audit Committee Chairman	Thacom Plc.
				1999 - Present	Director / Audit Committee Chairman	Navakij Insurance Plc.
				2003 - Present	<u>Position in Other Businesses</u> Chairman Advisory Group Corporate Governance Center Committee Chairman of Auditing Examiner	The Stock Exchange of Thailand
				2002 - Present	Honorable Committee of University Council Chairman	The Revenue Department
				2002 - Present		Thammasat University
				1999 - 2014 2000 - 2008 1990 - 1994 1986 - 1988	<u>Experience</u> Audit Committee Chairman Chairman Chairman Governor	Dusit Thani Plc. Thai Institute of Directors 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>3. Professor Sansern Kvalchit</b> - Independent Director  <b>Director Appointing Date</b> April 28, 1988  <b>Relationship</b> - None	89	- 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	Present	Audit Committee Chairman / Compensation Committee Member / Governance and Nomination Committee Member  <u>Position in Other Listed Companies</u> - None -  <u>Position in Other Businesses</u> Chairman of Juridical Council Group 7 Director  <u>Experience</u> Audit Committee Chairman Audit Committee Member Senator	Dusit Thani Pte.           Juridical Council  The Thai Red Cross Society   Dusit Thani Pte. Dusit Thani Pte. The Senate





Name / Position	Age	Education/Training	Share Holding in the Company including related person (%)	Working Experience		
				Period	Position	Company
4. Mrs. Pranee Phasipol - Independent Director  Director Appointing Date April 29, 2013  Relationship - None	66	<ul style="list-style-type: none"> <li>- Master of Science in Accounting, Thammasat University</li> <li>- Bachelor of Business Administration, Major: Accounting (Second Class Honors), Thammasat University</li> <li>- Diploma, National Defence College, The Joint State - Private Sector Course, Class 2003-2004</li> <li>- Diploma in Public Law, Batch 9, Thammasat University and The Office of the Council of State</li> <li>- Top Executive Program in Commerce and Trade (TEPCoT), Commerce Academy</li> <li>- Certificate of Civil Service Executive Development Program, Course 1, Batch 30, Office of the Civil Service Commission</li> <li>- Certificate of Change Management, Risk International, UK</li> <li>- Certified Public Accountant</li> <li>- Director Certification Program Update 3/2015</li> <li>- Anti-Corruption for Executive Program</li> <li>- Role of Compensation Committee 20/2015</li> <li>- Risk Management Program for Corporate Leaders Class 1/2015</li> <li>- Director Certification Program 10/2009</li> <li>- Advance Audit Committee Programs</li> <li>- Thai Institute of Directors Association</li> </ul>	None	<p>2013 - Present</p> <p>2013 - Present</p> <p>Present</p> <p>Present</p>	<p>Independent Director / Audit Committee Member (Compensation Committee Member / Governance and Nomination Committee Member)</p> <p><u>Position in Other Listed Companies</u></p> <p>Audit Committee Member</p> <p>Audit Committee Member / Nomination and Remuneration Committee Member</p> <p><u>Position in Other Businesses</u></p> <p>Committee Member</p> <p>Chairperson</p> <p>Audit Committee Member</p> <p>Executive and Sub-Committee</p> <p>A Qualified Member</p> <p>Committee of Finance and Accounting section</p> <p>A qualified member</p> <p>A qualified member</p> <p><u>Experience</u></p> <p>Chief of Inspector General</p> <p>Commercial Advisor</p> <p>Deputy Director General Business Development</p> <p>Deputy Director General Insurance</p>	<p>Dusit Thani Plc.</p> <p>Thaivivak Insurance Plc.</p> <p>SCT Electric Plc.</p> <p>The Securities Exchange Commission</p> <p>Sub-Committee on Ethical Standard setting</p> <p>Federation of Accounting Professions Under the Royal Patronage of His Majesty the King</p> <p>The Support Arts and Crafts International Center of Thailand (Public Organization)</p> <p>CPA Examination Management Sub-Committee, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King</p> <p>Office of the Civil Service Commission</p> <p>The Life Insurance Fund Management Foreign Business Commission, Ministry of Commerce</p> <p>Ministry of Commerce</p> <p>Ministry of Commerce</p> <p>Ministry of Commerce</p> <p>Ministry of Commerce</p>



Name / Position	Age	Education/Training	Share Holding in the Company including related person (%)	Working Experience		
				Period	Position	Company
<b>5. Mr. Banterng Tanlivil</b> - Director	71	- Master of Science (Finance) in Management, Massachusetts Institute of Technology, USA - Bachelor of Science in Electrical Engineering, Massachusetts Institute of Technology, USA - Director Accreditation Program 25/2004, Thai Institute of Directors Association	11.67	2015 - Present	Director	Dusit Thani Plc.
<b>Director Appointing Date</b> April 28, 2015				Present	<u>Position in Other Listed Companies</u> Chairman / Executive Committee Chairman Chairman	MBK Plc., Thanachart Capital Plc.
<b>Relationship</b> - None				Present	<u>Position in Other Businesses</u> Chairman Chairman Director Director Director Director Director	MBK Resort Plc., Thanachart Bank Plc., Deebuk Co., Ltd., Thai Farming Co., Ltd., Siam Piwat Co., Ltd., Siam Piwat Holding Co., Ltd., B.V. Holding Co., Ltd.
				2012 - 2014 2010 - 2011 2005 - 2013 1997 - 2006	<u>Experiences</u> Chairman Chairman Chairman Chairman	Thanachart Insurance Plc., Siam City Bank Thanachart Life Insurance Plc., Thanachart Capital Securities





Name / Position	Age	Education/Training	Share Holding in the Company (including related person (%))	Working Experience		
				Period	Position	Company
6. Mr. Vichai Chinwongvorakul - Director  Director Appointing Date April 28, 2015  Relationship -None	56	- Elementary School, Wat Nak Nimit	0.12	Present	Director Director	Dusit Thani Plc. Dusit Thai Properties Plc.
				Present	<u>Position in Other Listed Companies</u> - None =  <u>Position in Other Businesses</u> Chairman / Managing Director  President of the Association Secretary of the Association Executive Director Vice President of the Association  Director Vice President  <u>Experience</u> Chairman Chairman Chairman	Chinwong Food Co., Ltd. Unity Food Co., Ltd. C-PEX Co., Ltd. Rao Ping Association of Thailand Tin Chew Association of Thailand Thai-Chinese Chamber of Thailand The Thai Chinese Exim Association Xin Association of Thailand National Defence Volunteer Thailand Moral Welfare Foundation  Chinwong Food Co., Ltd. Unity Food Co., Ltd. C-PEX Co., Ltd.



Name / Position	Age	Education/Training	Share Holding in the Company including related person (%)	Working Experience		
				Period	Position	Company
7. Mrs. Pratana Mongkolkul Director	51	Master Degree in Business Administration, Thammasat University - Bachelor Degree in Accounting, Thammasat University - Advanced Management Program 180, Harvard Business School - Thai Intelligent Investor 1/2012 - Thai Investor Association - Capital Market Academy Leader Program 6/2008, Capital Market Academy - Chief Financial Officer Certificate, Program 1, the Institute of Certified Accounting and Auditors of Thailand - Director Diploma Examination 2003, the Australian Institute of Directors Association - Director Certification Program 37/2003, Thai Institute of Directors Association - Director Accreditation Program 2003, Thai Institute of Directors Association - Corporate Governance for Directors and Senior Executives of State Enterprises and Public Organizations 13/2015 - Advanced Audit Committee Program 22/2016, Thai Institute of Directors Association	None	Present	Director	Dusit Thani Plc
Director Appointing Date February 25, 2016				2013-Present	<b>Position in Other Listed Companies</b> Independent Director / Audit Committee Member	T.K.S. Technologies Plc
Relationship - None				2011-Present Present	<b>Position in Other Businesses</b> Chairman Director / Executive Committee Member / Risk Management Committee Member / Corporate Governance and Social Responsibility Committee Member Director / Audit Committee Member Risk Management Committee Director / Risk Management Chairperson Director	Boutique Consulting Group Ltd. Government Savings Bank
					Director / Secretary / Treasury	Port Authority of Thailand
					<b>Experience</b> Director / Executive Committee Chairperson Director Independent Director / Audit Committee Chairperson Director	Thailand Post Co., Ltd. FN Factory Outlet Co., Ltd. Boutique International Group Ltd. Boutique Property Group Ltd. Boutique Trading Group Ltd. Dr. Kankana - Pranee Mongkolkul Foundation MC Group Plc. S&P Syndicate Plc Thoresen Thai Agencies Plc. Minor International Plc. Minor Corporation Plc. The Minor Food Group Plc. Rajdam Hotel Plc.





Name / Position	Age	Education/Training	Share Holding in the Company including related person (%)	Working Experience		
				Period	Position	Company
<b>8. Mrs. Varang Chuayawan</b> - Director - Authorized Director entitled to sign to bind the Company  <b>Director Appointing Date</b> August 11, 2009  <b>Relationship</b> - None	43	- MBA Finance and Investment, George Washington University, Washington D.C., USA - Bachelor of Accountancy, Thammasat University (First class honors) - Director Accreditation Program (6/2006) - Certified Financial Planner Batch 1, Thai Financial Planners Association - The Invitation Life Insurance Top Executives Seminar 2008 FATIA, JAPAN - The student of Capital Market Academy (CMA), The Stock Exchange of Thailand, Batch 5	2.57	Present	Director	Dusit Thani Plc. Dusit Thai Properties Plc.
					<u>Position in Other Listed Companies</u> - None  <u>Position in Other Businesses</u> Director / Senior Deputy Managing Director Managing Director Director	Thai Life Insurance Plc.  Thai Health Insurance Plc. Sangsom Co., Ltd. Kaohana Singkhorn Co., Ltd. Fuengfuanant Co., Ltd. Thanapakti Co., Ltd. Mongkolkamai Co., Ltd. Thai Ginebra Trading Co., Ltd. V.C. Sombat Co., Ltd. Peich Karnka Co., Ltd.  Thai Asia Pacific Brewery Co., Ltd. Thai Life Insurance Co., Ltd.
				Present          2007 - 2009 2001 - 2006	<u>Experience</u> Director Vice President	



Name / Position	Age	Education/Training	Share Holding in the Company including related person (%)	Working Experience		
				Period	Position	Company
<b>9. Mr. Kenneth Korsrisophon</b> - Director  <b>Director Appointing Date</b> April 30, 2003  <b>Relationship</b> - None	45	Bachelor of Science in Applied Mathematics and Economics (Magna Cum Laude), Brown University, U.S.A. - HK Business Delegation to Cambodia and Myanmar, led by HKSAR Financial Secretary, HK Trade Development Council and office of the Financial Secretary of the HKSAR E-course on "Commodities" (Part 1), Hong Kong Securities and Investment Institute - HKEx Environment, Social and Governance Reporting Guide, The Hong Kong Institute of Directors	10.27	2003 - Present	Director	Dusit Thani Plc.
				1998 - Present	<u>Position in Other Listed Companies</u> Director / Managing Director	Pioneer Global Group Ltd (Listed Company in the Stock Exchange of Hong Kong) Home Inns and Hotels Management Inc. (Listed Company in the Stock Exchange of NASDAQ in U.S.A.)
				2006 - Present	Director	
				Present	<u>Position in Other Businesses</u> Director	Pioneer iNetwork Limited
				2008 - Present 2005 - Present 2003 - Present 1994 - Present	Director Director Director Director Director	Cape Nga Development Ltd. Caw Capital Partners Pioneer Hospitality Siam (CHB) Ltd. Strand Hotels International Ltd. Myanmar Hotel International Pte. Ltd.
				2000 - 2006	<u>Experience</u> Director	Siam Food Products Plc.





Name / Position	Age	Education/Training	Share Holding in the Company including related person (%)	Working Experience		
				Period	Position	Company
<b>10. Mrs. Suphaje Suthumpun</b> - Director - Authorized Director entitled to sign to bind the Company  <b>Director Appointing Date</b> October 1, 2015  <b>Relationship</b> - None	51	- MBA, International Finance and International Accounting, Northrop University, California, USA. - BS, Sociology and Anthropology, Thammasat University	None	2015 - Present	Director	Dusit Thani Pte.
				Present	Director	Dusit Thani Hotel Studies Co., Ltd.
				Present	<u>Position in Other Listed Companies</u> Independent Director	Dusit Thani College DMS Property Investment Pte. Ltd.
				Present	<u>Position in Other Businesses</u> Sub-committee member	Kasikornbank Pte.
				Present	Advisory Director to Youth Prosperity Council Committee Sub-committee member  Director	Sub-committee preparing the establishment of the National State Enterprise Corporation by State Enterprise Policy Committee Judicial Training Institute Navamindradit University Thailand Management Association College of Management Mahidol University
				2011-2015	<u>Experience</u> Chief Executive Officer Executive Committee Chairperson - Media and New Business Executive Committee Chairperson Chairperson and Executive Committee Chairperson Director	Thacom Pte. Intouch Pte.
				2011-2014	General Manager, Global Technology Services	CS Loo Indo Pte. Shenrong Investment Pte. Ltd.
				2010-2011	Client Advocacy Executive, Chairman's Office	Office of the Public Sector Development Committee IBM ASEAN
				2009-2010	General Manager and Vice President, General Business	IBM Headquarter, New York, USA.
				2007-2009	Country General Manager and Managing Director	IBM ASEAN
				2003-2007		IBM Thailand Co., Ltd.



Name / Position	Age	Education/Training	Share Holding in the Company including related person (%)	Working Experience		
				Period	Position	Company
<b>11. Mr. Chann Donnuvank</b> —Director - Authorized Director entitled to sign to find the Company  <b>Director Appointing Date</b> February 28, 1980  <b>Relationship</b> - Brother of Mrs. Sinee Thienprasitthi	58	- Master of Business Administration (MBA), Boston University, U.S.A. - Director Certification Program 7/2/2006 - Director Accreditation Program 10/20/24	49.04 Included in the group of - Thanyapong Chant Piyasit	Present	Managing Director / Chief Executive Officer Chairman Chairman  Vice Chairman Member of Investment Committee  Director	Dusit Thani Pk.  Philippine Hotels, Inc. Philippine Hotels International Center for Hospitality Education, Inc. Dusit Thani College Dusit Thani Freehold and Leasehold Property Fund Dusit Thani Properties Pte. Dusit Thani Properties Co., Ltd. Devanaya Spa Co., Ltd. / Le Jardin Bana Dusit Co., Ltd. / Dusit Worldwide Co., Ltd. / Dusit Management Co., Ltd. Dusit China Capital Co., Ltd. Dusit Thani Hotel Studies Co., Ltd. Dusit Overseas Co., Ltd. Dusit Bird Hotels Pvt. Ltd. DMS Property Investment Pvt. Ltd. Dusit USA Management Inc. / Dusit Food Hotel Management (Sanghai) Co., Ltd.
				Present	<b>Position in Other Listed Companies</b> - None <b>Position in Other Businesses</b> Chairman of Tourism and Service Business Committee Head of Private Sector  Director	Thai Chamber of Commerce  Public Private Partnership Committee, D6 MITT and tourism promotion Chamber and Children Co., Ltd. Piyasit Co., Ltd. Thana Group Co., Ltd. JTB (Thailand) Co., Ltd. Thai-Japan Gas Co., Ltd.  National Legislative Assembly Tourism and Industrial Committee of National Legislative Assembly Asian Hotels and Restaurants Association Thai Hotels Association The Thai Chamber of Commerce Chairman Committee on Tourism and Hotel Industries
				2006 - 2008 & 1999 - 2000 2006 - 2008 2006 - 2008 & 1998 - 2002 2001 - 2003	<b>Experience</b> Member Committee  President  President	





Name / Position	Age	Education/Training	Share Holding in the Company including related person (%)	Working Experience		
				Period	Position	Company
<b>12. Mrs. Sine Thienprassidhi</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> - Sister of Mr. Charin Donavanik	57	- Mac Duffies Springfield, MA., USA - Fundamental Practice for Corporate Secretary 29 - 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 2/2005 - Director Certification Program 6/2005 - Director Accreditation Program 9/2004	9.94% Included in the group of Charut (Piyonut)	Present	Director/ Company Secretary/ Secretary to the Board of Directors Director	Dusit Thani Pte.  Dusit Thai Properties Pte. Dusit Thani Properties Co., Ltd. Devatana Syn Co., Ltd. Le Cordon Bleu Dusit Co., Ltd. Dusit Worldwide Co., Ltd. Dusit Management Co., Ltd. Dusit China Capital Co., Ltd. Dusit Thani Hotel Studies Co., Ltd. Philippine Hoteliers, Inc. Philippine Hoteliers International Center for Hospitality Education, Inc. Dusit Overseas Co., Ltd. Dusit Bird Hotels Pte. Ltd. DMS Property Investment Pte. Ltd. Dusit USA Management Inc. Dusit Fudi Hotel Management (Shanghai) Co., Ltd.
				Present	<u>Position in Other Listed Companies</u> - None -  <u>Position in Other Businesses</u> Director	Active Printing Co., Ltd. Charut and Charut Co., Ltd. Piyasiri Co., Ltd. Thana Jang Co., Ltd.



## Management Team

As of December 31, 2015

Name / Position	Age	Education/Training	Share Holding in the Company including related person (%)	Working Experience		
				Period	Position	Company
Details are in the section of Board of Directors						
1. Mr. Chaum Donavank	48	<ul style="list-style-type: none"><li>- Master Degree (MSc) in Tourism Planning and Development, University of Surrey, United Kingdom</li><li>- Degree in Hotel Administration, Norwegian School of Hotel Management (Now Stavanger University)</li><li>- Diploma, Export Marketing, Norwegian School of Marketing, Oslo, Norway</li></ul>	None	2013 – Present 2011 – 2015 2009 – 2015 2005 – 2009	Managing Director – Education Managing Director Director of Marketing for International Markets Director of Sales and Marketing	Dusit Thani Plc. HAAGA-HELIA Global Education Services Ltd., Helsinki, Finland HAAGA-HELIA University of Applied Science, Helsinki, Finland The Emirates Academy of Hospitality Management, Dubai, UAE
2. Mr. Jaro Hirak Relationship – None						
3. Miss Surang Jirattigalachote	52	<ul style="list-style-type: none"><li>- Master Degree of Computer Sciences</li></ul>	None	2013 – Present 2012 – 2017 2010 – 2012 2005 – 2010 2002 – 2005	Deputy Managing Director – Property Development Business Development Consultant Vice President and Chief Operations Officer Vice President, Development & Construction Vice President, Development & Construction	Dusit Thani Plc. Nanyang Co., Ltd. Phuket Square Co., Ltd. Minor International Pcl. Central Retail Corporation Co., Ltd.
4. Mrs. Jongkomee Chantavornkit Relationship – None	62	<ul style="list-style-type: none"><li>- Master's Degree of Business Administration, Ramkhamhaeng University</li></ul>	None	Present 1997 – 2004	Vice President – Headquarter Finance and Accounting Director Director of Finance and Accounting	Dusit Thani Plc. Dezaneta Spa Co., Ltd. Dusit Worldwide Co., Ltd. Dusit Management Co., Ltd. Dusit Thani Plc.





Name / Position	Age	Education/Training	Share Holding in the Company including related person (%)	Working Experience		
				Period	Position	Company
5. Miss Wannee Ancharinwongkol Relationship - None	59	- Master of Business Administration for Executive, Thammasat University - Bachelor of Accounting, Ramkhamhaeng University - Update Tax and Accounting system 2012	None	2005 - Present 1995 - 2008 1993 - 1995 1987 - 1992	Vice President - Hotel Accounting and Finance (Domestic) Director of Accounting Group Chief Accounting Chief Accounting	Dusit Thani Pte. Dusit Hotels & Resort Co., Ltd. Royal Princess Pte. Pavle Thani Legama Phuket
6. Mr. Yudistira Jeganathan Relationship - None	44	- Accounting and Financial Management Specialization Certificate, Educational Institute of the America Hotel & Lodging Association - Hospitality Operations Certificate, Educational Institute of the American Hotel & Lodging Association - Advanced to CPA status with the Australian Society of CPAs - Affiliated as Associate Member of the Australian Society of CPAs - Bachelor of Business (Accountancy), Royal Melbourne Institution of Technology, Australia	None	Present 2008 - 2011 2005 - 2006 2002 - 2005 1997 - 2003	Vice President - Hotel Finance and Accounting (Overseas) Regional Vice President - Finance & HR for Middle East Director of Finance Regional Director of Finance Director of Finance	Dusit Thani Pte. Dusit Thai Properties Pte. The Ritz-Carlton Hotel Company, L.P. Mandara Spa Asia (a subsidiary of Steiner Leisure Limited) The Ritz-Carlton Hotel Company, L.P.C.
7. Miss Annur Kulwornreth Relationship - None	58	- Master of Accountancy in Banking and Finance, Chulalongkorn University - Bachelor of Science in Accounting (Second Class Honours), Bangkok College - Effective Minutes Taking Course 1970/9, Thai Institute of Directors Association - Corporate Secretary Development Program 2008, the Stock Exchange of Thailand/ The Thailand Companies Association	None	2009 - Present 2008 - 2009 2005 - 2008 1997 - 2006 1991 - 1996 1989 - 1991	Vice President - Company Secretary Office Vice President - Legal & Administration Assistant Vice President - Legal & Administration Group Director of Treasury Corporate Securities & Investment Manager Assistant Corporate Financial Controller	Dusit Thani Pte.



Name / Position	Age	Education/Training	Share Holding in the Company including related person (%)	Working Experience		
				Period	Position	Company
8. Mr. Ian Newton Byrds Relationship None	56	- Bachelor of Science, Hospitality Management, Florida International University	None	Present 2012-2015 2002-2012	Vice President – Technical Services General Manager Director of Projects	Dusit Thani Pte. Larson Place Shangri-La Hotels & Resorts Shangri-La Asia Limited
9. Mr. Ruston Alexis Vickers Relationship None	37	- Master of Business Administration, Cass Business School, United Kingdom Hotel Management Diploma, Les Roches Hotel Management School, Switzerland	None	2015 – Present 2011 – 2015 2008 – 2011	Vice President – Hotel Business Development Group Director – Hotel Business Development Assistant Director – Development	Dusit Thani Pte. Emara Hospitality Group (Dubai, UAE)

*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:	<a href="http://www.dusit.com">www.dusit.com</a>
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. 93 The Stock Exchange of Thailand Building, Rachadapisek Road, Din Daeng, Bangkok 10400, Thailand Telephone No.: + 66 (0) 2009 9380 Facsimile No.: + 66 (0) 2009 9001 extension 9380
Auditor	Mrs. Boonsri Chopchaihoonpun Certified Public Accountant No. 3756 KPMG Phoomchai Audit Limited 50-51 <sup>st</sup> Floor, Empire Tower, 1 South Sathorn Road, Bangkok 10120 Telephone No.: + 66 (0) 2677 2000 Facsimile No.: + 66 (0) 2677 2222
Legal Counselor	Dherakupt Law Office Co., Ltd. 546 Univesi Complex Building, 15 <sup>th</sup> Floor, Rachadaphisek Road, Chankasem, Jatujak, Bangkok 1090 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)





บริษัท ดุสิตธานี จำกัด (มหาชน)

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