

# Our heritage inspires our future

## 2018 Annual Report





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Vision

“Proud of our Thai heritage, uniquely delivering gracious hospitality to the world.”

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Mission

“We empower our people to exceed expectations. Always.”

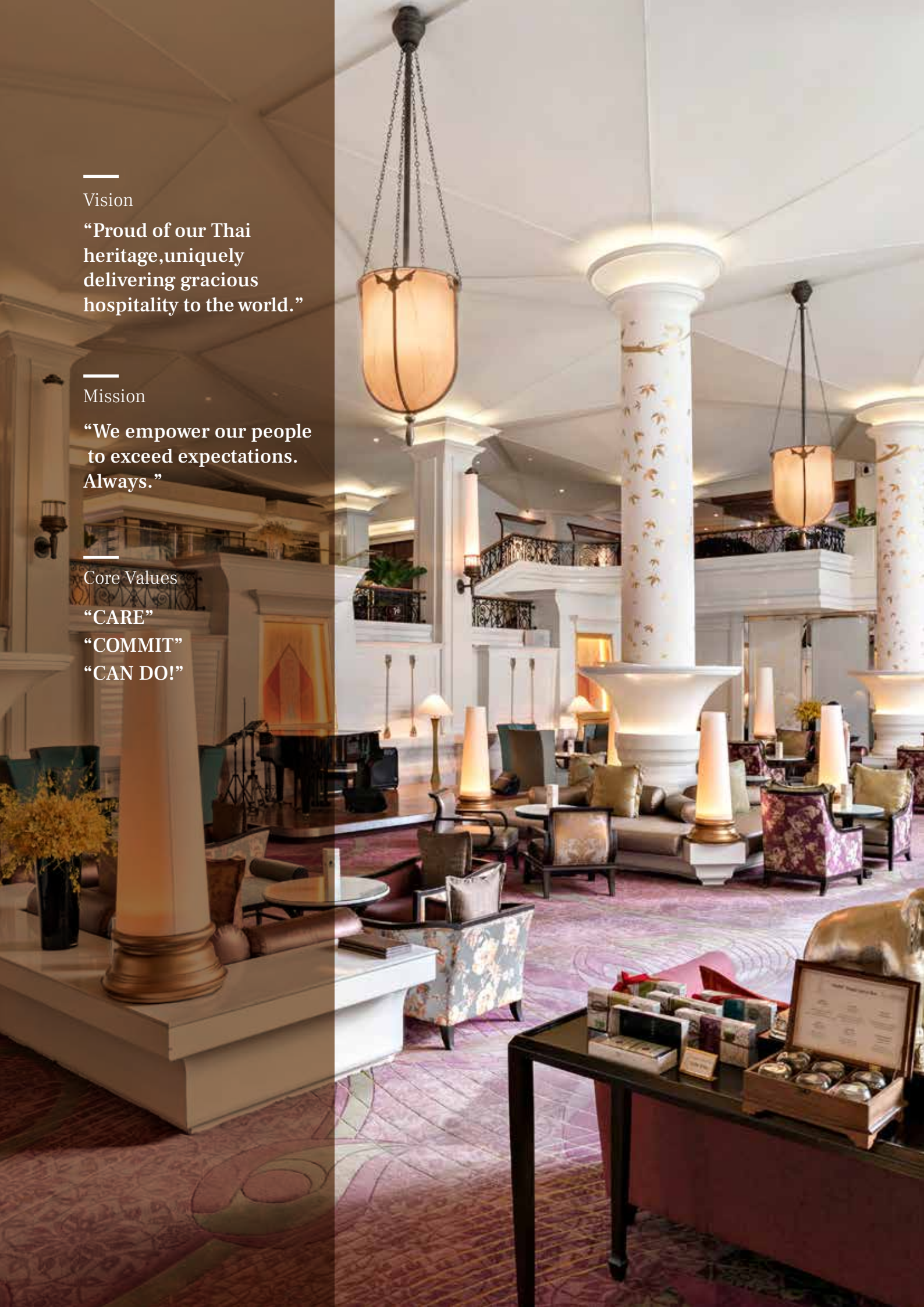
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Core Values

“CARE”

“COMMIT”

“CAN DO!”







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# 2018

## Key Milestones



### March

- Established Dusit Foods Co., Ltd. to acquire 2,652,076 ordinary shares from NR Instant Produce Co., Ltd. (“NRIP”), or equivalent to 25.977% of the total shares, totalling THB 613,019,000. NRIP manufactures and distributes seasonings, and instant food.
- Disposed of 1,430,000 shares in Dusit Bird Hotels Private Limited (“DBH”), or equivalent to 50% of the registered and paid-up shares in DBH, amounting to THB 290,000, which is considered the fair value.

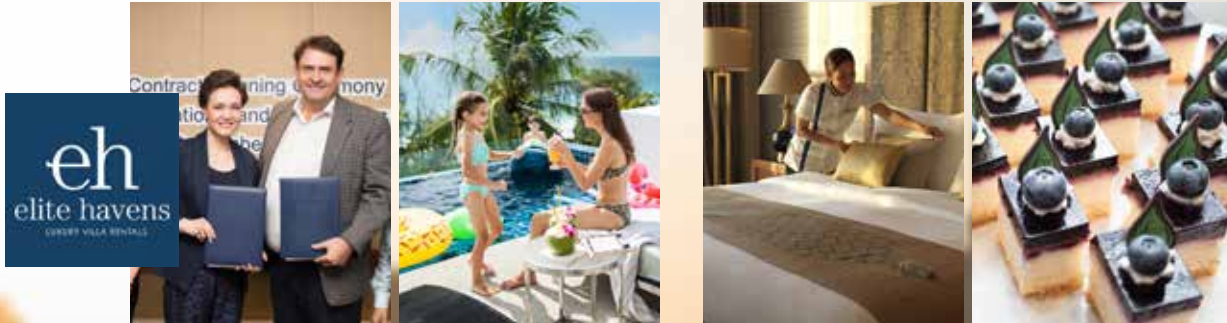
### April

- Launched “ASAI Hotels” under ASAI Holdings Co., Ltd., the Company’s subsidiary. This affordable lifestyle brand is designed to serve millennial-minded travellers and will offer compact rooms with quality facilities and high technology. There are currently five ASAI Hotels in the pipeline across three countries, namely Thailand, Myanmar and the Philippines.
- The Annual General Meeting of Shareholders No. 25/2018, held on 23 April 2018, approved the issuance and offering of debentures at the total amount not exceeding THB 5 Billion, used for business operation and expansion and/or partial debt repayment.

### May

- Established Dusit Gourmet Co., Ltd., a new joint venture company, to conduct sales and marketing activities for food products under Dusit brands. Shareholders include Dusit Foods Co., Ltd. at 90%, and NR Instant Produce Co., Ltd at 10%.





## September

- Dusit Overseas Company Limited, a subsidiary registered in Hong Kong, acquired 100% of shares of LVM Holdings Pte Ltd. ("LVM Holdings"), the ultimate holding company of Elite Havens, registered in Singapore, which is engaged in the business of marketing, booking and full-service management of luxury villas under the Elite Havens brand.

## December

- The head office of Dusit Thani Public Company Limited and subsidiaries was relocated from 946 Dusit Thani Building, 5<sup>th</sup> Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 to 319 Chamchuri Square Building, 29<sup>th</sup> Floor, Phayathai Road, Pathumwan Sub-District, Pathumwan District, Bangkok 10330.
- Established Dusit Hospitality Services Co., Ltd. to engage in hospitality services, including outside catering, cleaning, restaurant and hotel pre-opening.

## Chairman's Message

# Our heritage inspires our future

### Dear shareholders and stakeholders,

The year 2018 served as a significant milestone in our company's history as we bid farewell to our flagship Dusit Thani Bangkok hotel in its current form and prepared for new developments to come.

From strategically investing in adjacent industries to launching new brands and entering new markets, in 2018 we continued to lay the groundwork for sustainable and profitable growth following the same principles Dusit's founder, Thanpuying Chanut Piyaoui, had when she first established the company almost 70 years ago – to be bold and do great things, to create things that never existed before, and to always pursue perfection.

That our heritage inspires our future is something we are very proud of. In fact, the distinctive, personalised service pioneered at Dusit Thani Bangkok forms the basis for the Thai-inspired gracious hospitality delivered at all of our hotels and resorts – and across all of our business units – worldwide. Our Thai heritage makes us unique. And in an increasingly crowded business environment, it remains our distinct competitive advantage.

This is why one of our major campaigns in 2018 involved partnering with experts from Silpakorn University in Thailand to preserve various artistic and architectural elements of Dusit Thani Bangkok for use in the new version of the hotel, which is expected to open in 2023 as a new beacon of gracious hospitality to the world.



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delivered at all of our hotels and  
resorts - and across all of our business  
units - worldwide.’**



It is also the reason why we invested heavily in our people, and continued to explore business models and investments which would allow us to fulfill our no lay-off policy at the hotel during its redevelopment.

Our people are the heart of our business, and by investing in the team at Dusit Thani Bangkok, and recognising their commitment, we are now poised to add even greater value to the company through new business units that will leverage their collective expertise and experience to achieve revenue while the hotel is temporarily closed. These projects will be announced in 2019.

As a company, Dusit has constantly evolved to meet the needs of stakeholders. From our first asset-light expansion overseas in the 1980s to the formation of Dusit Hospitality Education in the 1990s to the introduction of new hotel brands in the 2000s, our history features several chapters of positive change driven by a vision for growth that recognises, embraces, and builds on the value of our past.

Now we are three years into our latest chapter – the pursuit of expansion, balance, and diversification. The aim is to enhance value creation, support the development of new hotels and colleges, and position the company for success in an era of rapid change and disruption.

In pursuing these goals, we will never lose sight of what makes us unique. The distinctive Thai character and heritage created at Dusit Thani Bangkok have always been central to our growth, and through our operations, our people, and our vision to uniquely deliver gracious hospitality to the world, they will always remain at the heart of our business.

On behalf of the Board of Directors, I would like to thank all our shareholders, customers, guests, business partners and all other stakeholders for your much-appreciated support for our company. We are delighted to have you with us on our journey, and we look forward to creating enduring value for you all as we continue to evolve and embrace new paradigms while championing the heritage at our core.

Graciously yours,

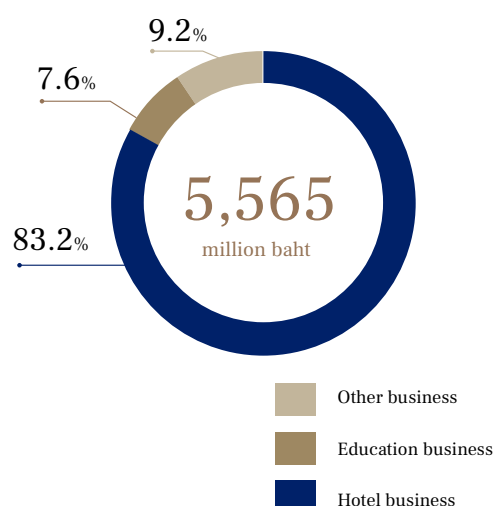
Arsa Sarasin  
Chairman/ Independent Director

*“Over the past three years we have been strengthening our foundations, consolidating our operations, and diversifying our portfolio across different geographies and business models to position ourselves for sustainable and profitable growth.”*



## Message from the Group CEO

### 2018 Total Revenue



### Dear shareholders and stakeholders,

The hospitality industry is, by its very nature, a capital intensive business which requires continuous investment in existing properties to maintain their competitive advantage. Because of this, it is essential that we, as a hospitality company, embrace innovation as our modus operandi and constantly seek ways to enhance revenue creation so we can maintain and enhance our property portfolio while delivering value to shareholders – especially while our flagship hotel, Dusit Thani Bangkok, is redeveloped as part of a landmark mixed-use project.

In this regard, over the past three years we have been strengthening our foundations, consolidating our operations, and diversifying our portfolio across different geographies and business models to position ourselves for sustainable and profitable growth.

At year-end, Dusit Thani Public Company Limited reported THB 290 million net profit and 5,565 million total revenue. The profit represents an 8.6% increase on the THB 267 million posted in 2017.

Demonstrating the strength of our multi-year strategy, which completed its first stage in 2018, the growth in profit was achieved despite the absence of revenue from Dusit Princess Korat, which was divested in 2017, and non-recurring expenses in relation to the redevelopment and temporary closure of Dusit Thani Bangkok. This included investing in the hotel's team to deliver a legendary closure for the hotel while



preparing to launch new business models following our no lay-off policy. And they succeeded admirably.

Outside of Dusit Thani Bangkok, I am happy we achieved several significant milestones throughout the year that will pave the way for enhanced value creation going forward.

Besides continuing to enhance our presence in Asia-Pacific with the opening of six new properties, including entering the new markets of Bhutan and Vietnam, we continued to plant flags in gateway cities via asset-light Hotel Management and Franchise agreements across MEA, APAC, and China. This raised our tally of properties in the pipeline to 64. We also began exploring options for lucrative lease agreements in Australia, Europe, and Japan.

To address ever-changing consumer tastes in this age of digital disruption, we continued to expand our operations across the lodging spectrum to offer experiences for our guests beyond our typical full-service brands.

This included launching ASAI Hotels, an affordable lifestyle brand designed to link the fast-growing market of millennial (and millennial-minded) travellers with authentic local experiences in the world's most vibrant neighbourhoods. This market is currently valued at more than USD 280 billion, and set to grow to USD 400 billion by 2020, according to UNWTO. At the end of 2018, ASAI already had five properties in the pipeline across Thailand, Myanmar and the Philippines.

To further meet the evolving needs of our guests, we also officially entered the luxury vacation rental sector with the full acquisition of Elite Havens, the leading provider of high-end villa rentals in Asia, which brought a network of more than 200 fully staffed properties across Indonesia, Thailand, Sri Lanka, Japan, and the Maldives, into our portfolio.

Looking beyond the scope of our core business with a view to adding value through synergistic partnerships, we established Dusit Foods Co., Ltd. to focus on upstream investments with strong growth potential. This included investing in NR Instant Produce (NRIP) Co., Ltd. a leading producer and

exporter of ready-to-cook sauces, seasoning powders, and soft drinks, where we saw the potential to leverage our own experience in food and beverage services to drive additional revenue and enhance our brand presence.

Together with NRIP, we established Dusit Gourmet Co., Ltd. This joint venture promises to 'Bring Asia to the World' by creating, marketing and selling Dusit-branded, organic food products worldwide. Synergising with our core business, the venture also aims to standardise certain recipes at our signature hotel restaurants, ultimately maintaining consistency and driving cost efficiency at all of our properties.



Another important development was the introduction of short F&B and Hotel Management courses at Dusit Thani College and the Dusit Thani Excellence Centre in Bangkok. Designed to respond to the decline in college student enrollments for degree programmes seen worldwide, and to address the imbalance in skilled labour supply and demand in the tourism sector, these short courses have broad appeal. Alongside meeting the needs of those who wish to upskill or reskill with a view to enter the F&B industry, they also meet the needs of restaurant, hotel and tourism operators looking for an effective and efficient way to train their staff. The increased reach of these courses now provides a strong foundation for growth as we expand Dusit Hospitality Education worldwide.

The first steps to any journey are always the most significant, and in everything we do – whether it is launching a new brand, investing in a new line of business, restructuring our asset portfolio, or redeveloping our flagship hotel – we will always ensure we are equipped to go the distance by considering all







*“The seeds for exponential growth have been planted. We look forward to nurturing them to fruition while delivering unique experiences inspired by our heritage, and creating a sustainable and profitable future for us all.”*







potential risks and outcomes to deliver long-term value for all our stakeholders – guests, customers, owners, investors, and employees alike.

In 2019 we will officially enter the second stage of our strategic journey – realising our potential. With several hotels set to open worldwide under asset-light models, a new Dusit Thani College opening in Manila, Philippines, and with further consolidation of our food business, we expect to achieve positive revenue growth that will compensate for the temporary closure of Dusit Thani Bangkok and position us for even greater success to come.

The seeds for exponential growth have been planted. We look forward to nurturing them to fruition while delivering unique experiences inspired by our heritage, and creating a sustainable and profitable future for us all. On behalf of everyone at the company, I graciously thank you for your continued support.

Graciously yours,

Handwritten signature of Suphajee Suthumpun.

Suphajee Suthumpun  
Group Chief Executive Officer



# Dusit's multi-year diversification journey

Strengthening our foundations to support exponential growth







## 2016 - 2018

### Strengthening foundations

- Set new strategic direction
- Develop new Vision/ Mission/ Values
- Focus on key priorities

## 2019 - 2021

### Realizing potential

- New iconic flagship hotel
- Integration of hospitality and education business
- Double no. of keys worldwide

## 2022 - 2025

### Unlock value creation

- Completion of new mixed-use project
- More revenue contribution from new investments
- Balance of revenue contribution from Thailand and overseas

## Strategy



Balance



Expansion



Diversification



# Balance

Global reach,  
positive impact



## GOAL

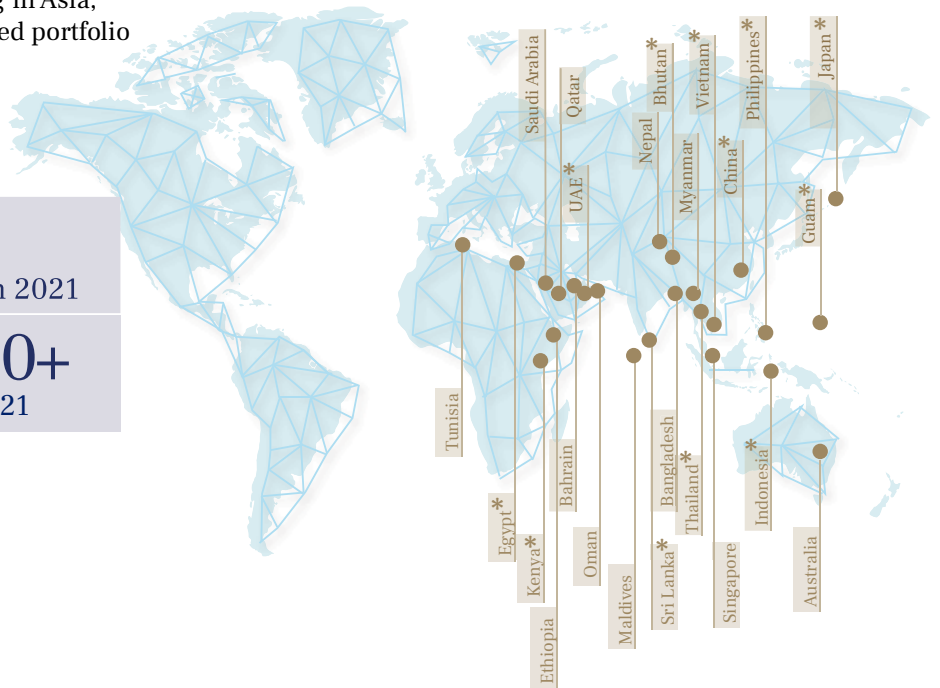
To achieve 50:50 domestic/  
overseas revenue  
with balance of asset light  
versus capital investment

## Growing Global Presence

Well-established brand positioning in Asia,  
Middle East and Africa with balanced portfolio  
of city and resort properties

Coverage will increase from

13 countries	20+ countries in 2021
8,172 rooms	to 20,000+ rooms in 2021



\* In operation





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12

**Dusit plans to open 10-12 new hotels annually during 2019-2021.**

14

**The number of new projects signed in 2018, under all Dusit brands and predominantly under Hotel Management and Franchise Agreements.**

100+

**In the pursuit of our target of reaching 150 operating and pipeline hotels by 2022, we are tracing well over 100 potential projects.**

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To mitigate risk, and enhance brand awareness internationally, we aim to realise one half of our total revenue from ventures outside of Thailand by 2021.

Recognising China's status as the largest outbound and domestic travel market in the world, we continued expanding our presence in the country in 2018 with the opening of two new properties – Heritage Villas Zhouzhuang, Managed by Dusit; and dusitD2 Society Hill, Tianjin.

We now operate six hotels in China and have 28 properties in the pipeline, four of which are expected to open in 2019 in key business and leisure destinations.

Further balancing our portfolio, we opened our first hotels in the emerging markets of Bhutan and Vietnam and continued making in-roads in the Philippines with the opening of The Beach Club at Lubi Plantation Island, Managed by Dusit. We further positioned ourselves to capitalise on the Philippine's continuously growing domestic market of millennial travellers by signing HMAs for three ASAI Hotels in Cebu.

In Thailand, our focus on key profit-making centres was seen with the opening of dusitD2 Ao Nang, Krabi – our second property in the renowned beach destination.

Dusit Hospitality Education, meanwhile, continued working on enhancing its operations in Bangkok and exploring options to introduce new colleges in key markets under asset-light management agreements.

Alongside continued development of Dusit Hospitality Management College in Manila, which is expected to open as part of dusitD2 The Fort Manila hotel in August 2019, this included signing a management agreement with Omega Global Education Group to operate the Dusit Omega Centre of Excellence in Hospitality in Colombo, Sri Lanka, which at year-end was in the planning stages.

Dusit now has a presence in 13 countries, and our development team remains committed to seizing every available opportunity to balance our portfolio and expand our global reach.

To achieve scalability and balanced revenue, our current pipeline of more than 60 hotels and resorts comprises asset-light Hotel Management and Franchise agreements across MEA, APAC, and China. We are also exploring options for lease agreements, and to acquire properties, in Europe, Japan, and other key destinations.



# Expansion

New hotels, new brand,  
new horizons



## GOAL

To double our number of  
rooms in operation by 2021,  
and expand across the  
lodging spectrum

## Dusit's lodging spectrum





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8,172

Hotel keys in operation  
(As of 31 December 2018)

14,500+

Hotel keys in the pipeline  
(As of 31 December 2018)

269 \*

Properties in operation.  
9 owned hotels / 260 management  
contracts and franchise  
(As of 31 December 2018)

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\* Dusit Thani Laguna Phuket, dusitD2 Chiang Mai and the leasehold of Dusit Thani Hua Hin are under Dusit Thani Freehold and Leasehold Real Estate Investment Trust (DREIT) of which DTC holds a 30.02% stake

In line with our strategy to double our number of hotel rooms in operation we made good progress in 2018. Alongside continuing to sign new projects in key and emerging markets worldwide, we opened six new properties (see Balance) and raised our total number of keys from 7,181 to 8,172, with more than 14,500 in the pipeline.

In 2018 we also began widening our global footprint and providing broadened experiences for our customers by entering new markets of the lodging spectrum.

In April we officially launched **ASAI Hotels**, an affordable lifestyle brand designed to connect millennial-minded travellers – a market valued at more than \$280 billion annually – with authentic local experiences in vibrant neighbourhoods worldwide. ASAI's flagship hotel is set to open in Bangkok, on Sathorn Soi 12, at the end of 2019. Four more hotels are in the pipeline across the Philippines and Myanmar.

In September, we branched out further by entering the high-end vacation rental market through the full acquisition of Elite Havens, the leading provider of high-end vacation rentals in Asia.

Like Dusit, **Elite Havens** has a strong people-focused culture and a genuine passion for exceeding customers' expectations. In 10 years it has grown from a small startup to the biggest company of its kind in Asia, performing integrated marketing, reservations, concierge and management services for a network of more than 200 fully staffed luxury villas across Indonesia, Thailand, Sri Lanka, the Maldives, and Japan.

In education business, **Le Cordon Bleu Dusit Culinary School** expanded physically by moving to a brand new premises at Zen Tower, CentralWorld, in Bangkok, where it can accommodate an additional 600 students per year.





# Diversification

Excellence beyond hotels



## GOAL

To achieve 10% revenue contribution from adjacent business by 2024

**Dusit**  
INTERNATIONAL



## NR Instant Produce

A well-known Bangkok-based producer and exporter of ready-to-cook food products, sauces and soft drinks.



## Dusit Gourmet

Aims to standardise food and beverage at our hotels worldwide, and create premium Dusit-branded products for retail in global markets



## Elite Havens

The leading provider of high-end villa rentals in Asia.



A Thai hospitality startup offering condos and villas for rent across Southeast Asia.





# 33,000+

The number of condo units, apartments, residences and villas FavStay is available for rent across Thailand, Vietnam and Laos. (As of December 2018)

# 200+

Elite Havens' portfolio includes more than 200 fully staffed luxury villas across Indonesia, Thailand, Sri Lanka, the Maldives, and Japan.

# 26%

DTC's investment for a 26% stake in NRIP, officially announced in March, is a strategic move that positions Dusit for strong growth in the food industry.

Besides enhanced brand presence and increased revenue, our diversification strategy aims to mitigate the impact of seasonal trends, market cycles and other predictable and unpredictable situations we face in the hospitality industry.

A major development in 2018 was our strategic 660 million baht investment for a 26% share in NR Instant Produce (NRIP) Co., Ltd. a well-known Bangkok-based producer and exporter of ready-to-cook food products, sauces and soft drinks.

Together with NRIP, we subsequently formed Dusit Gourmet Company Limited (DGC) with the aim to develop systems to standardise food and beverage and limit waste at our hotels worldwide, create premium Dusit-branded products for retail in global markets, enhance opportunities for food technology development, and to link our culinary operations with our education business. Several food products were ready to roll out for testing by the end of the year.

Our strategic partner FavStay, a Thai hospitality startup offering condos and villas for rent across Southeast Asia, continued to go from strength to strength, taking its tally of listed units to more than 30,000. Together with FavStay, we began trialling Dusit on Demand, an on-demand housekeeping service for businesses based in Bangkok, which will be fully launched in 2019.

We also introduced Dusit Events, a high-end catering service for corporate, government and social events, staffed by our talented and experienced team from our flagship Dusit Thani Bangkok hotel.

Our acquisition of Elite Havens, as detailed in Expansion, further diversified our lines of business, positioning us for strong growth in the luxury villa rental segment



# Board of Directors

**Mr. Arsa Sarasin**

Chairman/  
Independent Director

**Date of Appointment**  
24 March 2015

**Relationship**  
None

**Mrs. Suphaje Suthumpun**

Director/ Executive Director/  
Group Chief Executive Officer

**Date of Appointment**  
1 October 2015

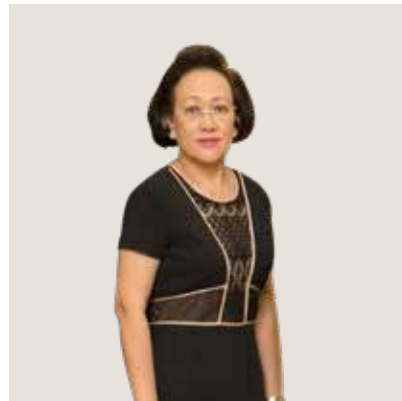
**Relationship**  
None

**Mr. Chanin Donovanik**

Vice Chairman/  
Executive Committee Chairman

**Date of Appointment**  
28 February 1980

**Relationship**  
Brother of Mrs. Sinee Thienprasiddhi



**Mr. Teerapol  
Chotichanapibal**

Independent Director / Audit  
Committee Member

**Date of Appointment**  
23 April 2018

**Relationship**  
None

**Mrs. Varang Chaiyawan**

Director / Remuneration  
Committee Member / Governance  
and Nomination Committee  
Member

**Date of Appointment**  
11 August 2009

**Relationship**  
None

**Mrs. Sinee Thienprasiddhi**

Director / Executive Director

**Date of Appointment**  
26 April 1979

**Relationship**  
Sister of Mr. Chanin Donovanik



**Professor Hiran Radeesri**

Independent Director /  
Audit Committee Chairman /  
Remuneration Committee  
Chairman /Governance and  
Nomination Committee Chairman

**Date of Appointment**  
30 April 1999

**Relationship**  
None



**Professor Dr. Kittipong Kittayarak**

Independent Director

**Date of Appointment**  
1 April 2016

**Relationship**  
None



**Mrs. Pranee Phasipol**

Independent Director / Audit  
Committee Member /  
Remuneration Committee Member /  
Governance and Nomination  
Committee Member

**Date of Appointment**  
29 April 2013

**Relationship**  
None



**Prof. Emeritus  
Dr. Khunying Suchada  
Kirandana**

Independent Director

**Date of Appointment**  
1 March 2017

**Relationship**  
None



**Mr. Somprasong Boonyachai**

Independent Director

**Date of Appointment**  
1 July 2017

**Relationship**  
None



**Mr. Pakhawat  
Kovithvathanaphong**

Independent Director

**Date of Appointment**  
1 March 2017

**Relationship**  
None

# Significant Financial Information

(Consolidated Financial Statements)

## 5,565

million baht

### Total revenues



## 290

million baht

### Net Profit-the Company



## 0.17

Baht per share

### Dividend



■ 2018  
■ 2017  
■ 2016

	2018	2017	2016
<b>Financial position (in Thousand Baht)</b>			
As of December 31,			
Total assets	11,573,046	9,979,866	9,032,977
Total liabilities	5,494,911	4,099,149	3,678,888
Equity - the Company	4,970,782	4,823,537	4,588,981
<b>Operation performance (in Thousand Baht)</b>			
For the years ended December 31,			
Total revenues	5,564,767	5,569,666	5,425,132
Revenues from sales and services	4,632,682	4,722,927	4,974,352
Cost of sales and services	2,745,836	2,801,253	2,915,209
Depreciation and amortization	462,478	592,048	661,689
Total expenses	1,920,510	1,765,095	1,706,870
Net profit-the Company	289,838	267,038	141,121
<b>Ratio per share (in Baht)</b>			
Net profit-the Company	0.34	0.32	0.14
Dividend	0.17	0.16	0.10
Book value	5.88	5.71	5.43
Number of shares (million shares)	850.00	850.00	850.00
<b>Profitability ratio (%)</b>			
Net profit margin	5.21	4.79	2.10
Return on equity	5.92	5.67	2.49
Return on assets	4.65	4.94	2.33
<b>Leverage ratio</b>			
Interest-bearing debt to equity ratio (times)	0.40	0.35	0.37
Debt to equity ratio (times)	1.11	0.85	0.80
Interest coverage ratio (times)	14.01	14.51	14.66



The proposed dividend for 2018 was approved by the Board of Directors on 15 March 2019 and will be proposed to the 2019 Annual General Meeting of Shareholders to approve on 26 April 2019.



# The Results of Operations and Profit Appropriation for Year 2018

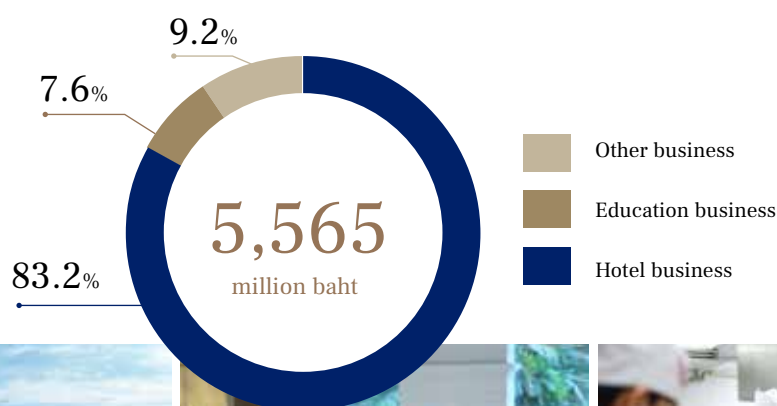
The Board of Directors present the results of operations of the Company presented in the financial statements for the year ended 31 December 2018. The unappropriated retained earnings at the beginning was Baht 1,490,476,644. Deducting the amount of Baht 226,694,785 related to Dusit Thani College, the unappropriated retained earnings was Baht 1,263,781,859. After deducting final dividend of 2017 paid on 850,000,000 shares at Baht 0.158 per share, totalling Baht 134,300,000 (including dividend paid to treasury shares – net of non-controlling interest of Baht 742,375), the balance of unappropriated retained earnings was Baht 1,130,224,234.

**The Board of Directors proposes the appropriation of retained earnings for 2018 dividend as follows:**

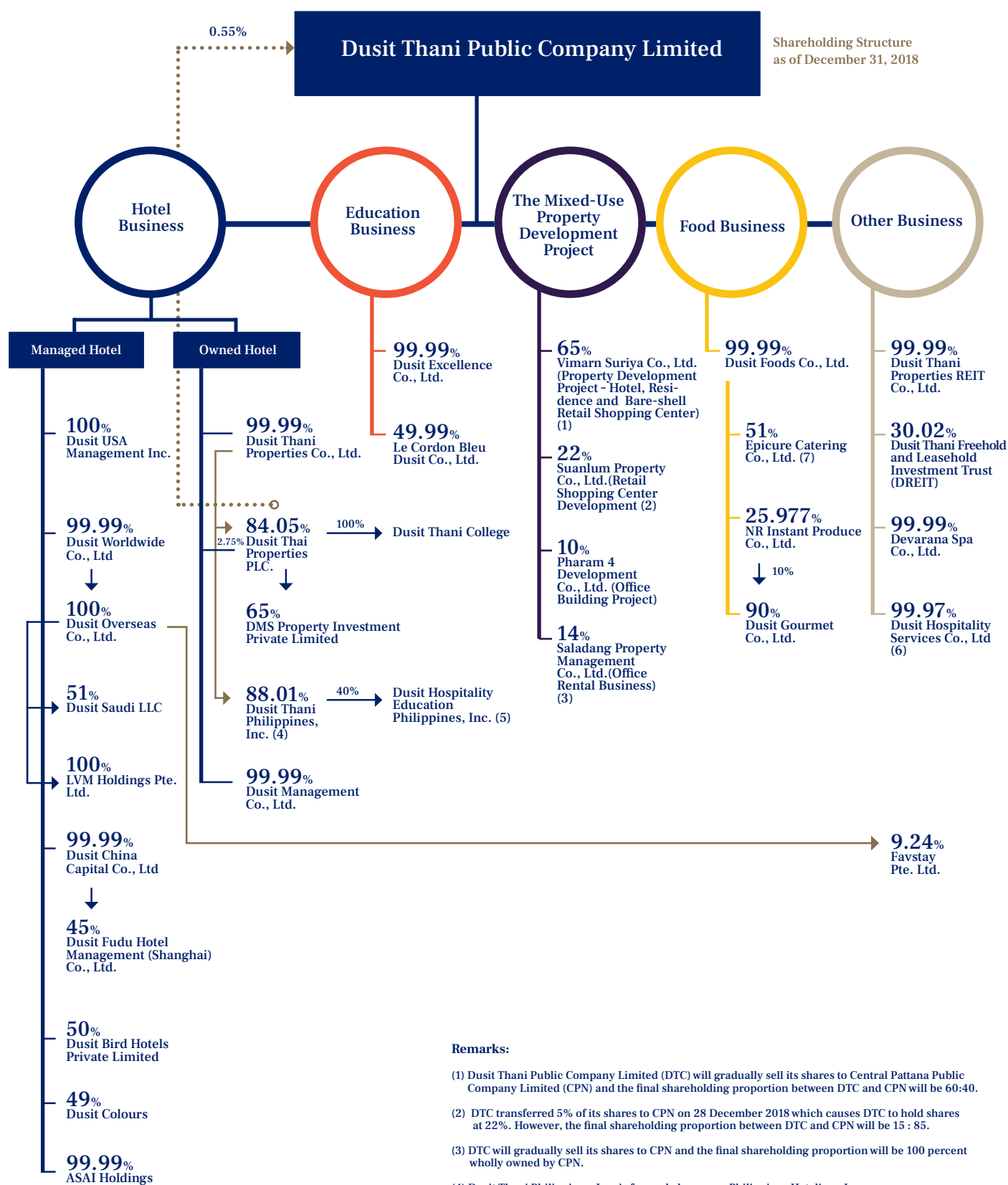
	(baht)
Unappropriated retained earnings brought forward	1,130,224,234
Unappropriated retained earnings brought forward – Dusit Thani College	226,694,785
Unappropriated retained earnings brought forward	1,356,919,019
<b>Add Profit for 2018</b>	<b>289,838,006</b>
<b>Add Transfer excess of revenues over expenses to Dusit Thani College fund</b>	<b>18,191,221</b>
<b>Add Defined benefit plan actuarial gains for 2018</b>	<b>1,635,589</b>
<b>Total unappropriated retained earnings</b>	<b>1,666,583,835</b>
Dividend of 2018 on 850,000,000 shares at Baht 0.17 per share, totaling	(144,500,000)
<b>Unappropriated retained earnings carried forward</b>	<b>1,522,083,835</b>

If the Annual General Meeting of Shareholders approves the mentioned appropriation, the Company will pay such dividend on 15 May 2019.

## 2018 Total Revenue



## Shareholding Structure of Group of Company



### Remarks:

- (1) Dusit Thani Public Company Limited (DTC) will gradually sell its shares to Central Pattana Public Company Limited (CPN) and the final shareholding proportion between DTC and CPN will be 60:40.
- (2) DTC transferred 5% of its shares to CPN on 28 December 2018 which causes DTC to hold shares at 22%. However, the final shareholding proportion between DTC and CPN will be 15 : 85.
- (3) DTC will gradually sell its shares to CPN and the final shareholding proportion will be 100 percent wholly owned by CPN.
- (4) Dusit Thani Philippines, Inc. is formerly known as Philippines Hoteliers, Inc.
- (5) Dusit Hospitality Education Philippines, Inc. is formerly known as Philippines Hoteliers International Center for Hospitality Education, Inc.
- (6) Dusit Hospitality Services Co., Ltd. was registered on 8 January 2019.
- (7) The first investment was 51% in January 2019. The second investment will be 19% in early 2020.





# Awards and achievements in 2018

## Dusit International



"SHTM Lifetime Achievement Award" from The Hong Kong Polytechnic University presented to Thanpuying Chanut Piyaoui.



CAC - Thailand's Private Sector Collective Action Coalition Against Corruption.



Named as one of the top 100 Environmental, Social and Governance (ESG) performers.



Achieved excellent Corporate Governance Scoring in the Corporate Governance Report assessment 2018

## Dusit Thani Bangkok



Received several awards from Bangkok's Best Restaurant Awards 2018, including:

Excellence in Thai Category - Benjarong

Excellence in the Chinese Category - The Mayflower

Excellence in The Steak House & Grill Category - Hamilton's Steak House

Thien Duong was named Winner in the Specialties Cuisine category.

## Dusit Thani Pattaya



"Resort of the Year in the eastern region of Thailand" by Travel and Hospitality Awards 2018.

## Dusit Thani Hua Hin



Tourism Standard 2019-2021 certification by Thailand Hotel Standard Foundation.

## Dusit Thani Guam Resort



2018 Best of Base Lodging, Best of the Pacific, by Stars and Stripes Pacific.



Received Pika Best of Guam 2018, a popular vote award in 7 categories:

- Best hotel
- Best hotel for banquet event
- Best cocktail lounge
- Best fine dining
- Most romantic restaurant
- Best happy hour
- Best Spa

## Dusit Thani Maldives



Luxury Hotel & Restaurant of the Year 2018 by Luxury Travel Guide's Asia & Australasia Awards.

## Dusit Thani Lakeview Cairo



Deverana Spa received World Luxury Spa Awards for Best Manager and Best Unique Experience Spain/Africa, from World Luxury Spa.

## Dusit Thani College



WORLD CHEFS Global Culinary Certification from World Association of Chefs Societies (WACS).

## Dusit Devarana Hot Springs and Spa, Conghua, Guangzhou



Received "The Hot Springs Wow" award in the Fifth Best Resort Hotel Awards held by Travel Info magazine, a high-end travel services organisation.

## Dusit Thani Abu Dhabi



Global winner of World Luxury Hotel Award 2018, in the category of "Luxury Banquet/Event Hotel" by World Luxury Hotel Awards.



Named Best Steakhouse in UAE by Luxury Travel Guide (LTG).







# Revenue Structure

## ➤ Revenue Structure

Revenues and shareholding structures of the Company in subsidiaries which was eliminated the related party transactions for 3 years ended December 31.

(Unit : Thousand Baht)

Sales and Services	Company	% of shares holding	2016		2017		2018	
			Revenues	%	Revenues	%	Revenues	%
1. Revenue from Hotel Business								
1.1 Revenue from Owned Hotel Business	1. Dusit Thani PCL.	100.00	1,493,960	27.50	1,491,422	26.80	1,437,055	25.82
	2. Dusit Thani Philippines, Inc.	88.00	780,004	14.40	691,553	12.40	691,172	12.42
	3. Dusit Thai Properties PCL.	86.79	471,092	8.70	432,966	7.80	358,964	6.45
	4. Dusit Management Co., Ltd.	99.99	1,104,386	20.40	1,005,172	18.10	1,030,351	18.52
	5. DMS Property Investment Pvt. Ltd.	56.41	738,209	13.60	761,170	13.70	840,068	15.10
Total Revenue from Owned Hotel Business			4,587,653	84.60	4,382,283	78.70	4,357,610	78.31
1.2 Revenue from Hotel Management Business	1. Dusit Thani PCL.	100.00	66,528	1.20	71,258	1.30	83,077	1.49
	2. Dusit Thai Properties PCL.	86.79	2,742	0.10	2,636	0.10	3,469	0.06
	3. Dusit Overseas Company Limited	99.99	100,616	1.90	79,052	1.40	104,477	1.88
	4. Dusit USA Management Inc.	100.00	48,888	0.90	66,443	1.20	85,590	1.54
	5. Dusit Worldwide Co., Ltd.	99.99	11,191	0.20	5,414	0.10	6,830	0.12
	6. Share of loss from investments by the equity method <sup>(1)</sup>		(29,604)	(0.60)	(16,970)	(0.30)	(15,226)	(0.27)
Total Revenue from Hotel Management Business			200,360	3.70	207,833	3.70	268,217	4.82
Total Revenue from Hotel Business			4,788,013	88.30	4,590,116	82.40	4,625,827	83.13

Sales and Services	Company	% of shares holding	2016		2017		2018	
			Revenues	%	Revenues	%	Revenues	%
2. <u>Education business</u>	1. Dusit Thani PCL.	100.00	22,019	0.40	16,153	0.30	10,431	0.19
	2. Dusit Thani College.	86.79	412,472	7.60	408,409	7.30	406,740	7.31
	3. Dusit Excellence Co., Ltd.	99.99	8,882	0.20	3,630	0.10	-	-
	4. Share of profits from investments by the equity method <sup>(2)</sup>		31,049	0.60	13,457	0.20	7,485	0.14
<b>Total Revenue from Education business</b>			<b>474,422</b>	<b>8.70</b>	<b>441,649</b>	<b>7.90</b>	<b>424,656</b>	<b>7.64</b>
3. <u>Other income</u>								
3.1 Rental and services	1. Dusit Thani PCL.	100.00	77,553	1.40	74,027	1.30	34,338	0.62
3.2 Dividend income			15,764	0.30	15,489	0.30	16,953	0.30
3.3 Share of profits from investments by the equity method <sup>(3)</sup>			20,634	0.40	23,234	0.40	54,009	0.97
3.4 Others			48,746	0.90	425,151	7.60	408,983	7.34
<b>Total Other income</b>			<b>162,697</b>	<b>3.00</b>	<b>537,901</b>	<b>9.70</b>	<b>514,283</b>	<b>9.23</b>
<b>Total Revenues</b>			<b>5,425,132</b>	<b>100.00</b>	<b>5,569,666</b>	<b>100.00</b>	<b>5,564,767</b>	<b>100.00</b>

**Remark**

<sup>(1)</sup> Share of loss from investment in joint venture: Dusit Fudu Hotel Management (Shanghai) Co., Ltd.

<sup>(2)</sup> Share of profits from investments in joint venture: Le Cordon Bleu Dusit Co., Ltd. and in associate: Dusit Hospitality Education Philippines, Inc.

<sup>(3)</sup> Share of profits from investments in associates: Dusit Thani Freehold and Leasehold Real Estate Investment Trust, Suanlum Property Co., Ltd., NR Instant Produce Co., Ltd. and in joint venture: Dusit Colours Co., Ltd.



## ➤ Classified 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 which was not eliminated the related party transactions for the 3 years ended December 31,

(Unit : Thousand Baht)

Hotel	Company	% of shares holding	2016		2017		2018	
			Revenues	%	Revenues	%	Revenues	%
Dusit Thani Bangkok	Dusit Thani PCL.	100.00	915,120	19.90	902,135	20.50	839,838	19.21
Dusit Thani Pattaya	Dusit Thani PCL.	100.00	583,262	12.70	592,127	13.50	594,819	13.60
Dusit Thani Manila	Dusit Thani Philippines, Inc.	88.00	785,399	17.10	692,367	15.80	691,172	15.81
Dusit Princess Chiang Mai	Dusit Thai Properties PCL.	86.79	146,758	3.20	133,367	3.00	135,766	3.10
Dusit Princess Srinakarin	Dusit Thai Properties PCL.	86.79	221,024	4.80	210,842	4.80	222,585	5.09
Dusit Princess Korat	Dusit Thai Properties PCL.	86.79	109,051	2.40	89,274	2.00	2,164	0.05
Dusit Thani Hua Hin	Dusit Management Co., Ltd.	99.99	419,437	9.10	382,174	8.70	390,684	8.93
Dusit Thani Laguna, Phuket	Dusit Management Co., Ltd.	99.99	530,949	11.50	488,002	11.10	520,420	11.90
DusitD2 Chiang Mai	Dusit Management Co., Ltd.	99.99	154,570	3.40	141,994	3.20	135,473	3.10
Dusit Thani Maldives	DMS Property Investment Pvt. Ltd.	56.41	738,209	16.00	759,303	17.30	840,068	19.21
<b>Total revenues from owned hotels operated by Dusit Thani Group</b>			<b>4,603,779</b>	<b>100.00</b>	<b>4,394,584</b>	<b>100.00</b>	<b>4,372,989</b>	<b>100.00</b>

# Nature of 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”. The Company also engages in education business, Mix-Used Property Project, Development, Food business and other businesses. Details of which are as follows:

Company	Nature of Operations
<b>Hotel and Hotel Management Business</b>	
Dusit Thani Public Company Limited	<ul style="list-style-type: none"> <li>- Owns hotel brands “Dusit Thani”, “Dusit Devarana”, “dusitD2”, “Dusit Princess”, “Dusit Residence” and “ASAI HOTELS”</li> <li>- Owns spa brands “Devarana Spa”, “Namm Spa”, “DVN Spa”, “dv n urban” and “dvn”</li> <li>- Owns and operates hotels; Dusit Thani Bangkok, Dusit Thani Pattaya and Asai Sathorn*</li> <li>- Manages 5 hotels under its subsidiaries in Thailand; (1) Dusit Thani Laguna Phuket, (2) dusitD2 Chiang Mai and (3) Dusit Thani Hua Hin. All three hotels are managed under Dusit Management Co., Ltd., (4) Dusit Princess Srinakarin and (5) Dusit Princess Chiang Mai. All two hotels are managed under Dusit Thai Properties Public Company Limited.</li> <li>- Manages hotels in Thailand and overseas; dusitD2 Khaoyai, dusitD2 Aonang Krabi, and Dusit Laguna Villa Resort Phuket* Grants trademark and license to 2 hotels; Dusit Thani Krabi Beach Resort and Dusit Princess Moonrise Beach Resort Phu Quoc, Vietnam</li> </ul> <p>Remark *will be operated in the future</p>
Dusit Thani Philippines, Inc. (Formerly known as Philippine Hoteliers, Inc.)	<ul style="list-style-type: none"> <li>- Owns one hotel in the Philippines; Dusit Thani Manila which is managed by Dusit Worldwide Co., Ltd.</li> <li>- Manages 4 hotels; Dusit Princess Lipa City*, Asai Cebu City*, Asai Mactan Cebu* and Asai Oslob Cebu*</li> </ul> <p>Remark *will be operated in the future</p>
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 brand “Royal Princess”.</li> <li>- Owns land and hotel building of Dusit Thani Hua Hin.</li> <li>- Owns Dusit Princess Chiang Mai, Dusit Princess Srinakarin</li> <li>- Grants trademark and license to 2 hotels; Pathumwan Princess Hotel and Royal Princess Larn Luang.</li> </ul>

Company	Nature of Operations
Dusit Overseas Co., Ltd.	<ul style="list-style-type: none"> <li>- Manage 6 hotels in overseas; Dusit Thani Abu Dhabi, Dusit Thani Dubai, Dusit Thani Lakeview Cairo and dusitD2 Nairobi, dusitD2 Thimphu Bhutan, Asai Yangon*</li> <li>- Grants trademark and license to dusitD2 Kenz, Dubai</li> </ul> <p>Remark *will be operated in the future</p>
Dusit Management Co., Ltd.	- 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 Real Estate Investment Trust.
DMS Property Investment Private Limited	- Owns Dusit Thani Maldives, which is under management agreement with Dusit Worldwide Co., Ltd.
Dusit USA Management, Inc.	<ul style="list-style-type: none"> <li>- A 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.	- Manages hotels in the Republic of China; dusitD2 Fudu Binhu Changzhou, Dusit Thani Fudu Qingfeng Changzhou, Dusit Thani Dongtai, Jiangsu, Dusit Devarana Hot Springs and Spa Conghua Guangzhou, Heritage Villa Zhouzhuang managed by Dusit and dusitD2 Society Hill Tianjin
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>- Due to different strategic investment plan between the Company and Bird Hospitality Services Private Limited (India), in 2016, both companies mutually agreed to close down their joint venture and it has been underway.</li> <li>- The Board of Director Meeting of Dusit Thani Public Company Limited No. 5/2018 held on 23 March 2018 approved the sale of investment of Dusit Bird Hotels Private Limited amounting 1,430,000 shares equal to 50% of a total registered and paid up shares in of Dusit Bird Hotels Private Limited.</li> </ul>
Dusit Saudi LLC	- A Joint Venture company between Dusit Overseas Company Limited and Dyar Hotels and Resorts Limited for hotel management in Saudi Arabia, the Middle East and North Africa.
Dusit Worldwide Co., Ltd.	<ul style="list-style-type: none"> <li>- The group's regional operating headquarters provides hotel management services to the foreign companies such as Dusit Thani Manila and Dusit Thani Maldives and the hotels under the management of Dusit Overseas Co., Ltd.</li> <li>- Provides the marketing services to the hotels in Thailand and overseas for the affiliated companies.</li> </ul>
Dusit China Capital Co., Ltd.	- Holds shares in Dusit Fudu Hotel Management (Shanghai) Co., Ltd.
Dusit Thani Properties Co., Ltd. (Formerly known as Dusit Thani International Co., Ltd.)	- Invests in other companies



Company	Nature of Operations
Dusit Colours Co., Ltd.	- Provides the technical management consultancy related to hotel, serviced apartment, property, restaurant, spa, and other related businesses as a rented franchise and/or owns its business in Japan.
ASAI Holdings Co., Ltd.	- Provides hotel services, hotel management business and invests in other businesses.
LVM Holdings Pte Ltd.	- Invests in other companies engaging in the business of marketing, booking and full-service management of luxury villas under Elite Havens brand in Thailand and other countries.
<b>Education Business</b>	
Dusit Thani College	- An educational institution offering courses in hotel management and administration.
Dusit Thani Excellence Center	- A center of extension that introduces of the curriculum and knowledge of Dusit Thani College combined with the actual experience of the hotel and culinary business of the Dusit Thani Group in order to maximize the wide benefits by opening a short-term training course
Le Cordon Bleu Dusit Co., Ltd.	- A French style culinary school
Dusit Hospitality Management College under the management of Dusit Hospitality Education Philippines, Inc.	- Operates an educational business in the Philippines.
Dusit Excellence Co., Ltd. (Formerly known as Dusit Thani Hotel Studies Co., Ltd.)	- Operates rental properties
<b>Property Development Project Business</b>	
Vimarn Suriya Co., Ltd.	- Operates property development business, hotels, residences and constructions and shopping complex
Suanlum Property Co., Ltd.	- Operates shopping complex development business.
Phraram 4 Development Co., Ltd.	- Operates office building development business.
Saladang Property Management Co., Ltd.	- Operates rental office business.
<b>Food Business</b>	
Dusit Foods Co., Ltd.	- Invests in other companies
Dusit Gourmet Co., Ltd.	- Provides marketing to food products under Dusit brand
Epicure Catering Co., Ltd.	- Provides services in foods and beverages
NR Instant Produce Co., Ltd.	- Manufactures and distributes seasonings and instant food products

Company	Nature of Operations
<b>Other related businesses</b>	
Dusit Thani Public Company Limited	- Owns and operates the office building for rent named Dusit Thani Building
Devarana Spa Co., Ltd.	- Operates spa business
Dusit Thani Freehold and Leasehold Real Estate Investment Trust (DREIT)  (Formerly known as Dusit Thani Freehold and Leasehold Property Fund (DTCPPF))	- The properties of Dusit Thani Freehold and Leasehold Property Fund (DTCPPF), the owner of Dusit Thani Laguna Phuket project, dusitD2 Chiang Mai Project and Leasehold of Dusit Thani Hua Hin project, have been transferred to Dusit Thani Freehold Real Estate Investment Trust (DREIT), which its shares are held by the Company at 30.02%  - Owns 2 hotels; Dusit Thani Laguna Phuket and dusitD2 Chiang Mai.  - Owns a leasehold at Dusit Thani Hua Hin.
Dusit Thani Properties REIT Co., Ltd.	- The REIT Manager of trust.
Dusit Hospitality Services Co., Ltd.	- Provides hospitality services such as outside catering, cleaning service, restaurant, hotel pre-opening.

## Business Operation of Each Business

At present, the Company is engaged in hotel business and related services as follows:

### 1. Hotel Business

Characteristic of Products and Services The Company operates under 6 trademarks which are:

1. Dusit Thani
2. Dusit Devarana
3. dusitD2
4. Dusit Princess
5. Dusit Residence
6. ASAI HOTELS

Each hotel trademark has its own uniqueness to respond to different and several requirements of each group of customers.

Hotel operation of the Company is divided into 2 categories.

#### 1) The Company-Owned Hotel Business

##### 1.1 Under Dusit Thani Plc. are 5-star hotels under Dusit Thani trademark.

- Dusit Thani Bangkok consists of 517 guestrooms divided into 233 Superior rooms, 149 Deluxe rooms, 71 Dusit Rooms, 36 Dusit Club Rooms, 23 Thai Heritage Suite One Bedroom, 2 Rattanakosin Suite One Bedroom, 1 Ambassador Suite Two Bedroom, 1 Princess Suite Two Bedroom 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, tour 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 organizes 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 considered high season. The low season is during April - August with less 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.

On December 22, 2016, the Company has signed land lease agreement with the Crown Property Bureau ("new land lease agreement") for the new term of 30 years with the rights to renew such agreement for another 30 years. The period of the lease per this agreement starts from July 2024 onwards. However, the Company has a construction period in total of 7 years since July 2017 onwards, according to the new land lease agreement, the Company agreed to waive its current rights of

remaining leased term including the rights to extend the term to another 15 years in order to start the Mixed-Use Project.

On March 1, 2017, the company announced that it has signed an agreement with the Crown Property Bureau to lease additional plot of 5-0-74.25 Rai of land which is totally 23-2-2.72 rai of the whole lease land at the intersection of Silom Road and Rama 4, and on which the Dusit Thani Bangkok is built. Dusit Thani Public Company Limited, together with its partner, Central Pattana Public Company Ltd. (CPN) as well as build a landmark mixed-use real estate development that features a hotel, residences, retail areas and office spaces, with a large green space

In this regard, Dusit Thani Bangkok was operated until 5 January 2019 according to its plan. By April 2019, Vimarn Suriya Co., Ltd., a subsidiary of the Company will operate the demolition of the buildings to develop the Mixed-use project which will be launched the sale of residences in 2019. However, the Company expects to officially operate the new Dusit Thani Bangkok and shopping mall in 2023, and the office building and residences will be opened in 2024

- Dusit Thani Pattaya is located in Chonburi province. The resort-style hotel with 457 guest rooms which are divided into 304 Deluxe rooms, 58 Club rooms, 42 Club Grand rooms, 24 Family Suites, 15 One-Bedroom Suites, 9 Cabana Rooms, 3 Dusit Suites, 2 Royal Princess Suites. 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 leased land which agreement made with Siri Pattaya Co., Ltd. Initial agreement between Siri Pattaya Co., Ltd. and Landmark Hotel Co., Ltd. started from October 1, 1987 to September 30, 2017. Later, on January 24, 2000, the rights to lease has been registered to transfer from Landmark Hotel Co., Ltd. to Dusit Thani Plc. with 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

## **1.2 Under Dusit Thai Properties Plc. are 4-star hotels under Dusit Princess Trademark including**

- Dusit Princess Chiang Mai is located on Chang-Klan Road, Chiang Mai consisting of 198 hotel rooms & suites. The hotel provides accommodation, food and beverage, meeting rooms and catering.
- Dusit Princess Srinakarin is located on Srinakarin Road, Bangkok consisting of 198 hotel rooms. The hotel provides accommodation, food and beverage, meeting rooms and catering.

## **1.3 Under Dusit Thani Philippines, Inc. (Formerly known as Philippines Hoteliers, Inc.)**

This company was set up in the Philippines to operate and own Dusit Thani Manila, located in Makati City. This hotel consists of 500 guest rooms divided into 209 Deluxe Rooms, 136 Premier Rooms, 74 Club Premier Rooms, 12 Junior Suites, 6 Deluxe Suites, 20 Grand Rooms, 10 Premier Executive Suites, 30 Club Executive Suites, 2 Ambassador Suites, 1 Presidential Suite. Hotel's facilities include Food & Beverage, banquet room, meeting & seminar rooms and others i.e. tennis court, swimming pool, fitness club 'DFit', Deverana Spa, Dusit Shop and retail shop for local products and souvenirs, bakery shop "Dusit Gourmet", limousine service, tour service, money exchange service, baby-sitting service, hair salon, laundry service, postal service, telephone service, Valet Service and Medical Clinic.

## **1.4 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 95 Villas; 19 Beach Villas, 10 Beach Villas with pool, 17 Beach Deluxe Villas with pool, 30 Water Villas with pool, 20 Ocean Villas with pool, 5 Two-Bedroom Family Beach Villas, 2 Two-Bedroom Ocean Pavilion, 1 Two-Bedroom Beach Residence and 1 Three-Bedroom Beach Residence.

The hotel's facilities include Food & Beverage outlets and others i.e. swimming pool, water sport center, Guest Gym, Deverana Spa, Staff Shop and 2 retail shops on rent i.e. one for Jewelry and another for local products and souvenirs, domestic flight services between Male International Airport and Dharvandhooh (Nearby domestic airport) and seaplane services between Male International Airport and resort



### 1.5 Hotel Business under Dusit Thani Freehold and Leasehold Real Estate Investment Trust (DREIT)

On December 21, 2010, Dusit Thani Freehold and Leasehold Property Fund (DTCPF) was officially established. The Company it invested in the DTCPF by holding investment units at 30.02 % on December 24, 2010. Later, there was a resolution from the meeting of unit holders of Dusit Thani Freehold and Leasehold Property Fund (DTCPF) No. 1/ 2017 which held on September 14, 2017 to converse the Dusit Thani Freehold and Leasehold Property Fund (DTCPF) to Dusit Thani Freehold and Leasehold Real Estate Investment Trust (“DREIT”) and started trading DREIT investment units in the Stock Market of Thailand on December 15, 2017. However, there are 3 hotels under DREIT; Dusit Laguna Phuket, dusitD2 Ching Mai and Dusit Hua Hin, leased by its subsidiary, Dusit Management Co., Ltd., which its major shares of 99.99% are held by Dusit Thani Plc.

- Dusit Thani Laguna Phuket is located in Thalang district, Phuket province comprising 225 rooms with Thai contemporary decoration providing accommodation, food and beverage, meeting rooms and banquet services.
- dusitD2 Chiang Mai is located on Chang-Klan Road, Chiang Mai comprising 130 rooms with a Thai modern decoration and facilities.
- Dusit Thani Hua Hin (Lease hold) is located in Cha-am district, Petchaburi province. It is a resort style hotel comprising 296 guest rooms providing accommodation, food and beverage, meeting rooms and banquet services.

### Marketing and Competition

In 2018, the Ministry of Tourism and Sports reported the numbers of travelers visiting Thailand at 38.27 million people or increased by 7.54% and the revenue from the tourism was Baht 2.00 trillion which increased by 9.63%. However, the government has been continually pushed forward the growth of Thai tourism by appointing year 2018 is the “Amazing Thailand Tourism Year 2018”, which there will be many activities supported the tourism of secondary cities in Thailand.

### Tourist Arrivals to Thailand & Industry Occupancy Rate



Source: Department of Tourism, Ministry of Tourism and Sport

### Asia Pacific (APAC) Overview

APAC GDP grew by 5.6% in 2018, down 0.1% YOY. The estimated outlook for 2019 is 5.4% growth. An economic downturn in China following rising trade tensions with the U.S. could impact this forecast. Sustained trade tensions could further undermine confidence and disrupt the supply chain.

### Thailand

GDP growth slowed in Q3 2018 following the knock-on effects of the U.S. – China trade tensions. But the economy is still expected to grow a reasonable 3.9% in 2019, following 2018 solid growth of 4.6%. Strong growth in tourism is expected to sustain this momentum.

Thailand suffered a rare drop in tourist arrivals in 2018, with overall arrivals at 38 million (down 0.5% on 2017) due to the decline of Chinese tourists following the boat accident in Phuket. Tourist arrivals are projected to bounce back and reach 40 million in 2019. In 2018, Bangkok performance in general has been positive, with hotels in the Upper Upscale segment achieving a 4.5% YOY increase in RevPAR. In Dusit Thani Bangkok's competitive set, RevPAR was up by 6.3%.

Dusit Princess Srinakarin outperformed its competitors and achieved a RevPAR increase of 6.1%, following growth from Business Groups and Business FIT travellers. Ongoing construction of a new Sky Train station in front of the hotel is causing considerable traffic congestion. Because of this, hotel occupancy is expected to drop slightly this year.

On average, RevPAR from Dusit's hotels in Thailand (excluding Dusit Thani Bangkok) was up by 3% in 2018. In 2019, RevPAR for all Thailand hotels is expected to increase by at least 5%, when factoring in the new DusitD2 Ao Nang, Krabi.

### **Philippines**

Following the mild slowdown in Q3, the Philippines registered a strong performance in Q4, resulting in a robust GDP growth of 6.5% in 2018. Despite the risks of recent inflation in the Philippines, the International Monetary Fund (IMF) projects a 6.6% growth outlook in 2019 with the Peso and stocks rebounding. The World Bank 2018 report projects average inflation to reduce by 3% in 2019 – within the BSP's 2-4% target range. It also expects the Service sector to become the main driver of economic growth.

Tourist arrivals to the Philippines reached 5.8 million between Jan – Oct 2018, up 8.7% YOY. Korea topped the arrivals chart followed by China, though the former had seen a decline of 2.7% YOY while the latter grew 30% YOY. Further growth is expected in 2019 as tourist arrivals are projected to trend around 6.9 million in 2020, according to Trading Economics.

In 2018, Dusit Thani Manila room revenue performance is higher than 2017 by almost 9% but the oversupply situation in Manila is putting a lot of pressure on the average rate. Dusit Thani Manila's target in 2019 is to improve both occupancy and Average Daily Rate, respectively. This will eventually improve overall RevPAR for the hotel.

### **Maldives**

While the IMF projected 5% annual GDP growth in 2019, the travel industry remains skeptical due to political tension between India and China, and an increase in supply (hotel openings). Plans to expand the airport are likely to be delayed.

Hotels in the Luxury and Upper Upscale class performed modestly in 2018 with 0.5% YOY growth in RevPAR. In Dusit Thani Maldives' competitive set, RevPAR declined by 1.3% YOY. Fierce competition is expected stemming from the new supply of hotels and room inventory. Travellers from key feeder markets in Asia (China, Japan, Korea) tend to stay shorter and at a lower rate.

Dusit Thani Maldives outperformed the market and its competitors with RevPAR growth of 11.4% YOY. This was achieved through improving production from key markets in Japan, Korea, Thailand and Europe. DTMD's main challenge in 2019 is to continue to increase its RevPAR after a successful 2018. The key strategy is to secure more business from other source markets that provide longer lengths of stay with higher F&B consumption.

### **China**

China's economic growth has recently weakened and is projected to decline in 2019. Signs of slowdown include the weakening of industrial production, profits and revenues. The World Bank projects that China's GDP growth is likely to slow to 6.2% in 2019 following an expected growth of 6.6% in 2018.

Tourism remained strong in 2018 with Inbound Tourism up 1.4% over 2017. Domestic tourism revenue generated CNY 5.05 Trillion, up 13% YOY. Outbound tourism was projected to be up by 4.5%. Top Outbound Travel Destinations are Thailand, Japan, Hong Kong, Macau, Taiwan, Singapore and Vietnam. Dusit Fudu Hotels and Resorts in China performed well, with all hotels recording an average increase in RevPAR of 10% YOY.

Government policies that affected companies in FITs and Business Groups were our biggest challenge in 2018. Following austerity measures imposed by the central government, all state-owned enterprises are not allowed use international 5-star properties for business meetings or events. For 2019, we expect further growth in RevPAR as the Chinese government has put in place directives to encourage domestic consumption and tourism.

### **Guam**

Guam Visitor's Bureau (GVB) projects that arrivals in 2019 will reach 1,608,700, up 5.3% YOY. Japan-based travel agencies are projecting a 14% increase in Japanese arrivals in Q1. Uncertainty surrounds airlift from Japan in Q2 & Q3, although Q4 is expected to be similar to 2018.

Hotels in the Luxury and Upper Upscale segment performed solidly in Guam in 2018, with RevPAR up 3.1% YOY through occupancy. In Dusit Thani Guam's competitive set, RevPAR increased by 1.3% YOY.

Dusit Thani Guam outperformed the market and its competitors with RevPAR growth of 13.2% through occupancy. Leisure FIT travellers from South Korea and Japan made up 93% of the hotel's business. Other markets such as Taiwan and USA had strong production growth year over year. In 2019, the hotel will focus on increasing its Catering and MICE business to drive revenue, especially for F&B.

## **Middle East**

### **The United Arab Emirates (UAE)**

Despite global headwinds, the UAE's economy remains positive and the GDP is expected to grow by 2.9% in 2018.

The UAE will remain politically stable domestically despite regional tensions. GDP growth is expected to pick up in 2019 bolstered by higher oil output. Efforts to diversify the economy and improve the business environment in Dubai will be key drivers.

In 2019, the UAE expects modest growth of 3.1% (previously forecasted at 3.6%). Falling oil output together with restrained government spending looks set to blight some key economies in the Middle East and North Africa (MENA) over the coming year, with Saudi Arabia, Kuwait and Oman expected to be particularly hit hard.

In 2018, both Dusit Thani Dubai and Abu Dhabi RevPAR were below 2017 due to political tension, oversupply and declining demand. Both hotels forecast room revenue to decline YOY in 2019 due to additional room supply citywide in Dubai and less demand for the destinations due to regional political rift.

## **Africa**

### **Egypt**

Egypt achieved robust growth in 2018 with GDP expected to increase 5.3% YOY, according to the IMF. This was driven by high government investment, rising natural gas production, and an improving regulatory environment. Tourism will also benefit from the weak Egyptian pound.

Capital Economics predicted that Egypt's economy would increase by 5.8% in 2019, citing easing fiscal austerity, falling inflation and looser monetary policy as key drivers. Dusit Thani Lakeview Cairo experienced good growth in RevPAR over 2017 and in 2019, the property expects to improve RevPAR through higher average rate.

## **Kenya**

Following subdued growth in 2017 due to political unrest, 2018 has been a robust year in Kenya with 6% growth in GDP expected. In 2019, this trend may continue with GDP projected to increase by 6.1% YOY, according to the IMF report in October 2018. In 2018, DusitD2 Nairobi improved its RevPAR slightly versus 2017. The recent terrorist attack

which occurred in January, however, will certainly impact projected RevPAR growth in 2019 at DusitD2 Nairobi, which, prior to the incident, was expected to be up YOY.

## **Hotel Business Tendency in 2018 – 2020**

Tendency of hotel business will continuously grow in the next 3 years (2018 – 2020) according to the growth of tourism. It is expected that the number of foreign and Thai tourists will grow at an average of 8-10% per year and 5-7% per year respectively which causes the average of hotel occupancy of 68-70% compared to 68.7% of 2017. The main factors are perspective of world economy and Thai economy which has been growing, the growth of low cost airlines, the expansion of transportation routes, tourism promotion policy of the government and competitive advantage compared to other countries in the region.

Operators tend to expand their investment in hotel business continuously including 1) in the main touristic areas where are in accordance with the investment plan of the major operators including Thai and foreign investors, and 2) the major cities of tourism in the region and secondary provinces which are benefited from the links of economy in the region are increasing. However, number of accommodations including apartment and condominium tend to increase which cause the intense competition in the business.

Source: Krungsri research

## **Marketing Initiatives in 2018**

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

1. Dusit Hotels and Resorts is one of the most-liked hotel brands on Social Media. With over 720,000 followers on Facebook at the end of 2018 (84% yearly growth), Dusit now has more followers than some of the larger hotel chains.
2. Throughout 2018, the main strategies to drive Dusit Gold loyalty membership included:
  - a. Introduction of auto-enrolment at the hotel front office system
  - b. Enhancement of the Dusit mobile app to include simplified Dusit Gold sign up and log-in features, including virtual membership card, tier benefits, retroactive claims, etc.
  - c. Addition of Live Chat to Dusitgold.com to provide convenient communication with members.
3. By the end of 2018, Dusit Gold has more than 860,000 members in total, an increase of 70% over 2017. Room nights and Revenue from qualified member stays have increased by more than 25% YOY. Member stays accounted for 17% of all guest stays in 2018.



### Corporate Advertising

1. Corporate Advertising focused on promoting tactical campaigns and enhancing brand awareness through online media channels including Google keyword search, banner ads and social media (Facebook, Instagram, Line and WeChat).
2. Print advertisement was reduced and was used primarily to promote new hotel openings. The group also advertised in key airline inflight magazines such as Thai Airways, Japan Airlines, United Airlines, etc., to maintain overall brand awareness in key markets.

### Corporate Public Relations

1. In 2018, our PR activities focused on three main areas, including: 1) expansion of our hotels and resorts (both existing operations and new hotel openings); 2) new investments that align with Dusit International's diversification strategy (such as acquisition of food businesses and luxury villa management); and 3) raising public awareness of the hospitality heritage of our flagship Dusit Thani Bangkok hotel.
2. Prime offline and online media coverage generated by our PR activities included a total of 3,993 media mentions with more than THB 700 million in PR value. The coverage also generated over 24,000 shares on the social media channels of official news outlets.

### 1.6 ASAI Holdings Company Limited

ASAI HOTELS is the new brand of Dusit Group operated by ASAI Holdings Co., Ltd., which was publicly announced on 4 April 2018 to target the highly popular millennial generation. ASAI Hotels has goals to create a hotel that meets the expectations of modern travelers who seek new experiences different from the old idea, are passionate to travel, and search for local travel experiences. It is also a lifestyle hotel that offers affordable prices and is designed to provide full-service facilities, decorated with high-quality furniture to ensure the importance of beauty, safety, and money-worth. The hotel was designed to have compact rooms to maximize the areas with a total area of 500 – 700 square meters and 15 – 18 square meters for each room. The management system is designed to be simple. A fitness center, automatic parking space, and common areas “Eat, Work, Play” are provided for local experiences to reflect the unique identity of the community and to give memorable experiences to the guests according to the slogan “Live Local.” ASAI Hotels will be opened in Bangkok (Sathorn, in the first quarter of 2020) and in Cebu, Oslob, and Lahug, the Philippines, and in Yangon, Myanmar.

ASAI Hotels distinguishes itself from traditional services by introducing technologies to facilitate and provide new booking experiences for travellers such as self-check in at an automated machine, online special travel guide services

which provides information relating to tourist attractions and activities that only local people know, to suggest places that are suitable for photography to share experiences on social media, including links to local guides for guests to gain new experience.



### Sustainability

ASAI has a sustainable approach and this makes us different from other competing brands. With reduce room size and larger communal areas our guests feel the vibe of the neighbourhood. Today 78% of travellers prefer to do so more sustainably. Since our brand launch in April, we have received the Carbon Neutral Certificate from Thailand Greenhouse Gas Management Organisation (TGO), and for our well executed workshops, we have constantly kept every single aspect of sustainability in our mind. Recently we reused the leftover bed sheet from Dusit Thani Bangkok and turned it into very beautiful tie dyed roof for our installation at Asian's most famous festival “Wonderfruit” at The Fields at Siam Country Club, Pattaya, Thailand.



## Marketing and Competition

ASAI brand will enhance our business potential to cover a wider group of customers. The main target group is millennial tourists who seek for new local experiences. This group will be an important factor that helps Dusit to achieve its goals. New services are provided by staffs who have a variety of skills and are able to work in several positions. ASAI Hotels gives high importance to its staffs and wishes to transform the hotel to be the place that staffs can work with happiness and have significant growth in their career paths compared to other hotels. The average number of ASAI's staffs is only 0.26 per room. The average number of staffs in other hotels is 0.73 per room. This shows that the number of ASAI's staffs is completely different from other hotels and means that ASAI's staffs will clearly receive full benefits. We hope that our organization will be the first one that sparks the recognition and importance of human resources in the service industry. Our competitors are Holiday Inn, Express (IHG), Moxy (Marriott), CitizenM, Red Planet, Ibis (AccorHotels), etc.

### 1.7 LVM Holdings Pte. Ltd.

The investment in LVM Holdings Pte. Ltd. ("LVM Holdings") consisting of 9 companies incorporated in several countries in South East Asia region engaged in the business of marketing, booking, and full-service management of luxury villas under Elite Havens brand. Current villa's portfolios are in Indonesia, Thailand, Maldives and Sri Lanka. LVM Holdings has just entered into Japan market with the future expansion plan enter into Australia and New Zealand. In this regard, Dusit Overseas Company Limited, a subsidiary of the Company incorporated in Hong Kong has executed a share purchase agreement on 7 September 2018 with the sellers, who are not a connected persons of the Company, in order to acquire all shares in LVM Holdings, a company incorporated in Singapore which is an ultimate holding company of Elite Havens Group whereby LVM Holdings directly and indirectly holds shares in all 9 companies.

#### Nature of business

Now in its 21st year of operations, Elite Havens is the leading luxury vacation rental company in Asia. It markets a curated portfolio of 220\* luxury villas and chalets located in the prime holiday destinations of Bali, Lombok, Phuket, Koh Samui, Sri Lanka, and Niseko.



Villa Lulito - Living pavilion



Villa Sammasan - Private cooking class

The company contracts directly with luxury villa owners on an exclusive basis, to manage and/or market their property worldwide via proprietary booking channels and third-party agents.

To address industry challenges and remain ahead of its competition, Elite Havens' operations are supported by an extensive, internally developed technology suite, including enabling real-time management of calendars and rates across multiple booking channels, scalability in multiple destinations/currencies, and accessibility to all stakeholders including villa owners, travel agents, villa staff, management and employees.

Elite Havens offers a selection of handpicked luxury rental villas in Asia's most sought-after holiday destinations. Each property is assessed before selection to ensure its match with the brand's luxury positioning.

Location	Number of villas marketed	Number of villas managed
Indonesia	149	78
Thailand	48	36
Japan	18	18
Sri Lanka	5	-
<b>Total</b>	<b>220*</b>	<b>132*</b>

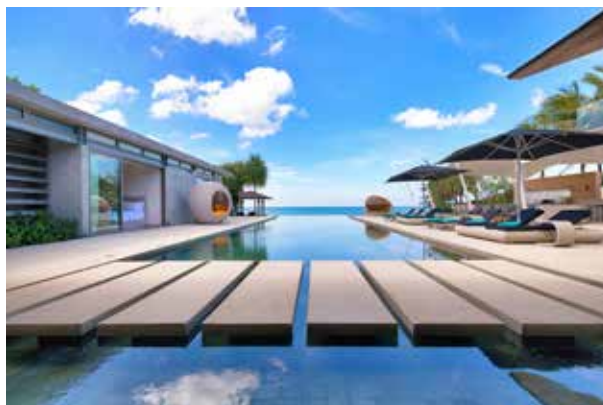
\*As of 31 December 2018

The portfolio comprises standalone villas, small villa complexes, and a few larger complexes. The number of bedrooms per villa ranges from 1 to 9, with an average of 4 to 5 bedrooms. The villas offer a variety of styles, features and locations, ranging from modern to traditional designs, beachfront tropical homes to mountain ski chalets, rural retreats to spectacular cliff-top panoramas perfect for weddings. All summervacation villas have private swimming pools. Many have additional amenities such as tennis courts, relaxation bales, games rooms, gyms, spa rooms and home cinemas.

Elite Havens' flagship villas include Baan Paa Talee and Sava Beach Villas (Phuket, Thailand), Noku Beach House and Pandawa Cliff Estate (Bali, Indonesia), Ban Suriya and Panacea Retreat (Koh Samui, Thailand), Villa Sapi (Lombok, Indonesia), Ambassador's House (Galle, Sri Lanka), and Villa Seshu (Niseko, Japan).



Villa Napalai Surin - Private BBQ



Villa Tievoli - Absolute beachfront

### Services to villa owners

Elite Havens provides a seamless service for villa owners by handling the entire marketing, management and rental process. It assists with all aspects of the set up and administration of commercial operations as well as leveraging on the dual branding opportunities offered by marketing every unique property under the Elite Havens umbrella, as well as an individual villa brand.

Elite Havens marketing exposes the villa globally. Individual villa branding is applied on signage, menus, uniforms, and information packs. A villa website is created using professional photography and copywriting. Villas are marketed via Elite Havens' proprietary booking portals, affiliated websites, and third-party agents and the villa's online presence is optimized via multiple channels including social media.

### Guest services

Elite Havens provides guests with a five-star experience from booking to check-out and tailored to the needs of specific locations. Each villa provides dedicated or pooled staff including concierge, chef, butlers, housekeepers, security and drivers. The team takes care of personal transportation, and luxury provisioning with food and drinks being stocked prearrival as requested by guests. Operations are designed to enable a high level of personalization.

In recent years, guests' expectations have extended beyond the villa to encompass authentic local experiences. Villa managers and concierges use their local knowledge to source and plan such experiences on-demand. These range from spa therapies to Balinese kite-flying lessons; yacht charters to visiting local artisans; personalized private ski-guides to last-minute reservations at top local restaurants.

Elite Havens also facilitates more than 400 in-villa events per year, including birthdays and anniversaries, weddings, executive and wellness retreats.



## Drivers

The vacation rental market in Asia-Pacific has shown significant growth, driven by increased air connectivity and more affordable travel; rising levels of disposable income in emerging countries, especially China; a move towards bespoke and private accommodation experiences; an Asian cultural propensity for group and family travel; and a general growth in visitors to the region.

The supply of villas is driven mainly by the construction of second homes. Wealthy individuals see the Asia-Pacific as an attractive destination to holiday and, in the longer term, retire. Many offset operating costs through rentals. Recent increases in operating costs and the introduction of online technology and a growing number of distribution channels have driven more properties into the vacation rental space.

## The Elite Havens guest profile

Elite Havens' guests comprise families, groups, weddings and special event, executive and wellness retreat attendees. Families are the top revenue generator taking advantage of the value and intimacy proposition villas offer compared to alternative accommodation.

Typical guests are wealthy and looking for privacy, exclusivity and personalised services. Elite Havens typically looks after some 70,000 guests each year including a number of high-net-worth individuals, top executives and celebrities.

Guests come from over 110 countries. Key source markets are ASEAN, Australia, China, and Europe. Particular growth is shown from India, China, Russia and the Middle-East.

## Competitors

The vacation management and rental market is fragmented in Asia-Pacific. It is composed of small, lifestyle, single-destination management companies with limited means.

At the top levels of the market are high-end villas with associated luxury services. This market segment is serviced by specialised management companies, most of which have developed distribution capabilities to market their exclusive portfolio. Within this segment, Elite Havens is the only player to have realized a critical size and operate across the whole Asia region with management offices in Bali, Phuket, Koh Samui and Niseko and support teams in Manila and Singapore. Its peers remain small and localized.

At the lower level of the market are cleaning and maintenance services for apartments and low-to-mid-range villas. In this segment, services are generally provided by real estate groups as a side activity, or by marketing focused companies that have expanded into management.

Depending on the country, luxury vacation rental markets have reached different development stages. Approximately 7,000 villas (including mid-range) are estimated across five

proven destinations, namely Bali, Thailand, Australia, New Zealand, and Sri Lanka.

Developing in the 1960s, Bali is the oldest market. It offers the largest inventory in Asia-Pacific, with an estimated 3,300 villas.

Thailand's vacation market took off in the 1980s. The key destination is Phuket due to its climate, beaches and long-standing tourism tradition. It is estimated to have 700 villas. Koh Samui has emerged more recently, also with an estimated 700 villas. Other destinations include Chiang Mai, Pattaya, and Hua Hin.

In Sri Lanka, even though tourism is still nascent, the country offers an estimated inventory of 300 villas, mainly on the south coast.

Australia and New Zealand have a long history of second homes in holiday destinations. Most of the market is domestic, although as the distribution channels grow it is getting more international each year. The long distances between destinations has led to a highly fragmented market served by local players. The number of villas is estimated at 1,300 for Australia, mainly in locales in and around Sydney, Melbourne, the coast north and south of Brisbane, and the west coast around Perth and Margaret River. The key market for New Zealand is Queenstown.

Elite Havens has grown organically and through six roll-up acquisitions of management companies across the region to become the lead player in Indonesia and Thailand. The company will continue this strategy to consolidate on its market position as the leading luxury villa market and management company in those countries active in the villa market throughout the Asia-Pacific.

## 2. Hotel Management Business

### Characteristic of Products and Services

Management hotels and resorts at present are as follows:

**2.1 "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.



Renowned, full-service brand that artfully delivers gracious, Thai-inspired 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.

**2.2 “Dusit Devarana”** Dusit Devarana provides an exceptional enclave for those who lead truly global lives. What makes it different is that its properties are selected 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.



Refined sanctuaries in distinctive destinations offering the utmost in personalised luxury.

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.

**2.3 “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 travellers. dusitD2 hotels & resorts are a smart and happening place to stay for the savvy modern travellers. Offering a refreshing take on destinations’, the upper scale dusitD2 brand promises to inspire and energize.



Contemporary upscale brand ideal for today’s tech-savvy, hyper-connected travellers.

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.

**2.4 “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.



Efficient, affordable, upper-midscale brand for business and leisure travellers.

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

## Development Overview

In 2018, we continued our expansion and enhanced the geographical balance of our portfolio by opening six properties across five countries. We further entrenched our presence in China, Philippines, and Thailand, and entered into the new markets of Bhutan and Vietnam. As such, we now operate 28 hotels across 10 countries.

Throughout 2018, we signed a total of 14 new projects under all Dusit brands predominantly under HMAs and Franchise Agreements.

## New Openings in 2018

- dusitD2 Ao Nang, Krabi (Thailand)
- dusitD2 Yarkay Thimphu (Bhutan)
- Dusit Princess Moonrise Beach Resort, Phu Quoc (Vietnam)
- The Beach Club at Lubi Plantation Island, managed by Dusit (Philippines)
- Heritage Villas Zhouzhuang, managed by Dusit (China)
- dusitD2 Society Hill, Tianjin (China)

## Hotel signings in Asia Pacific (APAC)

In Asia Pacific, we signed 11 properties in 2018, including:

- dusitD2 Aonang, Krabi (Thailand)
- Dusit Laguna Villa Resort Phuket (Thailand)
- Dusit Princess Lipa City (Philippines)

- ASAI Oslob Cebu (Philippines)
- ASAI Lapu-Lapu Cebu (Philippines)
- ASAI Lahug Cebu (Philippines)
- ASAI Yankin (Myanmar)
- dusitD2 Karuizawa, Japan
- Dusit Thani Jingmen, Hubei (China)
- Dusit Thani Wuzhishan, Hainan (China)
- Dusit Devarana Tengchong, Yunnan (China)

#### **Hotel signings in Europe, Middle East and Africa (EMEA)**

In EMEA, we signed three properties in 2018, including:

- Dusit Doha
- Dusit Lagoon Bahrain
- Dusit Thani Waves Hidd Bahrain

#### **2019 Development Outlook**

Continuing to build on the strong momentum established at the end of 2018, we anticipate the opening of at least 11 hotels in 2019. These include:

##### **Asia Pacific (excluding China)**

- dusitD2 Davao (Philippines)
- Dusit Thani Residences Davao (Philippines)
- Dusit Thani Singapore
- dusitD2 The Fort Manila (Philippines)
- Dusit Thani Mactan Cebu (Philippines)

##### **China**

- Dusit Thani Sandalwoods Resort Huizhou Guangdong
- Dusit Thani Longteng Changzhou Jiangsu
- Dusit Thani Wellness Resort Suzhou, Jiangsu

##### **Europe, Middle East and Africa**

- Dusit Doha
- dusitD2 City Centre Bahrain
- Dusit Princess Hotel Residences Nairobi.

In the pursuit of our target of reaching 150 operating and pipeline hotels by 2022, the group is tracing well over 100 potential projects, with a particular focus on achieving scale in the Philippines, Vietnam, Japan and Oman, where we are witnessing strong traction, as well as other APAC and EMEA countries, and new territories such as Australia, India and Europe. Our strategic plan includes a robust re-entry into the key market of India and leveraging our strong presence within Thailand for in and outbound tourism.

#### **Marketing**

The marketing of Dusit brand has been promoted to gain management agreement of new hotels by following processes:

- Participates in the meeting and is a guest speaker at the hotel business investment meeting worldwide.

- Supports South East Asia Hotel Investor Summit 2018 (SEAHIA).
- Builds a connection within major operators in the tourism industry i.e. real estate developers, investment advisors and resource operators.
- Uses the effective tools in promoting business expansion of Dusit via various channels of social media.
- Uses print advertisement in marketing promotion.

#### **Competition**

Over the past 5 years, overview of global competition of hotel management business was pretty high due to the increase of hotel groups in hotel management business as well as the increase of hotel brands, meanwhile the decline of new hotel development projects caused the global hotel management business rapidly increased. However, the competition caused the decrease of hotel management fee, while its terms and conditions were more flexible. For the future tendency, Asia region is expected to maintain the growth positively due to the change of its population and economy. In 2018, the Company signed Hotel Management Agreement to manage more hotels in overseas such as the Philippines, Myanmar, China, Japan, Qatar and Bahrain, resulting in the increase of its revenue proportion in hotel management business.

## **2. Education Business**

It is our great pride that Dusit Hospitality Education (DHE) has inherited the esprit of Dusit Thani Group by providing education and training in the hospitality industry to create quality personnel to work in hotels and tourism businesses in Thailand since 1993. Courses in the service industry were started under the name of Dusit Thani Hotel Management School. In 1996, the school was upgraded to Dusit Thai College with a wide range of courses such as culinary arts and Kitchen Management, Tourism Management, and Hotel and Resort Management.

Currently, Dusit Thani College has developed its content and courses to the same level as the international standards to create pride and reputation in Thailand's hospitality and services, and have added advanced courses such as front desk service courses, supervisor level management, executive level management, senior executive level management. Course plans are in accordance with the regulations of the Ministry of Education. The college provides short-term courses at the certificate level, bachelor's and master's degree levels.

#### **Educational business unit**

##### **2.1 Dusit Thani College**

At present, Dusit Thani College has been approved by the Office of the Higher Education Commission, the Ministry of Education, to offer undergraduate and post-graduate courses as follows:



### 2.1.1 Dusit Thani College, Bangkok

Three undergraduate courses are offered, namely:

1. Bachelor of business administration program in Hotel Management;
2. Bachelor of business administration program in Culinary Arts and Kitchen Management;
3. Bachelor of business administration program in Service innovation in the Tourism Industry.

Two international undergraduate courses are offered, namely:

1. Bachelor of business administration program in Professional Culinary Arts (joint program between Le Cordon Bleu, France, and Dusit Thani College);
2. Bachelor of business administration program in Hotel and Resort Management which has been approved by Ecole hôtelière de Lausanne, Switzerland.

Two undergraduate courses (credit transfer) are offered, namely:

1. Bachelor of business administration program in Hotel Management;
2. Bachelor of business administration program in Culinary Arts and Kitchen Management.

One master's degree program is offered namely, Master of Business Administration Program.

Dusit Thani College is located on Srinagarindra Road, Prawet District, Bangkok, with the total area of 12 Rai (19,200 square meters), consisted of two buildings with an area of 14,083 square meters and has modern classrooms, practice rooms, demonstration rooms, and kitchen with fully-equipped class materials. The college, equipment, and teaching technologies are currently being renovated and modernized, which are expected to be completed by 2019.

### 2.1.2 Dusit Thani College, Pattaya City Center

Two undergraduate courses are offered, namely:

1. Bachelor of business administration program in hotel management;
2. Bachelor of business administration program in culinary arts and restaurant management.

### 2.1.3 Dusit Thani Excellence Centre (DTEC)

Dusit Thani Excellence Centre was established in 2017 as an organization within Dusit Thani College to be the center that extends and incorporates the courses and knowledge of Dusit Thani College to mix with real-life hotel business and culinary experiences of Dusit Thani Group to widely maximize the highest benefits. DTEC offers various short courses to satisfy the market demand and provide practical advice and

assistance to companies, restaurants, private and public organizations, including the public, to enhance the hospitality industry, travel and hotel services, management and food art management and services in Thailand. In addition, DTEC is the resource center of Dusit Hospitality Education to support the expansion of educational businesses of Dusit Thani Group to the international level and to maximize the benefits of sharing educational resources.

Current main activities of Dusit Thani Excellence Center

1. Short courses for the public are offered for those who are interested in hospitality and culinary industries with a variety of selections such as 1 – 2 days courses namely, professional barista trainings, housekeeping operations, in-depth marketing courses for hotels and resorts, cost control for food & beverage operations, and 2 – 5 months courses namely, cooking & culinary arts in Thai and western cuisine, mini-MBA in hospitality management, executive program in hotel management, etc.;
2. Training for cruise crews to develop skills for the Thai crews who work on cruise ships;
3. Training for hospitality designed for institutional customers (customized institutional training) to satisfy the specific demands from companies, government organizations, and state-owned enterprises;
4. Training kitchen, kitchen demo rooms, and training rooms for general customers and institutional customers.

Dusit Thani Excellence Center sub-leases the area of 3,473.75 square meters in the 7-story building no. 588/5, Petchaburi Road, Ratchathewi District, Bangkok, located on the land of 1 Rai 66 square Wah area (1,864 square meters) with a total usable area of 6,947.5 square meters from the main tenant, Dusit Excellence Company Limited, to be used as the main establishment of the center.

#### DTEC's activities and cooperation with other organizations

In addition to focusing on academic excellence and creating quality graduates, Dusit Thani College has been supporting and helping society in developing quality personnel to work aboard for the past 21 years. Dusit Thani College has been trusted and permitted by the Department of Skill Development, the Ministry of Labour, to be the test center to evaluate skills of job seekers in five professional service industries, cooking staffs, beverage mixers, food & beverage staffs, front desk staffs, and cleaning staffs. There was a number of staffs who passed the test and had opportunities to work in foreign countries.

At present, Dusit Thani Colleges in Bangkok and Pattaya City Center are accredited by the Thailand Professional Qualification Institute to be the organization responsible for certifying the competencies of individuals according to professional standards in two professional fields, namely:

1. Tourism, hotel, restaurant, Thai culinary in respect of meat dish and dessert;
2. Services that enhance physical health, spa services.

Dusit Thani Colleges in Bangkok and Pattaya City Center are selected by the Thailand Professional Qualification Institute (Public Organization) to be an outstanding organization and have received an honor award from the Thailand Professional Qualification Institute (Public Organization) as the organization that has outstanding accomplishments in 2018, and as the organization responsible for certifying the competencies of individuals in accordance with the professional standards.

Dusit Thani College has resolutions and visions committed to upgrade and improve the quality of education to international levels. It has signed cooperation agreements with leading institutions in foreign countries to offer new courses and has exchanged knowledge and experiences in various areas as follows:

- Le Cordon Bleu, France – joint bachelor of business administration program (international program) in professional culinary arts management
- Ecole hôtelière de Lausanne, Switzerland – offering a bachelor of business administration program in hotel and resort management
- Tsuji Culinary Institute, Japan – offering authentic Japanese cuisine courses for the public and undergraduate students
- Gambero Rosso, Italy – cooperatively offering Italian culinary courses for the public and elective courses for undergraduate students
- Aso College Group, Japan – cultural and Japanese language exchange program at Fukuoka
- Ecole de Savignac, France – student exchange program
- Hong Kong Polytechnic University, Hong Kong – short courses for hotel executive

In addition, Dusit Thani College is also a member of the renowned institutions in the service industry to develop knowledge in the hospitality industry to keep up with the current market and introduce new knowledge to apply in the college to be a more advanced institution. Those institutions include the followings:

- International Council on Hotel, Restaurant, and Institutional Education (ICHRIE)
- Asia-Pacific Council on Hotel, Restaurant, and Institutional Education (APacCHRIE)
- International Centre of Excellence in Tourism and Hospitality Education (THE-ICE)

- World Association of Chefs' Societies (WACS)
- Pacific Asia Travel Association (PATA)
- Association of Asia-Pacific Business Schools (AAPBS)
- Thailand Convention & Exhibition Bureau (TCEB)
- Thailand Incentive and Convention Association (TICA)

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.

Furthermore, 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.

In 2018, Dusit Thani College was invited by the International Centre of Excellence in Tourism and Hospitality Education (THE-ICE) to host the THE-ICE 12th IPoE Forum 2018 in the topic "Creating Advanced Learning Experiences." Education experts in the field of tourism and hospitality service industries from various educational institutional joined this event.

For competition activities, the College has sent students and its personnel to participate in academic competitions both in Thailand and other countries and was a representative of Thailand to participate in various international activities and competitions and received various awards. In 2018, the College received an honor from Chaîne des Rôtisseurs to host the Thaïlande National Jeunes Chefs Rôtisseurs Competition 2018 to select representatives from Thailand to participate in the final round in the 2018 International Final of the Jeunes Chefs Rôtisseurs Competition.

For more than 25 years of success, Dusit Thani College has been recognized as an educational institution in hospitality industry that is at the level equivalent to international standards with quality courses and faculty members who are knowledgeable and experienced directly in the field, as well as skill enhancement courses offered which enable the College to produce graduates who are full of knowledge and skills in both operational and management skills with board creativity and visions in order to meet the needs of the labor market both in Thailand and foreign countries. Currently, Dusit Thani College has more than 3,125 students. The College has produced 6,938 graduates who were fully equipped with knowledge and skills.

#### Overall strategies for Dusit Hospitality Education

1. To centralize Dusit Thani Excellence Centre, the organization within Dusit Thani College, as the center of education and training to be the tools to create growth for future education businesses;
2. To expand education business to foreign countries, focusing primarily on the Asia Pacific by attempting to apply models to help create and certify courses for local institutions in respective countries; however, such models shall not require high investment costs. There was a success case done with a high-ranking educational institution in the Philippines;
3. To perform strong synergistic cooperation with hotel business units for the business growth by integrating and sharing human resources, marketing, places, and knowledge in Thailand and foreign countries;
4. To create the Dusit Hospitality Education (DHE) brand in foreign countries, especially in the country where the Dusit Thani brand is already well-known by creating more awareness and credibility in the DHE brand;
5. Create strategic alliances with educational institutions both in Thailand and foreign countries.

#### A. Expansion strategy

##### Expansion at Dusit Thani College

- 1.1 Expanded product offering strategies – to expand target groups. In 2019, the College will have elective classes for cruise services at the undergraduate level with objectives to fully offer an undergraduate course on cruise line by 2021. Within 2022, the College will become an educational institution that applies digital teaching media and materials extensively. The use of digital technologies will start gradually from the academic year of 2019/2020;
- 1.2 Expanded market penetration strategies. The College is in the process of preparing marketing and public relation plans in order to directly reach three different target groups and to attract more students who will apply for degree programs and short courses. The first group is high school students who are applying for an undergraduate program. The second group is people who are working in the hospitality industry and wish to seek additional knowledge and skills. The last group is people who are working in other industries and wish to change their career. It was targeted that by 2022, there will be up to 1,200 new students who will apply for undergraduate programs (including transfer students); whereas, there are 700 students in the current year. As the nature of education

business is required to have plans for students' enrollment at least one year in advance, this marketing plan will begin to provide clear results on new students from 2020 onwards.

##### Expansion at Dusit Hospitality Education

This expansion focuses on expanding education business to foreign markets. In the initial phase, the expansion will mainly focus on Asian and Australian markets. Apart from the launch of Dusit Hospitality Management College in the Philippines in 2018, Dusit Hospitality Education entered into a memorandum of understanding with Omega Global group in order to establish educational and training institutions in Sri Lanka. In 2019, Dusit Hospitality Education will consider seeking for potential alliances to invest in Australia. In the next 3 – 5 years, Dusit Hospitality Education will concentrate on seeking for new opportunities in foreign countries by using the existing network and/or working in parallel with Dusit Thani Group's expansion in foreign countries, starting from Asia such as China, India, Korea, Vietnam, Myanmar, Indonesia, Malaysia, and Singapore, and Europe such as the Netherlands, United Kingdom, Germany, etc. A strong team of staffs must be ready to implement necessary actions to support the future growth of the business.

#### B. Balance strategy

##### Balance at Dusit Thani College

At present, Dusit Thani College has a reputation and strength in the Bachelor of Business Administration programs, kitchen and culinary arts management (Thai program). The reputation and strength attract applicants to apply for this program despite the fact that the foundation of the College and Dusit Thani group is hotel business. Culinary arts are only part of the hospitality business. Considering the expertise and experience of Dusit Thani group, the College has potentials to expand courses to comprehensively cover other areas in hospitality business such as hotel management, tourism management, cruise management, meetings, incentives, conferences, and events (MICE), and service innovation in the tourism industry.

Dusit Thani College is preparing marketing and public relations plans to reach its target groups to build up the number of students in the aforementioned subjects in terms of volume and ratios. Not only students and hospitality industries will directly benefit from this time, but the College will also be able to benefit from the diversity of income, not to be concentrated in only one subject. For long-term purposes, this will enhance the College's reputation and strengthen the relevant courses relating to hospitality to be fully offered to students.



The College aims that by 2022, the proportion of new students enrolling in the courses between the kitchen management and culinary arts and other subjects will be changed to 65:35 from 87:13 (in 2018).

In addition, the College wishes to create a balance between the proportion of students in both Thai and international programs of undergraduate programs. This is due to the goal set out by Dusit Thani group to upgrade Dusit Thani College to be an international college (international league) from the current status as the leading hospitality college in the national league. The College will not be considered an international league without having sufficient numbers of students in international programs.

The College aims that by 2022, the proportion of new undergraduate students Thai and international program will be 80:20 (compared to 90:10 in 2018). As the tuition fees of international programs will be approximately 2 – 2.5 times of the tuition fees in Thai programs, the change in the proportion of new undergraduate students from 90:10 to 80:20 will result in the proportion of income between Thai and international programs to be approximately 65:35.

Finally, the College wishes to create a better balance of income between undergraduate courses and other courses (short-term certificate programs and Master's degree program) as currently, the learning styles in the world have changed. An organization must train its staffs to develop skills and knowledge at all times. The disruption in various industries causes employees/staffs to change their careers or industries and to seek new job opportunities. As a result, the demand for short-term re-skilling or up-skilling courses in the market has increased as well as the demand for up-skilling courses in management which may be studied through MBA courses. Those MBA courses have flexibility in terms of schedules to support the College's target groups consisted of students who have work experiences and students who wish to attend part-time courses or the Mini-MBA (which does not require a lot of time). Therefore, these are the opportunities that the College will expand its courses to this market.

Currently, the College's sources of income are concentrated in the undergraduate programs. The College aims that by 2022, the proportion of income between undergraduate programs and short-term and Master's degree programs will be 70:30 (compared to 88:12 in 2018).

#### Balance at Dusit Hospitality Education (DHE)

Dusit Hospitality Education's strong desire is to expand the education business to the greatest extent and benefits for a great number of people. Dusit Hospitality Education has plans to expand in both Thailand through the establishment of pre-undergraduate educational institutions and in foreign countries through cooperation with partners in those

countries. In terms of business, this is a risk diversification approach so that sources of income are not only concentrated in Dusit Thani College. The balance and the diversification are the by-products of their own in the long run.

### **C. Diversification strategy**

#### Diversification at Dusit Thani College

One goal that has been set by the College is that the College will bring its expertise and experiences from both of its teachings and actual practice to maximize the benefits to society and businesses. In addition to the expansion of several training courses and responding to the demand of both government and private sectors, the College will extend the business into a consulting service provider as well as assist on setting-up and organizing an enterprise (initial set-up & organize) for new entrepreneurs who have funds to engage in the hospitality business but may lack experience and expertise.

Moreover, the College acts as a certifying body that certifies standards of personnel in businesses for both Thailand and foreign countries. One of the examples of readiness that the College has is that the College is the ASEAN Competency Certify Body for the government of Thailand once these standards have been officially announced to be applicable.

#### Diversification at Dusit Hospitality Education

For long-term purposes, diversity will arise from the diversification of education business to various countries which will depend on the ability to leverage gained from expertise and experience formed within Dusit Thani College and Dusit Excellence Centre and from mutual learning between various education organizations and other organizations in order to expand into a continuous business in the future.

### **2.2 Le Cordon Bleu Dusit Culinary School**

Le Cordon Bleu Dusit Culinary School is a joint investment with Dusit Thani Group and Le Cordon Bleu International established under a joint venture company Le Cordon Bleu Dusit Company Limited since 2007. The school offers courses that are approved by the Ministry of Education at the certificate and diploma levels as follows:

- Classic Cycle Programme – a certificate program that offers three courses on weekdays and Saturdays as follows:
  - Diplôme de Cuisine
  - Diplôme de Pâtisserie
  - Grand Diplôme
- Professional Thai Cuisine Programme
- The Art of Bakery

- Wine Studies Course
- Culinary Discovery Programme

Le Cordon Bleu Dusit Culinary School is part of the global Le Cordon Bleu Institution network committed to excellence in the development of French cooking knowledge and techniques and the continuous development of new recipes. Le Cordon Bleu Dusit Culinary School is a globally recognized institution and has been offering courses for 123 years. Currently, it has school branches and partnership with other 23 educational institutions in 18 countries.

Due to the temporary closure of Dusit Thani Group's office at the beginning of Silom road since the beginning of 2019, Le Cordon Bleu Dusit Culinary School has relocated to Zen Tower, 19th Floor, located on No. 4, 4/5 Ratchadamri Road, Pathumwan District, Bangkok.

### 2.3 Dusit Hospitality Management College (DHMC)

In 2018, Dusit Hospitality Education unofficially established Dusit Hospitality Management College (DHMC) in Manila, the Philippines to conduct a soft launch under the management of Dusit Hospitality Education Philippines, Inc., a joint venture company between Dusit Thani Group and a local business group in the Philippines. The college accepted five students as the first batch. Classes are held in Dusit Thani Manila until the main building of the college is completed (by 2019). Dusit Hospitality Management College (DHMC) will accept students to study in the hospitality program as an undergraduate program, the hospitality management program, and short courses on culinary arts, hotel operations, and professional hospitality management in various subjects. In addition, DHMC is the first college in the Philippines that integrates classes with the management in DusitD2 The Fort, Manila.

## 3. The Mixed-Use Property Development Project

The Mixed-Use Property Development Project (Mixed-Use Project) is a joint investment between Dusit Thani Public Company Limited which proceeded through its subsidiary and associate companies with Central Pattana Public Company Limited which consists of the new Dusit Thani Hotel Bangkok, a residence, a retail shopping center and an office building. The total investment value will not exceed Baht 36,700 million. This investment is developed on 23-2-2.72 rais of land located at the intersection of Silom Road and Rama IV Road with details as follows:

1. The joint investment in the Property Development Project which will consist of the rights to land lease, develop and construct a hotel, a residence and a retail shopping center through Vimarn Suriya Company Limited.

2. The joint investment in the shopping center project through Suanlum Property Company Limited.
3. The joint investment in the office project through Saladang Property Management Company Limited which Phraram 4 Development Company will be assigned the land lease right from Dusit Thani Public Company Limited for the Office Project and Saladang Property Management Company Limited will sublease the land from Phraram 4 Development Company Limited.

The investment of the mixed-use property development project will be located on the leased land of 15-3-67.84 rais which the Company entered into an agreement with the Crown Property Bureau on July 31, 1968 for the period of 30 years from April 1, 1973 to March 31, 2003. The Company is entitled to extend for another 2 terms which are 15 years each and the rental fee would be renegotiated. The Company firstly renewed the lease agreement for the land of 18-1-28.20 rais with the term of 15 years from April 1, 2003 to March 31, 2018. The Company which later waived to extend the existing leasing agreement and has entered into the new agreement with the Crown Property Bureau for 23-2-2.72 rais of land with the term of 30 years signed on December 22, 2016 (Additional land of 5-74.52 rais from 18-1-28.20 rais which Olympia Building, Thai Insurance Building and 9 blocks of commercial buildings are located).

This project is an expansion to the main hotel business to diversify, increase competitiveness and strengthen Dusit Thani brand by its uniqueness of Thai heritage preservation as well as utilized maximization of the land which will also benefit for tourists and Thai citizens. This location is truly a city center which consists of business center, major Bangkok's transportation connected ways to BTS sky train and MRT subway, an A-grade residential areas located at the opposite of Lumpini Park, the big greenery area of Bangkok. The Company is confident that this project will be a new landmark of Bangkok similar to 49-year-ago that Dusit Thani Hotel Bangkok has embarked its history which will also strengthen the Dusit brand.

Nevertheless, Dusit Thani Bangkok Hotel has stopped operation since January 5th, 2019 as planned. The old 9 blocks of commercial buildings and office buildings in the 5 rais were already demolished and the Dusit Thani Bangkok Hotel to develop the Mixed-Use Property Development Project. The launch of Residence Building will take place in 2019. The Company will not go into details of market and competition in this year as the construction has not yet started.

The new Dusit Thani Bangkok Hotel and Retail Shopping Center are expected to open in 2023 and Office and Residence Building in 2024.

## 4. Food business

### 4.1 Dusit Foods Company Limited

From the intention to set up a new business for Dusit Thani Group in order to diversify risks from its hotel business and to create additional channels to engage in food industry business, the main industry of the country, Dusit Foods Company Limited was established in 5 March 2018 with a registered capital of 713 million baht, which will be used as a parent company to invest in food businesses.

#### Investment in the past

- In 2018, investment in NR Instant Produce Company Limited, a manufacturer and distributor of international food in Thailand
- In 2018, the establishment of Dusit Gourmet Company Limited – NR Instant Produce Company Limited holds 10% of shares in the company to create a food retail brand of Dusit
- In 2019, 51% share acquisition in Epicure Catering Company Limited, a catering service provider for the cafeteria of international schools in Thailand.

#### Investment Strategies

- Food business according to Thailand and Asia to The World Guideline is the same guideline used by Dusit Thani Hotel to bring the uniqueness and services of Thailand to the world;
- Business within the concept of “Be Natural, Be Healthy, Be Organic, Support Local Community”
- Food businesses that have high potential growth
- Food businesses that are linked and supported with the current hotel business and education business of Dusit Thani Group.

### 4.2 NR Instant Produce Company Limited

NR Instant Produce Company Limited has its own product under its own brand that is distributed in various countries. It also produces the product for third parties in the form of private label and co-packing. From a small factor that started its business in 1991, it has developed its business based on the commitment to produce quality products that consumers can easily access and expanded itself into a factory in Samut Sakhon Province equipped with modern machinery. NR Instant Produce Company Limited has a revenue of more than one billion baht per year. The factor's area is 10,000 square meters with over 500 workers in the factory to produce more than 1,100 SKUs of products in seven groups of the market which are exported to 25 countries.

#### Products

- Recipe mixes such as spring roll fish sauce, crab paste with soya bean oil, Pad Thai sauce
- Seasoning such as Satay Sauce, Sriracha Sauce, Oyster Sauce
- Ready-to-eat meals such as jasmine rice with red curry sauce, Hokkien noodles Kung Pao Sauce, Udon noodles
- Beverages such as instant green tea, aloe vera drink with honey
- Others such as sushi ginger, Yanang leaves extract

#### Business groups

Private label for retailers

Co-packing – production of goods under a third party's brand

Signature brands – products distributed under the brand(s) owned the company

#### Target customer

Foreign customers who favor Asian food, Asian people who live in western countries, food entrepreneurs who have their own brands and wish to seek quality producers, retail companies that wish to produce products under a department store's brand.

#### Competitive strategies

- Strengthen the brands that the company owns  
To refresh and relaunch products under the existing brands in various countries, including Thailand, and to increase the number of countries in which products from the company have been sold.
- Clean label  
To join an alliance with the Faculty of Medical Technology, Mahidol University, in supplying raw materials and inspecting and jointly managing with farmers to obtain non-toxic raw materials
- Increase production capacity  
To develop areas and production potentials to be able to produce BRC A+ and organic products.
- Better for you, plant-based protein  
To develop into this category which has the highest growth.

#### Industry trends

Thai food export industry is growing continuously especially in the category of food seasoning. In 2017, the growth of food seasoning was 6.77 percent. Sauce and curry products grew more than 10 percent. The main export markets of the top five food seasoning are Japan, the U.S., Philippines, Australia, and the United Kingdom. The main factor that helps the Thai



food export industry grow was from the popularity of Thai food consumption of foreigners due to: its unique flavors, the use of healthy ingredients, the sufficient quantity and the quality of raw materials, the expertise of manufacturers with modern technologies, competitive prices, and the support and promotion by the government. A 20-year plan to develop national food industry was prepared under the vision "Thailand: the world's kitchen" with the goal of becoming a food exporter country ranked in the top five countries by 2036 by increasing capacity to adjust and the competitiveness of Thai food entrepreneurs, organizing the development of factors that drive the Thai food industry to be the world's kitchen and the development of the future food industry market and international trade channels to provide more opportunities to the food entrepreneurs to have more marketing channels both in Thailand and foreign countries, as well as providing the global food chain connection through various types of activities such as (1) World Food Expo, (2) Window of Thai Food, (3) National and Regional Food Festival, and (4) Virtual market, to create access channels in digital format and awareness of the positioning of Thai food on the world stage.

#### Competition from domestic entrepreneurs

The management of the company assessed that most domestic entrepreneurs do not often produce a variety of products and focus on the production of a particular type of product. The production concentrates on the original taste of Thai seasonings.

#### Competition from foreign entrepreneurs

The major foreign competitors of the company in the distribution of seasoning products and kitchen utensils are entrepreneurs from the U.S., Vietnam, China, Singapore, and Malaysia.

### **4.3. Dusit Gourmet Company Limited**

Dusit Gourmet Company Limited is a company that creates Dusit's food retail brands that NR Instant Produce Company Limited distributes in the global market. In addition to products for consumer markets, there will be products for food entrepreneurs by starting from the distribution to hotels within Dusit Group. The brands created must support Dusit Hotel's brands and be under Thailand and Asia to The World strategy and a platform to support agriculture and small businesses of communities in Thailand. It is targeted to enter the market in the U.S. as the first market with the objectives to create a leading consumer (specialty) food retail brand from Thailand and a world-class specialty food brand of Thai people.

#### **Target group**

- Consumers who favor Thai and Asian food and give importance to authenticity, sustainability, quality, and fair trade.
- Restaurant owners, chefs, or cooks.

#### **Strategies**

Dusit Gourmet will announce its food brand by using the following strategies.

- To create a platform that can be used to support the communities of small manufacturers in the provinces in Thailand other than Bangkok and to give importance to non-toxic products, fair trading, and identification of sources.
- To work with the government, institutions, and organizations to develop raw material sources, products, production processes, marketing, and public relations.
- To join Dusit Group's education business to bring products into teaching or to use the institution's potential to develop products, to bring in more personnel to provide the knowledge and understanding of cooking and eating Thai food to westerners.
- To develop brand products in order to bring to the global market by starting at the U.S. market.
  - ❖ Thai food brand - Products are well-known and may be unique if prepared by a recognized chef to develop value products with authentic taste cooked from quality ingredients or handmade products aiming to target the restaurant market during the initial stage.
  - ❖ Asian food brand - to cover more markets and to create fusion food dishes to be modern, delicious, clean, healthy, and to connect with communities in different countries in which Dusit hotels are located in order to be able to bring quality ingredients or delicious recipes to create good food for the communities.
- To rely on the consumption of Dusit hotels and catering business as a base for using products, conducting product reviews for further development, and as a distribution point for products. Conversely, using the products from this business will create standards for food flavor and novelty, and add value to the hotel restaurants and catering businesses.

#### **Market trends and conditions**

Specialty foods is a market segment that has high growth and can be categorized into four categories as follows:

- Health and wellness: organic, natural, fortified, free-form, functional foods
- Indulgence: foods that are eaten for pleasure (vs. health or necessity)
- Ready-to-eat (RTE): fully or partially prepared and hand-held foods (includes snacks)
- Ethnic: foods with the non-western origin (includes ingredients, species, sauces, RTE)

The last category, ethnic food, is the category that Thai food, including curry, seasonings, sauces, chili paste, etc. was in the same category 15 years ago. In the U.S. and European countries, ethnic food will be available at specialty stores such as Chinese shops, Asian shops, Thai stores, and is often found in China towns of various cities. Products will be the same brand and style that are sold in that country. Importers usually purchase those products and label them with translated text in accordance with the requirements of that market. These products are called off-shelf. After that, ethnic food products started to expand to main supermarkets in cities for the consumption of people in that city which is considered a mainstream supermarket. Products were off-shelf at the start sold at China towns (such as Mae Sri, Mae Pranom, Sriracha Panich) and began to develop and expand with higher competition. There was more variety, quality, and beautiful design with different selling points (e.g. Blue Elephant, De Siam, Thai Kitchen, Taste of Thai, Annie Chun). If we wish that our brand will be able to survive, our products must have quality, be different and unique and there must be a continuous investment in marketing.

#### **Competitive conditions**

Asian food - in the U.S., the competition is among many brands of western companies such as Simply Asia, Annie Chun, Blue Dragon. In Europe, brands that have their own main market in their own country such as Asian Suzy Wan (France), Santa Maria (Scandinavia), Pataks and Sharwoods (UK). Products are adapted to westerners.

Thai food - although there are many players in Thailand and all factors have their own brands and produce goods for other brands, in the U.S., there are only two brands that distribute products throughout the country which are Thai Kitchen and Taste of Thai. Many manufacturers have similar products which do not make a true difference. Cutting price consequently follows especially for a store brand, a brand owned by a large retail store that can sell products at a lower price than anyone else.

#### **4.4 Epicure Catering Company Limited**

Epicure Catering Company Limited was established in 2003 with objectives to cook and serve delicious food that has healthy nutrition for all students. Currently, the company expands its business throughout Thailand. The company provides services under a long-term contract to 34 schools in Thailand, consisted of leading international schools such as International School of Bangkok (ISB), Harrow School, Rugby School, Bangkok Prep, St. Andrew, Brighton, etc. and in Southeast Asia. The company started to provide services in Cambodia in 2015 to International School of Phnom Penh, and entered Vietnam in 2017 and provides services to three leading international schools. At present, the company has

more than 400 employees stationed at various schools. Those employees are the company's valuable asset who are ready to provide high-quality services. The company received positive feedback from the school administrators and parents from various schools. As Dusit has become the major shareholder of the company, the company will have higher potential in expanding its business into various countries, especially in the countries where Dusit hotels are operating, and into new markets such as catering services in hospitals and oil platforms.

#### **Market growth analysis**

The international school market of Thailand continues to grow both in terms of the number of students and schools or the number of newly opened schools. However, the growth was not as high as the number 10 years ago. The potential market in the future is Thai schools that gradually increase their quality, price, and standards, and start to see the importance of catering service provider and outsourcing to reduce the workload to be able to focus primarily on teaching.

#### **Marketing strategies and business expansion**

In Thailand, the company is currently providing services to 34 schools which include many famous schools such as International School of Bangkok (ISB), Harrow International School, Rugby School Thailand, St. Andrew. Good services provided to those schools will be the reason that the company may expand its business to other schools. The key strategy is that the company provide advice on the design and construction of kitchens and restaurants and is pleased to fully invest in all kitchen equipment in exchange for a 5-year contract. The company's business will grow along with the school's business. The commitment to provide good services and collaboration with the school administrator will create trust between each other. Once the school administrator is transferred to another school in other countries, there might be opportunities for the company to provide services again.

For these reasons, the company has expanded its business to a regional level, namely Vietnam and Cambodia. The school that the company contracted with is a large school which can be a flagship school for the company's business in that country. The company has submitted a proposal to a school in Johor Bharu city. If it is successful and the company has opportunities to learn about the labor market and to create a team there, the company will have more opportunities to expand its business to Singapore which is a large market as international schools, public schools, and local schools outsource catering services to a third-party company, and they do not provide these services. Singapore is also a market of Compass and Sodexo. The company believes that the company can enter this market.

## Industry trends and competition

The company is recognized as a leading player in providing catering services to the school market in Thailand. For catering services, the major operators of the world that entered the market in Southeast Asia are Compass and Sodexo. These two companies have not entered the school market in Thailand which may be due to the business size and aimed their focuses on hospitals, oil platforms, and airline businesses instead.

International schools in Thailand have grown continuously which can be seen that Thai people prefer to send their children to study in international schools. Most international schools do not wish to manage catering services by themselves due to difficulties, food safety regulations, and other issues that parents and students may understand and demand differently, as well as if there is an event or competition activity between schools, the number of people will significantly increase on that day. It is, therefore, necessary to outsource this service to a third party service provider. The school administrator and education department will mainly focus on education. However, there are some large schools (Bangkok Pattana) that still cook for students or use policies to allow restaurants to lease a space to cook and sell food to students (Ruamrudee International School). This is the form that Thai schools usually operate. The company has only one Thai school customer, Amnuay Silpa School.

Even though there is no competition from the big operators, but there is competition from medium-sized entrepreneurs who can enter some schools. In addition, potential competitors may happen if a school owner decides to hire a company to provide catering services to the school.

## 5. Other businesses

### 5.1 Dusit Thani Properties REIT Co., Ltd.

The Company operates and manages trust and it is currently a trust manager for Dusit Thani Freehold and Leasehold Real Estate Investment Trust. Its major revenue is from trust management fee and disposition / acquisition fee of assets of trust. Presently, Dusit Thani Freehold and Leasehold Real Estate Investment Trust has invested in hotel projects as follows:

- Dusit Thani Laguna Phuket is located in Talang, Phuket. The hotel is decorated in a contemporary Thai style with 225 guest rooms providing accommodation, food and beverage, meeting rooms and caters to hotel guests and the general public.
- dusitD2 Chiang Mai is located on Chang Klan Road, Chiang Mai. The hotel consists of 130 guest rooms combining modern amenities with Thai hospitality and atmosphere to serve the needs of its guests.

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

### 5.2 Devarana Spa

Spa business is operated under Dusit Thani Public Company Limited with 10 locations; 3 in Thailand and 7 overseas.

Three Devarana Spas in Thailand are at

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

Seven Devarana Spas overseas are at

1. Dusit Thani Manila
2. Dusit Thani Maldives
3. dusitD2 Nairobi Kenya
4. Dusit Thani Guam, USA
5. Dusit Thani Lakeview Cairo
6. Dusit Devarana Hot Springs & Spa Conghua
7. Dusit Thani Dongtai, Jiangsu

### Products or Services

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 are designed to enhance natural beauty and well-being. They are 100 % natural and are free from synthetic additives such as parabens, phenoxyethanol, SLS or other artificial components.

Devarana Spa also offers reputable natural organic spa products. These premium organic product ranges have been developed with an ecological awareness in mind and promised to have the organic plant ingredients up to 70%. For facial, Devarana Spa uses products from the pioneer marine cosmetics and thalassotherapy brand, Algotharm. The brand has been established since 1962 in France and won AsiaSpa Award in the category of "Best Spa Brand" in 2009.

Skillful therapists at Devarana Spa expertly deliver a variety of treatments to provide guests with ultimate relaxation and pampering. Massage section includes many kinds of massage from Eastern and Western sides of the world such as Swedish Massage and Ayurvedic Massage. 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.

Devarana Spa Corporate Department operates and manages health spa in Thailand and overseas. Main targets are hotel guests and people who are health conscious. Marketing is done through digital marketing tools such as hotel and Devarana Spa's websites, Facebook, Line Application and Instagram. Moreover, it has been done through selected guidebooks and life style magazines in different countries.

### **Marketing Policy, Competition and Trends**

Nowadays, spa is a necessity especially for a 5 star-hotel. Therefore, we have seen a proliferation of spas and spa operators in the market. For comparison in the same level, Devarana Spa's competitors would include Banyan Tree Spa, Centara Spa, Mandara Spa, Anantara Spa and Six Senses Spa.

Devarana Spa brand promises are set to be the premium spa service provider which has these identities to sustain the growth as follows:

- Tranquil and beautiful facilities designed in harmony with our heavenly concept, focusing on the minimalism of Sukhothai era, yet modernized to create an effective illustration of contemporary Thai décor.
- Thai graciousness hospitality.
- High quality treatments with its philosophy to have everything as natural as possible. The results of treatments are also achieved manually or what we call 'back to basics'.
- Spa product development according to customer need, lifestyle and trends.

To succeed in the city that is full with spas, Devarana Spa has implemented "Blue Ocean" strategy to be applied as one of the marketing tools. The key concepts of this strategy include value innovation – the simultaneous pursuit of differentiation. From this strategy, spa product developments according to customer need, lifestyle and trends are implemented consistently.

Devarana Spa has all type of guests, leisure travelers, businessmen and celebrities. Around 60% are female and 40% are male and they usually seek for relaxation and rejuvenation.

For 2019, Devarana Spa will continue to offer the highest quality experience combined with the best value. We will launch new spa menu with promotions and special treatments designed for special occasions throughout the year. Thai Spa is recognized as one of the best quality spas worldwide while the number of health enthusiasts are increased tremendously. In 2019, Devarana Spa will be opening its new location in Dusit Thani Hotel Laguna Singapore and Dusit Doha Hotel in Qatar. These new hotels will provide the opportunities for Thai staff to bring Thai graciousness hospitality with their skillful working performance to manage and serve these brand new spas.

### **5.3 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. The Office Building was closed for services due to the closing of Dusit Thani Bangkok Hotel on January 5th, 2019 for the Mixed-Use Development Project.



# Risk Factors

## Company's risk management overview

In today's rapidly changing and complex business environments, the Company and its subsidiaries have placed great importance on risk management and good governance. Therefore, the Company has, since 2006, established its Risk Management Committee and Risk Management Department with an aim to:

- Providing guidelines, policies and processes regarding the enterprise risk management practices of the Company within the risk management framework by COSO (The Committee of Sponsoring Organizations of the Treadway Commission);
- Overseeing the enterprise risk management practices of the Company in relation to the identification, measurement, monitoring, and controlling of the Company's principle business risks which include, but are not limited to, strategic risk, operational risk, financial risk and compliance risk, to meet the Company's risk appetite;
- Providing an open and ongoing communication forum between management, third parties and the Board of Directors to discuss risks and risk management.

## Risk Management Structure

### Risk Management Committee

Risk Management Committee is comprised of the Company's key executives and/or representatives from each business unit and division. The Committee shall meet, on a quarterly basis, to oversee company's risk profile and monitor the effectiveness of risk mitigation plans to meet the most acceptable level.

### Risk Management Subcommittee

To accommodate the company's business expansion, Risk Management Subcommittees were formed for each business unit—Hotel, Investment & New Business, Property Development (Mixed—Use Project) and Education. Risk Management Subcommittees are committed to identify, monitor and review risks relevant to their business units to assist Risk Management Committee in managing risks more effectively and comprehensively.

### Risk Management Working Team

Risk Management Working Team is established to support the development, implementation and monitoring of Enterprise Risk Management practices. The Working Team reports directly to Risk Management Committee.

## Risk Factors

The Company has, throughout 2018, continued to manage risks via its established structure. However, there can still be other unprecedented risks or those deemed unlikely to materialize in the near future. Therefore, all risk information described herein this report is not exhaustive. Investors should also be aware of such unidentified risks and their potential impacts. A due consideration should also be given prior to arriving at any investment decision.

## Strategic Risks

In line with its intention to ensure the sustainable growth of the Company and its subsidiaries, the organization's long-term strategies have been established with an emphasis on balancing, diversifying and expending businesses. However, the success of such strategies depends on several business environments—both internal and external factors—which are unprecedented and uncontrollable. Consequently, the Company is exposed to the risks of not being able to achieve the intended strategies which can be caused by:

### • **Risk from Revenue Reliance on Hotel Business**

The Company's revenue are mainly contributed from its hotel business; while other businesses generate additional revenue at a lesser amount. In 2018, the revenue from hotel business accounts for 83.13% of the total revenues; whereas those of education and other businesses account for 7.64% and 9.23% respectively. Therefore, the Company's ability to generate revenues and profits may vary according to the health of its hotel business which is extremely volatile to economic, political and social uncertainties.

To cope with such risk, the Company has, since 2016, formed Investment and New Business Department to diversify and expand the Company's portfolio to other potential businesses. Dusit Food, for instance, was established in 2018 to leverage Dusit's food and beverage business. As for the hotel business, the Company has still embarked on increasing

its hotel management services overseas especially in those promising regions, Middle East –United Arab Emirates, 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. This will also help ensure a proper balance of revenue streams which are currently dominated by domestic hotels.

- **Risk from Hotel Management Service**

The Company and its subsidiaries has continuously expended its hotel management service in both domestic and overseas locations under the management agreement terms of 5-15 years. Therefore, the Company and its subsidiaries are inclined to encounter with the 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 2017 and 2018, the Company and its subsidiaries earned 3.70% and 4.82% of the total revenue from hotel management service. However, in response to this risk, the Company has leveraged its management standards—ranging from sales & marketing, operations, human resources and information technology—to ensure its work efficiency, to enhance competitiveness and to strengthen the brand recognition worldwide. Continuous efforts have also been put in nurturing a positive relationship with hotel owners. In addition, the Company and its subsidiaries have carefully considered adding new terms and conditions of the management agreement in order to reduce the impact from such risks

- **Risk from New Investment Projects**

Besides its hotel and education business expansion plan, the Company intends to venture into new businesses inside and outside Thailand. Therefore, the Company is exposed to various risks which are inherent to new business investment in overseas such as change of investment value, Joint Venture selection, contractual obligation, business license request for operation and related regulations.

Nevertheless, to mitigate such risks, the Company has developed prudent investment criteria. Feasibility studies for each project are conducted by external investment experts. Furthermore, the Company has established its own Investment & New Business Department to be in charge of new business development which is led by seasoned management team. Nevertheless, exit strategy is also developed as a contingency plan.

- **Risk from high competition**

Inarguably, Thailand's hospitality and service industry has, in recent years, seen the increasingly high competition from both domestic and overseas hotel brands. Furthermore, the Company has also competed with international hotel chains, whose competitive advantages have been strengthened by acquiring or merging with their peer competitors. In addition, the already-intensifying competition has been aggravated by a variety of alternative accommodations—Airbnb, Timeshare Rental, Serviced Apartment and Homestay, for instance—which are gaining more popularity due to their price and flexibility to accommodate the need of customers. The dramatic growth of Online Travel Agents, Agoda, Booking.com and Expedia has, likewise, affected the Company's market shares.

In response to such risks, the Company has placed great emphasis on accentuating its competitive advantages as being a pioneer of Thai centric 5-star hotels in the country. However, in order to remain competitive in the market, the Company has been renovating its hotel facilities on a regular basis. In terms of sales and marketing, regional offices have been opened in different locations, e.g., India, China, Hong Kong and Germany, to increase distribution channels as well as to enhance Dusit brand awareness. The company has also joined hand with well-known business partners and developed its customer loyalty program to understand—so that can retain—customers, all of which are to help enhancing the Company's competitiveness.

- **Technology risk**

In nowadays markets, technology utilization in business plays a vital role in differentiating an organization from its competitors. Hospitality industry, likewise, cannot escape from this mobilization to survive in the fierce market. It can be seen that international hotel chains have put efforts in applying or introducing new technologies to reduce work process as well as to enhance customer experiences.

Therefore, the Company is exposed to the risk of not being able to utilize new technologies in a timely manner, resulting in the loss of opportunity or competitive advantage. This risk also includes the chance of choosing technologies that do not fit with the size or the need of the Company.

To mitigate such risks, the Company has developed IT Strategic Plan to support technological needs and leverage technological resources in order to achieve the Company's future goals. Moreover, an experienced management team is employed to analyze customer needs and behavior to develop IT programs that suit the nature of business. IT Committee was also established to ensure that all IT acquisitions will best serve the company and customers.

- **Risk from economic, political natural disaster and terrorism**

Hospitality industry is considered one of the most vulnerable businesses to external factors—economic recession, political uncertainty, natural disaster, terrorism, for instance—all of which are unpredictable and can impose detrimental impact to the Company. In order to minimize the impact, the company has executed several mitigation strategies/plans as follows:

- Balancing business portfolio by diversifying its revenue streams via different business units—Hotel, Education Dusit Foods—for example;
- Expanding business location to other potential countries, especially in those promising regions such as Asia Pacific, Middle East, Europe and United States;
- Continuously expending its hotel management service to the locations with high potential and purchasing power both domestic and overseas locations;
- Putting into place business contingency plan and business continuity plan to address the unexpected to ensure business resilience and continuity in a timely manner;
- Purchasing multiple insurance plans—Industry All Risks, Political Violence and Business Interruption, for instance—to minimize business loss.

## Operational Risks

The Company and its subsidiaries has continuously improved its working system and procedures to ensure the highest degree of efficiency in line with the Company's expansion. Nevertheless, the Company is exposed to the risk of not being able to execute such procedures due to various factors as follows:

- **Risk of Recruiting and Retaining Talents**

Owing to the country's increasing demand of manpower in hospitality industry coupled with the Company's strategy to expand its hotel management service, the Company is exposed to the risk of recruiting and retaining qualified talents—both managerial and operational level—to accommodate the growth of the Company. Furthermore, as talent markets around the globe have become aggressive, the chance of the Company to lose its experienced and skillful talents over competitors is higher.

To mitigate the foreseen risks related to manpower demand, the Company has conducted a manpower need analysis and implemented Employee Development Plan as well as Succession Plan to accommodate the Company's future expansion within the specified timeframe. Besides, in order to be competitive in the labor market, salary and benefit surveys are conducted in comparison to those of competitors to review and adjust the company's salary structure on a regular

basis. However, the Company has employed executives from well-known international and local hotel chains to leverage the Company's ability to compete in an international level.

- **Information Technology Risk**

The Company has a policy to collect and store customer information to be utilized for service improvement and to support decision making related to various operations. In addition, the Company has also invested in IT operating systems to help enhance the effectiveness of internal administration. Consequently, the Company is exposed to the risk of data breach or system interruption—either by natural catastrophe, system errors or manmade disasters.

To mitigate the aforementioned risks, the Company has timely backed up critical data and stored them offsite (Offsite Data Backup). Business Contingency Plan and Data Recovery Plan were developed and communicated to all concerned for practice. Besides, the Company has purchased—and therefore is insured under—Cyber Insurance to reduce the impact of loss caused by possible cybercrime.

## Financial Risks

In response to its business expansion plan, it is vital that the Company's financial resources are sufficiently optimized and leveraged to ensure a balance between investments and returns as well as an ability to compete. However, in order to seek or increase its financial capital, the Company is exposed to financial risks as follows:

- **Interest Rate Risk**

As of 31 December 2018, the Company and its subsidiaries has current liabilities with financial institutions, worth in total of Baht 2,006.5 million, (of which Baht 1,000 million is from Corporate Bond with fixed interest) and are inclined to make additional loans for further renovation and new investment projects. Therefore, the Company is exposed to 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 closely monitoring the fluctuation of interest rate to effectively manage such financial risk.

- **Credit and Financial Security Risk**

As of December 31, 2018, the Company and its subsidiaries have long-term loan worth in total of Baht 1,839 million, of which Peso 991.68 million belong to Dusit Thani Philippines, Inc (Formerly known as Philippine Hoteliers, Inc.) with the outstanding balance at Peso 655.92 million, of which USD 41.50 million is the long-term loan of the Company's subsidiary for the investment in Dusit Thani Maldives (the outstanding amount is USD 7.85 million) and of which Baht 115.45 million for the long-term loan of Dusit Thani Public Co., Ltd. (the outstanding amount is Baht 108.7 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 not more than 2:1 and 1.75:1 respectively. If the Company fails to abide with such obligation, it shall be deemed the Company in breach of loan agreement and the creditors may declare the loans to be canceled and any outstanding amounts under the agreement are immediately due and payable. If so, the Company and its subsidiaries cash flow and, ultimately, operation can be affected.

However, as of December 31, 2018, the Company has settled the aforementioned principals including the interests thereof in a timely manner. In addition, the Company has maintained its debt-to-equity ratio at 1.11:1, which is in accordance with the conditions stipulated in the loan agreement

## Compliance Risk

- **Regulatory Compliance Risk**

As part of the good governance, the Company and its subsidiaries is committed to adhering to governing laws, rules and regulations of the countries in which the Company has operated—or to be operating in the future. The Company has also paid attention to the obtainment of all relevant permits and licenses. Nevertheless, due to regulatory complexity and changes that may be brought about unprecedentedly, the Company is still exposed to compliance risks especially when operating in an unfamiliar country or when expanding its educational business which is governed by numerous regulations.

To mitigate the said risks, the Company has enforced its auditing and compliance related functions to perform internal auditing on a regularly basis. This is to ensure that all permits and licenses are obtained; governing regulations, abided. As for overseas regulations, international law firms are employed to ensure that all operations are stringently in compliance with local regulations.

## Investment Risk for Shareholders

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

According to the closing of shareholder registration book on December 28th, 2018, group of Than Puying Chanut Piyaoui and related persons held the Company's share amounted at 424,475,680 shares which is accounted for 49.94% of the total Company's total paid-up. 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.



# Shareholders

## Top 10 shareholders

Details of 10 major shareholders and other minor shareholders as of 28 December 2018 are as follows:

Shareholders	No. of Shares	Percentage
1. Group of Thanpuying Chanut Piyaoui and related persons <sup>1</sup>	424,475,680	49.94
2. Central Pattana Public Company Limited <sup>2</sup>	191,938,320	22.58
3. Mr. Chatri Sophonpanich	42,389,600	4.99
4. Mr. Vichit Chinwongvorakul	33,240,000	3.91
5. Thai Life Insurance Public Company Limited	21,882,430	2.57
6. Thai NVDR Company Limited	20,487,730	2.41
7. Mrs. Jarunee Chinwongvorakul	20,441,000	2.40
8. Mr. Sahanun Chentrakul	8,510,000	1.00
9. Dusit Thani Properties Company Limited	4,715,000	0.55
10. Office of the Privy Purse	4,383,200	0.52
<b>Total</b>	<b>772,462,960</b>	<b>90.87</b>
Minor shareholders	77,537,040	9.13
Registered and paid-up capital of Baht 850,000,000 comprising 850 million ordinary shares with a par value of Baht 1		

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

<sup>2</sup> As of 28 December 2018, number of shares deposited through Thailand Securities Depository Co., Ltd. for depositor are included. On 5 February 2019, DTC shares held by Central Pattana Public Company Limited ("CPN") was acquired by Ananda Development Public Company Limited ("ANAN") amounting to 42,500,000 shares or equivalent to 5% of total paid - up share capital.

## Other securities

As the Annual General Meeting of Shareholders No. 25/2018 held on 23 April 2018, the issuance and offering of debenture was approved with the amount of not exceeding Baht 5,000 million. The meeting authorized the Board of Directors to consider the issuance and offering for sale of debentures as appropriated.

### (a) The debt instruments which have been offered for sale:

As of 31 December 2018, the Company issued and offered for sale of debentures with the following details.

#### Debentures of the Company No. 1/2018 Due 2021

Type of Debenture	:	Unsubordinated and Unsecured Debentures with a Debentureholders' Representative in the Name-Registered Certificate
Placement type	:	Placement to institutional investors and high net worth investors
Term of Debenture	:	3 years from the issuing date
Total Value of Debentures	:	Baht 1,000,000,000 (One thousand million)
Amount of Offered Debenture	:	1,000,000 (One million) units
Par value	:	Baht 1,000 (One thousand)
Offering Price per Unit	:	Baht 1,000 (One thousand)
Issuing Date	:	13 September 2018
Maturity Date	:	13 September 2021
Interest Rate	:	Fixed rate at 3.50% per year for the entire term of the Debenture
Repayment of Principal	:	One time repayment on the maturity date
Interest payment	:	Payment of Debenture Payment will be made every 6 (six) month on 13 March and 13 September for the entire term of the Debentures
Underwriter	:	Phatra Securities Public Company Limited
Registrar and Debentureholders' Representative	:	Bank of Ayudhya Public Company Limited
Credit Rating	:	"BBB+" by TRIS Rating Co., Ltd.

### (b) Unissued debt instruments

The Company's unissued debentures is at the amount of not exceeding Baht 4,000 million or equivalent in any other currency (pursuant to the resolution of the Annual General Meeting of Shareholders No. 25/2018).

# 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 per cent 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's financial statements to assure that the ability of paying such dividend is not opposed the Public Limited Companies Act. In addition, on 11 August 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 2018, the Company paid dividend for the year of 2017 by retained earnings appropriation at Baht 0.158 per share to the shareholders at a number of 850 million shares, totaling Baht 134.34 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 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	2017	2016	2015	2014	2013
1. Profit (loss), excluding Dusit Thani College	Million Baht	214	36	100	(88)	90
Profit (loss) - Dusit Thani College	Million Baht	53	78	99	67	74
<b>Total profit (loss)</b>	<b>Million Baht</b>	<b>267</b>	<b>114</b>	<b>199</b>	<b>(21)</b>	<b>164</b>
2. Number of share <sup>(A)</sup>	Million shares	850	850	85	85	85
3. Profit (loss) per share, excluding Dusit Thani College	Baht/Share	0.26	0.04	1.18	(1.03)	1.07
Profit (loss) per share - Dusit Thani College	Baht/Share	0.06	0.09	1.18	0.79	0.87
<b>Total earnings (loss) per share</b>	<b>Baht/Share</b>	<b>0.32</b>	<b>0.13</b>	<b>2.36</b>	<b>(0.24)</b>	<b>1.94</b>
4. Dividend for the year	Baht/Share	0.16	0.10	1.20	1.00	1.00
5. Dividend amount	Million Baht	*134.3	*85	*102	*85	*85
6. Dividend paid per profit (loss), excluding Dusit Thani College	%	63	236	102	-	94

Remarks: \* Appropriated from retained earnings

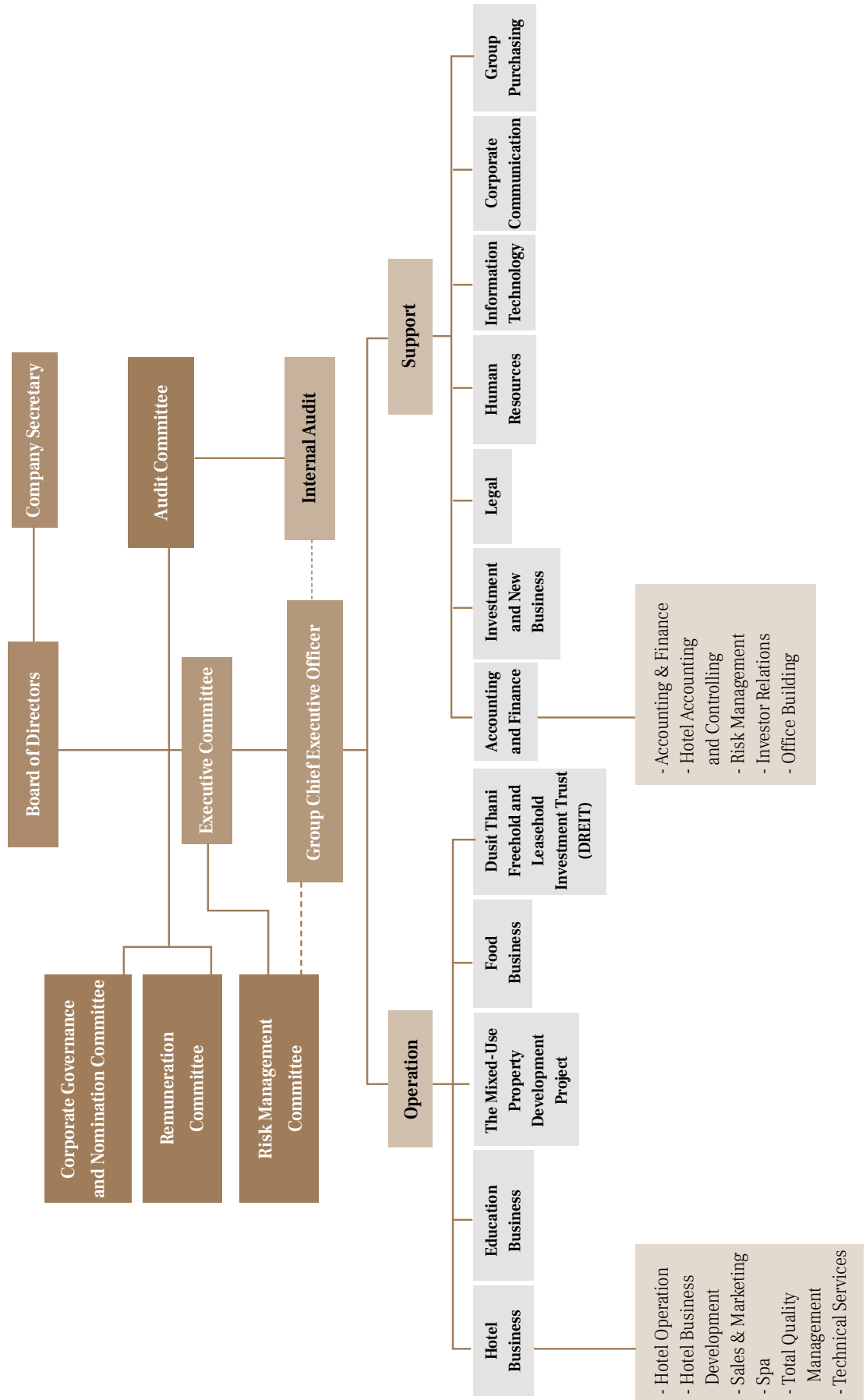
(A) There was a change of par value of the Company's shares from Baht 10 per share to Baht 1 per share in May 2016.

In the consolidated financial statements of 2013, the financial statement of Dusit Thani College which indirectly invested 86.79% by the Company was consolidated. The Company had re-evaluated the control in Dusit Thani College and concluded that Dusit Thani College is a subsidiary of the Company.

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

Management Structure as of 31 December 2018





## Board of Directors

As of December 31, 2018, the Company had General Prem Tinsulanonda as Chairman Advisor, Professor Sansern Kraichitti and Mr. Sakdi Kiewkarnkha as Advisor to the Board of Directors. Thanpuying Chanut Piyaoui as Founder and Advisor to the Board of Directors. The Board of Directors consists of 12 directors as follows:-

No.	Director	Position	No. of meeting attended	
			Board of Directors	Meeting <sup>/3</sup> without the Management
1.	Mr. Arsa Sarasin	Independent Director / Chairman	12/13	1/1
2.	Professor Hiran Radeesri	Independent Director / Chairman of the Audit Committee / Chairman of the Remuneration Committee / Chairman of the Corporate Governance and Nomination Committee	12/13	1/1
3.	Mrs. Pranee Phasipol	Independent Director / Member of the Audit Committee / Member of the Remuneration Committee / Member of the Corporate Governance and Nomination Committee	13/13	1/1
4.	Mr. Teerapol Chotichanapibal <sup>1</sup>	Independent Director/ Member of the Audit Committee	8/9	-/1
5.	Prof. Dr. Kittipong Kittayarak <sup>2</sup>	Independent Director	10/13	-/1
6.	Prof. Emeritus Dr. Khunying Suchada Kiranandana	Independent Director	11/13	-/1
7.	Mr. Pakhawat Kovithvathanaphong	Independent Director	11/13	1/1
8.	Mr. Somprasong Boonyachai	Independent Director	10/13	1/1
9.	Mrs. Varang Chaiyawan	Director / Member of the Remuneration Committee / Member of the Corporate Governance and Nomination Committee	9/13	-/1
10.	Mr. Chanin Donovanik	Vice Chairman / Chairman of the Executive Committee	13/13	-
11.	Mrs. Sinee Thienprasiddhi	Director / Executive Director	9/13	-
12.	Mrs. Suphatee Suthumpun	Director/ Executive Director / Group Chief Executive Officer	13/13	-

**Remark** \* Mr. Chatri Sophonpanich, a Honorary Chairman, deceased on June 24, 2018.

<sup>/1</sup> Mr. Teerapol Chotichanapibal was appointed as Independent director effective on April 23, 2018 replacing Mr. Kenneth Korsirisophon and was appointed as Member of Audit Committee effective on October 1, 2018 replacing Prof. Dr. Kittipong Kittayarak.

<sup>/2</sup> Prof. Dr. Kittipong Kittayarak resigned from the position of Member of Audit Committee effective on August 10, 2018.

<sup>/3</sup> The Non-Executive Director Meeting was convened on January 19, 2018.

Some directors attended the Board of Directors Meeting less than 75% due to the rescheduling of meetings causing them to be unable to attend the meeting.

The Company has 8 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 January 19, 2018 without the management.

### Shareholding of Directors and related party

Shareholding of Directors and related party of Dusit Thani Public Company Limited as of December 31, 2018 comparing with December 31, 2017.

Dusit Thani Public Company Limited								
No.	Name	Shareholding						
		Held by himself/herself		Held by Related Party		Total		Increase (Decrease)
		2018	2017	2018	2017	2018	2017	
1	Mr. Arsa Sarasin	-	-	-	-	-	-	-
2	Professor Hiran Radeesri	-	-	-	-	-	-	-
3	Mrs. Pranee Phasipol	-	-	-	-	-	-	-
4	Mr. Teerapol Chotichanapibal	-	-	-	-	-	-	-
5	Prof. Dr. Kittipong Kittayarak	-	-	-	-	-	-	-
6	Prof. Emeritus Dr. Khunying Suchada Kiranandana	-	-	-	-	-	-	-
7	Mr. Pakhawat Kovithvathanaphong	-	-	-	-	-	-	-
8	Mr. Somprasong Boonyachai	-	-	-	-	-	-	-
9	Mrs. Varang Chaiyawan	-	-	21,911,080	21,911,080	21,911,080	21,911,080	0
10	Mr. Chanin Donavanik	526,000	526,000	423,389,440	423,389,440	424,475,680	424,475,680	0
11	Mrs. Sinee Thienprasiddhi	560,240	560,240					
12	Mrs. Suphaje Suthumpun	-	-	-	-	-	-	-
<b>Total (Shares)</b>		<b>1,086,240</b>	<b>1,086,240</b>	<b>445,300,520</b>	<b>445,300,520</b>	<b>446,386,760</b>	<b>446,386,760</b>	<b>0</b>

## Authorized Directors

Directors who have authorization to sign the Company's binding are Mr. Chanin Donavanik, Mrs. Sinee Thienprasiddhi and Mrs. Suphaje Suthumpun. Two of these Directors must jointly sign and affix the Company's seal.

## Management Team

Management Structure of the Company as of December 31, 2018

No.	Name	Position
1.	Mrs. Suphaje Suthumpun	Group Chief Executive Officer
2.	Mr. Narongchai Wongthanavimok	Group Chief Financial Officer
3.	Ms. La-ea Kovavisaruch	Chief Investment Officer
4.	Mrs. Chitanong Poomipark	Chief Legal Officer
5.	Mr. Boon Kwee Lim	Chief Operating Officer
6.	Dr. Niramol Jindanuwat	Chief People Office
7.	Mr. Siradej Donavanik	Vice President of Development & Projects and Interim Managing Director, Dusit Hospitality Education

**Remarks:** \* Mr. Narongchai Wongthanavimok 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 2018, executives who are not Directors did not hold/purchase/sell the Company's share.

## Company Secretary

The Board of Directors Meeting No.7/2016 held on September 29, 2016 approved the appointment Miss Mantanee Surakarnkul as a Company Secretary, effective on October 1, 2016 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 To 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 To report to the Board of Directors regarding new law which concerns the company business including additional items, 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 To 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 To monitor and coordinate with Directors and Sub-committee 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 To 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 To follow up with the Management performing the resolution and suggestion of the Board of Directors.
- 3.2 To monitor and follow up with the Management performing according to the law and regulation concerning company business.
- 3.3 To 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 To be a center in contacting with various institutes and minor investors, especially concerning with the good governance matter.

### **5. Others**

- 5.1 To monitor and prepare shareholders meeting to be compliance with the law, accuracy and transparency.
- 5.2 To 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 compensation 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 2018 was as follows:

#### **• Remuneration in Cash**

##### **1. Meeting Remuneration:**

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

- Monthly remuneration: Chairman is Baht 30,000 and other directors is Baht 20,000 each.
- Meeting remuneration: Chairman is Baht 25,000 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 15,000 each.
  - Meeting remuneration: Chairman of Audit Committee is Baht 20,000 and other members is Baht 15,000 each.
- Compensation Committee and Governance and Nomination Committee:
  - Meeting remuneration to Chairman is Baht 20,000 and other members is Baht 15,000 each

**2. Annual Remuneration:** The annual remuneration to Directors is considered and approved by the Annual General Meeting of Shareholders. In 2018, the summary of remuneration received by each director was as follows:



Dusit Thani Public Company Limited

Name	Year 2018						
	Board of Directors					Other committees*	Total Remuneration
	Monthly Remuneration	Meeting Remuneration	Off-site Meeting Remuneration	Non-Executive Directors Meeting Remuneration <sup>3</sup>	2017 Annual Remuneration	Remuneration	
1. Mr. Arsa Sarasin	304,000	255,000	25,000	20,000	223,000	-	827,000
2. Professor Hiran Radeesri	202,667	180,000	-	15,000	112,000	660,000	1,169,667
3. Mrs. Pranee Phasipol	202,667	180,000	15,000	15,000	112,000	466,333	991,000
4. Mr. Teerapol Chotichapibal <sup>1</sup>	165,334	105,000	15,000	-	-	75,000	360,334
5. Prof. Dr. Kittipong Kittayarak <sup>2</sup>	202,667	135,000	15,000	-	112,000	201,333	666,000
6. Prof. Emeritus Dr. Khunying Suchada Kiranandana	202,667	150,000	15,000	-	112,000	-	479,667
7. Mr. Pakhawat Kovithathanaphong	202,667	150,000	15,000	15,000	112,000	-	494,667
8. Mr. Somprasong Boonyachai	202,667	150,000	-	15,000	112,000	-	479,667
9. Mrs. Varang Chaiyawan	202,667	120,000	15,000	-	112,000	115,000	564,667
10. Mr. Chanin Donavanik	202,667	180,000	15,000	-	112,000	-	509,667
11. Mrs. Sinee Thienprasiddhi	202,667	120,000	15,000	-	112,000	-	449,667
12. Mrs. Suphaje Suthumpun	202,667	180,000	15,000	-	112,000	-	509,667
<u>Directors who retired in 2018</u>							
1. Mr. Kenneth Korsirisonphon	37,333	1,905,000	-	-	-	-	37,333
<b>Total Remuneration</b>	<b>2,533,337</b>		<b>160,000</b>	<b>80,000</b>	<b>1,343,000</b>	<b>1,517,666</b>	<b>7,539,003</b>
<u>Advisors</u>							
1. Professor Sansern Kraichitti	202,667	120,000	-	-	112,000	-	434,667
2. Mr. Sakdi Kiewkarnkha	202,667	180,000	15,000	-	112,000	-	509,667
<b>Total Remuneration</b>	<b>405,334</b>	<b>300,000</b>	<b>15,000</b>	<b>-</b>	<b>224,000</b>	<b>-</b>	<b>944,334</b>
<b>Total (Baht)</b>	<b>2,938,671</b>	<b>2,205,000</b>	<b>175,000</b>	<b>80,000</b>	<b>1,567,000</b>	<b>1,517,666</b>	<b>8,483,337</b>

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

<sup>1</sup> Mr. Teerapol Chotichanapibal was appointed as Independent Director effective on April 23, 2018 replacing Mr. Kenneth Kosirisonphon and was appointed as Member of Audit Committee effective on August 10, 2018, replacing Prof. Dr. Kittipong Kittayarak

<sup>2</sup> Prof. Dr. Kittipong Kittayarak resigned from the position of Member of Audit Committee effective on August 10, 2018.

<sup>3</sup> Non-executive committee meeting was convened on January 19, 2018.

**Remuneration for the Board of Directors**

Remuneration*	Amount (Baht)	
	Year 2017	Year 2018
Monthly and meeting remuneration	4,021,333	6,196,003
Annual remuneration	850,000	1,343,000
<b>Total</b>	<b>4,871,333</b>	<b>7,539,003</b>

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

### Remuneration for Executives

The Board of Directors has set up Executives remuneration policy. The Compensation Committee will consider the remuneration of Group Chief Executive Officer to propose The Board of Directors for approval. For the other Executives will be considered by Executive Committee and approve appropriate remuneration individually based on their KPIs and

the Company's performance, the comparison of remuneration in the same position and industry, the survey of employees with their bosses. The Company provides benefits in short term, such as salary adjustment, annual bonus and others. Moreover, provident funds is the long term benefits. The details of remuneration for Executives in 2017-2018 were as follows:

Year	Amount (Person)	Amount (Million Baht)		
		Salary and bonus	Other benefits	Total
2017	8	62.73	14.84	77.57
2018	7	69.22	18.31	87.53

### • Other Remunerations

#### Other Remunerations for the Board of Directors

-None-

#### Other Remunerations for Executives

The Company provides which the contribution by the Company is 5 percent of the Executives' salary. In 2018, the contribution for Provident Fund paid by the Company for 7 Executives was Baht 2.79 million.

### Human Resources

#### • Total Employees

In 2018, the Company has 3,328 employees consisting of the Company and subsidiaries employees, own hotels employees included hotels under Dusit Thani Freehold and Leasehold Real Estate Investment Trust, in total of 11 hotels.

#### Employees' Remuneration

In 2018, the Company paid employees' remuneration in the amount of Baht 830.00 million which was 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 1,036.40 million with the following details:

Year 2018	Hotel Employees (person)	Executives (person)	Corporate Office Employees (person)	Total (person)	Employees' Remuneration (Million Baht)
Dusit Thani Plc.	993	23	199	1,215	830.0
Dusit Thai Properties Plc.	289	3	0	292	126.6
Dusit Management Co., Ltd.	821	3	0	824	290.9
Dusit Worldwide Co., Ltd.	-	5	51	56	128.5
Dusit Thani Properties REIT Co., Ltd.	-	1	4	5	6.7
Dusit Gourmet Co., Ltd.	-	1	-	1	2.7
ASAI Holdings Co., Ltd.	-	1	6	7	6.4
Dusit Thani Philippines, Inc.	308	1	-	309	144.2
Dusit Overseas Co., Ltd.	2	-	-	2	6.0
DMS Property Investment Pvt. Ltd.	258	1	-	259	171.2
Dusit Thani College	358	-	-	358	153.1
<b>Total</b>	<b>3,029</b>	<b>39</b>	<b>260</b>	<b>3,328</b>	<b>1,866.4</b>

**Remark:** The Company does not change the number of employees or labor disputes significantly over the past 3 years.

### Employee Development Policy

The Company believes that the growth of the Company depends on the quality and efficiency of employees. As such, the employee development policy mainly focuses on the knowledge and skills development of employees at all levels to strengthen the enterprise's potential and overall success of the Company. The Company intends to have all management and employees set their working plan in accordance with the Company's direction and goals, based on Company's Vision, which can efficiently lead the operations towards the same direction. Each department sets up its own business strategy and business plan so employees can have clear objectives and individual KPIs (Key Performance Indicators) that support the Company's operations and their responsibilities. The KPIs will be used as a standard to evaluate employee's performance.

### Employee's Learning and Development Budget

Employees are precious resources of an organization. Therefore, employee competency development is an

important policy. The Company allocated 1.5% of total annual payroll of corporate staff and 3% of total annual payroll of each hotel for employee trainings. The training courses divided in 2 categories comprise of compulsory training which the Company tailored for each position and career training which is a special course that employees can apply for, including outsourced institutions, for specific development. Training is one of the Key Performance Indicators (KPIs) and will be used for employee evaluation standards. Each employee is evaluated during the fourth quarter of every year.

### New Staff Orientation

All new employees shall attend orientation training which consists 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 and regulations 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 based on Dusit 4Cs training model

Type	Grade 1-2	Grade 3	Grade 4-5
Compulsory Training	<ul style="list-style-type: none"> <li>• New Staff Orientation</li> <li>• Dusit Graciousness Course</li> <li>• Performance Appraisal</li> <li>• Behavior-based interview</li> <li>• Professional Trainer</li> <li>• Maintain Discipline</li> </ul>	<ul style="list-style-type: none"> <li>• New Staff Orientation</li> <li>• Dusit Graciousness Course</li> <li>• Frontline Leadership (8 modules)</li> <li>• Behavior-based interview</li> <li>• Operational Trainer</li> <li>• Maintain Discipline</li> </ul>	<ul style="list-style-type: none"> <li>• New Staff Orientation</li> <li>• Product Knowledge</li> <li>• Job Skill (SOPs)</li> <li>• Dusit Graciousness Course</li> <li>• Frontline Leadership (For Grade 4)</li> <li>• Operational Trainer (For Grade4)</li> </ul>
Career Training	<ul style="list-style-type: none"> <li>• Management courses Related to individual development plan (IDP)</li> </ul>	<ul style="list-style-type: none"> <li>• Management Courses Related to individual development plan (IDP)</li> </ul>	<ul style="list-style-type: none"> <li>• Competency Development (Related to position skills, language, and computers)</li> </ul>
Competitive Training	<ul style="list-style-type: none"> <li>• Finance for Non Finance</li> <li>• Revenue Management</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 Training</li> </ul>
Corrective Training	<ul style="list-style-type: none"> <li>• Handling Grievance</li> </ul>	<ul style="list-style-type: none"> <li>• Handling Complaint</li> <li>• Handling Grievance</li> </ul>	<ul style="list-style-type: none"> <li>• Handling Complaint</li> </ul>

### Continuous Employee Development

Employee Development is vital for Human Resource Management. The Company focuses on continuous learning and development for every employee level in order to be the best specialist to serve future expansion of the business. The Company supports each employee to attend their training according to their annual needs.

The Company assigns the development process by having training courses to increase knowledge and ability of senior staff of the Company. For example, the Leadership Program for Middle Management and Top Management. Another development process is rotating employees in different roles to challenge their ability and build their experience, as well as appointing and promoting employees to suit their responsibilities.

To ensure that the Company continues to develop employees and covers all the skills, a total training plan is used as a training guideline for employees and to assure that the all year training plan meets the Company's objectives. Moreover, the Company sets a target to achieve the total training plan at 75% which focuses on the end result of people development to increase guest satisfaction instead of the number of training hours. As a result, the training structure is established as following:

- Grade 1-3 (Management Level) employees emphasize on Company Core course, Division workshop, and Leadership Development Training.
- Grade 4-5 (Operational Level) employees, especially front line employees, emphasize on Standard Operating Procedures (SOP), training at least 2 hours per month. The rest of staff in other departments will also need to attend appropriate training related to job functions conducted within the department as well as assigned Dusit compulsory programs.

Dusit Compulsory Programs by Grade Level								
GL	NSO	DG1	DG2	ALP	OPT	HG	PA	MD
	18 hours	6 hours	18 hours	24 hours	12 hours	3 hours	6 hours	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  
 DG1 Dusit Graciousness Course  
 DG2 Dusit Signature Service  
 ALP Frontline Leadership (8 modules)

OPT Operational Trainer  
 HG Handling Grievances  
 PA Performance Appraisal  
 MD Maintaining Discipline

### Blended Learning Approach for Continuous Learning and Development

To support our staff in all level for continuous learning, The Company provides opportunities for our staff to learn through various methods besides class-room training as shown in below table.

Methods Learner	Mentoring and Coaching	Task Force Job Rotation Job Swap Exchange program or Cross-Training	Special Project / Stretch Assignment	Shadowing with Senior Leader	Workshop / Classroom (internal / external)	E-Learning	Self-Study (to support personal development)
Grade 1	✓ Executive Coaching	✓ Job Rotation (where possible, for skill enlargement)	✓ Special Project / Stretch Assignment	✓	✓ Workshop	✓ Leadership Skill (e.g., E-Cornell)	✓
Grade 2	✓ Leadership Coaching / Career Mentoring	✓ Job Rotation / Task Force for Hotel Opening	✓ Job Rotation / Task Force for Hotel Opening	✓	✓ DI Core Courses for Management	✓ Leadership Skill	✓
Grade 3	✓ Career Mentoring	✓ Job Rotation / Task Force for Hotel Opening	✓ Special Project / Stretch Assignment	✓	✓ DI Core Courses for Manager/ Supervisor	✓ - Management Skill - Job Skill	✓



Methods Learner	Mentoring and Coaching	Task Force Job Rotation Job Swop Exchange program or Cross-Training	Special Project / Stretch Assignment	Shadowing with Senior Leader	Workshop / Classroom (internal / external)	E-Learning	Self-Study (to support personal development)
Grade 4	✓ Job-related Mentoring	✓ Job Swop	-	✓	✓ DI Core Courses for Manager/ Supervisor	✓ - English - Job Skill	✓
Grade 5	✓ Job-related Mentoring	✓ Job Swop	-	-	✓ DI Core Courses for Line Staff - Interpersonal Skill	✓ - English - Job Skill	✓

### Staff Development through Blended Learning

To improve learning and development methods that matches with today's technology for our staff, we started to use Learning Management System for our staff to access and learn the lessons, complete the quizzes prior to attending the training sessions. This will also help reduce classroom training, which has less effect on hotel operations especially in guest-contact departments. Blended Learning topics are new staff orientation, Dusit Graciousness1, Dusit Graciousness2, ALP, and Dusit Gold.

### Staff Development to Support the Growth and Expansion of the Company

#### 1) Succession Planning

For the staff development to support the growth and expansion of the Company, there is the Succession Plan for the managerial level up. This is to prepare them to be ready for the next position and for long-term expansion. There were 42% of internal promotions from succession plan.

#### 2) D Star

Furthermore, high potential staffs are selected to participate in the fast-track development program called "D Star" to support the short-term growth and expansion of the Company. In 2018, there were 24.50% of internal promotions from D Star program.

### 3) LEAD Y

For the talent development, the Company has upgraded the Management Trainee Program to LEAD Y Program to develop new graduates to grow in the management level in the future. Within one year program, they are assigned to experience every department to gain the operational knowledge and skills within 2 hotels. They are also expected to submit their report with their findings and alternative solutions to the Executive team. They will be promoted to Assistant Manager Level after the program at their sponsored hotel or other hotel within the Company, and further developed to be middle and top management accordingly.

### 4) Supervisory Development Program (Management Trainee)

For Management Trainee Program, hotel could continue this program until 2018, and will be changed to Supervisory Development Program (SDP) from 2019 onwards. SDP will be managed by individual hotel to develop internal employees according to hotel needs.

# Corporate Governance Report

Dusit Thani Public Company Limited (“the Company” or “DTC”) recognizes the importance of the good corporate governance with confidence that the business operation with ethics, transparency and auditability will enable the Company to achieve its goals of sustainable growth and to strengthen its competitiveness and trust of shareholders, investors and all stakeholders. The Board of Directors serves as a role model in adhering to the code of conduct and the corporate governance policy.

The Company is committed to incessantly conduct its business with transparency, fairness and good corporate governance in conformance to both domestic and international principles, including those regulated by the Stock Exchange of Thailand (SET), the Thai Institute of Directors Association (IOD), the Organization for Economic Co-operation and Development (OECD). Besides applying these rules as part of its code of conduct and policies, the Company has specified guidelines to ensure correct implementation leading to tangible outcomes.

## 1. Corporate Governance Policy

The Board of Directors’ Meeting No. 4/2019 on March 15, 2019 acknowledged the Corporate Principles of Listed Companies 2017 and considered and approved the application of the CG Code Principles that are suitable for the business of the Company. In order to not only sustainably create value to the business but also enhance trust and confidence to its shareholders, the Company will start to implement eight CG Code Principles, as follows:

Principle 1	Establish Clear Leadership Role and Responsibilities of the Board
Principle 2	Define Objectives that Promote Sustainable Value Creation
Principle 3	Strengthen Board Effectiveness
Principle 4	Ensure Effective CEO and People Management
Principle 5	Nurture Innovation and Responsible Business
Principle 6	Strengthen Effective Risk Management and Internal Control
Principle 7	Ensure Disclosure and Financial Integrity
Principle 8	Ensure Engagement and Communication with Shareholders

### Principle 1 Establish Clear Leadership Role and Responsibilities of the Board

The Company has established clear leadership role and responsibilities of the Board. The Board has authority and duty to operate the Company’s business in strict conformance to the law, objectives, company regulations, and meeting resolution of the shareholders. The Board will consider and define vision, mission, objectives, policies, directions, strategic plans, action plans, and annual budget of the Company as well as manage and follow up the operation to be in accordance with the law, policies, plans, and annual budget of the Company. Its duties also include the Company’s performance evaluation and performance report as well as ensure that every person in the Company truly understand and realize such roles, duties, and responsibilities of the Board of Directors, the sub-committees, the Management, and the employees. (Relevant details on roles, duties, and responsibilities of the Board appear in 3. under 2. Director under “Roles, duties and responsibilities of the Board of Directors”)

The Company has appointed sub-committees which consists of the Audit Committee, the Remuneration Committee, Executive Committee, Corporate Governance and Nomination Committee, the Risk Management Committee and Group Chief Executive Officer. The sub-committees shall support, monitor, and manage the business operation to be in accordance with the laws, policies, plans and annual budget of the Company. The Company also clearly defines the scope of authority, duties, and responsibilities of the sub-committees and Group Chief Executive Officer (More details on roles, duties, and responsibilities of sub-committees appear in 2. Sub-Committees. Relevant details on roles, duties, and responsibilities of Group Chief Executive Officer appear in 3. Nomination and Appointment of Director and Top Executive under “Roles, duties and responsibilities of Group CEO”)

In addition, The Company defines and approves the charter and informed the Board of Directors and the sub-committees as well as reviews the charter every year at least once a year in order to make improvements to be complied with the Company’s business direction. Moreover, the Company defined business ethics and policies regarding the corporate governance as a practice guide to conduct good corporate governance, respect the shareholders and interested persons’ rights, operate the business that benefits society and the environment and properly handle the changing factors and situations.

The Board of Directors' Meeting No. 4/2019 reviewed the charter of the Board and the sub-committee's business ethics and policies regarding corporate governance. The Company improved its regulations and principles to be in accordance with the law, announcement, regulations, and improved corporate governance principles by related departments and the Company's business direction.

## **Principle 2 Define Objectives that Promote Sustainable Value Creation**

The Board of Directors has defined clear vision, mission, and value of the Company to be aligned with its business direction and objectives. Its mission is to communicate and provide all employees knowledge about goals and objectives of the organization in order for them to accomplish such goals and objectives. (More details on vision, mission, and value appear inside front cover of the annual report) The Company has communicated and trained its employees on the vision, mission, and value of the Company and announce on the Company's website with the aim to communicate objectives and business strategy principles as a preparation for business expansion.

The Company recognizes the importance of strengthening its foundations for the growth of the business, emphasizes on creating organizational culture, and promote the use of innovation and effective technology to enhance customer satisfaction as well as manage to utilize the Company's assets in an economical and efficient way.

The Company also reviews and considers strategic plans and budget annually to ensure that its strategic plans and budget is in accordance with economic condition and the capacity of the organization. The Company's Group Chief Executive Officer has duty to operate the business and achieve the defined strategy and budget. The Board of Directors' Meeting No. 3/2019 has determined the 2019 annual budget to be complied with the Company's business expansion plans.

## **Principle 3 Strengthen Board Effectiveness**

The Company has designed the Board's structure to be aligned with its business and size as required by law. The Board's structure must consist of at least five directors with qualifications, skills, and experience that will benefit the Company's operation, including skills on hotel management, finance, foreign investment, information technology, and law. Moreover, consideration is also given to Board diversity. The nominated directors should also have morality and good attitude towards the organization. In addition, the Board of Directors requires the number of executive directors and non-executive directors to be balanced and the number of independent directors must be at least half of the total members of the Board of Directors.

The Board of the Company consists of twelve directors who are knowledgeable, skillful and experienced with three being executive directors, one being non-executive directors and eight including two women being independent directors. The number of the independent directors is equivalent to one-third out of total directors as required by good corporate governance principles. The Chairman of the Board shall be an independent director and shall not be the same person as the Group Chief Executive Officer (Group CEO) and do not belong to any sub-committees in view of clear-cut responsibilities and duties.

The qualifications of the independent directors are defined based on the criteria required by the Securities and Exchange Commission, however, the Company defined the qualifications of the independent directors beyond such criteria required by the Securities and Exchange Commission. (More details on qualifications of the independent directors appear in 3. under 1. Independent Director under "Qualifications of Independent Director")

The Company allows the independent directors to hold directorship in the Company for no longer than nine consecutive years from the date of initial appointment unless the persons are being considered and approved by the Board of Directors. In 2018, there is no report on the independent directors with nine years of directorship.

The Company appointed one independent director to hold the position as the Chairman of the Committee. The person must not hold position as Chief Executive Officer or the Group Chief Executive Officer or any positions in the sub-committees to clearly distinguish the responsibility for formulating corporate governance policy and general management plans.

The Board of Directors' Meeting plans have to be held at least 6 times a year in which the directors are required to attend at least 75 percent of the Board's meetings held in a year, except in case of necessity. (More detail on The Board of Directors' Meeting appear in 3. under 2. Director under "The Board of Directors' Meeting". More details on the sub-committee's meeting appear in 2.)

The Board of Directors has duty to consider, provide opinions, make a decision and cast vote to protect the interest of shareholders. Hence, independence of directors is definitely recognized. The Company allows the independent directors to adequately access financial and business information to freely provide recommendations, maintain the interests of related persons, attend the meeting regularly and to have a meeting each other at least once a year.

The Company allows each director to hold directorship in other companies under the criteria stated below.

- Each director may hold office in Dusit Thani Public Company Limited, subsidiaries and affiliated companies. However, independent directors are not permitted to hold office in subsidiaries and affiliated companies.
- Each director must not hold directorship in more than five other SET-listed companies. The Group Chief Executive Officer must not hold directorship in more than two other SET-listed companies with the approval from the Board of Directors.
- Each director must not conduct business, engage in partnership or hold directorship in other companies in which the business is similar to or competitive with the business of the Company, unless the directorship is approved by shareholders' meeting before the appointment. This is except for directorship in the subsidiaries of the Company.

The Company presented the directors and executives' information such as age, education background, experience, shareholding, office term, meeting attendance, directorship in other listed companies, roles, duties, and responsibilities as well as report the performance of the sub-committees in the annual registration statement (56-1 form) and the annual report.

The transparency of the appointment of the Board of Directors and Executives must be considered. The Board appoints the Corporate Governance Committee which consists of independent directors, at least half of the total members of the Corporate Governance Committee. The Nomination Committee will be considered and appointed from the independent directors to recruit and select directors who are knowledgeable, skillful and experienced and able to bring benefits to the Company's business in accordance with the defined criteria and procedures. The Board of Director's Meeting and/or shareholder's meeting will consider and appoint the nominated persons as the Company's directors or executives (More details on the Corporate Governance and Nomination Committee appear in 2. Sub-Committees under 3. Corporate Governance and Nomination Committee)

The Company appointed the Remuneration Committees to consider and define compensation policy and procedures for the Board of Directors, the sub-committees, and the Group Chief Executive Officer based on the Company's performance, roles, duties, and responsibilities, and other companies with similar business. Such compensation must not be considered too high and it shall be proposed to the Board and/or the shareholder's meeting for approval and the Company shall disclose the payment of its Boards of Directors both monetary and non-monetary form in the annual

registration statement (56-1 form) every year. (More details on the Remuneration Committee appear in 2. Sub-Committees under 2. Remuneration Committee)

In addition, the Company appointed the Company Secretary to support the Company's performance and supervise the directors and executives to follow the law, regulations, and corporate governance of the Company appropriately and constantly. The Company Secretary is also responsible for holding the Board of Directors' meeting and shareholder's meeting as well as supports and oversees the Board's activities to be efficient, effective and in consonance with law, rules, regulations, and corporate governance principles and handles other duties as required by the law. (More details on the Company Secretary appear in 3. Nomination and Appointment of Director and Top Executive under "Appointment of Company Secretary")

#### **Principle 4 Ensure Effective CEO and People Management**

The Company has clearly defined the succession plan for the organization and has continuously improved the executives through trainings and seminars to effectively run the business.

The appropriate compensation motivates the Group Chief Executive Officer and executives who highly benefit the Company and its shareholders through hard work. The directors will be assigned to annually review and consider the compensation of the Group Chief Executive Officer and report to the Board of Directors' Meeting for approval.

The Company encourages the Board of Directors to undergo additional trainings hosted by various organizations to enhance their knowledge and perspective which will be beneficial in the consideration of the succession plans and director's manual. The Director's orientation is held to inform the new directors regarding the business of the Company and related regulations (More details on the operation appear in 2. Sub-Committees under "Director's Orientation" and "Development and Knowledge Enhancement of the Board").

The Company evaluate the performance of the Group Chief Executive Officer and key executives as least once a year to set criteria for their compensation and measures to further improve work efficiency of the executives.

#### **Principle 5 Nurture Innovation and Responsible Business**

With its business nature, the Company's growth depends profoundly on its quality and interest of the customers. The Company sees the importance of the improvement of service quality as modern innovation and technology are the keys to successfully enhance its competitive competence. The Company gradually adapts innovation and technology to improve its service quality in order to meet the demand and interest of the customers.



The Board of Directors is fully aware of the rights of internal and external stakeholders in order to promote comprehension and the collaboration between the Company and stakeholders which will benefit the business operation, create confidence, and enhance a long-term competitive competence. The Company has determined policies and practices as follows:

#### **Shareholders**

- Stimulate growth with quality and stability for the shareholders' sustainable benefit with good and efficient performance.
- Respect the shareholders' equal rights to receive necessary information. Disclose correct and actual information.
- Conduct business based on honesty, transparency and fairness. Relevant details appear under "Rights of Shareholders" and "Equitable Treatment of Shareholders".

#### **Employees**

- Maintain work safety and work environment on a regular basis.
- Provide employees' welfare such as health insurance, provident fund, medical treatment fee and re-compensate in accordance with the law.
- Continually support and enhance knowledge development and career advancement to employees at all levels.
- Encourage the employees to use their knowledge and capability.
- Give an opportunity in career growth and advancement along with the Company's success.
- Arrange various activities to enhance knowledge and capability development.
- Offer employees the proper benefit in accordance with their knowledge, responsibility and duty performance in line with the Company's operating results in short term such as profit of the Company each year and long term such as KPIs working performance.

#### **Customers**

- Treat customers properly in compliance with the agreed terms.
- Treat all customers fairly and equally.
- Maintain good relationship with customers all the time and develop long lasting relationships with customers.
- Receive suggestions and/or complaints from customers and make improvement to satisfy the customers.
- Ensure safety for health, life, and property of customers.
- Provide complete, correct, and actual information.
- Keep customer's information confidentially and do not improperly utilize customers' information for personal or related person's benefit.

#### **Competitors**

- Compete under a fair competition framework
- Maintain the trade competition practices.
- Do not use dishonest means to harm competitors.

#### **Trading partners**

- Conduct business in the ways which are not against traditions and culture.
- Comply with terms, conditions and agreements.
- Treat all trading partners properly, equally and fairly.
- Establish criteria for selection of trading partners by considering expertise in business, stable financial status, no abandonment record, ability to deliver work and goods as required, quality and standard of work and goods and reasonable price.

#### **Creditors**

- Strictly respect contracts, agreements or conditions with creditors.
- Treat all creditors properly, fairly and equally.
- Refrain from demanding, receiving or offering any illicit benefits from/to creditors.

#### **Community, Society, Resources and Environment**

- Participate in activities which support and enhance society and community.
- Support, sponsor and collaborate with government and community in activities of community, society and educational institutions.
- Encourage employees to have a sense of social, community and environmental responsibility.
- Encourage employee to arrange or participate in activities relating to environment.
- Comply with environmental laws and regulations for sustainable environmental conservation.
- Support and collaborate in activities aiming at environmental conservation.
- Use resources, materials or equipment at their maximum efficiency and capacity.
- Control and keep materials and equipment to meet standards to reduce the use of natural resources.

#### **Policy and Practices on Human Rights and Adherence to Laws**

A key basis of the Company's business conduct is legal compliance, which includes domestic and foreign laws, as well as relevant customs, traditions, and cultures. The Company also strictly observes the laws of every targeted country to ensure that its overseas investments are properly and transparently executed.

Recognizing the importance of human rights which is the basic right of human beings, the Company promotes and respects the protection of human rights, and ensures that its

business conducts have no connection with any human rights violation such as forced labor or child labor. All stakeholders are treated fairly on human dignity and non-discrimination of national origin, race, gender, age, skin color, religion, physical condition, status, or birth. It also promotes the monitoring of human rights compliance within the Company and encourages subsidiary companies, investors, business partners, and all stakeholders to observe the international standards of the principles of human rights. Another example of the Company's human rights practices is the protection of stakeholders whose rights are affected by the Company's operation by offering compensation at a rate comparable to what is stated by the law.

### **Policy and Practices on Intellectual Properties**

The Company conducts its business and encourages its employees to perform their duties strictly under the law or regulations on intellectual property rights, whether in trademarks, patents, copyrights, classified commercial information, or other stipulated categories of intellectual property, such as using only licensed software that has been inspected and installed by the Company's Information Technology Department, and encouraging employees to ensure that the application of research findings or other data in their work does not constitute a violation of other people's intellectual property rights.

### **Principle 6 Strengthen Effective Risk Management and Internal Control**

The Company formulates the internal control system that covers financial aspect and business operation as required by laws, regulations, and corporate governance principles of the Company. The Company also provides effective checks and balances to protect the Company's asset regularly, defines the procedures for approval authority, provide checks and balances for the responsibilities of the executives and employees, and define operational regulations in written form.

The Company appointed its Internal Audit Department to monitor the performance of all departments and guide them to act according to the defined practices as well as evaluate the efficiency and adequacy of internal control of each department in the Company and directly report the results to the Audit Committees to ensure its independence so that the Internal Audit Department can fully perform their duty in checks and balances.

The Board of Directors recognizes the importance of enterprise wide risk management and appoints the Risk Management Committee chaired by the Group Chief Executive Officer and consisting of the Company's top executives, department heads and representatives from each department as the Board's representative to conduct the risk management of the Company. The Risk Management Committee appointed the Executive Sub-committee to handle the risk in different

business lines of the Company. The Risk Management Committee must report on the overall organizational risk management to the Audit Committee every quarter and to the Board of Directors at least once a year.

In addition, the Company is aware of the importance of anti-corruption by establishing clear policies and practice and inform them to related person to act accordingly. It also defined policies and practices of whistle blowing and filing a complaint as a key mechanism to guide related persons to follow the Corporate Governance Policy.

### **Policy and Practices against Fraud and Corruption**

The Company has undergone the certification process and become an ally of the Private Sector Collective Action Coalition against Corruption (CAC) Council, jointly initiated by the Thai Institute of Directors (IOD), Thai Chamber of Commerce, Joint Foreign Chambers of Commerce, Thai Listed Companies Association, Thai Bankers' Association, Federation of the Thai Capital Market Organizations and Federation of Thai Industries since October 16, 2015 and has continuously carried out the following measures:

- Formulate policy and practical guidelines on anti-fraud and corruption and non-bribery. (More details appeared in "Dusit Thani and Sustainability Development")
- Support public and private sections for anti-fraud and corruption measures.
- Provide knowledge to employees through training and orientation.

In 2018, the Company continually communicated and provided all employees training about policy and practical guidelines on anti-fraud and corruption and relevant policies. All employees at all levels shall be provided 1-hour training on anti-corruption and human rights by the Human Resource Department of the Corporate Office and can access to such policies via the Company's intranet.

### **Whistle-Blowing Policy**

The Board of Directors provides channels for all stakeholders to contact and file a complaint in the matters which may cause damage to the Company by submitting a letter to the Audit Committee members or Executives or Internal Audit as follows:

### **Audit Committee**

- Professor Hiran Radeesri  
Address: 257, Soi Sukhumvit 49, Sukhumvit Road, Khlong Tan Nuea, Wattana, Bangkok 10110
- or
- Mrs. Pranee Phasipol  
Address: 44, Soi Tiwanon 40, Tasai, Mauang, Nonthaburi 11000

or

- Mr. Teerapol Chotichanapibal  
Address: 749/1 Soi Phaholyothin 54/4 Section  
Khankai 1, Saimai District, Bangkok 10220

#### **Group Chief Executive Officer**

Mrs. Suphaje Suthumpun

Address: Dusit Thani Public Company Limited, 319  
Chamchuri Square Building,  
29<sup>th</sup> Floor, Phayathai Road, Pathumwan, Bangkok  
10330, Thailand

#### **Company Secretary**

Ms. Mantanee Surakarnkul

Address: Dusit Thani Public Company Limited, 319  
Chamchuri Square Building,  
29<sup>th</sup> Floor, Phayathai Road, Pathumwan, Bangkok  
10330, Thailand

#### **Director of Internal Audit**

Mr. Attapol Watjarapairoj

Address: Dusit Thani Public Company Limited, 319  
Chamchuri Square Building,  
29<sup>th</sup> Floor, Phayathai Road, Pathumwan, Bangkok  
10330, Thailand

#### **Protection of Whistle-Blower**

The rights of whistleblowers will be protected under the law. Whistleblower who is the Company's employee, customers, and outsourced persons if inform, report or provide information under the scope of the complaint in good faith without intention to harm or cause damage to any person or the Company shall be properly protected, such as no change of job, workplace, suspension, salary reduction, termination or other action deemed unfair to the staff.

#### **Principle 7 Ensure Disclosure and Financial Integrity**

The Company strives to conduct our business in accordance with law, rules and related obligations on disclosure of information. The Company also recognizes the importance of information disclosure and has policy to disclose the Company's important financial and non-financial information to all related parties equitably, completely, adequately, reliably, timely and transparently. The following practical guidelines for information disclosure are as follows:

1. Disclose shareholding structure transparently
2. Annual report must provide detailed information on important topic as follows:
  - Financial status and operating results
  - Nature of business and competition
  - Risk factors in the business operation
  - Profile of the Board of Directors and executives

- Identification of director's independence
- Disclosure of remuneration criteria of the Board of Directors
- Compensation policy and criteria of senior executives
- Disclosure of each director's remuneration
- Disclosure of meeting attendance of each director

The board of directors is responsible for preparing Annual Report, Annual registration statement (56-1 Form) and the financial information presented in this annual report. The aforementioned financial statements have been prepared in accordance with Thai Generally Accepted Accounting Principles, using appropriate accounting policies consistently, as well as applying careful judgment and best estimation. Important information is adequately disclosed in the notes to the financial statements. To accomplish this task, the Board of Governors has appointed an Audit Committee responsible for the quality of financial statements. The independent and reliable auditors, approved by the Office of the SEC, are appointed to inspect and review the Company's financial statements.

3. The Company recognizes the importance and best practices on information disclosure. Details are as follow:

- 3.1 The Company has established the Disclosure Policy to be a guideline for communicating and disclosing information to avoid unfair disclosure of information to stakeholders, which may lead to abuse of inside information or stock price manipulation as well as had formulated a silent period of 30 days prior to announcement of the Company's performance through the SET community portal system. The current silent period has been published on the Company's website titled IR Calendar.
- 3.2 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 that the Company must disclose information or receive approval from shareholders under the SET's regulations, the Company shall disclose details and reason of the connected transaction to inform shareholders before proceeding such transaction.
- 3.3 The Company discloses financial information together with the report of the Board of Directors' responsibility to the financial statement, report of the independent auditor and the MD&A, also notifies significant information and decisions to the SEC and the SET completely, timely and in compliance with requirements.

- 3.4 In case there are information or news relating to the Company's operations, such as connected transaction or events that shareholders should be informed, or even though there are matters that are not required shareholders' approval or disclosure by the law, the Company discloses such information/matters to shareholders or other investors through SET community portal system or the Company's website.
- 3.5 The Company has established measures on prevention and verification of the use of internal information for personal benefits by setting requirement that directors and top executives must submit the list of their securities holding and report on every change of the list to the SEC under Section 59 of the Securities and Exchange Act B.E. 2535 (amended B.E. 2559); also has stipulated a policy that directors and executives must report the sale/purchase of the Company's shares/securities holding to the Board of Directors's meeting every year.
- 3.6 The Company has established a policy on reporting of vested interest of directors and top executives by setting requirements that directors and top executives must report to the company on their own or their related persons' vested interest involved with the business management of the Company or its subsidiaries' pursuant to the requirements stipulated and announced by the Capital Market Commission. The Company discloses such information in the annual report (56-2 Form) and the annual registration statement (56-1 Form).
- 3.7 The Company appoints the auditors from KPMG Phoomchai Audit Limited who are independent, reliable and approved by the SEC.
- 3.8 The Company's financial statements have been certified by the auditors and there were no any conditionally agreed transactions and no records of corrected financial statements governed by outside institutions.
- 3.9 The company discloses roles and responsibilities of the Board and the sub-committees, number of meetings and number of attendance of each director.

The Company established the Investors Relations Department to be specifically responsible for disclosure and communication of information, whether financial or non-financial, to shareholders, investors, and securities analysts, through the Company's website: [www.dusit.com](http://www.dusit.com), in both Thai and English version, including mass media and telephone. The company hopes the Investor Relation Department will serve as the center for disseminating, handling enquiries and receiving and exchanging shareholders or investors' opinion. Shareholders, investors, securities analysts and interested persons may contact the Company for additional information at:

Ms. Suthipa Vacharotayangul  
Investor Relations Department  
Dusit Thani Public Company Limited  
Telephone: +66 (0) 2200 – 9999 ext. 3676  
E-mail: [ir@dusit.com](mailto:ir@dusit.com)

2018 investor relations' activities are as follow:

- 2 Analyst meetings
- 3 Roadshows/ Investor Conferences
- 13 Company Visits/ Conference Calls

#### **Principle 8 Ensure Engagement and Communication with Shareholders**

The Company gives an importance and treats all shareholders equally and no any shareholder gets special privileges i.e. the right to buy, sell, or transfer shares and share in the profit of the company including obtaining relevant and adequate information on the company completely, timely, adequately and equitably for effective decision making in various aspects .

1. The Company has determined the policy that directors and executives shall inform the Board of Directors or person assigned by the Board about trading of the Company's share at least 1 day before execution.
2. The Company has put in place internal regulations to prevent abuse of inside information and conflicts of interest. (Relevant details appear under "Monitoring of the Use of Inside Information" and "Monitoring Conflicts of Interest").
3. Transactions with possible conflicts of interest must be submitted to the Audit Committee for their review and comments before submission to the Board and shareholders' meetings for approval, if applicable. The Company discloses complete, essential information under the law and regulations. (Relevant details appear in "Monitoring of Conflicts of Interest").

The Company recognizes the importance of shareholders' rights and affording equal treatment to all shareholders. Relevant guidelines have been adopted for actual actions (before, during and after meetings) for all shareholders' meetings.

1. Provided shareholders the right to propose agenda items, as stipulated by law, or agenda relating to any transactions that affects the company.
2. Shareholders should be fully informed of the criteria and procedures governing shareholder meetings with the meeting invitation. Sufficient information regarding the issues to be decided in each agenda item should be provided in advance of the meeting. Shareholders should be able to query directors both in the meeting and by sending their questions in advance. The the criteria and procedures governing shareholder meetings will be set out and published through the Company's website. All



the essential inquiries shall be collected and proposed in the next meeting.

3. Minor shareholders should also be allowed to propose the name of candidate for the nomination of directors or additional agendas prior the meeting. The criteria should also be clearly notified to the shareholders in advance. If the proposals are rejected, the Company shall inform the reason for the rejection and the proposals will be determined as agendas in such Annual General Meeting.
4. Facilitated shareholders who cannot attend the meeting in person being able to appoint person or at least the Company's independent director to be his/her proxy to attend the meeting and vote on his/her behalf. In addition, name and profile of the independent directors are provided in the General Shareholder's Meeting Invitation.
5. Prepared meeting's notice in English, distributed the meeting's notice and all documents relating to the meeting for foreign shareholders in addition to Thai edition.
6. Provided more communication channels through the Company's website and published invitation to Annual General Meeting 28 days prior to the date of the meeting to facilitate the shareholders. The full agenda items are also made available for downloading on the website.
7. The company provides shareholders equitably, in advance of meetings, with the date, time, venue, and all agenda items.
8. The Annual General Meeting has complied with the law and the Company's Articles of Association by considering and voting respectively. There was no any agenda item added and no amendment made to material information. The Company also provides the opportunity for shareholders equitably to make inquiries, give opinions and suggestions.
9. Voting cards has been used for important agenda items. The company should appoint an independent party of scrutineers/inspectors to count and validate votes at the annual general meeting.
10. The Company should allocate adequate time for discussion and encourage all directors to answer shareholders questions.

The minutes of shareholders meetings should include a description of list the board members who attended in the meeting, voting and vote tabulation procedures used, resolutions, voting results including questions and essential remarks within 14 days from the shareholders' meeting date. The minutes shall be reviewed by the shareholders accordingly. The video recording of the meeting has been made for reference. The minutes will be submitted to SET or related organizations in a timely manner and will be made publicly available on the Company's website.

## **The 2018 Annual General Meeting of Shareholders**

The Company recognizes the importance of shareholders' rights and affording equal treatment to all shareholders. Relevant guidelines have been adopted for actual actions (before, during and after meetings) for all shareholders' meetings.

### Before the meeting

- Provided minor shareholders the right to propose agenda items and nominate directors from October 1, 2017 to December 31, 2017. This included shareholders' right to query meeting agenda before the meeting date. Criteria for such consideration were distributed on the Company's website. However, in 2018 no shareholder proposed any name or agenda item for consideration.
- Prepared meeting's notice in Thai and English, distributed the meeting's notice and all documents relating to the meeting, such as copy of the minutes of the 2017 AGM, the 2017 annual report, profile of directors proposed to be re-elected to replace those who retire by rotation, profile of independent directors provided for appointment of proxy in case he/she cannot attend the meeting in person, proxy forms, the Company's Articles of Association regarding shareholders' meeting, documentation and evidence required to be presented on the date of the meeting and map of the meeting venue, to shareholders not less than 14 days ahead. The meeting's notice was also posted on the Company's website to allow shareholders to get documents in advance and have enough time to study before the meeting.
- In the meeting's notice, the Company enclosed essential, adequate facts and rationale as well as directors' opinion on all agenda items for shareholders' consideration. The AGM's agenda items comprise:
  - 1) dividend payment: the Company provided information about dividend payment policy, proposed dividend amount with rationale in comparison with the amount paid in the previous year for consideration,
  - 2) nomination of directors: the Company provided basic information of candidates including name, age, type of directorship, position held in the Company, education background, director training/ seminar courses attended, working experience, director position held in other listed companies/ companies, date of being a director of the Company, number of service years and participation of committees' meeting as member of each committee,
  - 3) compensation: the Company provides information on the policy, amount and forms of compensation, criteria and procedures for determining compensation,

- 4) appointment of external audit: the Company provide information of the names of the auditors and their affiliations, the number of service years with the audit company for consideration of the suitability of the auditor's fee, presently separately from other fees.
- In 2018 Annual General Meeting, the board unanimously approved the additional agenda of the issuance and offering debentures. The aforementioned transaction was reported to SET and disclosed on April 19th, 2018. The reason that this agenda is proposed close to the date of the Annual General Meeting of Shareholders because it is considered that the issuance of the debentures will be give then Company to have lower cost of capital faster if the shareholders consider and approve of the issuance and offering of the debentures which will be the best benefits to the Company and shareholders. The proposal to shareholders to consider and approve issuance and offering of debentures, which was already expired and was not renewed, is based on the same total amount and objectives as proposed in 2007 and 2011 Annual General Meeting.

The related material document was distributed to the shareholders at the registration. During the meeting, the chairman proposed to the shareholders to consider and approve of the additional agenda and the shareholders approved of the issuance and offering of debentures with 708,479,710 votes, totaling in 83.3505%. After the hearing of the additional agenda, the shareholders unanimously approved of the issuance and offering of debentures with 708,594,310 votes, totaling in 99.9984.

- Facilitated shareholders who cannot attend the meeting in person being able to appoint person or the Company's independent director to be his/her proxy to attend the meeting and vote on his/her behalf by enclosing in the meeting's notice the Proxy Form A and Form B, formulated by the Department of Business Development, Ministry of Commerce, on which they can state their preference together with details about how to appoint the proxy to shareholders' meeting. Shareholders can download proxy Form A, B and C from the Company's website. In addition, name and profile of the two independent directors are provided for shareholders' voting by proxy.

#### During the Meeting

- The 2018 AGM was held on Thursday, April 23rd, 2018 at 14.00 hrs. at Dusit Thani Hall, 946, Rama 4 Road, Silom, Bangrak, Bangkok which is the location where the Company's Head Office located nearby and where shareholders are able to convenient come to the meeting. A total of 342 shareholders personally attended or were represented by proxies, amounting to 702,446,965 shares of total 850,000,000 issued shares, representing 82.6408 percent of total issued shares of the Company. A meeting quorum was constituted in accordance with the Section

103 of the Public Limited Company Act, B.E. 2535 and the Section 30 of the Company's Articles of Association. There were 11 of total 12 directors, representing 91.6 percent and four executives, namely Chief Financial Officer, Vice President of Finance, Managing Director of Property Development Department, including Company Secretary and the auditors from KPMG Phoomchai Audit Limited (KPMG) presiding over the meeting to report the operating results of the Company to shareholders as well as to answer inquiries and to listen to suggestions/comments in various subjects raised by the shareholders. The Company also invited an independent representative from KPMG to act as witness to monitor vote casting and vote counting.

- The Company provided at least a two-hour registration period before the meeting. Barcode and computer systems eased registration and vote counting to speed up the process and ensure information accuracy and reliability.
- The Company provided shareholders with voting rights equivalent to the number of shares held. One share yields one vote. There was only one type of share, which is ordinary share.
- Shareholders were informed by the Company Secretary about the vote-tallying procedures before the shareholders' meeting.
- The Company introduced the use of ballots for casting votes. The ballots were prepared separately for each agenda item for shareholders' voting convenience.
- The Company provided shareholders with the rights to exercise their votes on the nomination of directors by electing them one by one so that shareholder can nominate the preferable candidate.
- The Company transparently conducted the AGM by following respective agenda items as stated in the meeting's notice, in strict conformance to the law and the Company's regulations. Representative from KPMG were invited to witness the vote counting.
- The Company informed voting results of each respective agenda item to shareholders at the meeting.
- Shareholders were allowed to attend the meeting in progress and vote on remaining agenda items.
- The Company allowed shareholders to freely express their views and raise their questions before vote casting and recorded such questions. The Company clearly provided detailed information of each agenda. In case shareholders have doubt or inquiries on the agenda, the Company provided directors and relating person to clearly answer all aspects of shareholders' questions.

### After the Meeting

The Company submitted the resolutions of the 2018 Annual General Meeting of Shareholders through SET community portal system on April 23rd, 2018 which was the same day of the meeting after finishing of the meeting so that shareholders who did not attend the meeting were immediately informed. The quality of minutes of shareholders' meeting was emphasized by recording the following information:

- list of directors attending and in absence at the meeting, including their position,
- voting rights and methods and the use of ballots for casting votes,
- shareholders' inquiries and recommendation, including shareholders' names and explanation of directors or the Management,
- resolutions of shareholders' meeting and voting tally on every agenda item that included voting

## 1. Audit Committee

The Audit Committee was established on June 24, 1999 consisting of three independent directors namely:

Name	Position
1. Professor Hiran Radeesri	Chairman of the Audit Committee
2. Mrs. Pranee Phasipol	Member of the Audit Committee
3. Mr. Teerapol Chotichanapibal	Member of the Audit Committee

and to have Mr. Attapol Watjarapairoj, Internal Audit Director acting as Secretary to the Committee

**Remark** \* Mr. Teerapol Chotichanapibal was appointed as the Member of the Audit Committee from October 1, 2018, replacing Professor Dr. Kittipong kittayarak who resigned from this position form August 10, 2018.

Professor Hiran Radeesri and Mrs. Pranee Phasipol are Certified Public Accountants who possess accounting knowledge and have adequate experience in reviewing reliability of the Company's financial statements. (Details about the Audit Committee's educational background, training and experiences appear in "Board of Directors, Executives, Authorized Person and Company Secretary").

The Board of Directors defined and approved the charter of the Audit Committee with below details:

### 1. Compositions and Qualifications

The Audit Committee consists of three independent directors appointed by the Board of Directors and having qualifications of independent directors defined by the SEC. At least one member must possess knowledge in accounting and adequate experience to review reliability of the financial statement. The Audit Committee may appoint one person to be the committee's secretary as deemed appropriate.

The minutes of shareholders' meeting in Thai and English has been made available on the Company's website (www.dusit.com) on May 7th, 2018 (within 14 days) from the meeting date and submitted a copy to the SET and the Department of Business Development, the Ministry of Commerce within the required timeframe.

The Company complied with the AGM quality assessment project, jointly introduced by the Thai Investors Association, the Office of the Securities and Exchange Commission (SEC) and the Thai Listed Companies Association. The assessment criteria included steps undertaken before each shareholder's meeting and activities on the meeting date and afterward.

In 2018, the Company achieved 94.5 of 100 scores from quality assessment of the 2018 AGM arrangement conducted by the Thai Investors Association.

## 2. Sub-Committees

The Board of Directors gives the importance of good corporate governance and has resolved to establish four sub-committees to closely monitor and supervise the Company's business operation namely:

### 2. Duties and Responsibilities

- 2.1 Review the accuracy and adequacy of the Company's financial report.
- 2.2 Review the Company's internal control system and internal audit to ensure its suitability and effectiveness. Consider independence of the Internal Audit Office and provide views on the appointment, transfer, discharge as well as adjustment of compensation of the Head of the Internal Audit Office.
- 2.3 Review conformance by the Company to Securities and Exchange laws, SET requirements and business-related laws and ethics of the Company.
- 2.4 Consider and select an independent person to be appointed as the Company's external auditor and purpose the audit fee. Attend the meeting with the external auditor without the Company's executive at least one time a year. Also, consider the removal of the external auditor.

- 2.5 Consider related transaction or transaction which may cause conflicts of interest to be in compliance with law and SET's regulations to ensure that they are reasonable and in the Company's best interests.
- 2.6 Review the adequacy of the Company's Risk Management processes.
- 2.7 Ensure that the Company operates its business in compliance with anti-fraud and corruption measures.
- 2.8 Report its performance to the Board of Directors for acknowledgement and consideration once every quarter.
- 2.9 Prepare the Audit Committee's report for disclosure in the Company's annual report. The report must be signed by Chairman of the Audit Committee and must consist of following information:
  1. opinion on accuracy, completeness and credibility of the Company's financial report,
  2. opinion on adequacy of the Company's internal control system,
  3. opinion on compliance with by the Securities and Exchanges laws, the Stock of Thailand regulations or the laws relating to the Company's business,
  4. opinion on suitability of an external auditor,
  5. opinion on transactions which may lead to conflicts of interest,
  6. number of the Audit Committee's meeting and attendance at such meetings by each committee member,
  7. opinion or overview of comments received by the Audit Committee from its performance of duties in accordance with the charter,
  8. Other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board of Directors
- 2.10 Other duties as assigned by the Board of Directors under the Audit Committee's consent.
- 2.11 In case of any suspicious transactions or actions that may significantly affect the Company's financial status and performance, the Audit Committee shall report the findings to the Board of Directors to make any improvement or correction in a timely manner as deemed appropriate by the Audit Committee. Details are displayed below:
  1. Transaction regarding conflicts of interest
  2. Transaction regarding fraud, irregularities or significant deficiencies in internal control system

3. Any violation of SEC's laws, SET's regulations or laws relevant to the Company's business

In case the Board of Directors or the Management fails to take corrective actions on those transactions in a timeframe, any of the Audit Committee may report of such transactions or actions directly to SEC or SET.

- 2.12 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 thirty days of being informed. The method to obtain clarification on the above mentioned circumstances should be in accordance with the notification of the Capital Market Supervisory Board.

- 2.13 Verify the process of whistle blowing and filing a complaint.

- 2.14 Review the charter and self-assessment at least once a year.

### 3. Authority of the Audit Committee

- 3.1 The Audit Committee may invite the Company's directors, executives, department heads or employees to discuss or answer questions
- 3.2 If it is considered essential and suitable to do so, the Audit Committee may seek advice from the Company's advisor or may hire advisor(s) or other professional experts.

### 4. Office Term

- 4.1 The Audit Committee has an office term of three years and may hold office for maximum three consecutive terms, except for when the Board considers extending the term of an Audit Committee member as deemed appropriate.
- 4.2 Other than term completion, an Audit Committee member shall vacate the office when he or she
  1. lacks of qualifications of the Audit Committee
  2. deceases
  3. resigns
  4. is being removed
  5. is imprisoned under the final court verdict or a legal order, except for offences caused by negligence or misdemeanor
  6. is considered incompetent or quasi-incompetent
  7. becomes bankruptcy



- 4.3 An Audit Committee member who desires to resign ahead of term completion must notify and submit a resignation letter to the Chairman of the Board. Resignation will be effective from the date the Chairman of the Board receives the letter of resignation.
- 4.4 In case an Audit Committee member resigns or is being removed before the term completion, the Company must notify the SEC and the SET without delay. A retired or dismissed director can explain the reasons to the SEC and the SET.
- 4.5 In case of vacancy of all Audit Committee members, the Audit Committee must perform duty until new Audit Committee is appointed.
- 4.6 In case a vacancy occurs for reasons other than term completion, the Board of Directors shall appoint a qualified person to maintain the required numbers of the Audit Committee members. The substituted member can only be in the office within the remaining term of the member he/she replaces.

## 5 Meeting and Quorum

- 5.1 The Audit Committee must hold meetings no less than four times a year.
- 5.2 To call for a meeting, the Chairman of the Audit Committee or the Secretary to the Audit Committee by order of its Chairman sends the meeting invitation to all members at least seven days ahead. Except for the

urgent case to protect the company's interest, notification of the meeting can be given through other means and the meeting can be convened earlier.

- 5.3 The Audit Committee holds meetings to consider matters under the scope of duties.
- 5.4 To form a quorum in the meeting, at least half of the total members of the Audit Committee appointed by the Board of Directors must be presented. The Chairman of the Audit Committee shall also be the chairman of the meeting. In case the Chairman is absent or cannot perform the duty, other members attending
- 5.5 The resolution of the meeting will take into account the majority of votes, with one member having one vote. Each member of the Audit Committee with vested interest in any agenda item must abstain from voting on that item. If the number of votes is equal, the chairman will cast the decisive vote.

The Audit Committee regularly convenes the meeting and periodically reports its performance. It also provides opinion on adequacy of internal control to the Board and considers the appointment and remuneration of the external auditor in 2018.

In 2018, the Audit Committee convened 14 meetings and arranged the meetings with the external auditors every quarter. The meeting attendance of each committee was as follows

Name	Position	Meeting Attendance
1. Professor Hiran Radeesri	Chairman of the Audit Committee	14/14
2. Mrs Pranee Phasipol	Member of the Audit Committee	14/14
3. Professor Dr. Kittipong Kittayarak *	Member of the Audit Committee (Office Term: Jan 1– Aug 10, 2018)	8/10
4. Mr. Teerapol Chotichanapibal *	Member of the Audit Committee (Office Term: Oct 1 – Dec 31, 2018)	2/3

**Remark** \* Mr. Teerapol Chotichanapibal was appointed as the Member of the Audit Committee from October 1, 2018.  
Professor Dr. Kittipong Kittayarak resigned from the Member of the Audit Committee from August 10, 2018.

## 2. Remuneration Committee

The Remuneration Committee was established on May 14, 2002 and consists of three independent directors and non-executive directors namely:

Name	Position
1. Professor Hiran Radeesri	Chairman of Remuneration Committee
2. Mrs Pranee Phasipol	Member of the Remuneration Committee
3. Mrs. Varang Chaiyawan	Member of the Remuneration Committee

and have Ms. Mantanee Surakarnkul, Vice President of Company Secretary acting as Secretary to the Committee

The Board of Directors defined the regulations of the Remuneration Committee with details as follows:

1. Composition and qualifications

The Remuneration Committee consists of three members which mostly are independent directors appointed by the Board of Directors. Chairman of the Remuneration Committee must be an independent director.

The Remuneration Committee must regularly monitor changes in the Company's performance in order to improve the remuneration criteria, be able to perform duties, provide opinion and report its performance of assigned duties independently.

2. Duties and responsibilities

- 2.1 Propose compensation policy and method, both monetary and non-monetary form, for directors, member of the sub-committees of the Company and its subsidiaries.
- 2.2 Propose compensation policy for Group CEO matching with the Company's annual performance and propose to the Board of Directors for approval.
- 2.3 Consider, review, study and monitor changes and trends of remunerations of the Board and the Management in comparison
- 2.4 Perform other duties as assigned by the Board of Directors
- 2.5 The Remuneration Committee performs its duties in accordance with the regulation of the Remuneration Committee with no limits; and has authority to request the Management, head of business units or employees to give opinions, attend the meeting, send the information or documents deemed relevant, without limitation. If it is considered essential and suitable to do so, the Remuneration Committee may hire or seek advice from external independent advisor(s) or other professional experts with expenses absorbed by the Company.

3. Office term

- 3.1 The Remuneration Committee has an office term of 3 years and may hold office for maximum three consecutive terms, except for when the Board considers extending the term of a Remuneration Committee member as deemed appropriate.
- 3.2 Other than term completion, a Remuneration Committee member shall vacate the office when he or she
  1. lacks of qualifications to be member of the Remuneration Committee
  2. deceases
  3. resigns
  4. is removal

- 5 is imprisoned under the final court verdict or a legal order, except for offences caused by negligence or misdemeanor
6. is considered incompetent or quasi-incompetent
7. becomes bankruptcy

3.3 A Remuneration Committee member who desires to resign ahead of term completion must notify and submit a resignation letter to the Chairman of the Board. Resignation will be effective from the date the Chairman of the Board receives the letter of resignation.

3.4 In case of vacancy of all Remuneration Committee members, the said Remuneration Committee must perform duty until new Remuneration Committee is appointed.

3.5 In case a vacancy occurs for reasons other than term completion, the Board of Directors shall appoint a qualified person to maintain the required numbers of the Remuneration Committee members. The substituted member

4. Meeting and quorum

4.1 The meeting of the Remuneration Committee can be held at any time as deemed necessary and appropriate by the Remuneration Committee or its Chairman. Nevertheless, the Remuneration Committee must hold meetings at least twice a year.

4.2 To call for a meeting, the Chairman of the Remuneration Committee or the Secretary to the Remuneration Committee by order of its Chairman sends the meeting invitation to all members at least 7 days. Except for the urgent case to protect the company's interest, notification of the meeting can be given through other means and the meeting can be convened earlier.

4.3 The Remuneration Committee holds meetings to consider matters under the scope of duties.

4.4 To form a quorum in the meeting, at least half of the total members of the Remuneration Committee appointed by the Board of Directors must be present. The Chairman of the Remuneration Committee shall also be the chairman of the meeting. In case the Chairman is absent or cannot perform the duty, other members attending the meeting can select one member to be a substituted chairman of the meeting

4.5 The resolution of the meeting will take into account the majority of votes, with one member having one vote. If the number of votes is equal, the chairman will cast the decisive vote. Each member of the Remuneration Committee with vested interest in any agenda item must abstain from voting on that item.

In 2018, the Remuneration Committee convened 5 meetings and report its performance to the Board of Directors. The meeting attendance of each committee was as follows:

Name	Position	Meeting Attendance
1. Professor Hiran Radeesri	Chairman of the Remuneration Committee	5/5
2. Mrs. Pranee Phasipol	Member of the Remuneration Committee	5/5
3. Mrs. Varang Chaiyawan	Member of the Remuneration Committee	5/5

### 3. Corporate Governance and Nomination Committee

Established on May 14<sup>th</sup>, 2002, the Corporate Governance and Nomination Committee consist of three independent directors and non-executive directors namely:

Name	Position
1. Professor Hiran Radeesri	Chairman of the Corporate Governance and Nomination Committee
2. Mrs. Pranee Phasipol	Member of the Corporate Governance and Nomination Committee
3. Mrs. Varang Chaiyawan	Member of the Corporate Governance and Nomination Committee

and have Miss Mantanee Surakarnkul, Vice President of Company Secretary Office acting as Secretary to the Committee

The Board of Directors defined the regulations of the Corporate Governance and Nomination Committee with details below:

#### 1. Composition and qualifications

The Corporate Governance and Nomination Committee consists of three members which mostly are independent directors appointed by the Board of Directors. Chairman of the Corporate Governance and Nomination Committee is an independent director.

The Corporate Governance and Nomination Committee must be knowledgeable in corporate governance, perform duties, provide opinion and report its performance on assigned duties freely, be neutral in nominating and selecting qualified persons to be the Company's director in replacement of director who completes term or vacates office with other reason.

#### 2. Duties and responsibilities

- 2.1 Oversee and monitor the Company's operation, information disclosure of the Investors Relation Department and performance of duties of directors, sub-committees, executives and employees to be in compliance with the good corporate governance, the Company's policies and relevant laws.
- 2.2 Define scope, review policies and provide advice on practical guidelines in accordance with the good corporate governance principle to ensure its timeliness on a regular basis.

- 2.3 Consider policy and action plans on the corporate social responsibility and propose to the Board for approval
- 2.4 Consider structure and composition of the Board of the Company and its subsidiaries.
- 2.5 Consider names and qualifications of persons to be appointed as directors of the Company and its subsidiaries.
- 2.6 Consider and screen qualified persons to be appointed as the Group CEO, also prepare succession plan.
- 2.7 Provide recommendations on performance evaluation of the Board of Directors and sub-committees on a regular basis to get information for enhancement of performance.
- 2.8 Perform other duties as assigned by the Board of Directors
- 2.9 The Corporate Governance and Nomination Committee performs its duties under the regulations of the Corporate Governance and Nomination Committee without limitation; and has authority to request the Management, heads of business units or employees to give opinions, attend the meeting, send the information or documents deemed relevant, without limitation. If it is considered essential and suitable to do so, the Corporate Governance and Nomination Committee may hire or seek advice from external independent advisor(s) or other professional experts with expenses absorbed by the Company

### 3. Office Term

- 3.1 The Chairman of the Corporate Governance and Nomination Committee and the member of the committee have an office term of 3 years and may hold office for maximum three consecutive terms, except for when the Board considers extending the term of a Corporate Governance and Nomination Committee member as deemed appropriate
- 3.2 Other than term completion, a Corporate Governance and Nomination Committee member shall vacate office when he or she
1. lacks of qualifications to be member of the Corporate and Nomination Committee
  2. deceases
  3. resigns
  4. is removal
  5. is imprisoned under the final court verdict or a legal order, except for offences caused by negligence or misdemeanor
  6. is considered incompetent or quasi-incompetent
  7. become bankruptcy
- 3.3 A Corporate Governance and Nomination Committee member who desires to resign ahead of term completion must notify and submit a resignation letter to the Chairman of the Board. Resignation will be effective from the date the Chairman of the Board receives the letter of resignation.
- 3.4 In case of vacancy of all Corporate Governance and Nomination Committee members, the said Corporate Governance and Nomination Committee must perform duty until new Corporate Governance and Nomination Committee is appointed.
- 3.5 In case a vacancy occurs for reasons other than term completion, the Board of Directors shall appoint a qualified person to maintain the required numbers of the Corporate Governance and Nomination Committee members. The substituted member can only be in the office within the remaining term of the member he/she replaces.

### 4. Meeting and quorum

- 4.1 Meeting of the Corporate Governance and Nomination Committee can be held at any time as deemed necessary and appropriate by the Corporate Governance and Nomination Committee or its Chairman. Nevertheless, the Corporate Governance and Nomination Committee must hold meetings at least twice a year
- 4.2 To call for a meeting, the Chairman of the Corporate Governance and Nomination Committee or the Secretary to the Corporate Governance and Nomination Committee by order of its Chairman sends the meeting invitation to all members 7 days ahead. Except for the urgent case to protect the company's interest, notification of the meeting can be given through other means and the meeting can be convened earlier
- 4.3 The Corporate Governance and Nomination Committee holds meetings to consider matters under the scope of duties.
- 4.4 To form a quorum in the meeting, at least half of the total members of the Corporate Governance and Nomination Committee appointed by the Board of Directors must be present. The Chairman of the Corporate Governance and Nomination Committee shall also be the chairman of the meeting. In case the Chairman is absent or cannot perform the duty, other members attending the meeting can select one member to be a substituted chairman of the meeting.
- 4.5 The resolution of the meeting will take into account the majority of votes, with one member having one vote. If the number of votes is equal, the chairman will cast the decisive vote. Each member of the Corporate Governance and Nomination Committee with vested interest in any agenda item must abstain from voting on that item.

In 2018, the Corporate Governance and Nomination Committee convened 4 meetings and reported its performance to the Board of Directors. The meeting attendance of each committee was as follows

Name	Position	Meeting Attendance
1. Professor Hiran Radeesri	Chairman of the Corporate Governance and Nomination Committee	4/4
2. Mrs. Pranee Phasipol	Member of the Corporate Governance and Nomination Committee	4/4
3. Mrs. Varang Chaiyawan	Member of the Corporate Governance and Nomination Committee	4/4

#### 4. Executive Committee

The Board of Directors' Meeting No. 8/2015 on December 21, 2015 resolved to appoint the Executive Committee effective from January 1, 2016. The Executive Committee consists of three Directors namely:

Name	Position
1. Mr. Chanin Donavanik	Chairman of the Executive Committee
2. Mrs. Sinee Thienprasiddhi	Member of the Executive Committee
3. Mrs. Suphajeer Suthumpun	Member of the Executive Committee
4. Mr. Narongchai Wongthanavimok	Member of the Executive Committee

and have Ms. Mantanee Surakarnkul, Vice President of Company Secretary Office acting as Secretary to the Committee

**Remark:** Mr. Narongchai Wongthanavimok has been appointed as the Executives Committee effective on September 14th, 2018.

The Board of Directors defined the regulations of the Executive Committee with details below:

##### 1. Composition and qualifications

The Executive Committee is appointed by the Board of Directors and consists of the Company's qualified directors and top executives

##### 2. Authorities and duties of Chairman of the Executive Committee

- 2.1 Supervise and monitor work performance of the Executive Committee members.
- 2.2 Provide advice regarding business operation to the Management.
- 2.4 Ensure that the Management performs duties in accordance with the Board's resolutions.
- 2.4 Perform other duties assigned by the Board of Directors.

##### 3. Duties and responsibilities of the Executive Committee

- 3.1 Consider vision, mission, policies, strategies, goals, business plans, investment and annual budget of the group of Company proposed by Group CEO and submit to the Board of Directors for approval.
- 3.2 Approve investment, headcount, bonus payment and salary increase under the annual budget framework approved by the Board of Directors.
- 3.3 Consider disputes and litigation of the Group of companies with capital not exceeding Baht 5 million.
- 3.4 Approve the appointment, dismissal and compensation of top executives at C-level (one down from the Group CEO).
- 3.5 Approve organization structure and management of executives below the C-level.

- 3.6 Approve salary and compensation structure of employees and executives.

- 3.7 Oversee the operations to ensure that they are performed effectively according to the defined policies, strategies and goals, and in compliance with requirements of laws without conflicts of interest for the utmost benefit of the Company.

- 3.8 Approve the payment of the Group of companies which is not under the budget and exceeding the authority of the Group CEO, but not exceeding Baht 30 million per one round of the Board of Directors' meeting. Nevertheless, it must comply with the announcement and the requirement of the SEC and the SET.

- 3.9 Approve the payment of the Group of companies which is over the budget by 5 percent but not exceeding 10 percent approved by the Board or Baht 30 million, whichever amount is higher, per one round of the Board of Directors' meeting. Nevertheless, it must comply with the announcement and the requirement of the SEC and the SET.

- 3.10 Approve rental and leasing of immovable property which is not the normal business operation up to 3 year period.

- 3.11 Perform other duties as assigned by the Board of Directors.

##### 4. Office term

- a. An Executive Committee member shall vacate the office when he or she
  1. terminates/is dismissal from the position of the Company's director and/or executive
  2. resigns
  3. is removal by resolution of the Board of Directors' meeting
- b. In case a vacancy occurs for reasons, the Board of Directors shall appoint a qualified person to replace the vacancy.



## Performance Evaluation of the Board of Directors and Sub-Committees

### Performance evaluation of the Board of Directors

The Company requires the Board of Directors to evaluate its performance at least once a year.

#### Criteria

The performance evaluation of the Board of Director use evaluation form which applies SET's evaluation approach to suit the characteristics and structure of the Board of Directors. The results are key factors for the enhancement of directors' performance and related duties. The evaluation form consists of 6 topics as follows:

- 1) Board's structure and qualifications
- 2) Roles, duties and responsibilities of the Board
- 3) Board's meeting
- 4) Director's performance of duties
- 5) Relationship with the Management
- 6) Director' self-improvement and executive development

Rating assigns the method of identifying each director's opinion by ticking (/) in the score box, from

- 0 – 4 only 1 slot in the evaluation form with the following meanings:
- 0 = Absolutely disagree or no action taken on that matter
  - 1 = Disagree or few actions taken on that matter
  - 2 = Agree or fair action taken on that matter
  - 3 = Rather agree or adequate action on that matter
  - 4 = Absolutely agree or excellent action on that matter

Then all the scores are evaluated by mean of calculation percentage of full score. The criteria of scores are as follows:

- Equivalent or over 90% = Excellent
- Equivalent or over 80% = Very good
- Equivalent or over 70% = Good
- Equivalent or over 60 = Fair
- Below 60 = Need improvement

#### Procedures

The Company Secretary will deliver the evaluation form to each director at the end of each year. After each director completes the evaluation, he/she shall return the evaluation form to the secretary to the Nomination and Remuneration Committee to gather and report to the Board in the next meeting in order to set measures to further improve work efficiency of the Board.

In 2018, the Board of Directors determined the self-evaluation of the Board of Directors in a whole basis. The summarized evaluation results of the Board of Directors' performance in 2018 were rated GOOD.

## Performance Evaluation of Sub-Committees

#### Criteria

The performance evaluation of the sub - committees uses the evaluation form which applies SET's evaluation approach to suit the characteristics and structure of the sub - committees. The results are key factors for the enhancement of sub - committees' performance and related duties. Procedures

#### Procedures

The Secretary to each sub-committee will deliver the performance evaluation form to each director at the end of the year. After each director completes the evaluation, he/she shall return the evaluation form to the secretary to the Nomination and Remuneration Committee to gather and report to the Board in the next meeting in order to set measures to further improve work efficiency of the Board

In 2018, the Board of Directors determined the self-evaluation of the Audit Committee in a whole basis. The summarized evaluation results of the Audit Committee performance in 2018 were rated GOOD.

### Director's orientation

The Board of Directors recognizes the importance of duty performing of new directors and has therefore defined the practical guideline on preparation for duty performing of directors to enable new directors to know the Company's expectations of their roles, duties, responsibilities, the Company's policies, business and corporate governance practices. These include enabling them understand about the Company's business and operation, as well as to visit its business units for being prepared to perform the duty of director promptly as follows:

- Coordinate in providing of the Company's data in legal area and others to the Board of Directors.
- Hand over "Directors Guidebook" to new directors, the guidebook contains the Company's information and relevant crucial laws which will be useful for members of the Board of Directors. The Company Secretary is responsible for coordinating to deliver this guidebook to the Board of Directors. Contents of the guidebook consists of Articles of Association of the Company, objectives of the Company, affidavit of the Company, Public Company Limited Act, Securities and Exchange Act, guidebook for directors of listed company, charter of the Board of Directors and of the Sub – Committees, Business Code of Conduct of Directors and manual for Corporate Governance Policy and other policies of the Company.
- Arrange meetings with the Chairman, Board of Directors, sub-committees and executives to make them informed of the Company's business operation for using as their principles in performing duty. The presentation is made as a whole picture and in details under the topics namely, the Company's history, vision, mission, strategies, management structure, operating data and activities.

In 2018, a new director namely, Mr. Teerapol Chotichanapibal was provided director's orientation.

### Development and Knowledge Enhancement of the Board

The Company encourages the Board of Directors to undergo additional study and training to enhance their knowledge of Board's roles and duties in efficient management under corporate governance.

In 2018, the following directors attended the training and study visits

Director	Course	Institute
Prof. Hiran Radeesri	<ul style="list-style-type: none"> <li>- Standard of Financial Report (TFRSs)</li> <li>- Training courses arranged by the Thai Institute of Directors Association</li> <li>- Seminar: Equity Market</li> </ul>	<ul style="list-style-type: none"> <li>- Federation of Accounting Professions Under the Patronage of His Majesty the King</li> <li>- Thai Institute of Directors Association</li> <li>- The Stock Exchange of Thailand and the Securities and Exchange Commission, Thailand</li> </ul>
Mrs. Pranee Phasipol	<ul style="list-style-type: none"> <li>- Boardroom Success Through Financing &amp; Investment (BFI 4/2561)</li> <li>- TFR6: 2017, Class 1/2018 (Program 00503)</li> <li>- TFRS: Summary of key changes and impacts (Revised 2016), Class 2/6</li> <li>- Talent Management Course: Development &amp; Succession Planning</li> </ul>	<ul style="list-style-type: none"> <li>- Thai Institute of Directors Association</li> <li>- Federation of Accounting Professions Under the Patronage of His Majesty the King</li> <li>- Federation of Accounting Professions Under the Patronage of His Majesty the King</li> <li>- Thai Institute of Directors Association</li> </ul>
Mr. Pakawat Kowitwattanapong	Certificate of Top Executive Program in Energy Literacy , Class 2	Thailand Energy Academy

### 3. Nomination and Appointment of Director and Top Executive

#### Nomination and Appointment

##### 1. Independent Director

The Board of Directors consists of independent directors of no less than one-third and no less than three persons.

##### Criteria

The Corporate Governance and Nomination Committee recruits and selects qualified persons who have skills and experience that will benefit the company and have qualifications of being independent director in accordance with the criteria prescribed by the Capital Market Supervisory Board, the Securities and Exchange Commission and the SET and the Company's requirements, and proposes their names to the Board for endorsement before submission to the shareholders' meeting for approval.

##### Qualifications of Independent Director

- Hold no more than 0.5% of the total outstanding voting shares of the Company, its parent company, subsidiary or affiliated company, major shareholders or controlling person including shares held by related person of the independent director.

- Neither being nor having been an executive director, officer, employee or professional advisor who receives salary from the Company, or personal advisor of controlling person of the Company, subsidiary, affiliate or related company, unless the foregoing status ended not less than three years prior to the date of appointment.
- Not having nor have had a business relationship, such as customer, trading partner, trading creditor, loan creditors and loan debtor and a direct or indirect financial and managerial interest with the Company, subsidiary, affiliate or related company.
- Not being a person related by blood or others in a manner which could prevent him/her from independence of director or major shareholders of the Company, subsidiary, affiliate or related company, and neither being nor having been appointed as representative to protect benefit of the Company's director or major shareholders.
- Neither being nor having been an auditor of the Company, subsidiary, affiliated company or other juristic persons who may have conflicts of interest, major shareholders, directors, executives or partner of an audit firm which employs auditors of the Company, subsidiary, affiliate or juristic persons who may have conflicts of interest, unless the foregoing relationship ended not less than three years from the date of appointment.

## 2. Director

The Board consists of 12 directors and at least half of the directors must reside in the Kingdom.

### Criteria

The Company focuses on people with knowledge, capability, experience, sound career profile, leadership, vision, morality and good attitude toward the organization and can dedicate adequate time for the Company's benefit. Moreover, consideration is also given to Board diversity. The Company has designed Board skills matrix to define the required qualifications of nominated director by considering skills which have been missing and appropriate qualifications which will benefit the Company's operation, including skills on hotel management, finance, foreign investment and law.

### Procedures

The Board of Directors sets out the procedures for nomination of directors. The Corporate Governance and Nomination Committee proceeds in accordance with the following procedures:

1. The Corporate Governance and Nomination Committee nominates persons with appropriate qualifications in accordance with the Public Limited Company Act, the Securities and Exchange Act and other relevant laws to be the Company's directors. Moreover, consideration is also given to Board's structure, size and composition. In some case, the Company uses Director Pool from the IOD to nominate directors.
2. The Corporate Governance and Nomination Committee considers qualifications of persons submitted by shareholders. The Company allows all shareholders to participate in proposing persons for consideration and appointment as directors of the Company before the annual general meeting of shareholders.
3. The Corporate Governance and Nomination Committee submits the list to the Board for endorsement and proposes the list for subsequent approval by the AGM.

### Appointment of directors by the shareholders' meeting

The practices for the election of directors by shareholder's meeting are stipulated as follows:

- 1) Each shareholder shall have one vote for each share held.
- 2) Each shareholder shall exercise all of his/her voting rights to elect one or several persons as director(s). Candidate(s) voted by shareholder shall get voting numbers equivalent to total number of shares held by each shareholder under clause 1). Nevertheless, shareholder may not allot his/her votes to any person in any number.

- 3) The person receiving the highest votes shall be elected as director in respective order of the votes for the number of directors of the Company, or for the number of directors that should be elected at such election. In case of tie votes causing the number of persons elected to be in excess of the number to be elected at such meeting, the chairman shall have a decisive casting vote.
- 4) In case a Director's position is vacant due to other reason than the completion of term, the Board of Directors shall elect a candidate with qualifications and not having any prohibited characteristics prescribed by Section 68 of the Public Limited Company Act, B.E. 2535 to be director in the next meeting, except that the director's term is less than two months. The Board of Directors' resolution must not less than three-quarters of the number of existing directors. The substituted member can only be in the office within the remaining term of the member he/she replaces.

## **Dismissal and retirement of Director**

### **Dismissal of director**

The meeting of shareholders may pass a resolution removing any director from office prior to the expiration of the director's term, by a vote of not less than three quarters of the number of shareholders attending the meeting and having the right to vote and not less than a half of the total number of shares held by shareholders attending the meeting and having the right to vote.

#### • Completion of Term

Pursuant to the Company's Articles of Association, at every AGM, one-third of shareholders must retire. If the total number is not a multiple of three, the number closest to one-third must be applied. Directors retiring in the first and second year after registration of the Company are to be drawn by lots. For subsequent years, directors who have served the longest term must retire. Retired directors may be re-elected to the Board.

#### • Other than the completion of term, director may retire for the following reasons:

1. death
2. resignation (effective from the date the Company receives the letter of resignation)
3. lacking qualifications or having any prohibited characteristics prescribed by the Public Limited Company Act and the Securities and Exchange Act
4. resolution of the shareholder's' meeting to remove director in accordance with the Public Limited Company Act
5. court order

### Term of Directorship

The Company defines term for directorship of not more than three years. The Board may propose director who retires by rotation to the AGM to consider the re-election of such director for another term

### Roles, Duties and Responsibilities of the Board of Directors

1. Perform all duties under law, the Company's objectives and articles of association, resolutions of the Board of Director's meeting and shareholders' meeting. Act as the leader to manage the Company with duty of loyalty and duty of care, with accountability and ethics and keeping in mind the interests of all stakeholders and treating them equitably to create sustainable value to the Company.
2. Establish good corporate governance policy, business ethics and code of conduct as practical guidelines for directors, executives and employees, also announce and disclose in the annual report and the Company's website ([www.dusit.com](http://www.dusit.com)) under Investors Relation page, with annual revision and assessment.
3. Stipulate that it is duty of all directors, executives and employees to study, understand and adhere to business ethics and code of conduct.
4. Consider, provide views and approve the Company's vision, mission, strategies, goals, business plans, investment plans and annual budget proposed by the Group CEO and the Management, also monitor and supervise the Management to ensure that the Company's approved key strategies and policies are actively and efficiently implemented to create profit and best return for shareholders, with annual revision for compatibility with prevailing business circumstances
5. Clearly formulate and segregate roles, duties and responsibilities of the Board, sub-committees and the Management, also communicate such roles, duties and responsibilities to the Company's directors, members of sub-committees, the Management and employees.
6. Ensure that the Group CEO performs duty in accordance with the formulated policies and regulations.
7. Stipulate policy on directorship in other listed companies of each director. Each director must not hold directorship in more than five other SET-listed companies and other companies, of which the business is similar to or competitive with the business of the Company, unless directorship is approved by the shareholders' meeting before the appointment. This is except for directorship in the Company's subsidiaries.
8. Stipulate policy on directorship in other listed companies of the Group CEO. Group CEO must not hold directorship in more than two other SET-listed companies and in other companies, of which the business is similar to or

competitive with the business of the Company, unless directorship is endorsed by the Board of Directors and approved by the shareholders' meeting before the appointment. This is except for directorship in the Company's subsidiaries.

9. Stipulate policy on the term of directorship of each director. The office term of each director is not more than three years. When the term is completed, the Board may propose director who retires by rotation to the AGM to consider the re-election of such director for another term.
10. Ensure that the Company operates its business in compliance with law, regulations and requirements of the SEC and the SET.
11. Be responsible for the consolidated financial statements and financial information disclosed in the annual report of the Company and its subsidiaries. The said financial statements are prepared in accordance with generally accepted accounting standards selecting appropriate accounting policies and consistently practiced, and with careful discretion and best estimation. All materialized information has been sufficiently disclosed in the notes of financial statement.
12. Monitor and evaluate the operating results and financial status, including remuneration of the Group of companies on a regular basis. Also review succession plan.
13. Set the requirement that the Group CEO must report the actual operating results in comparison with defined targets, financial results and progress to the Board quarterly to ensure that the Group CEO's performance is in line with the defined targets.
14. Recognize the importance of the effective internal control system of both managerial and operation level by clearly defining in written duties and authorities of operators, monitoring the use of the Company's assets and separating duties of operators and controllers for proper check and balance to ensure that the accounting record is accurate, complete and adequate enough to maintain the assets and to know the weak points in order to prevent fraud and significantly abnormal operations.
15. Set the requirement for the Internal Audit Department to directly report to the Audit Committee to ensure its independence so that the Internal Audit Department can fully perform their duty in check and balance. The performance of the Internal Audit Department must be evaluated by the Audit Committee.
16. Arrange orientation for new directors and provide them the Company's information, regulations as well as other information relating to the Company's business operation.
17. Attend training programs concerned with performing of director's duty.

18. Encourage directors and executives to continually attend training programs or seminars to enhance knowledge in performing duties.
19. Attend consistently the Board's meeting for acknowledgment and approval of matters proposed by the Group CEO and the Management.
20. Non-executive directors should hold exclusive meetings as deemed appropriate to discuss matters regarding management without attendance of the executive directors and the Management.
21. Institute policy on enterprise risk management and establish risk management handbook as a guideline for all business units' implementation.
22. Monitor and consider carefully conflicts of interest and connected transactions. Directors with vested interest in any agenda item must abstain from voting, must comply with the criteria of the SEC and the SET, and must disclose transaction details, value, countered party and reason in the annual report and the 56-1 Form.
23. Monitor the use of inside information. Directors, executives, employees and departments knowing inside information are prohibited to disclose such information to third party or unrelated person, to trade securities by exploiting inside information of the Company and its subsidiaries as well as to sell/buy the Company's share/securities one month prior to announcement of the financial statement to public.
24. Each director must notify his/her own or his/her connected persons' vested interest under Section 89/4 of the 1992 edition of Securities and Exchange Act (amended 2008) annually and/or every time information is changed.
25. Evaluate its performance annually according to the guideline of the SET in December every year and report the results to the Board of Directors in the next meeting in February in order to acknowledge its performance and set measures for improvement.
26. Evaluate performance of the Group CEO at least once a year by applying the performance evaluation criteria approved by the Board of Directors.
27. Be responsible for establishing policies and systems supporting anti-fraud and corruption to ensure that the Management recognizes the importance of anti-fraud and corruption.
28. Establish sub-committees and define their duties, including duties of representing directors in the subsidiaries.
29. Consider and endorse the matters before submission to shareholders' meeting for approval.

#### **Duties and Responsibilities of Chairman of the Board**

1. Act as the leader of other directors to oversee the Company's operation to ensure that it achieves the defined objectives.
2. Act as the Chairman of the Board's meeting and shareholders' meeting, and control such meetings to be smooth, accurate and in compliance with the Public Limited Company Act and the Securities and Exchange Act.
3. Cast the decisive vote in the Board of Directors' meeting and shareholders' meeting in case of the tie vote.

#### **Authorities of the Board of Directors include**

1. Appointment and determination of the Group CEO's compensation,
2. Approval of organizational structure and management of the Group of companies,
3. Approval of vision, mission, policies, strategies, goals, business plans, investment and annual budget of the Group of companies and monitoring the implementation to be in line with the approved plans and budget,
4. Approval of connected transactions, conflicts of interest, acquisition and disposition of assets, etc. under laws and requirements of the SEC and the SET,
5. Approval of contingent liabilities, commitments and guarantees of the Group of companies, and delegating authorization to the Management to process properly,
6. Consideration of disputes and litigation of the Group of companies with capital exceeding five million Baht,
7. Approval of the payment of the Group of companies which is not under the annual budget and exceeding the authority of the Executive Committee,
8. Approval of the payment of the Group of companies which is exceeding the budget and the authority of the Executive Committee,
9. Approval of rental and leasing of immovable property which is over three year period,
10. Approval of matters proposed by the Executive Committee and matters required by laws and by the SEC or the SET to get approval from the Board.

#### **Delegation of Authorities by the Board**

The Board of Directors may authorize one or more than one directors or other person to act on its behalf under its supervision or may delegate person to have authority as it deems appropriate and within an appropriate period of time. The Board of Directors may cancel, revoke, change or revise such authorization or delegation of authority as deemed appropriated, except for acquisition and disposition of assets and connected transaction that must comply with the



announcements and the requirements of the SEC and the SET. The Board of Directors may delegate the Executive Committee to act on its behalf under the scope of responsibility of the Executive Committee. Nevertheless, the delegation of authority must not be carried out in a nature that will enable the delegates or person(s) authorized by the delegates to approve the transaction in which they who may have conflicts, interests or conflicts of interest with the Company or its subsidiaries, unless it is the approval of transaction which is in accordance with policies and criteria approved by the Board.

### Directorship in Other Listed Companies

For utmost benefit of the Company to gain the effective dedication of the directors' time, the Board of Directors has established the policy on directorship in other companies of the Company's director as follows:

- Each director can hold positions in the Company, its subsidiaries and associated companies.
- Each director may hold directorship in other companies, but must not serve in more than five SET-listed companies.
- Each director must not conduct business, engage in partnership or hold directorship in other companies, of which the business is similar to or competitive with the business of the Company, unless the directorship is approved by shareholders' meeting before the appointment. This is except for directorship in the subsidiaries of the Company.

At present, the Company's each director holds directorship in the SET-listed companies not exceeding five in total and each executive director holds directorship in the SET-listed companies not exceeding two in total.

### Board of Directors' Meeting

The Board of Directors in advance plans meeting dates for the entire year, with at least six meetings a year at the area where the Company's headquarter is located. In case the meeting is not held every month, the Company submits full details of the operating results to the Board in the month without meeting convened so that the Board can continually and timely supervise, control and monitor the Management's performance. An extraordinary session may be convened if necessary. The Company requires the directors to attend every meeting every except in case of necessity for acknowledgement and approval matters proposed by the Group CEO and the Management.

The Company defines criteria and quorum of the Board's meeting as follows:

- To call for the Board of Directors' meeting, the Chairman or the assigned person sends the meeting invitations specifying date, time, venue and agenda details to all directors at least seven days ahead. Except for the urgent case to protect the company's interest, notification of the meeting can be given through other means and the meeting can be convened earlier.
- The Chairman of the Board, the Group CEO and the Company Secretary jointly set a clear agenda before each Board's meeting. All directors can freely propose agenda items for consideration by the Chairman before inclusion in a meeting.
- The Company Secretary must submit meeting documents that can be revealed in a written form without affecting the Company's business operations to the directors at least seven days in advance together with an invitation letter specifying the meeting date, time, place, and agenda to allow directors to have enough time to study before the meeting.
- To form a quorum in the meeting, at least half of the directors must be present. The Chairman of the Board shall be the chairman of the meeting. In case the Chairman is absent or cannot perform the duty, the Vice President shall be a substituted chairman. If there is no Vice President or Vice President cannot perform duty, other members attending the meeting can select one member to be a substituted chairman of the meeting.
- Decision of the Board of Directors' meeting will be depended on the majority of attending directors.
- One director has one vote, except director with vested interest in any agenda item must abstain from voting on that item. If the number of votes is equal, the chairman will cast the decisive vote.

During each meeting, the Chairman allocates enough time for discussion of each significant issue and encourages all directors to creatively and freely express ideas with due discretion.

The Company Secretary must attend the meetings and take meeting notes every time. The minutes of the meeting must be generated after the meeting, adopted by the Board in the next meetings and certified correction by signature of the Chairman of the Board. Directors may provide views or request to revise the minutes to make it the most correct. The certified minutes of the meeting will be kept systematically and confidentially at the Company Secretary Office.

In 2018, the Board of Directors convened thirteen regular meetings and one annual corporate strategy seminar (Meeting No. 11/2018) with the Management to review the vision and set corporate goals and strategies, and assess business environment, competitors in hotel market and situation. The meeting attendance of each director was as follows:

No.	Name	Position	Meeting Attendance	
			Board of Directors	Strategy Seminar
1.	Mr. Arsa Sarasin	Independent Director / Chairman of the Board	12/13	✓
2.	Professor Hiran Radeesri	Independent Director / Chairman of the Audit Committee / Chairman of the Remuneration Committee / Chairman of the Corporate Governance and Nomination Committee	12/13	-
3.	Mrs. Pranee Phasipol	Independent Director / Member of Audit Committee / Member of the Remuneration Committee / Member of the Corporate Governance and Nomination Committee	13/13	✓
4.	Mr. Teerapol Chotichanapibal <sup>1</sup>	Independent Director / Member of Audit Committee	8/9	✓
5.	Professor Dr. Kittipong Kittayarak <sup>2</sup>	Independent Director	10/13	✓
6.	Professor Emeritus Dr. Khunying Suchada Kiranandana	Independent Director	11/13	✓
7.	Mr. Pakhawat Kovithvathanaphong	Independent Director	11/13	✓
8.	Mr. Somprasong Boonyachai	Independent Director	10/13	-
9.	Mrs. Varang Chaiyawan	Director / Member of the Remuneration Committee / Member of the Corporate Governance and Nomination Committee	9/13	✓
10.	Mr. Chanin Donavanik	Vice Chairman / Chief Executive Officer	13/13	✓
11.	Mrs. Sinee Thienprasiddhi	Director / Executive Director	9/13	✓
12.	Mrs. Suphatee Suthumpun	Director / Executive Director / Group Chief Executive Officer	13/13	✓

Remark: 1. Mr. Teerapol Chotichanapibal was appointed as Independent Director effective on April 23, 2018 replacing Mr. Kenneth Kosirisophon and was appointed as Member of Audit Committee effective on October 1, 2018.  
2. Prof. Dr. Kittipong Kittayarak resigned from the position of Member of Audit Committee effective on August 10, 2018.  
3. Some directors attended the Board of Directors meeting less than 75% due to the rescheduling of meetings causing them to be unable to attend the meeting.

In addition, the Company requires non-executive directors to jointly hold exclusive meeting at least once a year to review significant business matters, where summaries of issues for consideration and helpful recommendations were provided to the Board and the Management for further action. In 2018, the Company staged one meeting of the non-executive directors on January 19, 2018.

The Company appointed the Company Secretary to operate and provide suggestions to the directors and executives to follow the laws, regulations, and principles of the Company precisely and regularly. The Company Secretary is also responsible for holding the Board of Directors' meeting and shareholder's meeting as well as supports and oversees the Board's activities to be efficient, effective and in consonance with law, rules, regulations, and corporate governance principles and handles other duties as required by the law.

### **Nomination and Appointment of the Group CEO**

The Board of Directors appoints and determines the remuneration of the Group CEO by consideration the list submitted by the Corporate Governance and Nomination Committee who has duty to screen a qualified person having knowledge, ability, skill and experience which benefit to the Company's operations, well understanding the Company's business and being able to manage to Company to achieve goals set by the Board of Directors.

### **Duties and responsibilities of Group CEO**

1. Set vision, mission, policies, strategies, goals, business plans, investment plans and annual budget of the Group of companies and propose to the Executive Committee for consideration and endorsement before submission to the Board of Director for approval.
2. Oversee the management of the Group of companies in accordance with policies, strategies, goals, business plans and annual budget approved by the Board of Directors and/or the Executive Committee to ensure that the Company can achieve goals and maximize shareholders' value and earnings per share.
3. Supervise the management of the Group of companies in accordance with objectives, rules, regulations, requirements, orders and resolutions of shareholders' meeting and/or the Board of Directors' meeting and/or the Executive Committee's meeting. Also, monitor on a regular basis performance of the Management to report operating progress and results of the Group of companies to the Board of Directors.
4. Institute policy on human resource management of the Group of companies and support the operations of all departments to ensure that they can develop and use their potential at maximum.
5. Approve the promotion of employees at executive level.
6. Enhance leadership vision among executives at all levels.
7. Provide advice and share experience which is useful for the Company's business operations among executives and employees.
8. Institute internal control system, risk assessment of finance and investment of the Group of companies to reduce risk by defining policy on risk management, monitoring and evaluating it, and report to the Board of Directors.
9. Approve payment of the Group of companies which is not under the annual budget and not exceeding Baht 10 million per one round of the Board of Directors' meeting. Nevertheless, it must comply with announcement and requirement of the SEC and the SET.

10. To approve payment of the Group of companies which is over budget, but not exceeding 5 percent of the amount approved by the Board or Baht 10 million, whichever amount is higher, per one round of the Board of Directors' meeting. Nevertheless, it must comply with announcement and requirement of the SEC and the SET.
11. Administer the financial management and the payment of the Group of companies' budget for the utmost benefit and efficiency of the Company.
12. Perform other duties as assigned by the Board of Directors and/or the Executive Committee.

### **Performance Evaluation of Group CEO**

The Board conducts an annual performance evaluation of the Group CEO who is the highest executives of the Company at least once a year, using the performance evaluation criteria approved by the Board of Directors.

### **Succession Plan**

To enable the Company to have knowledgeable and skillful executives to be able to inherit the top executive positions, the Board of Directors assigns the Corporate Governance and Nomination Committee to prepare the succession plan for the position of the Group CEO. The Human Resources Department implements the plan introduced by the Corporate Governance and Nomination Committee undertaking development of competency of top executives according to their knowledge, ability and experience through in-house and external training programs so that they are qualified to be appointed as a successor of the Group CEO position in case it is vacant.

### **Appointment of Company Secretary**

Company Secretary has a key role in supporting and overseeing the Board's activities to be efficient, effective and in consonance with law, rules, regulations, and corporate governance principles. The Board of Directors shall appoint a qualified person to perform this position based on his/her knowledge, ability and suitability and has defined roles and responsibilities. (More details appear in "Company Secretary under the "Management Structure")

## **4. Oversight of subsidiaries and associated companies**

The Company runs its businesses through subsidiaries and associated companies (Details appear in "Shareholding Structure"). The Board commands a mechanism for supervising the management and the responsibility of subsidiaries and associated companies to safeguard the interests of the Company's investment capital, including

- Appointment of Representative Director According to Proportion of Shareholding

Since the Company is responsible for any transactions of its subsidiaries and associated companies, the Company appoints its director to be the representative director of the subsidiaries to oversee business operation pursuant to the Company's policy in the matters of operations including responsibility to propose budget of the subsidiaries to the Board of Directors' meeting for acknowledgement and approval. The Company requires 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 disposition of assets which is under criteria of the SET or other transactions required to conduct in accordance with the Board of Directors policies and resolutions, the representative Director shall gather information and inform the Company as well as oversee the subsidiaries and associated companies to operate under rules and regulations of the SET and the SEC either the transactions required to conduct under the Board of Directors' policies and resolutions. Nevertheless, the appointment of representative director must be adhere to the proportion of shareholding and approved by the Board of Directors' meeting.

- Oversee information disclosure and transactions of the subsidiaries

(A) Disclosure of financial status and operating results

The Board of Directors assigns and authorizes the Audit Committee the duty of reviewing the subsidiaries' financial statements prepared in accordance with generally accepted accounting standards, ensuring that information disclosure is accurate, adequacy, complete, reliable and in accordance with the Securities and Exchange Act, requirements of the SET and laws relating to the Company's business.

(B) Connected transactions

The connected transaction of the subsidiaries must be approved by its parent Company and in compliance with the criteria of the SET and the SEC. The Audit Committee shall examine price or value of the transaction with the Company's staff and internal auditor whether it is reasonable and correctly disclosed in the financial statement.

(C) Acquisition and disposition of assets

The Company stipulates the policy on connected transaction between the Company and related subsidiaries, especially acquisition and disposition of assets. It is required that transaction must be considered by the Audit

Committee before submission to the Board of Directors and in compliance with the criteria of the SET and the SEC.

(D) Other important transactions

The subsidiaries shall adhere to laws, regulations and criteria of the SET and the SEC, and request approval from the Board of Directors' meeting and/or shareholders' meeting for matters required by law.

- Formulate the internal control system of the subsidiaries

The Internal Audit Department has duty and responsibility to conduct freely evaluation of the internal control system, risk management and corporate governance, and review the compliance of regulations of the subsidiaries. The Internal Audit Department shall conduct as deemed appropriate the internal audit of the subsidiaries once a year emphasizing on financial matters and connected transactions, and monitor the subsidiaries' operations in preventing of the misuse of its and the Company's assets of the Management.

- Other mechanism

One example of other mechanism to oversight of the subsidiaries and the affiliated companies is the increase or decrease of capital. The transaction must be approved by the Board of its parent company as well as by the Board of Directors' meeting and shareholders' meeting of the subsidiary itself in compliance with the SET and the SEC's criteria.

Agreement between the Company and other shareholder regarding the management of subsidiaries and affiliated company

- None -

## 5. Monitoring the Use of Inside Information

The Board of Directors' Meeting No. 1/2018 convened on January 19, 2018 resolved to approve the Disclosure Policy for the Group of companies' executives, employees, authorized spokesmen, including every person relating to the Group of companies with key principles detailed below:

1. Information to be disclosed must be accurate, complete, explicit and up to date in accordance with the requirements of the SET regarding the accurate and complete information disclosure. (Bor.Jor./Por. 11-00 Rules, Conditions and Procedures Governing the Disclosure of Information and Other Acts of A Listed Company B.E. 2560)
2. All stakeholders, including shareholders, investors, securities analysts and others have equitable rights to acknowledge disclosed information of the Company.

3. Important information that may affect the Company's stock price or investment decision of investors or the rights of shareholders will be disclosed without delay through the SET.

#### Practical guidelines on information disclosure

- Do not disclose confidential business information or information that, if disclosed, may cause a loss of benefits or competitiveness or information that is not finalized or under negotiation or information that is over realistic or overly promote without reasonable support. Refrain from using in appropriate words and formats that may mislead the Company's stock price.
- Do not disclose material non-public information to non-permitted executives or employees, groups of persons or any persons including investors, analysts and public media until such information is disclosed to public, except the case that it is the disclosure under the laws or requirements of the Company's regulator. In the case where there is a business need requiring the Company to disclose information to the relevant parties, auditors, securities guarantors, financial institutions, financial advisors, legal advisors or other advisors, the Company shall carefully execute to ensure that the said persons perform their job with caution in keeping information confidentially. However, disclosure of such information must comply with the regulations and requirements of the SET and the regulators.

#### Quiet Period

The Company has determined the quiet period of 30 days prior to the disclosure of operating results to the SET to avoid inequitable information disclosure that may lead to insider information and stock price manipulation. During the quiet period, the Company shall not answer any inquiries about performance to be disclosed, not provide any views on the trend of performance, not accept any appointment and not answer any questions by telephone to any analysts, investors or public media, except that such information is the fact already disclosed to the public.

The Company announced the quiet period of the present year on the Company's website under IR Calendar.

In 2018, the Company did not receive any complaint about misuse of inside information committed by director or executive.

In addition to the Board of Directors Meeting No. 4/2019, held on March 15th, 2019, the Board of Directors approved of the Disclosure Policy (Reviewed) according to Corporate Governance Policy which requires the Disclosure Policy to be reviewed once a year. The Policy shall be applicable to the Company's executives and employees, the Company's Group, authorized spokesman and related person in the Company's Group.

#### **Report of change in securities holding**

The Company has set requirement that 4 top directors/executives under the Chairman of the Group including the Chairman must submit the list of their securities holding and report on every change of the list to the SEC under Section 59 of the Securities and Exchange Act B.E. 2535 (amended B.E. 2559). Also, has stipulated a policy that directors and executives must report the sale/purchase of the Company's shares/securities holding to the Chairman and the Chairman of the Audit Committee every February.

#### **Internal Control and Internal Audit**

To ensure that the Company's business operation can achieve goals, is effective and in compliance with laws, regulations and requirements and that the financial report is accurate and reliable, the Board of Directors recognizes an importance of internal control system and internal audit.

The Internal Audit Department, directly reported to the Audit Committee, has the scope of work to ensure that all employees perform their duties in strict compliance with the Company's policies, standards, work procedures, regulations, and applicable laws. Assessment on the adequacy of the Company's internal control system is undertaken annually by relevant management divisions and Internal Audit. The five aspects of control are as follows:

1. Control environment
2. Risk assessments
3. Control Activities
4. Information and communication
5. Monitoring activities

The findings are reviewed by the Audit Committee and reported to the Board for consideration and opinions.

The Audit Committee appoints the Head of Internal Audit Department by selecting person who has suitable qualifications, can efficiently perform duties in evaluating the internal control system and work performance and providing recommendation for improvement. Currently, Head of the Internal Audit Department of the Company is Mr. Attapol Watjarapairoj, Director of Internal Audit Department

#### **Risk Management**

Risk Management is key mechanism and management role that helps organization to achieve goals, reduce losses and enhance competitiveness. It is also an important element of good corporate governance.

The Board of Directors recognizes the importance of enterprise wide risk management and appoints the Risk Management Committee chaired by the Group Chief Executive Officer and consisting of the Company's top executives, department heads and representatives from each department



as the Board's representative to conduct the risk management of the Company. Key roles of the Risk Management Committee are detailed below:

1. Providing guidelines, policies and processes regarding the enterprise risk management within risk management framework of COSO (The Committee of Sponsoring Organizations of the Treadway Commission).
2. Managing key risks that effects the Company's business covering strategic risk, financial Risks, and compliance risk, also identifying risk factors and indicators, monitoring and controlling risks to ensure that they are at the level the Company can accept.
3. Review and adjust risk management structure, practical guidelines, directions, policies and relevant procedures in line with the changing law and environment.
4. Encourage open and consistent communication of risk management to the Management and employees of the Company.

To ensure that the implementation of the enterprise risk management is thorough and effective, the Risk Management Committee appoints four sub-committees according to the Company's core business.

The Risk Management Committee must report working progress on the enterprise risk management to the Audit Committee quarterly and to the Board of Directors at least once a year.

### Monitoring Conflicts of Interest

The company has the policy to conduct the business with integrity, transparency, and fairness and determines that all directors, executives, and staff must not conduct or take part in any business which is in competition with the company's business, avoid making transactions relating to them or persons/juristic persons who may be in conflict with the company's interest and not seek benefits from the information or anything acquiring from their duties and responsibilities for personal interest or for competition with the business of the Company's business.

The Board of Directors has duty to strictly oversee the compliance with the criteria, methods and the disclosure of related transactions according the requirements stipulated by law and the governing agencies. If a connected transaction is unavoidable, however, such transaction must follow the general business provisions as specified and approved by the Board, based on transparency and fairness in the same way as ordinary transactions undertaken with outsiders, taking into account the best interests of the Company. Any party involved

in a conflict of interest transaction must not take part in the consideration of such transaction. If connected transactions that breach the approved general business provisions could pose any conflict of interest, the Audit Committee will examine such transactions and include its opinions to the Board or shareholders for approval

- Disclosure of personal interests held by directors, executives, and related parties

Directors and executives must submit their first disclosure report within 30 days after first holding office and submit subsequent reports of their interests as of December 31 every year. To ensure the transparency of direct and indirect transactions undertaken by directors, executives, or related parties during the year, such directors or executives must notify CPN without delay by indicating facts about the nature of such contracts, names of counterparties, and their personal interests in such contracts.

- Disclosure of vested interests

Directors and executives must report vested interests held by themselves and related persons under the regulations, conditions, and methods specified by the Capital Market Supervisory Board. The Company Secretary must comply and submit a copy of the report of such vested interests to the Chairman and Chairman of Audit Committee.

## 6. Auditor's fee

In 2018, the Company paid auditor's fees as follows:

### Audit fees

1. The audit fee of the Company and subsidiaries in Thailand paid to KPMG Phoomchai Audit Limited equaled to Baht 5.25 million.
2. The audit fee of subsidiaries, associates and joint ventures in overseas:
  - R.G. Manabat & Co. (a member firm of KPMG), Makati City, Phillipines in total of Peso 1,050,000.
  - KPMG, Male, Republic of Maldives in total of USD 11,225
  - KPMG Huazhen (Special General Partnership), Shanghai, People's Republic of China total of RMB 276,500.

### Non-audit fees

Subsidiaries in overseas

The consulting service fee at the amount of USD 7,150 related to filing income tax, new financial reporting standards including accounting for the new project, which was paid to KPMG, Male, Republic of Maldives and the amount of USD 7,200 will be paid in 2019.

## 7. Implimentation of the Corporate Governance Code for listed companies 2017

The Company recognizes the importance of the compliance which is the key mechanism to improve correctness and prudence of every operational procedures and steps. The Board of Directors assigns the Company Secretary Office to supervise and monitor the operation in compliance with the relevant laws and regulations.

The Board of Directors Meeting No. 4/2019, held on March 15th, 2019, considered and unanimously approved of Corporate Governance Policy (Revised in accordance with CG Code for listed companies 2017).and the Corporate Governance and Nomination Committee must review the new CG Code at least once a year.

The Board of Directors is committed to run the business by adhering to the good corporate governance principles for listed companies to ensure transparency, efficiency and responsibility to all stakeholders. For non-compliance aspects as mentioned below, the Company will review and adjust to be appropriate

Matters that have not yet been implemented	Justification
Independent directors can serve for no longer than nine consecutive years	The Company has set a policy that the independent directors shall serve on the Board for no longer than nine consecutive years from the date of their first appointment. In case the terms of such independent director(s) shall be longer than nine years, the Board of Directors will consider the extension based on the necessity. By the Company's nature of business, it needs directors with specialized competencies. Given the independence and efficiency of director's performance, these independent directors may be extended their terms longer than nine years
Quorum of the Board meeting at the time of voting to be at least two-thirds of the total number of directors	Quorum of the Board meeting of the Company is not less than half of the total number of directors as per the Company's Article of Association. The Company has not yet set up a policy of two-thirds of the total number of the directors for the quorum of the board meeting at the time of voting.

# Dusit Thani and Sustainability Development

Dusit Thani Public Company Limited embraces sustainable development in the economy, society and environment as the foundation of our operations. This guiding concept enhances our business innovation and ensures maximum benefit to all stakeholders, this paving the way toward being an organization of sustainability for our society and nation.

## Policy of Sustainable Business Operation

The Company continues on its sustainability journey and remains committed to the pursuit of excellence of being an international corporate citizen providing hospitality services with good governance and responsibilities that creates positive economic, social and environmental impacts. The Company, therefore, 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 vision of the Company which aims to lead the hospitality service industry, 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 appears in the policy 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, business 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

## Sustainability Report 2018

### About this report

The 2018 Sustainability Report was prepared to communicate the management policy and the performance of social and environmental responsibility of the Company to all stakeholders. It is also to disclose the concept of the business operations based on the sustainability in the dimension of economy, social and environment. Details in this report covers reporting period from January 1<sup>st</sup>, 2018 to December 31<sup>st</sup>, 2018. This Sustainability Report is prepared in line with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines version 4, in accordance with the Guidelines using "Core" option.

### Scope of Content

This report covers policies and operating guidelines for sustainability of Dusit Thani Public Company Limited and 13 hotels in the chain, namely: Dusit Thani Bangkok, Dusit Thani Dubai, Dusit Thani Hua Hin, Dusit Thani Laguna Phuket, Dusit Thani Pattaya, Dusit Princess Srinakarin, Dusit Princess Chiang Mai, DusitD2 Chiang Mai, DusitD2 Khao Yai, Dusit Thani Manila, Dusit Thani Maldives, Dusit Thani Lakeview Cairo and DusitD2 Nairobi.

### Social Responsibilities for the sustainable development

To realize the business driving on the principles of the social responsibilities for the sustainable development and support the target for sustainable development of United Nations, the Company therefore has not ceased to develop itself for changes with the equality and sustainability together with considering the balance of community and environment to make beneficial to the society and country.

### Sustainability management

In 2018, the Company announced the appointment of the Sustainability Committee, comprising the qualified persons from many departments to set up the strategy policy and framework of sustainability management including efficiently monitor the action of sustainability then.

Moreover, to distinctly express the intention in business operation based on the sustainability and sustainability management to be in line with standard and determination of action in every area, the Company reviewed the policy on sustainability management to be in accordance with the change of the current situation as well as the induction of the sufficient economy concept integrated with the current operation framework.

### Stakeholder Engagement

The Company believes that stakeholder engagement is key to the Company's ability to understand and respond to stakeholders' requirements and expectations. This is the framework that the Company uses for assessing materiality for the Company's sustainability.

Stakeholder	Communication and Channels	Interests and Expectation	Response
<b>Shareholders and Investor</b> The Company's shareholders: persons, juristic persons and funds who receive the return from the Company's performance	<ul style="list-style-type: none"> <li>- Annual General Meeting of Shareholders</li> <li>- Information disclosure via the SET Portal Straight Through system and the Company's websites</li> <li>- Enquiring via website</li> <li>- Complaint receipt via complaint channels</li> </ul>	<ul style="list-style-type: none"> <li>- Sustainable performance and stable growth</li> <li>- Transparent and fair operations</li> <li>- Sound risk management</li> <li>- Timely and accurate disclosure</li> </ul>	<ul style="list-style-type: none"> <li>- Create satisfactory performance, based on sound risk management</li> <li>- Provide transparent and timely company updates through the SET and other events or channels including the Company's website</li> <li>- Invite shareholders to attend AGM and provide opinion in the meeting</li> </ul>
<b>Customers</b> Tourists, business people, seminar attendants and hotel customers	<ul style="list-style-type: none"> <li>- Company's website</li> <li>- Social media</li> <li>- Face-to-face interactions</li> <li>- Complaint receipt via complaint channels</li> </ul>	<ul style="list-style-type: none"> <li>- Services quality and standard</li> <li>- Value for money</li> <li>- Value for time</li> <li>- Preparedness and swiftness in responding to customers' demands</li> <li>- Listen to customers' problems and provide assistance for customers who are facing with problems</li> <li>- Respect for privacy</li> <li>- Price transparency e.g. pricing quotes in different websites</li> <li>- Tailored experience, e.g. treated as individual</li> </ul>	<ul style="list-style-type: none"> <li>- Provide training to staff to maintain services quality and standard</li> <li>- Deliver services in responding to customer needs</li> <li>- Conduct quality assurance and control audits</li> <li>- Conduct feedback survey and respond to feedback through various channels</li> <li>- Engage in social media and maintain company's website</li> <li>- Review promotion and prices</li> <li>- Practice integrity by following up on our word</li> </ul>
<b>Employees</b> Executives, employees and workers	<ul style="list-style-type: none"> <li>- Orientation for employees at all levels</li> <li>- Disseminate useful information, news and knowledge via internal media</li> <li>- Organize training and activities for employees</li> <li>- Provide in place channels for receiving opinions and suggestions</li> </ul>	<ul style="list-style-type: none"> <li>- Communicate about the Company's business direction, policy and practices</li> <li>- Appropriate welfare and compensation</li> <li>- Career path and advancement</li> <li>- Equal opportunity for skill development and training</li> <li>- Respect and fair treatment</li> <li>- Work-life balance</li> </ul>	<ul style="list-style-type: none"> <li>- Set up policies and operational guidelines for HR departments, and compliance with labor law</li> <li>- Promote staff career path</li> <li>- Undertake annual salary surveys in the market to come up with appropriate remunerations and benefits</li> </ul>

Stakeholder	Communication and Channels	Interests and Expectation	Response
	<ul style="list-style-type: none"> <li>- Formal and Informal opinion surveys</li> <li>- Annual performance appraisal</li> <li>- Regular dialogues and engagement sections between executives and staff</li> </ul>	<ul style="list-style-type: none"> <li>- Promotional priority for current employees</li> <li>- Occupational health, safety and good environment in workplace</li> </ul>	<ul style="list-style-type: none"> <li>- Organize training courses suitable to staff in different divisions and levels</li> <li>- Conduct annual employee satisfaction surveys and performance assessment</li> <li>- Enhance occupational health and safety</li> </ul>
<b>Business partners/ Creditors</b>	Regularly communicate via email and telephone	<ul style="list-style-type: none"> <li>- Equal and fair treatment to all suppliers</li> <li>- Transparent procurement process</li> <li>- Compliance with terms and conditions as agreed</li> <li>- Review and take immediate actions on any issues that occur</li> </ul>	<ul style="list-style-type: none"> <li>- Have in place criteria to select suppliers and definitive audit processes</li> <li>- Compliance with terms and conditions as agreed</li> <li>- Review and take immediate actions on any issues that occur</li> </ul>
<b>Government sectors, NGO and international organizations</b>	<ul style="list-style-type: none"> <li>- Participation in activities organized by government sections</li> <li>- Report submission to the government sectors</li> <li>- Listen and express opinions via channel i.e., Company's websites</li> </ul>	<ul style="list-style-type: none"> <li>- Strictly comply with rules and regulations</li> <li>- Partnership in government programs</li> <li>- Support working as network</li> <li>- Feedback and role of the Company to the World's change</li> </ul>	<ul style="list-style-type: none"> <li>- Develop Public-Private Partnership programs</li> <li>- Share best practice programs with certain government sectors</li> <li>- Work with related persons and listen suggestions and opinions from external organizations</li> </ul>
<b>Communities, Society, Environment</b>	Partnership with community, society and environment	<ul style="list-style-type: none"> <li>- Job creation</li> <li>- Partnership in social activities</li> <li>- Disseminate good identity and culture</li> <li>- Respect the local way of living</li> <li>- Creative co-living in communities</li> <li>- Use of environmentally friendly goods and services</li> <li>- Efficient energy consumption</li> <li>- Efficient waste disposal</li> </ul>	<ul style="list-style-type: none"> <li>- Provide local employment and local business support</li> <li>- Engage in local procurement and contractor services</li> <li>- Energy consumption efficiency</li> <li>- Efficient waste disposal</li> <li>- Encourage and support local community on natural and environmental conservation activities</li> </ul>
<b>Regulators</b>	<ul style="list-style-type: none"> <li>- Annual Report</li> <li>- 56-1 Form</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with law, rules and regulations regarding business operation with accountability, accuracy and transparency</li> <li>- Adequate information disclosure</li> <li>- Transparency on corporate governance</li> </ul>	Compliance with regulations and instructions including policy of the Company's stakeholders



## Materiality Assessment issues to stakeholders and business operation

With reference to Global Reporting Initiative (GRI) materiality assessment, the Company reviewed and prioritized key aspects for sustainability by considering the most significant economic, social and environmental aspects, seizing 4 GRI's respects; Sustainability Context, Materiality, Completeness and Stakeholder Inclusiveness. In 2018, the Company can summarize the issues prioritized by stakeholders and the Company's business linkage as follows:

- Corporate Governance
- Respect for Human Rights
- Efficiency energy use
- Personnel Development and retaining
- Water resources management
- Security, health and environment
- Waste management
- Responsibility for procurement
- International quality management
- Community and society involvement

## Sustainable Development Goals Support



The Company pays attention and is ready to support the sustainable development goals of the United Nations for 9 main goals from a total of 17 goals. The Company can continuously help push forward the progress of each of these goals which are in accordance with its ability and potential to drive to sustainable development.



## Operations for Sustainability at Policy Level

### 1. Good Corporate Governance Compliance

The Board of Directors of Dusit Thani Public Company Limited recognizes the importance of business operation by adhering to the Good Corporate Governance Principles issued by the Stock Exchange of Thailand and the Company's Corporate Governance Policy with believes that strong corporate culture and structure is vital for the Company to achieve goal, create the long-term growth and strengthen confidence to shareholders and all stakeholders. (More information regarding Corporate Governance is disclosed under the Corporate Governance.)

With continual commitment in conducting good corporate governance, the Company was rated "Excellent" in the Corporate Governance Report of Thai Listed Companies 2018, published by the Thai Institute of Directors Association (IOD)

### 2. Business Ethics and Code of Conduct for the Board of Directors, Executives and Employees

To be in compliance with good corporate principles, 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 defined business ethics and code of conduct for the Board of Directors, executives and employees as follows:

## Business Ethics

- The Company shall continuously improve the management and other operations to increase competitive capability.
- 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.
- 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

### 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 Regulators.
- 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 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 time

### 3. Responsibilities to Stakeholders

- 3.1 The Board of Directors shall treat all Stakeholders 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 system and procedure 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 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 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 majority 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 to develop the Company to be excellent.
- 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 to 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 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 healthy.
- 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 to Business Partners, Competitors and Creditors, 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 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 Community, Society 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**

The employees perform their duties diligently and in compliance with the principles of the company to encourage and support correct behavior in work, create good relationships with the people involved and maintain a good image of 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 to 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 traditional providing. The said receipt shall be reported to the superior and proceed complying with the Company's regulations.

### 3. Anti - Fraud and Corruption

Fraud and corruption are 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 aware of such problem and intents to prevent, adjust and not support or involve in any kind of corruption.

The Company co-signed a declaration of the Private Sector Collective Action Coalition against Corruption (CAC), jointly initiated by the Thai Institute of Directors (IOD), Thai Chamber of Commerce, Joint Foreign Chambers of Commerce, Thai Listed Companies Association, Thai Bankers' Association, and Federation of the Thai Capital Market Organizations and Federation of Thai Industries. The project's major objective is to raise anti-corruption awareness. The Company had been certified by the CAC Council from October 2015 to 18 October 2018.

The Company completed the anti-corruption self-assessment to renew its certification of the Private Sector Collective Action Coalition against Corruption, which was approved by the Board of Director Meeting No. 5/2018 held on 11 May 2018 and submitted to the Private Sector Collective Action Coalition Committee to consider on 15 June 2018. In this regard, the Company has been recertified on 21 August 2018 which valid for 3 years. The Company officially received a certificate and completely joined the Private Sector Collective Action Coalition against Corruption (CAC) on 11 October 2018.

The Company defined its anti-fraud and corruption policy as follows:

#### Anti - Corruption Policy

1. The Company applies the principal of political neutrality and no policy is set to support politics for any political party or powerful political person.
2. The Board of Directors has the responsibility to set and enforce the anti-corruption policy to ensure that the management gives importance to this
3. The Audit Committee has a duty and responsibility to review the system of finance and accounts reporting, internal controls, internal audit and risk management to ensure that the management complies with the Company's policies and standards in regard with corruption and is concise, correct and effective.
4. The Managing Director has a duty and responsibility to provide system setting and support the anti-corruption policy, communicating this to staff and relevant persons including subsidiaries, joint venture partners or other companies that the Company has the controlling power or the business representative. The Managing Director is also responsible for revising the system and its practices to comply with any change of business, regulations, terms or provisions of the law.
5. The internal auditor has a duty and responsibility to examine and review the operation; to examine whether it complies with the policies, principles, laws and provisions of the compliance unit, in order to ensure that the Company has an appropriate and adequate internal control system in the subject of corruption risk and report this to the Audit Committee.

#### Anti - Corruption Practices

1. Directors, executives and staff at every level shall comply with the anti-corruption policy, ethics and codes of conduct of the Company. They shall not become involved in corrupt acts by not proceeding with or accepting any corrupt act on behalf of himself, family, friends or associates either directly or indirectly.



2. If any staff should become a witness to an act of corruption within the Company, no staff shall ignore it. They shall inform the superior officer, internal auditor or Audit Committee for investigation. In case there is any doubt or problem, they shall consult with the superior officer, internal auditor or Audit Committee.
3. The Company shall provide justification and protection to the staff who refuses to participate in any act of corruption or informs the corruption involving the Company.
4. In transactions involving the government or private sectors, processes must be correct, transparent and appropriate according to the laws of Thailand in order to avoid any act which might persuade officers of the government or private sectors to act incorrectly or inappropriately.
5. The corruptor is considered a wrong-doer and shall receive disciplinary punishment and penalty by law.
6. The Company shall be transparent with its anti-corruption policy by publicizing it through the Company's intranet and website [www.dusit.com](http://www.dusit.com)

#### **Policy and Practical Guideline for Non-Political Support**

1. Avoid being a director or representative of any political party.
2. Avoid donations to any political party or organization involved with politics.
3. No contribution in either money or other benefits to support or assist any political party or any powerful political person(s).
4. Action according to laws of Thailand

#### **Policy and Practical Guideline for Charitable Contribution**

1. No support or other acts expecting or gaining inappropriate benefits to the business.
2. Have a charitable contribution policy or gaining public interest to the institution or foundation which are listed according to Director-General of Revenue Department approved by Minister of Ministry of Finance.
3. Have a policy for charitable contribution to education or sport according to Director-General of Revenue Department approved by Minister of Ministry of Finance.

#### **Policy and Practical Guideline for Sponsorship**

The Company has no policy to receive or use the fund from the supplier except those involving Food and Beverage (F&B). All promotion funds requests must meet the criteria of an F&B promotion aiming for increasing: local and international revenue, guest spend, covers or PR image for outlets and hotels in local and international media. Allocated fund

utilization will only be approved if the promotion follows Dusit Standards.

#### **Policy and Practical Guideline for staff recognition award, service charges and other expenses payment**

The Company has a policy for staff recognition award payment on festive and traditional events, including staff recognition under other programs such as the Kob Khun program. All hotels are required to establish staff recognition programs in various categories.

In 2018, Dusit International Corporate Office arranged the online quiz to remind staff of the Code of Conduct, Anti-Corruption Policy and No Gift Policy. According to the annual performance review assessed by the management and the employees, the company also included questions regarding the employee's support towards the Anti-Corruption Policy as well as No Gift Policy to ensure that employees can assess themselves on the mentioned matter. The assessment are also acknowledged by the management at least once a year. For employees of all hotels in the chain, the Company provided them a training regarding the Anti-Money Laundering and Combating the Financing of Terrorism:

AML/CFT Policy. Dusit Thani Public Company Limited and its affiliates are responsible and ethical to issue the policies and measures supporting the prevention and suppression of money laundering and combating the financing of terrorism. The Company is committed to prevent itself from being a source of money laundering or a supporter of financing of terrorism by strictly complying with the laws on anti-money laundering and combating the financing of terrorism.

The Company encourages all stakeholders to aware and recognize the importance of anti-fraud and corruption. The Company provides many communication channels and established a written policy of information or complaint receiving (Whistle-blowing Policy), identifying the receiving channels, information or complaint management processes, measure to protect the rights of information providers, protection of confidential information - only authorized persons can have access to such information.

For further enquiries, suggestions or to submit complaints, stakeholders can contact the Company at:

#### **1. Audit Committee**

• Professor Hiran Radeesri  
Address: 257, Soi Sukhumvit 49, Sukhumvit Road, Klongton Nua, Wattana, Bangkok 10110

or

• Mrs. Pranee Phasipol  
Address: 44, Soi Tiwanon 40, Thasai, Mauang, Nonthaburi 11000

or

- Mr. Teerapol Chotichanapibal  
Address: 749/1 Soi Paholyothin 54/4, Khankai 1, Saimai, Bangkok 10220

## 2. Group Chief Executive Officer

- Mrs. Suphatee Suthumpun  
Address: Dusit Thani Public Company Limited, 319 Chamchuri Square Building, 29th Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330

## 3. Company Secretary

- Ms. Mantanee Surakarnkul  
Address: Dusit Thani Public Company Limited, 319 Chamchuri Square Building, 29th Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330

## 4. Director of Internal Audit

- Mr. Attapol Watjarapairoj  
Address: Dusit Thani Public Company Limited, 319 Chamchuri Square Building, 29th Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330

## 4. Risk Management

Managing existing and emerging risks in the current rapidly changing environment is critical to the success and sustainability of our business. As the Company's portfolio continues to rapidly expand, having a robust risk management approach to sustain the Company's growth and create long term returns for shareholders and investors with awareness of economic, social and environmental impacts is crucial. The Company assesses a variety of risk and possible impacts to business – whether they are strategic risk, operational risk, financial risk, compliance risk, technological risk and environmental risk.

The Board of Directors resolved to appoint the Risk Management Committee comprising the Company's key executives, heads of business units and representatives from each business unit and led by the Group Chief Executive Officer as the Chairperson to have duties in providing guidelines, policies and procedures regarding enterprise wide risk management within the framework of COSO (The Committee of Sponsoring Organizations of the Treadway Commission) as well as reviewing, considering and revising risk management structure, practical guidelines, directions, policies and relevant procedures to be suitable for changing situation and environment. The Risk Management Committee shall report its performance on a quarterly basis to the Audit Committee and at a minimum annually to the Board of Directors.

(More information regarding key risk factors challenging the Company's sustainable business performance in 2018 were reported under Risk Factors.)

## 5. International Quality Management

As the leading organization of hospitality services, the Company gives the importance to the response of the needs of our customers in all aspects, whether service standards, operational processes and measurements to continually improve and develop, maximize customer satisfaction and maintain market position. We are committed to continually improve the Quality Management System by using the indicators set out by ISO9001:2015 standard under the supervision of the management of each hotel to ensure consistent action and adherence of requirements and quality standard. We also established the key performance indicators in place to support our goal of total customer satisfaction and continuous improvement throughout our businesses:

- Operational Standards, processes implementing and measurement
- Monitoring working processes
- Continuous improvement
- Preventing problems
- Total Customer Satisfaction
- Market positioning
- Management commitment and support
- Applicable requirements

Presently, there are 12 hotels in the Dusit's chain which have been certified under ISO9001:2015. The certified hotels include six hotels in Thailand which were certified three years consecutively namely, Dusit Thani Pattaya, Dusit Thani Hua Hin, Dusit Thani Laguna Phuket, DusitD2 Chiang Mai, Dusit Princess Chiang Mai, Dusit Princess Srinakarin Bangkok which got a certification in 2018, and another five hotels in overseas namely, Dusit Thani Dubai, Dusit Thani Maldives, Dusit Thani Manila, Dusit Thani Lakeview Cairo, Dusit Thani Abu Dhabi and DusitD2 Nairobi.

There are 10 hotels certified under ISO14001:2015, five hotels in Thailand namely, Dusit Thani Hua Hin, Dusit Thani Laguna Phuket, DusitD2 Chiang Mai, Dusit Princess Chiang Mai and Dusit Princess Srinakarin Bangkok and five hotels in overseas namely, Dusit Thani Lakeview Cairo, Dusit Thani Abu Dhabi, Dusit Thani Dubai, Dusit Thani Maldives and DusitD2 Nairobi. On top of that DusitD2 Nairobi was also certified two years consecutively under OHSAS 18001:2007. Latest certified series belongs to Dusit Princess Srinakarin Bangkok achieving ISO20121:2012 as the first property of the Dusit's chain.

According to environmental management, the Company announced its policy and appointed Senior Vice President – Total Quality Management to lead the sustainable environmental development along with Group Director of

Engineering Division as a coordinator who is responsible for the operation for reliability and effectiveness which is able to drive towards continuous improvement.

In addition, Dusit properties appointed a green committee to perform environmental issues in the hotel such as risk assessment, recording and monitoring the impact of environmental activities to improve environmental condition and support the sustainability in the society. Moreover, selecting local suppliers and outsources, engaging with the guests, suppliers and outsources to promote sustainability are being put in the consideration of this environmental standard.

(The energy conservation policy is available at on <https://www.dusit.com/sustainability>)

## Operations for Sustainability in Economic Dimension

The Company sets goals for sustainable growth through proactive policies and efficient cost management focusing on the increase of number of hotel management and the investment in other businesses relevant to its core business to spread risk, the management of the financial ratios and expenses of the Company and its subsidiaries to match the revenue and business plan as well as the study and determination of proper financial instruments to support the investment according to strategy and business plan effectively and continually generate revenue and profit growth so that the returns can be distributed to all stakeholders. The Company's operations for sustainability in economic dimension are such as having a policy to pay dividends to its shareholders of not less than 50 percent of consolidated net income, providing proper benefits to executives and employees, preparing auditable and transparent financial statement, preparing disclosing the Company's performance to shareholders every quarter to build their confidence and giving importance to financial discipline and financial management.

## Operations for Sustainability in Social Dimension

The Company places importance on all inside and outside stakeholders and sets clear practices focusing on engagement of all stakeholders and responsibilities to all stakeholders, respect for the diversity and human rights, fair treatment to employees, provision of occupational health and safety and development of knowledge and skills to drive the Company for quality and sustainable growth.

### 1. Respect for 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.
- Give job opportunity to every person equally including handicapped people.
- Provide channels for the employees to submit complaints on human rights violation which the Managements commit to preventing and eliminating the violation of human rights.
- Provide training and promote human rights for employees. All employees shall be provided one-hour training on human rights.

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 complaints can be sent to HR department or Hotel General Manager which the information shall be kept as confidential.

In 2018, the Company issued a Child Protection and Human Trafficking Policy outlining Dusit International for hotels in Thailand & The Code's code of conduct at the work place in order to protect children from risks linked to possible sexual exploitation in travel and tourism. The Company has signed an agreement on August 8, 2018 with The Code, an initiative supported by End Child Prostitution and Trafficking (ECPAT) and the Tourism industry to help protect children around the world. For all Dusit hotels in Thailand (owned/managed/franchised), the code of conduct includes:

- To introduce Dusit International & The Code Child protection policy to all employees, all levels.
- To introduce Dusit International & The Code Child protection policy to all new employees during orientation.
- To conduct annual Dusit International & The Code Child Protect training for all guest contact employees – Front Office, Food & Beverage Service, Housekeeping, Engineering, Human Resources, Sport & Recreation, Security (including outsourced).
- To display information about Dusit International & The Code Child protection on employee notice board – posters, reporting flow charts and reporting numbers.
- To make sure that the Reporting Forms for actual or suspicious child abuse cases are available at the offices of all concerned departments – Manager on Duty, Front Office, Food & Beverage Service, Housekeeping, Engineering, Human Resources, Sport & Recreation, Security.
- To report all actual or suspicious child abuse cases to Dusit International Corporate Office – Corporate Human Resources department within 24 hours.
- To provide information about Dusit International & The Code Child protection to hotel guests by means of catalogues, brochures, web-sites, posters, etc.
- To introduce a clause in contracts with travel agents, tour operators and ground operators stating Dusit International's common repudiation of commercial sexual exploitation of children.
- To join & support all Dusit International & The Code yearly activities to create awareness against sexual exploitation in Travel & Tourism.

In 2018, employees of Dusit International Corporate Office and employees of Dusit properties in Thailand have attended this training. In 2019, this policy will be effective in Dusit properties in overseas as well. All Dusit properties in Philippines are the first overseas branch to that will be trained on this policy. are Dusit properties in Philippines

## 2. Human Resource Management

The Company strongly believes that the human resources are the most important key for sustainable development because they are economic, social and environmental driving. The Company thus prioritizes the development of human resource.

### 2.1 Fair 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 realizes 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 diseases.
- 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.

### 2.2 Wage, Salary and Benefit Management

The Company implemented wage policy of employees in short term and long term, abiding 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.

In short term, at the beginning of April every year, the Company reviews salaries of its employees based on their performance and the Company's performance. In long term, the Company evaluates employees' performance based on

Balanced Score Card under KPI's system. Thus, employees of any gender or age receive fair and proper salaries. Moreover, the Company's salary structure is appropriate and comparable to other businesses in the same category.

The Company offers many benefits to employees, such as cost of living, annual bonus, two duty meals per day, annual leave, sick leave, provident fund, group life and medical insurance with benefits covering medical expenses of private and government hospitals, travel insurance in case 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. There are also training to employees on health care.

### **3. Personnel Development**

Since all employees are part of social sustainability, their work-related skills, Dusit Graciousness skills, and English language skills are constantly developed and well prepared for the growth of hospitality industry both in Thailand and global. In addition, the company revised the Executive Trainee program to 'D Star Program' which aims to develop and prepare potential managerial level and above for promotion and opportunity to be transferred to hotels under Dusit brand in Thailand and foreign countries. The Company also upgrade the Management Trainee program to 'LEAD Y Program' for fresh graduates who are interested in the hotel business in order to gain experiences in every core department to learn about the Company business as a whole within one year under 2 hotels, and join the most suitable department after the program completed.

### **3.1 Employee Development Policy**

The Company believes that the growth of the Company depends on the quality and efficiency of employees. As such, the employee development policy mainly focuses on the knowledge and skills development of employees at all levels to strengthen the enterprise's potential and overall success of the Company. The Company intends to have all management and employees set their working plan in accordance with the Company's direction and goals, based on Company's Vision, which can efficiently lead the operations towards the same direction. Each department sets up its own business strategy and business plan so employees can have clear objectives and individual KPIs (Key Performance Indicators) that support the Company's operations and their responsibilities. The KPIs will be used as a standard to evaluate employee's performance.

However, to comply with Personnel Development of the Company, personnel development budget, new staff orientation and continually staff's skill development have been mentioned in Personnel Development Policy on page 66-68

### **4. Safety, Occupational Health and working Environment Management**

The Company gives high priority on safety, occupational health and working environment. To implement these issues, the Company stipulates every department to perform its duties in accordance with the safety, occupational health and working environmental management.

#### **Occupational Health 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 2018**

	Hotel	Committee	Staff	Average (%)
1.	Dusit Thani Bangkok	13	545	2.39
2.	Dusit Thani Pattaya	15	453	3.31
3.	Dusit Thani Hua Hin	7	346	2.02
4.	Dusit Thani Laguna Phuket	7	367	1.91
5.	dusitD2 Chiang Mai	9	119	7.56
6.	Dusit Princess Srinakarin	7	183	3.83
7.	Dusit Princess Chiang Mai	9	123	7.32

**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	
		2017	2018
1	Number of sickness case from work-related (Case)	0	0
2	Number of injury case from work-related (Case)	25	20
3	Number of fatalities from work-related (Person)	0	0
4	Injury rate from work-related (Injury case /200,000 Man-Hours)	0.96	0.84
5	Lost day rate (Days / 200,000 Man-Hours)	7.27	2.95
6	Absentee rate (Days / Total days scheduled to be worked by the workforce)	0.25	0.16
7	Number of Employees as of December 31 (Person)	2,287	2,136

**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.

**5. Responsibilities to Customers**

The Practices regarding responsibility to customers were based 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 customers 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 internationally.



## Operations for Sustainability in Environmental Dimension

Environmental sustainability is the key element of the Company's management. As a global provider of hospitality service owing and managing hotels located in beautifully landscaped areas around the world, we recognize that our operations can have impact on the environment. We are committed to prudent and responsible environmental management including environmental conservation, proper energy management, pollution prevention, collaboration with suppliers to improve indirect environmental impact, preparation and participation in environmental conservation projects, educating employees, eco-friendly investment and delivery of products and services that are environmentally responsible to customers.

The Company implements environmental management system using indicators set out in the ISO14001:2015 to achieve our organizational target and compliance obligations. Our key performance indicators are

- Greenhouse gas emission
- Energy efficiency, conservation and management
- Management of fresh water resource
- Ecosystem conservation and management
- Land use planning and management
- Air quality protection and noise control
- Waste water management
- Solid (including food) waste management
- Storage and use of environmentally harmful substances

The Company also appointed the Senior Vice President – Total Quality Management as the leader for environmental sustainability and the Group Director of Engineering as the Coordinator with responsibility to make our operations as reliable and effective as possible, driving continuous improvement for environmental performance.

All hotels appoint a green team work on environmental issues, assessing risks, recording, following up on environmental impacts and setting up measures of sustainable social and environmental development. The Company hires local people and contractors, purchases eco-friendly goods and services from nearby community and encourages the employees to tell customers, suppliers, contractors and agents the Company's commitment on sustainable social and environmental development.

### Green Leaf Campaign

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 Waterworks 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.

### 1. Energy Consumption

The Company gives importance to efficient energy consumption and promote environmentally friendly energy consumption. We support and promote environmentally friendly energy consumption as well as set up the below energy conservation policy to be used as guideline for energy performance and efficient energy consumption:

- 1.1 The Company is determined to implement and develop a proper energy management approach. Energy conservation is set as a part of the Company's operation to be in compliance. Energy conservation is part of the company's operations in line with other laws and regulations associated.
- 1.2 The Company shall continue to improve the efficiency of its energy consumption and in line with business needs, shall use technology and purchase materials with qualification of energy saving and shall procure suppliers have good energy and environmental practices in accordance with the laws and regulations of the company.
- 1.3 The Company shall set up conservation plan and goals each year and shall communicate to all employees properly and correctly. For the 2018, the goal was to reduce the total energy consumption by at least 3%.
- 1.4 The Company considers that management and employees at all levels have responsibility to energy conservation. They must adhere to the established measures, monitor, examine and report to the energy management team.
- 1.5 The Company shall provide necessary support including human resources, budget, working time, training and participation in presenting ideas to develop energy performance.
- 1.6 The Management and the energy management team shall review and revise the energy policy, targets and plans every year.

### Electricity

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.

2017 - 2018 Thailand Hotel electricity consumption

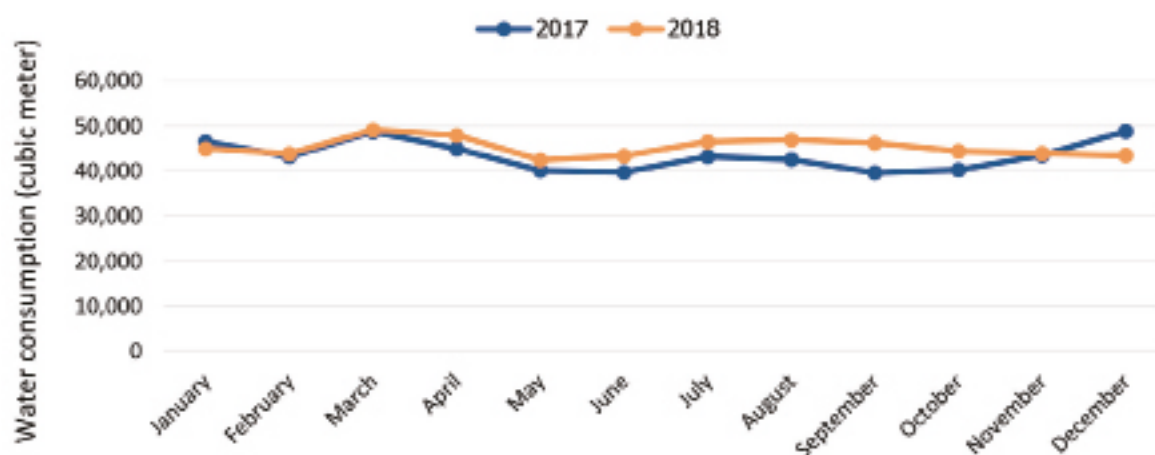


### Water Consumption

Since hotel businesses require large amounts of water, we strive for sustainable water management while meeting international customer service standards. Every hotel has concrete water saving measures, such as water pipe and water

meter maintenance and replacement, water-saving sanitary ware, faucet and shower installations, use of salt chlorinators for swimming pools and providing water efficiency training to employees. Dusit Thani Hotel Group has ongoing water efficiency plans and activities in order to continuously reduce water use.

2017 - 2018 Thailand Hotel Water consumption



## 2 Use of Environmentally Friendly Materials

The Company gives importance to selection of materials used in hotels and guest rooms which are environmentally friendly, for example the use of products made from recycled materials.

## 3. Waste Management

The Company and hotels in the chain promote their employees to reduce waste under the concept of 3Rs.

- Reduce: to minimize the amount of waste that can occur, such as the selection of products with the least environmental impact.
- Reuse: to use materials again, such as printing on both sides of paper, use of packaging to contain other equipment.
- Recycle: to convert waste materials into new materials and objects. The Company encourages the employees to separate and collect garbage that can be recycled; e.g. glass, paper, plastic for distribution to concerned operators.

**Elimination of single use plastic** is a part of Dusit group's objectives started in 2018 which applied to all hotels in the group. The Company started from a small step but created positive changes in the society and environment. At the corporate office, providing water dispenser and paper glass to the meeting attendees has been used instead of a plastic water bottle. In a meantime, the Company continues to move toward sustainability through the donation of more than 4,000 pieces of unused plastic straw to the Health Promotion Foundation to create pillows and mattresses providing to bedridden and convalescent patients at Umphang Hospital located near the border of Myanmar where are able to access only by four-wheel vehicle. However, the advantage of using plastic straw in a pillow is light weight without accumulating germs and helps reducing the occurrence of pressure ulcers.

## Summary of Environmental Operations in 2018

In 2018, the Company and 13 hotels performed the following environmental activities:

1. Installed LED light bulbs. At present, almost area in all hotel was LED lighting system
2. Complete inspection and maintenance for all plumbing system to reduce water leakage and increase performance of plumbing system.
3. Implement preventive maintenance program for heat pump to ensure good efficiency
4. Provide workshop and training for concern staff to manage and setup room thermostat. This improve room environment and reduce energy consumption.

5. 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.
6. Chiller performance and efficiency was monitored and intensive preventive maintenance program had been implemented to ensure a proper hotel air quality and energy saving
7. Selected "ECOLAB" chemical supplies for housekeeping, stewarding and laundry, being their eco-line and cold-wash product series.

## Services and Customer's Satisfaction

Details was mentioned in Awards of Dusit for Year 2018 on page 23

## Activities to Develop and Support Community, Society and Environment

With commitment to be responsible and reward to community and society where we enter for business operations, Dusit Thani Public Company Limited supports and promotes the community and social development by cultivating the employees to have public mind and social responsibility and encouraging them to participate in activities helping and rewarding to community and society. In 2018, the Company and hotels in the chain around the world pursued many activities for rewarding community, society and environment. Activities are divided into two categories as follows:

### 1. Social Initiatives

- Dusit Smiles (Dusit Smiles for Operation Smile Thailand) Smile for Children

Dusit Smiles is the global charity initiated by Dusit Thani Group as part of our CSR program. To heal children's smiles and make the world a better place, the Company has partnered with Operation Smile ([www.operationsmile.org](http://www.operationsmile.org)), a worldwide organization that mobilizes a force of medical professionals and caring hearts to provide safe, effective reconstructive surgery for children born with facial deformities such as cleft lip and cleft palate. Through an extensive year-round activity under Dusit Smiles, not only helping to raise funds to support numbers of operations, but also uplifting awareness among our clients, partners, and employees via training, mission visits, government relations, marketing, public relations and others. The Dusit Smile program was initiated in 2010. Funds have been raised through different channels, such as donation 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 2018, the program has collected Baht 10,185,851.88 in donations. In 2018 the organization has provided medical operations for 212 children born with cleft lip/palate.

Projects that were organized to support Dusit Smiles for Operation Smile Thailand are as follows:

- **Medical Mission at Srisangwal Hospital, Mae Hong Son**

Representatives of Dusit International Corporate Office and dusitD2 and Dusit Princess Chiang Mai worked as the mission volunteer for the operations at Srisangwal Hospital, Mae Hong Son Province. They assisted for the screening process and traffic coordinator. The total number of patients surgically treated was 85 persons.

- **Bright Smiles & Happy Hearts Project**

To further support Thai children suffering from cleft lips and/or cleft palates, Operation Smile with Dusit International Corporate Office organized a GATHER to GIVE activity which is a part of the Bright Smiles & Happy Hearts project. Staff were volunteered to fold towels in animal shape to be given to young patients on the day that they meet doctors and during the recovery period to reduce their anxiety and pain.

- **Preparing Medical Record Folders for Dusit Smiles**

Dusit International Corporate Office further supports Thai children suffering from cleft lips and/or cleft palates by preparing medical record folders to be used during operations for children.

- **Bake Sale Event**

Dusit Thani Guam staff from different departments hosted a Bake Sale event to raise fund for Dusit Smiles. The departments used their own money to purchase and/or make items for sale. Combined Bake Sales raised U.S. \$1,840.75. All proceeds went to Dusit Smiles.

- **2nd Annual Dusit Smiles Golf Championship**

Dusit Thani Guam organized 2nd Annual Dusit Smiles Golf Championship held at the Leo Palace Resort. After expenses, total amount of proceeds for Dusit Smiles was a little over US\$28,000.

- **Phuket Has Been Good To Us**

Marketing Communication team from Dusit Thani Laguna Phuket raised fund from Ping-Pong Lucky Draw game of Baht 2,340 for Dusit Smiles at Pop-Up4 Event by Phuket Has Been Good To Us at Boat Lagoon, Phuket.

Apart from activities organized to support Dusit Smiles, the Company and hotels in the chain organized other social initiatives as follow:

- **Donation activities**

- dusitD2 and Dusit Princess Chiang Mai visited Nakornping Hospital to offer food and drinks to patients and their relatives. This event was aimed to provide support to migrant patients and patients with high medical cost burdens.

- The staff and management of Dusit Thani Pattaya joined National Children's Day activities organized by Pattaya City as part of hotel's ongoing CSR initiatives. The event hosted in front of Pattaya City Hall featured snacks, toys, games and fun activities for the children who visited the hotel booth with their parents.

- Dusit Thani Pattaya Management and Staff conducted a donation campaign for Suankaew Foundation. It included clothes, blankets, bags, discharged uniforms, bathrobes, and other useful items donated by hotel staff and management to support Suankaew Foundation's initiative campaign for unprivileged people in rural areas who are in need of items for daily living. The donation campaign is one of the hotel's endeavors that form part of its continuous CSR program for the local community.

Suankaew Foundation is a non-profit organization founded in 1986 by revered monk Phra Payom Kallayano with the objectives to propagate Buddhism, to promote good morals, to conserve and promote Thai culture, as well as to support charitable works for public benefit especially for unprivileged people in need of helping hands.

- Dusit Thani Pattaya management joined forces with the Korean community, Korean Embassy, and Korean Chamber of Commerce for activities and donations as a CSR for the children at Thai Fountain of Life Foundation in Sri Racha district. The event was full of activities including a children's performance and presentation of gifts to the children.

- Dusit Thani Laguna Phuket visited Mueng Thalang Phuket School, Patong Phuket School and Banphot Witthaya Chiang Rai School to present scholarship of 1,000 THB for the students whose paintings were selected as part of the event "30 paintings auction for Dusit Smiles" to raise fund for Operations Smile Thailand in occasion of Hotel 30 Years Anniversary.

- Dusit Thani Laguna Phuket football team joined in charity football league "Thanyapura 7 Soccer Charity 2018" to raise fund for Yaowawit School, a school for underprivileged children or orphans especially the ones who loosed their parents from Tsunami.

- Dusit Thani Hua Hin donated clothes, materials and money to the women prisoners at the temporary Kae Noi prison, Phetchaburi.

- The Management and staff of dusitD2 Khao Yai donated food and hosted lunch and snacks to students at Makutkiriwan School for the Blind.

- During the months of November and December, the United States Marine Corps Reserves works with the community to provide new toys for underprivileged children on Guam. Dusit Thani Guam employees are donating toys for these children as well.
  - Dusit Thani Guam joined the community to help Guam's island neighbors rebuild in the wake of Super Typhoon Yutu by donating goods and materials to our neighboring island families.
  - Dusit Thani Guam Employees joined the annual Relay For Life fundraising event for the benefit of the American Cancer Society. DTGU team members together with other companies and as well as survivors took part in a victory parade.
  - Dusit Thani Guam Resort helped its sister company in Indonesia during the Lombok earthquake. The Engineering Department initiated a breakfast cart which went around the hotel's back offices. All the proceeds were donated to the victims of the earthquake.
  - Dusit Thani Guam employees participated in Strides for the Cure 2K/5K run. This event raised funds and created awareness for the fight against cancer in Guam.
  - In partnership with Virlanie Foundation, Dusit Thani Manila was able to distribute 300 Christmas Hampers to indigent families in Tondo Manila. The kids too received small gifts to make their Christmas a bit merrier. Truly an overwhelming experience for the colleagues who were able to make a difference and see smiles in the faces of the children.
  - Dusit Thani Abu Dhabi participated and donated AED476/- at Terry Fox Run. The Terry Fox Run is a yearly run must-attend on the calendars of families, sport enthusiasts, philanthropists and United Arab Emirates (UAE) residents. The run fuels charitable donations for local cancer research and commemorates the indelible mark that Terry Fox left on his fight against cancer. The last Run participates by running, walking and wheeling along an 8.5KM track on the Abu Dhabi Corniche. Since 1981 the Terry Fox Run has contributed significantly towards supporting innovative cancer research and has also created a culture of social responsibility in the UAE.
- **Community visit and Meals Hosting**
    - Dusit Thani Laguna staff representatives went to Phuket Special Education Center to support National Children's Day activity. The hotel supported the event with shows and mascots dressed up by our staff. Also, the hotel set up booth to give away snacks and drinks to children and parents in the event. This is a local school that accept students with special needs or disabilities.
- Dusit Thani Laguna Phuket welcomed students from Beluga School of Life Phang Nga to have a party in the hotel. The kids joined the Children's day activities in the morning with Laguna Phuket and continued for lunch and opening presents at the hotel. Dusit Thani Laguna Phuket supported the school with transportation to-from Phang Nga, hosting lunch and sweets and gifts for every kids.
  - Dusit Thani Pattaya joined the nation as it celebrated the month of July, marking H.M. King Maha Vajiralongkorn's birthday. Celebrations began with an alms giving ceremony for nine monks from Djithabhawan Temple in the early morning. Then the event was followed by an afternoon visit to the Pattaya Redemptorist School for the Blind in Soi Na Klua 16 to deliver donations and host lunch for the children under the school's care. The team distributed snacks and ice cream to the visually impaired children, who in turn expressed their appreciation to the delight of their visitors. This formed part of the ongoing CSR initiatives of the hotel to be part of the nationwide good deeds and well-wishing to honour the King on his birthday. Pattaya Redemptorist School for the Blind was founded in 1986 by Father Ray, with the help of Mrs Aurora Sribuapan, a social worker who is herself blind, and who is now head teacher of the school. The Pattaya Redemptorist School for the Blind has educated over five hundred blind and visually impaired children since its opening. Graduating students have found employment and are now able to live an independent life.
  - DusitD2 and Dusit Princess Chiang Mai staff joined CSR activity at Baan Tham Ma Pakorn Chiang Mai (Nursing home) and Phon Sawan Foundation Chiang Mai. The activities included sharing love, laughter and smiles with food and drinks and Santa & Santarina dancing.
- **Blood Donation Activity**
    - Dusit International Corporate Office, Dusit Thani Bangkok, Dusit Thani Pattaya, Dusit Thani Laguna Phuket, Dusit Thani Abu Dhabi Dusit Thani Lakeview Cairo, Dusit Thani Manila, DusitD2 and Dusit Princess Chiang Mai organized blood donation activity to help millions of people across the country in need of blood transfusions to save their lives. The management and staff turned up to give their contribution to the drive which is carried out every year as part of the hotel's CSR initiative.

## 2. Environmental Initiatives

### • Planting Activities

- Dusit Thani Guam employees helped the community planting Acacia trees which are known to help with erosion control to protect the environment.
- Dusit Thani Laguna Phuket staff representatives joined Laguna CSR team for Greening Community Project with Mangrove Tree Planting at Baan Thasak in Paklok area.

- **Earth Hour Activity**

- The executives and staff of DusitD2 and Dusit Princess Chiang Mai joined Earth Hour activity by switching off non-essential lights around the hotel for one hour from 8:30 p.m. – 9:30 p.m.
- The staff of Dusit Thani Hua Hin supported Earth Hour as non-essential lighting was turned off for 60 minutes in support of preserving the global environment. A full day of activities kicked off with the staff and management team planting Fiddlewood shrubs around the hotel's area to further enhance the awareness of global warming. Activities followed for those wishing to show support for Earth Hour, with guests invited to make gel candles which could be redeemed for generous THB 60 discounts on food items if presented to our staff between 8.30 p.m. to 9.30 p.m. local time.
- In celebration of the earth hour events, Dusit Thani Lakeview Cairo put all the lights off in all the outlets for an hour on that day.

**Sea Turtle Conservation Program**

- Dusit Thani Laguna Phuket staff representatives joined "Sea Turtle Conservation 2018". This Annual Sea Turtle Conservation event was organized by CSR Laguna to raise funds for the ongoing sea turtle conservation and rehabilitation program of Phuket Marine Biological Center (PMBC).

- **Big Cleaning Activity**

- Dusit Thani Laguna Phuket joined the beach cleaning activity "Phuket Suay Duay Mue Lae Jai Rao", which is environmental preservation activity initiated by Phuket Governor Office. DTLP staff representatives went to Surin Beach nearby the hotel to collect the wastes left on the beach.
- Dusit Princess Srinakarin Bangkok invited people from Dusit Thani College, Khaen Thong School, Seacon Square and Pravet district to participate in the Big Cleaning Day. There were approximately 110 participants joining the event.
- Dusit Thani Abu Dhabi team joins the Clean Up UAE at Al Tawaleeh Abu Dhabi, organized by Emirates Environmental Group. The campaign aims to collect and treat the waste that damages the local environment and to educate the public on the proper ways of dealing with waste.



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# Internal Controls and Risk Management

- **Summary of the Board of Directors' Opinion**

The Company's Board of Directors is responsible for sponsoring, supervising, and monitoring the internal control system to reasonably ensure the achievement of the Company's objectives, the effectiveness and efficiency of operations, the reliability of financial reporting, and the compliance with laws and regulations including safeguarding of the Company's assets and reputation. It is the responsibility of the Risk Management Committee to oversee the company's overall risks. The Risk Management Subcommittee has also been set up in order to enhance all levels of management to closely participate in risk management. However, effective communication to management and employees at all levels together with continuous implementation of risk management to become a part of corporate culture have yet been an ongoing process. Moreover, the Audit Committee is responsible for overseeing and reviewing internal audit processes to ensure that internal controls are monitored and improved to mitigate risks and prevent losses by reporting to the Board of Directors regularly.

In the Board of Directors' Meeting No. 3/2019 on February 25, 2019, the Board assessed internal control and risk management system by using SEC's Internal Control Self-Assessment Form in accordance with Internal Control Framework of COSO (The Committee of Sponsoring Organizations of the Treadway Commission), which consists of the following five components: (1) Control Environment

(2) Risk Assessment (3) Control Activities (4) Information & Communication and (5) Monitoring Activities. Aside from that, the Board also consulted with the Audit Committee, inquired the Management, and reviewed internal audit reports. Thus, there was no significant control weakness affecting internal control system.

The Company's Board of Directors is of the opinion that the company's internal control system is adequate with appropriate numbers of staff together with monitoring activities to control subsidiaries' operations in order to prevent possible asset misappropriation and conflict of interest. Regarding other areas of internal controls, they are also agreed to be sufficient. According to the internal control assessment mentioned above, the Audit Committee had no additional observations.

The external auditor of the Company for the year 2018, KPMG Phoomchai Audit Ltd., did not have any material notices concerning internal control over financial reporting.

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

-None-

# Auditor's fee

In 2018, the Company paid auditor's fees as follows:

- **Audit Fee**

1. The audit fee of the Company and subsidiaries in Thailand paid to KPMG Phoomchai Audit Limited equaled to Baht 5.25 million.
2. The audit fee of subsidiaries, associates and joint ventures in overseas:
  - R.G. Manabat & Co. (a member firm of KPMG), Makati City, Philippines in total of Peso 1,050,000.
  - KPMG, Male, Republic of Maldives in total of USD 11,225.
  - KPMG Huazhen (Special General Partnership), Shanghai, People's Republic of China in total of RMB 276,500.

- **Non-audit fees**

- **Subsidiary in overseas**

- In 2018, the consulting service fee at the amount of USD 7,150 related to filing income tax, new IFRS and accounting record for new project which was paid to KPMG, Male, Republic of Maldives and the amount of USD 7,200 will be paid in 2019.

# Related Party Transactions

## 1. Related transactions with directors, management and shareholders

The Company and subsidiaries have related transaction with the persons who may have the conflicts of interest during 2016, 2017 and 2018 as follows:

Transaction with the Company/ Subsidiaries	Types of transactions	Balances/Value of transactions (Million Baht)			Details, conditions and their necessities
		2016	2017	2018	
Dusit Thani PLC. and subsidiaries with Acme Printing Co., Ltd. by Mrs. Sinee Thienprasiddhi is the major shareholder. and director.	Printed the calendar and annual report of the Company	1.23/ 1.16	- / 0.86	- / 0.72	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.
Dusit Thani PLC. and subsidiaries with MBK PCL. by Mr. Chanin Donavanik and Mrs. Sinee Thienprasiddhi are the shareholders.	Management fee and other incomes	2.36/ 9.68	3.49 / 9.09	1.71 / 9.48	The conditions of pricing and services in sales and marketing are similar to those charged to other hotels in the group.
	Dividend income	- / 14.75	- / 14.75	- / 16.54	Per dividend declaration
Dusit Thani PLC. and subsidiaries with Piyasiri Co., Ltd. by Thanpuying Chanut Piyaoi's Group held majority of its ownership.	Medical expenses	- / 0.01	- / -	- / -	Prices and terms are in the normal business transaction.
Dusit Thani PLC. and subsidiaries with JTB (Thailand) Co., Ltd. by Mr. Chanin Donavanik is the shareholder and director.	Revenue from sales and services and other income	3.80/ 38.16	8.46 / 48.54	1.22 / 23.03	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.

Transaction with the Company/Subsidiaries	Types of transactions	Balances/Value of transactions (Million Baht)			Details, conditions and their necessary
		2016	2017	2018	
Dusit Thani PLC. and subsidiaries with New Atlantic Co., Ltd. by Thanpuying Chanut Piyaoui's Group held majority of its ownership.	Revenue from sales and services	- / 0.01	- / -	- / -	Prices and terms are in the normal business transaction.
Dusit Thani PLC. and subsidiaries with The Navakij Insurance PCL. by Professor Hiran Radeesri is the director	Insurance expenses	- / 0.56	- / 0.75	- / 0.64	Prices and terms are in the normal business transaction.
Dusit Thani PLC. and subsidiaries with Siam Makro Public Company Limited. by Mr. Arsa Sarasin is the director	Selling expense and administrative expense	- / -	- / 2.01	- / 2.73	Prices and terms are in the normal business transaction.

According to the Audit Committee meeting No. 2/2019, the Audit Committee had considered that the related transaction with the persons who may have the conflicts of interest during 2016, 2017 and 2018 were reasonable in pricing and conditions at the normal course of business.

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

Besides the normal transaction in doing business which already disclosed in the notes to the financial statements, the Company has policies for related transaction 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 transaction with subsidiaries, such transaction must be approved by the Audit Committee and Board of Directors.

In 2016, 2017 and 2018, the Company had transaction 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 transaction to subsidiaries by changing in balances and outstanding of loans were as follows:



Subsidiaries	Changing balances (Million Baht)			Balances (Million Baht)			Detail of transactions
	2016	2017	2018	2016	2017	2018	
1. Dusit China Capital Co., Ltd.	37.50	21.40	12.80	76.00	97.40	110.20	The Company provided long-term loan.
	1.75	2.47	3.11	1.75	2.47	3.11	The Company's interest income.
2. Vimarn Suriya Co., Ltd.	47.11	46.01	(93.12)	47.11	93.12	-	The Company provided long-term loan.
	0.04	4.12	2.47	0.04	4.12	2.47	The Company's interest income.
3. Dusit Thani Properties Co., Ltd.	250.00	(2.00)	(248.00)	250.00	248.00	-	The Company provided short-term loan.
	0.17	7.03	1.67	0.17	7.03	1.67	The Company's interest income.
	-	-	90.40	-	-	(90.40)	The Company borrowed short-term loan.
	-	-	1.77	-	-	1.77	The Company's interest expense.
4. Dusit Excellence Co., Ltd.	-	34.62	135.15	-	34.62	169.77	The Company provided short-term loan.
	-	0.35	5.35	-	0.35	5.35	The Company's interest income.
5. Suanlum Property Co., Ltd.	-	14.04	75.80	-	14.04	89.84	The Company provided long-term loan.
	-	0.23	1.64	-	0.23	1.64	The Company's interest income.
6. Dusit Gourmet Co., Ltd.	-	-	-	-	-	-	The Company provided short-term loan.
	-	-	0.01	-	-	0.01	The Company's interest income.
7. Dusit Overseas Co., Ltd.	-	-	345.55	-	-	345.55	The Company provided short-term loan.
	-	-	4.21	-	-	4.21	The Company's interest income.
8. Dusit Foods Co., Ltd.	-	-	-	-	-	-	The Company provided short-term loan.
	-	-	8.08	-	-	8.08	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. Neither the executive directors nor the shareholders are involved in the benefits or loss or approval of these related transaction.
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 and associates**

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

# Management Discussion and Analysis 4Q18 and FY2018

## Executive Summary

**The Company reported net profit of THB 119 million in 4Q18, a decrease of 59.0% from the same period last year and profit of THB 290 million for the year 2018, an increase of 8.6% yoy. Excluding extraordinary items, the Company reported the core net profit of THB 153 million in 4Q18 (an increase of 76.3% from 2017) the core net profit of THB 330 million in 2018 (an increase of 419.5% yoy). Those extraordinary items included net gain on sales of Dusit Princess Korat Hotel of THB 203 million in 4Q17, while net gain on sales of the investment of THB 30 million in 2Q18 offset with THB 70 million net employee costs from closing Dusit Thani Bangkok in 2018.**

In 4Q18, Dusit Thani PLC (“the Company”) reported total revenue of THB 1,621 million, a decrease of 9.5% from 4Q17, contributed by decrease in revenues from the absence of Dusit Princess Korat Hotel and Other income. Earnings before

Interest, Taxes, Depreciation and Amortization (EBITDA) was THB 307 million, a decrease of 46.3% from the same period last year due to the aforementioned extraordinary items and additional employee costs from closing Dusit Thani Bangkok Hotel of THB 42 million.

In 2018, the Company reported total revenue of THB 5,565 million, a relatively flat from that of last year, despite the decrease in revenue from Education business, the Company reported an increase in hotel business from revenue from luxury villa management as invested in 3Q18 and other income comprising of gain on sales of investments, an increase in share of profits from an investment in DREIT and Food Business as invested in 1Q18 and addition employee costs in FY2018 of THB 88 million. This resulted in a 9.0% yoy decrease in EBITDA to THB 1,000 million.

Unit: THB mn	4Q18	4Q17	Change		FY18	FY17	Change	
Hotel business	1,298	1,278	20	1.6%	4,626	4,590	36	0.8%
Education business	124	128	-4	-3.1%	425	442	-17	-3.8%
Others	199	386	-187	-48.4%	514	538	-24	-4.5%
<b>Total revenue</b>	<b>1,621</b>	<b>1,792</b>	<b>-171</b>	<b>-9.5%</b>	<b>5,565</b>	<b>5,570</b>	<b>-5</b>	<b>-0.1%</b>
EBITDA	307	570	-263	-46.1%	1,000	1,099	-99	-9.0%
EBIT	188	418	-230	-55.0%	501	470	31	6.6%
<b>Net profit (loss)</b>	<b>119</b>	<b>290</b>	<b>-171</b>	<b>-59.0%</b>	<b>290</b>	<b>267</b>	<b>23</b>	<b>8.6%</b>
EPS (THB)	0.14	0.34	-0.20	-59.0%	0.34	0.32	0.02	8.6%

## Major Development in 4Q18

In December 2018, the Board of Directors of the Company approved the establishment of a new subsidiary, Dusit Hospitality Services Co., Ltd. to accommodate the projects on hospitality services with registered capital of Baht 1,000,000, consists of 10,000 ordinary shares with a par value of Baht 100 each. The Company will invest at 99.97%. This subsidiary is already registered on 8 January 2019.

In December 2018, the Company sold 258,000 ordinary shares (15 %) of investment in associates which were some investments in Suanlum Property Co., Ltd. that related to the future mix-use property project to a related company.

In December 2018, the Company has entered into agreements to manage 4 additional hotels including dusitD2 Ao Nang, Krabi (Thailand), dusitD2 Yarkay Thimphu (Bhutan), dusitD2 Society Hill Tianjin (China) and The Beach Club at Lubi Plantation Island, Managed by Dusit (Philippines).

## 4Q18 Performance Highlight:

In 4Q18, the Company reported total revenue of THB 1,621 million, a decrease 9.5% yoy. The sources of revenue comprised Hotel Business, Education Business and Others Business.

Unit: THB mn	Revenue breakdown				EBITDA breakdown			
	4Q18	4Q17	Change		4Q18	4Q17	Change	
Hotel business	1,298	1,278	20	1.6%	300	254	46	18.1%
Education business	124	128	-4	-3.1%	32	27	5	18.5%
Others	199	386	-187	-48.4%	-25	290	-315	-108.6%
<b>Total revenue</b>	<b>1,621</b>	<b>1,792</b>	<b>-171</b>	<b>-9.5%</b>	<b>307</b>	<b>570</b>	<b>-263</b>	<b>-46.1%</b>

In 4Q18, Hotel Business, Education Business and Other Business accounted for 80.1%, 7.6% and 12.3% of total revenue, respectively.

## Hotel Business

In 4Q18, Revenue from Hotel Business was THB 1,298 million, an increase of 1.6% yoy, mainly from continuing growth

in owned hotel in overseas even adverse impact from FX translation and revenue from Elite Havens as invested in 3Q18.

### • Owned Hotel

	4Q18	4Q17	% Change
Occupancy %	78.0%	77.6%	0.5%
ADR (THB/night)	3,697	3,724	-0.7%
RevPar (THB/night)	2,883	2,889	-0.2%

**Remark:** Hotel statistics exclude Dusit Princess Korat ("DPKO") for comparative purpose

In 4Q18, Revenue from Owned Hotels was THB 1,187 million, decreasing by 2.5% from 4Q17. Excluding Dusit Princess Korat Hotel, which was disposed in late 2017, Revenue from Owned Hotel slightly decreased by 0.8%, contributed by

- Revenue from Owned Hotels in Thailand, excluding Dusit Princess Korat Hotel (for comparison purposes), decrease of 3.7% mainly from Dusit Thani Laguna Phuket Hotel and Dusit Thani Pattaya Hotel showing a revenue decrease from last year due to impact of tourism situation of these 2 areas. Revenue of Dusit Thani Bangkok decreased from news of closing the hotel even there was special event from Miss Universe.
- Revenue from Overseas Owned Hotels increased by 4.9% yoy but adversely impacted from strengthened THB appreciation against USD and PHP. Without such FX impact, revenue from overseas owned hotel should have increased by 7.6%. Revenue increase were contributed from Dusit Thani Manila and Dusit Thani Maldives from food and beverage and other income.

- **Hotel Management**

Revenue from Hotel Management was THB 113 million in 4Q18, showing a demonstrating 72.0% growth yoy compared to 4Q17, resulting from a stronger operational performance of Dusit Thani Lakeview Cairo Hotel, DusitD2 Nairobi Hotel, Dusit Thani Guam Resort, DusitD2 Hotel Khao Yai and revenue from Elite Havens.

- **Share of Losses from Investment**

In 4Q18, share of losses from investment in Hotel Business was THB 2 million showing a decrease of 66.7% from the same period last year due to improved-though-still-at-loss operations from Dusit Fudu Hotel Management (Shanghai) Co., Ltd.

The Company reported a 4Q18 EBITDA from Hotel Business of THB 300 million, a 18.1% increase from that of 2017. The increase was attributable from the absence of loss-making Dusit Thani Korat that was sold in 4Q17 in conjunction with the decrease in expenses of Dusit Thani Bangkok.

Depreciation expenses decreased by 24.7% from 4Q17 to THB 92 million in 4Q18 as some assets under Dusit Thani Bangkok Hotel and Dusit Thani Pattaya Hotel have been fully depreciated. In addition, this was due to a decrease in depreciation expenses from Dusit Princess Korat as a result of the asset disposal in late 2017.

## **Education Business**

In 4Q18, revenue from Education Business was total of THB 124 million, decrease of 3.1% yoy, mainly from a decrease in revenue from Lyceum fee which was cancelled in 4Q18 due to Dusit Hospitality Education Philippines Inc. will be open owned college in next year

In 4Q18, EBITDA from Education Business was THB 32 million, increased by 18.5% yoy, due to decrease of administrative expenses of education business.

## **Other Business**

Revenue from Other Business was THB 199 million in 4Q18, a decrease of 48.4% yoy, contributed by THB 325 million gain on sales Dusit Princess Korat 4Q17, while THB 5 million share of profit from NR Instant Produce (NRIP) in FY2018.

In 4Q18, net loss in EBITDA from Other Business was THB 26 million, a decrease of 109.0% from the previous year due to the aforesaid factors.

## **Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)**

In 4Q18, EBITDA was THB 307 million, falling by 46.1% from 4Q17. A relatively decrease in EBITDA was owing to aforesaid sales hotel in 4Q17 and THB 42 million employee cost upon closed down Dusit Thani Bangkok.

## **Finance Cost**

In 4Q18, Finance Cost was THB 23 million, an increase of 59.3% due to the company issue bond on 3Q18.

## **Net Profit**

The Company reported net profit of THB 119 million, decreased by 59.0% from 4Q17, due to aforesaid factors.

## **FY2018 Operation Result**

In FY2018, the Company reported the total revenue of THB 5,565 million, same level as FY2017.

Unit: THB mn	Revenue breakdown				EBITDA breakdown			
	FY18	FY17	Change		FY18	FY17	Change	
Hotel business	4,626	4,590	36	0.8%	894	852	42	4.9%
Education business	425	442	-17	-3.8%	43	50	-7	-14.0%
Others	514	538	-24	-4.5%	62	197	-135	-68.5%
<b>Total revenue</b>	<b>5,565</b>	<b>5,570</b>	<b>-5</b>	<b>-0.1%</b>	<b>1,000</b>	<b>1,099</b>	<b>-99</b>	<b>-9.0%</b>

Hotel Business, Education Business and Other Business accounted for 83.2%, 7.6% and 9.2% of total revenue, respectively.

## **Hotel Business**

In FY2018, Revenue from Hotel Business was THB 4,626 million, in the same level as FY2017.

- **Owned Hotels**

	4Q18	4Q17	% Change
Occupancy %	77.1%	77.6%	0.5%
ADR (THB/night)	3,548	3,724	-0.7%
RevPar (THB/night)	2,734	2,889	-0.2%

**Remark:** Hotel statistics exclude Dusit Princess Korat ("DPKO") for comparative purpose.

Owned Hotels reported revenue in FY2018 of THB 4,364 million, slightly decreased of 0.6 yoy, excluding Dusit Princess Korat owned hotels increased by 1.4%.

- Revenue from Owned Hotels in Thailand, excluding Dusit Princess Korat Hotel, decreased by 0.5% yoy. The growth was mainly driven by an increase in revenue from Dusit Thani Laguna Phuket, Dusit Princess Srinakarin and Dusit Thani Huahin resulting from higher occupancy rate.
- Revenue from Overseas Hotels was up by 5.3% yoy despite an adverse impact on the translated financial statements from foreign currency exchange due to Thai Baht appreciate against US Dollars and Philippines Peso since the beginning of the year. Dusit Thani Maldives Hotel reported an increase in revenue driven by higher average room rate per night (in USD currency) and higher occupancy rate from the main source countries: China, Russia and Korea. Dusit

Thani Manila Hotel reported 9.1% revenue growth (in Peso currency) driven by an expanding room inventory after the completion of hotel renovation.

- **Hotel Management**

Revenue from Hotel Management in FY2018 was THB 277 million, an increase of 27.7% yoy, from revenue from Elite Havens and a stronger operational performance of Dusit Thani Lakeview Cairo, DusitD2 Hotel Khao Yai and DusitD2 Nairobi Hotel.

- **Share of Losses from Investment**

Share of losses from investment for FY2018 was THB 15 million, a lower loss of THB 2 million from FY2017. This was due to operational performance of Dusit Fudu Hotel Management (Shanghai) Company Limited in China which mainly from technical service income 36% of total revenues. FY2018 Dusit FUDU was signed 5 more technical service agreements from 2017.



EBITDA of Hotel Business in FY2018 was THB 894 million, an increase of 4.9% from FY2017 mainly from increase of revenue and reduce of loss sharing from investment.

Depreciation and Amortization in FY2018 was THB 416 million, a decrease of 22.4% from that in FY2017, as some assets under Dusit Thani Bangkok Hotel and Dusit Thani Pattaya Hotel have been fully depreciated. In addition, this was due to a decrease in depreciation expenses from Dusit Princess Korat as a result of the asset disposal in late 2017.

### **Education Business**

FY2018, the total revenue from Education Business including share of profit from investment was THB 425 million, falling by 3.8% yoy, owing to a decrease in revenue from Dusit Thani College and the increase in share of losses from investment in Dusit Hospitality Education Philippines Inc. from increase in personnel cost in preparation for new college opening in 2019.

EBITDA of Education Business was THB 43 million, declining by 14.0% yoy.

### **Other Businesses**

FY2018, revenue from Other Businesses was THB 514 million decreased by 4.5% yoy, contributed by the difference of FY2017 THB 90 million of lease right assignment fee, THB 325

million gain on sales Dusit Princess Korat while FY2018 THB 169 million gain on sales of long-term investment which was invested in 1Q18, THB 38 million gain on sales of investment in LRH in 2Q18, THB 160 million gain on sales of investment and an increase in share of profits from an investment in DREIT and Food Business.

EBITDA from Other Businesses was THB 62 million decreased by 68.5%, mainly attributable to the aforesaid drivers.

### **Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)**

FY2018 EBITDA was THB 1,000 million, decreased of 9.0% yoy. This was mainly contributed by gain on sales Dusit Thani Korat and assignment fee in FY2017 despite sales of investment FY2018.

### **Finance Cost**

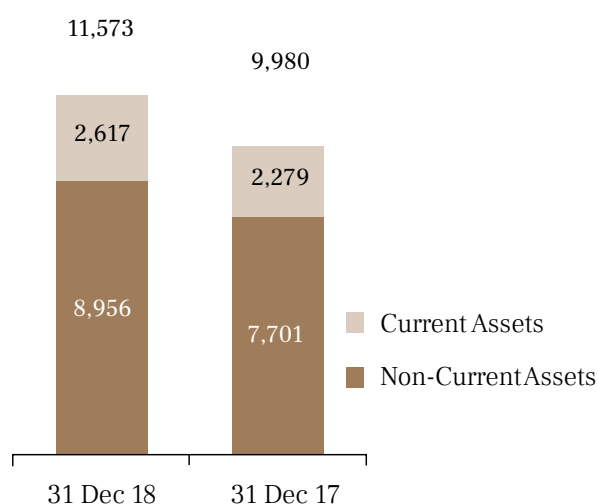
The Company reported Finance Cost of THB 65 million, increased by 10.1% yoy, due to interest from debenture which issued on Q3 of 2018.

### **Net Profit**

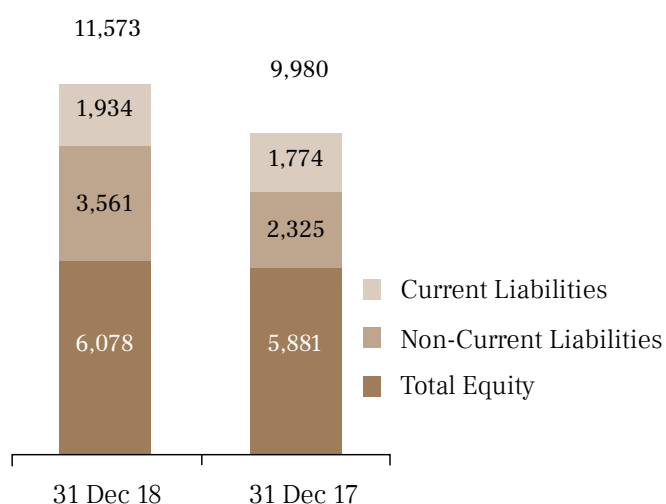
FY2018, the Company reported net profit of THB 290 million, increase by THB 23 million or 8.6% yoy.

Unit: THB mn

#### **Total Assets**



#### **Total Liabilities and Equity**



### **Assets**

As of 31 December 2018, the Company reported total assets of THB 11,573 million, an increase of THB 1,593 million or 16.0% from 31 December 2017.

- Current assets increased by THB 338 million due to an increase in account receivables and advance to villa owner
- Non-current assets increased by THB 1,255 million mainly from an increase of investment in associate NRIP and investment in subsidiaries, LVM Holdings Pte Ltd. under intangible assets, trademarks and goodwill.

### **Liabilities**

As of 31 December 2018, the Company reported total liabilities of THB 5,495 million, an increase of THB 1,396 million or 34.1% from 31 December 2017.

- Current Liabilities increased by THB 160 million due to employee benefit obligation, trade payable, other payable and acquisition payable which due on next year offset with repayment of loan repayment.
- Non-Current Liabilities increased by THB 1,236 million, mainly from bond issuance in September 2018 and deposit received for building lease, following an agreement for the development of mix-used project.

### **Cash Flows**

As of 31 December 2018, the Company reported cash and cash equivalents of THB 1,112 million, an increase of THB 91 million from THB 1,021 million as of 31 December 2017, taking into account an impact from foreign currency exchange.

### **Source of Funds**

The Company had net cash inflow of THB 943 million from

- Net cash received from operation of THB 790 million was partly from cash inflow from sales and services, netted off with cash outflow for expenses and income tax payment
- Cash inflow from financing activities of THB 153 million mainly owing to THB 997 million bond issuance, net off with short-term and long-term loan repayment of THB 634 million, interest payment of THB 66 million, and dividend payment of THB 164 million.

### **Source of Funds**

The Company had net cash inflow of THB 943 million from

- THB 681 million for an investment in NRIP, THB 24 million capital increase in overseas associate, THB 251 million for the purchase of subsidiaries, THB 93 million related company loan repayment, and THB 527 million purchase of assets, netted against THB 492 million deposit for building lease and THB 219 million proceeds from the sale of available-for-sale investments and other long-term investments, and THB 54 million dividend.

Unit: THB mn	31 Dec 18	% to total assets	31 Dec 17	% to total assets	Chg
Cash and cash equivalents	1,112	9.6%	1,021	10.2%	8.9%
Short-term investments	457	3.9%	448	4.5%	2.0%
Available for sales - Investment	26	0.2%	-	0.0%	-
Trade and other receivables	849	7.3%	538	5.4%	57.8%
Others current assets	199	1.7%	272	2.7%	-26.8%
<b>Total current assets</b>	<b>2,643</b>	<b>22.8%</b>	<b>2,279</b>	<b>22.8%</b>	<b>14.8%</b>
Available-for-sale-investments	473	4.1%	476	4.8%	-0.6%
Investment in associates	1,954	16.9%	1,276	12.8%	53.1%
Property, plant and equipment	4,300	37.2%	432	43.3%	-0.5%
Prepaid rental of land and bulidings	821	7.1%	847	8.5%	-3.1%
Others non-current assets	1,382	11.9%	780	7.8%	77.2%
<b>Total non-current assets</b>	<b>8,930</b>	<b>77.2%</b>	<b>7,701</b>	<b>77.2%</b>	<b>16.0%</b>
<b>Total assets</b>	<b>11,573</b>	<b>100.0%</b>	<b>9,980</b>	<b>100.0%</b>	<b>16.0%</b>
Bank O/D and short term loans	167	1.4%	544	5.5%	-69.3%
Trade and other payables	1,248	10.8%	853	8.8%	46.3%
Current portion of long term loans	241	2.1%	213	2.1%	13.1%
Others current liabilities	278	2.4%	164	1.6%	69.5%
<b>Total current liabilities</b>	<b>1,934</b>	<b>16.7%</b>	<b>1,774</b>	<b>18.1%</b>	<b>9.0%</b>
Long term loans	60	0.5%	-	0.0%	-
Debenture	601	5.2%	919	9.2%	-34.6%
Debenture	997	8.6%	-	0.0%	-
Deferred rental revenue	534	4.6%	559	5.6%	-4.5%
Others non-current liabilities	1,369	11.8%	847	8.2%	61.6%
<b>Total non-current liabilities</b>	<b>3,561</b>	<b>30.8%</b>	<b>2,325</b>	<b>23.0%</b>	<b>53.2%</b>
<b>Total liabilities</b>	<b>5,495</b>	<b>47.5%</b>	<b>4,099</b>	<b>41.1%</b>	<b>34.1%</b>
Equity attrtibutable to owners of the Company	4,971	43.0%	4,824	48.3%	3.0%
Non-controlling interests	1,107	9.6%	1,057	10.6%	4.7%
<b>Total shareholders' equity</b>	<b>6,078</b>	<b>52.5%</b>	<b>5,881</b>	<b>58.9%</b>	<b>3.3%</b>

## Key Financial Ratio

<b>Profitability ratio</b>	<b>31-Dec-18</b>	<b>31-Dec-17</b>
Gross profit margin	30.7%	28.2%
EBITDA margin	18.0%	19.7%
Net profit margin	5.2%	4.8%
<b>Efficiency ratio</b>	<b>31-Dec-18</b>	<b>31-Dec-17</b>
Return on equity	5.9%	5.7%
Return on asset	4.6%	4.9%
<b>Liquidity ratio</b>	<b>31-Dec-18</b>	<b>31-Dec-17</b>
Current ratio (time)	1.35	1.26
<b>Leverage ratio</b>	<b>31-Dec-18</b>	<b>31-Dec-17</b>
Interest bearing debt to equity (time)	0.4	0.35
Net interest bearing debt to equity (time)	0.09	0.04
Debt to equity (time)	1.1	0.85
	<b>31-Dec-18</b>	<b>31-Dec-17</b>
Interest coverage ratio (time)	7.73	7.99

Profitability ratio remained resilient in 2018, showing improved gross profit margin but net profit margin lower than last year because of increasing of loan from financial institution and bond to acquire subsidiary and invest in investment in associates and purchase of property, plant and equipment. However liquidity ratio was 1.35 times.

The Company maintained healthy financial position and sturdy debt service capacity with interest-bearing debt-to-equity ratio of 0.09 times.

## 2019 Outlook

2018 was the final year of the first phase of the 9-year strategic plan of DTC (2016-2025) being the “Strengthening Foundations” which focused on strengthen People, Process, Properties, Technology and Financial Capability.

Under expansion strategy in 2018, the Company opened 6 new hotels under the management residing in Dusit International and signed 14 new management contracts in the Philippines, China, Myanmar, Japan, Qatar, Bahrain and Thailand. In addition, the Company also launched a new hotel brand “ASAI”

to penetrate the strong potential growth of millennials market and expanded the Company’s hospitality spectrum to cover the luxury villa management in Indonesia, Thailand, Maldives, Sri Lanka and Japan under “Elite Havens” brand from the acquisition of LVM Holdings Pte. Ltd. At the end of 2018, DTC operated 8,172 rooms under management increasing from 7,181 rooms in 2017.

Under diversify strategy into other related businesses, the Company started investing in food business by establishing a subsidiary named Dusit Foods Company Limited (“Dusit Foods”) to invest in 25.977% in NR Instant Produce Company Limited (“NRIP”) which operates the production and export of seasoning powders, ready-to-eat meal, and developing premium-grade products under the Dusit brand to increase future growth opportunities from new food technology as well as expanding the education business of the Company. In addition, Dusit Gourmet Company Limited (“Dusit Gourmet”) has been established (jointly invested by Dusit Foods and NRIP (90:10) to operate the marketing and distribution of food products both domestically and internationally.

2019 is the first year of the second phase of the 9-year strategic plan (2019-2021) focusing on “Realizing Potential”. This is the time when the Company aware that the revenue growth will be small or not even grow at all due to the closure of the flagship and the group main revenue contributor Dusit Thani Bangkok hotel on 5 January 2019. In addition, the Company plans to gradually renovate few owned hotels that have been operated for a long time to uplift the product and service competitiveness. Therefore, the Company considered formulating business strategies in other area as well as restructuring DTC’s group of businesses to streamline the business and enhance flexibility with the objective to maintain the return to shareholders, which has already reflected in 2018 performance.

### **Hotel business**

- In 2019, the Company plans to renovate Dusit Thani Pattaya, Dusit Princess Srinakarin and Dusit Princess Chiang Mai hotels during the low season (around end of 2Q19). The renovation is expected to be completed in the beginning of 4Q19 in preparation for high season. Hotel revenue is expected to temporarily decline during this renovation period then increase again from higher ADR and occupancy rate following the completion of renovation.
- In terms of expansion, the Company will continue to expand the business through asset light initiative. In 2019, the Company plans to open 11 new hotels under the management of Dusit International in the Philippines, Singapore, China, Qatar, Bahrain and Kenya. The Company has considered the lease model for hotel business expansion both domestically and overseas as part of DTC’s plan to achieve the balance portfolio between asset light and capital investment. Lease model helps reduce the risk of a large amount of investment and allows the Company to recognize greater revenue than the asset light model.
- For luxury villa management under Elite Havens brand that operated by DTC’s subsidiary, the Company expect to see its expansion into a new market targeting Australia as well as continuous increasing number of villas in Elite Havens existing markets.

### **Education business**

- Overall, educational business structure has changed significantly due to the change of demand and education guidelines. At present, Dusit Thani College is in the process of adjusting its strategy to enhance its revenue potential by adjusting the degree program in accordance with the requirements, as well as creating special education programs (Non-Degree programs), short courses or continuous courses (Modular) focusing on enhancing the

potential of students and respond to changing demand. This includes plans to increasing cooperation to enroll personnel for the hotel business of Dusit International group.

- Le Cordon Bleu Dusit Culinary School (“LCBD”), which is a joint venture between DTC and Le Cordon Bleu International, has completely relocated its office to 17th to 19th floors of Zen Tower, Central World Shopping Center. With the larger space from 2,000 square meters to 3,000 square meters, LCBD is now able to accommodate more students in the main school curriculum. LCBD also introduces new savoury cuisine and dessert courses, and management courses such as a programme in culinary management, which will start in April 2019, as well as short courses to meet the demands and trends in the market. This strategic plan is aimed at producing quality personnel to the food industry and provide returns to both partners.

### **Other business**

- **Food business**
  - Part of the strategy to diversify into the food business, in 2019, the Company plans to develop instant foods as well as various seasoning for use within hotels and/or restaurants in the group to ensure the standard of the taste, enhance the efficiency, control costs as well as to reduce wastes as parts of DTC’s sustainable business. NRIP will manufacture while Dusit Gourmet will create the food retail brand, market and distribute domestically and internationally.
  - In January 2019, the Company invested 51% in Epicure Catering Co., Ltd. (“ECC”), a catering service provider for the canteen of international schools in various countries in Southeast Asia, including Thailand, Vietnam and Cambodia. Currently, ECC has long-term contracts in more than 30 schools, such as the International School of Bangkok, Harrow School, Rugby School, Bangkok Prep, St. Andrew and Brighton. As a major shareholder of ECC, DTC can help ECC to expand its potential business in various countries, especially in countries with Dusit International Hotels, as well as expanding into new market segment besides international schools.
- **Mixed-use project**
  - Dusit Thani Bangkok hotel was operated until 5 January 2019 as planned. Vimarn Suriya Co., Ltd., a subsidiary company will demolish the hotel in April 2019 to develop a mixed-use project. The project grand opening event is planned for in 2Q19 when residence units will start selling as well.
  - The Company expects to open a new Dusit Thani

Bangkok hotel and shopping center in early 2023 and to open the office building and residential building in mid 2024.

- Other service businesses include outside catering (Dusit Event), house keeping (Dusit on Demand), restaurant, and hotel pre-opening. These businesses are operated by Dusit Hospitality Services Co., Ltd., a subsidiary company which supports the employees of Dusit Thani Bangkok hotel partly after the hotel is closed.

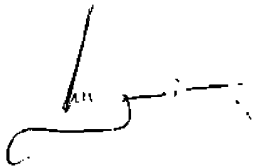
### **2019-2021 Guidance**

For the second phase of the 9-year strategic plan “Realizing Potential”, the Company plans to open 10-12 new hotels under Dusit International both domestic and overseas annually during 2019-2021 with the estimated average capital expenditure (excluding new investment) at approximately THB 1,000 million per year and the expected EBITDA margin of around 18-20%.



# 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 2018 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.



**Mr. Arsa Sarasin**  
Chairman

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.



**Mrs. Suphajee Suthumpun**  
Group Chief Executive Officer

# The Audit Committee Report for year 2018

## To Shareholders

The Audit Committee of Dusit Thani Public Company Limited ("Company") is made up of 3 Independent Directors who are knowledgeable in accounting, finance, and legal and are qualified in accordance with the regulations of Securities and Exchange Commission ("SEC") by not holding any positions of management, employee, or consultant in the Company.

In 2018, the Audit Committee had 14 meetings as follows:

		<b>Attendance / Total Meeting (time)</b>
1) Prof. Hiran Radeesri	Audit Committee Chairman	14/14
2) Khun Pranee Phasipol	Committee Member	14/14
3) Prof. Dr. Kittipong Kittayarak	Committee Member (Period 1 January – 10 August 2018)	8/10
4) Khun Teerapol Chotichanapibal	Committee Member (Period 1 October – 31 December 2018)	2/3

The Audit Committee carried out their duties within the scope of its charter and as assigned by the Board of Directors, in alignment with the regulations of the SEC. The Audit Committee was able to work without being restricted and able to obtain the information without limitation. This year, the Audit Committee already performed self-assessment and concluded with the satisfactory result. The significant duties of the Audit Committee are summarized as follows:

### Review of the Financial Statements

Reviewed the financial statements for quarter and year 2018 of the Company and the consolidated financial statements of the Company and its subsidiaries, which were prepared in accordance with the Thai Financial Reporting Standards ("TFRS"), by reviewing the significant matters and extraordinary items. The Audit Committee was reported by the external auditor, the management, and the internal auditor to ensure that the financial statements were presented and its notes to financial statements were disclosed in accordance with the regulation of laws and TFRS. In addition, the external auditor had an opportunity to meet with the Audit Committee independently without the presence of the management to ensure that external auditor were able to perform their engagement and give opinions objectively and independently with kind cooperation from the management and employees.

### Review of the Interconnected Transactions or Transactions that May Lead to Conflict of Interest

Reviewed inter-company transactions between the Company and its subsidiaries including the interconnected transactions or transactions that may lead to conflict of interest with responsible management and internal auditor to ensure that the transactions are appropriate, beneficial to the company, and in compliance with normal condition of the business. Moreover, the information were disclosed correctly in accordance with the relevant laws and regulations.

### Review of the Effectiveness of Internal Control System, the Compliance with Anti-Corruption Policy, and Risk Management

Regularly reviewed internal control system including the compliance of Anti-Corruption policy and Risk Management according to the internal audit reports of the Internal Audit Department regarding finance and accounting, operations, resources utilization, safeguarding of assets, prevention or reduction of errors, loss, leak, waste, and fraud along with the reliability of financial reporting as well as compliance with relevant laws and regulations. The external Auditor's opinion was also conformed as there was no significant control issues or weaknesses. Moreover, the Company provided whistle-blowing channels both on website and email.

According to internal control assessment based on SEC's standards and regulations, the Audit Committee agreed that the internal control system of the Company and its subsidiaries along with the supervision of corruption risks in accordance with Thailand's Private Sector Collective Action Coalition against Corruption were adequate and appropriate. In regard to risk management, the Company appointed the Risk Management Committee to specifically being responsible for risk management. The Audit Committee also reviewed the risk management plans and periodically monitored the performance and found that the management should communicate risk management policy to the management and employees at all levels and implement risk management to become a part of corporate culture.

### **Compliance with SEC's and Business-Related Laws and Regulations**

Reviewed compliance with SEC's regulations including SET's and business-related laws and regulations with Legal Department as well as Company Secretary Office and was of the opinion that the Company appropriately complied with required laws and regulations.

### **Monitoring of the Internal Audit Operations**

Reviewed the appropriateness of responsibility, scope of work, performance, independence, strategy, annual audit plan of the Internal Audit Department, including headcount, the assessment of resource adequacy and people development. The Audit Committee monitored the internal audit operations according to the approved audit plan and provided the advisory to enhance efficiency and effectiveness. The Audit Committee evaluated the performance of Internal Audit Director and was responsible for the evaluation, appointment, termination, and transfer of the Internal Audit Director.

### **Nomination of the External Auditor and Its Audit Fee for the Year 2019**

Evaluated the performance of external auditor with satisfactory result and also considered the independence and qualification of the external auditor which were agreed that they were complied with the SEC's regulations. Therefore, the Audit Committee presented to the Board of Directors for considering to propose to the shareholders' meeting the appointment of Ms. Vannaporn Jongperadechanon or Ms. Chanarat Chanwa or Ms. Vipavan Pattavanvivek or Ms. Patamavan Vadhanakul of KPMG Phoomchai Audit Company Limited to be the auditor of the Company and its subsidiaries where Ms. Vannaporn Jongperadechanon has already been serving for 3 years. The proposed audit fees for the year 2019 of the Company and its subsidiaries are amounting to 1,625,000 baht and 5,486,280 baht, respectively, 7,111,280 baht in total.

According to the duties performed together with the review of aforesaid above reports with the senior management, external auditor, and internal auditor, the Audit Committee was confident that the internal controls of the Company and its subsidiaries were sufficient, effective, and efficient and the financial statements of the company and its subsidiaries presented fairly, in all material respects, in conformity with the TFRS. The compliance with relevant laws and regulations were also appropriate without any material weaknesses.

HIRAN RADEESRI  
Professor Hiran Radeesri  
Audit Committee Chairman

# Independent Auditor's Report

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

### *Opinion*

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 2018, 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.

In my opinion, the accompanying 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 2018 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

### *Basis for Opinion*

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### *Key Audit Matters*

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

<b>Impairment of property, plant and equipment and investments in subsidiaries</b>	
Refer to the notes 3, 13 and 16	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>The Group had significant property, plant and equipment and the Company had significant investments in subsidiaries in the financial statements. Economic benefits of the assets depend on future profitable operations which impact property, plant and equipment of the Group and investments in subsidiaries in the separate financial statements. Each subsidiaries business unit is determined as separate cash generating units. Management performed an impairment indicator assessment over property, plant and equipment and investments in subsidiaries based upon the performance of each business unit and reviewed recoverable amount by using projection of future cash flows. The projection of future cash flows requires significant judgment and is inherently uncertain. As a result, this is a focus area for my audit.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>• Understanding and evaluating management's process in assessing the impairment indicators and determining the recoverable amount of property, plant and equipment and investments in subsidiaries.</li> <li>• Testing calculation of the discounted future cash flow model used.</li> <li>• Considering the key assumptions underlying the estimate of the value from using discounted future cash flows by taking into account historical data of the Group, operational plan and industry data.</li> <li>• Assessing the disclosures in accordance with the Thai Financial Reporting Standards.</li> </ul>

<b>Acquisition of business</b>	
Refer to Notes 2, 3.1, 4	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>During the year 2018, the Group completed the acquisition of business in Singapore resulting in the recording of goodwill of Baht 305 million and other intangible asset – trademark of Baht 124 million, computer software of Baht 94 million and villa contracts of Baht 14 million in the consolidated statement of financial position as at 31 December 2018.</p> <p>I considered this to be key audit matter due to the business combination is material and identification and determination of fair value of the assets acquired and liabilities assumed involved significant judgment.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>• Reading the business sale and purchase agreement and analysing the memorandum of business combination prepared by the Group and inquiring management to understand key terms and conditions.</li> <li>• Evaluating of the assessment by the Group of the identification of the assets acquired and liabilities assumed and consideration transferred.</li> <li>• Evaluating the independence and competency of the independent appraiser.</li> <li>• Evaluating of the key assumptions and methodologies underpinning the valuations and testing calculation.</li> <li>• Involving KPMG valuation specialist to evaluate the financial parameters applied to the discount rate and valuation methodology.</li> <li>• Assessing the disclosures in accordance with the Thai Financial Reporting Standards.</li> </ul>

*Emphasis of Matter*

I draw attention to note 4 to the consolidated financial statements. The Group engaged an independent appraiser to determine the fair value of assets acquired and liabilities assumed. However, fair valuation have not been completed. The fair value of business acquired and the allocation of purchase price have been provisionally determined and are subject to amendment. My opinion is not modified in respect of this matter.

*Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

*Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, 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.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

*Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements*

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.



As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Vannaporn Jongperadechanon)  
Certified Public Accountant  
Registration No. 4098

KPMG Phoomchai Audit Ltd.  
Bangkok  
25 February 2019

## Dusit Thani Public Company Limited and its Subsidiaries

### Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2018	2017	2018	2017
<i>(in Baht)</i>					
<b>Current assets</b>					
Cash and cash equivalents	5	1,112,332,092	1,020,867,852	105,480,693	90,721,824
Short-term investments		457,202,360	447,647,643	-	-
Non-current assets classified	11, 13				
as held for sale		-	-	44,000,000	-
Trade and other receivables	6	848,723,879	537,867,456	418,946,953	220,570,319
Inventories	7	77,009,872	71,467,461	11,618,667	17,747,063
Short-term loans to related parties	30	-	-	625,527,600	380,022,600
Current portion of prepaid rental					
of land and buildings	17	79,008,625	144,449,623	70,695,279	89,211,939
Other current assets	8	42,675,319	56,151,752	4,440,435	1,729,892
<b>Total current assets</b>		<b>2,616,952,147</b>	<b>2,278,451,787</b>	<b>1,280,709,627</b>	<b>800,003,637</b>
<b>Non-current assets</b>					
Restricted bank deposits	9, 42.3	2,582,278	2,215,041	-	-
Available-for-sale investments	10	473,321,700	475,809,800	12,849,900	42,161,600
Other long-term investments	11	33,803,810	33,803,810	-	-
Investments in associates	12	1,980,201,943	1,275,970,096	1,123,954,212	1,150,354,700
Investments in subsidiaries	4, 13, 21, 23	-	-	2,296,404,780	1,591,658,330
Investments in joint ventures	14	63,084,973	44,319,333	21,518,400	21,518,400
Long-term loans to related parties	30	194,747,864	102,183,407	89,844,773	107,160,128
Investment properties	15	173,106,185	177,266,663	144,571,625	149,261,574
Property, plant and equipment	16	4,300,197,453	4,322,438,662	487,319,146	526,518,670
Prepaid rental of land and buildings	17	821,225,217	846,701,863	770,578,542	841,273,821
Other intangible assets	4, 18	287,638,889	62,806,159	43,757,862	47,535,659
Goodwill	4	305,301,164	-	-	-
Deferred tax assets	19	86,074,252	133,650,533	46,905,767	83,083,395
Deposit for hotel management right	20	100,110,124	100,110,124	100,110,124	100,110,124
Withholding tax deducted	42.3	40,978,091	105,100,461	16,359,082	80,480,572
Other non-current assets	44.4	93,719,521	19,038,530	17,904,870	3,776,812
<b>Total non-current assets</b>		<b>8,956,093,464</b>	<b>7,701,414,482</b>	<b>5,172,079,083</b>	<b>4,744,893,785</b>
<b>Total assets</b>		<b>11,573,045,611</b>	<b>9,979,866,269</b>	<b>6,452,788,710</b>	<b>5,544,897,422</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	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2018	2017	2018	2017
		(in Baht)			
<b>Current liabilities</b>					
Short-term loans from financial institutions	21	167,000,000	543,700,000	167,000,000	543,700,000
Short-term loans from related party	30	4,542,972	4,575,326	90,400,000	-
Trade and other payables	22	1,247,790,267	852,816,916	275,864,845	226,675,273
Current portion of payable for acquisition of business	4	66,987,737	-	-	-
Current portion of long-term loans	23	241,366,244	213,143,452	21,800,000	-
Current portion of finance lease liabilities		542,276	1,328,434	-	-
Current portion of deferred rental revenue	25, 30	25,433,333	25,433,333	76,879,388	76,879,388
Employee benefit obligations	26	88,479,890	-	88,479,890	-
Income tax payable		28,388,844	57,585,799	-	-
Others current liabilities		64,114,168	75,486,449	23,738,900	37,048,297
<b>Total current liabilities</b>		<b>1,934,645,731</b>	<b>1,774,069,709</b>	<b>744,163,023</b>	<b>884,302,958</b>
<b>Non-current liabilities</b>					
Payable for acquisition of business	4	60,315,068	-	-	-
Long-term loans	23	600,924,129	919,397,671	86,900,000	-
Debenture	24	997,219,000	-	997,219,000	-
Finance lease liabilities		-	542,276	-	-
Deferred rental revenue	25, 30	533,542,544	558,975,879	1,169,453,539	1,246,332,927
Deferred tax liabilities	19	70,502,009	28,191,125	-	-
Employee benefit obligations	26	171,430,882	199,794,191	65,298,478	100,152,948
Deposit for right to lease building	30	984,760,000	492,380,000	-	-
Liabilities from investment in joint venture	14	87,898,269	77,701,142	-	-
Other non-current liabilities		53,673,522	48,097,566	2,538,767	3,049,818
<b>Total non-current liabilities</b>		<b>3,560,265,423</b>	<b>2,325,079,850</b>	<b>2,321,409,784</b>	<b>1,349,535,693</b>
<b>Total liabilities</b>		<b>5,494,911,154</b>	<b>4,099,149,559</b>	<b>3,065,572,807</b>	<b>2,233,838,651</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		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity (Continued)	Note	2018	2017	2018	2017
		(in Baht)			
<b>Equity</b>					
Share capital	27				
Authorised share capital		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
Treasury shares	28	(15,740,202)	(15,740,202)	-	-
Additional paid in capital					
Premium on ordinary shares	27	1,643,000,000	1,643,000,000	1,643,000,000	1,643,000,000
Surplus on treasury shares	28	18,365,540	18,365,540	16,950,268	16,950,268
Retained earnings					
Appropriated	29				
Legal reserve		85,000,000	85,000,000	85,000,000	85,000,000
Dusit Thani College funds		440,256,988	462,296,860	-	-
Treasury share reserve	28	15,740,202	15,740,202	-	-
Unappropriated		1,666,583,822	1,490,476,644	785,986,275	696,379,783
Other components of equity	29	267,575,679	274,398,127	6,279,360	19,728,720
<b>Equity attributable to owners</b>					
<b>of the parent</b>		<b>4,970,782,029</b>	<b>4,823,537,171</b>	<b>3,387,215,903</b>	<b>3,311,058,771</b>
Non-controlling interests	13	1,107,352,428	1,057,179,539	-	-
<b>Total equity</b>		<b>6,078,134,457</b>	<b>5,880,716,710</b>	<b>3,387,215,903</b>	<b>3,311,058,771</b>
<b>Total liabilities and equity</b>		<b>11,573,045,611</b>	<b>9,979,866,269</b>	<b>6,452,788,710</b>	<b>5,544,897,422</b>

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

## Dusit Thani Public Company Limited and its Subsidiaries

### Statement of income

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		For the year ended		For the year ended	
		31 December		31 December	
		2018	2017	2018	2017
		<i>(in Baht)</i>			
<b>Revenue from sales and services</b>	<b>30</b>	<b>4,632,681,608</b>	<b>4,722,927,422</b>	<b>1,427,396,071</b>	<b>1,530,168,802</b>
<b>Cost of sales and services</b>					
Cost of sales and services	30	(2,745,836,172)	(2,801,252,641)	(819,295,984)	(892,636,741)
Cost of services - depreciation and amortisation		(462,477,598)	(592,047,690)	(114,573,273)	(217,870,900)
<b>Total cost of sales and services</b>		<b>(3,208,313,770)</b>	<b>(3,393,300,331)</b>	<b>(933,869,257)</b>	<b>(1,110,507,641)</b>
Gross profit		1,424,367,838	1,329,627,091	493,526,814	419,661,161
<b>Other income</b>					
Management service income	30	222,439,170	176,724,258	82,272,827	81,030,392
Interest income		18,723,939	15,953,954	27,067,750	14,640,094
Dividend income	30	16,952,670	15,489,430	61,756,989	96,918,611
Realised income from deferred rental revenue	25	25,433,333	25,433,333	76,879,388	38,439,693
Gain on sales of available-for-sale investments	10	37,500,000	-	37,500,000	-
Gain on sales of other long-term investments and investments in associates	11, 12	328,527,185	-	328,527,185	-
Gain on sales of property, plant and equipment-net	16	-	323,046,801	580,560	353,631
Share of profits of associates and joint ventures	12, 14	65,558,727	19,720,825	-	-
Other income	30	216,950,049	270,369,863	240,430,558	339,455,734
<b>Total other income</b>		<b>932,085,073</b>	<b>846,738,464</b>	<b>855,015,257</b>	<b>570,838,155</b>
Profit before expenses		2,356,452,911	2,176,365,555	1,348,542,071	990,499,316
<b>Expenses</b>					
Selling expenses	30, 32	(363,289,837)	(387,981,029)	(169,293,968)	(180,321,858)
Administrative expenses	30, 33	(1,450,892,325)	(1,281,389,978)	(873,610,052)	(680,217,952)
Depreciation and amortisation		(36,774,490)	(36,926,736)	(15,933,956)	(17,379,434)
Loss on sales of equipment-net	16	(4,789,345)	-	-	-
Finance costs	36	(64,764,327)	(58,797,616)	(26,257,635)	(9,547,893)
<b>Total expenses</b>		<b>(1,920,510,324)</b>	<b>(1,765,095,359)</b>	<b>(1,085,095,611)</b>	<b>(887,467,137)</b>
Profit before income tax expense		435,942,587	411,270,196	263,446,460	103,032,179
Tax income (expense)	37	(85,686,827)	(78,900,907)	(39,539,968)	7,449,282
<b>Profit for the year</b>		<b>350,255,760</b>	<b>332,369,289</b>	<b>223,906,492</b>	<b>110,481,461</b>
<b>Profit attributable to:</b>					
Owners of the parent		289,838,006	267,038,293	223,906,492	110,481,461
Non-controlling interests	13	60,417,754	65,330,996	-	-
<b>Total</b>		<b>350,255,760</b>	<b>332,369,289</b>	<b>223,906,492</b>	<b>110,481,461</b>
<b>Earnings per share (in Baht)</b>	<b>38</b>				
Basic earnings per share		0.34	0.32	0.26	0.13

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



## Dusit Thani Public Company Limited and its Subsidiaries

### Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
	Note	2018	2017	2018	2017
		(in Baht)			
<b>Profit for the year</b>		<b>350,255,760</b>	<b>332,369,289</b>	<b>223,906,492</b>	<b>110,481,461</b>
<b>Other comprehensive income</b>					
<i>Items that are or may be reclassified to profit or loss</i>					
Exchange differences on translating financial statement		(20,123,562)	(142,702,237)	-	-
Gains (losses) on remeasurement of available-for-sale investments	10	10,011,900	110,844,950	(16,811,700)	1,315,250
Income tax relating to items will be reclassified		(2,002,380)	10,519,564	3,362,340	(263,050)
<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>(12,114,042)</b>	<b>(21,337,723)</b>	<b>(13,449,360)</b>	<b>1,052,200</b>
<i>Items that will not be reclassified to profit or loss</i>					
Gains on remeasurements of defined benefit plans	26	2,654,877	18,480,116	-	20,532,073
Income tax relating to items that will not be reclassified		(796,463)	(4,936,001)	-	(4,106,415)
<b>Total items that will not be reclassified to profit or loss</b>		<b>1,858,414</b>	<b>13,544,115</b>	<b>-</b>	<b>16,425,658</b>
<b>Other comprehensive income for the year, net of income tax</b>		<b>(10,255,628)</b>	<b>(7,793,608)</b>	<b>(13,449,360)</b>	<b>17,477,858</b>
<b>Total comprehensive income for the year</b>		<b>340,000,132</b>	<b>324,575,681</b>	<b>210,457,132</b>	<b>127,959,319</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		284,651,146	319,084,717	210,457,132	127,959,319
Non-controlling interests		55,348,986	5,490,964	-	-
<b>Total comprehensive income for the year</b>		<b>340,000,132</b>	<b>324,575,681</b>	<b>210,457,132</b>	<b>127,959,319</b>

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

# Dusit Thani Public Company Limited and its Subsidiaries

## Statement of changes in equity

Consolidated financial statements														
Note	Retained earnings				Other components of shareholders' equity					Total	Non-controlling interests	Total shareholders' equity		
	Issued and paid-up share capital	Treasury shares	Premium on ordinary shares	Share premium on treasury shares	Legal reserve	Dual Thani College funds	Treasury shares reserve	Unappropriated (in Baht)	Translation financial statement				Investments held as available for sale	Equity attributable to owners of the parent
Year ended 31 December 2017														
	850,000,000	(15,740,202)	1,643,000,000	18,365,540	85,000,000	414,947,279	15,740,202	1,341,997,268	(16,922,178)	252,593,222	235,671,044	4,588,981,131	765,107,731	5,354,088,862
39	-	-	-	-	-	-	-	(84,528,677)	-	-	-	(84,528,677)	(2,177,906)	(86,706,583)
	-	-	-	-	-	-	-	(84,528,677)	-	-	-	(84,528,677)	(2,177,906)	(86,706,583)
Changes in ownership interests in subsidiary														
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners, recorded directly in equity														
	-	-	-	-	-	-	-	(84,528,677)	-	-	-	(84,528,677)	-	-
Transfer excesses of revenues over expenses to Dual Thani College funds														
29	-	-	-	-	-	47,349,581	-	(47,349,581)	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Comprehensive income for the year														
Profit	-	-	-	-	-	-	-	267,038,293	-	-	-	267,038,293	65,330,996	332,369,289
Other comprehensive income	-	-	-	-	-	-	-	13,319,341	(81,300,899)	120,027,982	38,727,083	52,046,424	(59,840,032)	(7,793,608)
	-	-	-	-	-	-	-	280,357,634	(81,300,899)	120,027,982	38,727,083	319,084,717	5,490,964	324,575,681
Total comprehensive income for the year	-	-	-	-	-	-	-	1,490,476,644	(98,223,077)	372,621,204	274,398,127	4,823,537,171	1,057,179,539	5,880,716,710
850,000,000	(15,740,202)	1,643,000,000	18,365,540	85,000,000	462,296,860	15,740,202								
Balance at 31 December 2017														
Year ended 31 December 2018														
	850,000,000	(15,740,202)	1,643,000,000	18,365,540	85,000,000	462,296,860	15,740,202	1,490,476,644	(98,223,077)	372,621,204	274,398,127	4,823,537,171	1,057,179,539	5,880,716,710
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distributions to owners of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends to owners of the Company	-	-	-	-	-	-	-	(133,557,625)	-	-	-	(133,557,625)	(30,381,110)	(163,938,735)
Total distributions to owners of the Company	-	-	-	-	-	-	-	(133,557,625)	-	-	-	(133,557,625)	(30,381,110)	(163,938,735)
Changes in ownership interests in subsidiary														
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners, recorded directly in equity														
	-	-	-	-	-	-	-	(133,557,625)	-	-	-	(133,557,625)	(30,381,110)	(163,938,735)
Transfer excesses of revenues over expenses to Dual Thani College funds														
29	-	-	-	-	-	(22,039,872)	-	18,191,209	-	-	-	(3,848,663)	3,848,663	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Comprehensive income for the year														
Profit	-	-	-	-	-	-	-	289,838,006	-	-	-	289,838,006	60,417,754	350,255,760
Other comprehensive income	-	-	-	-	-	-	-	1,635,588	(14,504,658)	7,682,210	(6,822,448)	(5,186,860)	(5,068,768)	(10,255,628)
Total comprehensive income for the year	-	-	-	-	-	-	-	291,473,594	(14,504,658)	7,682,210	(6,822,448)	284,651,146	55,348,986	340,000,132
Balance at 31 December 2018	850,000,000	(15,740,202)	1,643,000,000	18,365,540	85,000,000	440,256,988	15,740,202	1,666,583,822	(112,727,735)	380,303,414	267,575,679	4,970,782,029	1,107,352,428	6,078,134,457

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

## Dusit Thani Public Company Limited and its Subsidiaries

### Statement of changes in equity

Separate financial statements								
		Retained earnings				Other component of shareholders' equity		Total shareholders' equity
		Share premium on treasury shares	Legal reserve (in Baht)	Unappropriated	Investments held as available for sale			
Note	Issued and paid-up share capital	Premium on ordinary shares	Share premium on treasury shares	Legal reserve (in Baht)	Unappropriated	Investments held as available for sale		
Year ended 31 December 2017								
	850,000,000	1,643,000,000	16,950,268	85,000,000	654,472,664	18,676,520		3,268,099,452
Transactions with owners, recorded directly in equity								
<i>Distributions to owners of the Company</i>								
39	-	-	-	-	(85,000,000)	-		(85,000,000)
	-	-	-	-	(85,000,000)	-		(85,000,000)
Comprehensive income for the year								
	-	-	-	-	110,481,461	-		110,481,461
	-	-	-	-	16,425,658	1,052,200		17,477,858
	-	-	-	-	126,907,119	1,052,200		127,959,319
	850,000,000	1,643,000,000	16,950,268	85,000,000	696,379,783	19,728,720		3,311,058,771
Year ended 31 December 2018								
	850,000,000	1,643,000,000	16,950,268	85,000,000	696,379,783	19,728,720		3,311,058,771
Transactions with owners, recorded directly in equity								
<i>Distributions to owners of the Company</i>								
39	-	-	-	-	(134,300,000)	-		(134,300,000)
	-	-	-	-	(134,300,000)	-		(134,300,000)
Comprehensive income for the year								
	-	-	-	-	223,906,492	-		223,906,492
	-	-	-	-	-	(13,449,360)		(13,449,360)
	-	-	-	-	223,906,492	(13,449,360)		210,457,132
	850,000,000	1,643,000,000	16,950,268	85,000,000	785,986,275	6,279,360		3,387,215,903

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

## Dusit Thani Public Company Limited and its Subsidiaries

### Statement of cash flows

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		For the year ended 31 December		For the year ended 31 December	
		2018	2017	2018	2017
<i>(in Baht)</i>					
<b>Cash flows from operating activities</b>					
Profit for the year		350,255,760	332,369,289	223,906,492	110,481,461
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>					
Realised income from deferred rental revenue	25	(25,433,333)	(25,433,333)	(76,879,388)	(38,439,693)
Interest income		(18,723,939)	(15,953,954)	(27,067,750)	(14,640,094)
Dividend income		(16,952,670)	(15,489,430)	(61,756,989)	(96,918,611)
Bad debts and doubtful accounts (reversal)	6	3,526,294	(587,402)	1,964,159	(742,708)
Depreciation of plant and equipment	16	484,393,563	605,851,611	119,829,755	213,563,217
Depreciation of investment properties	15	201,489	10,678,785	1,259,767	12,882,512
Amortisation of other intangible assets	18	14,657,037	12,444,036	9,417,707	8,804,598
Loss on written off withholding tax		12,488,591	7,056,262	-	5,607,986
Amortisation of prepaid rental of land and buildings	17	122,412,081	142,838,400	89,211,939	109,414,280
Amortisation of deferred fee debenture	24	309,000	-	309,000	-
Provisions for post-employment benefits	26	50,087,672	31,319,804	22,811,664	14,224,852
Share of net profits of associates and joint ventures	12, 14	(65,558,727)	(19,720,825)	-	-
Reversal of loss on impairment investment	11	(44,000)	-	(44,000)	-
Gain on sales on available-for-sale and other long-term investments and investments in associates	10, 11, 12	(366,027,185)	-	(366,027,185)	-
(Gain) loss on sales of property, plant and equipment	16, 18	4,789,345	(323,046,801)	(580,560)	(353,631)
Loss on impairment of investment	11, 13, 14	-	99,700	-	11,177,133
Reversal loss on impairment of plant and equipment	16	-	(2,816,115)	-	-
Loss on equipment written off	16	3,554,708	4,762,379	1,236,997	1,500,830
Loss on investment properties written off	15	-	1,700,000	-	-
Loss on other intangible written off	18	1,672,191	7,126	-	-
Finance costs		64,764,327	58,797,616	26,257,635	9,547,893
Income tax expense (income)		85,686,827	78,900,907	39,539,968	(7,449,282)
		706,059,031	883,778,055	3,389,211	338,660,743
<i>Changes in operating assets and liabilities</i>					
Trade and other receivables		27,711,037	(88,017,803)	(10,382,230)	(26,037,528)
Inventories		(6,055,241)	3,424,136	6,128,396	2,423,869
Other current assets		11,292,225	(6,025,678)	(2,710,541)	620,855
Other non-current assets		243,872	(364,382)	(14,128,057)	(699,998)
Restricted bank deposits		(367,237)	(18,666)	-	-
Trade and other payables		3,872,500	(56,225,520)	47,019,242	(6,601,828)
Other current liabilities		(12,088,519)	14,198,356	(13,309,397)	14,134,954
Other non-current liabilities		139,124,071	(2,119,225)	42,120,522	(16,328,515)
Payment for employee benefit obligations		(31,170,363)	(35,391,776)	(11,817,820)	(15,003,712)
Cash generated from operating activities		838,621,376	713,237,497	46,309,326	291,168,840
Proceeds from refund of prepaid income tax		80,476,258	12,248,615	80,476,258	10,063,608
Taxes paid		(129,580,087)	(137,088,476)	(16,354,767)	(86,124,534)
<b>Net cash from operating activities</b>		<b>789,517,547</b>	<b>588,397,636</b>	<b>110,430,817</b>	<b>215,107,914</b>

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

## Dusit Thani Public Company Limited and its Subsidiaries

### Statement of cash flows

		Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
	Note	2018	2017	2018	2017
		(in Baht)			
<b>Cash flows from investing activities</b>					
Interest income		13,015,921	12,645,987	22,802,285	8,815,380
Payments for short-term investments		(9,554,717)	(89,921,423)	-	-
Payments for short-term loans to related parties	30	-	-	(1,190,169,000)	(65,022,600)
Repayments for short-term loans to related parties	30	-	-	944,664,000	11,000,000
Payments for long-term loans to related parties	30	(92,887,554)	(34,006,017)	(76,660,250)	(96,831,628)
Repayments for long-term loans to related parties	30	-	-	93,975,605	36,781,500
Dividend received from available-for-sale investments		16,952,670	15,489,430	411,450	736,450
Dividend received from joint venture	30	-	30,999,690	-	30,999,690
Dividend received from associate	30	37,404,556	32,327,960	37,404,556	32,327,960
Dividends received from subsidiaries	30	-	-	23,940,983	32,854,511
Received deposit from building lease arrangement	30	492,380,000	492,380,000	-	-
Payment for investment in other long term investment	11	-	(33,830,633)	-	-
Payment for investment in associate	12	(705,216,406)	(63,540,000)	-	(63,540,000)
Payment for investment in joint venture	14	-	(1,519,000)	-	(1,519,000)
Payment of shares subscription in subsidiaries	13	-	-	(748,746,450)	(564,990,650)
Proceeds from sales on available-for-sale investments and other long-term investments	10, 11	218,678,087	-	218,678,087	-
Proceeds from shares deduction of associate	12	600,488	142,587,200	600,488	142,587,200
Net cash outflow on acquisition of subsidiaries	4	(250,946,269)	-	-	-
Proceeds from sales of property, plant and equipment		1,969,298	566,685,917	2,481,849	2,691,861
Purchases of property, plant and equipment		(527,154,968)	(691,489,288)	(81,259,747)	(294,133,812)
Purchases of other intangible assets	18	(3,702,308)	(4,272,937)	(2,767,271)	(395,235)
Payment deposit for hotel management right	20	-	(74,840,020)	-	(74,840,020)
Proceeds from sublease rental of land	30	-	-	-	1,361,652,008
Payment for prepaid rental of land and buildings	17	(32,042,525)	(972,755,339)	-	(947,316,740)
<b>Net cash used in investing activities</b>		<b>(840,503,727)</b>	<b>(673,058,473)</b>	<b>(754,643,415)</b>	<b>(448,143,125)</b>
<b>Cash flows from financing activities</b>					
Proceeds from non-controlling interests for the increase in capital of a subsidiary		21,356,350	288,758,750	-	-
Proceeds from short-term loans from financial institutions		1,649,500,000	1,123,260,000	1,649,500,000	1,089,700,000
Repayments of short-term loans from financial institutions		(2,026,200,000)	(1,040,602,080)	(2,026,200,000)	(833,000,000)
Proceeds from issuance of debenture	24	1,000,000,000	-	1,000,000,000	-
Repayments from issuance of debenture	24	(3,090,000)	-	(3,090,000)	-
Repayments of finance lease liabilities		(1,328,434)	(1,236,756)	-	-
Proceeds from short-term loans from related parties	30	-	-	169,000,000	-
Repayment of short-term loans from related parties	30	-	-	(78,600,000)	-
Proceeds from long-term loans	23	164,722,750	180,723,653	115,450,000	-
Repayments of long-term loans	23	(422,203,716)	(164,445,200)	(6,750,000)	-
Interest paid		(65,588,554)	(50,274,188)	(26,038,533)	(9,227,256)
Dividend paid		(163,938,735)	(86,406,583)	(134,300,000)	(84,700,000)
<b>Net cash provided by financing activities</b>		<b>153,229,661</b>	<b>249,777,596</b>	<b>658,971,467</b>	<b>162,772,744</b>

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

## Dusit Thani Public Company Limited and its Subsidiaries

### Statement of cash flows

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		For the year ended		For the year ended	
		31 December		31 December	
	<i>Note</i>	2018	2017	2018	2017
		<i>(in Baht)</i>			
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		102,243,481	165,116,759	14,758,869	(70,262,467)
Effect of exchange rate changes on cash and cash equivalents		(10,779,241)	(14,583,606)	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>91,464,240</b>	<b>150,533,153</b>	<b>14,758,869</b>	<b>(70,262,467)</b>
Cash and cash equivalents as at 1 January		1,020,867,852	870,334,699	90,721,824	160,984,291
<b>Cash and cash equivalents as at 31 December</b>	<b>5</b>	<b>1,112,332,092</b>	<b>1,020,867,852</b>	<b>105,480,693</b>	<b>90,721,824</b>
<b><i>Non-cash transaction</i></b>					
Payables from acquisition of assets		14,604,739	13,474,579	9,566,617	7,615,389
Payable for acquisition of business		127,302,805	-	-	-
Receivable from sale of investments in associates		185,693,098	-	185,693,098	-

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

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

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# Dusit Thani Public Company Limited and its Subsidiaries

## Notes to the financial statements

### For the year ended 31 December 2018

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 2019.

## 1 General information

Dusit Thani Public Company Limited, the “Company”, is incorporated in Thailand and has its registered head office at 319 Chamchuri Square Building, 29th floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, 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 the Group are to operate hotel business, hotel management and education. Details of the Company’s subsidiaries, associates and joint ventures as at 31 December 2018 and 2017 are given in notes 13, 12 and 14.

## 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 2018. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of new and revised TFRS which are not yet effective for current periods. The Group has not early adopted these standards in preparing these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 46.

### 2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items,

<i>Items</i>	<i>Measurement bases</i>
Available-for-sale investments	Fair value
Employee benefit obligations	Present value of the defined benefit obligation, as explained in note 26

### 2.3 Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company’s functional currency.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**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 accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities within the year ending 31 December 2019 is included in the following notes:

Note 4	Acquisition of subsidiary: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis ;
Notes 13, 15 and 16	Testing of Impairment about utilisation of key assumption for valuing recoverable amount ;
Note 19	Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used ;
Note 26	Measurement of defined benefit obligations: key actuarial assumptions ; and
Note 41	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 chief financial officer.

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.

Significant valuation issues are reported to the Group Audit Committee.

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).

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

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

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.

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

Note 15	Investment properties; and
Note 41	Financial instruments

**3 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

**3.1 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.

*Business combinations*

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as describe in subsidiaries section, other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

When share-based payment awards exchanged (replacement awards) for awards held by the acquiree’s employees (acquiree’s awards) relate to past services, then a part of the market-based measure of the awards replaced is included in the consideration transferred. If they require future services, then the difference between the amount included in consideration transferred and the market-based measure of the replacement awards is treated as post-combination compensation cost.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**3 Significant accounting policies (Continued)**

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

*Step acquisition*

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

*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.

*Non-controlling interests*

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions

*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.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**3 Significant accounting policies (Continued)**

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.

**3.2 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 currency differences are generally recognized in profit or loss.

*Foreign operations*

The assets and liabilities of foreign operations including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the 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.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**3 Significant accounting policies (Continued)**

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.

**3.3 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.

**3.4 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.

**3.5 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.

**3.6 Non-current assets classified as held for sale**

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are measured at the lower of their carrying amount and fair value less cost to sell.

**3.7 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.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**3 Significant accounting policies (Continued)**

*Investments in other equity securities*

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.

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

The fair value of financial instruments classified as 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.

**3.8 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

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



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

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

#### **For the year ended 31 December 2018**

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

#### **3.9 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.

##### *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.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**3 Significant accounting policies (Continued)**

The estimated useful lives are as follows:

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

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

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

**3.10 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.

**3.11 Other intangible assets**

*Goodwill, trademark and villa contracts*

Goodwill arises upon the acquisition of subsidiaries. The measurement of goodwill, trademark and villa contracts at initial recognition is described in note 3.1. Subsequent to initial recognition, goodwill and trademark is measured at cost less accumulated impairment losses.

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated 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, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

*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, other than goodwill, 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 - 15 years
Villa contracts	5 years

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**3 Significant accounting policies (Continued)**

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

**3.12 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. For goodwill and 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 or its cash-generating unit 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 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.

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.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**3 Significant accounting policies (Continued)**

**3.13 Interest-bearing liabilities**

Interest-bearing liabilities are stated at cost less attributable transaction charges.

**3.14 Trade and other payables**

Trade and other payables are stated at cost.

**3.15 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 and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed 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, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) 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.

*Termination benefits*

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**3 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.

**3.16 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.

**3.17 Treasury shares**

When share capital 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.

**3.18 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.

*Commissions*

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**3 Significant accounting policies (Continued)**

*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.

*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.

**3.19 Finance costs**

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

**3.20 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.

**3.21 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.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**3 Significant accounting policies (Continued)**

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.

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. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. 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.

**3.22 Earnings per share**

The Group presents basic earnings 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.

**3.23 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****For the year ended 31 December 2018****4 Acquisition of subsidiaries**

On 18 September 2018, the Group purchased business of LVM Holdings Pte. Ltd. group, which LVM holding Pte. Ltd. is a third party in Singapore, by acquiring 100% of the shares and voting interests in amount of Baht 464 million. LVM Holdings Pte. Ltd. is an ultimate holding company of Elite Havens Group whereby LVM Holdings Pte. Ltd. directly and indirectly holds shares in all 7 companies and 1 regional head office. The Elite Havens Group engaged in the business of marketing, booking, and full-service management of luxury villas under Elite Havens brand. Current portfolios villas are in Indonesia, Maldives and Sri Lanka. The Group paid for the share purchase price of USD 10.50 million (approximately Baht 340 million) and the remaining amount of USD 2.25 million (approximately Baht 66.99 million) will be paid by 31 December 2019 and amount of USD 2.25 million (approximately Baht 60.32 million) will be paid by 31 December 2020 according to conditions indicated in the share purchase agreement. As at 31 December 2018, the Group recognised the remaining unpaid amount of share price at present value.

During the period from acquisition date to 31 December 2018, LVM Holding Pte. Ltd. group contributed revenue of Baht 40 million and profit of Baht 0.7 million to the Group's results. If the acquisition had occurred on 1 January 2018, management estimates that consolidated revenue for the year 2018 would have increased by Baht 120 million and consolidated profit for the year would have decreased by Baht 21 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2018.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

*Identifiable assets acquired and liabilities assumed*

	<b>Fair values</b> (in million Baht)
Cash and cash equivalents	89
Trade and other receivables	126
Other current assets	2
Property, plant and equipment	2
Other intangible assets	232
Other non-current assets	40
Goodwill	34
Trade and other payables	(292)
Other non-current liabilities	(1)
Deferred tax liabilities	(39)
<b>Total identifiable assets acquired and liabilities</b>	<b>193</b>
Acquisition of controlling interests (%)	100
<b>Fair value of identifiable assets acquired and liabilities</b>	<b>193</b>
Goodwill	271
<b>Purchase consideration transferred</b>	<b>464</b>
- Purchase consideration transferred - paid	340
- Purchase consideration transferred - not paid	124
Net cash acquired with the subsidiary	89
Cash paid	(340)
<b>Net cash outflows</b>	<b>(251)</b>

## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2018

#### 4 Acquisitions of subsidiaries (Continued)

The Group has appointed an independent appraiser to determine the fair value of the business but the report of the appraiser is not yet completed as at the date of approval of these consolidated financial statements. Accordingly, the fair value of assets acquired and liabilities assumed have been provisionally determined at the acquisition date. Fair valuation have not been completed and are subject to amendment.

During the year ended 31 December 2018, the Group incurred acquisition-related costs of Baht 25.5 million related to external legal and tax fees and business and financial due diligence costs. These costs have been included in administrative expenses in the Group's consolidated statement of comprehensive income for the period ended 31 December 2018.

In accordance with TFRS 3: Business Combination, management is required to make a preliminary assessment of the fair values of business acquired as at the acquisition date. During the measurement period, which must not exceed one year from the acquisition date, the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. Finalisation of the fair values of acquisition of LVM Holdings Pte. Ltd. group is dependent on completion of the purchase price allocation exercise.

#### Goodwill

The goodwill is attributable mainly to villa management skills of LVM Holdings Pte. Ltd. and the synergies expected to be achieved from integrating the company into the Group's existing hotel business. None of the goodwill recognised is expected to be deductible for income tax purposes.

#### 5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Cash on hand	14,031,630	19,848,373	4,772,985	9,087,065
Cash at banks	1,058,114,212	984,280,254	100,707,708	81,634,759
Highly liquid short-term investments	40,186,250	16,739,225	-	-
<b>Cash and cash equivalents in the statement of financial position and statement of cash flow</b>	<b>1,112,332,092</b>	<b>1,020,867,852</b>	<b>105,480,693</b>	<b>90,721,824</b>

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Thai Baht (THB)	819,317,800	842,118,442	105,480,693	90,721,824
United States Dollars (USD)	188,159,521	72,399,910	-	-
Philippines Peso (PESO)	101,534,593	103,085,294	-	-
Others	3,320,178	3,264,206	-	-
<b>Total</b>	<b>1,112,332,092</b>	<b>1,020,867,852</b>	<b>105,480,693</b>	<b>90,721,824</b>

**Dusit Thani Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2018****6 Trade and other receivables**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2018	2017	2018	2017
Trade accounts receivable - net	6.1	247,205,094	249,436,585	67,682,385	62,612,179
Other receivables - management fee and other services - net	6.2	57,232,805	52,055,811	76,696,935	55,948,295
Other receivables - others		301,419,485	97,845,519	247,569,638	71,677,026
Less allowance for doubtful accounts		(8,183,135)	(8,882,509)	(8,183,135)	(8,882,509)
		<u>293,236,350</u>	<u>88,963,010</u>	<u>239,386,503</u>	<u>62,794,517</u>
Other receivable - World Intertrade Corporation Limited (see note 43)		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		19,094,480	13,386,462	12,047,531	7,782,066
Accrued income		5,699,152	6,025,539	-	80,506
Prepaid expenses		54,978,003	73,753,476	11,849,880	13,340,311
Prepaid income tax		47,551,932	19,506,081	10,408,268	10,408,267
Prepayment for room rental		78,576,008	-	-	-
Advances		24,692,460	26,250,005	875,451	7,604,178
Deposits		20,202,345	8,219,837	-	-
Insurance claim		255,250	270,650	-	-
<b>Total</b>		<u><b>848,723,879</b></u>	<u><b>537,867,456</b></u>	<u><b>418,946,953</b></u>	<u><b>220,570,319</b></u>

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

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

6.1 Aging analyses for trade accounts receivable were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
<b>Related parties</b>				
Outstanding amount				
Not due and less than 3 months	<u>232,714</u>	<u>9,402,449</u>	<u>1,374,805</u>	<u>10,049,335</u>
<b>Other parties</b>				
Outstanding amount				
Not due and less than 3 months	226,992,599	230,769,800	66,200,012	52,552,606
3 - 6 months	18,276,821	12,027,267	101,720	399,432
6 - 12 months	4,986,581	133,587	5,848	56,885
Over 12 months	<u>8,313,323</u>	<u>6,198,384</u>	<u>449,295</u>	<u>432,482</u>
	258,569,324	249,129,038	66,756,875	53,441,405
Less allowance for doubtful accounts	<u>(11,596,944)</u>	<u>(9,094,902)</u>	<u>(449,295)</u>	<u>(878,561)</u>
Net	<u>246,972,380</u>	<u>240,034,136</u>	<u>66,307,580</u>	<u>52,562,844</u>
<b>Trade accounts receivable - net</b>	<b><u>247,205,094</u></b>	<b><u>249,436,585</u></b>	<b><u>67,682,385</u></b>	<b><u>62,612,179</u></b>
Bad and doubtful debts expense for the year (reversal)	<u>2,502,042</u>	<u>(188,079)</u>	<u>(429,266)</u>	<u>432,759</u>

The normal credit term granted by the Group due within 30 days.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

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

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
<b>Related parties</b>				
Outstanding amount				
Not due and less than 3 months	132,287	1,457,651	56,431,266	34,433,336
3 - 6 months	-	670,439	5,235,372	4,565,764
6 - 12 months	-	-	1,166,978	3,283,173
Over 12 months	3,334,336	3,487,518	-	129,435
	<u>3,466,623</u>	<u>5,615,608</u>	<u>62,833,616</u>	<u>42,411,708</u>
Less allowance for doubtful accounts	<u>(3,334,336)</u>	<u>(4,219,798)</u>	<u>-</u>	<u>(669,930)</u>
Net	<u>132,287</u>	<u>1,395,810</u>	<u>62,833,616</u>	<u>41,741,778</u>
<b>Other parties</b>				
Outstanding amount				
Not due and less than 3 months	51,933,979	46,419,219	12,652,767	13,392,509
3 - 6 months	2,854,565	3,004,852	1,742,779	554,280
6 - 12 months	6,127,963	2,488,028	2,834,205	418,047
Over 12 months	4,302,594	4,139,269	3,409,082	2,854,466
	<u>65,219,101</u>	<u>56,051,368</u>	<u>20,638,833</u>	<u>17,219,302</u>
Less allowance for doubtful accounts	<u>(8,118,583)</u>	<u>(5,391,367)</u>	<u>(6,775,514)</u>	<u>(3,012,785)</u>
Net	<u>57,100,518</u>	<u>50,660,001</u>	<u>13,863,319</u>	<u>14,206,517</u>
<b>Other receivables-management fee and other services - net</b>	<b><u>57,232,805</u></b>	<b><u>52,055,811</u></b>	<b><u>76,696,935</u></b>	<b><u>55,948,295</u></b>
Bad and doubtful debts expense for the year (reversal)	<u>1,723,626</u>	<u>(629,648)</u>	<u>3,092,799</u>	<u>(1,405,791)</u>

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Thai Baht (THB)	414,540,915	264,838,717	369,744,187	165,335,299
United States Dollars (USD)	322,128,639	161,268,980	43,727,147	41,994,694
Others	112,054,325	111,759,759	5,475,619	13,240,326
<b>Total</b>	<b><u>848,723,879</u></b>	<b><u>537,867,456</u></b>	<b><u>418,946,953</u></b>	<b><u>220,570,319</u></b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
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**7 Inventories**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Foods and beverages	36,126,096	35,926,255	7,183,247	10,867,182
Mechanical supplies	5,505,908	5,136,268	195,006	260,562
Other supplies	28,578,233	23,247,055	3,397,630	5,257,478
Retail products	6,799,635	7,157,883	842,784	1,361,841
<b>Total</b>	<b><u>77,009,872</u></b>	<b><u>71,467,461</u></b>	<b><u>11,618,667</u></b>	<b><u>17,747,063</u></b>

**8 Other current assets**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Value added tax receivable	36,414,926	56,151,752	4,440,435	1,729,892
Others	6,260,393	-	-	-
<b>Total</b>	<b><u>42,675,319</u></b>	<b><u>56,151,752</u></b>	<b><u>4,440,435</u></b>	<b><u>1,729,892</u></b>

**9 Restricted bank deposits**

As at 31 December 2018 and 2017, cash at bank of a subsidiary were pledged as collateral to letter of guarantee issued by the bank.

**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>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
<b>Equity securities available-for-sale</b>				
At cost	52,491,858	64,991,858	5,000,700	17,500,700
Net changes in fair value of available-for-sale investments	420,829,842	410,817,942	7,849,200	24,660,900
<b>Total</b>	<b><u>473,321,700</u></b>	<b><u>475,809,800</u></b>	<b><u>12,849,900</u></b>	<b><u>42,161,600</u></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>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
<b>Available-for-sale investments</b>				
At 1 January	475,809,800	364,964,850	42,161,600	40,846,350
Disposal of available-for-sale investments	(12,500,000)	-	(12,500,000)	-
Net changes in fair value of available-for-sale investments	10,011,900	110,844,950	(16,811,700)	1,315,250
<b>At 31 December</b>	<b><u>473,321,700</u></b>	<b><u>475,809,800</u></b>	<b><u>12,849,900</u></b>	<b><u>42,161,600</u></b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
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**For the year ended 31 December 2018**

**10 Available-for-sale-investments (Continued)**

In April 2018, the Company sold the available-for-sale investments in Laguna Resorts and Hotels Public Company Limited at the price of Baht 40 per share which proposed by the tender offer to the Stock Exchange of Thailand totaling Baht 50 million. The Company recognized gain from selling such investments totally Baht 37.5 million in the statement of income.

**11 Other long-term investments**

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Other non-marketable equity securities	57,274,660	57,374,360	20,000,000	20,099,700
Less allowance for impairment	(23,470,850)	(23,570,550)	(20,000,000)	(20,099,700)
<b>Total</b>	<b>33,803,810</b>	<b>33,803,810</b>	<b>-</b>	<b>-</b>

Other long-term investments of the Group and the Company as at 31 December 2018 and 2017 were denominated entirely in Thai Baht.

Movements during the years ended 31 December of Other long-term investments were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
At 1 January	33,803,810	-	-	-
Reclassified from investment in subsidiaries	-	99,700	-	99,700
Sold during the year	(44,000)	-	(44,000)	-
Addition	-	33,803,810	-	-
Transfer to non-current assets classified as held for sale	(55,000)	-	(55,000)	-
Transfer allowance for impairment to non-current assets classified as held for sale	55,000	-	55,000	-
Allowance for impairment	-	(99,700)	-	(99,700)
Reversal of allowance for impairment	44,000	-	44,000	-
<b>At 31 December</b>	<b>33,803,810</b>	<b>33,803,810</b>	<b>-</b>	<b>-</b>

In January 2018, the Company sold 440 ordinary shares of other long-term investments which were investments in Saladaeng Property Management Co., Ltd., the company related to the future mix-use property projects, of Baht 168.68 million and its book value was Baht 0.04 million. The Company recognized gain on sale of investments totally Baht 168.64 million in the statement of income. In addition, the Company has a plan to partially sell other long-term investments as such, the investment is classified as non-current assets classified as held for sale in the statement of financial position as at 31 December 2018.



**Dusit Thani Public Company Limited and its Subsidiaries**  
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**12 Investments in associates**

Investments in associates as at 31 December 2018 and 2017, and dividend income from those investments for the years ended 31 December 2018 and 2017 were as follows:

Annual Report 2018										
	Ownership Interest		Paid-up capital		Consolidated financial statements		Separate financial statements			
	2018	2017	2018	2017	2018	2017	2018	2017	Dividend income	
	(%)				Equity		Cost		2018	2017
(in Baht)										
Associates (see note 30)										
Dusit Thani Freehold and Leasehold Property Fund <sup>(1)</sup>	-	-	-	-	-	-	-	-	32,327,960	
Dusit Thani Freehold and Leasehold Real Estate Investment Trust <sup>(2)</sup>	30.02	30.02	3,656,050,621	3,656,050,621	1,118,775,522	1,102,672,212	1,086,014,812	1,086,615,300	37,404,556	-
Dusit Hospitality Education Philippines Inc. (formerly, Philippine Hoteliers International Center for Hospitality Education, Inc.) <sup>(3)</sup>	35.54	35.20	PHP	530,000,000	PHP	430,000,000	123,472,565	109,582,848	-	-
Suanlum Property Co., Ltd <sup>(5)</sup>	22.00	37.00		172,000,000		172,000,000	37,878,772	63,715,036	37,839,700	63,639,700
Pharam 4 Development Co., Ltd. <sup>(6)</sup>	10.00	10.00		1,000,000		1,000,000	-	-	99,700	99,700
NR Instant Produce Co., Ltd. <sup>(4)</sup>	25.98	-		1,020,925,000		-	700,075,084	-	-	-
Total							1,980,201,943	1,275,970,096	1,123,954,212	1,150,354,700
									37,404,556	32,327,960

**Dusit Thani Public Company Limited and its Subsidiaries**  
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**12 Investments in associates (Continued)**

- (1) During 2017 and 2018, Dusit Thani Freehold and Leasehold Property Fund distributed the return of invested amount to its unitholders. The Company received the return of invested amount of Baht 142.59 million and Baht 0.60 million, respectively.

On 14 September 2017, the meeting of unitholders passed resolutions approving the conversion of the Dusit Thani Freehold and Leasehold Property Fund (“the Fund”) into Dusit Thani Freehold and Leasehold Real Estate Investment Trust (“the Trust”). The de-listing of the Fund from the Stock Exchange of Thailand was on 15 December 2017 and is already liquidation during 2018. The Trust was incorporated on 29 November 2017 and on 8 December 2017 the major assets that are investment property in 3 hotels, liabilities and obligations of the Fund were transferred to the Trust.

- (2) Dusit Thani Freehold and Leasehold Real Estate Investment Trust is listed on Stock Exchange of Thailand. As at 31 December 2018, the fair value of the Company’s investment in Dusit Thani Freehold and Leasehold Real Estate Investment Trust was Baht 615 million, which fair value has been categorised as Level 2 hierarchy.

*Acquisitions*

- (3) On 5 May 2018, Philippines Hoteliers International Center for Hospitality Education, Inc. has changed its name to Dusit Hospitality Education Philippines Inc. During 2018, this associate increased its capital to Peso 530.00 million and Dusit Thani Philippines, Inc., a subsidiary invested totaling Baht 24.40 million. Accordingly, the investment of subsidiary proportion increased to 40.00% of its registered capital.
- (4) On 28 March 2018, Dusit Foods Co., Ltd., the subsidiary invested in NR Instant Produce Co., Ltd. totaling Baht 680.78 million. The share certificates of NR Instant Produce Co., Ltd. of 0.1 million shares are pledged as collateral of loan from financial institution of this associate.

*Disposals*

- (5) In December 2018, the Company sold 258,000 ordinary shares of associates investments (15%) which were some investments in Suanlum Property Co., Ltd. related to the future mix-use property projects to a company of Baht 185.69 million and its book value was Baht 25.80 million. The company recognized gain of Baht 159.89 million from selling such investments. The Company received the payment in February 2019.

*Classification*

- (6) On 26 June 2017, the extraordinary shareholders’ meeting of Suanlum Property Co., Ltd. approved the increase share capital of Baht 171.9 million and the Company invested in the increased shares of Baht 63.54 million. Therefore, the Company’s ownership and controlling interests were changed and affected the classification of investment from investment in subsidiary to investment in associate.
- (7) On 26 June 2017, the extraordinary shareholders’ meeting of Phraram 4 Development Co., Ltd. approved the increase additional share capital of Baht 0.9 million and the Company waive to subscribe the increased shares which represent 90% holding interest to another investor. As a result, the Company’s ownership and controlling interest were changed and the classification of investment was changed from investment in subsidiary to investment in associate. However, management believes that the Company has significant influence from the directorship in the Board of Directors of this company.

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

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
<b>Associates</b>				
At 1 January	1,275,970,096	1,370,323,421	1,150,354,700	1,229,202,500
Reclassification from subsidiaries	-	199,400	-	199,400
Sales of investment	(25,800,000)	-	(25,800,000)	-
Addition	705,216,406	63,540,000	-	63,540,000
Capital reduction	(600,488)	(142,587,200)	(600,488)	(142,587,200)
Share of profits from				
investments in associates	61,993,126	16,822,435	-	-
Dividend income	(37,404,556)	(32,327,960)	-	-
Effect of movement in				
Exchange rates	827,359	-	-	-
<b>At 31 December</b>	<b><u>1,980,201,943</u></b>	<b><u>1,275,970,096</u></b>	<b><u>1,123,954,212</u></b>	<b><u>1,150,354,700</u></b>

Other than Dusit Thani Freehold and Leasehold Real Estate Investment Trust, none of the Company's associates are publicly listed and consequently do not have published price quotations.

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.

	<b>Dusit Thani Freehold and Leasehold Real Estate Investment Trust</b>	<b>Dusit Thani Freehold and Leasehold Property Fund</b>
	For the year 31 December 2018	For the period from 29 November 2017 (incorporation date) to 31 December 2017
	<i>(in million Baht)</i>	
Revenue	227	19
Net investment income	185	17
Net loss from investments	(5)	-
<b>Increase in net assets from operations</b>	<b><u>180</u></b>	<b><u>17</u></b>
<b>Attributable to the Company</b>	<b><u>53</u></b>	<b><u>18</u></b>

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

	<b>Dusit Thani Freehold and Leasehold Real Estate Investment Trust</b>	
	2018	2017
	<i>(in million Baht)</i>	
Current assets	42	171
Non-current assets	4,340	4,173
Current liabilities	(55)	(82)
Non-current liabilities	(599)	(589)
<b>Net assets (100%)</b>	<b>3,728</b>	<b>3,673</b>
<b>Group's share of net assets (30.02% shareholding)</b>	<b>1,119</b>	<b>1,103</b>
Company's interest in net assets at beginning	1,103	-
Transfer in	-	1,098
Share of net profit from investment	53	5
Dividends received during the year	(37)	-
<b>Carrying amount of investment in associate at ending</b>	<b>1,119</b>	<b>1,103</b>

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:

	<b>Immaterial Associate</b>	
	2018	2017
	<i>(in million Baht)</i>	
Carrying amount of the Group's interest in immaterial associate	<b>861</b>	<b>173</b>
Group's share of		
- Profit (loss) for the year	9	(6)
- Total comprehensive income (loss)	<b>9</b>	<b>(6)</b>

# Dusit Thani Public Company Limited and its Subsidiaries

## Notes to the financial statements

### For the year ended 31 December 2018

## 13 Investments in subsidiaries

Investments in subsidiaries as at 31 December 2018 and 2017 and dividend income for the years ended 31 December 2018 and 2017 were as follows:

	Ownership interest  (%)		Separate financial statements							
			Paid-up capital		Cost			Dividend income		
			2018	2017	2018	2017	2018	2017		
(in Baht)										
<b>Subsidiaries</b> (see note 30)										
Dusit Thani Properties Co., Ltd.	99.99	99.99		800,000,000		799,999,300	799,999,300	17,599,991		19,999,990
Dusit Thai Properties Public Company Limited	84.04	84.04		825,000,000		-	-	-		-
Dusit Thani Philippines, Inc. (formerly, Philippine Hoteliers, Inc.) <sup>(1)(2)</sup>	88.00	88.00	PHP	455,000,000	PHP		-	-		-
Landmark Hotel Co., Ltd.	99.88	99.88		10,000,000		9,988,000	9,988,000	-		-
Devarana Spa Co., Ltd.	99.99	99.99		8,000,000		7,999,930	7,999,930	-		-
Dusit Thai Properties Public Company Limited	2.75	2.75		825,000,000		40,109,974	40,109,974	6,340,992		454,551
DMS Property Investment Pvt. Ltd <sup>(3)</sup>	56.41	56.41	USD	38,500,000	USD		-	-		-
Dusit Thani College	86.79	86.79		217,715,882			-	-		-
Dusit Worldwide Co., Ltd.	99.99	99.99		50,000,000		49,999,930	49,999,930	-		9,999,994
LVM Holdings Pte. Ltd.	100.00	-	PHP	9,171,621	PHP	-	-	-		-
Private Homes and Villas Pte Ltd	100.00	-	SGD	100,000	SGD	-	-	-		-
PT. Elite Havens	100.00	-	IDR	2,536,500,000	IDR	-	-	-		-
Shanghai Yi-Nong Travel Consultation Co.,Ltd.	100.00	-	CNY	69,080	CNY	-	-	-		-
PT Bali Home Manajemen	100.00	-	IDR	2,500,000,000	IDR	-	-	-		-
Bali Luxe Ltd.	100.00	-	HKD	10,000	HKD	-	-	-		-
Marketing Villas Ltd.	100.00	-	USD	831,632	USD	-	-	-		-
Elite Havens Ltd.	100.00	-	HKD	10,000	HKD	-	-	-		-
Dusit Overseas Co., Ltd.	99.99	99.99	HKD	33,000	HKD		-	-		-
Dusit Management Co., Ltd.	99.99	99.99		4,000,000		3,999,960	3,999,960	-		2,399,976
Dusit USA Management Inc.	100.00	100.00	USD	40,000	USD		1,243,600	-		-
Dusit China Capital Co., Ltd.	99.99	99.99		68,000,000		67,999,970	67,999,970	-		-
Dusit Excellence Co., Ltd.	99.99	99.99		120,000,000		119,999,700	119,999,700	-		-
Vimarn Suriya Co., Ltd <sup>(4)</sup>	60.00	65.00		825,025,000		528,012,700	536,265,950	-		-
Dusit Thani Properties REIT Co., Ltd <sup>(5)</sup>	99.99	99.99		10,000,000		9,999,700	9,999,700	-		-

**Dusit Thani Public Company Limited and its Subsidiaries**  
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**13 Investments in subsidiaries (Continued)**

Investments in subsidiaries as at 31 December 2018 and 2017 and dividend income for the years ended 31 December 2018 and 2017 were as follows:

Separate financial statements							
Ownership interest		Paid-up capital		Cost		Dividend income	
2018	2017	2018	2017	2018	2017	2018	2017
(in Baht)							
<b>Subsidiaries (see note 30)</b>							
99.99	99.99	18,825,000	18,825,000	18,824,700	18,824,700	-	-
99.99	-	713,000,000	-	712,999,700	-	-	-
92.52	-	21,030,000	-	-	-	-	-
<b>Total</b>				<b>2,371,177,164</b>	<b>1,666,430,714</b>	<b>23,940,983</b>	<b>32,854,511</b>
Less allowance for impairment				(74,772,384)	(74,772,384)		
<b>Net</b>				<b>2,296,404,780</b>	<b>1,591,658,330</b>		

(1) On 10 March 2018, Philippines Hoteliers, Inc. has changed its name to Dusit Thani Philippines, Inc.

(2) On 28 November 2017, the Extraordinary General Meeting of Shareholders of Dusit Thani Philippines, Inc. (formerly, Philippine Hoteliers, Inc.) an indirect subsidiary, passed a resolution to approve and appropriate retained earnings as stock dividend equivalent to 0.90 million ordinary shares at Peso 100 par value each, totaling Peso 90.13 million. Consequently, the authorized capital of this subsidiary, called and paid-up would be 4.55 million ordinary shares, totaling Peso 455 million. Dusit Thani Properties Co., Ltd., as its shareholders received this stock dividend equivalent to 0.79 million ordinary shares.

(3) As of 31 December 2018 and 2017, share certificates of DMS Property Investment Pvt. Ltd., the indirect subsidiary, are pledged as collateral of loan from financial institution of the indirect subsidiary.

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

*Acquisitions*

- (4) On 26 June 2017, the Extraordinary General Meeting of Shareholders of Vimarn Suriya Co., Ltd., a subsidiary, approved to increase the registered capital of 10.99 million shares at Baht 100 per share. The paid-up capital is Baht 824.93 million and the Company invested addition Baht 536.27 million. As a result, the Company reduced its investment proportion to 65%. On 8 February 2018, Vimarn Suriya Co., Ltd. called the additional share subscription from the existing shareholders at 5% , totaling Baht 55 million which the company additionally invested Baht 36 million.

Vimarn Suriya Co., Ltd. is a company which relate to the future mix-use property projects.

- (5) Dusit Thani Properties REIT Co., Ltd. registered on 21 August 2017.
- (6) Asai Holdings Co., Ltd. registered on 21 November 2017, with registered capital of 1,000 shares at Baht 100 per share, 100% paid up. On 14 December 2017, the Extraordinary General Meeting of Shareholders of Asai Holdings Co., Ltd. has resolved to increase the registered capital of 749,000 shares at Baht 100 per share, by paid-up capital amount of Baht 18.72 million and the Company invested in full amount.
- (7) Dusit Foods Co., Ltd. was incorporated on 5 March 2018. It has 89.90% invested in Dusit Gourmet Co., Ltd. incorporated on 8 June 2018 and has 2.62% indirectly invested by NR Instant Produce Co., Ltd., an associate of the Group. On 19 September 2018, Dusit Foods Co., Ltd. increased capital Baht 712.9 million and the Company invested all.

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

	<b>Separate financial statements</b>	
	<b>2018</b>	<b>2014</b>
	<i>(in Baht)</i>	
<b>Subsidiaries</b>		
At 1 January	1,591,658,330	1,037,751,164
Additional investment	712,999,700	28,824,400
Reclassification to non-current assets classified as held for sale <sup>(1)</sup>	(44,000,000)	-
Reclassifications to investments in associates and other long-term investments	-	(299,100)
Increased from the capital increase	35,746,750	536,166,250
Allowance for impairment <sup>(2)</sup>	-	(10,784,384)
<b>At 31 December</b>	<b><u>2,296,404,780</u></b>	<b><u>1,591,658,330</u></b>

- (1) According to the share purchase agreement, the Company shall partially sell investment in subsidiary which is investment in ordinary shares of Vimarn Suriya Co., Ltd. of 550,000 shares to another company in 2019. As such, the investment is classified as non-current assets classified as held for sale in the statement of financial position as at 31 December 2018.

- (2) Key assumptions for valuing recoverable amount are growth rate, head counts, etc. The values assigned to the key assumptions by management's assessment based on future trends in the relevant industries and on historical data from both external and internal sources.



**Dusit Thani Public Company Limited and its Subsidiaries**  
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**13 Investments in subsidiaries (Continued)**

	<b>Separate financial statements</b>	
	2018	2017
	<i>(%)</i>	
Discount rate	5.5 - 12.8	7.0 - 10.0

Management reviewed and tested impairment of certain investments in subsidiaries which have impairment indicators by determining recoverable amount from their value in using discounted future cash flows.

**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:

	<b>31 December 2018</b>				
	<b>DMS Property Investment Pvt. Ltd.</b>	<b>Dusit Thani College</b>	<b>Other individually immaterial subsidiaries</b>	<b>Intra-group eliminations</b>	<b>Total</b>
	<i>(in million Baht)</i>				
Non-controlling interest percentage	43.59	13.21			
Current assets	172	675			
Non-current assets	1,640	561			
Current liabilities	(358)	(192)			
Non-current liabilities	(86)	(17)			
<b>Net assets</b>	<b>1,368</b>	<b>1,027</b>			
Carrying amount of non-controlling interest	596	136	375	-	<b>1,107</b>

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

	<b>31 December 2018</b>				
	<b>DMS Property Investment Pvt. Ltd.</b>	<b>Dusit Thani College</b>	<b>Other individually immaterial subsidiaries</b>	<b>Intra-group eliminations</b>	<b>Total</b>
Revenue	800	373			
Profit	131	25			
Other comprehensive income	-	-			
<b>Total comprehensive income</b>	<b>131</b>	<b>25</b>			
Profit allocated to non-controlling interest	57	3	-	-	60
Other comprehensive income allocated to non-controlling interest	-	-			
Cash flows from operating activities	276	115			
Cash flows from investing activities	(44)	(45)			
Cash flows from financing activities <sup>(1)</sup>	(220)	-			
<b>Net increase in cash and cash equivalents</b>	<b>12</b>	<b>70</b>			

<sup>(1)</sup> Dividends to non-controlling interest: nil

	<b>31 December 2017</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	43.59	13.21			
Current assets	184	753			
Non-current assets	1,682	505			
Current liabilities	(324)	(241)			
Non-current liabilities	(296)	(14)			
<b>Net assets</b>	<b>1,246</b>	<b>1,003</b>			
Carrying amount of non-controlling interest	543	132	382	-	1,057

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**13 Investments in subsidiaries (Continued)**

	31 December 2017				
	<b>DMS Property Investment Pvt. Ltd.</b>	<b>Dusit Thani College</b>	<b>Other individually immaterial subsidiaries</b>	<b>Intra-group eliminations</b>	<b>Total</b>
			<i>(in million Baht)</i>		
Revenue	739	379			
Profit	74	61			
Other comprehensive income	-	-			
<b>Total comprehensive income</b>	<b>74</b>	<b>61</b>			
Profit allocated to non-controlling interest	32	8	25	-	65
Other comprehensive income allocated to non-controlling interest	-	-			
Cash flows from operating activities	285	(8)			
Cash flows from investing activities	(73)	(131)			
Cash flows from financing activities <sup>(1)</sup>	(205)	-			
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>7</b>	<b>(139)</b>			

<sup>(1)</sup> Dividends to non-controlling interest: nil

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

Investments in joint ventures as at 31 December 2018 and 2017 and dividend income for the years ended 31 December 2018 and 2017 were as follows:

	Ownership interest		Paid-up capital		Consolidated financial statements		Separate financial statements		Dividend income	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	(%)						(in Baht)			
<b>Joint ventures (see note 30)</b>										
Le Cordon Bleu Dusit Co., Ltd.	49.99	49.99	40,000,000	40,000,000	61,379,538	42,525,045	19,999,400	19,999,400	-	30,999,690
Dusit Bird Hotels Pvt. Ltd. <sup>(1)</sup>	50.00	50.00	28,600,000	28,600,000	264,913	290,968	9,830,902	9,830,902	-	-
Dusit Fudu Hotel Management (Shanghai) Co., Ltd. <sup>(2)</sup>	44.99	44.99	30,000,000	30,000,000	-	-	-	-	-	-
Dusit Colours Co., Ltd. <sup>(3)</sup>	49.00	49.00	10,000,000	10,000,000	1,440,522	1,503,320	1,519,000	1,519,000	-	-
<b>Total</b>					<b>63,084,973</b>	<b>44,319,333</b>	<b>31,349,302</b>	<b>31,349,302</b>	<b>-</b>	<b>30,999,690</b>
Less allowance for impairment							(9,830,902)	(9,830,902)		
<b>Net</b>					<b>21,518,400</b>	<b>21,518,400</b>	<b>21,518,400</b>	<b>21,518,400</b>		

- (1) Dusit Bird Hotels Pvt. Ltd. (see note 44.2).  
(2) Dusit Fudu Hotel Management (Shanghai) Co., Ltd. was held by Dusit China Capital Co., Ltd. which is a 45.00% subsidiary and liabilities from investments in joint venture occurred due to the subsidiary provided financial support to this associate. Therefore, the Group recognized cumulative loss over cost of the joint venture.  
(3) Dusit Colours Co., Ltd. registered in Japan on 17 April 2017.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**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>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
<b>Joint ventures</b>				
At 1 January	44,319,333	54,033,633	21,518,400	20,292,449
Addition investment	-	1,519,000	-	1,519,000
Dividend income	-	(30,999,690)	-	-
Share of profits from investments in joint ventures	18,791,695	19,768,795	-	-
Effect of movement in exchange rate	(26,055)	(2,405)	-	-
Allowance for impairment	-	-	-	(293,049)
<b>At 31 December</b>	<b>63,084,973</b>	<b>44,319,333</b>	<b>21,518,400</b>	<b>21,518,400</b>

None of the Company's joint ventures are publicly listed and consequently do not have published price quotations.

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>	
	2018	2017
	<i>(in million Baht)</i>	
Revenue	206	228
Profit for the year	38	40
Other comprehensive income	-	(2)
<b>Total comprehensive income (100%)</b>	<b>38</b>	<b>38</b>
Comprehensive income attributable to the joint venture	19	19
<b>Comprehensive income attributable to the Company</b>	<b>19</b>	<b>19</b>
Current assets	57	161
Non-current assets	227	14
Current liabilities	(151)	(81)
Non-current liabilities	(5)	(4)
<b>Net assets (100%)</b>	<b>128</b>	<b>90</b>
Attributable to the joint venture of net assets (49.99% shareholdings)	64	45
<b>Attributable to the Company of net assets</b>	<b>64</b>	<b>45</b>
Company's interest in net assets at 1 January	42	54
Total comprehensive income attributable to the Company	19	19
Dividends received during the year	-	(31)
<b>Carrying amount of interest in investee at 31 December</b>	<b>61</b>	<b>42</b>

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

**Le Cordon Bleu Dusit  
Co., Ltd.**

2018      2017  
*(in million Baht)*

Remark:

a. Includes:

- depreciation and amortisation

4      13

b. Includes cash and cash equivalents

52      63

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:

**Immaterial joint ventures**  
2018      2017  
*(in million Baht)*

Carrying amount of interest in immaterial joint ventures

-      -

Group's share of

- Loss for the year

(15)      (17)

- Other comprehensive income

5      3

- Total comprehensive income

**(10)**      **(14)**

**15 Investment properties**

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

	At 1 January 2017	Consolidated financial statements Additions (Disposals)	Reclassification to plant and equipment	At 31 December 2017
		<i>(in Baht)</i>		
<b>Cost</b>				
Land	214,945,361	(40,139,176)	-	174,806,185
Buildings on leased land	4,822,495	(18,621)	(82,780)	4,721,094
Interior and renovation on leased land	134,125,394	(517,939)	(2,302,311)	131,305,144
Furniture and equipment on leased land	8,196,101	(31,651)	(140,689)	8,023,761
Total	<u>362,089,351</u>	<u>(40,707,387)</u>	<u>(2,525,780)</u>	<u>318,856,184</u>
<b>Accumulated depreciation and allowance for impairment</b>				
Buildings on leased land	(3,707,027)	(137,208)	-	(3,844,235)
Interior and renovation on leased land	(117,977,235)	(10,193,495)	-	(128,170,730)
Furniture and equipment on leased land	(7,526,474)	(348,082)	-	(7,874,556)
Total	<u>(129,210,736)</u>	<u>(10,678,785)</u>	<u>-</u>	<u>(139,889,521)</u>
<b>Investment properties</b>	<b>232,878,615</b>	<b>(51,386,172)</b>	<b>(2,525,780)</b>	<b>178,966,663</b>
Less allowance for impairment	-	(1,700,000)	-	(1,700,000)
<b>Investment properties - net</b>	<b>232,878,615</b>	<b>(53,086,172)</b>	<b>(2,525,780)</b>	<b>177,266,663</b>

Depreciation for the year

10,678,785

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**15 Investment properties (Continued)**

	At 1 January 2018	<b>Consolidated financial statements</b>		At 31 December 2018
		Additions (Disposals)	Transfer to plant and equipment	
		<i>(in Baht)</i>		
<b>Cost</b>				
Land	174,806,185	-	-	174,806,185
Buildings on leased land	4,721,094	-	(4,721,094)	-
Interior and renovation on leased land	131,305,144	-	(131,305,144)	-
Furniture and equipment on leased land	8,023,761	-	(8,023,761)	-
<b>Total</b>	<b>318,856,184</b>	<b>-</b>	<b>(144,049,999)</b>	<b>174,806,185</b>
<b>Accumulated depreciation and allowance for impairment</b>				
Buildings on leased land	(3,844,235)	(32,098)	3,876,333	-
Interior and renovation on leased land	(128,170,730)	(158,376)	128,329,106	-
Furniture and equipment on leased land	(7,874,556)	(11,015)	7,885,571	-
<b>Total</b>	<b>(139,889,521)</b>	<b>(201,489)</b>	<b>140,091,010</b>	<b>-</b>
<b>Investment properties</b>	<b>178,966,663</b>	<b>(201,489)</b>	<b>(3,958,989)</b>	<b>174,806,185</b>
<i>Less allowance for impairment</i>	<i>(1,700,000)</i>	<i>-</i>	<i>-</i>	<i>(1,700,000)</i>
<b>Investment properties - net</b>	<b>177,266,663</b>	<b>(201,489)</b>	<b>(3,958,989)</b>	<b>173,106,185</b>
Depreciation for the year				201,489

	At 1 January 2017	<b>Separate financial statements</b>		At 31 December 2017
		Additions	Reclassification to plant and equipment	
		<i>(in Baht)</i>		
<b>Cost</b>				
Land	144,571,625	-	-	144,571,625
Building on leased land	5,404,689	-	(82,779)	5,321,910
Interior and renovation on leased land	150,317,636	-	(2,302,311)	148,015,325
Furniture and equipment on leased land	9,185,571	-	(140,688)	9,044,883
<b>Total</b>	<b>309,479,521</b>	<b>-</b>	<b>(2,525,778)</b>	<b>306,953,743</b>
<b>Accumulated depreciation</b>				
Building on leased land	(4,154,555)	(178,906)	-	(4,333,461)
Interior and renovation on leased land	(132,219,997)	(12,262,021)	-	(144,482,018)
Furniture and equipment on leased land	(8,435,105)	(441,585)	-	(8,876,690)
<b>Total</b>	<b>(144,809,657)</b>	<b>(12,882,512)</b>	<b>-</b>	<b>(157,692,169)</b>
<b>Investment properties - net</b>	<b>164,669,864</b>	<b>(12,882,512)</b>	<b>(2,525,778)</b>	<b>149,261,574</b>
Depreciation for the year				12,882,512

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**15 Investment properties (Continued)**

	At 1 January 2018	Separate financial statements Additions (in Baht)	Transfer to plant and equipment	At 31 December 2018
<b>Cost</b>				
Land	144,571,625	-	-	144,571,625
Building on leased land	5,321,910	-	(5,321,910)	-
Interior and renovation on leased land	148,015,325	-	(148,015,325)	-
Furniture and equipment on leased land	9,044,883	-	(9,044,883)	-
<b>Total</b>	<b>306,953,743</b>	<b>-</b>	<b>(162,382,118)</b>	<b>144,571,625</b>
<b>Accumulated depreciation</b>				
Building on leased land	(4,333,461)	(76,704)	4,410,165	-
Interior and renovation on leased land	(144,482,018)	(1,112,668)	145,594,686	-
Furniture and equipment on leased land	(8,876,690)	(70,395)	8,947,085	-
<b>Total</b>	<b>(157,692,169)</b>	<b>(1,259,767)</b>	<b>158,951,936</b>	<b>-</b>
<b>Investment properties - net</b>	<b>149,261,574</b>	<b>(1,259,767)</b>	<b>(3,430,182)</b>	<b>144,571,625</b>
Depreciation for the year				<u>1,259,767</u>

Investment properties as at 31 December 2018 consist of vacant land. (2017: most of them were vacant land)

Investment properties as at 31 December 2018 and 2017 were valued by an independent appraiser company and management, at open market values on an existing use basis. The fair value measurement for investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

As at 31 December 2018, the fair value of investment properties presented in the consolidated and separate financial statements were Baht 1,499 million and Baht 1,387 million, respectively.



**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**15 Investment properties (Continued)**

*Impairment of assets*

Key assumptions for valuing recoverable amount as at 31 December 2017 is presented as follows. The values assigned to the key assumptions by management's assessment based on future trends in the relevant industries and on historical data from both external and internal sources.

	<b>Consolidated financial statements</b>
	2017
	(%)
Discount rate	7.0

Management reviewed and tested impairment of investment properties which have impairment indicators by determining recoverable amount from their value in using discounted future cash flows.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**16 Property, plant and equipment**

Property, plant and equipment as at 31 December 2018 and 2017 consisted of the following:

<b>Consolidated financial statements</b>						
	At 1 January 2017	Additions	Disposals	Write-offs (in Baht)	Transfers	Exchange gain (loss) on translating financial statement
<b>Cost</b>						At 31 December 2017
Land	481,558,176	180,054,500	(67,360,825)	-	-	594,251,851
Land improvement	8,887,497	-	(1,898,236)	-	-	6,856,379
Buildings	1,451,405,506	743,650	(153,099,440)	-	993,153	1,300,042,869
Buildings on leased land	3,817,057,830	11,389,207	-	(2,528,306)	69,027,937	3,593,476,878
Furniture and equipment	1,305,683,638	27,600,512	(131,325,923)	(19,273,686)	42,774,186	1,185,182,604
Furniture and equipment on leased land	1,563,744,627	31,711,966	(41,838,023)	-	18,562,447	1,535,380,169
Interior and renovation	504,665,873	44,000	(42,300,356)	-	8,738,934	471,148,451
Interior and renovation on leased land	1,213,893,914	517,939	(17,457,945)	-	78,589,196	1,275,543,104
Vehicles	71,890,160	3,659,544	(9,666,253)	-	-	63,690,753
Chinaware, glassware, silverware and linen	142,775,235	13,598,889	(1,298,300)	(20,073,568)	160,313	130,656,943
Construction in process	128,812,009	405,850,185	-	-	(227,170,386)	302,787,441
<b>Total</b>	<b>10,690,374,465</b>	<b>675,170,392</b>	<b>(466,245,301)</b>	<b>(41,875,560)</b>	<b>(8,324,220)</b>	<b>10,459,017,442</b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

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

	At 1 January 2017	Consolidated financial statements				Exchange gain (loss) on translating financial statement	At 31 December 2017
		Additions	Disposals	Write-offs (in Baht)	Transfers		
<b><i>Accumulated depreciation</i></b>							
Land improvement	(8,351,033)	(167,386)	1,781,714	-	-	107,562	(6,629,143)
Buildings	(893,126,412)	(40,966,667)	64,729,349	-	-	-	(869,363,730)
Buildings on leased land	(1,466,354,766)	(155,560,970)	1,792	2,017,902	8,810,386	106,485,119	(1,504,600,537)
Furniture and equipment	(683,934,130)	(103,306,793)	102,211,330	18,987,435	(8,810,386)	28,843,259	(646,009,285)
Furniture and equipment on leased land	(1,480,442,719)	(143,638,091)	41,562,954	3	-	23,349,270	(1,559,168,583)
Interior and renovation	(245,756,193)	(33,744,215)	26,207,831	-	-	-	(253,292,577)
Interior and renovation on leased land	(982,662,916)	(108,155,631)	17,457,067	-	-	-	(1,073,361,480)
Vehicles	(61,273,850)	(3,988,055)	7,757,021	-	-	1,921,451	(55,583,433)
Chinaware, glassware, silverware and linen	(100,269,504)	(16,323,803)	1,043,440	16,676,052	-	4,320,753	(94,553,062)
<b>Total</b>	<b>(5,922,171,523)</b>	<b>(605,851,611)</b>	<b>262,752,498</b>	<b>37,681,392</b>	<b>-</b>	<b>165,027,414</b>	<b>(6,062,561,830)</b>
Property, plant and equipment	4,768,202,942	69,318,781	(203,492,803)	(4,194,168)	(8,324,220)	(225,054,920)	4,396,455,612
Less allowance for impairment	(78,617,236)	(7,647,972)	12,248,258	-	-	-	(74,016,950)
<b>Property, plant and equipment - net</b>	<b>4,689,585,706</b>	<b>61,670,809</b>	<b>(191,244,545)</b>	<b>(4,194,168)</b>	<b>(8,324,220)</b>	<b>(225,054,920)</b>	<b>4,322,438,662</b>
Depreciation for the year							605,851,611

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

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

	At 1 January 2018	Consolidated financial statements					At 31 December 2018
		Additions	Disposals	Write-offs (in Baht)	Transfers	Exchange gain (loss) on translating financial statement	
<b>Cost</b>							
Land	594,251,851	-	-	-	-	-	594,251,851
Land improvement	6,856,379	-	-	-	-	(74,144)	6,782,235
Buildings	1,300,042,869	-	(11,700)	-	(317,047,667)	-	982,983,502
Buildings on leased land	3,593,476,878	33,269,624	(5,655,110)	-	356,506,681	(81,719,537)	3,895,878,536
Furniture and equipment	1,185,182,604	27,572,496	(4,840,129)	(23,180,125)	(248,631,560)	(18,421,136)	917,682,150
Furniture and equipment on leased land	1,535,380,169	30,847,508	(73,006,835)	(32,600)	284,405,790	(2,917,591)	1,774,676,441
Interior and renovation	471,148,451	-	(869,650)	-	(171,762,076)	-	298,516,725
Interior and renovation on leased land	1,275,543,104	1,742,584	(7,759,843)	-	375,462,233	-	1,644,988,078
Vehicles	63,690,753	4,180,856	(4,484,959)	-	3,288,439	(246,218)	66,428,871
Chinaware, glassware, silverware and linen	130,656,943	20,694,030	(21,923,502)	(18,660,435)	54,629,203	(3,285,053)	162,111,186
Construction in process	302,787,441	408,847,870	-	-	(211,688,818)	(5,801,627)	494,144,866
<b>Total</b>	<b>10,459,017,442</b>	<b>527,154,968</b>	<b>(118,551,728)</b>	<b>(41,873,160)</b>	<b>125,162,225</b>	<b>(112,465,306)</b>	<b>10,838,444,441</b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

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

	At 1 January 2018	Consolidated financial statements					Exchange gain (loss) on translating financial statement	At 31 December 2018
		Additions	Disposals	Write-offs (in Baht)	Transfers			
<b>Accumulated depreciation</b>								
Land improvement	(6,629,143)	(25,796)	-	-	-		61,094	(6,593,845)
Buildings	(869,363,730)	(40,166,664)	8,257	-	320,346,512		-	(589,175,625)
Buildings on leased land	(1,504,600,537)	(148,388,381)	1,718,771	-	(238,837,723)		45,162,955	(1,844,944,915)
Furniture and equipment	(646,009,285)	(89,921,860)	4,734,597	23,431,081	(42,732,251)		13,017,416	(737,480,302)
Furniture and equipment on leased land	(1,559,168,583)	(97,226,355)	70,665,968	34,360	61,222,654		1,921,488	(1,522,550,468)
Interior and renovation	(253,292,577)	(31,412,528)	860,025	-	34,281,546		-	(249,563,534)
Interior and renovation on leased land	(1,073,361,480)	(58,581,197)	7,759,430	-	(211,779,996)		-	(1,335,963,243)
Vehicles	(55,583,433)	(3,444,479)	4,163,300	-	(3,288,451)		235,512	(57,917,551)
Chinaaware, glassware, silverware and linen	(94,553,062)	(15,226,303)	21,882,737	14,853,011	(44,924,616)		(2,072,322)	(120,040,555)
<b>Total</b>	<b>(6,062,561,830)</b>	<b>(484,393,563)</b>	<b>111,793,085</b>	<b>38,318,452</b>	<b>(125,712,325)</b>		<b>58,326,143</b>	<b>(6,464,230,038)</b>
Property, plant and equipment	4,396,455,612	42,761,405	(6,758,643)	(3,554,708)	(550,100)		(54,139,163)	4,374,214,403
Less allowance for impairment	(74,016,950)	-	-	-	-		-	(74,016,950)
<b>Property, plant and equipment - net</b>	<b>4,322,438,662</b>	<b>42,761,405</b>	<b>(6,758,643)</b>	<b>(3,554,708)</b>	<b>(550,100)</b>		<b>(54,139,163)</b>	<b>4,300,197,453</b>
Depreciation for the year								484,393,563

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

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

	Separate financial statements				
	At 1 January 2017	Additions	Disposals (in Baht)	Write-offs	Transfers
<b>Cost</b>					At 31 December 2017
Land	-	180,054,500	-	-	180,054,500
Buildings on leased land	353,996,483	-	-	-	354,079,264
Furniture and equipment					
on leased land	1,269,398,478	17,138,005	(40,732,393)	-	1,258,404,402
Interior and renovation					
on leased land	1,243,438,902	-	(17,457,955)	-	1,304,570,140
Vehicles	27,591,986	2,751,956	(6,960,000)	-	23,383,942
Chinaware, glassware, silverware and linen	49,621,701	4,379,191	(387,419)	(9,474,008)	44,315,378
Construction in process	35,304,352	86,750,066	-	-	22,281,997
<b>Total</b>	<b>2,979,351,902</b>	<b>291,073,718</b>	<b>(65,537,767)</b>	<b>(9,474,008)</b>	<b>3,187,089,623</b>
<b>Accumulated depreciation</b>					
Buildings on leased land	(337,065,667)	(11,474,901)	-	-	(348,540,568)
Furniture and equipment					
on leased land	(1,106,294,817)	(95,203,026)	40,469,805	-	(1,161,028,038)
Interior and renovation					
on leased land	(1,017,216,738)	(100,017,605)	17,457,067	-	(1,099,777,276)
Vehicles	(25,188,833)	(597,802)	5,050,771	-	(20,735,864)
Chinaware, glassware, silverware and linen	(32,414,396)	(6,269,883)	221,894	7,973,178	(30,489,207)
<b>Total</b>	<b>(2,518,180,451)</b>	<b>(213,563,217)</b>	<b>63,199,537</b>	<b>7,973,178</b>	<b>(2,660,570,953)</b>
<b>Property, plant and equipment - net</b>	<b>461,171,451</b>	<b>77,510,501</b>	<b>(2,338,230)</b>	<b>(1,500,830)</b>	<b>526,518,670</b>
Depreciation for the year					213,563,217

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

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

	Separate financial statements					At 31 December 2018
	At 1 January 2018	Additions	Disposals (in Baht)	Write-offs	Transfers	
<b>Cost</b>						
Land	180,054,500	-	-	-	-	180,054,500
Buildings on leased land	354,079,264	-	-	-	5,321,909	359,401,173
Furniture and equipment						
on leased land	1,258,404,402	12,967,201	(32,824,754)	(34,400)	25,075,975	1,263,588,424
Interior and renovation						
on leased land	1,304,570,140	53,616	(7,759,843)	-	172,968,424	1,469,832,337
Vehicles	23,383,942	180,741	(764,950)	-	-	22,799,733
Chinaaware, glassware, silverware and linen	44,315,378	4,595,972	(83,657)	(8,649,093)	15,600	40,194,200
Construction in process	22,281,997	65,413,445	-	-	(45,508,879)	42,186,563
<b>Total</b>	<b>3,187,089,623</b>	<b>83,210,975</b>	<b>(41,433,204)</b>	<b>(8,683,493)</b>	<b>157,873,029</b>	<b>3,378,056,930</b>
<b>Accumulated depreciation</b>						
Buildings on leased land	(348,540,568)	(796,562)	-	-	(4,410,165)	(353,747,295)
Furniture and equipment						
on leased land	(1,161,028,038)	(56,173,364)	32,650,082	34,360	(8,947,085)	(1,193,464,045)
Interior and renovation						
on leased land	(1,099,777,276)	(57,248,957)	7,759,430	-	(145,594,686)	(1,294,861,489)
Vehicles	(20,735,864)	(693,110)	704,086	-	-	(20,724,888)
Chinaaware, glassware, silverware and linen	(30,489,207)	(4,917,762)	54,766	7,412,136	-	(27,940,067)
<b>Total</b>	<b>(2,660,570,953)</b>	<b>(119,829,755)</b>	<b>41,168,364</b>	<b>7,446,496</b>	<b>(158,951,936)</b>	<b>(2,890,737,784)</b>
<b>Property, plant and equipment – net</b>	<b>526,518,670</b>	<b>(36,618,780)</b>	<b>(264,840)</b>	<b>(1,236,997)</b>	<b>(1,078,907)</b>	<b>487,319,146</b>
Depreciation for the year						119,829,755

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**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 2018 and 2017 of Baht 4.51 million and Baht 5.01 million, 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 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 43).

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

As at 31 December 2018 and 2017, property, plant and equipment of Dusit Thani Hua Hin under Dusit Thai Properties Public Company Limited, a subsidiary, at a net book value of Baht 286.60 million and Baht 297.28 million, respectively, are mortgaged as a guarantee for a compliance with a lease agreement for land and building with Dusit Thani Freehold and Leasehold Real Estate Investment Trust, an associates of Baht 1,300 million.

***Sale of Dusit Princess Korat Hotel***

On 28 December 2017, Dusit Thai Properties Public Company Limited, sold and transferred the rights in Dusit Princess Korat's buildings, including fixtures and equipment and land, license and related rights which had the carrying value and related fees totalling of Baht 272 million to third party in the amount of Baht 565 million. The gain on sales of the Group was Baht 293 million, presented in the consolidated statement of income.

***Fully depreciated plant and equipment***

As at 31 December 2018 and 2017, plant and equipment of the Group amounted to Baht 4,056.11 million and Baht 2,514.69 million, respectively, were fully depreciated but still in use.

As at 31 December 2018 and 2017, plant and equipment of the Company amounted to Baht 2,336.39 million and Baht 1,552.06 million, respectively, were fully depreciated but still in use.

***Impairment of assets***

Key assumptions for valuing recoverable amount is presented as follows. The values assigned to the key assumptions by management's assessment based on future trends in the relevant industries and on historical data from both external and internal sources.

	<b>Consolidated financial statements</b>	
	2018	2017
	(%)	
Discount rate	5.5	7.0

Management reviewed and tested impairment of certain property, plant and equipment of a subsidiary which have impairment indicators by determining recoverable amount from their value in using discounted future cash flows.



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**17 Prepaid rental of land and buildings**

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
<b>Net book value</b>				
At 1 January	991,151,486	166,241,223	930,485,760	92,583,300
Additional payments	32,042,525	972,755,339	-	947,316,740
Amortisation	(122,412,081)	(142,838,400)	(89,211,939)	(109,414,280)
Effect of movement in exchange rate	(548,088)	(5,006,676)	-	-
<b>At 31 December</b>	<b>900,233,842</b>	<b>991,151,486</b>	<b>841,273,821</b>	<b>930,485,760</b>
Less current portion of prepaid rental of land and buildings	(79,008,625)	(144,449,623)	(70,695,279)	(89,211,939)
<b>Prepaid rental of land and buildings</b>	<b>821,225,217</b>	<b>846,701,863</b>	<b>770,578,542</b>	<b>841,273,821</b>

***Dusit Thani Public Co., Ltd.***

On 28 June 2017, the Company paid the first lease payment at 20% as specified in the lease contract with The Crown Property Bureau in the amount of Baht 947.32 million (see note 42). The mentioned prepaid rental is amortized throughout the lease period.

***DMS Property Investment Pvt. Ltd.***

DMS Property Investment Pvt. Ltd., an indirect subsidiary, has leasehold right from the Government of Republic of Maldives, for resort and construction over Mudhdhoo Island in Baa Atoll, Republic of Maldives for 35 years with prepaid rental of USD 5 million for the first 5 years in the amount of USD 1 million per year, starting from 23 January 2012 to 23 January 2017, and pays annual rental to the Government of Republic of Maldives USD 1 million, starting from 23 January 2017 onwards.

In addition, the indirect subsidiary has prepaid partial-annual rental USD 1.5 million to the Government of Republic of Maldives for the period from September 2044 to September 2059 in order to extend the leasehold right from 35 years to 50 years. Such prepaid rental is amortised according to the remaining lease period.

**Dusit Thani Public Company Limited and its Subsidiaries**  
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**18 Other intangible assets**

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

	<b>Consolidated financial statements</b>				At 31 December 2017
	At 1 January 2017	Additions	Write-offs <i>(in Baht)</i>	Transfers	
<b>Computer software</b>					
Cost	166,936,010	4,272,937	(2,671,188)	10,850,000	178,109,862
Accumulated amortisation	(106,577,391)	(12,444,036)	2,664,062	-	(115,303,703)
<b>Intangible assets - net</b>	<b>60,358,619</b>	<b>(8,171,099)</b>	<b>(7,126)</b>	<b>10,850,000</b>	<b>62,806,159</b>
Amortisation for the year					12,444,036

**Dusit Thani Public Company Limited and its Subsidiaries**  
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**18 Other intangible assets (Continued)**

	At 1 January 2018	Consolidated financial statements					Exchange gain (loss) on translating financial statement	At 31 December 2018
		Acquisitions through business combinations	Additions	Disposal <i>(in Baht)</i>	Write-offs	Transfers		
<b>Computer software, trademark and villa contract</b>								
Cost	178,109,862	232,126,399	3,702,308	(861,711)	(2,139,872)	4,509,089	372,558	415,818,633
Accumulated amortisation	(115,303,703)	-	(14,657,037)	861,710	467,681	-	451,605	(128,179,744)
<b>Intangible assets - net</b>	<b>62,806,159</b>	<b>232,126,399</b>	<b>(10,954,729)</b>	<b>(1)</b>	<b>(1,672,191)</b>	<b>4,509,089</b>	<b>824,163</b>	<b>287,638,889</b>
Amortisation for the year								14,657,037

**Dusit Thani Public Company Limited and its Subsidiaries**  
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**18 Other intangible assets (Continued)**

	Separate financial statements				At 31 December 2018
	At 1 January 2017	Additions	Disposals (in Baht)	Transfers	
<b>Computer softwares</b>					
Cost	123,491,602	395,235	-	10,850,000	134,736,837
Accumulated amortisation	(78,396,580)	(8,804,598)	-	-	(87,201,178)
<b>Intangible assets - net</b>	<b>45,095,022</b>	<b>(8,409,363)</b>	<b>-</b>	<b>10,850,000</b>	<b>47,535,659</b>
Amortisation for the year					8,804,598

	Separate financial statements				At 31 December 2018
	At 1 January 2018	Additions	Writes off (in Baht)	Transfers	
<b>Computer softwares</b>					
Cost	134,736,837	2,767,270	(2,139,872)	4,509,089	139,873,324
Accumulated amortisation	(87,201,178)	(9,417,707)	503,423	-	(96,115,462)
<b>Intangible assets - net</b>	<b>47,535,659</b>	<b>(6,650,437)</b>	<b>(1,636,449)</b>	<b>4,509,089</b>	<b>43,757,862</b>
Amortisation for the year					9,417,707

**19 Deferred tax**

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in Baht)			
Deferred tax assets	97,325,257	147,643,958	48,475,607	88,015,575
Set off of tax	(11,251,005)	(13,993,425)	(1,569,840)	(4,932,180)
<b>Net deferred tax assets</b>	<b>86,074,252</b>	<b>133,650,533</b>	<b>46,905,767</b>	<b>83,083,395</b>
Deferred tax liabilities	(81,753,014)	(42,184,550)	(1,569,840)	(4,932,180)
Set off of tax	11,251,005	13,993,425	1,569,840	4,932,180
<b>Net deferred tax liabilities</b>	<b>(70,502,009)</b>	<b>(28,191,125)</b>	<b>-</b>	<b>-</b>
<b>Net</b>	<b>15,572,243</b>	<b>105,459,408</b>	<b>46,905,767</b>	<b>83,083,395</b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
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**19 Deferred tax (Continued)**

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

	<b>Consolidated financial statements</b>			
	<b>(Charged) / credited to:</b>			<b>At</b>
	<b>Profit or loss</b>	<b>Other comprehensive income (in Baht)</b>	<b>From acquisition of subsidiaries</b>	<b>31 December 2018</b>
<b>Deferred tax assets</b>				
Tax losses carried forward	(39,093,429)	-	-	16,343,191
Employee benefit obligations	3,604,090	(796,463)	-	39,449,906
Others	(14,032,836)	-	-	41,532,160
<b>Total</b>	<b>(49,522,238)</b>	<b>(796,463)</b>	<b>-</b>	<b>97,325,257</b>
<b>Deferred tax liabilities</b>				
Unrealised gain	-	2,002,380	-	35,415,005
Trademark	-	-	20,617,084	20,617,084
Computer software	-	-	15,917,211	15,917,211
Villa contracts	-	-	2,284,920	2,284,920
Others	(1,253,131)	-	-	7,518,794
<b>Total</b>	<b>(1,253,131)</b>	<b>2,002,380</b>	<b>38,819,215</b>	<b>81,753,014</b>
<b>Net</b>	<b>(48,269,107)</b>	<b>(2,798,843)</b>	<b>(38,819,215)</b>	<b>15,572,243</b>

**Dusit Thani Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2018****19 Deferred tax (Continued)**

	Consolidated financial statements (Charged) / credited to:			
	At 1 January 2017	Profit or loss	Other comprehensive income	At 31 December 2017
		(in Baht)		
<b>Deferred tax assets</b>				
Tax losses carried forward	59,651,504	(4,214,821)	-	55,436,683
Employee benefit obligations	36,266,545	5,311,735	(4,936,001)	36,642,279
Others	66,103,870	(10,538,874)	-	55,564,996
<b>Total</b>	<b>162,021,919</b>	<b>(9,441,960)</b>	<b>(4,936,001)</b>	<b>147,643,958</b>
<b>Deferred tax liabilities</b>				
Unrealised gain	11,243,636	-	22,168,989	33,412,625
Others	42,791,850	(1,331,372)	(32,688,553)	8,771,925
<b>Total</b>	<b>54,035,486</b>	<b>(1,331,372)</b>	<b>(10,519,564)</b>	<b>42,184,550</b>
<b>Net</b>	<b>107,986,433</b>	<b>(8,110,588)</b>	<b>5,583,563</b>	<b>105,459,408</b>
	Separate financial statements (Charged) / credited to:			
	At 1 January 2018	Profit or loss	Other comprehensive income	At 31 December 2018
		(in Baht)		
<b>Deferred tax assets</b>				
Tax losses carried forward	55,436,683	(39,093,492)	-	16,343,191
Employee benefit obligations	20,030,590	2,198,768	-	22,229,358
Others	12,548,302	(2,645,244)	-	9,903,058
<b>Total</b>	<b>88,015,575</b>	<b>(39,539,968)</b>	<b>-</b>	<b>48,475,607</b>
<b>Deferred tax liabilities</b>				
Unrealised gain	4,932,180	-	(3,362,340)	1,569,840
<b>Total</b>	<b>4,932,180</b>	<b>-</b>	<b>(3,362,340)</b>	<b>1,569,840</b>
<b>Net</b>	<b>83,083,395</b>	<b>(39,539,968)</b>	<b>3,362,340</b>	<b>46,905,767</b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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**19 Deferred tax (Continued)**

	At 1 January 2017	Separate financial statements (Charged) / credited to:		At 31 December 2017
		Profit or loss	Other comprehensive income (in Baht)	
<b>Deferred tax assets</b>				
Tax losses carried forward	47,294,704	8,141,979	-	55,436,683
Employee benefit obligations	24,292,776	(155,772)	(4,106,414)	20,030,590
Others	13,163,467	(615,165)	-	12,548,302
<b>Total</b>	<b>84,750,947</b>	<b>7,371,042</b>	<b>(4,106,414)</b>	<b>88,015,575</b>
<b>Deferred tax liabilities</b>				
Unrealised gain	4,669,130	-	263,050	4,932,180
Others	78,240	(78,240)	-	-
<b>Total</b>	<b>4,747,370</b>	<b>(78,240)</b>	<b>263,050</b>	<b>4,932,180</b>
<b>Net</b>	<b>80,003,577</b>	<b>7,449,282</b>	<b>(4,369,464)</b>	<b>83,083,395</b>

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in Baht)			
Deductible temporary differences	20,659,536	20,179,789	20,300,779	19,691,020
Tax losses	5,192,145	3,275,561	-	-
<b>Net</b>	<b>25,851,681</b>	<b>23,455,350</b>	<b>20,300,779</b>	<b>19,691,020</b>

The management consider it probable that future taxable profits would be available against which the tax losses can be recovered and, therefore, the related deferred tax asset can be realised.

**20 Deposit for hotel management right**

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 million 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 million (or Baht 25.27 million) as partial payment of the deposit. The remaining amount of SGD 3 million would 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.

During 2017, the Company paid SGD 3 million (or Baht 74.84 million).

**Dusit Thani Public Company Limited and its Subsidiaries**  
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**21 Short-term loans from financial institutions**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
<b>Short-term loans from financial institutions</b>	<b><u>167,000,000</u></b>	<b><u>543,700,000</u></b>	<b><u>167,000,000</u></b>	<b><u>543,700,000</u></b>

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

Agreement date	Limit		Interest rate	Short-term loans	
	2018	2017		31 December 2018	31 December 2017
	(in Baht)			(in Baht)	
<b>Dusit Thani Public Company Limited</b>					
17 December 2007	1,250,000,000	1,250,000,000	MMR	-	525,700,000
2 November 2010	150,000,000	150,000,000	MMR	-	-
			As specified		
8 December 2010	300,000,000	300,000,000	by bank	-	-
15 December 2010	800,000,000	800,000,000	MMR	36,000,000	-
1 November 2011	450,000,000	450,000,000	MMR	-	18,000,000
28 August 2018	500,000,000	-	MMR	131,000,000	-
Total <sup>(1)</sup>	3,450,000,000	2,950,000,000		167,000,000	543,700,000
<b>Dusit Thai Properties Public Company Limited</b>					
24 June 2009	50,000,000	50,000,000	MMR	-	-
15 October 2012	200,000,000	200,000,000	MMR	-	-
6 November 2012	50,000,000	50,000,000	MMR	-	-
Total <sup>(1)</sup>	300,000,000	300,000,000		-	-
<b>DMS Property Investment Pvt. Ltd.</b>					
			LIBOR +		
3 September 2011 <sup>(2)</sup>	113,574,000	114,383,150	2.925%	-	-
<b>Dusit Excellence Co., Ltd.</b>					
13 July 2015 <sup>(3)</sup>	-	14,560,000	MMR	-	-
<b>Total</b>	<b>3,863,574,000</b>	<b>3,378,943,150</b>		<b>167,000,000</b>	<b>543,700,000</b>

- MMR: Money Market Rate

<sup>(1)</sup> The short-term loans have no collateral.

<sup>(2)</sup> The short-term loans have facilities of USD 3.5 million. The loans were pledged by all share certificates of the subsidiary of 38.5 million shares (see note 13). Loan facility was guaranteed by the Company at 65% and another shareholder of the subsidiary at 35%.

<sup>(3)</sup> The short-term loan has drawdown period within 10 years and is guaranteed by the Company in the amount of Baht 14.56 million. In 2017, Dusit Excellence Co., Ltd. paid such loan.



**Dusit Thani Public Company Limited and its Subsidiaries**  
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**21 Short-term loans from financial institutions (Continued)**

As at 31 December 2018 and 2017, the Group had credit lines for bank overdrafts totaling Baht 85 million with no collateral.

As at 31 December 2018 and 2017, the Company had credit lines for bank overdrafts totaling Baht 40 million with no collateral.

**22 Trade and other payables**

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Trade accounts payable	175,140,074	137,495,965	43,085,488	45,109,003
Other payables	45,143,600	32,415,210	64,948,901	34,471,718
Payables from acquisition of assets	14,604,739	13,474,579	9,566,617	7,615,389
Accrued expenses	401,547,658	406,271,621	107,914,481	88,753,253
Deposit received	399,302,155	146,644,699	30,773,154	28,217,229
Payables to villa owner	58,273,077	-	-	-
Unearned revenue of Dusit Thani College	131,753,876	71,363,846	-	-
Others	22,025,088	45,150,996	19,576,204	22,508,681
<b>Total</b>	<b>1,247,790,267</b>	<b>852,816,916</b>	<b>275,864,845</b>	<b>226,675,273</b>

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Thai Baht (THB)	635,145,374	600,547,581	275,053,900	224,542,082
US Dollar (USD)	449,267,672	77,651,287	403,071	953,473
Philippines Peso (PESO)	151,207,189	158,363,363	-	1,179,718
Others	12,170,032	16,254,685	407,874	-
<b>Total</b>	<b>1,247,790,267</b>	<b>852,816,916</b>	<b>275,864,845</b>	<b>226,675,273</b>

Long-term loans as at 31 December consisted of the following:

	Interest rate (% per annum)		Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017	2018	2017
<b>23.1 Loans from financial institutions</b>						
To Dusit Thani Philippines, Inc.						
- Repayable in semi-annual installments from December 2016 through 2024	4.369 - 6.235	3.125 - 4.7125	405,524,443	427,090,825	-	-
To DMS Property Investment Pvt. Ltd.						
- Repayable every 3 months from December 2016 through 2020 <sup>(1)</sup>	5.126 - 5.453	4.2857 - 4.3767	254,730,930	459,166,645	-	-
To Dusit Excellence Co., Ltd.						
- Repayable every 3 months from October 2016 through 2022	-	3.7267 - 3.7378	-	115,450,000	-	-
To Dusit Thani PCL.						
Repayable every 3 months from October 2017 to 2022	3.727 - 3.998	-	108,700,000	-	108,700,000	-
<b>23.2 Loan from other party</b>						
To Vimarn Suriya Co., Ltd.	5.20	5.20	73,335,000	130,833,653	-	-
Less current portion			<b>842,290,373</b> (241,366,244)	<b>1,132,541,123</b> (213,143,452)	<b>108,700,000</b> (21,800,000)	-
<b>Total</b>			<b>600,924,129</b>	<b>919,397,671</b>	<b>86,900,000</b>	-

<sup>(1)</sup> Extend the payment period

**Dusit Thani Public Company Limited and its Subsidiaries**  
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**23 Long-term loans (Continued)**

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

	<b>Consolidated financial statements</b>		<b>Consolidated financial statements</b>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
<b>Net book value</b>				
At 1 January	1,132,541,123	1,209,825,838	-	-
Additions	164,722,750	180,723,653	115,450,000	-
Repayments	(422,203,716)	(164,445,200)	(6,750,000)	-
Effect of movement in exchange rates	(32,769,784)	(93,563,168)	-	-
<b>At 31 December</b>	<b>842,290,373</b>	<b>1,132,541,123</b>	<b>108,700,000</b>	<b>-</b>

***Dusit Thani Philippines, Inc.***

On 3 June 2014, Dusit Thani Philippines, Inc. (formerly named Philippine Hoteliers, Inc.), an indirect subsidiary, entered into another loan agreement with 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. 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.
- (2) Repayment of principal shall be semi-annually after a 2-year grace period from each drawdown date and subject to the following conditions:
  - a) 10% of the principal to be repaid semi-annually in the third year.
  - b) 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.

\* BSP or Bangko Sentral ng Pilipinas

As at 31 December 2018 and 2017, the indirect subsidiary had outstanding long-term loan in the amount of Peso 655.92 million (or Baht 405.52 million) and Peso 651.50 million (or Baht 427.09 million), respectively.

***DMS Property Investment Pvt. Ltd.***

DMS Property Investment Pvt. Ltd., an indirect subsidiary in Republic of Maldives, entered into a long-term loan agreement with a financial institution in Thailand totaling USD 41.5 million. The loan was pledged by all share certificates of the indirect subsidiary of 38.5 million shares. The loan facility was guaranteed by the Company at 65% and another shareholder of the indirect subsidiary at 35%.

## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

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## 23 Long-term loans (Continued)

The interest rate refers to the 6 months LIBOR, plus margin as indicated in the agreement. The repayment of principal is every 3 months starting from September 2013 and the amount of each repayment are as follows:

- 1 <sup>st</sup> - 8 <sup>th</sup> installment	USD 1,250,000 each
- 9 <sup>th</sup> - 19 <sup>th</sup> installments	USD 2,250,000 each
- Final repayment	USD 6,750,000 or the remaining balance

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.

On 23 November 2016, such financial institution agreed to revise the indirect subsidiary's loan conditions of each repayment loan amount from the 14<sup>th</sup> installment and extend the repayment period started from December 2016 onwards, as follows:

- 14 <sup>th</sup> installment	USD 500,000 each
- 15 <sup>th</sup> - 18 <sup>th</sup> installments	USD 1,000,000 each
- 19 <sup>th</sup> - 22 <sup>nd</sup> installments	USD 1,250,000 each
- 23 <sup>rd</sup> - 26 <sup>th</sup> installments	USD 1,300,000 each
- 27 <sup>th</sup> - 29 <sup>th</sup> installments	USD 1,450,000 each

The revising loan condition mentioned above is already signed on 23 February 2017.

As at 31 December 2018 and 2017, the subsidiary has outstanding long-term loan in the amount of USD 7.85 million (or Baht 254.73 million) and USD 14.05 million (or Baht 459.17 million), respectively.

#### ***Dusit Excellence Co., Ltd.***

In February 2018, Dusit Excellence Co., Ltd., a subsidiary, repaid its long-term loan from a financial institution with the facility which the remaining amount is Baht 115.45 million by borrowing money in the same amount from the Company. The loan bore interest rate at 1-month BIBOR plus 2.20% per annum.

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

In February 2018, the Company entered into a long-term loan agreement with a financial institution of Baht 115.45 million to repayment the borrowing of Dusit Excellence Co., Ltd. The loans bear interest rate at 1-month BIBOR plus 2.20% per annum, repayable every 3 months, within 5 years. The first repayment is within February 2018 as conditions specified in the loan agreement.

The loan agreements have restricts and conditions as specified in the agreements such as carrying to the debt service coverage ratio.

#### ***Vimarn Suriya Co., Ltd.***

On 23 June 2017, Vimarn Suriya Co., Ltd., a subsidiary, entered into loan agreements with other company for its various investments in the amount of not exceeding Baht 350 million. The loan agreement specifies the interest rate based on MLR -1% per annum.

As at 31 December 2018 and 2017, this subsidiary had long-term loans amounting to Baht 73.34 million and Baht 130.83 million which classified as long-term loan from related party (see note 30).

As at 31 December 2018 the Group had unutilised credit facilities totalling Baht 432.26 million.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**24 Debentures**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	<i>(in Baht)</i>			
Debentures	1,000,000,000	-	1,000,000,000	-
Less Deferred debentures issuing cost	(2,781,000)	-	(2,781,000)	-
	<b>997,219,000</b>	<b>-</b>	<b>997,219,000</b>	<b>-</b>

The movements of debentures are summarized as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	For the year ended 31 December		For the year ended 31 December	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
<b>Debentures</b>				
At beginning of the year	-	-	-	-
Add proceeds from debentures	1,000,000,000	-	1,000,000,000	-
Add amortisation of debentures issuing cost	309,000	-	309,000	-
Less payments for deferred debentures issuing cost	(3,090,000)	-	(3,090,000)	-
<b>At ending of the year</b>	<b>997,219,000</b>	<b>-</b>	<b>997,219,000</b>	<b>-</b>

On 23 April 2018, the general shareholders' meeting of the Company passed the resolution to issue and offer of debentures not exceeding Baht 5,000 million for the operation and business expansion of the Company and/or for partial debt repayment. Such debenture is specific or non-specific name of holder, secured or unsecured, with or without debenture holders' representative, and subordinated or unsubordinated, depending on market conditions or any other factor at the time of each issuance and offering of debentures. 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 be issued domestically and/or internationally, by the way of public offering and/or a private placement and/or high-net worth investors and/or institutional investors and/or any persons and investors in accordance with the relevant regulation of the Capital Market Supervisory Board and/or the Office of the Securities and Exchange Commission, as well as other relevant regulations which are in force at the time of issuance of debentures. 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 13 September 2018, the Company issued the 1/2018 debentures of 1,000,000 units, par value of Baht 1,000 per unit, in the price of Baht 1,000 per unit, totaling Baht 1,000 million. Such debenture specified name of holders, subordinated, unsecured and with debenture holders' representatives and the maturity of 3 years. The interest rate is fixed at 3.50% per annum and payable every 6 months and throughout the term of the debentures.

The condition regarding the rights and obligations of the debenture issuer stipulated certain covenants, the Company has to comply with certain financial terms, such as the maintenance of the debt to equity ratio as specified in the agreement.

## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2018

## 25 Deferred rental revenue

### *Dusit Thani Public Company Limited*

The Company has entered into several land lease agreements with the Crown Property Bureau and Vimarn Suriya Co., Ltd., a subsidiary of the Company. ("Sub-lessee"). The sub-lessee is entitled to use the land for construction of buildings and structures on the leased land. This sublease has a term of 30 years commencing 1 July 2024, and is renewable for 30 years up to 30 June 2084, with a period of demolition and construction of 7 years from 1 July 2017. The sub-lessee paid rent in advance for the amount of Baht 1,361.65 million and the annual rent is to be paid annually for 60 years (see note 30).

### *Dusit Thai Properties Public Company Limited*

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 ("the Fund"), an associate for a period of 30 years with rental of Baht 763 million covering the lease period. This subsidiary has committed to comply with lease conditions as specified in lease agreement for land and building with the Fund by mortgage of the land and building with the Fund in the amount of Baht 1,300 million (see note 16).

The Fund was converted to Dusit Thani Freehold and Leasehold Real Estate Investment Trust ("the Trust"). On 8 December 2017, the assets, liabilities and obligation of the Fund was transferred to the Trust. On 12 December 2017, the Fund was liquidated after conversion to the Trust, all existing agreements entered by the Fund with other persons and are still in effect at that time shall be transferred from the Fund to the Trust.

Deferred rental revenue as at 31 December consisted of the following:

	<b>Consolidated financial statement</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Deferred rental revenue	763,000,000	763,000,000	1,361,652,008	1,361,652,008
Less realised income from deferred rental revenue	(204,024,123)	(178,590,788)	(115,319,081)	(38,439,693)
	<u>558,975,877</u>	<u>584,409,212</u>	<u>1,246,332,927</u>	<u>1,323,212,315</u>
Less current portion of deferred rental revenue	(25,433,333)	(25,433,333)	(76,879,388)	(76,879,388)
<b>Deferred rental revenue</b>	<b><u>533,542,544</u></b>	<b><u>558,975,879</u></b>	<b><u>1,169,453,539</u></b>	<b><u>1,246,332,927</u></b>

## 26 Provisions for employee benefits

	<b>Consolidated financial statement</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Present value of unfunded post-employment benefits	159,836,347	188,342,780	65,298,478	100,152,948
Present value of funded post-employment benefits	38,617,703	43,315,251	-	-
Fair value of plan assets	(27,023,168)	(31,863,840)	-	-
Termination benefits	88,479,890	-	88,479,890	-
<b>Total</b>	<b><u>259,910,772</u></b>	<b><u>199,794,191</u></b>	<b><u>153,778,368</u></b>	<b><u>100,152,948</u></b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**26 Provisions for employee benefits (Continued)**

	Consolidated financial statement		Separate financial statements	
	2018	2017	2018	2017
	(in Baht)			
<i>For the year ended 31 December</i>				
<i>Statement of income</i>				
<b>Recognised in profit or loss:</b>				
Post-employment benefits	50,087,672	31,319,804	22,811,664	14,224,852
Termination benefits	42,631,576	-	42,631,576	-
	<u><b>92,719,248</b></u>	<u><b>31,319,804</b></u>	<u><b>65,443,240</b></u>	<u><b>14,224,852</b></u>
<i>Statement of comprehensive income</i>				
<b>Recognised in comprehensive income</b>				
Actuarial gains	(2,654,877)	(18,480,116)	-	(20,532,073)

**Defined benefit plan**

The Group operates a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Movements in the present value of the defined benefit obligations

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Defined benefit obligations				
at 1 January	231,658,031	258,358,193	100,152,948	121,463,881
Benefits paid by the plan	(31,170,363)	(35,391,776)	(11,817,820)	(15,003,712)
Current service costs and interest	50,087,672	31,319,804	22,811,664	14,224,852
Termination benefits	42,631,576	-	42,631,576	-
Actuarial gains in other comprehensive income	(3,727,094)	(18,480,116)	-	(20,532,073)
Exchange gain on translating financial statement	(2,545,882)	(4,148,074)	-	-
<b>Defined benefit obligations at 31 December</b>	<b>286,933,940</b>	<b>231,658,031</b>	<b>153,778,368</b>	<b>100,152,948</b>
Defined benefit obligations at 31 December	286,933,940	231,658,031	153,778,368	100,152,948
Fair value of plan assets	(27,023,168)	(31,863,840)	-	-
<b>Defined benefit obligations at 31 December</b>	<b>259,910,772</b>	<b>199,794,191</b>	<b>153,778,368</b>	<b>100,152,948</b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
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**For the year ended 31 December 2018**

**26 Provisions for employee benefits (Continued)**

Movements in the present value of plan assets during the years were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
At 1 January	31,863,840	37,054,332	-	-
Expected return on plan asset	1,711,021	1,595,227	-	-
Actuarial losses	(1,072,217)	-	-	-
Exchange loss on translating financial statement	(3,388,549)	(3,386,596)	-	-
Benefit paid	(5,598,177)	(5,142,500)	-	-
Gains on return on plan asset	3,507,250	1,743,377	-	-
<b>At 31 December</b>	<b>27,023,168</b>	<b>31,863,840</b>	<b>-</b>	<b>-</b>

Expenses recognised in profit or loss:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Current service costs	44,074,651	26,548,180	20,726,847	11,536,180
Interest on obligation	6,013,021	4,771,624	2,084,817	2,688,672
<b>Total</b>	<b>50,087,672</b>	<b>31,319,804</b>	<b>22,811,664</b>	<b>14,224,852</b>

*Plan assets*

Plan assets consisted of the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Equity securities	11,769,415	12,814,278	-	-
Debt securities				
Government bonds	5,417,868	7,199,227	-	-
Debenture	3,150,526	3,364,699	-	-
Funds	6,481,510	7,013,662	-	-
Cash and cash equivalents	126,331	1,350,232	-	-
Others	77,518	121,742	-	-
<b>Total</b>	<b>27,023,168</b>	<b>31,863,840</b>	<b>-</b>	<b>-</b>



**Dusit Thani Public Company Limited and its Subsidiaries**  
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**26 Provisions for employee benefits (Continued)**

Actuarial gains and losses recognised in other comprehensive income arising from:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Demographic assumptions	191,766	(6,541,343)	-	(6,875,430)
Financial assumptions	(2,080,072)	7,465,809	-	3,541,956
Improve the experience	(766,571)	(19,404,582)	-	(17,198,599)
<b>Total</b>	<b>(2,654,877)</b>	<b>(18,480,116)</b>	<b>-</b>	<b>(20,532,073)</b>

Actuarial gains and losses recognised in other comprehensive income:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Included in retained earnings:				
At 1 January	10,790,188	29,270,304	16,808,488	37,340,561
Recognised during the year	2,654,877	18,480,116	-	20,532,073
<b>At 31 December</b>	<b>13,445,065</b>	<b>47,750,420</b>	<b>16,808,488</b>	<b>57,872,634</b>

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>%</i>			
Discount rate	1.45 - 7.13	1.45 - 5.58	1.45 - 4.02	1.45 - 4.02
Inflation rate	2.5	2.5	2.5	2.5
Future salary increases	4.0 - 8.0	5.0 - 8.0	5.0 - 8.0	5.0 - 8.0
Turnover rate	0.0 - 24.0	0.0 - 24.0	0.0 - 24.0	0.0 - 24.0

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2018, the weighted-average duration of the defined benefit obligation was 7.98-10.80 years (2017: 8.31-10.80 years).

***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.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**26 Provisions for employee benefits (Continued)**

	<b>Consolidated financial statement</b>		<b>Separate financial statement</b>	
	<i>(in Baht)</i>			
	Increase	Decrease	Increase	Decrease
<b>Defined benefit obligation 31 December 2018</b>				
Discount rate (1% movement)	(13,998,729)	15,749,042	(6,532,528)	7,357,482
Future salary growth (1% movement)	17,175,014	(15,526,847)	7,947,591	(7,173,603)
Turnover rate (20% movement)	(13,791,239)	17,241,864	(7,159,221)	8,890,278
	Increase	Decrease	Increase	Decrease
<b>Defined benefit obligation 31 December 2017</b>				
Discount rate (1% movement)	(13,755,001)	15,480,196	(6,153,717)	6,939,110
Future salary growth (1% movement)	15,086,638	(13,697,371)	6,579,471	(5,962,958)
Turnover rate (20% movement)	(10,993,682)	13,688,903	(5,713,358)	7,073,925

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

On 13 December 2018, the National Legislative Assembly passed a bill amending the Labor Protection Act to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group will amend its retirement plan in the period in which the amendment will have become law and is announced in the Royal Gazette. As a result of this change, the provision for retirement benefits as at that future period end as well as past service cost recognized during that period in the consolidated and the separate financial statements is estimated to increase by an amount of approximately Baht 24 million and Baht 9 million, respectively.

**27 Share capital**

	Par value per share (in Baht)	<b>Consolidated financial statements</b>			
		2018	2017		
		Number	Amount (shares/in Baht)	Number	Amount
<b>Authorised</b>					
At 1 January					
- ordinary shares	1	<u>850,000,000</u>	<u>850,000,000</u>	<u>850,000,000</u>	<u>850,000,000</u>
<b>At 31 December</b>					
- ordinary shares	1	<u>850,000,000</u>	<u>850,000,000</u>	<u>850,000,000</u>	<u>850,000,000</u>
<b>Issued and paid-up</b>					
At 1 January					
- ordinary shares	1	<u>850,000,000</u>	<u>850,000,000</u>	<u>850,000,000</u>	<u>850,000,000</u>
<b>At 31 December</b>					
- ordinary shares	1	850,000,000	850,000,000	850,000,000	850,000,000
Less treasury shares					
by Dusit Thani					
Properties Co., Ltd.		<u>(4,715,000)</u>	<u>(15,740,202)</u>	<u>(4,715,000)</u>	<u>(15,740,202)</u>
<b>Total</b>		<u>845,285,000</u>	<u>834,259,798</u>	<u>845,285,000</u>	<u>834,259,798</u>

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**27 Share capital (Continued)**

	Par value per share (in Baht)	Separate financial statements			
		2018		2017	
		Number	Amount (shares/ in Baht)	Number	Amount
<b>Authorised</b>					
At 1 January					
- ordinary shares	1	850,000,000	850,000,000	850,000,000	850,000,000
<b>At 31 December</b>					
- ordinary shares	1	<b>850,000,000</b>	<b>850,000,000</b>	<b>850,000,000</b>	<b>850,000,000</b>
<b>Issued and paid-up</b>					
At 1 January					
- ordinary shares	1	850,000,000	850,000,000	850,000,000	850,000,000
<b>At 31 December</b>					
- ordinary shares	1	<b>850,000,000</b>	<b>850,000,000</b>	<b>850,000,000</b>	<b>850,000,000</b>

**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.

**28 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 115.82 million.

During 2006, the Company sold 2,760,500 treasury shares and had gain on sales in the amount of Baht 16.95 million 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 20.24 million. 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 5.92 million and had gain on sale in the amount of Baht 1.42 million which was presented as surplus on treasury shares. As at 31 December 2018 and 2017, Dusit Thani Properties Company Limited held 471,500 ordinary shares of the Company with the carrying value of Baht 15.74 million. 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**

#### **For the year ended 31 December 2018**

## **28 Treasury shares (Continued)**

During 2016, a change in shares which the balance of treasury shares are 4,715,000 ordinary shares in both 2018 and 2017.

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 2018 and 2017, the Company has appropriated retained earnings to treasury shares reserve in the amount of Baht 15.74 million which has been included in treasury share reserve (see note 29).

## **29 Reserves**

Reserves comprise of:

### ***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****For the year ended 31 December 2018****30 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:

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Type of business</b>	<b>Nature of relationships</b>
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
Dusit Thani Philippines, Inc (formerly, Philippine Hoteliers, Inc.)	Philippines	Hotel	Indirect subsidiary
Dusit Thani College	Thailand	Education	Indirect subsidiary
Dusit Excellence Co., Ltd.	Thailand	Leasing and sub-leasing	Subsidiary
Landmark Hotel Co., Ltd.	Thailand	Hotel	Subsidiary
Devarana Spa Co., Ltd.	Thailand	Spa	Subsidiary
DMS Property Investment Pvt. Ltd.	Republic of Maldives	Hotel	Indirect subsidiary
Dusit Worldwide Co., Ltd.	Thailand	Management	Subsidiary
Dusit Overseas Co., Ltd.	Hong Kong	Management	Indirect subsidiary
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
Vimarn Suriya Co., Ltd.	Thailand	Hotel, resorts and residence	Subsidiary
Dusit Thani Properties REIT Co., Ltd.	Thailand	REIT manager for real estate investment trust	Subsidiary
Asai Holdings Co., Ltd.	Thailand	Holding	Subsidiary
Dusit Foods Co., Ltd.	Thailand	Holding	Subsidiary
Dusit Gourmet Co., Ltd.	Thailand	Sales and marketing for food related products	Indirect subsidiary
LVM Holdings Pte. Ltd.	Singapore	Holding	Indirect subsidiary
Private Homes and Villas Pte. Ltd.	Singapore	Business of marketing, booking, and management	Indirect subsidiary

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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**30 Related parties (Continued)**

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Type of business</b>	<b>Nature of relationships</b>
PT. Elite Havens	Indonesia	Management consultancy	Indirect subsidiary
Shanghai Yi-Ning Travel Consultation Co., Ltd.	China	Marketing	Indirect subsidiary
PT Bali Home Manajemen	Indonesia	Management consultancy	Indirect subsidiary
Bali Luxe Ltd.	Hong Kong	Servicing	Indirect subsidiary
Marketing Villas Ltd.	Hong Kong	Business of marketing	Indirect subsidiary
Elite Havens Ltd.	Hong Kong	Servicing	Indirect subsidiary
Suanlum Property Co., Ltd.	Thailand	Department store, plaza and cinema	Associate
Phraram 4 Development Co., Ltd.	Thailand	Office construction	Associate
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 ("the Fund")	Thailand	Leasing	Associate
Dusit Thani Freehold and Leasehold Real Estate Investment Trust ("the Trust")	Thailand	Leasing	Associate
Dusit Hospitality Education Philippines Inc. (formerly, Philippine Hoteliers International Center for Hospitality Education, Inc.)	Philippines	Education	Associate
NR Instant Produce Co., Ltd.	Thailand	Manufacturing	Associate
Acme Printing Co., Ltd.	Thailand	Printing house	Director holds the shares
MBK Public Company Limited	Thailand	Property development	The group hold the shares until 9 May 2018
Piyasiri Co., Ltd.	Thailand	Hospital	Director holds the shares
The Navakij Insurance Public Company Limited	Thailand	Non-life insurance	Common director
New Atlantic Co., Ltd.	Thailand	Department store	Director holds the shares
The Siam Cement Public Company Limited	Thailand	Cement-building materials	Common director
JTB (Thailand) Co., Ltd.	Thailand	Sale tour package, hotel reservation and air ticket	Director holds the shares
Siam Makro Public Company Limited	Thailand	Distributor	Common director
Thainamthip Co., Ltd.	Thailand	Brewer and distributor of beverage	Common director
Government Savings Bank	Thailand	Bank	Common director
Kasikorn Bank Public Company Limited	Thailand	Commercial bank	Common director
Central Pattana Public Company Limited	Thailand	Hotel and shopping center	Shareholder since 9 May 2018

**Dusit Thani Public Company Limited and its Subsidiaries**  
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**30 Related parties (Continued)**

The pricing policies for transactions with related parties are explained further below:

**Transactions**

The remuneration received for transferring  
of rights and obligations of the Hotels  
Management Agreement  
Hotel management fees

Sales and purchase of equipment  
Other sales and purchase transactions

Sales of investments

Interest income

- Loan to related parties

Other income

Interest expense

- Loan from related party

Other expenses

**Pricing policies**

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.

Based on the similar fees charged to other hotels which  
were managed by the Company.

Based on book value plus margin as agreed.

Based on the normal prices transacted with third parties  
and discount policies.

Based on fair value.

- Minimum loan rate of commercial banks plus 0.5% per annum

- Rate of 5.70% - 7.50% per annum

- Rate of MLR - 1 % per annum

- Rate of MLR - 2.95 % per annum

Based on actual expenses incurred and the contractually  
agreed prices.

- Based on LIBOR plus 2.925% per annum or not less than those paid to the financial institution.

- Rate of MLR - 1 % per annum

Based on the contractually agreed prices.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**30 Related parties (Continued)**

Significant transactions for the years ended 31 December 2018 and 2017 with related parties were as follows:

	Consolidated financial statements								
	Revenue from sales and services	Management service income	Dividend income	Other income	Cost of sales and services (in Baht)	Selling expenses	Administrative expenses	Financial cost	Interest income
<b>For the year ended 31 December 2018</b>									
Joint ventures	17,447,848	-	-	2,382,335	-	11,473,590	595,521	-	5,642,597
Associates	-	-	37,404,556	37,388,520	232,087,046	-	-	-	149,992
Other related parties	23,033,775	9,484,173	16,541,220	162,630,969	2,730,204	1,035,741	664,002	262,320	-
Total	40,481,623	9,484,173	53,945,776	202,401,824	234,817,250	12,509,331	1,259,523	262,320	5,792,589
<b>For the year ended 31 December 2017</b>									
Joint ventures	18,350,990	-	30,999,690	466,016	-	14,035,823	408,997	-	5,867,767
Associates	30,000	-	32,327,960	128,109,662	201,204,441	-	9,300	-	-
Other related parties	48,545,601	9,088,380	14,752,980	2,489,235	2,011,216	1,845,786	756,521	186,048	-
Total	66,926,591	9,088,380	78,080,630	131,064,913	203,215,657	15,881,609	1,174,818	186,048	5,867,767



**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**Related parties (Continued)**

	Separate financial statements								
	Revenue from sales and services	Management service income	Dividend income	Other income	Cost of sales and services (in Baht)	Selling expenses	Administrative expenses	Financial cost	Interest income
<b>For the year ended 31 December 2018</b>									
Subsidiaries	14,488,969	71,177,308	23,940,983	220,644,606	374,641	60,830,717	65,609,894	1,767,908	16,715,262
Joint ventures	17,447,848	-	-	2,327,453	-	1,244,344	595,521	-	-
Associates	-	-	37,404,556	5,386,630	-	-	-	-	149,992
Other related parties	23,033,775	8,284,173	-	163,494,744	-	1,035,548	426,316	-	-
Total	54,970,592	79,461,481	61,345,539	391,853,433	374,641	63,110,609	66,631,731	1,767,908	16,865,254
<b>For the year ended 31 December 2017</b>									
Subsidiaries	12,553,205	75,017,113	32,854,511	193,010,161	49,919	63,803,950	39,701,134	-	13,974,733
Joint ventures	18,350,990	-	30,999,690	351,904	-	1,118,811	336,905	-	-
Associates	30,000	-	32,327,960	102,676,327	-	-	-	-	-
Other related parties	48,290,581	7,888,380	-	2,045,600	-	1,845,786	427,914	-	-
Total	79,224,776	82,905,493	96,182,161	298,083,992	49,919	66,768,547	40,465,953	-	13,974,733

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**30 Related parties (Continued)**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	For the year ended 31 December		For the year ended 31 December	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
<b>Key management personnel compensation</b>				
Salaries and other short-term employee benefits	140,540,810	134,568,436	109,131,859	101,793,424
Post-employment benefits	<u>7,972,797</u>	<u>7,286,999</u>	<u>6,136,298</u>	<u>5,982,378</u>
<b>Total key management personnel compensation</b>	<b><u>148,513,607</u></b>	<b><u>141,855,435</u></b>	<b><u>115,268,157</u></b>	<b><u>107,775,802</u></b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**30 Related parties (Continued)**

Balances as at 31 December 2018 and 2017 with related parties were as follows:

	Consolidated financial statements					Deferred rental revenue	Deposit for right to lease building
	Trade accounts receivable	Other receivables	Account payable trade	Account payable other (in Baht)	Accrued expense		
<b>For the year ended 31 December 2018</b>							
Joint ventures	232,714	29,709,934	-	-	-	-	-
Associates	-	8,456,017	-	-	-	558,975,877	984,760,000
Other related parties	-	187,832,233	309,175	869,846	843,178	-	-
Total	232,714	225,998,184	309,175	869,846	843,178	558,975,877	984,760,000
<b>For the year ended 31 December 2017</b>							
Joint ventures	840,898	20,668,115	-	942,379	-	-	-
Associates	-	1,795,180	24,000	-	-	584,409,212	492,380,000
Other related parties	8,561,551	3,201,761	315,961	679,635	615,269	-	-
Total	9,402,449	25,665,056	339,961	1,622,014	615,269	584,409,212	492,380,000

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**30 Related parties (Continued)**

Balances as at 31 December 2018 and 2017 with related parties were as follows:

	Separate financial statements				
	Trade accounts receivable	Other receivables	Accrued expense (in Baht)	Other payable	Deferred rental revenue
<b>For the year ended 31 December 2018</b>					
Subsidiaries	1,142,091	99,496,763	1,375,958	41,258,868	1,246,332,927
Joint ventures	232,714	4,762,538	-	-	-
Associates	-	2,640,978	-	-	-
Other related parties	-	187,576,721	-	-	-
<b>Total</b>	<b>1,374,805</b>	<b>294,477,000</b>	<b>1,375,958</b>	<b>41,258,868</b>	<b>1,246,332,927</b>
<b>For the year ended 31 December 2017</b>					
Subsidiaries	754,136	76,954,798	622,960	21,377,889	1,323,212,314
Joint ventures	840,898	3,877,899	-	-	-
Associates	-	1,795,180	-	-	-
Other related parties	8,454,301	3,159,539	-	179,635	-
<b>Total</b>	<b>10,049,335</b>	<b>85,787,416</b>	<b>622,960</b>	<b>21,557,524</b>	<b>1,323,212,314</b>

**Dusit Thani Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2018****30 Related parties (Continued)**

	Interest rate		Consolidated financial statements		Separate financial statements	
	2018	2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	( % per annum)		(in Baht)			
<b>Short-term loans to related parties</b>						
Dusit China Capital Co., Ltd.	2.48 - 3.14	2.48 - 2.80	-	-	110,200,000	97,400,000
Dusit Thani Properties Co., Ltd.	-	2.80 - 2.90	-	-	-	248,000,000
Dusit Excellence Co., Ltd.	2.48 - 2.50	2.50 - 2.80	-	-	169,772,600	34,622,600
Dusit Overseas Co., Ltd.	4.00	-	-	-	345,555,000	-
			-	-	625,527,600	380,022,600
<b>Long-term loans to related parties</b>						
Vimarn Suriya Co., Ltd.	-	5.20	-	-	-	93,122,355
Dusit Fudu Hotel Management (Shanghai) Co., Ltd.	5.70 - 5.88	7.50	104,903,091	88,145,634	-	-
Suanlum Property Co.,Ltd	3.25	3.25	89,844,773	14,037,773	89,844,773	14,037,773
<b>Total</b>			<b>194,747,864</b>	<b>102,183,407</b>	<b>89,844,773</b>	<b>107,160,128</b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**30 Related parties (Continued)**

Movements in the loans to related parties were summarised as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	For the year ended 31 December		For the year ended 31 December	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
<b><i>Short-term loans to related parties</i></b>				
At 1 January	-	-	380,022,600	326,000,000
Addition	-	-	1,190,169,000	65,022,600
Repayment	-	-	(944,664,000)	(11,000,000)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>625,527,600</b>	<b>380,022,600</b>
<b><i>Long-term loans to related parties</i></b>				
At 1 January	102,183,407	75,416,578	107,160,128	47,110,000
Addition	92,887,553	34,006,017	76,660,250	96,831,628
Repayment	-	-	(93,975,605)	(36,781,500)
Exchange loss on translating financial statements	(323,096)	(7,239,188)	-	-
<b>At 31 December</b>	<b>194,747,864</b>	<b>102,183,407</b>	<b>89,844,773</b>	<b>107,160,128</b>

The mentioned short-term loans to related parties are in the form of promissory notes issued by subsidiaries which the maturity dates are on demand with interest rates indicated in the above table.

The Company had entered into loan agreement extended to Vimarn Suriya Co., Ltd., a subsidiary for the purpose of various investments. This borrowing amount is not exceeding Baht 506 million. The interest rate is MLR minus 1% p.a. As at 31 December 2017, the subsidiary had long-term loan of Baht 93.12 million during the year ended 31 December 2018, it already repaid all of long-term loan.

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 24 million 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 2018 and 2017, the joint venture had outstanding long-term loan of Chinese Yuan Renminbi 21.0 million (or Baht 104.90 million) and Chinese Yuan Renminbi 17.5 million (or Baht 88.15 million), respectively.

The Company had entered into loan agreement with Suanlum Property Co., Ltd., an associate for the purpose of various investments. This borrowing amount is not exceeding Baht 100 million. The interest rate is MLR minus 2.95% p.a. As at 31 December 2018 and 2017, this associate had long-term loan of Baht 89.84 million and Baht 14.04 million.

**Dusit Thani Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2018****30 Related parties (Continued)**

	Interest rate		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	<i>(% per annum)</i>		<i>(in Baht)</i>			
<b>Short-term loan from related party</b>						
MBK Hotels and Resorts Co., Ltd.*	4.38 - 5.54	4.16 - 4.38	4,542,972	4,575,326	-	-
Dusit Thani Properties Co., Ltd.	2.20	-	-	-	90,400,000	-
<b>Total</b>			<b>4,542,972</b>	<b>4,575,326</b>	<b>90,400,000</b>	<b>-</b>

\* MBK Hotels and Resorts Co., Ltd. is a subsidiary of MBK Public Company Limited.

	Interest rate		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
<b>Long-term loan from related party</b>						
Central Pattana Public Company Limited	5.2	-	73,335,000	-	-	-
<b>Total</b>			<b>73,335,000</b>	<b>-</b>	<b>-</b>	<b>-</b>

Movements in the short-term loan from related party were summarised as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	For the year ended 31 December		For the year ended 31 December	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
<b>Short-term loan from related party</b>				
At 1 January	4,575,326	5,009,795	-	-
Addition	-	-	169,000,000	-
Repayment	-	-	(78,600,000)	-
Exchange gain on translating financial statements	(32,354)	(434,469)	-	-
<b>At 31 December</b>	<b>4,542,972</b>	<b>4,575,326</b>	<b>90,400,000</b>	<b>-</b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**30 Related parties (Continued)**

Movements in the long-term loan from related party are summarised as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	For the year ended 31 December		For the year ended 31 December	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
<b><i>Long-term loan from related party</i></b>				
At 1 January	-	-	-	-
Addition - transferred from other party	135,985,403	-	-	-
Repayment	(62,650,403)	-	-	-
<b>At 31 December</b>	<b>73,335,000</b>	<b>-</b>	<b>-</b>	<b>-</b>

***Land sub-lease agreement***

The Company entered into a land sub-lease agreement with Vimarn Suriya Co.,Ltd., a subsidiary (“the sub-lessee”). The sub-lessee has the right to construct building and structure on the land. The sub-lease term is for 30 years from 1 July 2024 with the right to renew the lease for another 30 years until 30 June 2084. The 7-year period from 1 July 2017 is for dismantling and new constructions. The sub-lessee prepaid the rental of Baht 1,361.65 million. The remaining rent will be paid annually for 60 years.

***Building lease arrangement agreement***

Vimarn Suriya Co., Ltd., a subsidiary entered into a building lease arrangement agreement with Suanlum Property Co., Ltd., an associate. The associate paid the first deposit of Baht 492.38 million to Vimarn Suriya Co., Ltd., in June 2017 and received the second deposit of Baht 492.38 million on 5 July 2018. The remaining amount will be paid according to the terms and condition as agreed.

***Lease right assignment agreement***

The Company entered into lease right assignment agreement to transfer the rights and obligations on a portion of lease land under the lease land agreement to Phraram 4 Development Co., Ltd., an associate (“Rama 4”) for a period of 30 years from 1 July 2024 with the right to renew the lease agreement for another 29 years and 6 months. The 7-year period from 1 July 2017 is for the dismantling and new constructions. Pursuant to the lease right assignment, the Company has already received the lease right assignment fee of Baht 100 million. Management, based upon legal advice, have the opinion that the Company has transferred significant rights and duties under the said land lease agreement to Rama 4 throughout the term of the land lease transfer agreement. There is no condition that the Company must return the lease right assignment fee under the agreement. Rama 4 has entered into a land lease agreement with the Crown Property Bureau. As a result, the Company recognized the lease right assignment fee in other income in the consolidated statement of income of Baht 90 million based on shareholding portion and Baht 100 million in the separate statement of income as at 31 December 2017.



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

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

#### **For the year ended 31 December 2018**

### **31 Segment information**

The Group has three 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. The following summary describes the operations in each of the Group's reportable segments.

- *Segment 1*      Hotel and hotel management
- *Segment 2*      Education
- *Segment 3*      Others

Other operations include Holding and Other services, none of these segments meets the quantitative thresholds for determining reportable segments in 2018 or 2017.

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.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**31 Segment information (Continued)**

*Information about reportable segments*

	Hotel and hotel management		Education		Others		Non allocation		Elimination		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	<i>(in million Baht)</i>											
Revenue from third party	4,593	4,561	425	442	493	461	54	106	-	-	5,565	5,570
Intercompany transactions	33	29	-	-	15	7	109	42	(157)	(78)	-	-
<b>Total revenue</b>	<b>4,626</b>	<b>4,590</b>	<b>425</b>	<b>442</b>	<b>508</b>	<b>468</b>	<b>163</b>	<b>148</b>	<b>(157)</b>	<b>(78)</b>	<b>5,565</b>	<b>5,570</b>
Share of profit (loss) investment of associates and joint ventures	(15)	(17)	7	14	73	23	-	-	-	-	65	20
Depreciation and amortization	416	536	34	46	49	47	-	-	-	-	499	629
Profit (loss) before income tax	459	300	9	(1)	436	406	(368)	(363)	(100)	69	436	411
Income tax expense											(86)	(79)
<b>Profit for the year</b>											<b>350</b>	<b>332</b>
Segment assets as at 31 December											<b>11,573</b>	<b>9,980</b>
Segment liabilities as at 31 December											<b>5,495</b>	<b>4,099</b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**31 Segment information (Continued)**

*Reconciliations of reportable segment revenues, profit or loss*

	2018	2017
	<i>(in million Baht)</i>	
<b>Revenues</b>		
Revenue from sales and services	4,633	4,723
Other revenue	932	847
<b>Consolidated revenue</b>	<b>5,565</b>	<b>5,570</b>

*Geographical segments*

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

*Geographical information*

	<b>Revenues</b>	
	2018	2017
	<i>(in million Baht)</i>	
Thailand	3,163	3,224
Philippines	671	671
Maldives	799	739
Discontinued	-	89
<b>Total</b>	<b>4,633</b>	<b>4,723</b>

**32 Selling expenses**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Marketing expenses	165,645,069	190,522,362	84,636,423	87,901,493
Employee benefit expenses	144,374,589	140,054,901	49,270,826	53,556,722
Others	53,270,179	57,403,766	35,386,719	38,863,643
<b>Total</b>	<b>363,289,837</b>	<b>387,981,029</b>	<b>169,293,968</b>	<b>180,321,858</b>

**33 Administrative expenses**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Employee benefit expenses	1,023,993,040	765,231,399	504,415,406	375,818,336
Consulting expenses	146,550,959	116,538,773	140,840,838	128,938,263
Others	280,348,326	399,619,806	228,353,808	175,461,353
<b>Total</b>	<b>1,450,892,325</b>	<b>1,281,389,978</b>	<b>873,610,052</b>	<b>680,217,952</b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**34 Employee benefit expenses**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Salaries and employee benefits	1,919,048,137	1,879,012,361	790,839,726	679,844,725
Contributions to defined contribution plans	41,439,485	40,564,866	20,440,716	19,828,837
Contributions to social security fund	23,882,869	26,353,533	9,385,382	9,697,553
<b>Total</b>	<b>1,984,370,491</b>	<b>1,945,930,760</b>	<b>820,665,824</b>	<b>709,371,115</b>

*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 5-10% 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.

**35 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:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Employee benefit expenses	1,984,370,491	1,945,930,760	820,665,824	709,371,115
Land and building rental expenses	415,132,224	469,601,122	158,119,176	161,988,810
Utilities expenses	253,119,678	260,642,720	90,937,630	94,530,542
Maintenance expenses	116,714,642	115,920,017	42,884,612	40,696,356

**36 Finance costs**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
<b>Interest expenses</b>				
Loans from financial institutions	53,863,103	58,516,938	13,941,782	9,547,893
Debenture	10,547,945	-	10,547,945	-
Related parties	262,320	186,048	1,767,908	-
Finance leases	90,959	94,630	-	-
<b>Total interest expense</b>	<b>64,764,327</b>	<b>58,797,616</b>	<b>26,257,635</b>	<b>9,547,893</b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**37 Income tax**

*Income tax recognised in profit or loss*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
<b>Current tax expense</b>				
Current year	37,417,720	70,790,319	-	-
<b>Deferred tax expense</b>				
Movements in temporary differences	48,269,107	8,110,588	39,539,968	(7,449,282)
<b>Total income tax (income) expense</b>	<b>85,686,827</b>	<b>78,900,907</b>	<b>39,539,968</b>	<b>(7,449,282)</b>

*Income tax recognised in other comprehensive income*

	<b>Consolidated financial statements</b>					
	Before tax	2018 Tax expense	Net of tax	Before tax	2017 Tax benefit (expense)	Net of tax
	<i>(in Baht)</i>					
Net change in fair value of available-for-sale investments	10,011,900	(2,002,380)	8,009,520	110,844,950	10,519,564	121,364,514
Defined benefit plan actuarial gains (losses)	2,654,877	(796,463)	1,858,414	18,480,116	(4,936,001)	13,544,115
<b>Total</b>	<b>12,666,777</b>	<b>(2,798,843)</b>	<b>9,867,934</b>	<b>129,325,066</b>	<b>5,583,563</b>	<b>134,908,629</b>

	<b>Separate financial statements</b>					
	Before tax	2018 Tax benefit	Net of tax	Before tax	2017 Tax (expense)	Net of tax
	<i>(in Baht)</i>					
Net change in fair value of available-for-sale investments	(16,811,700)	3,362,340	(13,449,360)	1,315,250	(263,050)	1,052,200
Defined benefit plan actuarial gains (losses)	-	-	-	20,532,073	(4,106,415)	16,425,658
<b>Total</b>	<b>(16,811,700)</b>	<b>3,362,340</b>	<b>(13,449,360)</b>	<b>21,847,323</b>	<b>(4,369,465)</b>	<b>17,477,858</b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
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**37 Income tax (Continued)**

*Reconciliation of effective tax rate*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Profit before income tax	435,942,587	411,270,196	263,446,460	103,032,179
Income tax using tax rates	113,925,330	87,003,679	52,689,292	20,606,436
Income/expenses not subject to tax	(36,139,385)	(13,506,775)	(13,149,324)	(19,913,739)
Current year losses for which no deferred tax asset was recognised	9,220,734	16,874,005	-	-
Recognition of previously unrecognized tax losses	-	(8,141,979)	-	(8,141,979)
Translating differences on financial statements	(1,319,852)	(3,328,023)	-	-
<b>Total</b>	<b>85,686,827</b>	<b>78,900,907</b>	<b>39,539,968</b>	<b>(7,449,282)</b>

**38 Earnings per share**

The calculations of basic earnings per share for the years ended 31 December 2018 and 2017 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in Baht / share)</i>			
<b>Profit for the year attributable to ordinary shareholders of the Company (basic)</b>				
Profit excluding Dusit Thani College	268,464,605	214,209,453	223,906,492	110,481,461
Profit Dusit Thani College	21,373,401	52,828,840	-	-
<b>Total</b>	<b>289,838,006</b>	<b>267,038,293</b>	<b>223,906,492</b>	<b>110,481,461</b>
Weighted average number of ordinary shares outstanding (basic)				
Number of ordinary shares outstanding				
At 1 January	850,000,000	850,000,000	850,000,000	850,000,000
At 31 December	850,000,000	850,000,000	850,000,000	850,000,000
Less treasury shares by Dusit Thani Properties Company Limited	(4,715,000)	(4,715,000)	-	-
<b>Weighted average number of ordinary shares outstanding (basic)</b>	<b>845,285,000</b>	<b>845,285,000</b>	<b>850,000,000</b>	<b>850,000,000</b>
<b>Earnings per share (basic)</b>				
Earnings per share excluding Dusit Thani College	0.32	0.26	0.26	0.13
Earnings per share Dusit Thani College	0.02	0.06	-	-
<b>Total</b>	<b>0.34</b>	<b>0.32</b>	<b>0.26</b>	<b>0.13</b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
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**39 Dividends**

On 23 April 2018, the general shareholders' meeting of the Company passed a resolution to approve and appropriate retained earnings as dividend payment for the year 2017 for 850 million ordinary shares at Baht 0.158 per share, totaling Baht 134.3 million which was paid on 11 May 2018.

On 27 April 2017, the general shareholders' meeting of the Company passed a resolution to approve and appropriate retained earnings as dividend payment for the year 2016 for 850 million ordinary shares at Baht 0.10 per share, totaling Baht 85 million which was paid on 12 May 2017.

**40 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 arms-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 2018 and 2017, 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>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Revenues arising from exchanges of goods or services	<u>24,204,010</u>	<u>26,540,208</u>	<u>22,903,972</u>	<u>23,451,640</u>

**Dusit Thani Public Company Limited and its Subsidiaries**  
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**41 Financial instruments**

***Financial risk management policies***

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

***Capital management***

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

***Risk from non-compliance with the contract***

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Group.

***Credit risk***

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.

***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 to and loan from are disclosed in notes 21 notes 23 notes 24 and 30 to the financial statements.



**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**41 Financial instruments (Continued)**

***Foreign currency risk***

The Group have exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies with maturities of less than one year. The Group does not hedge such financial assets and liabilities denominated in foreign currencies.

***Carrying amount and fair values***

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Consolidated financial statements		
		Fair value		
	Carrying amount	Level 1	Level 2	Total
(in Baht)				
31 December 2018				
Financial assets				
measured at fair value				
Available-for-sale investments	473,321,700	12,849,900	460,471,800	473,321,700
31 December 2017				
Available-for-sale investments	475,809,800	12,786,600	463,023,200	475,809,800
Separate financial statements				
31 December 2018				
Financial assets				
measured at fair value				
Available-for-sale investments	12,849,900	12,849,900	-	12,849,900
31 December 2017				
Available-for-sale investments	42,161,600	12,786,600	29,375,000	42,161,600
		Consolidated and Separate financial statements		
		Fair value		
	Carrying amount	Level 1	Level 2	Total
(in Baht)				
31 December 2018				
Financial liabilities not measured at fair value				
Debentures	997,219,000	-	958,172,508	958,172,508

**Dusit Thani Public Company Limited and its Subsidiaries**  
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**41 Financial instruments (Continued)**

**Measurement of fair values**

***Valuation techniques and significant unobservable inputs***

The following tables show the valuation techniques used in measuring Level 2 fair values for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used. Related valuation processes are described in note 3.

Type	Valuation technique
Available-for-sale investments	The net asset value as of the reporting date.
Debentures	A valuation technique incorporating observable market data which is adjusted with counterparty credit risk (excluding own credit risk) and other risks to reflect true economic value.

**42 Commitments**

**42.1 Capital commitments**

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Contracted but not provided the services	<u>378,794,514</u>	<u>33,485,901</u>	<u>38,831,368</u>	<u>8,430,028</u>

**42.2 Service agreement commitments**

Within one year	37,348,310	47,043,161	13,636,226	24,261,690
After one year but within five years	<u>15,404,982</u>	<u>18,143,300</u>	<u>7,406,089</u>	<u>12,628,402</u>
<b>Total</b>	<u><b>52,753,292</b></u>	<u><b>65,186,461</b></u>	<u><b>21,042,315</b></u>	<u><b>36,890,092</b></u>

**42.3 Other commitments**

Bank guarantee	<u>126,802,947</u>	<u>23,622,208</u>	<u>96,088,058</u>	<u>15,611,800</u>
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As at 31 December 2018, the Group and the Company have bank guarantee totaling Baht 105.10 million and Baht 80.48 million, respectively, for the corporate income tax return for 2017 before the tax audits are completed and the Group have bank guarantee totaling Baht 2.31 million, which were pledged by cash at bank of the subsidiary.

As at 31 December 2017, the Group had bank guarantee totaling Baht 2.03 million, which were pledged by cash at bank of the subsidiary.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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**42 Commitments (Continued)**

**42.4 Contractual commitments**

***Dusit Thani College***

Dusit Thani College 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. During 2016, Dusit Thani College renewed the engagement for another 5 years, starting May 2016.
- 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.

***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.

***LVM Holdings Pte. Ltd.***

LVM Holdings Pte. Ltd. entered agreement with its key executives to pay the remuneration as follows:

1. The amount of money calculated as percentage (as defined in the agreement) based on the consolidated results of LVM and its subsidiaries for the years 2019 and 2020.
2. The options to acquire LVM's shares in proportion as specified in the agreement which can be exercised on the date that the share option awards will be issued as at 31 December 2022 and 2023.

As at 31 December 2018, the Group has commitment according to a share purchase agreement with the third parties to acquire 100% of total number of shares in Niseko Gourmet Co., Ltd. of Yen 20.10 million (Baht 5.8 million) will be paid in 2019.

**42.5 Long-term operating leases**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2018	2017	2018	2017
	<i>(in Baht)</i>			
Within one year	108,777,795	109,008,895	51,600,000	51,600,000
After one year but within five years	460,674,056	440,885,613	213,600,000	211,200,000
After five years	5,662,760,227	5,801,074,906	4,024,466,961	4,078,466,961
<b>Total</b>	<b>6,232,212,078</b>	<b>6,350,969,414</b>	<b>4,289,666,961</b>	<b>4,341,266,961</b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
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**42 Commitments (Continued)**

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. 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 of 15 years from 1 April 2003 to 31 March 2018. The prepaid rental for the period of 15 years is Baht 1,100 million.

In December 2016, the Company entered into a land lease agreement to develop a Mixed Use Property Development Project with The Crown Property Bureau for a period of 30 years from 1 July 2024 with the right to renew for another 30 years. The construction in period is 7 years from 1 July 2017. The Company disposed the current leasehold right on the land which was expired in March 2018 and the right to renew the land lease agreement for another 15 years in order to activate the new land lease agreement. Total rental fee is Baht 7,334.12 million of which Baht 1,466.82 million was paid in 2017. The remaining amount will be gradually paid from 2024 onward. The Company has to comply with conditions as specified in the agreement.

On 27 April 2017, the annual general shareholders' meeting of the Company passed a resolution the execution of land lease agreement with The Crown Property Bureau, with a term of 30 years (excluding the project's construction period of 7 years) and at the end of the lease term, the Company will be entitled to renew the agreement for another 30 years on the same terms and conditions in order to invest in the mixed-use project. On 28 June 2017, the Company paid the first lease payment for 20% as specified in the land lease agreement to The Crown Property Bureau for the Company portion (see note 17).

On 27 January 2006, the Company entered into a land lease agreement with Siri Pattaya Company Limited for rental period of 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 million. 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.

**Dusit Thani Public Company Limited and its Subsidiaries**  
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**42 Commitments (Continued)**

***Dusit Thani Philippines, Inc.***

Dusit Thani Philippines, Inc., an indirect subsidiary, has a land lease agreement on which the hotel building is situated with a specified rental payable quarterly at a rate of 5% of the annual gross income. The term of the lease is up to 31 December 2002 and is renewable for another period of 25 years at the option of the subsidiary. Upon termination of the lease, the subsidiary shall return and surrender to the lessor the leased property together with the building constructed thereon, and with all the permanent fixtures therein.

On 17 May 2001, the term of the lease was renewed for an additional period of 25 years from 1 January 2003 to 31 December 2027, under the same terms and conditions.

***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 ChiangMai and sublease agreement for operating assets of Dusit Thani Hua Hin from Dusit Thani Freehold and Leasehold Property Fund (“the Fund”) 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 the Fund (see note 41).

The rental amount detailed as follows:

- 1) Fixed rental of Baht 205 million 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%.

On 14 September 2017, the Meeting of Unitholders passed resolutions approving the conversion of the Dusit Thani Freehold and Leasehold Property Fund (“the Fund”) into Dusit Thani Freehold and Leasehold Real Estate Investment Trust (“the Trust”), the dissolution and the liquidation of the Fund. The dissolution date set by the Fund was on 12 December 2017 and transferred its assets, liabilities and obligations to the Trust which incorporated on 29 November 2017.

The Trust has set rent as follows:

1. Fixed rental will be calculated according to the rental agreement calculated, nevertheless the fixed rental will not less than Baht 205 million.
2. Variable rental will refer to hotels performance.

**Dusit Thani Public Company Limited and its Subsidiaries**  
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**42 Commitments (Continued)**

***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 2018, the rental for remaining lease periods are as follows:

<b>Due period</b>	<b>Amount (USD)</b>
Less than 1 year	1,000,000
After 1 year but less than 5 years	4,000,000
After 5 years	37,182,787

However, DMS Property Investment Pvt. Ltd. can amortise prepaid rental amounting to USD 5 million as rental expense of USD 1 million per year for a period of 5 years from 23 January 2012 and the prepaid of additional yearly rental of USD 0.1 million for last 15 years can partially be yearly rental of such last 15 years. In addition, subsidiary has to pay annual rental to the Government of Republic of Maldives in the amount of USD 1 million per year, starting from 23 January 2017.

***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 129.30 million.

Dusit Thani College has pledged a rental deposit of Baht 12 million which is included in other non-current assets. Dusit Thani College has rights to renew the lease under new terms and conditions.

***Dusit Excellence Co., Ltd.***

On 19 December 2014, Dusit Excellence Co., Ltd. has entered into 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 566.55 million. This subsidiary has sole right to extend the lease agreement for another 10 years from the expiry date of the sublease agreement.

**Dusit Thani Public Company Limited and its Subsidiaries**  
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**43 Contingent liabilities**

***Dusit Thani Public Company Limited***

On 26 June 2001, the Company paid Baht 44.25 million 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 45.78 million 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 million. 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 45.78 million with 7.5% interest per annum of the principal amount of Baht 44.25 million 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.

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.

**Dusit Thani Public Company Limited and its Subsidiaries**  
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**43 Contingent liabilities (Continued)**

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 0.2 million 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.

***Dusit Thani Philippine, Inc.***

As at 31 December 2018 and 2017, Dusit Thani Philippines Inc., an indirect subsidiary, had contingent liabilities from litigations, unasserted claims, and contingent liabilities that may arise from 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 DMS Property Investment Pvt. Ltd.***

As at 31 December 2018 and 2017, 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 29.25 million.

***Dusit Thani Public Company Limited and Dusit Excellence Co., Ltd.***

As at 31 December 2017, the Company has contingent liabilities from guarantee to Dusit Excellence Co., Ltd. a subsidiary for short-term and long-term loans not exceeding Baht 131.20 million.



**Dusit Thani Public Company Limited and its Subsidiaries**  
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**44 Others**

**44.1 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 2018, the subsidiary has not called its share subscription.

**44.2 Sale on investment in joint venture**

On 23 March 2018, the Board of Directors of Dusit Bird Hotels Pvt. Ltd. approved the disposition of investment in joint venture of 1.43 million shares which is fair value Baht 0.29 million to Bird Hospitality Services Private Limited. After sell transaction, the Separation agreement will be executed which includes the ceasing to use Dusit name in Dusit Bird Hotels Private Limited.

As of 31 December 2018, the Company has not sold its investment in this joint venture.

**44.3 Establishment of a new subsidiary**

On 18 December 2018, the Board of Directors of the Company approved the establishment of a new subsidiary, Dusit Hospitality Services Co., Ltd. to accommodate the projects on hospitality services with registered capital of Baht 1,000,000, consists of 10,000 ordinary shares with a par value of Baht 100 each. The Company will invest at 99.97%. This subsidiary is already registered on 8 January 2019.

**44.4 LVM Holdings Pte. Ltd.**

On 30 August 2018, LVM Holdings Pte. Ltd. has executed a share purchase agreement with the third parties to acquire 100% of total number of shares in Niseko Gourmet Co., Ltd. which incorporated in Japan and has operation relates to manage properties and marketing. The total investment value is Yen 45.0 million. The share transfer date was in February 2019. The Group has paid the advance for investment of Yen 24.9 million (Baht 7.2 million) and recognized as other non-current assets in the statement of financial position as at 31 December 2018.

**45 Events after the reporting period**

**45.1 Dusit Foods Co., Ltd.**

On 22 January 2019, Dusit Foods Co., Ltd., a subsidiary has executed a share purchase agreement with the third party to acquire 70% of total number of shares in Epicure Catering Co., Ltd. which founded and incorporated in Thailand and has operation relates to food and beverage catering. The total investment value is approximately Baht 613 million. The first investment totaling 51% with value approximately Baht 423 million will be occurred within January 2019 and the second will be in the beginning of 2020

The Company is presently in the process of determining the fair value of the acquired business according to TFRS 3 which is expected to be completed within one year from the date of acquisition of business.

**Dusit Thani Public Company Limited and its Subsidiaries**  
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**45 Events after the reporting period (Continued)**

**45.2 Dusit Thani Freehold and Leasehold Real Estate Investment Trust (DREIT)**

On 13 February 2019, the Board of Directors of Dusit Thani Properties REIT Co., Ltd., a subsidiary and the REIT manager of Dusit Thani Freehold and Leasehold Real Estate Investment Trust (DREIT and an associate) has resolution as follows:

1. DREIT to invest in the leasehold right of immovable properties, immovable properties and other properties in relation to Dusit Thani Maldives hotel project (the Additional Investment Assets No. 1) which have total value not exceeding Baht 2,385.6 million (or USD 74.55 million), after obtaining the approval to enter into such transaction from the Trust Unitholders Meeting of DREIT.
2. The first capital increase of DREIT through the issuance and offer for sale of approximately not exceeding 365.00 million new trust units for the investment in the Additional Investment Assets No. 1, and/or for the use in DREIT's operation, and/or to repay the existing loans, and the methods for determining the price of the trust units to be issued and offered for sale of the first capital increase.

**45.3 Dusit Thani Public Company Limited**

On 25 February 2019, the Board of Directors of the Company approved the following significant resolutions:

1. Establish 2 new companies in Republic of Maldives to support the Dusit Thani Maldives hotel project as follows:
  - a. Dusit Maldives Investment Company Limited with register capital not exceeding USD 150,000. This company will be 65% invested by Dusit Thai Properties Public Company Limited, a subsidiary. ; and
  - b. Dusit Maldives Management Company Limited with register capital USD 10,000. This company will be 100% invested by Dusit Management Company Limited, a subsidiary.
2. Transfer the business of the Dusit Thani Maldives hotel project to Dusit Maldives Investment Company Limited and sublease and lease of assets in relation to the operation of the Dusit Thani Maldives hotel by Dusit Maldives Management Company Limited
3. Disposal total investment in Dusit Maldives Investment Company Limited held by Dusit Thai Properties Public Company Limited, 65% of its register capital to Dusit Thani Freehold and Leasehold Real Estate Investment Trust (DREIT).
4. Subscribe for the newly-issued investment units of DREIT which DREIT additionally issues and offers for sale to the existing unitholders whose names are set out in the unitholders register book in proportion to their respective unitholdings.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**46 Thai Financial Reporting Standards (TFRS) not yet adopted**

The FAP has issued a number of other new and revised TFRS which become effective for annual financial reporting periods beginning on or after 1 January of the following years.

<b>TFRS</b>	<b>Topic</b>	<b>Effective</b>
TFRS 7 *	Financial Instruments : Disclosures	2020
TFRS 9 *	Financial Instruments	2020
TFRS 15	Revenue from contracts with customers	2019
TAS 32 *	Financial Instruments : Presentation	2020

\* *TFRS - Financial instruments standards*

*(a) TFRS 15 Revenue from Contracts with Customers*

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue should be recognised when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled.

The Group has made an assessment of the potential impact of adopting and initially applying TFRS 15 on the consolidated and separate financial statements and there will be no material impact on the consolidated and separate financial statements in the period of initial application.

*(b) TFRS - Financial instruments standards*

These TFRS establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

Management is presently considering the potential impact of adopting and initially applying TFRS – Financial instruments standards on the consolidated and separate financial statements.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2018**

**47 Reclassification**

Certain accounts in the 2017 financial statements have been reclassified to conform to the presentation in the 2018 financial statements as follows:

	<b>2017 Consolidated financial statements</b>		
	Before reclass	Reclass (in Baht)	After reclass
<i>Statement of financial position</i>			
Trade and other receivables	536,316,368	1,551,088	537,867,456
Trade and other payables	(882,104,284)	29,287,368	(852,816,916)
Other non-current liabilities	(17,259,110)	(30,838,456)	(48,097,566)
		-	
<i>Statement of comprehensive income</i>			
Management service income	159,174,827	17,549,431	176,724,258
Other income	287,919,294	(17,549,431)	270,369,863
		-	
	<b>Separate financial statements</b>		
	Before reclass	Reclass (in Baht)	After reclass
<i>Statement of comprehensive income</i>			
Management service income	63,761,533	17,268,859	81,030,392
Other income	356,724,593	(17,268,859)	339,455,734
		-	

These reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.

# Board of Directors, Executives, Authorized Persons and Company Secretary

## Board of Directors

As of 31 December 2018

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
1. Mr. Arsa Sarasin - Independent Director/ Chairman	82	- Bachelor of Business, Boston University, USA - Honorary Doctoral Degree in Political Science (International Affair), Thammasat University, Thailand - Director Accreditation Program (DAP) 5/2003 - Audit Committee Program (ACP) 19/2007 - Finance for Non-Finance Directors 39/2008 - Role of Chairman Program 32/2013 Thai Institute of Directors Association	None	Present	Independent Director/ Chairman	Dusit Thani Plc.
Director Appointing Date 24 March 2015				2018 - Present	<b><u>Position in Other Listed Companies</u></b> Independent Director	Bangkok Dusit Medical Services Plc.
Relationship - None				2016 - Present	Member of Corporate Governance Committee	Siam Makro Plc.
				1999 - Present	Chairman	Siam Makro Plc.
				1998 - Present	Chairman	Padaeng Industry Plc.
				2018 - Present	<b><u>Position in other Businesses</u></b> Chairman	Bualuang Foundation
				2014 - Present	Chairman	The Queen's Gallery Foundation
				2013 - Present	Chairman	Education and Public Welfare Foundation
				2005 - Present	Chairman	Mitsubishi Electric Thai Foundation
				2004 - Present	Vice Chairman	Mitsubishi Elevator Asia Co., Ltd.
				2003 - Present	Chairman of Advisor	Thai Tapioca Development Institute
				1995 - Present	Director	Thai-Laos Friendship Associate
				1993 - Present	Chairman	Thainamthip Co., Ltd.
				1988 - Present	Chairman	Amata City Co., Ltd.
					Chairman	Thai Asia Pacific Brewery Co., Ltd.
					Chairman	Padaeng Zinc Foundation

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
<b><u>Experiences</u></b>						
				2015 - 2018	Corporate Social Responsibility Committee for Sustainable Development Chairman	The Siam Cement Plc.
				2013 - 2016	Vice Chairman / Chairman of Audit Committee	Charoen Pokphand Foods Plc.
				2007 - 2016	Independent Director	Siam Makro Plc.
				2001 - 2018	Independent Director / Member of Governance and Nomination Committee	The Siam Cement Plc.
				2000 - 2012	His Majesty's Office of H.M. Principal Private Secretary	Office of H.M. Principal Private Secretary
				1995 - 1999	Vice Chairman	Bangkok Bank Plc.
				1991 - 1992	Minister	Ministry of Foreign Affairs
				1986 - 1988	Ambassador	Royal Thai Embassy, USA
				1982 - 1986	Permanent Secretary	Ministry of Foreign Affairs
				1977 - 1980	Ambassador/ Chief of Mission to the European Community	Royal Thai Embassy, Belgium

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
2. Professor Hiran Radeesri - Independent Director/ Audit Committee Chairman	89	<ul style="list-style-type: none"> <li>- MBA Wharton School, University of Pennsylvania, USA</li> <li>- Honorary Degree of Doctor of Accounting, Thammasat University</li> <li>- Certificate (High Level) of Accounting, Thammasat University</li> <li>- Director Certification Program (DCP) 0/2000 Thai Institute of Directors</li> <li>- Fellow Member, Thai Institute of Directors Association</li> <li>- Diploma, National Defense College, 1981</li> <li>- Director Training Certificate, School of Management, Yale University, USA</li> <li>- Thai Financial Reporting Standards (TFRSs)</li> <li>- Pack 5 &amp; Fair Value 2/2016</li> <li>- Understanding Financial Reporting Standards Federation of Accounting Professions Under the Royal Patronage of His Majesty the King</li> <li>- Thai Financial Reporting Standards (TFRSs) 2017, Federation of Accounting Professions</li> <li>- Training course and director development, Thai Institute of Directors</li> <li>- Capital Market Seminar by Stock Exchange of Thailand and The Securities and Exchange Commission</li> </ul>	None	Present	Independent Director / Compensation Committee Chairman / Governance and Nomination Committee Chairman/Audit Committee Chairman	Dusit Thani Plc.
Director Appointing Date 30 April 1999				2015 - Present		
Relationship - None				2009 - Present	<b>Position in Other Listed Companies</b> Director / Audit Committee Chairman	Navakij Insurance Plc.
				2010 - Present	<b>Position in Other Businesses</b> Honorable Committee of University Council Chairman	Thammasat University
				2015 - Present	Governance and Social Responsibility Specialist / President of Working Group for Sustainable Investment / Corporate Governance Center Advisory Chairman Chairman of Tax Auditors Examination Committee	The Stock Exchange of Thailand The Revenue Department
				2002 - Present		
				2000 - 2018 1999 - 2014 2000 - 2008 1990 - 1994 1986 - 1988	<b>Experiences</b> Director / Audit Committee Chairman Audit Committee Chairman Chairman Chairman Governor	Thaicom Plc. Dusit Thani Plc. Thai Institute of Directors Association Metropolitan Rapid Transit Authority State Railway of Thailand

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
3. Mrs. Pranee Phasipol	69	- Master of Science in Accounting, Thammasat University	None	2013 - Present	Independent Director / Audit Committee Member	Dusit Thani Plc.
- Independent Director/ Audit Committee Member		- Bachelor of Business Administration, Major : Accounting (Second Class Honors), Thammasat University		2015 - Present	Remuneration Committee Member / Governance and Nomination Committee Member	Dusit Thani Plc.
Director Appointing Date 29 April 2013		- Diploma, National Defence College, The Joint State - Private Sector Course, Class 2003 - 2004				
Relationship		- Diploma in Public Law, Batch 9, Thammasat University and the Office of the Council of State		Present	<b>Position in Other Listed Companies</b>	Thaivivat Insurance Plc.
- None		- Top Executive Program in Commerce and Trade (TEPCoT), Batch 2, Commerce Academy			Independent Director / Audit Committee Member and Investment Director / Independent Director / Audit Committee Chairman and Nomination and Remuneration Committee Member	SCI Electric Plc.
		- Certificate of Civil Service Executive Development Program, Course 1, Batch 30, Office of the Civil Service Commission				
		- Certificate of Change Management, Ripa International, UK			<b>Position in Other Businesses</b>	Committee of Federation of Accounting Professions Under the Royal Patronage of His Majesty the King
		- Certified Public Accountant Federation of Accounting Professions Under the Royal Patronage of His Majesty the King		Present	Advisor	Sub-Committee on Ethical Standard Setting, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King
		- Director Certification Program (DCP) 10/2001			Chairperson	CPA Examination Management Sub-Committee, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King
		- Director Certification Program Update (DCP) 3/2015			Executive Committee Member and Sub-Committee Member	CPA Examination Management Sub-Committee, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King
		- Anti-Corruption for Executive Program				Accounting Professions Under the Royal Patronage of His Majesty the King
		- Role of Compensation Committee 20/2015				Office of the Civil Service Commission
		- Risk Management Program for Corporate Leaders Class 1/2015			A Qualified Committee Member of Finance and Accounting section	
		- Advance Audit Committee Programs (AACP)				



Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
<ul style="list-style-type: none"> <li>- Risk Management Plan 11/2016</li> <li>- Role of Nomination and the Governance Committee 8/2016</li> <li>- CEO Succession Management</li> <li>- Board Matters and Trends No. 2/2017</li> <li>- Boardroom Success Through Financing &amp; Investment (BFI4/2018) Thai Institute of Directors Association</li> <li>- Talent Management Course, Development &amp; Success Planning, 2017</li> <li>- AC Forum 2017 by KPMG Phoomchai Audit Co., Ltd.</li> <li>- Quality Development of Accountancy by the Securities and Exchange Commission, Thailand</li> <li>- Compensation and Benefits Design Fundamental and Practical Master Class 2017 By Omegawordclass</li> <li>- TFR6, All editions 2018, Batch 1/2018 (Sub-course 00503) and</li> <li>- A Summary of changes and significant issues of TFRS (New edition 2017), Batch 2/6 Federation of Accounting Professions Under the Royal Patronage of His Majesty the King</li> </ul>				<b>Experiences</b> 2015 2007 - 2010 2006 2004  2000	Commissioner Chief of Inspector General Commercial Advisor Deputy Director General, Business Development Department Deputy Director General, Insurance Department	The Securities Exchange Commission Ministry of Commerce Ministry of Commerce Ministry of Commerce  Ministry of Commerce

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
4. Mr. Teerapol Chotichanapibal* - Independent Director/ Audit Committee Member	61	- Master of Science, Operations Research, University of Southampton, Great Britain - Bachelor of Arts, Mathematics/ Economics (Joint Honor), University College of Wales, Great Britain - CMO Academy, INSEAD, Singapore - Corporate Governance for Directors and Senior Executive of State Enterprises and Public Organization, Batch 10, King Prajadhipok's Institute - Director Certification Program Batch 11/2008 Thai Institute of Directors Association	None	2018 - Present 1 Oct. 2018 - Present	Independent Director Audit Committee Member	Dusit Thani Plc.
Director Appointing Date 23 April 2018					<b>Position in Other Listed Companies</b> Legal Committee Executive Committee	Thai Airways International Plc. Nok Airlines Plc.
Relationship - None					<b>Position in Other Businesses</b> -None-	
<b>Remark</b> * At the Annual General Meeting of Shareholders No. 25/2018, Mr. Teerapol Chotichanapibal was appointed as independent director replacing Mr. Kenneth Korsiraphon, effective on 23 April 2018 and Mr. Teerapol Chotichanapibal was appointed as Audit Committee Member replacing Professor Dr. Kittipong Kittayarak, effective on 1 October 2018 by the Board of Directors.					<b>Experiences</b> Executive Vice President, Human Resources Executive Vice President/ Executive President Advisor Executive Vice President Commercial Executive Vice President, Corporate Strategy & Business Development Executive Vice President, Customer Services	Thai Airways International Plc. Thai Airways International Plc. Thai Airways International Plc. Thai Airways International Plc. Thai Airways International Plc.

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
5. Professor Dr. Kittipong Kittayarak* - Independent Director	60	- Doctor of the Science of Law or J.S.D., Stanford University, USA (Fulbright Scholar Program) - Master of Laws (LL.M.), Harvard University, USA (Fulbright Scholar Program) - Master of Laws (LL.M.), Cornell University, USA - Bachelor of Laws (Honor), Chulalongkorn University - Barrister-at-Law, Institute of Legal Education Thai Bar Association - Director Accreditation Program (DAP) 11/2014 - Advanced Audit Committee Program (AACP) 18/2015, Thai Institute of Directors Association	None	2016 - Present	Independent Director	Dusit Thani Plc.
Director Appointing Date 1 April 2016				2014 - Present	<b>Position in Other Listed Companies</b> Independent Director and Chairman of the Audit Committee	PTT Plc.
Relationship - None				2014 - Present	Independent Director, Member of the Corporate Governance and Social Responsibility Committee and Member of the Compliance Committee	Krung Thai Bank Plc.
<b>Remark</b> Professor Dr. Kittipong Kittayarak resigned from the position of Audit Committee Member, effective on 10 August 2018				2017 - Present	<b>Position in Other Businesses</b> Sub-Committee on Foreign Affairs	The Court of Justice
				2017 - Present	Member of Executive Committee and Vice Chairman	Friends in need (of "PA") Volunteers Foundation Thai Red Cross
				2016 - Present	Honorary Director	National Commission for Justice Administration Development
				2015 - Present	Executive Director	Thailand Institute of Justice
				2015 - Present	Honorary Director	Office of The Narcotics Control Board
				2014 - Present	Chairman, Board of Trustees	Bangkok University
				2011 - Present	Executive Director and Chairman (Thailand Branch)	Asia Crime Prevention Foundation - ACPF
				2010 - Present	Committee	Thai Bar Association
				2009 - Present	Honorary Member	Mahidol University Council
				<b>Experiences</b>		
				2016 - 10 Aug. 2018	Audit Committee Member	Dusit Thani Plc.
				2014 - 2017	Chairman of the Audit Committee	Krung Thai Bank Plc.
				2014 - 2015	Advisor to the Prime Minister	The Secretariat of the Cabinet
				2008 - 2014	Permanent Secretary	Ministry of Justice
				2005 - 2008	Deputy Permanent Secretary	Ministry of Justice

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
6. Prof. Emeritus Dr. Khunying Suchada Kiranandana	72	- A.M. (Statistics), Harvard University, U.S.A. - Ph.D. (Statistics) Harvard University, U.S.A. - B.Com. (1st class honors), Chulalongkorn University	None	Present	Independent Director	Dusit Thani Plc.
- Independent Director				Present	<b>Position in Other Listed Companies</b> Independent Director/ Chairman of Sustainability and Risk Management Committee/ Chairman of the Audit Committee	Sernsuk Plc.
Director Appointing Date 1 March 2017		- Director Certification Program 0/2000 Thai Institute of Directors Association				
Relationship				Present	<b>Position in Other Businesses</b> Chairman of Working Committee Director/ Audit Committee / Chairman of Human Resource Vice Chairperson Director Treasurer	Phufa Thai Red Cross Society Prince Mahitaladhibesra Foundation Chitralada Technology Institute The Information Technology Foundation under the Initiative of Her Royal Highness Princess Maha Chakri Sirindhorn
- None						
				2015 - Mar. 2018	<b>Experiences</b> Vice Chairman/ Independent Chairman/ Chairman of Human Resource	Kasikornbank Plc.
				2012 - Feb. 2018	Chairperson	Chulalongkorn University Council
				2011 - 2014	Executive Committee Chairman	Mahidol Wittayanusorn School
				2006 - 2008	Member	The National Assembly of Thailand
				2004 - 2008	President	Chulalongkorn University
				1999 - 2004	Dean of Graduate School	Chulalongkorn University
				1991 - 1999	Dean, Faculty of Commerce and Accountancy	Chulalongkorn University
				1988 - 2008	Councilor	Chulalongkorn University

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
7. Mr. Pakhawat Kovithathanaphong	69	- Master's Degree of Marketing & Finance, The Wharton School, University of Pennsylvania	None	Present	Independent Director	Dusit Thani Plc.
- Independent Director		- Bachelor Degree of Economics (First Class Honors), Thammasat University		Nov. 18 - Present	<b>Position in Other Listed Companies</b> Independent Director/ Chairman of the Audit Committee	P.C.S. Machine Group Holding Plc.
Director Appointing Date 1 March 2017		- Certificate of Leadership Program, Capital Market Academy Batch 5		2016 - Present	Chairman	Trinity Watthana Plc.
Relationship		- Bachelor Degree, Thailand National Defence College Batch 344		2001 - Present	Independent Director and Chairman of the Audit Committee	Land and Houses Plc.
- None		- Certificate course of Corporate Governance for Director and Senior Executive of State Enterprises and Public Organization, King Prajadhipok's Institute Batch 15		2017 - Present	<b>Position in Other Businesses</b> Chairman	Smart ID Group Ltd.
		- Executive Program in "Energy Literacy for a Sustainable Future" TEA Class 12, Thailand Energy Academy		2015 - Present	Director	Sukhumvit 62 Medical Ltd.
		- Director Certification Program Batch 58/2005		2012 - Present	Selection Committee for Personnel and Public Officers to Join Public Service	Office the Public Sector Development Commission
		- Corporate Governance for Capital Market Intermediaries Batch Exclusive 2014 by IOD and the Office of the Securities and Exchange Commission Thai Institute of Directors Association		2010 - Present	Executive Development Program: PSED	Association of Thai Securities Company
				2009 - Present	Advisor to Board of Directors	Thai Listed Companies Association
				2008 - Present	Advisor Master in Financial Economics	National Institute of Development Administration
				2000 - Present	Sub Performance Assessment Committee	State Enterprise Policy Office (SEPO.), Ministry of Finance
					<b>Experiences</b> Honorary Director	Government Pension Fund (Thailand)
				2015 - 2017	Independent Director/Audit Committee Member	Thai Rubber Latex Corporation (Thailand) Plc.
				2011 - Apr. 2018	Vice Chairman	Thai Bond Market Association
				2011 - Apr. 17	Director /Chairman of Corporate Strategy Unit	TSFC Securities Plc.
				2010 - Apr 17		

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
8. Mr. Somprasong Boonyachai - Independent Director	63	- Master Degree in Engineering, (IE&M) University, The Asian Institute of Technology (AIT)	None	Present	Independent Director	Dusit Thani Plc.
Director Appointing Date 1 July 2017		- Bachelor Degree in Engineering (Production Engineering, P.E.), King Mongkut's University of Technology Thonburi		Present	<b>Position in Other Listed Companies</b> Vice Chairman Vice Chairman/ Independent Director Director/ Executive Committee/ Chairman of the Corporate Governance Committee	Advanced Info Service Plc. Osotspa Plc. BEC World Plc.
Relationship - None		- Director Certification Program Batch 67 Thai Institute of Directors Association			Director Director Director	Intouch Holdings Plc. Thaicom Plc. Power Line Engineering Plc.
				Present	<b>Position in Other Businesses</b> Executive Committee Chairman Committee Member	Geo-Informatics and Space Technology Development National Strategic Plan Committee
				2008 - 2016	<b>Experiences</b> Group CEO/ Chairman of the Executive Committee	Intouch Holdings Plc.
				2007 - 2008	Group CEO/ Chairman of the Executive Committee	Advanced Info Service Plc.

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
9. Mrs. Varang Chaiyawan - Director	51	- MBA Finance and Investment, George Washington University, Washington D.C., USA - Bachelor of Accountancy, Thammasat University (First class honors) - Director Accreditation Program 60/2006 - Director Accreditation Program 131/2016 - Thai Institute of Directors Association	None	Present Apr. 16 - Present	Director Governance and Nomination Committee and Remuneration Committee	Dusit Thani Plc. Dusit Thani Plc.
Director Appointing Date 11 August 2009				Present	Director	Dusit Thai Properties Plc.
Relationship - None				<b><u>Position in Other Listed Companies</u></b> - None-		
				<b><u>Position in Other Businesses</u></b>		
		- Certified Financial Planner Batch 1, Thai Financial Planners Association - Top Executives Seminar 2008, FALIA, JAPAN - Capital Market Academy (CMA), The Stock Exchange of Thailand, Batch 5 - Thailand Insurance Leadership Program - #2 OIC Advance Insurance Institute		Present	Director & First Senior Executive Vice President Chief Executive Officer Director	Thai Life Insurance Plc. Thai Health Insurance Plc. Sangsom Co., Ltd. Kanchanasingkom Co., Ltd. Thanapakdi Co., Ltd. Fuengfuanant Co., Ltd. Mongkolsamai Co., Ltd. V.C. Property Co., Ltd. Thai Ginebra Trading Co., Ltd. Phetkarnkha Co., Ltd.
				<b><u>Experiences</u></b>		
				2000 - 2012	Director	Fitch Ratings (Thailand) Ltd.
				2007 - 2010	Director	Thai Asia Pacific Brewery Co., Ltd.
				2001 - 2006	Vice President	Thai Life Insurance Co., Ltd.

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
10. Mr. Chanin Donavanik - Vice Chairman and Executive Committee Chairman - Authorized Director entitled to sign the Company's binding	61	- Master of Business Administration (MBA), Boston University, U.S.A. - Director Certification Program 72/2006 - Director Accreditation Program 10/2004 Thai Institute of Directors Association	49.94  Included in the group of Thanpuying Chanut Piyaoui	2018 - Present	Director	Dusit Foods Co., Ltd.
				Aug. 17 - Present	Chairman	Dusit Thani Properties REIT Co., Ltd.
				Apr. 17 - Present	Director	Dusit Colours Co., Ltd.
				Jan. 16 - Present	Vice Chairman and Executive Committee Chairman	Dusit Thani Plc.
				2016 - Present	Director	Vimarn Suriya Co., Ltd.
				2015 - Present	Chairman	Dusit Hospitality Education Philippines, Inc.
				2014 - Present	Director	Dusit Excellence Co., Ltd.
				2014 - Present	Director	Dusit Fudu Hotel Management (Shanghai) Co., Ltd.
				2014 - Present	Vice Chairman	Dusit Thani College
				2013 - Present	Director	Dusit China Capital Co., Ltd.
Relationship - Brother of Mrs. Sinee Thienprasiddhi				2012 - Present	Director	Dusit USA Management Inc.
				2011 - Present	Director	Dusit Bird Hotels Pvt. Ltd.
				2011 - Present	Director	DMS Property Investment Pvt. Ltd.
				2010 - Present	Director	Dusit Management Co., Ltd.
				2009 - Present	Director/ Executive Director	Dusit Thai Properties Plc.
				2008 - Present	Director	Dusit Worldwide Co., Ltd.
				2008 - Present	Director	Dusit Overseas Co., Ltd.
				2000 - Present	Director	Devarana Spa Co., Ltd.
				1995 - Present	Chairman	Dusit Thani Philippines, Inc.
				1990 - Present	Director	Dusit Thani Properties Co., Ltd.
				<b>Position in Other Listed Companies</b>		
				Apr 17 - Present	Director/ Corporate Governance Committee	Kasikornbank Plc.



Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
				<b><u>Position in Other Businesses</u></b>		
				Present	Chairman of Tourism and Service Business Committee	Thai Chamber of Commerce
				Present	Head of Private Sector	Public-Private Steering Committee, D3 MICE and tourism promotion
				2018 - Present	Director	Tour East (T.E.T.) Ltd.
				2015 - Present	Director	Piyasiri Co., Ltd.
				2013 - Present	Director	JTB (Thailand) Co., Ltd.
				2010 - Present	Director	Chanut and Children Co., Ltd.
				1989 - Present	Director	Thai-Japan Gas Co., Ltd.
				1988 - Present	Director	Thana Jirang Co., Ltd.
				<b><u>Experiences</u></b>		
				2006 - Jan. 2019	Director	Le Cordon Bleu Dusit Co., Ltd.
				2016 - Jun. 2017	Director	Saladang Property Management Co., Ltd. / Pharam 4 Development Co., Ltd. / Suan Lum Property Co., Ltd.
				2010 - 2016	Director of Investment Committee	Dusit Thani Freehold and Leasehold Property Fund
				2010 - 2016	Board Member	The Emirates Academy of Hospitality Management
				2006 - 2015	Managing Director/ Chief Executive Officer	Dusit Thani Plc.
				2006 - 2008	Member	National Legislative Assembly
				2006 - 2008	Committee	Tourism and Industrial Committee of National Legislative Assembly
				2006 - 2008 & 1999 - 2000	President	Asean Hotels and Restaurants Association
				2004 - 2008 & 1998 - 2002	President	Thai Hotels Association
				2001 - 2003	Chairman Committee on Tourism and Hotel Industries	The Thai Chamber of commerce

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
11. Mrs. Sinee Thienprasiddhi - Director and Executive Director	60	- Mac Duffies Springfield, MA., USA. - Fundamental Practice for Corporate Secretary Batch 29	49.94 Included in the group of Thanpuying Chanut Piyaoi	Present 2015 - Present	Director and Executive Director Director	Dusit Thani Plc. Dusit Hospitality Education Philippines, Inc.
- Authorized Director entitled to sign the Company's binding		- Fundamental Legal and Regulations on the Listed Company 8/2012 - Director Certification Program Refresher Course 2/2009		2014 - Present 2014 - Present	Director Director	Dusit Excellence Co., Ltd. Dusit Fudu Hotel Management (Shanghai) Co., Ltd.
Director Appointing Date 26 April 1979		- Improving Quality of Financial Reporting 1/2006 - Finance for Non-Finance Director 22/2005		2013 - Present 2012 - Present 2011 - Present 2011 - Present 2010 - Present 2010 - Present	Director Director Director Director Director Director	Dusit China Capital Co., Ltd. Dusit USA Management Inc. Dusit Bird Hotels Pvt. Ltd. DMS Property Investment Pvt. Ltd. Dusit Thani Philippines, Inc. Dusit Management Co., Ltd.
Relationship - Sister of Mr. Chanin Donavanik		- Director Certification Program 65/2005 - Director Accreditation Program 9/2004 Thai Institute of Directors Association		2009 - Present 2008 - Present 2008 - Present 2006 - Present 2000 - Present 1990 - Present	Director/ Executive Director Director Director Director Director Director	Dusit Thai Properties Plc. Dusit Worldwide Co., Ltd. Dusit Overseas Co., Ltd. Le Cordon Bleu Dusit Co., Ltd. Devarana Spa Co., Ltd. Dusit Thani Properties Co., Ltd.
<b>Position in Other Listed Companies</b>						
				2016-Present	Independent Director/ Audit Committee Member	Osotspa Plc.
<b>Position in Other Businesses</b>						
				Present	Director	Cube Real Property Co., Ltd. Acme Printing Co., Ltd. Chanut and Children Co., Ltd. Piyasiri Co., Ltd. Thana Jirang Co., Ltd.
<b>Experiences</b>						
				2008 - Sep. 2016	Company Secretary	Dusit Thani Plc.
				1980 - Sep. 2016	Secretary to the Board of Director	Dusit Thani Plc.

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
12. Mrs. Suphaje Suthumpun - Director /Group Chief Executive Officer and Executive Director - Authorized Director entitled to sign the Company's binding	54	- MBA, International Finance and International Accounting, Northrop University, California, USA. - BS, Sociology and Anthropology, Thammasat University - The Programme of Senior Executives of Justice, Office of the Judicial Training Institute - Director Certification Program, Class 89/2007 - Advanced Audit Committee Program, Class 23/2016 Thai Institute of Directors Association	None	Jan 2018 - Present Sept 2018 - Present May 2018 - Present Mar 2018 - Present Nov. 2017 - Present Apr 2017 - Present Sep 2016 - Present Aug 2016 - Present Apr 2016 - Present Mar 2016 - Present Feb 2016 - Present Jan 2016 - Present Dec 2015 - Present Nov 2015 - Present Oct 2015 - Present	Director Director Director Director Director Director Director Director Director Director Director Group Chief Executive Officer and Executive Director Council Committee Director	Epicure Catering Co., Ltd. Dusit Hospitality Services Co., Ltd. LVM Holdings Pte. Ltd. Dusit Gourmet Co., Ltd. Dusit Foods Co., Ltd./ NR Instant Produce Co., Ltd. ASAI Holdings Co., Ltd. Dusit Colours Co., Ltd. Pharam 4 Development Co., Ltd. Vimarn Suriya Co., Ltd./ Suanlum Property Co., Ltd. Dusit Thani Properties Co., Ltd./ Le Cordon Bleu Dusit Co., Ltd./ Dusit Management Co., Ltd. Dusit Worldwide Co., Ltd. / Dusit China Capital Co., Ltd. / DMS Property Investment Pvt. Ltd. Dusit Overseas Co., Ltd. / Dusit Thani Philippines, Inc. / Dusit Hospitality Education Philippines, Inc. Dusit Thani Plc.
Director Appointing Date 1 October 2015 Relationship - None						Dusit Thai Properties Plc. Dusit Thani College DusitThani Plc. /Dusit Excellence Co., Ltd.
				<b>Position in Other Listed Companies</b>		
				Oct 2016 – Present	Independent Director/ Audit Committee/ Member of Risk Management Committee	Kasikornbank Plc.

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
				<b><u>Position in Other Businesses</u></b>		
				2017-Present	Council Committee	Thammasat University
				Nov 2016- Present	Member of the International Advisory Board	Ecole Hôtelière de Lausanne
				Sep 2015 - Present	Sub-committee member	Sub-committee preparing the establishment of the National State Enterprise Corporation by State Enterprise Policy
						Navamindradhiraj University
						Thailand Management Association
						Thammasat University

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
				2011 - 2015	Chairperson and Executive Committee Chairperson/ Chairperson of Remuneration Committee	Shenington Investment Pte. Ltd.
				2011-2014	Chairperson of the Sub-committee of the Public Sector Development Committee	Office of the Public Sector Development Committee
				2010 - 2011	General Manager, Global Technology Services	IBM/ASEAN
				2009 - 2010	Client Advocacy Executive, Chairman's Office	IBM Headquarter, New York, USA.
				2007 - 2009	General Manager and Vice President, General Business	IBM/ASEAN
				2003 - 2007	Managing Director	IBM Thailand Co., Ltd.

## Management Team As of December 31, 2018

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
1. Mrs. Suphajee Suthumpun						
Details are in the section of Board of Directors						
2. Mr. Narongchai Wongthanavimok  Relationship - None	56	- MS Info Systems, Golden Gate University, USA - MBA Finance, University of Pittsburgh, USA - BA Economics, Econometrics, Thammasat University - Capital Market Academy #23, Thailand (Jan 2017) - CIMB Insead Leadership program (May 2011) - Financial Institutions Governance Program 2011, Thai Institute of Directors Association - Director Certificate Program (DCP) 2010, Thai Institute of Directors Association	None	2018 - Present	Group Chief Financial Officer Chief Executive Office Director  Director  EVP, Chief Financial Officer Senior Executive Vice President, Chief Financial & Strategy Group Head First Senior President, MIS & Planning Division Head, Finance Group Head of Business Finance, Wholesale Bank Vice President - Finance Control Department	Dusit Thani Plc. Vimarn Suriya Co., Ltd. Dusit Thai Properties Plc. / LVM Holdings Pte. Ltd. Dusit Hospitality Services Co., Ltd. / Epicure Catering Co., Ltd. Thai Airways International Plc. CIMB Thai Bank Plc.    Siam Commercial Bank Plc.   Standard Chartered & Standard Chartered Nakornthon Bank Citibank N.A., Bangkok, Thailand

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
<b>3. Ms. La-ead Kovavisaruch</b>	56	<ul style="list-style-type: none"> <li>- Executive MBA - SASIN, Chulalongkorn University</li> <li>- Master of Engineering, Asian Institute of Technology (AIT)</li> <li>- Bachelor of Engineering, Chulalongkorn University</li> <li>- Director Certification Program, IOD 2015, Thai</li> <li>- Institute of Directors Association</li> <li>- 2017 Asia Pacific Hotel Management Agreement Seminar, Bangkok</li> <li>- MIT SLOAN SASIN ACTION LEARNING CONFERENCE 2018, Sasin School of Management</li> <li>- Private Wealth Management APAC Summit 2018, Singapore</li> </ul>	None	2016 - Present 2013 - 2016 2003 - 2013 1990 - 2001 1987 - 1989 1985 - 1986	Chief Investment Officer Vice President - New Business Development Managing Consultant, Project Executive Vice President - New Product Development Business Executive System Analyst	Dusit Thani Plc. Intouch Holding Company IBM Thailand Co., Ltd., IBM/AP HQ (Shanghai) TelecomAsia Corporation Charoen Pokphan PCL. Siam Cement Group Co., Ltd.
Relationship						
- None						

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
<b>4. Mrs. Chitanong Poomipark</b>	51	<ul style="list-style-type: none"> <li>- Master Degree of Law in International Business Law (LL.M.), University of London</li> <li>- Bachelor Degree of Law (LL.B. (Honors)), Chulalongkorn University</li> <li>- Certificate of Proficiency in English for Academic Purposes, University of London</li> <li>- Certificate of Drafting of Patent Applications in European Community, the European Patent Office</li> <li>- Certificate of Negotiating and Drafting International Commercial Contract, The Study Group Oxford, The U.K.</li> <li>- Business Concept Development, The Siam Cement Public Company Limited</li> <li>- Certificate of Completion of the Program Training of Lawyer for International Practice &amp; Arbitration, the Ministry of Justice of Thailand</li> <li>- Leadership Development Workshop, Berkeley, 2017</li> </ul>	None	2017 - Present 2011 - 2017 2003 - 2010 2001 - 2002 1989 - 2001	Chief Legal Office Country Counsel Partner & Head of Corporate Commercial Practice Group Legal Counsel Legal Officer	Dusit Thani Plc. IBM Thailand Company Limited Mayer Brown JSM (Thailand) Limited SCG Legal Counsel Limited The Siam Cement Public Company Limited
Relationship						
- None						



Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
<b>5. Mr. Boon Kwee Lim</b>	58	- Master of Business Administration from the Nanyang Business School of the Nanyang Technological University, Singapore - Bachelor of Science in Business Administration (Hotel and Restaurant Management), University of Denver, Colorado, USA	None	2018 - Present	Director	LVM Holdings Pte. Ltd. / Private Homes and Villas Pte. Ltd.
Relationship				2016 - Present	Chief Operating Officer	Dusit International
- None				2013 - 2016	President	Dusit Fudu Hotel Management Co., Ltd.
				2011 - 2013	Senior Vice President	Millennium and Copthorne for Asia
<b>6. Dr. Niramol Jindanuwat</b>	55	- Ph.D. in Business Management, Cognitive Studies (under the King Anandamahidol's Fellowships) University of California, Irvine USA - Master of Business Administration (MBA) in Management (under the King Anandamahidol's Fellowships) University of California, Riverside USA - Master of Science (MS) in Accounting, Thammasat University - Bachelor of Business Administration (BBA 1st class honor) in Accounting, Thammasat University	None	2016 - Present	Chief People Officer	Dusit Thani Plc.
Relationship				2012 - 2016	Country HR Manager & HR Business Partner	IBM Thailand Co., Ltd.
- None				2008 - 2012	HR Manager	IBM Solutions Delivery Co., Ltd.
				2006 - 2008	HR Partner	IBM Solutions Delivery Co., Ltd.
				2002 - 2006	Managing Consultant	IBM Thailand Co., Ltd.
				2000 - 2002	Managing Consultant	PwC Consulting
				1996 - 2000	Lead Researcher & Instructor	University of California, Irvine, USA

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
<b>7. Mr. Siradej Donavanik</b>	33	- The Executive MBA Programme, Sasin School of Management, Chulalongkorn University - Bachelor of Arts (Hons) in Economics and Political Development the University of Exeter	0.01%	Apr. 2018 - Present	Vice President of Development and Projects/ Interim Managing Director of Dusit Hospitality Education Managing Director	Dusit International
Relationship						ASAI Holdings Co., Ltd.
- Son of Mr. Chanin Donavanik				2016 - 2018	Director of Development and Projects	Dusit International
				2014 - 2016	Director of Hotel Investment	Dusit International
				2013 - 2014	Assistant Director of Project Investment	Dusit International
				2012 - 2013	Manager - Operations (Profits Improvement)	Dusit International
				2011 - 2012	Assistant Manager - Hotel Investment	Dusit International
<b>8. Miss Mantanee Surakarnkul</b>	54	- Master of Management, Sasin of Chulalongkorn University - Bachelor of Arts, Chulalongkorn University - Company Secretary Program (CSP) from IOD 15/2006 - Director Certification Program (DCP) from IOD 1/2000 - Effective Minutes taking (EMT) from IOD 2/2006 - Improving the Quality of Financial Reporting (QFR) from IOD 2/2006 - Understanding the fundamental of financial statements (UFS) from IOD 1/2006 Thai Institute of Directors Association	None	Oct. 2016 - Present Sep. 2016 - Present	Company Secretary Vice President - Company Secretary Office	Dusit Thani Plc. Dusit Thani Plc.
Relationship				1990 - 2016	Director of Corporate Affairs	Thoresen Thai Agencies Plc.
- None				1986 - 1990	Department and Company Secretary Executive Secretary	Mitsui-Soko (Thailand) Ltd.

**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.

# Subsidiary and Associated Companies

Subsidiary and associated companies of which the Company directly and indirectly held 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.	99.99	Holding Company	800	Ordinary shares	80,000,000	10	319 Chamchuri Square Building, 29 <sup>th</sup> Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330 Tel. +66 (0) 2200 9999 Fax. +66 (0) 2200 9980
2	Dusit Thani Philippines, Inc., Held by Dusit Thani Properties Co., Ltd. Remark *Excluding Treasury Preferred Shares  (Formerly known as Philippines Hoteliers, Inc.)	88.01	Hotel And Management	Peso 455 mn.*	Ordinary shares	4,550,000 *	Peso 100	Mezzanine Level, Dusit Thani Manila, Ayala Center, 1223 Makati City, Philippines Tel. (632) 238 8888 Fax. (632) 238 8800
3	Dusit Thai Properties Plc. Held by - Dusit Thani Plc. - Dusit Thani Properties Co., Ltd.	2.75 84.05	Hotel	825	Ordinary shares	82,500,000	10	319 Chamchuri Square Building, 29 <sup>th</sup> Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330 Tel. +66 (0) 2200 9999 Fax. +66 (0) 2200 9980
4	Dusit Worldwide Co., Ltd.	99.99	Management	50	Ordinary shares	5,000,000	10	319 Chamchuri Square Building, 29 <sup>th</sup> Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330 Tel. +66 (0) 2200 9999 Fax. +66 (0) 2200 9980
5	Dusit Overseas Co., Ltd. Held by Dusit Worldwide Co., Ltd.	100.00	Management	HKD 33,000	Ordinary shares	33,000	HKD 1	Unit 2401, 24/F Citicorp Center, 18 Whitefield Road, Causeway Bay, Hong Kong
6	Devarana Spa Co., Ltd.	99.99	Spa	8	Ordinary shares	800,000	10	319 Chamchuri Square Building, 29 <sup>th</sup> Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330 Tel. +66 (0) 2200 9999 Fax. +66 (0) 2200 9980

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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	Culinary School	40	Ordinary shares Preferred Shares	399,999 1	100 100	4, 4/5 Zen Tower, 19 <sup>th</sup> Floor, Ratchadamri Road, Pathumwan Sub-district, Pathumwan District, Bangkok, 10330 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	319 Chamchuri Square Building, 29 <sup>th</sup> Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330 Tel. +66 (0) 2200 9999 Fax. +66 (0) 2200 9980
10	Dusit Thani Freehold and Leasehold Real Estate Investment Trust (DREIT)  (Formerly known as Dusit Thani Freehold and Leasehold Property Fund (DTCPF))	30.02	Rental Property	3,656.02	Unit Trust	409.40	8.9302	319 Chamchuri Square Building, 29 <sup>th</sup> Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330 Tel. +66 (0) 2200 9999 Ext. 3681-3682 Fax. +66 (0) 2200 9980
11	DMS Property Investment Private Limited Held by Dusit Thai Properties Plc.	65.00	Hotel Operation	USD 38.5 mn.	Ordinary shares	38,500,000	USD 1	Level 2, Orchid Maage', Ameer Ahmed Magu, Male', Maldives
12	Dusit USA Management Inc.	100.00	Management	USD 40,000	Ordinary shares	40,000	USD 1	2711 Centerville Road, Suite 400, in the City of Wilmington, Country of New Castle, 19808, State of Delaware, U.S.A.
13	Dusit China Capital Co., Ltd.	99.99	Holding Company	68	Ordinary shares	6,800,000	10	319 Chamchuri Square Building, 29 <sup>th</sup> Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330 Tel. +66 (0) 2200 9999 Fax. +66 (0) 2200 9980
14	Dusit Fudu Hotel Management (Shanghai) Co., Ltd.* Held by Dusit China Capital Co. Ltd.	45.00	Management	RMB 30 mn.	-	-	-	305A at 2 <sup>nd</sup> - 3 <sup>rd</sup> Floors, Tower One, No. 1287 Shang Cheng Road, Pudong New District, Shanghai, People's Republic of China
Remark * a limited liability company under the Republic of China's law which the registered capital is not specified as a share								

# Dusit Thani Public Company Limited

No.	Name	Percentage of share holding	Nature of Business	Paid up Capital (Million Baht)	Shares			Address
					Category	Amount (Shares)	Par per share (Baht)	
15	Dusit Excellence Co., Ltd.  Formerly known as Dusit Thani Hotel Studies Co., Ltd.	99.99	Rental Property	120	Ordinary shares	1,200,000	100	588/5 Petchaburi Road, Ratchathewi, Bangkok, 10400 Tel. +66 (0) 2013-9999 Fax +66 (0) 2013-9900
16	Dusit Thani College Held by Dusit Thani Properties Plc.	100.00	Education Institute	Capital Investment 217.72	-	-	-	1 Soi Kaentong, Nongbon, Praves, Bangkok. 10250 Tel. +66 (0) 2361-7811-3 Fax. +66 (0) 2361-7806
17	Dusit Hospitality Education Philippines, Inc. Held by Dusit Thani Philippines, Inc.  Formerly known as Philippine Hoteliers International Center for Hospitality Education, Inc.	40.00	Education Institute	Peso 530 mn	Ordinary shares	5,300,000	Peso 100	Pre-Opening Office 4th Floor, Dusit Thani Manila, Ayala Center, 1223 Makati City, Philippines Tel: (632) 238 8888 Fax: (632) 238 8800
18	Vimarn Suriya Co.,Ltd.  Remark* Dusit Thani PLC. (DTC) will gradually sell its shares to Central Pattana PLC. (CPN) which the final shareholding proportion	65.00*	Developer of property, hotel, residence, and shopping center	880	Ordinary shares	1,000 10,999,000	100 80	319 Chamchuri Square Building, 29 <sup>th</sup> Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330 Tel. +66 (0) 2200 9999 Fax. +66 (0) 2200 9980
19	Suanlum Property Co.,Ltd.  Remark*Dusit Thani PLC. (DTC) will gradually sell its shares to Denral Pattana PLC. (CPN) which the final shareholding will be 15:85	22.00*	Developer of shopping center project	172	Ordinary shares	1,720,000	100	999/9 Rama 1 Road, Phatumwan Sub-district, Pathumwan District Bangkok
20	Phraram 4 Development Co.,Ltd.	10.00	Office Building Project	1	Ordinary shares	10,000	100	999/9 Rama 1 Road, Phatumwan Sub-district, Pathumwan District Bangkok
21	Saladang Property Management Co.,Ltd.  Remark*Dusit Thani PLC. (DTC) will gradually sell its shares to Central Pattana PLC. (CPN) which its shares of 100% will be held by CPN.	14.00*	Rental Office Business	0.4	Ordinary shares	4,000	100	999/9 Rama 1 Road, Phatumwan Sub-district, Pathumwan District, Bangkok
22	Dusit Saudi LLC* Held by Dusit Overseas Co.,Ltd.**  Remark *Currently established as a corporate company but has not started business. **Held by Dusit Worldwide Co., Ltd.	51.00	Management and technical consultancy	Registered Capital SAR 100,000	Ordinary shares	100	SAR 1,000	P.O. Box 48144 Jeddah 21572 Prince Mohammed Bin Abdulaziz St. Bin Homran Center Office 901A Kingdom of Saudi Arabia

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No.	Name	Percentage of share holding	Nature of Business	Paid up Capital (Million Baht)	Shares			Address
					Category	Amount (Shares)	Par per share (Baht)	
23	Dusit Colours Co., Ltd.	49.00	Management Services and Technical consultancy of hotel and property	Registered capital JPY 10,000,000	Ordinary shares	1,000	JPY 10,000	Ark Hills Executive Tower, S502 1-14-5 Akasaka, Minato-ku, Tokyo, Japan
24	ASAI Holdings Co., Ltd.	99.99	Hotel, Management and holding company	18.82	Ordinary shares	1,000 749,000	100 25	319 Chamchuri Square Building, 29th Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330 Tel. +66 (0) 2200 9999 Fax. +66 (0) 2200 9980
25	Dusit Properties REIT Co., Ltd.	99.99	The REIT Manager of trust	10	Ordinary shares	100,000	100	319 Chamchuri Square Building, 29th Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330 Tel. +66 (0) 2200 9999 Ext. 3681-3682 Fax. +66 (0) 2200 9980
26	Dusit Foods Co., Ltd.	99.99	Holding Company	713	Ordinary shares	7,130,000	100	319 Chamchuri Square Building, 29th Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330 Tel. +66 (0) 2200 9999 Fax. +66 (0) 2200 9980
27	Dusit Gourmet Co., Ltd. Held by Dusit Foods Co., Ltd.	90.00	Sales and marketing activities for food products	21.03	Ordinary shares	1,000 299,000	100 70	319 Chamchuri Square Building, 29th Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330 Tel. +66 (0) 2200 9999 Fax. +66 (0) 2200 9980
28	NR Instant Produce Co., Ltd. Held by Dusit Foods Co., Ltd.	25.977	Manufacture and sell seasonings and instant foods	1,020	Ordinary shares	10,209,250	100	99/1 Moo 4, Khaerai, Krathum Baen District, Samut Sakhon Tel: +66(0)34 849 576
29	LVM holdings Pte. Ltd. Held by Dusit Overseas Co., Ltd.	100.00	Holding Company	SGD 0.01	Ordinary shares	1,036,694	SGD 0.01	38A Jalan Mat Jambol #01-17 Island View, Singapore (119519)
30	Private Homes and Villas Pte. Ltd. Held by LVM Holdings Pte. Ltd.	100.00	Marketing, booking and full-service management of luxury villas	SGD 0.10	Ordinary shares	100,000	SGD 1.00	38A Jalan Mat Jambol #01-17 Island View, Singapore (119519)

Dusit Thani Public Company Limited

No.	Name	Percentage of share holding	Nature of Business	Paid up Capital (Million Baht)	Shares			Address
					Category	Amount (Shares)	Par per share (Baht)	
31	PT. Elite Havens Ltd. Indirect subsidiary of LVM Holdings Pte. Ltd.) held by Private Homes and Villas Pte. Ltd. and Bali Luxe Ltd.	20.00	Management consultancy services	IDR 2,536.50	Ordinary shares	500	IDR 500,000	Jalan Raya Semer no. 883 Kerobokan, Kuta Utara, Badang 80361, Bali, Indonesia
		80.00						
32	Shanghai Yi-Ning Travel Construction Co., Ltd. (Indirect subsidiary of LVM Holdings Pte. Ltd.) held by Private Homes and Villas Pte. Ltd.	100	Marketing	CNY 0.07	Ordinary shares	10,000	CNY 6,908	Building C, No. 888, Lake Road, West 2, Namhui New Town, Pudong New Area, Shanghai
33	PT Bali Home Management Ltd. (Indirect subsidiary of LVM Pte. Ltd.) held by Private Homes and Villas Pte. Ltd. and Bali Luxe Ltd.	80.00	Management consultancy services	IDR 2,500.00	Ordinary shares	8,000	IDR 125,000	Jalan Raya Semer no. 883 Kerobokan, Kuta Utara, Badang 80361, Bali, Indonesia
		20.00						
34	Bali Luxe Ltd. Held by LVM Holdings Pte. Ltd.	100.00	Services	HKD 0.01	Ordinary shares	10,000	HKD 1.00	20/F Euro Trade Centre 21-23 Des Voeux rd., Central Hong Kong
35	Marketing Villas Ltd. Held by LVM Holdings Pte. Ltd.	100.00	Marketing service	USD 0.83	Ordinary shares	10,000	USD 83.16	20/F Euro Trade Centre 21-23 Des Voeux rd., Central Hong Kong
36	Elite Havens Ltd. Held by LVM Holdings Pte. Ltd.	100.00	Services	HKD 0.01	Ordinary shares	10,000	USD 1.00	20/F Euro Trade Centre 21-23 Des Voeux rd., Central Hong Kong
37	Dusit Hospitality Services Co., Ltd.*  Remark * Registered on 8 January 2019	99.97	Hospitality services	1	Ordinary shares	10,000	100	319 Chamchuri Square Building, 29th Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330 Tel. +66 (0) 2200 9999 Fax. +66 (0) 2200 9980
38	Epicure Catering Co., Ltd. Held by Dusit Foods Co., Ltd. Remark: invested in January 2019 by first investment at 51% and the additional of 19% stakes in early 2020.	51.00	Food and beverage catering services	14,000	Ordinary shares	14,000	1,000	43 Thai CC bldg. 30 <sup>th</sup> Floor, Room 307-308, South Sathorn Rd., Yannawa, Sathorn, Bangkok Tel: +66(0)2231-6201

# General Information and Other Significant Information

## Executive Summary

Company Name :	Dusit Thani Public Company Limited
Securities Symbol :	DTC
Head Office :	319 Chamchuri Square Building, 29th Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330
Type of Business :	Hotel (as core business)
Registration No. :	0107536000617
Telephone No. :	+66 (0) 2200-9999
Facsimile No. :	+66 (0) 2200-9980
Website :	www.dusit.com
Authorized and paid-up Capital :	Baht 850,000,000 Comprising 850 million ordinary shares at par Baht 1 each

## References Information

Registrar :	Thailand Securities Depository Co., Ltd. 93 The Stock Exchange of Thailand Building, Ratchadapisek Road, Din Daeng, Bangkok 10400, Thailand Telephone No. : + 66 (0) 2009 9380 Facsimile No. : + 66 (0) 2009 9001 extension 9380
Registrar and Debentureholders' Representative	Bank of Ayudhya Public Company Limited 1222 Rama III Road, Bang Phongphang, Yannawa, Bangkok 10120 Telephone No. : + 66 (0) 2296 3582 Facsimile No. : + 66 (0) 2683 1298
Auditor :	Miss Vannaporn Jongperadechanon Certified Public Accountant No. 4098 KPMG Phoomchai Audit Limited 50-51th Floor, Empire Tower, 1 South Sathorn Road, Bangkok 10120 Telephone No.: + 66 (0) 2677 2000 Facsimile No.: + 66 (0) 2677 2222



Legal advisors :

Weerawong, Chinnavat & Partners Ltd.

22nd Floor Mercury Tower,

540 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330

Telephone No. : +66 (0) 2264 8000 Facsimile No. : + 66 (0) 2657 2222

Legal Counselor Dherakupt Law Office Co., Ltd.

546 Univest Complex Building, 15th Floor,

Ratchadaphisek 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)**

## **Dusit Thani Public Company Limited**

319 Chamchuri Square Building, 29<sup>th</sup> Floor, Phayathai Road,  
Pathumwan Sub-district, Pathumwan District, Bangkok 10330  
Tel. +66 (0) 2 200 9999 Fax. +66(0) 2200 9980 .

Registration No. : 0107536000617