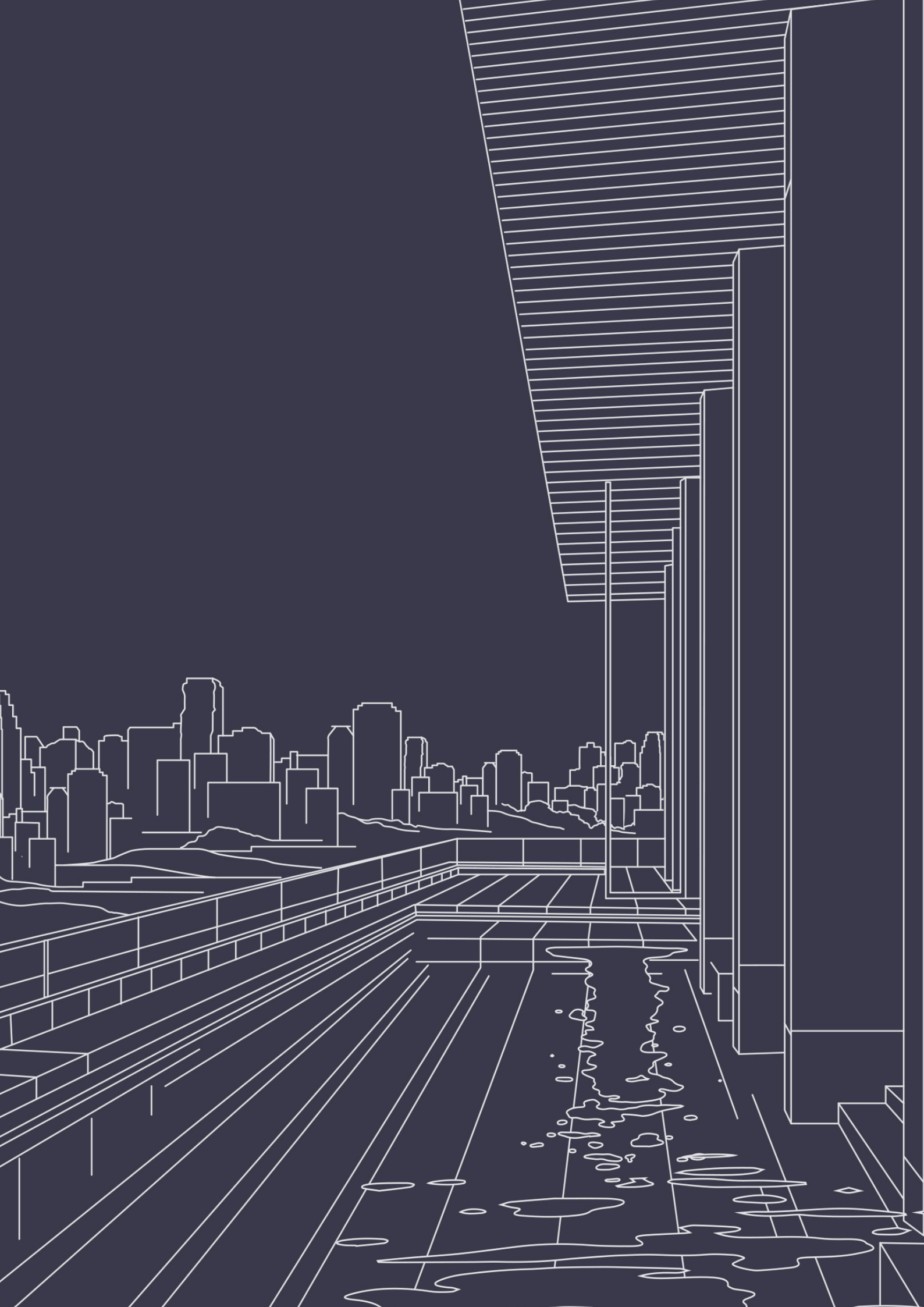




# Building For The Future

2019 Annual Report





# Contents

Chairman's Message	4
Group CEO's Message	6
Key Milestones	8
Our Strategy In Focus	10
Our Business At a Glance	12
Hotels & Resorts	14
Hospitality Education	16
Property Development	18
Dusit Foods	20
Hospitality-Related Services	21
Board of Directors	22
Awards 2019	24
Significant Financial Information	26
The Results Of Operations And Profit Appropriation For 2019	27
Shareholding Structure	28
Revenue Structure	29
Nature Of Business	32
Risk Factors	56
Shareholders	59
Dividend Policy	61
Management Structure	62
Corporate Governance Report	74
Dusit Thani And Sustainability Development	99
Internal Controls And Risk Management	115
Auditor's Fee	116
Related Party Transactions	117
Management Discussion And Analysis 2019	121
The Audit Committee Report For 2019	129
The Nomination Remuneration And Corporate Governance Committee Report For 2019	131
The Investment Committee Report For 2019	132
The Board Of Directors' Responsibility For Financial Reports	133
Independent Auditor's Report And Financial Statements	134
Board Of Directors, Executives, Authorized Persons And Company Secretary	245
Subsidiary And Associated Companies	270
General Information And Other Significant Information	276

# Chairman's Message



“We look forward to creating long-term value for you while building a future we can all be proud of.”

Arsa Sarasin



“Throughout the year, the Board and I were delighted to sign off on several initiatives that will help to mitigate risk and safeguard stakeholders while furthering Dusit’s strategic journey towards balance, expansion, and diversification.”

Dear shareholders and stakeholders,

2019 was a challenging year for the tourism and hospitality industry as our business was conducted against a backdrop of various disruptive forces. The US-China trade tensions, regional tensions in the Middle East, the surging Thai baht, and cooling tourist arrivals in Thailand were just some of the external threats our company and others faced throughout the year.

As a company, we also suffered one of the darkest days in our history when terrorists stormed the compound that houses DusitD2 Nairobi hotel in Kenya, claiming the lives of 21 innocent people, including six of our beloved colleagues.

The resilient response of the hotel team to this senseless tragedy, and their determination to quickly get the hotel back up and running, is truly an inspiration to us all. The outpouring of support from the global network of Dusit properties was also heartening to see, demonstrating the core value of care that runs deep throughout our company and our people.

Unpredictable and shocking events like this, alongside other disruptive external forces in 2019, highlighted the importance of having the right mix of smart investment, talented and skilled employees, capacity for innovation and diversification, and forward-thinking mentality needed to overcome any ongoing challenges and obstacles while continuing to lay the foundations for long-term value creation.

Throughout the year, the Board and I were delighted to sign off on several initiatives that will help to mitigate risk and safeguard stakeholders while furthering Dusit’s strategic journey towards balance, expansion, and diversification.

These initiatives, which included, amongst others, the formation of new hospitality-related services in Bangkok, also directly addressed the internal challenges our company faced in 2019.

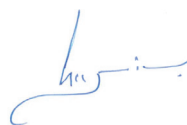
Chief among these challenges was the closure of our renowned flagship hotel, Dusit Thani Bangkok, for redevelopment as part of our landmark mixed-use development, Dusit Central Park.

Normally a significant source of revenue for our company, the hotel officially closed its doors after almost 50 years of illustrious service on 5 January 2020. The closure marked the end of an era, the beginning of a new strategic chapter, and the challenge to establish new sources of revenue to compensate for the shortfall until the new Dusit Thani Bangkok opens in 2023. This challenge and shortfall, of course, had been anticipated and planned for, and all our investments in new lines of business and new properties in Bangkok were strategically made to compensate for the loss of short-term revenue while keeping our talented Dusit Thani Bangkok team intact. Though we succeeded in creating new business units and opening new properties for these employees to run, the external challenges mentioned above slowed our progress towards obtaining realisable revenue from these investments. We have recalibrated as a result, and have strong foundations to build on in 2020 and beyond.

Our strong corporate governance and commitment to creating sustainable value for all our stakeholders was officially recognised by the Thai Institute of Directors Association (IOD) at the Board of the Year Awards 2018, held in 2019, where we received the silver award in the category for leading companies with a market capitalisation of under 30 billion baht. For us, business is a marathon, not a sprint, and we will take every step necessary to ensure we can always go the distance.

On behalf of the Board of Directors, I would like to thank all our guests, customers, business partners and all other stakeholders for your continued and much-appreciated support for our company and your trust in our unique brand of Thai-inspired, gracious hospitality. We look forward to creating long-term value for you while building a future we can all be proud of.

Graciously yours,



Arsa Sarasi  
Chairman / Independent Director

# Group CEO's Message



“Enhancing our brand – Empowering  
our people – Building our future together”

Suphajee Suthumpun

2019 brought with it significant changes and challenges for our company as we closed our flagship property for redevelopment, entered the second stage of our nine-year strategy for sustainable and profitable growth – Realising our Potential – and continued to sow the seeds for future success by making several considerable investments in people, property and new lines of business.

This included investing heavily in essential renovations of our longest-running properties in Thailand to enhance their competitive advantage, and also in making the difficult but necessary decision to disrupt ourselves and transform our operations by adopting a no lay-off policy at Dusit Thani Bangkok and investing in prime real estate and developing new projects for the hotel's employees to run.

“We are deeply grateful for your trust and support in our vision to uniquely deliver Thai-inspired gracious hospitality to the world”

These significant investments included the opening of Dusit Suites Hotel Ratchadamri Bangkok, our first all-suites property in the heart of the city, our first standalone restaurant concept, Baan Dusit Thani, and first standalone spa concept, Namm, all of which are staffed by employees from Dusit Thani Bangkok. The substantial outlay on these projects, and also in retaining the hotel's team, greatly impacted our bottom line, but each investment has been carefully considered with long-term value and maintaining brand presence in mind.

Further investing in the future, in mid-2019 we obtained the long-term lease of prime real estate in the city's up-and-coming Chinatown district to develop ASAI Bangkok Chinatown – the first hotel under our lean luxury ASAI Hotels brand – which is set to open in Q3 2020, signifying our entry into the fast-growing market of millennial, and millennial-minded, travellers.

As a demonstration of our commitment to pursue growth amidst challenging market conditions for our core hotel business, and to drive value while our new and recent investments are being established, we acquired Epicure Catering Company Limited, the leading provider of catering services to international schools in Thailand, bringing a quality and recurring source of revenue to our company, with the potential to scale regionally.

Seeking to tap into the fast-growing health and wellness food market, we also entered into a Joint-Venture Agreement with South Africa's Real Foods Group, to bring its popular healthy fast-casual restaurant concept, Kauai, to Bangkok. The first store subsequently opened at Virgin Active Fitness Club 101. The Joint Venture is also exploring retail opportunities for Kauai products throughout Southeast Asia.

Besides these strategic investments, we successfully diversified our operations by launching Dusit Hospitality Services Co., Ltd. (DHS), an on-demand service provider delivering house-keeping, engineering, and banqueting solutions for businesses based in Bangkok – all staffed by experienced employees of Dusit Thani Bangkok. We also launched new short courses at Dusit Thani College to respond to industry trends and appeal to a broader swath of the population, and we began exploring how to restructure our investment in Dusit Hospitality Management College in the Philippines to lower the financial impact on our company while still going ahead with its unique integrated concept.

We took a significant stride forward in our property development business with the public launch of Dusit Central Park – our most significant project to date – and began demolishing the original structure in line with our plans. Demonstrating the trust and confidence our customers have in our brand, a large number of investors registered their interest in the residences by making down payments to qualify for the first selection of rooms when we open our sales gallery. More than 20% of the project is currently under this registered interest.


In terms of core hotel business, despite the rocky global environment in 2019, we still maintained steady expansion with the opening of nine hotels and resorts – including three in the Philippines, three in China, one in Dubai, our first in Qatar, and the aforementioned Dusit Suites Hotel Ratchadamri Bangkok.

At year-end, our portfolio comprised 307 properties operating under six brands across 14 countries (including 37 Dusit Hotels and Resorts and 270 Elite Havens luxury villas). And with more than 60 properties in the pipeline, representing more than 16,000 keys, we are now on course to open at least 10 –12 hotels per year in key destinations from 2020 to 2021, and approximately 10 hotels per year from 2022 to 2025.

With these solid foundations in place, we now head into 2020 in a strong position to deal with the significant global headwinds we will face throughout the year. And by continuing to synergise our various lines of business and empower our people to anticipate and respond to shifting market conditions and the changing needs of guests and customers, we look forward to creating long-term value for all of our stakeholders by enhancing our capacity for revenue generation across all aspects of our business.

On behalf of everyone at Dusit International, I would like to thank all of our stakeholders, including our shareholders, customers, staff, communities and regulators, for your much-appreciated support. We are deeply grateful for your trust and confidence in our vision to uniquely deliver Thai-inspired gracious hospitality to the world, and we are delighted to have you with us on our journey.

Graciously yours,



Suphajee Suthumpun,  
Group CEO



# Key Company Milestones 2019

As a company, Dusit has constantly evolved to meet the needs of stakeholders.

In 2019 we continued to embrace positive change driven by a vision for growth that recognises and builds on the value of our past.

## January



The flagship Dusit Thani Bangkok hotel temporarily closes for major redevelopment as part of our landmark mixed-use project, Dusit CentralPark.



Dusit invests in Epicure Catering Co., Ltd., a market leader in the education catering business providing high-quality food services to international schools in Southeast Asia.



Dusit Hospitality Services is launched to leverage Dusit's rich experience in banqueting, housekeeping, engineering, and pre-opening hotels.

## May



Dusit Suites Hotel Ratchadamri, Bangkok, Thailand opens to maintain brand awareness and retain the customer base of Dusit Thani Bangkok during the hotel's redevelopment.



Dusit Princess Residence Dubai Marina opens in UAE.

## March



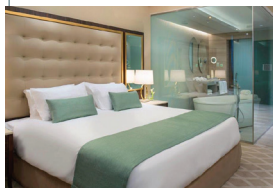
Dusit Thani Mactan Cebu, dusitD2 Davao, and Dusit Thani Residence Davao open in the Philippines.



## April



Dusit Doha Hotel opens in Qatar.



## July



Grace Me Co., Ltd., with 99.99% of shares held by Dusit, was established to provide direct-to-consumer hospitality lifestyle services on a digital platform.



Dusit Foods enters into a 51:49 joint venture with South Africa's Real Foods Group to bring its popular healthy fast-casual restaurant concept, Kauai, to Southeast Asia.



Dusit Maldives Investment Pvt. Ltd. (DMI) and Dusit Maldives Management Pvt. Ltd. (DMM) are established to support transactions related to Dusit Thani Maldives.

## August



Dusit Hospitality Management College, Dusit's first college outside of Thailand, opens in Manila. The pioneering institution is fully-integrated with the dusitD2 The Fort Manila hotel.



Dusit signed a long-term lease agreement with I Am Chinatown Co., Ltd. to develop and operate ASAI Bangkok Chinatown.



## October



Dusit Thani Wujin Changzhou opens in China.

## December



The Beach Club at Lubi Plantation Island, Philippines, is rebranded as Dusit Thani Lubi Plantation Resort



Dusit Thani Sandalwoods Resort Shuangyue Bay Huizhou opens in Guangdong, and Dusit Wetland Park Resort opens in Nanjing, Jiangsu China.

## September



Dusit opens its first standalone restaurant concept, Baan Dusit Thani, in Bangkok.



Dusit Worldwide Maldives Pvt. Ltd., 99.98% of its shares held by Dusit Worldwide Co., Ltd. was established to manage Dusit Thani Maldives hotel.



DMS Property Investment Pvt. Ltd. transferred its business, including the leasehold rights over the land and the ownership of buildings and assets related to Dusit Thani Maldives resort to DMI. DMM subsequently subleased and leased the assets related to the operations of the resort, and accepted the transfer of relevant rights and duties from DMI.



Dusit Thani REIT Co., Ltd., a 99.99% owned subsidiary of Dusit Thani Freehold and Leasehold Investment Trust ("DREIT"), was established to hold a 99.99% stake in DMI



Dusit signs an agreement with Origin Property to develop The Hampton Sriracha by Origin and Dusit, a high-end condominium in Chonburi province, eastern Thailand.



Dusit opens its first standalone spa outlet, Namm Spa, at Samyan Mitrtown, in Bangkok.

## November



The first Real Foods store (Kauai) opens at Virgin Active Fitness Club 101 The Third Place in Bangkok.



# Our Strategy In Focus

“Our multi-year strategic journey for balance, expansion, and diversification is designed to deliver broadened experiences for our customers and create greater value for our shareholders”

## Balance

Achieve 50:50 domestic/overseas revenue with a balance of asset-light and capital investment.

## Expansion

Double our number of rooms in operation by 2021, and expand across the lodging spectrum.

## Diversification

Achieve 10% revenue contribution from adjacent lines of business by 2024.

## Three stages of sustainable growth



2016 – 2018

### Strengthening foundations

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



2019 – 2021

### Realising potential

- Invest in, and establish, new lines of business
- 
- Integrate hotel and hospitality education business
- 
- Double number of keys worldwide



2022 – 2025

### Unlocking value creation

- Opening of Dusit Central Park
- 
- More revenue contribution from new lines of business
- 
- Balance of revenue contribution from Thailand and overseas





We're really going places.

Building on our well-established brand positioning in Asia, Middle East, and Africa, our global presence is set to expand from 14 countries to more than 27 countries, with a balanced portfolio of city hotels, resort properties and luxury villas.

# Our Business At a Glance

“Delivering Thai-inspired, gracious hospitality across five expanding lines of business”




















As a company, Dusit has constantly evolved to meet the needs of stakeholders. From establishing our core brand in the 1970s to asset-light expansion overseas in the 1980s and the introduction of new hotel brands in the 2000s, our history features several chapters of positive change driven by a holistic vision for sustainable and profitable growth.

In 2019, we made further strides towards our strategic goals for balance, expansion and diversification by establishing three new pillars of business – Foods, Property Development, and Hospitality-Related Services – each of which is positioned to synergise with our existing lines of business and empower our people for maximum value creation.

## Excellence Beyond Hotels

Each of our business units is designed to leverage our strengths in operating full-service hotels to add recurring streams of revenue to our company and ultimately build on the value of our past in innovative ways.

### From 2 to 5 BUs

Hotels & Resorts	Hospitality Education	Property Development	Dusit Foods	Hospitality-related services
				
				
				
				
				
				
				





# Hotels & Resorts

“From affordable lifestyle to bespoke villa rentals, we are delighted to offer superior experiences across the lodging spectrum.”

In line with our strategy for sustainable and profitable growth, and to meet the shifting needs of consumers, we have continued to make moves to balance and expand our hotel business both geographically and across the lodging spectrum.

In 2019 we opened nine hotels and resorts – namely dusitD2 Davao; Dusit Thani Residence Davao; Dusit Thani Mactan Cebu; Dusit Suites Hotel Ratchadamri, Bangkok; Dusit Princess Residence Dubai Marina; Dusit Doha Hotel (our first in Qatar); Dusit Thani Wujin Changzhou, China; Dusit Thani Sandalwoods Resort Shuangyue Bay Huizhou, Guangdong, China; and Dusit Thani Wetland Park Resort Nanjing, China.

We also signed a long-term lease agreement to develop and operate ASAI Bangkok Chinatown in the heart of the city’s renowned Chinatown district. Slated to open in 2020, the hotel will be the first to operate under our new lean luxury ASAI Hotels brand, catering to the fast-growing market of millennial-minded travellers.

At the end of 2019, our property portfolio comprised more than 300 properties operating under six brands across 14 countries. With more than 60 Dusit-branded properties in the pipeline, we expect to open at least 10-12 hotels per year in key destinations from 2020 onwards.



9

Hotels  
and resorts

In 2019 we opened nine hotels and resorts – including three in the Philippines, one in Thailand, three in China, one in Dubai, and our first in Qatar.

14

Countries

At year-end, our global footprint spanned 14 countries including Bhutan, China, Egypt, Indonesia, Japan, Kenya, Maldives, Philippines, Qatar, Sri Lanka, Thailand, UAE, USA, and Vietnam.

60

Properties

With more than 60 properties in the pipeline, representing more than 16,000 keys, we plan to open at least 10-12 hotels per year in key destinations from 2020 onwards.



# Our Brands

“Our core brands meet the needs of every type of traveller”

Our brand line-up, which now offers stay experiences beyond our traditional full-service offerings, comprises Dusit Thani (upper upscale), Dusit Devarana (luxury), dusitD2 (upscale), Dusit Princess (upper midscale), ASAI Hotels (lean luxury), and Elite Havens (luxury villa rentals). We also have a presence in the sharing economy with our investment in Favstay, a Thai hospitality startup offering condos and villas for rent in key locations throughout Thailand, Vietnam and Laos.



Delivering experiences across the lodging spectrum

Full Service			Limited Service			Experience	
Bespoke / Luxury	Midscale	Economy	Budget	Branded Residence	Lifestyle / Boutique	Sharing Economy	Cruise / Villa/ Vacation Club
<b>Dusit Thani</b> HOTELS & RESORTS	dusitD2 HOTELS & RESORTS	<b>DUSIT PRINCESS</b> HOTELS & RESORTS	Coming soon	Coming soon	<b>ASAI</b> HOTELS	<b>favstay</b>	<b>eh elite havens</b> LUXURY VILLA RENTALS
<b>DUSIT DEVARANA</b> HOTELS & RESORTS							



# Hospitality Education

“Producing job-ready graduates for Dusit and the industry at large”

With the vision to become one of the world’s largest providers of academically accredited, relevant hospitality education and training programmes which meet the needs of the industry internationally, Dusit Hospitality Education continued to build on its strong foundations in Thailand in 2019 by expanding overseas with the opening of Dusit Hospitality Management College in Manila, Philippines. This pioneering institution is

designed to integrate with dusitD2 The Fort Manila hotel to offer a unique hands-on learning experience for students.

In Thailand, Dusit Thani College (with campuses in Bangkok and Pattaya) continued to respond to market needs and anticipate the changes to come by renovating its Bangkok campus and introducing new short-courses to run alongside its internationally accredited Bachelor degree programmes. These flexible courses are positioned to tap into the broad market of Thai people who are already employed but seeking to upskill or reskill, and will be refined further in 2020.

Also in Thailand, Le Cordon Bleu Dusit Culinary School (LCBD), officially marked the grand opening of its new, larger premises at CentralWorld Complex in the heart of Bangkok, where it expanded its capacity from 1,000 to 1,200 students. Similar to Dusit Thani College, LCBD also launched a series of short courses alongside its regular curriculum to tap a broader swath of the population.

Dusit Hospitality Education is now exploring opportunities to introduce its unique brand of education in Australia, Sri Lanka, and more key destinations worldwide.







# 3,000

Square metres

The new Le Cordon Bleu Dusit Culinary School held its grand opening in April 2019. Covering 3,000 square metres, the new school is located on the 17th to 19th floors of Zen Tower, CentralWorld, with increased capacity for 1,200 students.

# 27

Years in  
hospitality education

Dusit has been a leading provider of hospitality education in Thailand for 27 years. Dusit Thani College first opened in Bangkok in 1993.



**dusit thani**  
college



# 13,562

Students

The total number of graduates Dusit Hospitality Education has produced for the industry via the long-term programmes available at Dusit Thani College and Le Cordon Bleu Dusit Culinary School.



# Property Development

“Generating short-term revenue through innovative projects that leverage our rich experience in hospitality”

To meet the evolving needs of our customers and deliver sustainable value far into the future, we have formed synergistic partnerships with leading property developers in Thailand to work on major projects that can leverage our existing lines of business to generate new streams of recurring revenue. This includes our most significant project to date – Dusit Central Park.

Covering 440,000 sq m of prime real estate on the corner of Silom and Rama IV roads in the heart of Bangkok, this landmark mixed-use project is being developed in partnership with Central Pattana Public Company Limited (CPN). Upon completion, it will feature luxury Dusit-branded residences, a state-of-the-art office tower, a high-end shopping mall, large green spaces, and a distinctive reimagining of our flagship Dusit Thani Bangkok hotel (which was closed in January 2019 for redevelopment as part of the project).

Further extending our business from hospitality into property, our property division also partnered with Origin Property Public Company Limited to develop Hampton Sriracha by Origin and Dusit, a high-end condominium project located in the Sri Racha district of Chonburi province, eastern Thailand.

Set over 26-storeys and comprising 468 residential units and three commercial units, the project is aimed at those investing in or working in the Eastern Economic Corridor (EEC). The target completion date is Q4 2021.





1.4

Billion baht

The value of the Hampton Sriracha by Origin and Dusit condominium project, being developed in Chonburi province, eastern Thailand.

2023

The year our new flagship Dusit Thani Bangkok hotel is scheduled to open as part of Dusit Central Park.

36.7

Billion baht

The value of Dusit Central Park, our landmark mixed-use project being developed in partnership with Central Pattana Public Company Limited.





# Dusit Foods

“Bringing ‘Asia to the world’ through healthy, organic food products and strategic investments in the food industry”



Dusit Foods aims to achieve THB 1,000 million in revenue by 2021.



Established 23 years ago, the Kauai brand serves 7.3 million healthy meals each year across its 164 stores in South Africa and the Netherlands.



Dusit Foods began the year by acquiring a 51% stake in Epicure Catering. A further 19% of shares is acquired in January 2020.

Expanding on our vision to uniquely deliver gracious Thai-inspired hospitality to the world, Dusit Foods was established in 2018 to leverage our rich experience in food and beverage service and ‘Bring Asia to the World’ through Thai and Asian food products that reflect four key pillars of sustainable production – healthy, natural, organic and supporting local communities.

In January 2019, Dusit Foods continued this mission by acquiring a 51% equity stake in Epicure Catering Co., Ltd., a market leader in education catering providing high-quality food services to international schools in Southeast Asia.

This was followed by a strategic partnership with world-renowned chef David Thompson to produce, market and sell a range of premium, ready-to-cook Thai curry pastes and sauces under the brand name Khong Thai. Targeted mainly at international markets, the products were launched in the USA in September 2019 where they are initially being aimed at white-tablecloth restaurants.

Expanding further into the food sector, in July 2019 Dusit Foods entered into a 51:49 joint venture with South Africa’s Real Foods Group to bring its popular healthy fast-casual restaurant concept, Kauai, to Southeast Asia. The first outlet subsequently opened at Virgin Active 101 fitness centre in Bangkok.

Based in South Africa, Real Foods is at the forefront of the global trend towards health and wellness, and aims to be the leader in natural food. The Thailand-based joint venture will now oversee the opening of several outlets in the kingdom, with possible expansion into retail ranges.





# Hospitality-Related Services

“Enhancing shareholder value and empowering our people through adjacent lines of business”

To mitigate the impact of seasonal trends, market cycles and other predictable and unpredictable situations we face in the hospitality industry, we are engaged in several lines of business designed to leverage our core strengths and capabilities to generate long-term, sustainable value.

In line with our commitment to retain the talented team from Dusit Thani Bangkok during the hotel's closure for redevelopment, in 2019 we expanded our range of hospitality-related services to provide attractive new workplaces for the hotel's employees. This included forming Dusit Hospitality Services (DHS) to provide on-demand housekeeping and specialised banqueting solutions for businesses based in Bangkok. We also opened our first standalone restaurant concept, Baan Dusit Thani, and first standalone spa concept, Namm Spa, also both in Bangkok.

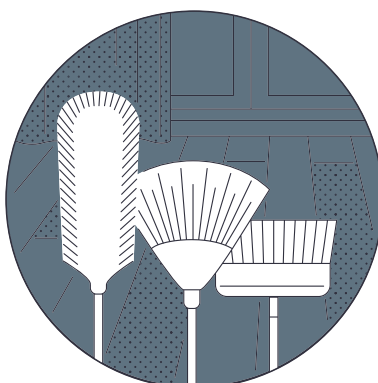
Each of these new concepts is positioned to expand market reach, trial new concepts that can be introduced at Dusit Hotels & Resorts worldwide, and maintain brand awareness in the local market while our flagship property is redeveloped as part of Dusit Central Park.



## 3

### Hospitality Services

Dusit Hospitality Services (DHS) comprises three business units, including: Dusit Events, a high-end catering service for corporate, government and social events; Dusit on Demand, an on-demand housekeeping, engineering, banqueting, and stewarding service; and Pre-opening Services, for various hotels and restaurants in Bangkok. Many well-known corporations are among DHS's regular clients.



# Board of Directors



Mr. Arsa  
Sarasin

Chairman /  
Independent Director



Prof. Hiran  
Radeesri

Independent Director /  
Audit Committee Chairman



Emeritus Prof. Dr.  
Khunying Suchada  
Kiranandhana

Independent Director / Nomination,  
Remuneration and Corporate  
Governance Committee Chairman



Mr. Pakhawat  
Kovithvathanaphong

Independent Director /  
Investment Committee Chairman



Mr. Chanin  
Donavanik

Vice Chairman / Executive Committee  
Chairman / Investment Committee  
Member



Mrs. Sinee  
Thienprasiddhi

Director /  
Executive Director



Mr. Teerapol  
Chotichanapibal

Independent Director /  
Audit Committee Member



Mrs. Pranee  
Phasipol

Independent Director /  
Audit Committee Member



Mr. Somprasong  
Boonyachai

Independent Director /  
Investment Committee Member



Mrs. Varang  
Chaiyawan

Director / Nomination, Remuneration  
and Corporate Governance Committee  
Member



Prof. Dr. Kittipong  
Kittayarak

Independent Director / Nomination,  
Remuneration and Corporate  
Governance Committee Member



Mrs. Suphajee  
Suthumpun

Director / Executive Director /  
Group Chief Executive Officer

# Awards 2019

## Dusit Thani Public Company Limited

Board of the Year Awards 2018, as part of the IOD National Director Conference 2019, by the Thai Institute of Directors Association (IOD)

## Dusit Thani Hua hin

“Certificate of Excellence”  
for Dusit Thani Hua Hin  
TripAdvisor

ISO20121 – Certification  
for Sustainability Event  
Management System

## Dusit Thani Pattaya

LTG Asia & Australasia  
Awards 2019 – Luxury Hotel  
of the Year 2019, Thailand

ISO14001 – Certification for  
Environmental Management  
Systems

MICE Sustainability  
Thailand Certificate of  
Appreciation 2019

Haute Grandeur Global  
Awards Winner 2019

- Best Function Venue  
Hotel in Asia
- Best Eco Friendly Hotel  
in Thailand

## Dusit Thani Guam Resort

“Loved by Guests”  
Award-Hotels.com

“Certificate of Excellence”  
for Dusit Thani Guam Resort  
TripAdvisor

ISO 9001:2015-Certification  
for Quality Management

“Travelers Choice Top 25  
Hotels for Families” for Dusit  
Thani Guam Resort in South  
Pacific -TripAdvisor

“Guam’s Leading Resort”  
World Travel Awards /  
Oceania

## Dusit Thani Maldives

“Certificate of Excellence” for Dusit Thani  
Maldives – TripAdvisor



## Dusit Thani LakeView Cairo

ISO20121 – Certification  
for Sustainability Event  
Management System

Luxury Lifestyle Awards 2019  
– Best Thai Cuisine Regional

World Luxury Spa Awards  
2019 – Luxury Spa Retreat  
Africa

## Dusit Thani Abu Dhabi

Time Out Abu Dhabi  
Dining Awards- Best Indian  
Restaurant In Abu Dhabi-  
Namak By Kunal Kapur

Fact Spa Award Favourite  
Signature Treatment-  
Namm Spa

Fact Awards-Best Thai  
Restaurant- Benjarong

## Dusit Thani Wellness Resort Suzhou

‘Most Anticipated Hotel of  
the Year in Greater China’  
by Premium Traveler CPT  
Approved 2019 to 2020

‘Most Anticipated Newly  
Open Hotel Award of the  
Year’ by Phoenix New Media  
Annual Impact Hotel  
Selection 2019

2019 WOW Travel ‘Most  
Anticipated New Hotel Nearby’  
Award by Shanghai WOW

‘The Most Anticipated  
Wellness Resort of the Year’  
by The 13th Grand Hotels  
Media Award Ceremony 2019

## Dusit Thani Residence Davao

Philippine Property Awards 2019 by  
Property Guru

- Best Condo Development in the Philippines
- Best High-End Condo Development in  
Davao

## dusitD2 Davao

Philippine Property Awards 2019 by Property Guru -  
Best Hotel Interior Design in the Philippines

## Dusit Fudu Hotel & Resort

Grand Hotels Media - Popular Hotel  
Group of the Year

China Hotel Starlight Award - Best  
International hotel management  
group of China

# Significant Financial Information (Consolidated Financial Statements)

Total revenues

6,117

Million baht

5,569 Million baht  
20175,564 Million baht  
20186,117 Million baht  
2019

Net profit - the Company

320

Million baht

267 Million baht  
2017289 Million baht  
2018320 Million baht  
2019

Dividend

0.19

Baht per share

0.16 Baht  
20170.17 Baht  
20180.19 Baht  
2019

	2017	2018	2019
<b>Financial position</b> As of December 31,			
Total assets	9,979,866	11,573,046	14,237,074
Total liabilities	4,099,149	5,494,911	8,332,576
Equity - the Company	4,823,537	4,970,782	4,725,515
<b>Operation performance (in Thousand Baht)</b> For the years ended December 31,			
Total revenues	5,569,666	5,564,767	6,117,447
Revenues from sales and services	4,722,927	4,632,682	4,192,698
Cost of sales and services	2,801,253	2,745,836	2,715,361
Depreciation and amortization	592,048	462,478	372,009
Total expenses	1,765,095	1,920,510	2,235,279
Net profit - the Company	267,038	289,838	320,217
Net profit	332,369	350,256	605,519
<b>Ratio per share (in Baht)</b>			
Net profit - the Company	0.32	0.34	0.38
Dividend	0.16	0.17	0.19 *
Book value	5.71	5.88	5.59
Number of shares (million shares)	850.00	850.00	850.00
<b>Profitability ratio (%)</b>			
Net profit margin	4.79	5.21	5.23
Return on equity	5.67	5.92	6.60
Return on assets	4.94	4.65	7.07
<b>Leverage ratio</b>			
Interest-bearing debt to equity ratio (times)	0.35	0.40	0.94
Debt to Equity Ratio (times)	0.85	1.11	1.76
Interest coverage ratio (times)	14.51	14.01	4.85

\* Interim dividend payment in replacement of the 2019 annual dividend due to the postponement of the Annual General Meeting of Shareholders ("AGM") from the situation of widespread coronavirus outbreak (COVID-19).

# The Results Of Operations And Profit Appropriation For Year 2019

The Board of Directors presents the results of operations of the Company presented in the financial statements for the year ended 31 December 2019, the unappropriated retained earnings at the beginning was Baht 1,666,583,822, deducted amount of Dusit Thani College of Baht 269,509,493, the unappropriated retained earnings was Baht 1,397,074,329.

After deducting final dividend of 2018 paid on 850,000,000 shares at Baht 0.17 per share, totaling Baht 144,500,000 (including dividend paid to treasury shares – net of non-controlling interest of Baht 801,209), the balance of unappropriated retained earnings was Baht 1,253,375,538.

**As a result of the postponement of the AGM No. 27/2020, the Board of Directors approved the interim dividend payment, based on retained earnings, in replacement of the proposed annual dividend for approval at the AGM as follows:**

	<b>Baht</b>
Unappropriated retained earnings brought forward	1,253,375,538
Unappropriated retained earnings brought forward – Dusit Thani College	269,509,493
Unappropriated retained earnings brought forward	1,522,885,031
<b>Add Profit for 2019</b>	<b>320,216,535</b>
<b>Add Transfer excess of revenues over expenses to Dusit Thani College fund</b>	<b>21,185,410</b>
<b>Add Defined benefit plan actuarial gains for 2019</b>	<b>31,925,311</b>
<b>Total unappropriated retained earnings</b>	<b>1,896,212,287</b>
Interim dividend on 850,000,000 shares at Baht 0.19 per share, totaling	(161,500,000)
<b>Unappropriated retained earnings carried forward</b>	<b>1,734,712,287</b>

The Company will pay such dividend on 17 April 2020.

# Shareholding Structure



## Remarks:

- /1 Dusit Thani PLC. (DTC) will gradually sell its shares to Central Pattana PLC. (CPN) which the final shareholding proportion will be 60:40.
- /2 DTC will gradually sell its shares to CPN which the final shareholding proportion will be 15:85.
- /3 On 19 November 2019, DTC additionally acquired 51% shares in D&J Co., Ltd. (formerly named Dusit Colours Co., Ltd.) from Colours International Co., Ltd. DTC's shareholding proportion in D&J Co., Ltd. equals 100% accordingly.
- /4 In January 2020, Dusit Foods Co., Ltd. additionally invested 19% in Epicure Catering Co., Ltd. ("ECC") according to the Share Purchase Agreement.
- /5 ECC has initially acquired 51% shares in The Caterers Joint Stock in January 2020 and will gradually acquire 19% shares and 30% shares in April 2021 and April 2022, respectively.
- /6 Dusit Thani Philippines, Inc. will enter into the Share Purchase Agreement for selling 3,599,997 shares in Dusit Hospitality Education Philippines, Inc. ("DHMC") representing 40% of the total shares of DHMC, to Fine Properties, Inc. in the Philippines in March 2020.



# Revenue Structure

## Classified by Revenues

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	2017		2018		2019	
			Revenues	%	Revenues	%	Revenues	%
1.Revenue from Hotel Business								
1.1 Revenue from Owned Hotel Business	1. Dusit Thani PCL.	100.00	1,491,422	26.78	1,437,055	25.82	660,005	10.79
	2. Dusit Thani Philippines, Inc.	88.00	691,553	12.42	691,172	12.42	700,314	11.45
	3. Dusit Thai Properties PCL.	86.79	432,966	7.77	358,964	6.45	313,000	5.12
	4. Dusit Management Co., Ltd.	99.99	1,005,172	18.05	1,030,351	18.52	930,937	15.22
	5. DMS Property Investment Pvt. Ltd.	56.41	761,170	13.66	840,068	15.10	589,417	9.64
	6. Dusit Maldives Management Pvt. Ltd.	99.99	-	-	-	-	217,213	3.55
Total Revenue from Owned Hotel Business			4,382,283	78.68	4,357,610	78.31	3,410,886	55.76
1.2 Revenue from Hotel Management Business	1. Dusit Thani PCL.	100.00	71,258	1.28	83,077	1.49	80,793	1.32
	2. Dusit Thai Properties PCL.	86.79	2,636	0.05	3,469	0.06	2,171	0.04
	3. Dusit Overseas Co., Ltd.	99.99	79,052	1.42	104,477	1.88	202,596	3.31
	4. Dusit USA Management Inc.	100.00	66,443	1.18	85,590	1.54	81,790	1.34
	5. Dusit Worldwide Co., Ltd.	99.99	5,414	0.10	6,830	0.12	4,687	0.08
	6. Share of loss from investments by the equity method <sup>(1)</sup>		(16,970)	(0.30)	(15,226)	(0.27)	(14,091)	(0.23)
Total Revenue from Hotel Management Business			207,833	3.73	268,217	4.82	357,946	5.85
Total Revenue from Hotel Business			4,590,116	82.41	4,625,827	83.13	3,768,832	61.61

Sales and Services	Company	% of shares holding	2017		2018		2019	
			Revenues	%	Revenues	%	Revenues	%
<u>2. Education business</u>	1. Dusit Thani PCL.	100.00	16,153	0.29	10,431	0.19	8	0.00
	2. Dusit Thani College	86.79	408,409	7.33	406,740	7.31	416,873	6.81
	3. Dusit Excellence Co., Ltd.	99.99	3,630	0.07	-	-	-	-
	4. Share of profits from investments by the equity method <sup>(2)</sup>		13,457	0.24	7,485	0.14	(27,376)	(0.45)
<b>Total Revenue from Education business</b>			<b>441,649</b>	<b>7.93</b>	<b>424,656</b>	<b>7.64</b>	<b>389,505</b>	<b>6.37</b>
<u>3. Other income</u>								
3.1 Rental and services	1. Dusit Thani PCL.	100.00	74,027	1.33	34,338	0.62	-	-
3.2 Dividend income			15,489	0.28	16,953	0.30	17,400	0.28
3.3 Share of profits from investments by the equity method <sup>(3)</sup>			23,234	0.42	54,009	0.97	11,972	0.20
3.4 Others			425,151	7.63	408,984	7.34	1,929,738	31.54
<b>Total Other income</b>			<b>537,901</b>	<b>9.66</b>	<b>514,284</b>	<b>9.23</b>	<b>1,959,110</b>	<b>32.02</b>
<b>Total Revenues</b>			<b>5,569,666</b>	<b>100.00</b>	<b>5,564,767</b>	<b>100.00</b>	<b>6,117,447</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. (has converted to public company limited on 16 December 2019) and in joint venture: Dusit Colours Co., Ltd. (has changed name to D&J Co., Ltd. in 2019) and The Origin Dusit Co., Ltd. (invested in Q4 2019)

### 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	2017		2018		2019	
			Revenues	%	Revenues	%	Revenues	%
Dusit Thani Bangkok	Dusit Thani PCL.	100.00	902,135	20.54	839,838	19.21	18,729	0.54
Dusit Thani Pattaya	Dusit Thani PCL.	100.00	592,127	13.48	594,819	13.60	579,688	16.86
Dusit Suites Hotel Ratchadamri Bangkok	Dusit Thani PCL.	100.00	-	-	-	-	68,871	2.00
Dusit Thani Manila	Dusit Thani Philippines, Inc.	88.00	692,367	15.77	691,172	15.81	705,478	20.52
Dusit Princess Chiang Mai	Dusit Thai Properties PCL.	86.79	133,367	3.04	135,766	3.10	126,112	3.67
Dusit Princess Srinakarin	Dusit Thai Properties PCL.	86.79	210,842	4.80	222,585	5.09	189,697	5.52
Dusit Princess Korat	Dusit Thai Properties PCL.	86.79	89,274	2.03	2,164	0.05	-	-
Dusit Thani Hua Hin	Dusit Management Co., Ltd.	99.99	382,174	8.70	390,684	8.93	296,847	8.64
Dusit Thani Laguna, Phuket	Dusit Management Co., Ltd.	99.99	488,002	11.11	520,420	11.90	530,011	15.42
DusitD2 Chiang Mai	Dusit Management Co., Ltd.	99.99	141,994	3.23	135,473	3.10	115,886	3.37
Dusit Thani Maldives <sup>(a)</sup>	DMS Property Investment Pvt. Ltd.	56.41	759,303	17.30	840,068	19.21	589,417	17.14
Dusit Thani Maldives <sup>(b)</sup>	Dusit Maldives Management Pvt. Ltd.	99.99	-	-	-	-	217,213	6.32
<b>Total revenues from owned hotels operated by Dusit Thani Group</b>			<b>4,394,585</b>	<b>100.00</b>	<b>4,372,989</b>	<b>100.00</b>	<b>3,437,949</b>	<b>100.00</b>

The restructuring of assets in relation to the Dusit Thani Maldives hotel project resulted to the recognition of revenue of Dusit Thani Maldives in 2019, the following:

<sup>(a)</sup> recognized revenue during 1 January 2019 to 24 September 2019.

<sup>(b)</sup> recognized revenue during 25 September 2019 to 31 December 2019.



# 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” and other businesses related to hotel. The Company also engages in education, property development and food business and other businesses. Details of which are as follows:

Company	Nature of Operations
<b>Hotel, Hotel Management and Other Businesses Related to Hotel</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”, “d v n urban” and “dvn”</li> <li>- Owns and operates hotel; Dusit Thani Bangkok*, Dusit Thani Pattaya</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. Both of the hotels are managed under Dusit Thai Properties Public Company Limited.</li> <li>- Manages 2 hotels in Thailand; dusitD2 Khaoyai and dusitD2 Aonang Krabi</li> <li>- Grants trademark and license to 2 hotels; Dusit Thani Krabi Beach Resort, Dusit Princess Moonrise Beach Resort Phu Quoc, Vietnam</li> </ul> <p>Remark * Under major redevelopment of new hotel project</p>
Dusit Thani Philippines, Inc.	<ul style="list-style-type: none"> <li>- Owns Dusit Thani Manila which is managed by Dusit Worldwide Co., Ltd.</li> <li>- Manages hotels; Dusit Thani Mactan Cebu, Dusit Thani Residences Davao, dusitD2 Davao, and Dusit Thani Lubi Plantation Resort</li> </ul>
Dusit Thai Properties Public Company Limited	<ul style="list-style-type: none"> <li>- Owns brand “Royal Princess”</li> <li>- Owns land and hotel building of Dusit Thani Hua Hin.</li> <li>- Owns Dusit Princess Chiang Mai and Dusit Princess Srinakarin</li> <li>- Grants trademark and license to 2 hotels; Pathumwan Princess Hotel and Royal Princess Larn Luang</li> </ul>
Dusit Overseas Co., Ltd.	<ul style="list-style-type: none"> <li>- Manages hotels in overseas; Dusit Thani Abu Dhabi, Dusit Thani Dubai, Dusit Thani Lakeview Cairo, dusitD2 Nairobi, Dusit Hotel Doha and dusitD2 Thimphu Bhutan and Dusit Doha</li> <li>- Grants trademark and license to dusitD2 Kenz Dubai and Dusit Princess Dubai Marina</li> </ul>
Dusit Management Co., Ltd.	<ul style="list-style-type: none"> <li>- An established juristic person for hotel operation for Dusit Thani Laguna Phuket, dusitD2 Chiang Mai and Dusit Thani Hua Hin to support the property management of Dusit Thani Freehold and Leasehold Real Estate Investment Trust (“DREIT”).</li> </ul>
DMS Property Investment Private Limited	<ul style="list-style-type: none"> <li>- Has owned Dusit Thani Maldives hotel which was operated until September 24, 2019 and transferred its entire business including the leasehold rights over the land and the ownership of the buildings and constructions and assets in relations to the Dusit Thani Maldives hotel project to Dusit Maldives Investment Pvt. Ltd. on September 25, 2019.</li> </ul>
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, namely Dusit Thani Guam.</li> </ul>
Dusit Fudu Hotel Management (Shanghai) Co., Ltd.	<ul style="list-style-type: none"> <li>- 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.</li> </ul>
Dusit Saudi LLC	<ul style="list-style-type: none"> <li>- 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.</li> </ul>

Company	Nature of Operations
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 the hotels under the management of Dusit Overseas Co., Ltd.</li> <li>- Provides the marketing services to the hotels in Thailand or overseas for the affiliated companies.</li> </ul>
Dusit Worldwide Maldives Pvt. Ltd.	<ul style="list-style-type: none"> <li>- Manages Dusit Thani Maldives hotel in the Republic of Maldives.</li> </ul>
Dusit Maldives Management Pvt. Ltd.	<ul style="list-style-type: none"> <li>- Subleases and leases the assets in relation with the project to operate Dusit Thani Maldives hotel as well as has been granted the rights and responsibilities by Dusit Maldives Investment Pvt. Ltd. in order to operate Dusit Thani Maldives hotel.</li> </ul>
Dusit China Capital Co., Ltd.	<ul style="list-style-type: none"> <li>- Holds shares in Dusit Fudu Hotel Management (Shanghai) Co., Ltd.</li> </ul>
Dusit Thani Properties Co., Ltd.	<ul style="list-style-type: none"> <li>- Invests in other companies</li> </ul>
D & J Co., Ltd. (Formerly known as Dusit Colours Co., Ltd.)	<ul style="list-style-type: none"> <li>- Provides the hotel management and technical consultancy related to hotel, service apartment, real estate, restaurant, spa and others as a rental, franchise and/or partially owns the business in Japan.</li> </ul>
ASAI Holdings Co., Ltd.	<ul style="list-style-type: none"> <li>- Operates hotel and hotel management business and invest in other businesses.</li> </ul>
LVM Holding Pte Ltd.	<ul style="list-style-type: none"> <li>- Invests in other companies, engaging core business of booking, and full-service management of luxury villas under Elite Havens brand.</li> </ul>
Devarana Spa Co., Ltd.	<ul style="list-style-type: none"> <li>- Operates spa business</li> </ul>
Dusit Hospitality Services Co., Ltd.	<ul style="list-style-type: none"> <li>- Provides hospitality services such as outside catering, services, restaurant and hotel pre-opening</li> </ul>
GRACE ME Co., Ltd.	<ul style="list-style-type: none"> <li>- Provides home management services and direct-to-consumer hospitality lifestyle consisting of housekeeping, laundry, dry cleaning and pest control</li> </ul>
<b>Education Business</b>	
Dusit Thani College	<ul style="list-style-type: none"> <li>- An educational institution offering courses in hotel management and administration</li> </ul>
Le Cordon Bleu Dusit Co., Ltd.	<ul style="list-style-type: none"> <li>- A French style culinary school</li> </ul>
Dusit Hospitality Management College under Dusit Hospitality Education Philippines Inc.	<ul style="list-style-type: none"> <li>- Operates an educational business in the Philippines.</li> </ul>
Dusit Excellence Co., Ltd.	<ul style="list-style-type: none"> <li>- Operates properties rental business.</li> </ul>
<b>Property Development</b>	
Vimarn Suriya Co., Ltd.	<ul style="list-style-type: none"> <li>- Operates property development business, hotels, residences and bare-shell retail shopping center under Dusit Central Park project.</li> </ul>
Suanlum Property Co., Ltd.	<ul style="list-style-type: none"> <li>- Operates retail shopping center development business under Dusit Central Park project.</li> </ul>
Phraram 4 Development Co., Ltd.	<ul style="list-style-type: none"> <li>- Assigns Saladang Property Management Co., Ltd. to sublease the land for developing the Office Project under Dusit Central Park project.</li> </ul>
The Origin Dusit Co., Ltd.	<ul style="list-style-type: none"> <li>- Develops a condominium project, The Hampton Sriracha by Origin and Dusit in Chonburi province.</li> </ul>
<b>Food Business</b>	
Dusit Foods Co., Ltd.	<ul style="list-style-type: none"> <li>- Invests in other companies.</li> </ul>
Dusit Gourmet Co., Ltd.	<ul style="list-style-type: none"> <li>- Provides marketing to food products under Dusit brand.</li> </ul>
Epicure Catering Co., Ltd.	<ul style="list-style-type: none"> <li>- Engages food and beverage catering business to the international schools .</li> </ul>
The Caterers Joint Stock Company	<ul style="list-style-type: none"> <li>- Engages Food and beverage catering business in Vietnam.</li> </ul>

Company	Nature of Operations
NR Instant Produce Public Company Limited (Registered for transformation to Public Company Limited on December 16, 2019)	- Manufactures and distributes sauces, seasonings mixes, condiments, ready to eat meals, vegetarian food and plant-based protein products.
Dusit Real Foods Co., Ltd.	- Operates a healthy food restaurant business.
<b>Other Related Business</b>	
Dusit Thani Properties REIT Co., Ltd.	- Manager of Dusit Thani Freehold and Leasehold Real Estate Investment Trust.
Dusit Thani Freehold and Leasehold Real Estate Investment Trust (DREIT)	- Invests in freehold or leasehold properties especially in hotel properties, as well as investing in others assets that favor hotel-related business by either purchase and/or lease and/or sub-lease to obtain benefits in a form of rental income (converted from Dusit Thani Freehold and Leasehold Property Fund (DTCPPF) at the end of 2017). - Owns 2 hotels; Dusit Thani Laguna Phuket and dusitD2 Chiang Mai and owns leasehold rights for 2 hotels; Dusit Thani Hua Hin and Dusit Thani Maldives.
Dusit Maldives Investment Pvt. Ltd.	- Owns Dusit Thani Maldives and support the transactions in relation to the Dusit Thani Maldives hotel project.
Dusit Thani REIT Co., Ltd.	- Holds the shares in Dusit Maldives Investment Pvt. Ltd.

### Business Operation of Each Business

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

#### 1. Hotel Business

For the Characteristic of Products and Services, the Company operates under 6 trademarks which are:

- Dusit Thani
- Dusit Devarana
- dusitD2
- Dusit Princess
- Dusit Residence
- 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.

#### A. The Company-Owned Hotel Business

##### A.1) Under Dusit Thani Plc. are 5-star hotels under Dusit Thani trademark.

- **Dusit Thani Bangkok** has opened the operations until January 5, 2019 and ceased as planned in order to redevelop as the Mixed-use project or Dusit Central Park under the concept “Here for Bangkok” of which the office buildings and commercial buildings located on the additional area of 5 rais were already demolished for the Dusit Thani Bangkok Hotel by Vimarn Suriya Co., Ltd. which has furthered demolishing the hotel's buildings since October 2019 in concurrent with bored piling work and partial basement carpark construction work where the demolition is expected to complete

around mid of 2020. The launch of residential sale will start in 2020.

The aforementioned project will further the hotel business, our core business, diversify business, maximize our potential to compete in the market and strengthen our foundation. The new Dusit Thani Bangkok Hotel and Retail Shopping Center are expected to open in 2023 while Office and Residence Building are expected to open in 2024.

- **Dusit Thani Pattaya** is located in Chonburi province, eastern Thailand, Dusit Thani Pattaya resort comprises 457 guest rooms and suites. Moreover, the property offers a comprehensive range of facilities for business and leisure travelers alike, including a choice of international restaurants, a choice of banqueting, meeting and seminar rooms, a DFIT Fitness Centre, swimming pools, tennis courts, a signature Devarana Spa, a Kids Club, a Dusit Gourmet bakery, various guest services such as limousine, outdoor tour, money exchange, babysitting, beauty salon, laundry, telephone etc.

The hotel is located on a leased land which agreement made with Siri Pattaya Co., Ltd. The period of land lease agreement is effective from January 1, 2006 to December 31, 2027.

- **Dusit Suites Hotel Ratchadamri, Bangkok** a deluxe all-suite hotel comprises 97 expansive one and two bedroom suites on a peaceful, leafy avenue opposite the green expanse of the Royal Bangkok Sports Club about 100 metres from Ratchadamri BTS station. Luxury malls, stylish restaurants and sophisticated nightlife are all within walking distance.

The hotel is located within the Rajparsong Residence starting from the 3<sup>rd</sup> up to 14<sup>th</sup> floor. Among the 97 Suites, there are 68 units and the rest of the 29 units allocated for long stay guests.

The property has one all-day dining outlet, “Dusit Gourmet” featuring Thai and International a la carte dishes. Although there is not meeting facilities, the hotel is able to convert its two bedroom suite for accommodating a private meeting of up to 20 persons. Other recreation facilities including swimming pool, kid swimming area, sun bathing deck, fitness, sauna and steam room are part of the common area where hotel and resident guests are shared.

The hotel previously managed by Minor Group under Anantara brand. After the temporary closure of Dusit Thani Bangkok for redevelopment, this property is an ideal to continue the legacy of Dusit Thani where regular guests have place to stay and receive the gracious service from Dusit Thani Bangkok’s team members who have been on board since the rebranding in May 1, 2019. Dusit Suites Hotel Ratchadamri, Bangkok is under sub-lease agreement effective from April 30, 2019 to October 30, 2038 for total of 19 years and 6 months.

**A.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, Bangkok**, a 198-key four-star hotel on Srinakarin Road. Alongside spacious and well equipped guest rooms and suites, the hotel features a selection of restaurants and lounges, meetings and events facilities, a swimming pool, and a health club and fitness centre.

**A.3) Under Dusit Thani Philippines, Inc. (Formerly known as Philippines Hoteliers, Inc.)** established in the Philippines, Dusit Thani Philippines, Inc. owns and operates the five-star Dusit Thani Manila in Makati City. The hotel comprises 486 guest rooms. The full-service hotel offers a wide range of facilities and amenities including a choice of banqueting, meeting and seminar rooms, a DFIT Fitness Centre, two outdoor swimming pools with direct beach access, four tennis courts, a signature Devarana Spa, a retail shop selling local products and souvenirs, a ‘grab and go’ bakery, a choice of international restaurants.

**A.4) Under DMS Property Investment Private Limited** set up in the Republic of Maldives, DMS Property Investment Private Limited (“DMS”) owns and operates Dusit Thani Maldives, a luxury resort on Mudhdhoo Island in Baa-Atoll. The all-villa property offers a total of 95 Villas. Alongside a range of Food & Beverage outlets, resort facilities include

a swimming pool, a water sports centre, a fitness studio, a signature Devarana Spa, a Yoga hall, a Kids Club, tennis courts, jewelry shops, retail shops, domestic flight services between Male International Airport and Dharavandhoo (Nearby domestic airport) and seaplane services between Male International Airport and resort.

On September 25, 2019, DMS already transferred all business, including the leasehold rights over the land and the ownership of the buildings and constructions, and assets in relation to the Dusit Thani Maldives hotel project to Dusit Maldives Investment Private Limited, and Dusit Maldives Management Private Limited subleases and leases the assets in relation to the operation of Dusit Thani Maldives hotel project, and accepts the transfer of the relevant rights and duties from Dusit Maldives Investment Private Limited to operate the Dusit Thani Maldives hotel and enter into relevant agreements. In addition, Dusit Thani Maldives hotel in the Republic of Maldives is managed by Dusit Worldwide Maldives Company Limited, a subsidiary of Dusit Worldwide Company Limited.

#### **A.5) Under Dusit Thani Freehold and Leasehold Real Estate Investment Trust (DREIT)**

Dusit Thani Freehold and Leasehold Property Fund (DTCPPF) was officially established on December 21, 2010. The Company subsequently invested for a 30.02% share of holding units on December 24, 2010. On September 14, 2017, Unit Holders Meeting No. 1/2017 of DTCPPF agreed by resolution to convert DTCPPF to Dusit Thani Freehold and Leasehold Real Estate Investment Trust (DREIT). Investment units of DREIT began trading on the Stock Exchange of Thailand on December 15, 2017.

Four hotels are currently under DREIT including Dusit Thani Laguna Phuket, DusitD2 Chiang Mai, and Dusit Thani Hua Hin which are leased by Dusit Management Co., Ltd., of which Dusit Thani Plc. is the major shareholder with 99.99% shares from DREIT.

Dusit Maldives Management Private Limited, a subsidiary of Dusit Management Co., Ltd. subleased, leased the assets in relation to the operation of Dusit Thani Maldives hotel and accepted the transfer of relevant rights and duties from Dusit Maldives Investment Private Limited which engages in the hotel business.

- **Dusit Thani Laguna Phuket** is located at Thalang district, Phuket province. The resort comprises 225 guest rooms and suites and is well equipped for business and leisure travelers. A swimming pool, tennis court, jogging track, water sports centre, fitness centre, spa, a selection of international restaurants, and a choice of meeting and convention rooms are among the resort’s many facilities.



- **dusitD2 Chiang Mai** is located on Chang-Klan Road, Chiang Mai province comprising 130 rooms with a Thai modern decoration and facilities.
- **Dusit Thani Hua Hin** (Leased hold) is located at 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.
- **Dusit Thani Maldives** (Leased hold) is located on Mudhdoo Island in Baa-Atoll in the Republic of Maldives. The all-villa property offers a total of 95 Villas with a range of Food & Beverage outlets, resort facilities include a swimming pool, a water sports centre, a fitness studio, a signature Devarana Spa, a Yoga hall, a Kids Club, tennis courts, jewelry shops, retail shops. In this regard, DREIT has invested in the Dusit Thani Maldives hotel project through Dusit Maldives Investment Private Limited on September 25, 2019.

2019 i.e., “Taste-Shop-Spend” or “Chim-Shop-Chai” campaign, “Travel Thailand with 100 Baht” and “Shocking Prices on Weekdays” campaign to stimulate the economy and tourism in domestic.

Tourism plays an ever more important role in the Thai economy. The National Economic and Social Development Council (NESDC) stated around the beginning of February 2019 that the tourism accounted for 18.4% (or close to one fifth) of the GDP of Thailand. It has risen from a level in 14.2% of GDP just four years earlier.

Furthermore, a relatively recent development is the ever increasing number of Chinese mainland visitors. They surpassed 10.5 million visitors in 2018, making up 27.5% of the total. Their number increased further to 10.99 million in 2019, and the increased number of Chinese visitors is quite obvious on Bangkok’s streets and in its shopping malls. In 2018 there was an alarming drop in Chinese visitors after an unfortunate boat accident in July 2018 but since then, arrivals have recovered.

#### Update 2019:

For the Q1, the number of tourists visiting in Thailand amounted to 10.8 million, increased by 2.1% YOY compared to the Q2, there were 9.0 million visitors, or 1.4% up YOY.

The Q3 was clearly more promising, especially the arrival numbers in August and September. The number of visitors increased to 9.7 million. That was 7.2% more than in the same period a year earlier.

The last quarter saw a continuation of this trend. Actually the month December saw the highest number of arrivals in one month at 3.9 million visitors, bringing about the tourists for Q4 increased by 6.4 YOY, amounted to 10.3 million visitors.

Source: Economic Tourism and Sports Division

#### 2020 and Beyond

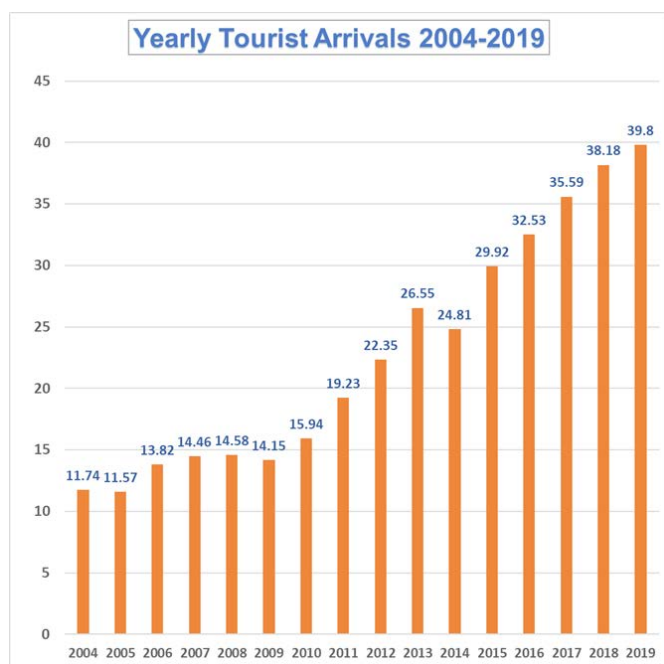
The Thai tourism industry is very important for the country and created a large chunk of Thailand’s GDP. Understandably, different measures are being taken for ever more visitors to come to the country. The last few years the Chinese visitors are very visible in Thailand, but the risk is of course, that Thailand may become overly dependent on Chinese arrivals. As we have seen during the last few years, the political disturbances and health scares, may have sudden unpleasant consequences for the tourism industry.

What is also worrying is the occurrence of air pollution in Bangkok, Chiang Mai and other provinces. Poor air quality is much in the news these days. Unfortunately, there have been poor readings of environment pollution for three consecutive years now (2017 to 2019) with air quality getting poorer from December onwards into the following months.

We cannot see much being done about the situation. Therefore, it is unpredictable whether this will at one time reach a tipping point, and tourists may start going to other countries instead of Thailand.

## Marketing and Competition

### Tourism in Thailand



The number of tourists visiting Thailand increased from 35.6 million in 2017 to 38.2 million in 2018 and now 39.8 in 2019. The increase in visitors from 2018 to 2019 was limited to 4.2%, which actually was less than Thai authorities expected quite a lot due to the fact that the tourism sector has been affected by the negative factors such as the global and Thai economic downturn, China-United States trade war, appreciation of Thai baht as well as dropped Chinese tourist numbers, resulting in the Thai government and the Tourism Authority of Thailand leading a role to support the tourism in domestic or “Thai Tiew Thai” by rolling out new stimulus measures since the middle of

## Hotel Business Performance

### Asia Pacific (APAC)

APAC GDP grew by 5% in 2019, down 0.5% YOY. The International Monetary Fund ("IMF") has estimated the outlook for 2020 at 5.1% growth. A marked deceleration in merchandise trade and investment, driven by distortionary trade measures and an uncertain policy environment, is weighing on activity, particularly in the manufacturing sector. Risks within the region include a faster than expected slowdown in China, a depending of regional tensions such as Japan's and Korea's bilateral relationship, rising geopolitical risks and increased incidence of natural disasters.

External downside risks to the outlook stem from a possible further deepening of US-China trade tensions, weaker than expected growth of key trading partners, higher oil prices and a disorderly Brexit. The COVID-19 outbreak since December 2019 has dented the global business outlook tremendously. We cannot ascertain when this outbreak will subside.

### Thailand

GDP growth grew marginally in Q3 2019, although remained weak nonetheless, as pick-up in public consumption and fixed investment growth led the slight acceleration while private consumption growth softened, and exports contracted as the downturn in the manufacturing sector intensified.

Thailand tourist arrivals in 2019 grew by 4.2% from the previous year. The overall arrivals projected to close at 39.8 million from 2018 due to the robust growth from ASEAN countries and India with China which remains the number 1 market feedback to Thailand.

Bangkok hotels' performance in general has been negative, with hotels in the Upper Midscale class decrease in RevPAR and Bangkok hotels' RevPAR fell from previous year as well.

**Dusit Thani Pattaya** revenue fell below previous year by 3% compared to the competitor set RevPAR that declined -1.9% due to lesser Business Group.

**Dusit Princess Srinakarin** outperformed its competitors in performance despite RevPAR deficit of -9.7% from previous year through Business FIT and Business Group Travelers. Ongoing construction of a new Sky Train station had a considerable impact on the demand of Business Travelers into the area.

**Dusit Thani Laguna Phuket** outperformed the competition with room revenue increase of 1.2% compared with its competitor set which fell by 8.8%. Upper Upscale class hotels in Phuket performed poorly with RevPAR drop of 8.5% from 2018, lowest level since 2015.

**Dusit Thani Hua Hin** outperformed the competitions amidst deteriorating demand and hotel renovation (April – October) with the market RevPAR falling behind last year by 11.6% and at the lowest level since 2015.

### Philippines

Economic growth slowed in the first half of 2019, lowest level in 8 years, driven by a rapid deceleration in investment growth due

to contraction in public spending and weaker global economy. Nevertheless, the Philippines expects to end 2019 with a robust 5.7% growth following a steady rise in GDP growth to 6.2% in Q3 through an upswing in Automobile trade, Household goods and Financial intermediation. The World Bank projected a growth outlook of 6.2% in 2020 through difficult external environment and domestic challenges including poverty rate which, despite a drop year on year, is still estimated to be at 20.8% in 2019 and forecasted to drop to 19.7% in 2020.

Tourist arrivals to the Philippines reached 6.1 million between Jan – Sep 2019, up 14.3% YOY. South Korea topped the top 10 supply market list followed by China while the US and Japan came in 3<sup>rd</sup> and 4<sup>th</sup> place respectively. The arrival number is expected to reach 6.9 million by year end and continue to grow to 7.05 million in 2020 according to Trading Economics.

In 2019, Dusit Thani Manila Gross Operating Revenue exceeded previous year by 4% which outgrew the market of over 42,000 room keys of existing supply according to STR (December 2019). Dusit Thani Manila's target in 2020 is expected to face challenges to achieve both occupancy and ADR as Q1 RevPAR has already been negatively impacted due to the Taal volcano eruption and the COVID-19 outbreak.

The opening of Dusit Thani Cebu, DusitD2 Davao, Dusit Thani Residence Davao and Dusit Thani Lubi Plantation in 2019 will enhance our brand exposure in our key source markets i.e. South Korea, Japan and Philippines.

### Maldives

Maldives's economic growth has been strong in recent years, driven by tourism, commerce, and construction. GDP growth reached 7.5% in 2018 and the outlook in 2019 is projected to remain stable but slightly tame at 6.5% with moderate inflation. Tourism sector (over a third of total GDP) will remain a major contributor to the growth. As major construction projects started to unwind, supply in the Maldives is expected to exceed 47,000 room keys by the end of 2019.

Tourist arrivals to the Maldives in 2019 have reached 1.7 million, highest in the history according to figures reported by the Tourism Ministry with the most arrivals from Europe followed by Asia Pacific. The most number of visitors from a single country was from China which made up 16.7% of total tourist arrivals to Maldives in 2019.

Notwithstanding the record tourist arrivals to the Maldives, resorts in the Luxury and Upper Upscale class performed poorly with -0.3% RevPAR decline YOY as the key feeder market, China tend to stay in lower category hotels. Dusit Thani Maldives outperformed its competitive set despite YOY RevPAR decline of 2.4% while the competitor hotels RevPAR fell short of last year by 5.5%, the lowest level in 5 years. China, South Korea and Russia remain the key feeder markets to the resort and will continue to be in 2020, bundled with securing business from emerging markets, the resort might face challenges to achieve RevPAR growth this year due to massive cancellations from such key source markets as China and Korea due to COVID-19 outbreak.

## China

In China, GDP growth slowed to 6.2% YOY in Q2, reflecting the heightened trade tensions and the lagged impact of regulatory financial tightening. High-frequency indicators has contributed to weak activity in Q3 at 6%, its weakest rate in 27 years. China is battling weakened domestic spending and a prolonged trade war with the US that will continue to impact Chinese exports.

According to the IMF, growth is expected to decline moderately, following a turbulent market condition, to 6.1% and 5.8% in 2019 and 2020 respectively due to the adoption of new distortionary trade measures by the US and China.

China Inbound Tourism arrivals are expected to increase 1% YOY. Domestic tourism revenue generated CNY 5.6 Trillion, up 9.5% while Outbound Tourism trips are expected to increase 11%. Top outbound travel destinations are Japan, Thailand and Korea while the culture and tourism ministry reported double-digit growth in booking volume went to emerging markets like Croatia and Slovakia.

## Bhutan

Bhutan's economy continues to be dominated by hydropower and its economic relationship with India. Growth estimate shows a rebound to 5.5% in 2019 after a deceleration to 4.6% in 2018. Risk factor includes its heavy reliance on India with 80% of Bhutan's imports from India and the Bhutanese Ngultrum is pegged to the Indian Rupee thus inflation between the 2 countries is closely linked. Growth is expected to increase to 7.2% on the back of increase in hydropower exports from the new on-boarded Mangdechhu plant.

Tourism contribution to GDP remains fractional though it is growing with more tourist arrivals and continuing an upward projectile in the last 7 years though the growth rate has dropped steeply in 2018 despite a record tourist arrivals of over 250,000 visitors to the country. The trend is projected to remain in 2019.

Following a ramp up year in 2019, DusitD2 Yarkay Thimphu expects to grow RevPAR in 2020, driven by occupancy.

## United States of America (USA)

### Guam

Guam Visitor's Bureau (GVB) estimated tourist arrivals in 2019 at 1.6 million, up 7% YOY with the highest market feeder from Korea followed by Japan, the two source markets that made up 79% of the total arrivals in 2019.

Tourist arrivals in 2020 is projected to be up 5%, reaching 1.75 million for the year by diversifying its market mix to aggressively target China, Russia and Taiwan.

Hotels in the Luxury and Upper Upscale class performed solidly in 2019, with RevPAR up 5.8% YOY through a mix of occupancy and ADR. In Dusit Thani Guam's competitive set, RevPAR increased 5.3% YOY.

Dusit Thani Guam outperformed the market and its competitors with RevPAR growth of 6.5% YOY. Leisure FIT travelers from South Korea and Japan made up 94% of the hotel's business with production increase from Japan. Other emerging markets include Taiwan and Australasia/Pacific. Food and Beverage revenue increased 18% YOY with the Hotel's Gross Operating

Revenue up 9.7%. Dusit Thani Guam will be focusing on increasing ADR to achieve targeted RevPAR in 2020 to make up for the lost revenue from massive Korean cancellations because of the COVID-19 situation.

## Middle East

### The United Arab Emirates (UAE)

UAE Central Bank reported a grow by 2.3% in 2019 due to rising public and private spending at the federal and emirate levels, higher investment ahead of the Dubai Expo 2020 event and continued regional economic recovery. The IMF projected 1.6% growth in GDP YOY for 2019 and 2.5% in 2020 driven by activities surrounding Dubai Expo, together with both Abu Dhabi and Dubai's implementation of fiscal packages, while the recent interest rate cut by the US Federal Reserve, which the UAE Central Bank followed given the dollar peg, should support private sector credit growth. The risks around the forecast are skewed towards the downside and are highly dependent on global factors like trade tensions, oil price volatility, disorderly Brexit and recent political tensions in the region.

In 2019, Dusit Thani Dubai RevPAR was below previous year, in line with the market as the Upper Upscale class hotels in Dubai performed 13.6% below 2018. Market condition in Abu Dhabi and Dusit Thani Abu Dhabi, on the other hand, showed a strong performance with RevPAR exceeding last year.

Both hotels forecast RevPAR uplift in 2020 in anticipation of improvement in demand from Dubai Expo 2020.

## Qatar

Several positive indicators in 2019 suggested an upswing in non-oil activity. Visitor arrivals is up 12% by Q3 2019 with India, USA and UK as top market feeders to the country. IMF projected an upward growth in GDP by 2% in 2019, an increase from 1.5% in 2018, and is expected to achieve 2.8% growth in 2020.

On the supply side, 1,436 new room keys were added to the market by Q3 2019. As such, Qatar currently has a total of 26,778 room keys across 128 properties available in the market, representing a 4% increase in room supply compared to the close of 2018.

Dusit Doha Hotel and Dusit Hotel & Suites Doha opened in May 2019 with positive performance ramp up compared to the market in the Upper Upscale sector.

## Africa

### Egypt

The World Bank forecasts that Egypt's economy would grow by 5.5% through sustaining its robust growth, fiscal outturns improvement and stabilizing external accounts. Gas, tourism, wholesale and retail trade, real estate and construction sectors have been the main drivers of growth. Net exports of goods and services inched up, private investment increased while unemployment decreased. Egypt is at the end of a three-year economic reform program tied to a \$12 billion loan from the International Monetary Fund, which has been disbursed in full. Outlook for 2020 is solid with 5.9% growth expected in 2020.

Gross Operating Revenue increased 6% at Dusit Thani Cairo, driven by strong performance in Food and Beverage as well as Rooms. The hotel is expecting revenue growth in 2020.

## Kenya

GDP is projected to grow by 5.6% by The World Bank. While the medium-term growth outlook is stable, recent threats of drought and continued subdued private sector investment could drag down growth in the near-term. The growth forecast for 2020 stands at 6% though increased layoffs due to the depressed private sector. Profit warnings by listed firms as well as high rates of unemployment, all dampen the country's economic prospects.

dusitD2 Nairobi was closed as the hotel undergone renovation from January to August 2019. Fully operating in 2020, the hotel is expected to ramp up its performance by re-acquiring key corporate accounts that were relocated during the renovation.

## Sales Key Initiatives

The Company have stayed on course to focus on direct bookings through selective chain-level agreements with direct connectivity. Wholesale dynamic booking platform was launched to facilitate direct bookings with Dusit Hotels & Resorts to minimize rate disparity.

In the pipeline, Dusit Hotels & Resorts has established a plan to generate incremental revenues across all properties through event creations at the properties offering interactive activities with guests from the city as well as overseas. The events present unique experiences from farm to table cooking experiences to famous presenters of interesting or cultural topics and much more.

In 2019, we launched the Future Leader Program with the aim of retaining talents within the company in preparation for expansion of Dusit Hotels & Resorts worldwide. We further enhanced sales synergy through corporate sales training across African, Middle East and Asian regions.

## E-Business

The group continues to push for direct online bookings as a priority. Increased investments in key digital media such as Google Search and Metasearch yielded substantial web traffic increase (+54% vs 2018). Dusit.com delivered THB 298.9M in booking revenue in 2019 (+20.3% vs 2018) and it represented 13.5% of all Dusit's online business.

## Branding and Loyalty Marketing

1. Dusit Hotels and Resorts is one of the most-liked hotel brands on Social Media. With over 1.1M followers on Facebook at the end of 2019 (+47% vs 2018), placing ourselves in the top 5 of international hotel chains together with Marriott, Accor, Hilton and Shangri-La.
2. In 2019, a brand update of the hotel brands Dusit Thani and dusitD2 has been conducted, to be launched and rolled out from Q1 2020.
3. The main focusing for our Dusit Gold loyalty program in 2019 was to increase membership value and member transactions. Some key strategies included:
  - a. Development of a new member portal to improve the overall design and usability.
  - b. New exclusive member room discount benefit that applied to all rates on Dusit.com
  - c. Partnerships with strategic partners to offer value added benefits, e.g. airport business class lounge access, special air fare offers, luxury cosmetics events, etc.

4. By the end of 2019, Dusit Gold has more than 1,320,000 members in total, an increase of 54% over 2018. Dusit Gold member stays accounted for 17.7% of all guest stays in 2019.

## Partnership Marketing

1. In 2019, we focused on securing new bank and airline partners in South East Asia and Middle East, securing new partnerships with Vietnam Airlines, Cebu Pacific, Air Astana, Bank of Communications(China), Riyadh Bank, HSBC (Middle East), Metropolitan Bank (Philippines), UOB and DBS (Singapore), as well as others business partners in Middle East to support our marketing activities. Such partnerships generated over THB 9.6M in revenue through various promotions to their member bases.
2. Besides partnerships, Dusit also participated in reward redemption programmes such as Krungthai credit card, Bank For Agriculture and Agricultural Cooperatives, Bangkok Airways, Thai Airways, American Express and Krungsri credit card, producing THB 24M in revenue from hotel redemptions.

## Corporate Advertising

1. In 2019, we focused mainly on digital advertising, including Google search engine and online ads on Facebook, Instagram, Line and WeChat. These platforms generated over THB 45 million in revenue, with around 30 million views. In addition, we started online ads on Naver, Korea's number one search engine, after we launched our Korean language website, as Korea is one of our top Asian markets.
2. For print advertising, we showcased our Dusit brand image ads at tradeshow such as ITB Berlin, ATM Dubai and SATTE India, in order to sustain brand awareness in those key markets during these important tradeshow.

## Corporate Public Relations

In 2019, our PR activities focused on creating activities or news relevant to the company's long-term growth strategy and also towards strengthening the company's good reputation. Our key messages were divided into the following areas:

1. Balance: We developed news and materials related to Dusit's financial results to explain how the company is balancing its revenue and profits from domestic and overseas sources.
2. Expansion: We developed materials to highlight our existing operations, new hotel openings/signings, and our expansion across the lodging spectrum.
3. Diversification: The materials we created also raised awareness of new investments that align with Dusit's diversification strategy, such as the acquisition of food businesses and the launch of Dusit Central Park.
4. Reputation/Brand Awareness: Including the promotion of awards, and the launch of Baan Dusit Thani, amongst others.



There were 86 PR activities and related news in 2019, generating positive media coverage totalling 5,297 with a potential reach of 393,153,266 views on global mainstream and digital media. The PR value of media coverage is equivalent to an advertising expense of THB 731,266,370.

## B. Hotel Management Business

### Characteristic of Products and Services

Management hotels and resorts are as follows:

**B.1) “Dusit Thani”** Dusit Thani Hotels & Resorts are positioned within the 5-star / upper-upscale category and operated under the brand “Dusit Thani”. Such operations include the grant of use for the trademark “Dusit Thani” (Licensing) under the standards of service provision controlled by the Company. All hotel management and licensing agreements are entered into by Dusit Thani Plc.

**Dusit Thani**

HOTELS & RESORTS

*Renowned, full-service brand which artfully delivers gracious, Thai-inspired hospitality.*

The Dusit Thani Brand is a renowned, up-market, full-service brand which embodies the richness and tradition of Asian culture, they are calm, fragrant and colorful, with each 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 within close proximity to central business districts and major attractions of each destination. They offer exceptional infrastructure and services for all occasions, including special celebrations and major business and social events.

**B.2) “Dusit Devarana”** The luxury Dusit Devarana provides an exceptional enclave for those who lead truly global lives. The key differentiator being the properties are carefully 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’ perfectly meeting an individual’s leisure or business needs. This is transfused through devotion to understanding individuality of needs and delivering individuality in experience.

**DUSIT DEVARANA**

HOTELS & RESORTS

*Refined sanctuaries in distinctive destinations offering the utmost in personalized 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.

**B.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 traveler; a smart and happening place to stay. Offering a refreshing take on destinations, the upscale dusitD2 brand promises to inspire and energize.

**dusitD2**

HOTELS & RESORTS

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

dusitD2 hotels & resorts are strategically located within key business and entertainment precincts. As destinations in their own right, 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.

**B.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.

**DUSITPRINCESS**

HOTELS & RESORTS

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

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

**B.5) “White Label Hotel Managed by Dusit”** White Label Hotel Managed by Dusit Thani Plc. with the standard of 3-star hotels or more is an independent hotel, the design stands out with comfortable, thoughtful and creative touches. The exterior is designed to convey a warm friendly welcome and a good first impression, clearly defined from its surrounding area. The location is easy access to main transportation, business area, entertainment, leisure activities or resort destination.

## White Label Hotel Managed by Dusit

*Efficient, Practical-Functional, Interactive and Pleasant with all basic services appropriate for market.*

## Development Overview

In 2019, we continued our expansion and enhanced the geographical balance of our portfolio by opening nine properties across five countries. We further entrenched our presence within Thailand, the Philippines, China, Vietnam, Qatar and the UAE. As such, we now operate 37 hotels across 11 countries.

## New Openings in 2019

- Dusit Suites Hotel Ratchadamri, Bangkok (Thailand)
- dusitD2 Davao (Philippines)
- Dusit Thani Mactan Cebu (Philippines)
- Dusit Thani Residences Davao (Philippines)
- Dusit Thani Sandalwoods Resort, Guangzhou Huizhou (China)
- Dusit Thani Wetland Park Resort Jiangsu Nanjing (China)
- Dusit Thani Wujin, Changzhou (China)
- Dusit Doha (Qatar)
- Dusit Princess Residences Dubai Marina (UAE)

In this regard, the Beach Club at Lubi Plantation Island (Philippines) opened in 2019, was rebranded as Dusit Thani Lubi Plantation Resort which has already been operated under Dusit Thani brand.

Throughout 2019, a total of 15 new projects were signed across all Dusit brands, predominantly under Hotel Management and Franchise Agreements.

## Hotel signings in Asia Pacific

In Asia Pacific, we signed 13 properties in 2019, including:

- Dusit Suites Hotel Ratchadamri, Bangkok (Thailand)
- dusitD2 Samyan, Bangkok (Thailand)
- @Mosphere Beach Resort, Managed by Dusit, Krabi (Thailand)
- Dusit Thani Hoi An (Vietnam)
- Dusit Tu Hoa Palace Hanoi (Vietnam)
- Dusit Princess Kathmandu (Nepal)
- Dusit Princess Boracay (Philippines)
- Dusit Thani Hot Springs Resort Wugongshan, Jiangxi (China)
- Dusit Thani Resort, Jiangxi, Huangshan (China)
- Dusit Thani Dali, Yunnan (China)
- Dusit Thani Wujin Changzhou, Changzhou (China)
- Dusit Thani Hot Springs Resort Ganzhou, Jiangxi (China)
- Dusit Princess Ganzhou, Jiangxi (China)

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

In EMEA, we signed 2 properties in 2019, including:

- Dusit Princess Residences Dubai Marina (UAE)
- dusitD2 Adventure Resort Jebel Akhdar (Oman)

## 2020 Development Outlook

The Company will continue to build upon the strong momentum established towards the end of 2019, anticipating the opening of 10 hotels comprising 9 hotels in overseas (Asia Pacific, China and Middle East) and 1 hotel in Thailand (ASAI Chinatown Hotel) within 2020. However, the Company is in the process of revising the projection which may change upon the spread of the Coronavirus 2019 (COVID-19) outbreak.

In the pursuit of our target of reaching 150 operating and pipeline hotels by 2023, the group is tracing well over 60 potential projects, having a particular focus on: achieving scale in the Philippines, Vietnam and China which are witnessing strong traction; and entry into new territories such as Japan and India where we aim to leverage upon our strong presence in tourism service business for both domestic and overseas.

## Marketing

The Dusit brand has been promoted in order to gain management agreements for new hotels through the following processes:

- Participation and as guest speaker at hotel business investment meetings worldwide
- Supporting South East Asia Hotel Investor Summit 2019 (SEAHIA)
- Supporting THINC Sri Lanka 2019
- Supporting HICSA Mumbai 2019
- Nurturing connections with major operators within the tourism industry i.e. real estate developers, investment advisors and resource operators
- Employing effective tools in promoting the business expansion of Dusit via various channels of social media
- Using print advertisement in marketing promotions

## Competition

Throughout the past 5 years, global competition within the hotel management sector has been pretty high, due to an increase in hotel groups and hotel brands, with this being further compounded due to an overall decline in hotel development projects. These factors have contributed to a decrease in hotel management fees and more flexible terms and conditions. However, the growth outlook for the Asia region is seen as positive, predominantly due to positive changes in both population and the economy. In 2019 the Company continued its strategic expansion, concluding a greater number of Hotel Management Agreements within overseas territories such as the Philippines, Vietnam, China and Oman, resulting in an increase of its revenue proportion from the hotel management business.

## B.6) ASAI Holdings Company Limited

ASAI Hotels is an Asian-inspired collection of hotels connecting curious travelers to vibrant local neighborhood. With inside knowledge and personal recommendations, ASAI Hotels are your access point to the thriving, collective creative energy and the diversity of local life in cities around the world. Unpretentious and welcoming, with thoughtfully smaller rooms and larger communal spaces influenced by local and contemporary design, we put people and their experiences front and centre.

## Nature of business

ASAI Hotels is the new brand of Dusit Group operated by ASAI Holdings Co., Ltd., which was publicly announced on April 4, 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.” The first ASAI Hotels, ASAI Bangkok Chinatown, is formerly slated to open in the early of 2020. Due to the spread of the tremendous COVID-19 outbreak which has not been resolved yet, this project has been considered the postponement of its opening for the maximum security to the Company, employees, and community.

ASAI Hotels distinguishes itself from traditional services by introducing technologies to facilitate and provide new booking experiences for travelers 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 neighborhood. Nowadays travelers prefer to do so more sustainably. Without property operating yet we are continuing our well executed workshops under the name of “Waste to Worth”. We have constantly kept every single aspect of sustainability in our mind as a good practice for everyone. Following our commitment to provide broadened experiences for our customers across the lodging spectrum and deliver sustainable, enduring value for all our stakeholders, ASAI Hotels is perfectly positioned to meet these needs in the affordable lifestyle segment. Our lean luxury concept also serves as an attractive and economical option for owners and developers who want to create a quality, original property without the costs associated with a typical full-service hotel.

#### **Marketing and Competition**

It's widely agreed that smart technology, unique design, high quality and authentic local experiences are imperative to the millennial travelers. When travelling, they do not spend lots of time in their hotel room; they use lobby spaces to both work and socialize. And they're willing to stay in smaller rooms as long as the hotel is close to local attractions and has sustainable ties with the community.

ASAI brand will enhance our business potential to cover a wider group of customers. The main target group is millennial-minded travelers 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 0.32 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.

#### **B.7) LVM Holdings Pte. Ltd.**

LVM Holdings Pte. Ltd. (“LVM Holdings”), a subsidiary of Dusit Overseas Co., Ltd., purchased in 2018, consists of nine companies incorporated in several countries in South East Asia region and engaged in the business of marketing, booking, and full-service management of luxury villas under the Elite Havens brand. Currently their villa portfolio extends to Indonesia, Thailand, Japan, Sri Lanka, and the Maldives. LVM Holdings has firm future expansion plans in Thailand, Japan and Sri Lanka and plans to expand into Australia and Europe.

In 2019, LVM Holdings acquired 100% of shares in Niseko Gourmet Co., Ltd. in Japan, engaging in catering business to support LVM Holdings' core business.

#### **Nature of business**

Now in its 22<sup>nd</sup> year of operations, Elite Havens is the leading luxury vacation rental company in Asia. It markets a curated portfolio of 270\* luxury villas and chalets located in the prime holiday destinations of Bali, Lombok, Phuket, Koh Samui, Sri Lanka, and Niseko.

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	171	79
Thailand	68	47
Japan	18	18
Sri Lanka	5	5
Maldives	8	0
<b>Total</b>	<b>270</b>	<b>149</b>

\*As of December 31, 2019

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 summer vacation 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 and Selong Selo Residences (Lombok, Indonesia), Ambassador's House (Galle, Sri Lanka), and Villa Seshu (Niseko, Japan).

#### 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 pre- arrival 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 75,000 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.



## Marketing and Competition

At the top levels of the market are high-end villas with associated luxury services. This market segment is serviced by specialized 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 1960's, 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 1980's. 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 seven 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. Further acquisitions are planned for 2020.

## B.8) Wellness & Spa

### • Devarana spa

Spa business is operated under Dusit Thani PLC. with 11 locations; 3 in Thailand and 8 overseas.

3 Devarana Spas in Thailand are at

- Dusit Thani Pattaya
- Dusit Thani Hua Hin
- DusitD2 Chiang Mai

8 Devarana Spas overseas are at

- Dusit Thani Manila
- Dusit Thani Maldives
- DusitD2 Nairobi Kenya
- Dusit Thani LakeView Cairo
- Dusit Thani Guam, USA
- Dusit Devarana Hot Springs & Spa Conghua
- Dusit Thani Dongtai, Jiangsu
- Dusit Doha Hotel in Qatar

## 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.

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 including a superb variety of skin treatments.

## Marketing and Competition

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, life style magazines in different countries and bloggers/influencers.

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.

### • Namm Spa

Namm Spa is part of Dusit International, one of Thailand's leading hotel and property development companies with a fast-growing global presence. Our outlets can currently be found at:

**Hotel-based**

- Dusit Thani Abu Dhabi
- Dusit Thani Dubai
- DusitD2 Yarkay Thimphu, Bhutan
- DusitD2 Davao, Philippines
- DusitD2 Mactan, Cebu, Philippines

**Stand alone shop**

- Samyan Mitrtown, Bangkok, a new flagship branch opened in September 2019, also offers a wide range of beauty treatments.

**Products or Services**

Our own line of body treatment products includes freshly made body scrubs made from all-natural ingredients, and a selection of massage oils that blend the finest quality cold-pressed oils with specially formulated pure essential oils. For facial treatments, we use products from renowned French skincare brand, Algotharm. For our concept, 'Namm' is the Thai word for water. It also serves as an acronym for our four-pronged spa concept – Natural, Aroma, Massage, and Marine – which has been designed to promote overall well-being through a choice of invigorating and calming wellness therapies.

For facial treatment, Namm Spa uses products with global well-known brand, Algotharm which is the pioneer marine cosmetics and thalassotherapy, established since 1962 in France and won AsiaSpa Award in the category of "Best Spa Brand" in 2009.

Our skillful therapists have been trained to deliver a wide variety of massage therapies, spa programmes and beauty treatments. Offering the ultimate in relaxation, our Namm Spa Signature Massage combines three massage techniques – Thai, Lomi Lomi, and Abhyanga – to soothe the mind, body and spirit.

**Marketing and Competition**

Marketing strategy is done through digital marketing tools such as hotel and Namm Spa's websites, Facebook, Line Application and Instagram. Moreover, it has been done through selected guidebooks, life style magazines in different countries and bloggers/influencers.

For comparison in the same level, Namm Spa's competitors would include Panpuri Spa, Divana Spa and Oasis Spa.

**C. Businesses related to hotel****C.1) Baan Dusit Thani****Products or Services**

Baan Dusit Thani, located in Soi Saladaeng, Bangkok and formally opened on September 18, 2019, is a unique standalone destination designed to delight, inspire, evoke fond memories, and continue the distinctive hospitality heritage of Dusit Thani for regular customers and new generations who like the lifestyle, socializing with friends in cozy and private ambiance. Dusit developed and elevated new concepts, each set within a different heritage building, include Benjarong Thai Restaurant, Thien Duong Vietnamese Restaurant created delicious dishes

by chefs from Dusit Thani Bangkok Hotel, and Dusit Gourmet in café & bistro style to meet consumers' preferred lifestyle. Moreover, we provide the Dancing Hall for organizing events and Garden bar with poolside for hanging out at night time.

**Strategies**

- Refresh brand image as a space to socialize and hang out as well as to expand to new target consumers while maintaining Dusit's loyal customers.
- Create brand awareness and brand recognition to the target market including Thai and international audiences.
- Communicate to target market about the brand's product and services.
- Generate new consumers especially with millennials and foreigners including expats.

**Marketing and Competition**

A restaurant business has expanded in 2019. It has been supported by restaurant business operators who foresee an opportunity in this business due to the fact that food is still essential for the livings. As the customer behavior has changed, technology has been implemented into the business to connect customers and business management in order to meet the customers' needs such as advertisement and food ordering and delivery. Moreover, people nowadays pay more attention to health by exercising and consuming healthy food and change their behavior of eating and drinking. Health care trends are more popular in society. Therefore there is a development and design of healthy food which is more suitable for all ages.

The competition of the restaurant business continues to escalate in the present. Operators need to adjust their quality and service strategies including discount promotions by using social media platforms such as Facebook and Instagram as a channel to promote their restaurant in order to be top of mind and have more customer's base.

However, Baan Dusit Thani created itself to be more than just a restaurant which is different from other restaurants. It is also a learning center where arranges workshops and festival activities such as Food Sketching, Chocolate Craft Workshop, Candle Making Workshop and Movie night in the garden etc.

**C.2) Dusit Hospitality Services Co., Ltd.****• Dusit on Demand****Products or Services**

Dusit on Demand is one of business units under the management of Dusit Hospitality Services Co., Ltd. In order to make utmost benefits from Dusit Thani Bangkok well-experienced staff, the company, therefore, has launched the new services comprising of cleaning service, engineering service, gardening service, private event service including stewarding. In regarding to environmental impact, no plastic straws are used. Cleaning products are from Ecolab certified by Green Seal, a non-profit environmental standard development and certification organization in the US. Its flagship program is the certification of products, services, restaurants and hotels.

## Marketing and Competition

Currently, there are many cleaning and facilities service companies for office buildings, apartment, factory in the market. However, most of them are focusing on public cleanliness, not keen to provide 5 stars cleaning standard especially in guest room area. “Dusit On Demand” is the perfect business model to introduce its well-trained resources to fill in the gap where other competitors encounter with the limitation know-how. Our clients are high-end markets e.g. hotels, luxury residence etc. The 60% comes from 4 to 5-stars hotel as they require specific skills for guest room cleaning. With Dusit Thani Bangkok remaining housekeeping staff, the hotel clients could save their training hours and budget by outsourcing our services.

Apart from the above expertise and skills, our differentiation is to hire only “Thais” to assure Dusit gracious hospitality is delivered. Moreover, our engineers have ability not only to do the fixing but to consult the energy consumption saving. Embassy is other customer segment usually require our resources for their private function. The well-trained waiter, chef, steward are regularly sent to run the service flow on site.

Mostly competitors, namely PCS Security and Facilities Service Ltd, ISS Thailand Co., Ltd., N.A.P Service and Trading, Certainly Co., Ltd. have played in the same market with long history and a great number of staff, focusing on public area cleaning more than room cleaning services.

- **Dusit Event**

### Products or Services

Dusit Event is one of business units under the management of Dusit Hospitality Services Co., Ltd. Among all the new business units launched after Dusit Thani Bangkok's closure, “Dusit Event” is the only one unit that could continue their services without any disruption. Full team staff both service & kitchen remain on board to provide the same standard of Dusit Thani Bangkok catering service, therefore, the revenue has been generated consistently since January 2019.

## Marketing and Competition

“Dusit Event” is still the key player with its long history and remarkable reputation while majority of the team members have over 20 long-service year. Their experience and good relationships with regular clients, meeting and event organizers are firm and strengthened. Dusit Event has gained “trust” to be part of the royal banqueting, official events hosted by government sectors, corporate meeting etc. Going beyond expectation, personalized service is delivered, so too the element of surprises such as implementing logo in the food presentation. Furthermore, with fast response to the specific requirement, Dusit Event remains as top list catering service provider in the market in resulting to 100% over the budget for the year 2019.

At present, there are high demand in the market, at the same time, there are many competitors include 5-stars hotels such as Mandarin Oriental, Grand Hyatt Erawan Bangkok, Sheraton Grande Sukhumvit, event company, Impact Catering etc. All these competitors have good reputation and experience in the field.

## C.3) GRACE ME Co., Ltd.

### Nature of business

GRACE ME Co., Ltd., established in July 9, 2019, is a technology and service company which provides direct-to-consumer hospitality lifestyle and home management services on-demand and in-location, consisting of housekeeping, laundry, dry cleaning, and pest control, which will expand to lifestyle services ranging from private catering to flower delivery, using advanced algorithms, digital platform, and communication technology to deliver customer experience and personalization. GRACE ME Co., Ltd. aims to use eco-friendly and allergy-free cleaning solutions and equipment which offer almost non-existent impact on the environment.

All GRACE ME service providers will be trained and certified through Dusit Education institutions to ensure consistently high service quality.

### Marketing and competition

The operating geographic area of GRACE ME Co., Ltd., is within Bangkok Metropolitan Region with global development opportunities. The main target market is middle to upper-middle class condominium residents who work and live in the city along mass transportation lines. These are either local or expat owner-residents and renters who look to improve the quality of their in-home living but need the right recommendations and solutions.

GRACE ME Co., Ltd. aims to provide hospitality lifestyle and home management services that are value-driven. This corresponds to the growing demand and marketing sizing of the middle to upper-middle class who are time-starved yet seek to improve the quality of their in-home living but need the trusted recommendations. The marketplace for hospitality services at home is fragmented, mainly consisting of many independent providers, some small to medium-sized businesses and a handful of referral services that suffer from lack of scale, low quality standards, and rivalry among existing competitors. GRACE ME Co., Ltd., will differentiate from the competition and gain customer loyalty and market share by delivering consistently high-quality services through its people, partnerships, hospitality know-how, and customer-centric approach.

## 2. Education Business

It is our great pride that Dusit Hospitality Education (DHE) has inherited the esprit of Dusit 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.

Education business consists of:

#### **A. Dusit Thani College Products or Services**

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

##### **A.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 certified 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, 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 2020.

##### **A.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.

##### **A.3) Dusit Thani Excellence Centre (DTEC)**

Dusit Thani Excellence Centre was established in October 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, 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 1,065 square meters in the 7-storey 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.

##### **College'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 22 years. Dusit Thani College has been trusted and permitted by the Department of Skill Development, the Ministry of Labor, to be the assessment 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 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
- Institut Paul Bocuse, France – student and faculty exchange program
- University of Houston, USA – student and faculty exchange program

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)

Furthermore, all graduate and undergraduate programs of Dusit Thani College are accredited by The International Centre of Excellence in Tourism and Hospitality Education (THE-ICE) which is the only higher education institution in Thailand.

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. Moreover, Dusit Thani College's journal has been certified by Thai-Journal Citation Index Centre (TCI) to be a journal in Group 1, comprising the content and form as international standard and was also selected into the data of ASEAN Citation Index (ACI).

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 including Jeju Local Cuisine Competition 2019 in South Korea, The Hong Kong International Culinary Classic 2019, Hong Kong SAR. In addition, Dusit Thani College student is also Thailand representative to participate in World Skills 2019 in Russia.

For more than 27 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 2,748 students. The College has produced 7,415 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 in all levels of education offerings;
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.

#### Expansion strategy

##### *Expanded product offering strategies*

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 2022. 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;

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.

#### **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, cruise management, event management, 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 88:12 (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 89:11 in 2019). 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, experience based-transferred 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 other programs will be 70:30 (compared to 88:12 in 2018).

##### *Balance at Dusit Hospitality Education*

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.

## 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, the 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. Other level of academic offerings will also be expanded in order to diversify our products and service offerings such as vocational and executive education.

## Competitive conditions

Tourism is a service industry that plays an important role in driving Thailand's economic system. It causes investment, employment and income distribution to many localities. Therefore, many potential higher education institutions in Thailand have more offered the Tourism and Service Industrial Programs in order to produce manpower to meet the requirement of the Tourism and Service Industry of Thailand. Meanwhile Thailand has entered into the aging society which impacts a decrease of school age populations, it causes a slower expansion and a decrease of labors in the country in the future. It is an opportunity for Thailand to expand its products and services in terms of tourism, medical and health service. With those positive and negative factors, Dusit Thani College has planned to transform its courses and educational management to be in line with social conditions, current market demand and a number of students in Bachelor Degree which has been reduced. As the competition on tourism and service industry is expected to be more intensified in the future, Dusit Thani College must also plan to develop more short courses for skill enhancement as well as academic services in professional covering hospitality services business to be in line with the changing social environment.

## B. Le Cordon Bleu Dusit Culinary School

### Products or Services

Le Cordon Bleu Dusit Culinary School is a joint investment with the 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 Programmes – Diplôme de Cuisine, Diplôme de Pâtisserie. Both culinary diploma programs are made of three separate level courses delivered on weekdays and Saturdays. The combination of the two diplomas leads to a Grand Diplôme
- Professional Thai Cuisine
- The Art of Bakery
- Wine Studies and Cocktail Courses
- Barista Course
- Culinary Discovery short courses and workshops

Le Cordon Bleu Dusit (LCBD) 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 Schools are globally recognized institutions that have offered culinary and hospitality courses for 124 years. Currently, it has schools and partnerships with 35 other educational institutions in 20 countries, attended by 20,000 students annually.

Due to the temporary closure of the Silom Road Dusit Thani Group's office and Hotel complex in December 2018, Le Cordon Bleu Dusit Culinary School has relocated to the 17<sup>th</sup> to 19<sup>th</sup> Floor of the Central Tower at Central World located at No. 4, 4/5 Ratchadamri Road, Pathumwan District, Bangkok. The LCBD School opened its doors to students on January 21, 2019.

Currently, the school enrolls many different nationalities in all its programs. Most Thai students are training in Western, Pastry, Bakery and Thai Cuisines whilst many Overseas students are seeking to learn the secrets of Thai Cuisine. Students are instructed by teams of classically trained chefs and teachers who have years of experience working in senior positions in the world's finest hotels and Michelin starred restaurants.

Over the years, LCBD School has trained many successful entrepreneurs, chefs, food journalists, stylists, and sommeliers. All Alumni have access to a large network of contacts and friends from around the world.

## C. Dusit Hospitality Management College (DHMC)

### Products or Services

Dusit Hospitality Education Philippines (DHEP) Inc, 40% owned by Dusit Thani Philippines (DTPH), operates two brands in the recently constructed 27-storey building in Bonifacio Global City: dusitD2 The Fort Manila and Dusit Hospitality Management College (DHMC). Twelve floors in this new building are dedicated to the College and exclusively equipped for hospitality, tourism and culinary education. DHMC is a unique hospitality education concept that exemplifies blended learning, integrating traditional classroom learning with online learning and real-world learning in front-office, housekeeping, kitchen and service whereby DHMC students work in the dusitD2 hotel and restaurant operations under the supervision of experienced hospitality professionals as part of their education program.

On August 5, 2019, Dusit Hospitality Management College opened its doors to welcome its first twelve students in Dusit's Bachelor of Science in Hospitality Management Program certified by Ecole hôtelière de Lausanne (EHL). Ultimately DHMC aims to enroll 1,200 students in a variety of certificate, diploma, Bachelor and professional programs, in the fields of hospitality, tourism and culinary arts. The 125-room dusitD2 the Fort Manila is scheduled to open in 2020.

In March 2020, DTPI will enter into the Share Purchase Agreement for selling 3,599,997 shares in DHMC or equivalent to 40.00% of total shares of DHMC to Fine Properties, Inc. in Philippines.

### 3. Property Development

#### A. The Mixed-Use Property Development Project Products or Services

The Mixed-Use Property Development Project (Mixed-Use Project) is a joint investment between Dusit Thani Public Company Limited with Central Pattana Public Company Limited, operating through subsidiary and associate companies. The project is called “Dusit Central Park” under concept of “Here for Bangkok” comprises of the new Dusit Thani Hotel Bangkok, residential project under the brand of Dusit Residences and Dusit Parkside, a retail shopping center and an office building. The total investment value is approximately Baht 36,700 million. This investment is developed on 23-2-2.72 rais of land (approximately 9.4 acres) 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 building project through Saladang Property Management Company Limited which Phraram 4 Development Company has been 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 5-0-74.52 rais from 18-1-28.20 rais which Olympia Building, Thai Insurance Building and 9 blocks of commercial buildings were previously 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. The prime residential areas located at the opposite of Lumpini Park, the big greenery area of Bangkok, which can also utilize a large green roof park on top of podium area with space

of around 10,000 square meter. This is the most important and the most unique aspect that differentiate Dusit Central Park from other projects in Thailand. The Company is confident that this project will definitely be a new Bangkok landmark similar to what Dusit Thani Hotel Bangkok has embarked its history which will also strengthen the Dusit brand over half century ago.

Dusit Thani Bangkok Hotel has ceased its operations since January 5, 2019 as planned. The old 9 blocks of commercial buildings and office buildings in the 5 rais were already demolished for the Dusit Thani Bangkok Hotel by Vimarn Suriya Co., Ltd. which has furthered demolishing the buildings since October 2019 in concurrent with bored piling work and partial basement carpark construction work where the demolition is expected to complete around mid of 2020. The launch of residential sale will start in 2020.

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

**B. Condominium Project: Hampton Sriracha by Origin and Dusit**  
Hampton Sriracha by Origin and Dusit is the joint venture condominium development between Origin Property Public Company Limited and Dusit Thani Public Company Limited at proportion of 51 and 49, through “The Origin Dusit Company Limited”. The joint venture company was established on July 11, 2019 with a registered capital of 320 million baht. This project is located in Sriracha, Chonburi.

#### Products or Services

The company had jointly invested with Origin Property Public Company Limited to develop condominium for sale under the name “Hampton Sriracha by Origin and Dusit”, located in the heart of Sriracha, Chonburi, opposite the Tukcom. It is situated on 2 rai 1 ngan 31 square wah land plot, developed into the 26-story residential building with 468 units and 3 shops. The project value is approximately 1,400 million baht. The condominium will be launched in the Q2 2020 and the construction is expected to be completed within 2021.

#### Target Market

Managements or executives, entrepreneurs, foreigners, Expats working in the Sriracha as well as investors.

#### Strategy

Expand business to real estate that is consistent with the main strategy growth, which creates a balance in generating income and return in a short term. In addition, there are the opportunities and growth potential of the property market in the EEC, the strategic location supported by the government.

#### Marketing and competition

Focusing on the location, which is opposite the Tukcom, the center of Sriracha, Chonburi, and situate in the Eastern Economic Corridor (EEC), which has only 12 minutes away from the 3 high-speed train Sriracha stations, and only 10 kilometers from the Laem Chabang port.

Sriracha is considered one of the most potential growth district in the EEC. There are several industrial estates nearby, such as, Laem Chabang Industrial Estate, and many more new industrial



estates to come. It is close to the developing international logistics center; Laem Chabang Port Phase 3. Moreover, the location is neighboring to the Digital Industrial Promotion Innovation Zone, or Digital Park Thailand, which is Mega Project and New Landmark of technology companies as well as startups in Thailand on an area of over 700 rai of land.

According to the Real Estate Information Center (REIC), in the first half of 2019, demand in the residential market in the Eastern Economic Corridor (EEC) slightly decreased in both the number of units and the value transferred comparing to the those in 2018, which residential buyers in the area have been affected by the new Bank of Thailand Mortgage Control or new LTV policy. However, the impact is less than those in Bangkok and its vicinity. This is because most of the buyers in the EEC are purchasing for their own living.

#### 4. Food business

##### A. Dusit Foods Company Limited

###### Nature of Business

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 (“Dusit Foods”) was established in March 5, 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 (registered for transformation to Public Company Limited (“NRF”) on December 16, 2019), a manufacturer and distributor of international food in Thailand.
- In 2018, the establishment of Dusit Gourmet Company Limited – NRF holds 10% of shares in the company to create a food retail brand of Dusit.
- In 2019, the 51% first share acquisition in Epicure Catering Company Limited, a catering service provider for the cafeteria of international schools in Thailand. Dusit Foods acquired additional shares at 19% in January 2020, resulting in an increase of its share proportion held in Epicure Catering Co., Ltd. at 70% according to Share Purchase Agreement.

###### 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.

##### B. NR Instant Produce Public Company Limited

###### Nature of Business

NR Instant Produce Public Company Limited (“NRF”) 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. NRF 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.

In 2019, NRF has invested in The Brecks Company Limited, a leading company in producing plant-based sausage with a large production capacity in the United Kingdom, enhancing its potential of a liquid-product packaging with a one hand squeeze called V-Shape. It also signed an acquisition agreement to acquire City Food Company Limited, a food manufacturer, in order to support the growth of the Company. Besides, NRF has filed a request to be listed in Market for Alternative Investment (MAI) on February 3, 2020 with purposes of utilizing the raised funds for its liquidity management, debt repayment and project investment in the future.

###### 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.

###### 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 conditions

Thai food export industry is growing continuously especially in the category of sauce. In 2018, the market of sauce industry valued at THB 21,982 million, an increase of 4.7% or THB 991 million from the last year. An increase of market value has been following Thailand’s market mechanism, economic and industrial conditions. However, Euromonitor International expected that the market value of sauce industry in Thailand will be THB 23,109 million, an increase of 5.1% from the last year. Its average growth is at 4.4% from 2015 to 2019 which is mainly due to the growth of soy sauce products. 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.

### C. Dusit Gourmet Company Limited

#### Nature of Business

Dusit Gourmet Company Limited is a company that creates Dusit's food retail brands that the third party produces and then 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.

In 2019, Dusit Gourmet Co., Ltd. started distributing its products to hotels in Dusit group as well as promoting its brands by other marketing activities such as THAIFEX World food of Asia in Thailand on May 28 - June 1, 2019, FEAST PORTLAND on September 12-15, 2019 and CIA World of Flavours in United States of America on November 6-8, 2019 in order to expand its brand, "Khong Thai", which is mastered by Chef David Thompson, with a good response.

#### 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

- 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.

#### 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 Suzi 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.

### D. Epicure Catering Company Limited

#### Nature of Business

Epicure Catering Company Limited ("ECC") 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 provide services under 40 long-term contracts, mainly to International Schools in Thailand. Some of the clients in Thailand include, Harrow International School, International School of Bangkok (ISB), St Andrews International School, Bangkok Prep International School. In Southeast Asia, the company started to provide services to flagship school in Cambodia in 2015 to International School of Phnom Penh, and entered Vietnam in 2017 to provide services to leading international schools such as United Nations International School of Hanoi and the British International School of Hanoi. 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.

In 2019, ECC maintained its growth level as its plan. For Q1 2020, ECC signed the Share Purchase Agreement to acquire 100% of shares in Caterers Joint Stock Company ("Caterers"), Vietnam market leader in providing F&B services to the education sector, operating 40 long term fixed contracts. With this acquisition the company now has more than 80 contracts with over 1,300 employees and continues to further strengthen throughout the region.

### Strategies

In Thailand, the company is currently providing services to 40 schools which include many famous schools such as International Schools in Thailand. Some of the clients in Thailand include, Harrow International School, International School of Bangkok (ISB), St Andrews International School, Bangkok Prep International School. 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 years 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.

### Competitive conditions

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. 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.

## E. Dusit Real Foods Company Limited

### Nature of Business

Dusit Thani Group aims to expand a business into a food group by focusing on healthy food market. The key is to have the product which made from natural ingredients, organic and to support farmer and local communities. Dusit Real Foods Company Limited was founded in year 2019, a joint venture between Dusit Foods Company limited (51%) and Real Foods (Africa) Company limited (49%).

Main business of Dusit Real Foods is to operate "Quick Service Restaurant" based on a franchise business model under the brand name "KAUAI (คา-ว-อี)". KAUAI has a strong heritage of making healthy eating easy, delicious and convenient for over 24 years with more than 165 stores across South Africa and Europe. Dusit Real Foods Company Limited received an exclusivity to operate and expand the brand in Thailand as well as Asia Pacific.

Key trusted partner of KAUAI global is Virgin Active whereby majority of Virgin Active outlet will also have KAUAI restaurant. In Thailand, the first location of KAUAI outlet is within Virgin Active Wisdom 101. The business plan is to expand the branches to many locations across Thailand with focus on delivery & central kitchen concept.

### Market Growth

The trend of healthy food is apparently growth lead by Millennials generation who contribute major growth in health food in Thai and globally.

### Strategies

- Use the concept of the Global Brand KAUAI (คา-ว-อี) that has been recognizing as delicious, convenient and nutrition dense from reliable sources by adjusting some menus to suit Thailand market in term of flavors and ingredients.
- Open Kauai store in Virgin Active at True Digital Park 101 and expand to another Virgin Active in Thailand.
- Open Kauai store in the department store and community mall to be able to serve more customer.
- Co-Promotion with delivery vendor such as Line Man and Food Panda.
- Coordinate with the organizations that focus on healthy such as insurance.

### Competitive conditions

Nowadays the consumer behavior pays more attention to health, resulting in the competitors of food market group with the competitive rivalry on price and service including comfortable and quick optimized information access. To make the KAUAI stay ahead of competitors, we are focusing to deliver enriched values to our customers which are Quality of ingredients which is diet agnostic but customizable, Nutrient dense, Taste as well as quick & easy access to healthy food.

## 5. Other businesses

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

#### Nature of Business

The Company operates and manages trust and it is currently a trust manager for Dusit Thani Freehold and Leasehold Real Estate Investment Trust (“DREIT”). 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 which is well-equipped for business and leisure travelers. A swimming pool, tennis court, jogging track, water sports centre, fitness centre, spa, a selection of international restaurants.
- **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.
- **Dusit Thani Maldives** (Leased hold) is located on Mudhdoo Island in Baa-Atoll in the Republic of Maldives. The all-villa property offers a total of 95 Villas with a range of Food & Beverage outlets, resort facilities include a swimming pool, a water sports centre, a fitness studio, a signature Devarana Spa, a Yoga hall, a Kids Club, tennis courts, jewelry shops, retail shops. In this regard, DREIT has invested in the Dusit Thani Maldives hotel project through Dusit Maldives Investment Private Limited on September 25, 2019.



# 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 Factors

In 2019, the Company has continued to manage risks via its established risk management committees. Nevertheless, there are other unprecedented risks or those deemed unlikely to materialize. Therefore, all risk information described herein this report is not exhaustive. Investors should also be aware of such unidentified risks and their potential impacts to the Company. Due consideration should be given prior to any investment decision being made.

### 1. 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 its intended strategies which can be caused by:

- **Risk from the global economic recession and geopolitical issues**

The world's economic recession, trade tensions between United States and China, and the uncertainty over Brexit, have, in 2019, adversely affected the global tourism industry especially among Chinese markets. The Company, likewise, could not escape such risks. 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 and Dusit Foods—for example;
- Expanding and 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;

- **Risk from Digital Disruption**

Undoubtedly, technologies have revolutionized the way organizations run their businesses; their ability to compete in the market relies on how effective and fast they can adopt new technologies. Failure to pave up with such changes may result in the loss of competitive advantages or business opportunity. To mitigate the said risk, the Company has developed its long-term IT Roadmap to support technological needs and leverage its technological resources to achieve the Company's future goals. In order to do so, experienced management team were assigned 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 high competition**

#### Hotel Business

Thailand's hospitality and service industry has continued to be highly competitive due mainly to the increase of supplies especially in high potential tourist destinations such as Bangkok and Phuket. This includes mixed-use developments which are expected to open in the next 3 to 5 years. All together have led to the excessive supply situation in the country.

In addition, the behavioral change of today's customers towards alternative accommodation-Airbnb, Timeshare, Serviced Apartment and Homestay, for instance—has also intensified the market competition. The dramatic growth of Online Travel Agents, such as Agoda, Booking.com and Expedia has, likewise, affected the Company's market shares.

In response to such risks, the Company has been renovating its hotel facilities on a regular basis and has placed great emphasis on its competitive advantages as being a pioneer of Thai centric 5-star hotels in the country. As for sales and marketing, regional offices have been opened in different locations, e.g., China, Hong Kong, Dubai and London, 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.

### Food Business

Restaurant business has been facing competitiveness challenges from freestanding and hotel restaurants. In addition, consumer behaviors have gravitated towards a more unique dining experience, not to mention the increasing popularity of food delivery service which affects the number of dining guests.

In response to this risk, the Company has modernized the food concept and presentation in its hotel restaurants, making it more attractive to ever-changing customers. In addition, a new dining venue named Baan Dusit, which houses the formerly well-known Dusit Thani Hotel's restaurants together under one roof, has also been opened. This is not only to generate additional revenue to the Company, but also to allow Dusit brand to be remembered in the market and to serve as a place to understand customer behaviors for the developments of the Company's future restaurants.

- **Risk from Revenue Reliance on Hotel Business**

The Company's revenue is mainly contributed from its hotel business; while other businesses generate auxiliary revenue at a lesser amount. As of December 31, 2019, the revenue from hotel business accounts for 61.73% of the total revenues; whereas the revenue generated by food business is at 6.57%, education at 6.36% and other businesses at 25.34%. Therefore, the Company's ability to generate revenues and profits may vary according to the health of its hotel business which is extremely susceptible to economic, political and social uncertainties.

To cope with such risk, Investment and New Business Department was formed to diversify and expand the Company's portfolio to other potential businesses. Dusit Food, for instance, was established to leverage Dusit's food and beverage business. In 2019, Dusit Real Foods was set up to operate healthy food business under the trademark KAUAI. The Company has also joint-ventured with Origin, a real estate developer, under The Origin Dusit Co., Ltd. As for its hotel business, the Company has still embarked on increasing its hotel management services overseas especially in those promising regions such as United Arab Emirates, Qatar, Philippines, Vietnam and China, including Europe and Africa. 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 has entrenched to expand its hotel management service in both domestic and overseas locations under the management agreement terms of 2-15 years. Therefore, the Company is exposed to the risk of premature cancellation, denial to renew and contractual change of such agreements, which can impact the Company's gross revenues.

In 2018 and 2019, the Company earned 3.99% and 5.02% of its 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 Demographic Change**

Aging population together with declining birth rate in Thailand and other countries around the globe is expected to be a challenge for the Company as follows:

### Hotel Business

The Company has long been operating in Thailand with a success in fostering guest loyalty. It is, however, foreseen that the travel frequency of advanced age travelers is likely to decrease. On the contrary, millennial travelers whose lifestyle and traveling behavior might not match with Dusit brand are on the rise. To mitigate the risk, the Company has developed its sub-brands, e.g., Dusit D2 and ASAI, to attract different age groups and lifestyles. Alongside the establishment of new brands, Dusit Thani brand has also been revamped, giving it a contemporary look that can still accentuate its Thai unique experience. The Company has also leveraged its digital marketing communications, ensuring that target customers are being reached effectively.

### Education Business

It is foreseen that declining birth rate in Thailand can exert a negative impact over the Company's education business. In addition, an increase of educational institutions and online education may pose a risk to the company's revenue generation. To cope with this risk, a long-term business strategy was developed and implemented. For examples, new curriculums—hybrid program and short courses, for instance—were introduced to the market aiming at those who are interested in career changing or skill enhancement. The Company has also joined forces with the world's leading hospitality schools to strengthen its academic competitiveness.

- **Risk from New Investment Projects**

Alongside its hotel and education business expansion plan, the Company has entrenched to venture into new businesses, both inside and outside Thailand. This brings with it various risks which are inherent to new business investment such as change of investment value, Joint Venture selection, contractual obligation, operation and related regulations.

Nevertheless, to mitigate such risks, the Company has developed a set of prudent investment criteria. Feasibility studies for each project are stringently conducted by external investment experts. Furthermore, the Company has established its own Investment & New Business Department which is led by seasoned management team. And in 2019, Portfolio Management team was designated to ensure that existing investment projects will perform as planned.

## 2. Operational Risks

The Company has continuously improved its working procedures and related systems to ensure the highest degree of efficiency to support the Company's expansion plan. 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 skilled 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.

- **Business Disruption Risk**

Hospitality industry is known to be highly volatile to external factors—economic recession, political unrest, outbreak, natural disasters, terrorist attacks and other unprecedented and inevitable events, to name a few. To reduce the impact of such events, the Company has instituted the following policies:

- Crisis management plan including Business Continuity Plan are developed to ensure effective preparedness and business resilience;
- Various insurance programs, e.g., Industrial All Risk, Political Violence, Business Interruption, are in place to reduce possible financial losses.

- **Cyber Security Risk**

As information technology plays a vital and integral part of day-to-day business operations, the Company is exposed to data security risk which can result in operation disruption, financial or reputational loss. To mitigate this risk, the Company has:

- Improved its data security system, both hardware and software, making them up to date to cope with new cyberattacks. This includes Offsite Data Backup;
- Raised its employee awareness in relation to cyber security via regular trainings arranged by external parties and workplace communications;
- Developed its IT Business Continuity Plan to ensure crisis handling preparedness. Cyber insurance is also in place.

## 3. 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 December 31, 2019, the Company and its subsidiaries has current liabilities with financial institutions, worth in total of Baht 4,458.60 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, 2019, the Company and its subsidiaries have long-term loan worth in total of Baht 2,686.60 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 658.71 million and of which Baht 1,115.45 million for the long-term loan of Dusit Thani Public Co., Ltd. (the outstanding amount is Baht 1,086.95 million).

For the long-term loan made under Peso, 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. 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, 2019, the Company has settled the said principals including the interests thereof in a timely manner. In addition, the Company has maintained its debt-to-equity ratio at 1.76:1, which is in accordance with the conditions stipulated in the loan agreement.

# Shareholders

## Top 10 shareholders

Details of 10 major shareholders and other minor shareholders as of 30 December 2019 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	145,238,320	17.09
3. Ananda Development Public Company Limited.	42,500,000	5.00
4. Mr. Chatri Sophonpanich	42,389,600	4.99
5. Mr. Vichit Chinwongvorakul	33,240,000	3.91
6. Thai Life Insurance Public Company Limited	21,882,430	2.57
7. Mrs. Jarunee Chinwongvorakul	20,503,000	2.41
8. Thai NVDR Company Limited	17,136,638	2.02
9. Mr. Sahanun Chentrakul	8,390,000	0.99
10. Dusit Thani Properties Company Limited	4,715,000	0.55
<b>Total</b>	<b>760,470,668</b>	<b>89.47</b>
Minor shareholders	89,529,332	10.53

Registered and paid-up capital of Baht 850,000,000 comprising 850 million ordinary shares with a par value of Baht 1

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



**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 2019, 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. *

\* Credit Rating as of Year end 2019

**(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 of 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 2019, the Company paid dividend for the year of 2018 by retained earnings appropriation at Baht 0.17 per share to the shareholders at a number of 850 million shares, totaling Baht 144.50 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	2018	2017	2016	2015	2014
1. Profit (loss), excluding Dusit Thani College	Million Baht	269	214	36	100	(88)
Profit (loss) - Dusit Thani College	Million Baht	21	53	78	99	67
<b>Total profit (loss)</b>	<b>Million Baht</b>	<b>290</b>	<b>267</b>	<b>114</b>	<b>199</b>	<b>(21)</b>
2. Number of share <sup>(A)</sup>	Million shares	850	850	850	85	85
3. Profit (loss) per share, excluding Dusit Thani College	Baht/Share	0.32	0.26	0.04	1.18	(1.03)
Profit (loss) per share - Dusit Thani College	Baht/Share	0.02	0.06	0.09	1.18	0.79
<b>Total earnings (loss) per share</b>	<b>Baht/Share</b>	<b>0.34</b>	<b>0.32</b>	<b>0.13</b>	<b>2.36</b>	<b>(0.24)</b>
4. Dividend for the year	Baht/Share	0.17	0.16	0.10	1.20	1.00
5. Dividend amount	Million Baht	*144.5	*134.3	*85	*102	*85
6. Dividend paid per profit (loss), excluding Dusit Thani College	%	50	63	236	102	-

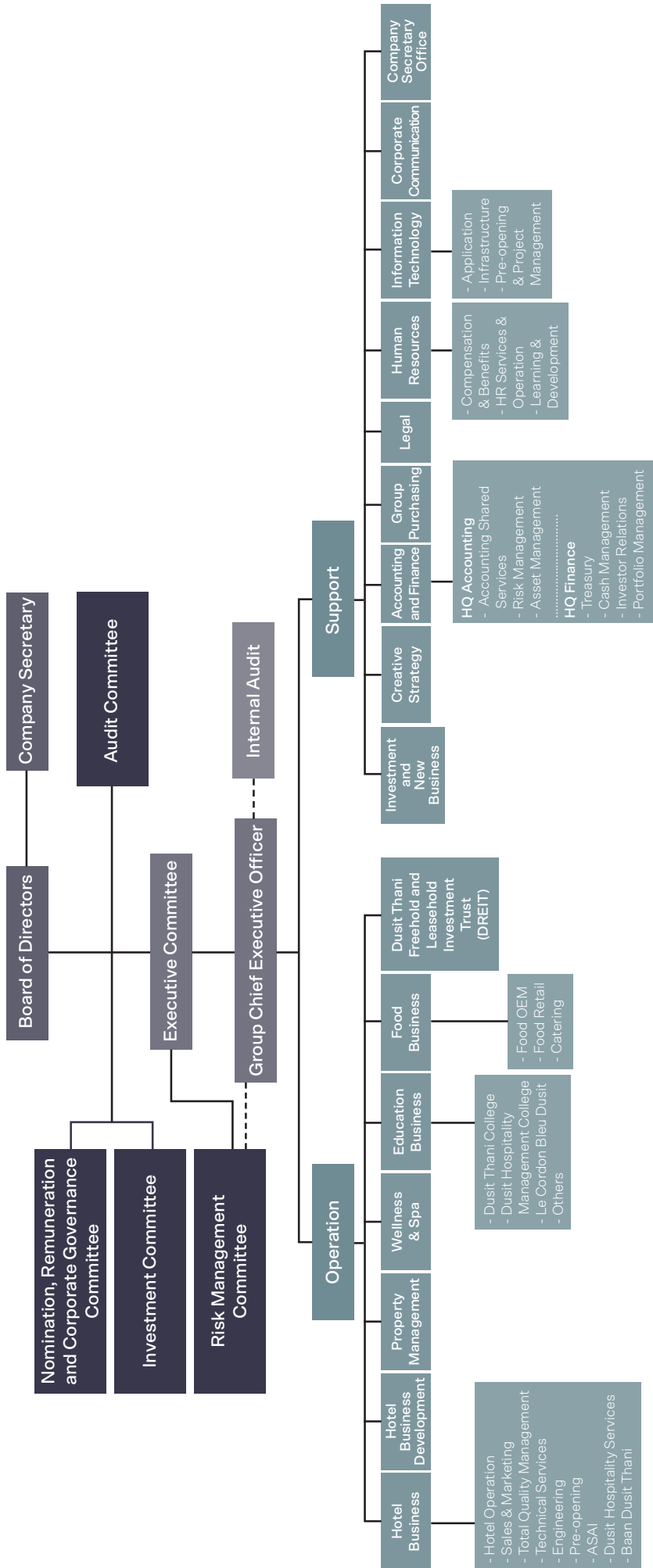
**Remarks:** \* Appropriated from retained earnings

(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.

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 2019



## Board of Directors

As of December 31, 2019, the Company had Thanpuying Chanut Piyaoui as Founder and Advisor to the Board of Directors, Professor Sansern Kraichitti and Mr. Sakdi Kiewkarnkha as Advisor to the Company. The Board of Directors consists of 12 directors as follows:

No.	Director	Position	No. of meeting attended	
			Board of Directors	Non-Executive Director Meeting <sup>/1</sup>
1.	Mr. Arsa Sarasin	Independent Director / Chairman	12/14	1/1
2.	Professor Hiran Radeesri	Independent Director / Chairman of the Audit Committee /	14/14	1/1
3.	Mrs. Pranee Phasipol	Independent Director / Member of the Audit Committee	13/14	1/1
4.	Mr. Teerapol Chotichanapibal	Independent Director / Member of the Audit Committee	13/14	1/1
5.	Prof. Dr. Kittipong Kittayarak	Independent Director / Member of Nomination, Remuneration and Corporate Governance Committee	9/14	1/1
6.	Prof. Emeritus Dr. Khunying Suchada Kiranandana	Independent Director / Chairperson of Nomination, Remuneration and Corporate Governance Committee	13/14	1/1
7.	Mr. Pakhawat Kovithvathanaphong	Independent Director / Chairman of Investment Committee	12/14	1/1
8.	Mr. Somprasong Boonyachai	Independent Director / Member of Investment Committee	12/14	1/1
9.	Mrs. Varang Chaiyawan	Director / Member of Nomination, Remuneration and Corporate Governance Committee	11/14	1/1
10.	Mr. Chanin Donavanik	Vice Chairman / Chairman of the Executive Committee / Member of Investment Committee	14/14	-
11.	Mrs. Sinee Thienprasiddhi	Director / Executive Director	13/14	-
12.	Mrs. Suphajee Suthumpun <sup>/2</sup>	Director / Executive Director / Member of Investment Committee / Group Chief Executive Officer	14/14	-

**Remark:** \* General Prem Tinsulanonda, Advisory Chairman of the Company, passed away on May 26, 2019.

<sup>/1</sup> The Non-Executive Director Meeting was convened on January 29, 2019.

<sup>/2</sup> Mrs. Suphajee Suthumpun was appointed as Investment Committee Member effective on February 1, 2020

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 29, 2019 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, 2019 compared to that of December 31, 2018 is as follows:

Dusit Thani Public Company Limited									
No.	Name	Shareholding							
		Held by himself/herself		Held by Related Party		Total		Increase (Decrease)	
		2019	2018	2019	2018	2019	2018		
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	423,489,440	423,389,440	424,475,680	424,475,680	-	0
11	Mrs. Sinee Thienprasiddhi	460,240	560,240	-	-	-	-	-	-
12	Mrs. Suphajee Suthumpun	-	-	-	-	-	-	-	-
<b>Total (shares)</b>		<b>986,240</b>	<b>1,086,240</b>	<b>445,400,520</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. Suphajee 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, 2019

No.	Name	Position
1.	Mrs. Suphatee Suthumpun	Group Chief Executive Officer
2.	Mr. Narongchai Wongthanavimok *	Group Chief Financial Officer - Finance & Portfolio Management
3.	Mr. Sukit Ngamsangapong	Chief Financial Officer
4.	Ms. La-eat Kovavisaruch	Chief Investment Officer
5.	Mrs. Chitanong Poomipark	Chief Legal Officer
6.	Mr. Boon Kwee Lim	Chief Operating Officer
7.	Dr. Niramol Jindanuwat	Chief People Officer
8.	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, finance and portfolio management departments according to the definition of the Securities and Exchange Commission Notification.

In 2019, executives who are not Directors did not hold/ purchase/ sell the Company's share except Mr. Siradej Donavanik holds 103,120 shares.

### Company Secretary

The Board of Directors Meeting No.7/2016 held on September 29, 2016 approved the appointment of Miss Mantanee Surakarnkul as a Company Secretary, effective on October 1, 2016 with profile appearing under topic "Board of Director, Executives, Authorized Persons and Company Secretary.

#### 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 in 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.

### Remuneration for Directors and Management

The Company has set up the fair and reasonable compensation to directors. The Nomination, Remuneration and Corporate Governance Committee will consider the remuneration by considering together with the appropriateness of work and responsibilities of each director, the Company's financial position and comparing with other companies in the same level business. The remuneration for the year 2019 was as follows:

#### Remuneration in Cash

##### 1. Meeting Remuneration:

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

- Monthly remuneration: Chairman is Baht 40,000 and other directors is Baht 20,000 each.
- Meeting remuneration: Chairman is Baht 25,000 and other directors is Baht 15,000 each.

#### Remunerations to the Sub-Committees 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.
- Nomination, Remuneration and Corporate Governance Committee:
  - Meeting remuneration to Chairman is Baht 20,000 and other members is Baht 15,000 each.
- Investment Committee:
  - Meeting remuneration to Chairman is Baht 20,000 and other members is Baht 15,000 each.

### 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 becoming 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.

**2. Annual Remuneration:** The annual remuneration to Directors is considered and approved by the Annual General Meeting of Shareholders. In 2019, the summary of remuneration received by each director was as follows:

Name	Year 2019						
	Board of Directors					Other Committee*	Total Remuneration
	Monthly Remuneration	Meeting Remuneration	Off-site Meeting Remuneration	Non-Executive Directors Meeting Remuneration <sup>/1</sup>	2018 Annual Remuneration	Remuneration	
1. Mr. Arsa Sarasin	441,665	275,000	25,000	25,000	222,350	-	989,015
2. Professor Hiran Radeesri	240,000	195,000	15,000	15,000	111,150	715,000	1,291,150
3. Mrs. Pranee Phasipol	240,000	180,000	15,000	15,000	111,150	465,000	1,026,150
4. Mr. Teerapol Chotichapibal	240,000	180,000	15,000	15,000	111,150	405,000	966,150
5. Prof. Dr. Kittipong Kittayarak	240,000	135,000	-	15,000	111,150	30,000	531,150
6. Prof. Emeritus Dr. Khunying Suchada Kiranandana	240,000	180,000	15,000	15,000	111,150	105,000	666,150
7. Mr. Pakhawat Kovithvathanaphong	240,000	165,000	15,000	15,000	111,150	145,000	691,150
8. Mr. Somprasong Boonyachai	240,000	165,000	15,000	15,000	111,150	105,000	651,150
9. Mrs. Varang Chaiyawan	240,000	150,000	15,000	15,000	111,150	120,000	651,150
10. Mr. Chanin Donavanik	240,000	195,000	15,000	-	111,150	-	561,150
11. Mrs. Sinee Thienprasiddhi	240,000	180,000	15,000	-	111,150	-	546,150
12. Mrs. Suphatee Suthumpun	240,000	195,000	15,000	-	111,150	-	561,150
<b>Total Remuneration</b>	<b>3,081,665</b>	<b>2,195,000</b>	<b>175,000</b>	<b>145,000</b>	<b>1,445,000</b>	<b>2,090,000</b>	<b>9,131,665</b>
<u>Advisors <sup>/2</sup></u>							
1. Professor Sansern Kraichitti	100,000	75,000	-	-	111,150	-	286,150
2. Mr. Sakdi Kiewkarnkha	100,000	75,000	-	-	111,150	-	286,150
<b>Total Remuneration</b>	<b>200,000</b>	<b>150,000</b>	<b>-</b>	<b>-</b>	<b>222,300</b>	<b>-</b>	<b>572,300</b>
<b>Total (Baht)</b>	<b>3,281,665</b>	<b>2,345,000</b>	<b>175,000</b>	<b>145,000</b>	<b>1,667,300</b>	<b>2,090,000</b>	<b>9,703,965</b>

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

/1 Non-executive directors meeting was convened on January 29, 2019.

/2 Time period from January 2019 to May 2019.



## Remuneration for the Board of Directors

Remuneration*	Amount (Baht)	
	Year 2018	Year 2019
Monthly and meeting remuneration	6,196,003	7,686,665
Annual remuneration	1,343,000	1,445,000
<b>Total</b>	<b>7,539,003</b>	<b>9,131,665</b>

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

## Remuneration for Executives

The Board of Directors has set up Executives remuneration policy. The Nomination, Remuneration and Corporate Governance 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 approved 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 2018-2019 were as follows:

Year	Amount (Person)	Amount (Million Baht)		
		Salary and bonus	Other benefits	Total
2018	7	69.22	18.31	87.53
2019	8	75.40	10.06	85.46

## 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 2019, the contribution for provident fund paid by the Company for 8 Executives was Baht 2.79 million.

## Human Resources

## Total Employees

In 2019, the Company has 3,316 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 12 hotels.

### Employees' Remuneration

In 2019, the Company paid employees' remuneration in the amount of Baht 662.40 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 1,207.80 million with the following details:

Year 2019	Hotel Employees (person)	Executives (person)	Corporate Office Employees (person)	Total (person)	Employees' Remuneration (Million Baht)
Dusit Thani Plc.	456	23	229	708	662.4
Dusit Thai Properties Plc.	315	1	0	316	109.9
Dusit Management Co., Ltd.	849	2	0	851	324.7
Dusit Worldwide Co., Ltd.	0	8	46	54	122.7
Dusit Thani Properties REIT Co., Ltd.	0	1	4	5	7.0
Dusit Gourmet Co., Ltd.	0	1	14	15	8.1
ASAI Holdings Co., Ltd.	0	1	7	8	11.6
Dusit Hospitality Services Co., Ltd.	296	0	0	296	113.5
Dusit Thani Philippines, Inc.	453	1	0	454	232.2
Dusit Overseas Co., Ltd.	2	0	0	2	6.1
DMS Property Investment Pvt. Ltd. / Dusit Maldives Management Pvt. Ltd.	264	1	0	265	131.8
Dusit Thani College	342	0	0	342	140.3
<b>Total</b>	<b>2,977</b>	<b>39</b>	<b>300</b>	<b>3,316</b>	<b>1,870.2</b>

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

## Employee Development Policy

In 2019, 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, which were allotted at the same number as of 2018, of each hotel for

employee training. 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. Besides, the Company has set and classified the training model into 4Cs to ensure the staff of all grades and levels will be trained according to their roles and responsibilities. Please see more details in the table below.

## 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 distracted from Individual Development Plan which was conducted during Performance Appraisal.

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 80% which focuses on the year-end result of people development to increase guest satisfaction instead of the number of training hours. If the execution number was not achieved the minimum requirement, the properties must declare to Corporate Learning and Development. 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	DG3	ALP	ECO	OPT	HG	PA	MD
	18 hours	6 hours	18 hours	3 hours	24 hours	3 hours	12 hours	3 hours	6 hours	6 hours
1	X	X	X	X				X	X	X
2	X	X	X	X		X		X	X	X
3	X	X	X	X	X	X	X	X	X	X
4	X	X	X	X	X		X			
5	X	X	X	X						

NSO New Staff Orientation  
 DG1 Dusit Graciousness Course  
 DG2 Dusit Signature Service  
 DG3 Empowerment and Taking Ownership  
 ALP Frontline Leadership (8 modules)

OPT Operational Trainer  
 HG Handling Grievances  
 PA Performance Appraisal  
 ECO Executive Coaching in a Workplace  
 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	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)
Learner							
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	✓ Special Project / Stretch Assignment	✓	✓ 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	✓
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 staff - Interaction skill	✓ - English - Job Skill	✓

### Staff Development through Blended Learning

To improve the learning and development methods to match the current trends, the Learning and Development Department has implemented Blended Learning, which requires employees to learn by themselves through websites recommended by the Company. Before being accepted to join a particular class, an employee must meet certain criteria which is assessed by questionnaires. This will encourage self-learning, saves costs, as well as reduces the time taken for classroom learning, hence, having less effect on the employee's work responsibilities and operations. Examples of topics are employee orientation, Dusit Graciousness1, Dusit Graciousness2, ALP, and Dusit Gold.

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

#### 1) Succession Planning

In order to support the growth and expansion, the Company developed talent through succession planning for employees

at manager levels and above. This will ensure employees will be ready to be promoted into the next position level to support the long-term business expansion. In 2019, 18 percent of successors at manager level and above were considered for promotions within the hotel.

#### 2) D Star

The Company had selected high potential talents to join the fast track D Star talent development program which was tailored to the development needs of each individual in order to support the short-term growth of the Company. In 2019, 72 percent of D Star participants were considered for promotions.

#### 3) LEAD Y

With regards to the development of the young generation to becoming the future leaders in order to support the long-term growth, the Company has continuously implemented the LEAD Y program which is managed by the Corporate Human Resources Department. Participants included high potential fresh graduates from Dusit Thani College and many leading

institutions within Thailand and abroad. In the first 6 months of the program, LEAD Ys gained exposure across all departments in order to learn about the complete management of the hotel, as well as learn how to tackle challenges by proposing to the management team ways to make adjustments to various processes. In the second 6 months of the program, LEAD Ys transferred to another hotel where the participant would specialize only in one department of their interest, develop supervisory skills, as well as execute a project to tackle a specific challenge and increase service efficiency. At the end of the one-year program, the successful graduate would be considered for a full-time position at an Assistant Manager level, and continue to develop as middle and upper management consecutively.

6 LEAD Ys batch 2018 whom graduated the program were hired as Assistant Managers at Dusit Thani Laguna Phuket, Dusit Thani Hua Hin, Dusit Thani Maldives, DusitD2 Ao Nang, Krabi, DusitD2 The Fort Manila and Baan Dusit Thani (Remark: 3 participants are graduates of Dusit Thani College). Currently LEAD Ys batch 2019 are hosted by Dusit Thani Laguna Phuket, Dusit Thani Hua Hin, Dusit Thani Maldives, Dusit Thani Dubai, Dusit Thani Pattaya, Dusit Thani Guam, and Dusit Thani Manila (Remark: 2 participants are graduates of Dusit Thani College).

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

In 2018, our hotels continued to implement the Management Trainee program. Since 2019, it has been adapted into a program to develop supervisors, the Supervisory Development Program (SDP). The program was managed by each hotel in order to support its talent needs and job vacancies, as well as

ensure the efficiency in the selection of suitable talents, which will not interfere with the hotel operations. The Corporate Human Resources Department has revised the program in order to adapt to the hotel operations. Talents selected into the program would still be able to perform their usual duties. Therefore, additional employee will not have to be recruited to replace this particular talent.

#### **5) Future Leader Program (Sales and Marketing)**

In addition, the Company's Sales Department implemented the Future Leader Program in order to develop middle management of Managers/Assistant Managers to be ready as Directors of Sales and Marketing in the future. In 2019, the Company had selected 3 Managers/Assistant Managers into the program, whom will be trained in Revenue Management, Sales, Reservations, Marketing, Finance, Communications, etc.

#### **6) Dusit Talent Search System**

Following the talent development programs, D Star and LEAD Y, the Corporate Human Resources Department in collaboration with the IT Department, developed the Dusit Talent Search system in order to create a database of talent at Assistant Manager level and above. This is where the people concerned can conveniently set strategies for talent promotions, as well as task force to support existing and pre-opening hotels. The system allows the Human Resources Department to add and edit talents' information to ensure accuracy and is accessible by the hotel and corporate operational management and Human Resources teams. Currently, there are more than 100 talents in this database.

# 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. Good Corporate Governance Policy

The Board of Directors established the Good Corporate Governance Policy covering the Corporate Principles of Listed Companies 2017 of the Securities and Exchange Commission in order to not only sustainably create value to the business but also enhance trust and confidence to all stakeholders, 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 2. Nomination, Appointment, Dismissal and Retirement of Director under “Roles, duties and responsibilities of the Board of Directors”)

The Company has appointed sub-committees which consist of the Audit Committee, the Nomination, Remuneration and Corporate Governance Committee, the Investment Committee, the Executive 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 3. Sub-Committees. Relevant details on roles, duties, and responsibilities of Group Chief Executive Officer appear in 4. Nomination and Appointment of the Group CEO under “Roles, duties and responsibilities of Group CEO”)

In addition, The Company defines and approves the charter and informs the Board of Directors and the sub-committees as well as reviews the charter at least once a year in order to make improvements to be complied with the Company’s business direction. Moreover, the Company defines business ethics and policies regarding the corporate governance as a practice guide to conduct good corporate governance, respect the shareholders and interested persons’ rights, operates 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, the business ethics and policies regarding corporate governance. The Company improved its regulations to be in line with the rules, notifications, regulations, and articles which have been amended by relevant government agencies 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. 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 promotes 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 are 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 considered and approved the 2019 annual budget to be in line 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 defines 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 2. Under topic 1. Independent Director and sub-clause "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 2019, 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 one-third of the Board's meetings held in a year, except in case of necessity. (More detail on The Board of Directors' Meeting appear in 2. Under topic 2. "Board of Directors' Meeting". More details on the sub-committee's meeting appear in 3.)

The Board of Directors has duty to consider, provide opinions, makes 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 non-executive director meeting 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, unless otherwise specified by the Board. 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 Company's annual report.

The Board appoints the Nomination, Remuneration and Corporate Governance Committee which consists of independent directors, more than half of the total members

of the Committee. The Chairman is an independent director. The Nomination, Remuneration and Corporate Governance Committee is responsible for selecting 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 Directors Meeting and/or shareholder's meeting shall consider and appoint the nominated persons as the Company's directors or executives. The Nomination, Remuneration and Corporate Governance Committee considers and defines 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 peers. Such compensation shall not be 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). (More details on the Nomination, Remuneration and Corporate Governance Committee appear in 3. Sub-Committees under Nomination, Remuneration and Corporate Governance Committee)

In addition, the Board of Directors appointed the Company Secretary with necessary qualifications, knowledge, skills and experience to support the Board in performing its duties in compliance with the Securities and Exchange Act, Good Corporate Governance Principle and other regulations. The Company Secretary is responsible for preparing and maintaining important documents, including directors' registration, Board meeting notices and minutes, annual reports; shareholders' meeting notices and minutes, and keeping reports on connected transactions reported by directors or the management as well as advising and overseeing the directors and executives to follow the law, rules, regulations, and Articles of Association of the Company appropriately and constantly. The Company Secretary is also responsible for holding the Board of Directors' meeting and shareholder's meeting, and coordinating to ensure performing such meetings' resolutions. This is to ensure that the Board perform their duties efficiently and effectively for the maximum benefit to the Company. (More details on the Company Secretary appear in 4. Nomination and Appointment of the Group CEO under sub-clause "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 Nomination, Remuneration and Corporate Governance Committee 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 3.

Sub-Committees under "Director's Orientation" and "Development and Knowledge Enhancement of the Board").

The Company evaluates the performance of the Group Chief Executive Officer and key executives at 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 2019, 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 Whistleblowing Committee or the Audit Committee through the following channels:

- Inform in written form through E-mail: [whistleblowing@dusit.com](mailto:whistleblowing@dusit.com)
- Submit a sealed letter to:  
**Whistleblowing Committee**  
 Dusit Thani Public Company Limited  
 319 Chamchuri Square Building, 29th Floor, Phayathai Road, Pathumwan, Bangkok 10330  
 or  
**Audit Committee**  
 Dusit Thani Public Company Limited  
 319 Chamchuri Square Building, 29th Floor, Phayathai Road, Pathumwan, Bangkok 10330

Revealing whistle blower may help his/her whistle blowing be more reliable and beneficial to the Company's investigation in terms of communication and additional useful information, and also help inform the investigation result to the whistle blower. The Company will keep the whistle blower's information confidential. Whistle blowing should at least have the following information:

1. Name, surname and telephone number of whistle blower (In case the whistle blower chooses to reveal himself/herself)
2. Name and surname of the person complained against
3. Fact or behaviors concerning wrongdoings
4. Witness, evidence and relevant information with proof (if any)

### 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:
  - 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.
  - 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.

- 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.
- In case there are information or news relating to the Company's operations, such as transactions 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.
- 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' meeting every year.
- 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).
- The Company appoints the auditors from KPMG Phoomchai Audit Limited who are independent, reliable and approved by the SEC.
- 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.
- 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 set up an Investors Relations Department to be responsible for disclosure and communication of financial information and non-financial information, to shareholders, investors, securities analysts, as well as mass media through the Company's website: <http://dusit-international.com> in both Thai and English. Investor Relations Department is the center for disseminating information, handling enquiries, and receiving shareholders or investors' feedback. 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)

2019 investor relations' activities were as follows:

- 2 Analyst meetings
- 2 Opportunity days at the SET
- 4 Roadshows/ Investor Conferences
- 31 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.
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 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.
11. 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 2019 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 24, 2018 to January 31, 2019. 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 2019 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 the 2018 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 provided information on the policy, amount and forms of compensation, criteria and procedures for determining compensation,
  - 4) appointment of external audit: the Company provided 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.
- There was no urgent and significant document distributed at the shareholders meeting as well as no any agenda item added and no amendment made to material information without informing to shareholders in advance.
- 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 three independent directors are provided for shareholders' voting by proxy.

#### **During the Meeting**

- The 2019 AGM was held on April 26th, 2019 at 9.00 hrs. at Srinakarin Hall, Dusit Princess Hotel, 53 Srinagarindra Road, Nong Bon Sub-district, Prawet District, 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 96 shareholders personally attended or were represented by proxies, amounting to 696,683,414 shares of total 850,000,000 issued shares, representing 81.9628 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 12 of total 12 directors, representing 100 percent and four executives, namely Group Chief Financial Officer, Chief Investment Officer, Chief Legal Officer, Vice President of Finance, 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 2019 Annual General Meeting of Shareholders through SET community portal system on April 26th, 2019 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

The minutes of shareholders' meeting in Thai and English has been made available on the Company's website ([www.dusit-international.com](http://www.dusit-international.com)) on May 10th, 2019 (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 2019, the Company achieved 97 of 100 scores from quality assessment of the 2019 AGM arrangement conducted by the Thai Investors Association.

## 2. Nomination, Appointment, Dismissal and Retirement of Director

### 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 Nomination, Remuneration and Corporate Governance 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 Nomination, Remuneration and Corporate Governance Committee proceeds in accordance with the following procedures:

1. The Nomination, Remuneration and Corporate Governance 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 Nomination, Remuneration and Corporate Governance 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 Nomination, Remuneration and Corporate Governance 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.

#### Retirement of Director

1. 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.
2. 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-international.com](http://www.dusit-international.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, unless otherwise specified by the Board, 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 acknowledgement 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 89/14 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, unless otherwise specified by the Board.
- 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.

#### **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 2019, the Board of Directors convened fourteen regular meetings and one annual corporate strategy seminar (Meeting No. 11/2019) with the Management to review the vision and set corporate goals and strategies, and assess business environment 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	11/13	1/1
2.	Professor Hiran Radeesri	Independent Director / Chairman of the Audit Committee	13/13	1/1
3.	Mrs. Pranee Phasipol	Independent Director / Member of Audit Committee	12/13	1/1
4.	Mr. Teerapol Chotichanapibal	Independent Director / Member of Audit Committee	12/13	1/1
5.	Professor Dr. Kittipong Kittayarak <sup>/1</sup>	Independent Director / Member of Nomination, Remuneration and Corporate Governance Committee	9/13	0/1
6.	Professor Emeritus Dr. Khunying Suchada Kiranandana	Independent Director / Chairperson of the Nomination, Remuneration and Corporate Governance Committee	12/13	1/1
7.	Mr. Pakhawat Kovithathanaphong	Independent Director / Chairman of Investment Committee	11/13	1/1
8.	Mr. Somprasong Boonyachai	Independent Director / Member of Investment Committee	11/13	1/1
9.	Mrs. Varang Chaiyawan	Director / Member of the Nomination, Remuneration and Corporate Governance Committee	10/13	1/1
10.	Mr. Chanin Donavanik	Vice Chairman / Chairman of Executive Committee / Member of Investment Committee	13/13	1/1
11.	Mrs. Sinee Thienprasiddhi	Director / Executive Director	12/13	1/1
12.	Mrs. Suphajee Suthumpun	Director / Executive Director / Group Chief Executive Officer / Member of Investment Committee	13/13	1/1

**Remark:** /1 Prof. Dr. Kittipong Kittayarak did not attend the board strategy meeting due to business matter. Some directors attended the meeting less than 75 percent due to the meeting postponement.

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 2019, the Company staged one meeting of the non-executive directors on January 29, 2019.

The Board of Directors appointed the Company Secretary with necessary qualifications, knowledge, skills and experience to support the Board in performing its duties in compliance with the Securities and Exchange Act, Good Corporate Governance Principle and other regulations. The Company Secretary is responsible for preparing and maintaining critical documents, including directors' registration, Board meeting notices and minutes, annual reports; shareholders' meeting notices and

minutes, and keeping reports on connected transactions reported by directors or the management as well as advising and overseeing the directors and executives to follow the law, rules, regulations, and Articles of Association of the Company appropriately and constantly. The Company Secretary is also responsible for holding the Board of Directors' meeting and shareholder's meeting, and coordinating to ensure performing such meetings' resolutions. This is to ensure that the Board perform their duties efficiently and effectively for the maximum benefit to the Company.

### 3. 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:

#### 1. Audit Committee

The Audit Committee was established on June 24, 1999. The current Audit Committee consists 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

Mrs. Piyanuch Fuengparnitjaroen, Internal Audit Director acting as Secretary to the Committee

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.

#### 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 the meeting can select one member to be a substituted chairman of the meeting.

- 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 2019.

In 2019, the Audit Committee convened 15 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	15/15
2. Mrs. Pranee Phasipol	Member of the Audit Committee	13/14
3. Mr. Teerapol Chotichanapibal	Member of the Audit Committee	15/15

## 2. Nomination, Remuneration and Corporate Governance Committee

The Board of Directors' Meeting No. 6/2019 held on May 8, 2019 resolved to restructure the sub-committee by combining the Corporate Governance & Nomination Committee with the Remuneration Committee as one sub-committee, effective from June 1, 2019 onwards. Currently, the Nomination, Remuneration and Corporate Governance Committee consists of three independent directors and non-executive director namely:

Name	Position
1. Prof. Emeritus Dr. Khunying Suchada Kiranandana	Chairperson of the Nomination, Remuneration and Corporate Governance Committee
2. Professor Dr. Kittipong Kittayarak	Member of the Nomination, Remuneration and Corporate Governance Committee
3. Mrs. Varang Chaiyawan	Member of the Nomination, Remuneration and Corporate Governance Committee

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

The Board of Directors defined the charter of the Nomination, Remuneration and Corporate Governance Committee with details as follows:

### 1. Composition and qualifications

- 1.1 The Nomination, Remuneration and Corporate Governance Committee consists of at least three members which mostly are independent directors appointed by the Board of Directors. The Chairman must be an independent director. The Nomination, Remuneration and Corporate Governance Committee may appoint one person to be the committee's secretary.

- 1.2 The Nomination, Remuneration and Corporate Governance Committee must be knowledgeable in corporate governance, 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, regularly monitor changes in the Company's performance in order to improve the remuneration criteria, and perform duties, provide opinion and report its performance on assigned duties independently.

2. Office term and remuneration
  - 2.1 The Nomination, Remuneration and Corporate Governance 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 Nomination, Remuneration and Corporate Governance Committee member as deemed appropriate. The Board may re-elect member who retires by rotation for another term as deemed appropriate.
  - 2.2 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 Nomination, Remuneration and Corporate Governance Committee members. The substituted member can only be in the office within the remaining term of the member he/she replaces.
  - 2.3 The remuneration of Nomination, Remuneration and Corporate Governance Committee member is according to the criteria approved by the shareholders.
3. Duties and responsibilities
  - 3.1 Oversee and monitor the Company's operation, information disclosure of the Investors Relations Department and performance of duties of directors, sub-committees, executives and employees to be in compliance with the good corporate governance principle, the Company's policies and relevant laws.
  - 3.2 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.
  - 3.3 Consider policy and action plans on the corporate social responsibility and propose to the Board for approval.
  - 3.4 Consider structure and composition of the Board of the Company and its subsidiaries, oversee the nomination of qualified persons to be appointed as directors of the Company and its subsidiaries, in case the directors of its subsidiaries are outside directors.
  - 3.5 Consider qualifications of persons to be appointed as independent directors, their independency must at least align with the Securities and Exchange Commission (SEC)'s regulations.
  - 3.6 Consider and screen qualified persons to be appointed as the Group CEO, also endorse succession plan.
  - 3.7 Consider and screen qualifications of executives at level of one down from the Group CEO (C-level).
  - 3.8 Provide recommendations on performance evaluation of the Board of Directors and sub-committees to enhance performance efficiency, such evaluation shall be made on an annual basis and reported to the Board of Directors for acknowledgement.
- 3.9 Propose remuneration criteria and forms for Board of Directors, sub-committees of the Company and its subsidiaries.
- 3.10 Propose and screen remuneration criteria and performance evaluation forms of the Group CEO before submitting to the Board of Directors for approval. The Nomination, Remuneration and Corporate Governance Committee may provide advice to the Group CEO on remuneration criteria and forms for executives at C-level.
- 3.11 Perform other duties as assigned by the Board of Directors.
4. Meeting and quorum
  - 4.1 The Nomination, Remuneration and Corporate Governance Committee must hold meetings at least twice a year.
  - 4.2 To call for a meeting, the Chairman of the Nomination, Remuneration and Corporate Governance Committee or the Secretary to the Nomination, Remuneration and Corporate Governance Committee sends the meeting invitation to all members at least 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 To form a quorum in the meeting, at least half of the total members of the Nomination, Remuneration and Corporate Governance Committee appointed by the Board of Directors must be present.
  - 4.4 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 with vested interest in any agenda item must abstain from voting on that item.
5. Reporting
 

The Nomination, Remuneration and Corporate Governance Committee is responsible for the Board of Directors and reports its performance to the Board of Directors.
6. Advisor
 

If it is considered essential and suitable to do so, the Nomination, Remuneration and Corporate Governance Committee may hire or seek advice from external independent advisor(s) or other professional experts with expenses absorbed by the Company.

In 2019, the Nomination, Remuneration and Corporate Governance Committee convened 3 meetings and report its performance to the Board of Directors. The meeting attendance of each committee was as follows:

Name	Position	Meeting Attendance
1. Prof. Emeritus Dr. Khunying Suchada Kiranandana	Chairperson of the Nomination, Remuneration and Corporate Governance Committee	3/3
2. Professor Dr. Kittipong Kittayarak	Member of the Nomination, Remuneration and Corporate Governance Committee	2/3
3. Mrs. Varang Chaiyawan	Member of the Nomination, Remuneration and Corporate Governance Committee	3/3

**Remark:** Before combining the Corporate Governance and Nomination Committee with the Remuneration Committee as one sub-committee, in 2019 the Corporate Governance and Nomination Committee convened 3 meetings and the Remuneration Committee convened 2 meetings.

### 3. Investment Committee

The Board of Directors' Meeting No. 6/2019 held on May 8, 2019 resolved to appoint the Investment Committee, effective from June 1, 2019. Currently, the Investment Committee consists of two independent directors and two executive directors namely:

Name	Position
1. Mr. Pakhawat Kovithvathanaphong	Chairman of the Investment Committee
2. Mr. Somprasong Boonyachai	Member of the Investment Committee
3. Mr. Chanin Donavanik	Member of the Investment Committee
4. Mrs. Suphajee Suthumpun *	Member of the Investment Committee

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

**Remark:** Mrs. Suphajee Suthumpun was appointed as the Member of the Investment Committee, effective on February 1, 2020.

The Board of Directors defined the charter of the Investment Committee with details as follows:

1. Composition and qualifications
  - 1.1 The Investment Committee shall consist of at least two members from the management team and two members of the Company's Board of Directors. The total number of the members of the Investment Committee shall not exceed six. There shall be one secretary appointed by the Investment Committee.
  - 1.2 Members of the Investment Committee shall select one member among them to be the chair of the Investment Committee.
  - 1.3 The Company's Board of Directors shall appoint members of the Investment Committee upon approval of the Nomination, Remuneration, and Corporate Governance Committee.
2. Office term and remuneration
  - 2.1 The chair and members of the Investment Committee shall have their office term of three years and shall not serve more than three terms unless otherwise specified by the Company's Board of Directors.
  - 2.2 Any member of the Investment Committee who resigns from his/her office shall submit a written letter to the chair of the Company's Board of Directors. The resignation shall become effective on the date that the letter is sent to the chair of the Company's Board of Directors.
  - 2.3 In the event that there is vacant position of the Investment Committee due to reasons apart from an expiration of term, the Company's Board of Directors shall appoint a qualified person for that vacant position. Such qualified person shall serve in the office only for the remaining term of the vacant position.
  - 2.4 The remuneration of the Investment Committee shall be in accordance with the criteria as approved by shareholders' meetings.

3. Duties and responsibilities of the Investment Committee
  - 3.1 To consider and review investment proposals of the management team so that investment projects of the Group shall be consistent and compliance with the policies and targets as per the investment plans, by taking into account the return of investment and relevant risks factors that are acceptable and manageable; and to consider and review risks and preventive measures associated with investment, finance and relevant risks.
  - 3.2 To consider strategies, targets, investment plans, investment budgets, investment returns, and other benefits from investment in projects to increase growth for the Company.
  - 3.3 To check, follow up, and evaluate investment projects that have been approved and to report to the Company's Board of Directors.
  - 3.4 To evaluate performance at least once a year and report the performance to the Company's Board of Directors.
  - 3.5 To consider and approve any change to the Company's organizational structure and to propose the change to the Company's Board of Directors.
  - 3.6 To consider other matters as assigned by the Company's Board of Directors and as specified in the Company's regulations.
4. Meeting
  - 4.1 The Investment Committee organizes or calls a meeting as it deems appropriate at least once per quarter. The Investment Committee must always attend meetings.
- 4.2 In calling a meeting of the Investment Committee, the chair or the secretary of the Investment Committee shall notify the Investment Committee of the meeting at least seven days before the date of the meeting, unless for urgent cases, an invitation to a meeting shall be made by other methods or the date of meeting can be earlier.
- 4.3 Meetings of the Investment Committee shall require at least half of the total members of the Investment Committee to constitute a quorum.
- 4.4 A resolution shall require a majority vote of the members attending a meeting with a quorum. One member of the Investment Committee shall have one vote. In any case in which there is a tie vote, the chair of the Investment Committee shall cast the decisive vote. Any member who has a conflict of interest in any matter shall not consider or cast a vote in such matter.
5. Reporting
 

The Investment Committee is responsible for the Company's Board of Directors and reports its performance to the Company's Board of Directors.
6. Advisor
 

The Investment Committee may receive advice from independent professionals as it deems appropriate, and the Company shall be responsible for advisors' fees.

In 2019, the Investment 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. Mr. Pakhawat Kovithvathanaphong	Chairman of the Investment Committee	5/5
2. Mr. Somprasong Boonyachai	Member of the Investment Committee	5/5
3. Mr. Chanin Donavanik	Member of the Investment Committee	4/5
4. Mrs. Suphaje Suthumpun *	Member of the Investment Committee	-

**Remark:** \* Mrs. Suphaje Suthumpun was appointed as the Member of the Investment Committee, effective on February 1, 2020.



#### 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 four Directors namely:

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

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

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.
  - 2.3 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,
- 3.8 and in compliance with requirements of laws without conflicts of interest for the utmost benefit of the Company.  
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
  - 4.1 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 removed by resolution of the Board of Directors' meeting
  - 4.2 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 2019, the Board of Directors determined the self-evaluation of the Board of Directors in a whole and individual basis. The summarized evaluation results of the Board of Directors' performance in 2019 were rated EXCELLENT.

**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**

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 2019, 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 2019 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.

#### 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 2019, the following directors attended the training and study visits as follows:

Director	Course	Institute
Prof. Hiran Radeesri	- Standard of Financial Report (TFRSs)  - Training courses arranged by the Thai Institute of Directors Association - Seminar: Equity Market	- Federation of Accounting Professions Under the Patronage of His Majesty the King - Thai Institute of Directors Association  - The Stock Exchange of Thailand and the Securities and Exchange Commission, Thailand
Mrs. Pranee Phasipol	- IT Governance and Cyber Resilience Program - Legal & Tax I IHQ, ITC & ROH Outbound Investment - Chairman Forum 2019 "Successful corporate culture change : from policy to practice" - Board that Make a Difference	- Thai Institute of Directors Association  - Omega Worldclass - Thai Institute of Directors Association  - Thai Institute of Directors Association

#### 4. 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 Nomination, Remuneration and Corporate Governance 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 Nomination, Remuneration and Corporate Governance Committee to prepare the succession plan for the position of the Group CEO. The Human Resources Department implements the plan introduced by the Nomination, Remuneration and Corporate Governance 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")

## 5. 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

### 1. 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.

### 2. 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.

### 3. 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.

### 4. 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 -

## 6. 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)
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 inappropriate 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 2019, 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. 1/2020, held on January 31, 2020, the Board of Directors approved the review of the Disclosure Policy 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 Group CEO including the Group CEO 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 Mrs. Piyanuch Fuengparnitjaroen, 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 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.

#### **7. Compliance on the Code of best practices of the Stock of Exchange of Thailand**

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. 1/2020, held on January 31, 2020, considered and unanimously approved the revision of Good Corporate Governance Policy to be in line with the restructuring of the Company's sub-committees and updated.

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

## Social Responsibility for Sustainable Development

By operating on the principles of social responsibility to achieve sustainable development, and through support for the United Nations' Sustainable Development Goals (SDGs), the Company remains committed to continuously developing the organization to keep up with change. This begins by first achieving equality and sustainability internally, as well as recognizing the balance between communities and the environment, to incite positive change and create value for all stakeholders.

## Dusit and Sustainability Management

To demonstrate our commitment to operating on the foundation of sustainability and to ensure that our sustainability management is accomplished in accordance with the standards and requirements of all areas in which we operate, in mid-2018, the Company officially announced the latest version of our Sustainability Policy. The Sustainability Committee consists of executives from various functions, responsible for establishing strategies, targets, policies and sustainability management framework, monitoring sustainability performance as well as driving operating process to ensure continuous development throughout the organization.

## Policy of Sustainable Business Operation

Dusit Thani Public Company Limited believes that conducting business in a sustainable manner is crucial in creating a better and secure future for all. Company; therefore, strives to have a positive impact on the surrounding communities, environment and economies of countries in which we operate to move forward in the right direction and to create values to all stakeholders.

The Company is committed to the pursuit of excellence as a good corporate citizen by providing exceptional hospitality services with good governance, and ensuring that we take responsibility both as a producer and consumer of goods. This commitment comprises sustainability practices both at the Group level and at individual hotels.

The key attributes of the Policy are as follows:

- Comply with all applicable laws and regulations in all countries of operations, adhere to international practices and guidelines, and stand against all kinds of corruption;
- Serve as an ethical and non-discriminating company, based on equality and human rights principles;
- Strengthen the core competency of our employees and emphasise occupational health and safety in the workplace;
- Continuously promote a responsible value chain, especially responsible sourcing and consumption, as well as development of local communities;
- Strive to reduce the impact of our operations on the environment through process improvement and holistic initiatives;

- Promote sustainable tourism by raising awareness of Dusit Sustainability Management Policy and management approaches among our stakeholders.

All management and employees of Dusit Thani Public Company Limited are committed to contributing and executing the Dusit Sustainability Management Policy.

## Material Issues for Stakeholders and Business Operations

The Company regularly reviews the issues that are material to its stakeholders and business operations, and proposes these issues to stakeholders through its sustainability report. The disclosure of these issues adheres to the 4 principles outlined in the GRI Sustainability Reporting Standards 2018, which are: Sustainability Context, Materiality, Completeness, and Stakeholder Inclusiveness.

For 2019, the issues material for the Company's stakeholders and business operations are summarized below:

- Corporate Governance
- Energy Efficiency
- Water Resources Management
- Food Waste Management
- International Standards of Quality Management
- Data Protection
- Respect for Human Rights
- Developing, Caring for, and Retaining Employees
- Safety, Occupational Health and Environment
- Responsible Procurement
- Community and Social Engagement
- Creating Positive Experiences for Guests

## Stakeholder Engagement Process

Each group of stakeholders is important to the Company's operations in direct and indirect ways. Given this, the Company has classified its internal and external stakeholders according to 6 key groups, comprised of:

1. Shareholders and Investors
2. Guests
3. Employees
4. Suppliers
5. Government, NGOs and International Organizations and
6. Communities and Societies.

Means of engagement will differ depending on each stakeholder group to ensure that stakeholders can clearly understand relevant material issues, and that the Company can receive their opinions and expectations to determine the most appropriate response plans for managing the Company's and its stakeholders' key material issues.

Details regarding stakeholder engagement channels and examples of material issues and the Company's responses are as follows.

## 1. Shareholders and Investors

### Communications Channels

- Annual General Meeting of Shareholders
- Analyst Meeting (Quarterly)
- Opportunity Day: Meeting Minority Investors (Quarterly)
- Quarterly information disclosure to the Stock Exchange of Thailand
- Dusit Pulse newsletter
- Company's website

### Examples of Issues and Expectations

- Business growth and expansion
- External factors that impact business operations, such as overall domestic and international tourism trends, the strengthening Thai baht, population change, and changes in teaching and learning methods.
- Cautious and robust risk management

### Examples of Company Responses

- Manage the organization on the principles of good governance
- Operate in pursuit of the long-term growth strategy (2016-2025)
- Assess and manage risks in a careful and robust manner

## 2. Guests

### Communications Channels

- Company's website
- Online social media
- Customer service
- Visits and meetings with guests
- Grievance channels
- Post-stay surveys

### Examples of Issues and Expectations

- Quality services that meet standards
- Speed and preparedness in responding to guests' needs
- Solving, mitigating, and remedying guest problems
- Protecting guests' data and privacy

### Examples of Company Responses

- Train employees to maintain high standards of quality in service
- Provide services that meet guest expectations
- Update and provide guarantees for the quality of service
- Survey guests' opinions and satisfaction, and regularly respond to guest queries through various communications channels
- Communicate through social media, and regularly improve the Company website
- Regularly review sales promotion programs and prices
- Develop and improve systems to protect against leakages of guest information

## 3. Employees

### Communications Channels

- Email, meetings, CEO Town hall
- Company's website
- Orientation, trainings and other activities

- Feedback and recommendation channels
- Annual employee engagement survey
- Annual employee performance evaluation

### Examples of Issues and Expectations

- Business direction, policies and guidelines
- Employee engagement
- Growth in career path
- Employee development

### Examples of Company Responses

- Develop human resources policies and guidelines, and comply with labor laws
- Assess employee satisfaction and conduct annual employee performance evaluations to improve and enhance engagement levels within the organization
- Promote career advancement for employees
- Develop training courses for employees in various career paths and levels

## 4. Suppliers

### Communications Channels

- Company's website
- Email
- Phone
- Visits/ Meetings/ Site Visits

### Examples of Issues and Expectations

- Fair and equal treatment of suppliers
- Transparent procurement process
- Compliance with terms and agreements

### Examples of Company Responses

- Clear principles for supplier selection and assessment
- Strict compliance with agreed terms and conditions

## 5. Government, NGOs and International Organization

### Communications Channels

- Participation in seminars/meetings/other activities
- Reports or mandatory information disclosure to the government
- Receiving feedback and opinions through various channels, such as the Company website

### Examples of Issues and Expectations

- Strict and full compliance with policies, rules and regulations
- Support for the activities of public agencies
- Support for networks
- The Company's role and responses to changing global trends

### Examples of Company Responses

- Develop partnership projects between the public and private sectors
- Share knowledge on best practices to relevant public agencies
- Work with relevant entities, receive feedback and opinions from independent external agencies

## 6. Communities and Societies

### Communications Channels

- Engagement with communities through social, community, and environmental projects and activities
- On-the-ground engagement with employee volunteers
- Grievance channels

### Examples of Issues and Expectations

- Engaging in social activities
- Sharing their beautiful culture and identity
- Choosing to use products and services that consider environmental impacts

- Environment and pollution management
- Natural resources and environmental conservation

### Examples of Company Responses

- Support and encourage local communities through various natural resource and environmental conservation projects
- Promote local procurement
- Use energy and manage waste efficiently

## Supporting the SDGs

Our strategy for sustainable development is designed to leverage our knowledge, capability and expertise to ensure we have a positive impact wherever we set foot. The 17 Sustainable Development Goals outlined by the United Nations serve as our blueprint to achieve a more sustainable future for all, and we are delighted to directly support 12 of them as follows.

# SUSTAINABLE DEVELOPMENT GOALS



### Sustainable Food Production

We directly purchase organic rice and produce from local and small-scale food producers to encourage them to implement resilient agricultural practices.



### Employee Well-Being

Good health and well-being can be core enablers of employee engagement and organizational performance. The regular activities we arrange help to create a positive work environment.



### Education

Besides helping young people gain the skills they need to work, we also support the development of hospitality management at Dusit Thani College and Le Cordon Bleu Dusit Culinary School, and promote lifelong learning for all our staff.



### Women and Children

We empower women in our workplace and provide equal opportunities for our staff. We also stand against the sexual exploitation of children in travel and tourism.



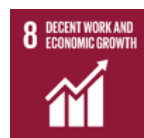
### Water

Our water intensity reduction target is designed to help limit the threat of water scarcity and ensure our properties use water efficiently.



### Clean Energy

We aim to reduce our carbon footprint by integrating alternative energy into our business operations.



### Economic Growth

In the pursuit of sustainable economic growth, we provide clear opportunities for career advancement and promote a diverse and inclusive workplace.





### Responsible Consumption

We are committed to reducing our waste generation through prevention, reduction, recycling and reuse. Creative approaches to combat food loss are also top of our agenda.



### Greenhouse Gas Emission

Our holistic approach to managing our energy starts with raising awareness among our staff. We are now working on reducing our energy and GHG emissions (scope 1 and 2) to reduce our carbon footprint.



### Oceans

We take proactive action to reduce marine pollution, including limiting the use of single-use plastics and efficiently managing wastewater to help protect marine life.



### Biodiversity

We support the use of products from responsibly managed forests and take action to combat illegal wildlife products.



### Collaboration

We collaborate with local and international organizations to apply our shared knowledge, expertise and experience to foster balanced economic, social and environmental 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 2019, 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 intends 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, and 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-international.com](http://www.dusit-international.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.

Continuation in 2019, Dusit International Corporate Office and all hotels arranged the online quiz to remind staff of the Code of Conduct, Anti-Corruption Policy and No Gift Policy. According to the mid-year 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:

**Whistleblowing Committee**

Dusit Thani Public Company Limited  
No. 319 Chamchuri Square Building,  
29th Floor, Phayathai Road, Pathumwan Sub-district,  
Pathumwan District, Bangkok 10330

or

**Audit Committee**

Dusit Thani Public Company Limited  
No. 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 2019 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

#### List of Hotels certified by International Organization for Standardization

ISO 9001	There are 11 hotels in the Dusit's chain which have been certified under ISO9001:2015 as follows: Dusit Thani Lakeview Cairo / Dusit Thani Maldives / Dusit Thani Manila / Dusit Thani Abu Dhabi / Dusit Thani Dubai / Dusit Thani Pattaya / Dusit Thani Hua Hin / Dusit Thani Laguna Phuket / Dusit Princess Srinakarin / Dusit Princess Chiang Mai and DusitD2 Chiang Mai
ISO14001	There are 9 hotels certified under ISO14001:2015 as follows: Dusit Thani Lakeview Cairo / Dusit Thani Maldives / Dusit Thani Dubai / Dusit Thani Pattaya / Dusit Thani Hua Hin / Dusit Thani Laguna Phuket / Dusit Princess Srinakarin Bangkok / Dusit Princess Chiang Mai and DusitD2 Chiang Mai
ISO 20121	There are 3 hotels certified under ISO20121:2012 as follows: Dusit Thani Lakeview Cairo / Dusit Thani Hua Hin and Dusit Princess Srinakarin Bangkok

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 on <https://www.dusit-international.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.

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, websites, 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 attended this training. In 2019, the policy was activated in Dusit properties in overseas as well. All Dusit properties in Philippines are the first overseas branch to that have been trained on this policy.

## 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, 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-ups 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.

The aforementioned policy has been driven for substantial implementation by allowing executives to jointly set the Company's direction, which is in line with the Company's vision. 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 are disclosed under the topic Management Structure.

### 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.

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 3 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 and follow-up meetings.

#### Proportion of Employees to workplace Safety Committee in year 2019

No.	Hotel	Committee	Staff	Average (%)
1.	Dusit Thani Pattaya	26	430	6.05
2.	Dusit Thani Hua Hin	7	326	2.15
3.	Dusit Thani Laguna Phuket	7	373	1.88
4.	dusitD2 Chiang Mai	7	111	6.31
5.	Dusit Princess Srinakarin	7	162	4.32
6.	Dusit Princess Chiang Mai	7	114	6.14
7.	Dusit Suites Hotel Ratchadamri Bangkok	5	74	6.76

### 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	
		2018	2019
1	Number of sickness case from work-related (Case)	0	0
2	Number of injury case from work-related (Case)	20	89
3	Number of fatalities from work-related (Person)	0	0
4	Injury rate from work-related (Injury case /200,000 Man-Hours)	0.84	5.30
5	Lost day rate (Days / 200,000 Man-Hours)	2.95	11.19
6	Absentee rate (Days / Total days scheduled to be worked by the workforce)	0.16	0.17
7	Number of Employees as of December 31 (Person)	2,136	1,590

<b>Remark:</b>	1.	With compared to year 2018, total number of staff for year 2019 has been reduced due to the redevelopment of DTBK. The report will not indicate the staff from DTBK.
	2.	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.
	3.	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.
	4.	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 complain to the Company in convenience way which the complain 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

The Company places high priority on the efficient and responsible use of resources, reducing climate change impacts, and operating in strict compliance with laws, regulations, requirements, and standards.

To achieve set targets and comply with all relevant requirements, the Company has released an Environmental Management Policy based upon the principles of the ISO14001: 2015 Environmental Management System. The Policy covers important environmental issues including energy use efficiency, reducing greenhouse gas emissions, and effluents and waste management, among others.

### 1. Energy Consumption

The Company gives importance to efficient energy consumption and promotes 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 complying. 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. The goal would reduce the total energy consumption by at least 10% in 2020. (Baseline in 2018)
- 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.

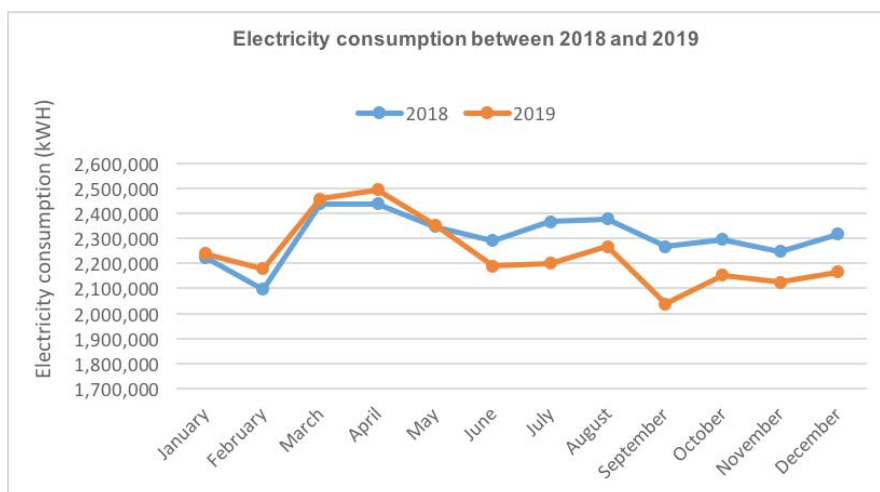
- 1.5 The Company shall provide necessary support including human resources, budget, working time, training and participation in presenting ideas to develop energy performance.
- 1.6 The Management and the energy management team shall review and revise the energy policy, targets and plans every year.

### Electricity Consumption

To reduce electricity, use while not compromising our international customer service standards, we are planning to replace incandescent light bulbs with LED light bulbs, install intelligent lighting control systems and replacing hot water system to heat pump system etc., the result showed that a reduction in electrical energy consumption occurred every year for the last year.

In the past year, the Company improved the energy reduction approach to make it more beneficial to all parties. It focused on bringing existing resources to improve and maintain to increase efficiency such as improving water quality control for chiller systems, increasing of maintenance standard for equipment such as air handling unit and fan coil unit. The Company also improves operations in various departments to use electricity with efficiency, such as improving the working time of machinery in laundry facilities, improvement of kitchen equipment, etc. such measures has been implemented efficiently.

To achieve sustainable development, the Company has used information gathered from long-term operations to improve our standards for the new hotels that will be opened in the future. The Company also sends engineers to investigate the operation process to ensure that they meet the required standards.



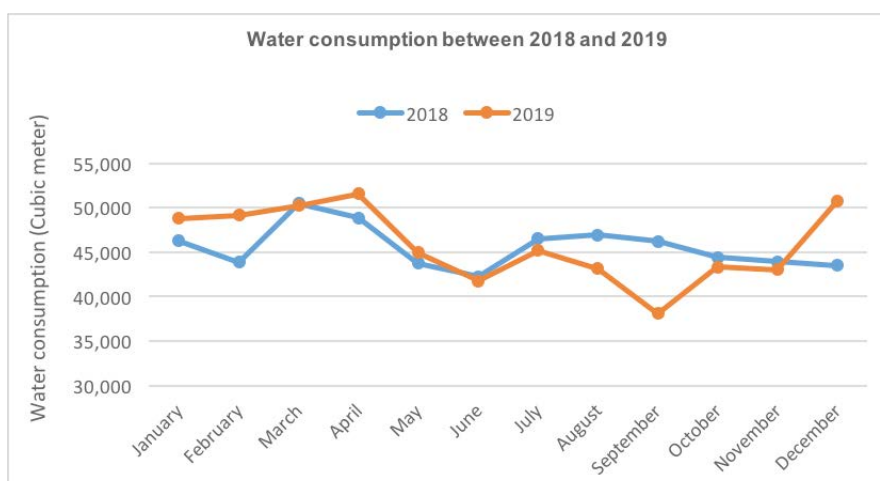
## **2. Water consumption**

The hotel business is necessary to use many water resources. Therefore, to use the water effectively and does not affect the service under international standards, it is necessary to use the efficient water management.

The company has required every hotel to monitor water consumption in every part of the hotel operation such as swimming pools, kitchen, laundry and other facilities to ensure that there is no water leakage. The company has also provided a maintenance program for the machine that uses a lot of water

consumption such as a Cooling tower, Laundry machines, etc., which can reduce water consumption. Moreover, the company has also chosen to use water-saving efficient sanitary ware for every hotel. For wastewater after treated, the Company has also reused it such as watering the plants and to cleaning some areas.

For the hotel operation throughout the year, the company has also gathered and analyzed the results to improve the hotel standards to ensure that the new hotel will have an environmentally friendly design.





### 3. Waste Management

The Company and hotels within the Group encourage employees to reduce waste by applying the 3Rs principles, as follows:

- **Reduce:** Reducing the amount of waste created, for instance by choosing to use products that have the lowest environmental impact.
- **Reuse:** Reusing materials, for example double-sided paper printing, and reusing packaging to pack other equipment or items.
- **Recycle:** Using recycled waste by separating and collecting waste from office buildings that can be recycled, such as glass, paper, and plastic, to be sold to relevant businesses.

Furthermore, the Company also considers the problem of plastic waste, which is difficult to properly manage. To start, the Company began in 2018 by eliminating single use plastics, starting with plastic straws, which are more tangible and can bring about significant changes later on. For its corporate office, the Company began eliminating the distribution of plastic bottles for meeting participants, and instead installed water fountains and paper cups for use. Overall, the Company is in the process of identifying alternative, environmentally-friendly products that can replace single use plastics in its hotel product lines in the future.

#### Summary of environmental operations in 2019

In the year 2019, the Company and 6 hotels performed the following environmental activities:

1. Choose a company that has expertise in water quality control for a cooling tower system to reduce energy consumption.
2. Machine maintenance improvements to increase energy efficiency.
3. Check the temperature control in the guest room to ensure that there is no unnecessary loss of cooling from the cooling system which will result in energy consumption reduction.
4. Change the lamp to LED light bulbs including to change the control system to be more efficient.
5. Check the efficiency of the water cooler and air conditioning system and perform maintenance according to international standards to reduce energy loss in the system.
6. Proceed to bring the treated water back to use in the hotel for using water efficiently.
7. Choose energy-saving products according to ECOLAB standards, which are experts for sustainable environment for the housekeeping, front office and laundry department by developing a system and using washing products for cold water to wash instead of hot water to save energy.
8. Dusit Thani Maldives, Maldives, has installed Solar Cell PV of 800 sheets on the roof of the main building, which can convert sunlight into electricity for approximately 854 kilowatt per day. Although, such converted electricity is not high compared to electricity that the hotel uses for 16,000 kilowatt per day but the converted electricity can be used for several ways ranging over generating electricity for villa room, refining sea water into fresh water

for laundering, or charging battery of resort buggy car. These can help save diesel gas for more than 86,500 liters or equivalent to travelling from London to Maldives for 173 rounds, amounting to 229 tons of exhaust reduced.

#### Services and Customer's Satisfaction

Details were mentioned in Awards of Dusit for Year 2019 under the topic International Award 2019.

The table showing information according GRI indicator appears in Sustainability Report 2018/2019.

#### 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 2019, the Company and hotels in the chain around the world pursued many activities for rewarding community, society and environment. Activities are divided into 2 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 envelopes 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 the year 2019, the program has collected baht 10,805,045.29 in donations. In 2019, the organization has provided medical assistances funds for 758 children for cleft lip/palate surgeries.

Projects that were organized to support Dusit Smiles for Operation Smile Thailand are as follows:

- **Gala Dinner to Raise Funds for Dusit Smiles from Dusit Thani Krabi Beach Resort**

Dusit Thani Krabi Beach Resort raised the amount of 300,000 THB from their Gala Dinner on July 5th, 2019. Mrs. Taya Rogers (Smile Ambassador) and Mrs. Urai Rogers (Board member) personally attended the event on behalf of Operation Smile Thailand.

- **Gala Dinner to Raise Funds for Dusit Smiles from Dusit Thani Hua Hin**

Dusit Thani Hua Hin raised 50,000 THB. by Bingo game from their Gala Dinner New Year 2019.

- **Dusit Princess Srinakarin Bangkok**

Donated funds to Operation Smile Thailand. The amount of 29,720 THB to supports Thai children suffering from cleft lips and/or cleft palates.

Apart from activities which was organized to support Dusit Smile, the Company and Dusit hotels of the group also initiated remarkable social initiatives as follow:

- **Donation activities**

- General Manager, management and staff of Dusit Thani Pattaya joined the National Children's Day 2019 activities. The event was hosted in front of Pattaya City Hall. Snacks, toys and activities are provided for children and their parents who joined the event with atmosphere filled with care from staff, bringing attendees' happiness and smiles.

- The 27th Laguna Phuket National Children's Day welcomed more than 3,000 children and parents on January 12, 2019 to enjoy a fun-pack activity at Laguna Grove. This is a unique annual event that we have hosted since 1993, with the aim to encourage and inspire children to become active, informed and concerned citizens of the next generation, and to help the children to recognize the importance of their role in the society.

- With the support of Mobile Learning Centre, Dusit Thani Laguna Phuket conducted a daily event with MLC Junior Leadership English Day Camp for 40 students from Baan Phru Champa School in Thailand district on March 20, 2019. The students had fun learning English and building self-confidence through varieties of activities and interactive games were conducted by a British instructor.

- Dusit Thani Pattaya Donated fund of 80,000 THB to The Chaipattana Foundation with Her Royal Highness Princess Maha Chakri Sirindhorn. The Hotel hosted the Lunch for blind students at the Pattaya Redemptorist as well.

- Dusit Thani Hua Hin donated towels to Jungle Aid Foundation. The Foundation helps community in terms of medical field and first aids including providing consumer items such as food, clothes and school stationery to children or underprivileged families in such area.

- Management & Staff from dusitD2 Khao Yai initiated a charity for flood victims by donating necessities to help with Mu Si sub-district Administration Organization in September 2019 and sponsored rooms & dinner for the Bangkok Red Cross event by supporting the Ministry of Foreign Affairs as a reward for those who buy charitable lotteries.

- Dusit Thani Dubai supported education for children with autism. Chef Ali conducted training on how to decorate cookies to the students of Special Needs Foundation students (SNF), Dubai, United Arab Emirates. In addition, Director of Human Resources Department of Dusit Thani Dubai joined with Gulf Law Consultancy to share knowledge on hiring and labor laws of United Arab Emirates at Filipino Consulate, and to donate things e.g. clothes and necessary items to the earthquake victims in the Philippines.

- Staff and Management from dusitD2 Chiang Mai and Dusit Princess Chiang Mai donated money of 10,000 THB to support dusitD2 Nairobi Kenya, and help victims of Tropical Storm Pa Buk by donating food, drinking water and others. This donation was made with the 33th Military Circle at Tha Phae Gate, Chiang Mai. According to the severe flooding in the northeastern provinces, dusitD2 Chiang Mai and Dusit Princess Chiang Mai donated necessary items used on a daily basis, food, snack food and medical supplies at Tha Phae Gate, Chiang Mai on September 20, 2019.

- Staff from Dusit Thani Guam Resort stayed active as they participated in the Annual Strides for the Cure, run and walk to help raise awareness and funds for the fight against breast cancer.

- Dusit Thani Guam Resort participated in "The Annual Plane Pull" event organized by United Airlines. Team of 25 members each competed to pull a United Boeing 737 aircraft. This event is for the benefit of the American Cancer Society and Guam Cancer Care. We placed 2<sup>nd</sup> place in the men's division and 4<sup>th</sup> place in the co-ed division.

- **Blood Donation Activity**

- Staff and Management from dusitD2 Chiang Mai and Dusit Princess Chiang Mai together with Le Meridien Chiang Mai organized blood donation "Give Blood, Save Lives".

- Cooperation with "Krungthai Training Institute" staffs from dusitD2 Khao Yai donated blood to give a royal charity to the King Rama VII.

- Dusit Thani Pattaya organised its first blood donation campaign in 2019 to support the Thai Red Cross Society and encourage staff to participate in helping society.

- Red Cross blood donation was held at Dusit Thani Laguna Phuket on September 26, 2019 with many staff and executives joining the donation.

## 2. Environmental Initiatives

- **Earth Hour Activity**

- Management and staff from Dusit Thani Hua Hin planted of young trees along the road to the hotel main entrance on Earth Day.

- dusitD2 Khao Yai joined project "Lok Suay Nam Sai" in Khao Yai for preserve the environment to remain beautiful by providing "used vegetable oil" to the project staff for further "biodiesel" production.

- Switching off all lights in Staff Accommodation for one hour by Dusit Thani Dubai.

- dusitD2 Chiang Mai and Dusit Princess Chiang Mai organized "Keep the world cool! at Baan Hor Market. The campaign to reduce the use of plastic bags, create a pleasant environment and contribute to sustainable community development, by giving cloth bags to those who come to shop.

- Beach clean-up activity was conducted on Earth Day (April 22) together with all properties of Banyan Tree and Dusit Thani Laguna Phuket to raise awareness and take actions on the global environment issues and staff from Dusit Thani

Laguna Phuket representatives joined Laguna CSR team for Greening Community Project with Mangrove Tree Planting at Baan Thasak in Paklok area.

- Dusit sustainability committee from Dusit Thani Guam organized its first beach clean-up. Employees came together to clean Guam's beach.

- **Big Cleaning Activity**

- As an eco-friendly hotel, Dusit Thani Pattaya, organized special activities to support the restoration of North-Pattaya beach and the surrounding areas of the hotel's public beachfront to ensure and maintain the good environment, which assists in drawing back worldwide tourists to this beach destination. Dusit Thani Pattaya started the activities by organizing a "Beach Cleaning Activity" as a show of commitment to "Green Hotel" project and the ISO14001.

- DusitD2 Khao Yai joined the activity "The 2<sup>nd</sup> Run to save the world, Khao Yai without rubbish" to raise awareness do not throw rubbish on the floor and refrain from using plastic bags by walking and running to collect waste on both sides.

- Dusit Thani Dubai is fully committed in taking care of the environment. We have tied up with Emirates NBD in cleaning the desert in Al Qudra, Dubai, United Arab Emirates. This initiative has been recognized and appreciated by Dubai Municipality as shown in the picture with the head of Dubai Municipality.

- Dusit Thani Guam Resort recently completed a bus stop beautification project in Dededo in an effort to drive environmental awareness among the community. The group spent three days from October 11<sup>th</sup> to 13<sup>th</sup>, completing general cleaning in the area surrounding the bus stop, painting, and bush cutting.

# 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. 2/2020 on February 25, 2020, 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 2019, 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 2019, 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 6.42 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 1.23 million.
  - KPMG, Male, Republic of Maldives in total of USD 19,025.
  - KPMG Huazhen LLP, Shanghai, People's Republic of China in total of RMB 295,500.

- **Non-audit fees**

Subsidiary in overseas

- In 2019, the consulting service fee at the amount of USD 2,450 related to income tax, which was paid to KPMG, Male, Republic of Maldives and the amount of USD 1,800 will be paid in 2020.



# Related Party Transactions

## 1. Related transactions with directors, management and shareholders

The Company and subsidiaries have related transactions with the persons who may have the conflicts of interest during 2017, 2018 and 2019 as follows:

Transaction with the Company/ Subsidiaries	Types of transactions	Balances/Value of transactions (Million Baht)			Details, conditions and their necessities
		2017	2018	2019	
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	- / 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  Dividend income	3.49 / 9.09  - / 14.75	1.71 / 9.48  - / 16.54	0.05 / 1.63  - / 16.99	The conditions of pricing and services in sales and marketing are similar to those charged to other hotels in the group.  Per dividend declaration
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	8.46 / 48.54	1.22 / 23.03	0.36 / 4.18	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 necessities
		2017	2018	2019	
Dusit Thani PLC. and subsidiaries with The Navakij Insurance PCL.by Professor Hiran Radeesri is the director.	Insurance expenses	- / 0.75	- / 0.64	- / 0.34	Prices and terms are in the normal business transaction.
Dusit Thani PLC. and subsidiaries with Siam Makro PLC. by Mr. Arsa Sarasin is the director.	Selling expense and administrative expense	- / 2.01	- / 2.73	- / 1.61	Prices and terms are in the normal business transaction.
Dusit Thani PLC. and subsidiaries with Central Pattana PLC. which is the shareholder of the Company and subsidiaries.	Long-term loan	- / -	73.34 / 73.34	219.34 / 146.00	The subsidiary entered into the Long Term Loan Agreement to construct the buildings under Dusit Central Park Project in the amount not exceeding Baht 350 million with interest rate of MLR-1% per annum.
	Asset under construction - Interest expenses	- / -	1.80 / 1.80	4.68 / 2.88	
	Interest expenses	- / -	1.88 / 0.08	3.01 / 0.13	

According to the Audit Committee meeting No. 2/2020, the Audit Committee had considered that the related transaction with the persons who may have the conflicts of interest during 2017, 2018 and 2019 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 2017, 2018 and 2019, 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
	2017	2018	2019	2017	2018	2019	
1. Dusit China Capital Co., Ltd.	21.40	12.80	12.10	97.40	115.40	127.50	The Company provided long-term loan.
	2.47	3.11	3.44	2.47	3.11	9.02	The Company's interest income.
2. Vimarn Suriya Co., Ltd.	46.01	(93.12)	219.00	93.12	-	219.00	The Company provided long-term loan.
	4.12	2.47	1.66	4.12	2.47	1.66	The Company's interest income.
3. Dusit Thani Properties Co., Ltd.	(2.00)	(248.00)	-	248.00	-	-	The Company provided short-term loan.
	7.03	1.67	-	7.03	1.67	-	The Company's interest income.
	-	90.40	315.00	-	(90.40)	315.00	The Company borrowed short-term loan.
	-	1.77	0.91	-	1.77	0.24	The Company's interest expense.
4. Dusit Excellence Co., Ltd.	34.62	129.95	1.00	34.62	169.77	170.77	The Company provided short-term loan.
	0.35	5.35	6.69	0.76	1.05	1.12	The Company's interest income.
5. Suanlum Property Co., Ltd.	14.04	75.80	37.66	14.04	89.84	127.50	The Company provided long-term loan.
	0.23	1.64	4.12	0.23	1.64	0.64	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	(31.75)	-	345.55	313.80	The Company provided short-term loan.
	-	4.21	11.81	-	4.21	12.66	The Company's interest income.
8. Dusit Foods Co., Ltd.	-	-	469.50	-	-	469.50	The Company provided short-term loan.
	-	8.08	10.74	-	8.08	-	The Company's interest income.
9. Dusit Hospitality Services Co., Ltd.	-	-	40.00	-	-	40.00	The Company provided short-term loan.
	-	-	0.42	-	-	-	The Company's interest income.
10. Asai Holdings Co., Ltd.	-	-	16.00	-	-	16.00	The Company provided short-term loan.
	-	-	0.14	-	-	0.14	The Company's interest income.
11. Dusit Worldwide Co., Ltd.			68.00			68.00	The Company provided short-term loan.
			0.04			-	The Company's interest income.

### 3. Standard or policies governing related transactions

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

1. Cost, retail price and value of the related transactions follow normal general trading norms.
2. The Company follows the Stock Exchange of Thailand's regulations and proposes to Audit Committee for consideration, including processes for a reasonable related transaction in the best benefits to the Company. The Audit Committee has reviewed the price or the rate of such transaction with the officers and internal auditors of the Company that the price is reasonable and appropriate disclosed in financial statements.
3. The Company sets the approval procedures for related transactions to follow the format applied to the Company's general procedures for purchasing and hiring of services. Neither the executive directors nor the shareholders are involved in the benefits or loss or approval of these related 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 are 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 2019

## Executive Summary

2019 marked our first year in the second phase of the Company's 9-year strategic journey (2019-2021) focusing on "Realizing potential". It was also the year our flagship and key revenue contributor, Dusit Thani Bangkok Hotel, closed its door for the redevelopment (mixed-use project); this inevitably affected the Company's operating revenue. In addition, the Company had invested in renovating its long overdue hotels to enhance competitive edge in the market. Moreover, the economic slowdown and the appreciation of the Thai Baht has led to the destination shift among the country's target tourists. These factors have, undoubtedly, put pressure on the hospitality industry, which is the main source of the Company's revenue. Despite such impediments, the Company recognized the growth potential from the followings:

- 1) Increased revenue and profit from new business investment which are: "Elite Havens" (since 2018) providing luxury villa management services and Epicure "Catering" (ECC) (new investment in 2019), providing catering services to international schools;
- 2) Sales of assets or investments which are: the sale of long-term investments (profits recorded in 2Q19) to reduce the impact from the closure of Dusit Thani Bangkok Hotel, the sale of Dusit Thani Maldives Hotel to Dusit Thani Freehold and Leasehold REIT (DREIT) (property sales profit recorded in 3Q19), and the recognition of gain on reclassification of investments in 4Q19, and recognition of gain on sales of investments in associated companies and securities held for trading in 4Q19.

The Company's investment in 2019 was in line with the long-term strategic plans: Balance, Diversify and Expand. In addition to the investment in ECC which enables us immediate returns, the Company has also invested in 2 hotels: Dusit Suite Ratchadamri Bangkok Hotel and ASAI Chinatown Hotel; and has opened Baan Dusit Thani Restaurant. The goals of these investments are to maintain brand awareness, build the new brand, and simultaneously add business value to the group, all of which are expected to gradually generate returns in the future.

As for food business, the Company has continually expanded its business by coinvesting with Real Foods (Pty) Ltd., a leader in South Africa's healthy food market, to operate a healthy food business in Thailand. In terms of property development business, Vimarn Suriya Company Limited, a subsidiary held by the Company and Central Pattana Plc., has launched its mixed-use property development project "Dusit Central Park" with the concept "Here for Bangkok". In addition, the Company has jointly invested with Origin Property Plc. to develop the Hampton Sriracha by Origin and Dusit, a luxurious condominium project in Chonburi, to accommodate the investment and tourism growth in the Eastern Economic Corridor.

In 2019, the Company opened 9 hotels in the Philippines, Qatar, United Arab Emirates, China and Thailand, totaling 37 hotels (8,363 rooms) under the Company's management at the end of 2019. As for Elite Havens, the number of properties under its management has increased to a total of 270 luxury villas (1,117 rooms). The Company, therefore, has 9,480 rooms under its management across 14 countries.

For the Company's performance in 2019, the Company reported the net profit including attributable to non-controlling interest of THB 605 million, an increase of 72.7% yoy. Net profit attributable to owners of the parent increase by 10.3% yoy to THB 320 million. In 4Q19, the Company reported the net profit including attributable to non-controlling interest of THB 266 million, an increase of 91.4% yoy. Net profit attributable to owners of the parent was THB 269 million, increased by 126.1% yoy.

Despite the lower hotel revenue from the closure of Dusit Thani Hotel Bangkok at the beginning of the year with carrying hotel staff cost, the Company reported the strong performance in 4Q19 and 2019 driven mainly by gains on sales of assets or investments as well as higher revenue and profits from new business investment as aforementioned. The Company has already managed the hotel staff cost by allocating these staff to the new businesses such as Dusit Suite Ratchadamri Bangkok Hotel, Dusit Events (outside catering), Dusit on Demand (housekeeping services) and Baan Dusit Thani (restaurants and coffee-shop) which fully opened since September 2019 with very good response.



Unit : Bath million	4Q19	4Q18	Change		FY19	FY18	Change	
Hotel business	1,009	1,298	-289	-22.3%	3,776	4,626	-850	-18.4%
Education business	103	124	-21	-16.9%	390	425	-35	-8.2%
Food business	91	5	86	1,720.0%	402	19	383	2,015.8%
Others	596	194	402	207.2%	1,549	495	1,054	212.9%
<b>Total revenue</b>	<b>1,799</b>	<b>1,621</b>	<b>178</b>	<b>11.0%</b>	<b>6,117</b>	<b>5,565</b>	<b>552</b>	<b>9.9%</b>
EBITDA	472	307	165	53.7%	1,374	999	375	37.5%
EBIT	357	188	169	89.9%	912	501	411	82.0%
<b>Net profit (loss) attributable to parent</b>	<b>269</b>	<b>119</b>	<b>150</b>	<b>126.1%</b>	<b>320</b>	<b>290</b>	<b>30</b>	<b>10.3%</b>
Net profit (loss) attributable to non-controlling interests	-3	20	-23	-114.4%	285	60	225	372.2%
<b>Net profit (loss) for the period</b>	<b>266</b>	<b>139</b>	<b>127</b>	<b>91.4%</b>	<b>605</b>	<b>350</b>	<b>225</b>	<b>72.7%</b>
EPS (THB)	0.32	0.14	0.18	124.9%	0.38	0.34	0.04	10.5%

#### Major Developments in 4Q19

On 10 October 2019, the Company invested 49% in newly established company namely "The Origin Dusit Co., Ltd.", a joint venture between the Company and Origin Property Public Company Limited, for construction and development of condominium project in Chonburi, The Hampton Sriracha.

On 19 November 2019, the Company increased investment in D&J Co., Ltd. (formerly known as Dusit Colours Co., Ltd.) by 51% resulting the 100% investment.

In November 2019, the Company decided to change the objective of investing in marketable equity securities from available-for-sale securities to trading securities which were partially sold in 2019.

On 27 December 2019, the Company sold partially the investment in NR Instant Produce Plc.

On 31 December 2019, the Company was engaged to manage a hotel with 45 rooms in China, Dusit Thani Wetland Park Resort Nanjing.

#### 4Q19 and FY 2019 Operating Results:

Unit : Bath mn	Revenue breakdown				EBITDA breakdown			
	4Q19	4Q18	Change		4Q19	4Q18	Change	
Hotel business	1,009	1,298	-289	-22.3%	124	300	-176	-58.7%
Education business	103	124	-21	-16.9%	25	32	-7	-21.9%
Food business	91	5	86	1,720.0%	5	3	2	66.7%
Others	596	194	402	207.2%	318	-28	346	1235.7%
<b>Total revenue</b>	<b>1,799</b>	<b>1,621</b>	<b>178</b>	<b>11.0%</b>	<b>472</b>	<b>307</b>	<b>165</b>	<b>53.7%</b>

In 4Q19, the Company had total revenue of Baht 1,799 million, increased by Baht 178 million or 11.0% yoy. The total revenue comprised of 56.1% from Hotel Business, 5.7% from Education

Business, 5.1% from Food Business and 33.1% from Other Businesses.

Unit : Bath mn	Revenue breakdown				EBITDA breakdown			
	FY19	FY18	Change		FY19	FY18	Change	
Hotel business	3,776	4,626	-850	-18.4%	460	894	-434	-48.5%
Education business	390	425	-35	-8.2%	28	43	-15	-34.9%
Food business	402	19	383	2,015.8%	56	15	41	273.3%
Others	1,549	495	1,054	212.9%	830	47	783	1,666.0%
<b>Total revenue</b>	<b>6,117</b>	<b>5,565</b>	<b>552</b>	<b>9.9%</b>	<b>1,374</b>	<b>999</b>	<b>375</b>	<b>37.5%</b>

For the year 2019, the Company had total revenue of Baht 6,117 million, increased by 9.9% yoy. The total revenue comprised of 61.7% from Hotel Business, 6.4% from Education Business, 6.6% from Food Business and 25.3% from Other Businesses.

#### Hotel business

In 4Q19, the Company reported revenue from hotel business of Baht 1,009 million in 4Q19, decreased by 22.3% yoy and Baht 3,776 million FY2019, decreased by 18.4% yoy. This decrease was mainly from the closure of Dusit Thani Hotel Bangkok, a partial renovation at Dusit Thani Hotel Hua Hin which is currently operating the business, the economic slowdown and

the appreciation of foreign currencies against Baht currency which impacted to the revenue from Hotel Business. However, the Company had revenue from new investments in new businesses such as Elite Havens in late 3Q2018 and Dusit Suites Hotel Ratchadamri Bangkok in 2Q19.

#### • Owned hotels

	4Q19	4Q18	% Change	FY19	FY18	% Change
Occupance %	75.3%	78.8%	-4.4%	74.4%	77.4%	-3.9%
ADR (THB/night)	3,695	3,816	-3.2%	3,610	3,670	-1.6%
RevPar (THB/night)	2,783	3,006	-7.4%	2,685	2,841	-5.5%

**Remark:** The statistics does not include Dusit Thani Bangkok and Dusit Suites Ratchadamri, Bangkok.

In 4Q19, Owned Hotels reported the revenue of Baht 897 million, decreased by 24.2% yoy while the FY19's revenue was Baht 3,413 million, 21.7% decreased yoy.

- In 4Q19, revenue from owned hotel in Thailand was decreased by 32.8% yoy while by 31.8% yoy for the FY2019. The decrease was due to the closure of Dusit Thani Hotel Bangkok, a partial renovation at Dusit Thani Hotel Hua Hin, a decrease in revenue from Dusit Princess Srinakarin Hotel affected from the Mass Rapid Transportation construction and more market competition. However, the Company had revenue from Dusit Thani Laguna Hotel Phuket after finishing its renovation and the opening of Dusit Suite Ratchadamri Hotel Bangkok in 2Q19.
- In 4Q19, revenue from oversea hotels was dropped by 7.8% yoy while by 1.5% yoy for the FY2019. The decrease was due to high competition from the new

hotels of other players in Philippines and Maldives and negative impact from exchange rate compared to US dollar and Philippines Peso. For the FY19's revenue, the revenue performance yoy was at similar level even negative impact from the appreciation of foreign currencies against Baht currency.

#### • Hotel Management

In Q419, Revenue from hotel management business was Baht 116 million, decreased by 0.2% yoy and Baht 378 million for FY2019, increased by 33.4% yoy. The decrease in 4Q19 was driven by the slowdown in economy and the appreciation in Thai Baht affected directly to the Tourism and Hotel industry. However, the Company gained more revenue from a luxury hotel management business under the new investment in Elite Havens in late 3Q18.

- **Loss sharing from Investments**

In 4Q19, the Company recognized loss sharing from investments in Dusit Fudu Hotel Management (Shanghai) Co, Ltd. ("Dusit Fudu") of Baht 4 million, increased by 160.2% yoy as a result of an increased in interest expense. Loss sharing from investment for the year 2019 was Baht 15 million, in line with the loss sharing for the year 2018 due to the better performance in Dusit Fudu in the first half of 2019.

The Company reported the EBITDA of Baht 124 million for hotel business in 4Q19, decreased by 58.7% yoy and Baht 460 million for the year 2019, decreased by 48.5% yoy. The closure of Dusit Thani Hotel Bangkok was the main driver followed by the renovation of Dusit Thani Hotel Hua Hin, the impact from MRT construction to Dusit Princess Srinakarin Hotel, the early stage performance result of Dusit Suites Ratchadamri (opened in 2Q19), the appreciation of Thai Baht lowering down the EBITDA of the hotel business and the maintaining Dusit Thani Hotel Bangkok employee cost and additional post-employment benefit expenses from the new labour protection act effective in 2Q19.

Depreciation and amortization expenses were Baht 65 million in 4Q19, decreased by 34.2% and Baht 337 million for the year 2019, decreased by 19.3% yoy from fully depreciated assets of Dusit Thani Hotel Bangkok and other Hotels in the group.

#### **Education Business**

The Company had the revenue from Education Business of Baht 103 million in 4Q19, decreased by 16.9% yoy while reporting the total revenue of Baht 390 million for the year 2019, decrease by 8.2% yoy. This decrease was from a decrease in profit sharing from Le Cordon Bleu Dusit due to an increase in rent and depreciation expense in relation to the Institution relocation to support the business expansion in the future. In FY2019, there was higher loss sharing from Dusit Hospitality Education Philippines Inc due to increase of administrative expenses. In FY2018, it had the revenue from the Lyceum fee charged to Colleges in Philippines but no more this revenue in FY2019. Dusit Thani College gained more revenue in this year from focusing more on the short-term courses to reduce competition impact over the decrease in number of students.

EBITDA from Education Business in 4Q19 was Baht 25 million, decreased by 21.9% yoy and Baht 28 million for FY2019, decreased by 34.9% yoy due to lower revenues.

#### **Food Business**

The Company reported revenue from Food business in 4Q19 of Baht 91 million, increased by Baht 86 million and Baht 402 million, increased by Baht 383 million. This significant increase

was from the investment in Epicure Catering Co., Ltd. in 1Q19. With this investment, the food business showed strong revenue growth contributed 5.1% of total revenue in 4Q19 and 6.6% of total revenue in FY2019.

EBITDA from Food Business was Baht 5 million in 4Q19, increased by 66.7% yoy and Baht 56 million for FY2019, increased 273.3% yoy.

#### **Other Businesses**

In 4Q19, the Company had the revenue from Other Businesses of Baht 596 million, increased by 207.2% yoy and Baht 1,549 million for FY2019, increased by 212.9% yoy. The revenue growth was from gain on sales of long term investment in 2Q19, gain on sales of Dusit Thani Maldives to DREIT in 3Q19, gain on reclassification of investments, gain on sales of investment in associates and trading securities in 4Q19 and having revenue from new Businesses; Dusit Hospitality, Dusit Events, Dusit on Demand and Baan Dusit which fully opened in late 3Q19.

Along with the growth in revenue mentioned above and the growth in selling and administrative expenses, EBITDA of Other Businesses in 4Q19 was Baht 318 million; increased by Baht 346 million and Baht 830 million for FY2019, increased by Baht 783 million due to the increase of other income and administrative expense.

#### **Earnings before Interest, Corporate Income Tax, Depreciation and Amortization (EBITDA)**

EBITDA in 4Q19 was Baht 472 million, increased by 53.7% yoy and Baht 1,374 million, 37.5% growth yoy. This increase was driven by the growth in Food Business and Other Businesses as mentioned above.

#### **Finance Costs**

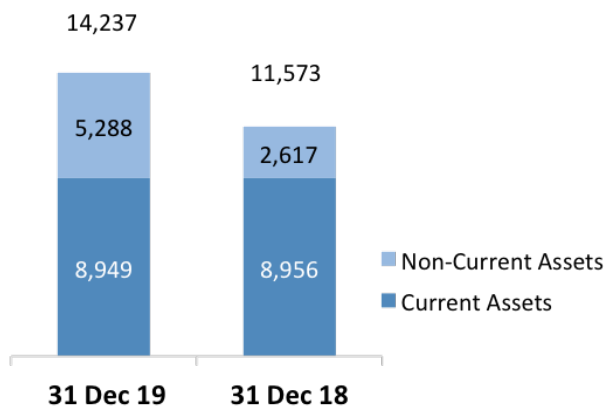
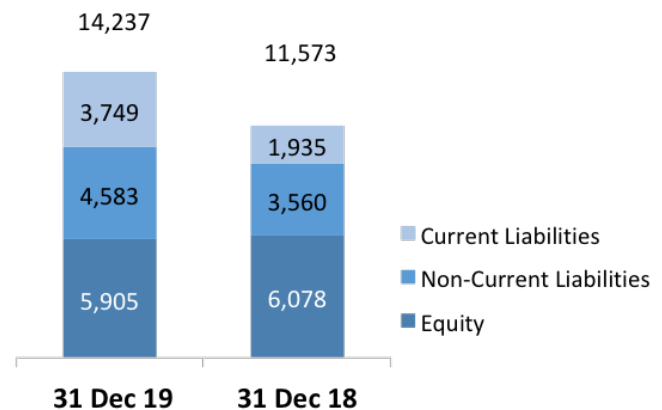
In 4Q19, the Company had Finance Costs of Baht 33 million, increased by 45.4% yoy and Baht 118 million for FY2019, increased by 81.5% yoy. This increase was from the interest expense from bond issuance in 3Q18 and from more short-term and long-term loan from Financial Institutions in 2019.

#### **Net Profit**

In 4Q19, the Company had the net profit including attributable to non-controlling interest of Baht 266 million, increased by 91.4% yoy and Baht 605 million for FY2019, increased by 72.7% yoy. This increase was from the profit from selling Dusit Thani Maldives, gain on reclassification of investments, selling investments and the strong performance from Food Business.

However, the net profit attributable to owners of the parent was less than the net profit as a result of excluding the net profit attributable to non-controlling interest.

Unit: THB mn

**Total Assets****Total Liabilities and Equity****Assets**

As of 31 December 2019, the Company reported total assets of Baht 14,237 million increased by Baht 2,664 million or 23.0% from 31 December 2018.

- Current assets increased by Baht 2,671 million mainly increased of cash and cash equivalents from cash received from sales of property, plant and equipment from the restructuring of Dusit Thani Maldives and cash received from accounts receivable and other receivables.
- Non-current assets decreased by Baht 7 million mainly from a decrease in property, plant and equipment from selling Dusit Thani Hotel Maldives and reclassification of investments net against an increase in prepaid rental of Dusit Suites Ratchadamri, Bangkok and Baan Dusit Thani project and an increase in goodwill from an investment in subsidiary.

**Liabilities**

As of 31 December 2019, the Company reported total liabilities of Baht 8,332 million increased by Baht 2,837 million or 51.6% from 31 December 2018.

- Current Liabilities was increased by Baht 1,814 million from an increase in short-term loans from financial institutions to use as the working capital and as the Bridging finance for the new projects.
- Non-Current Liabilities was increased by Baht 1,023 million from long-term loan used for loan repayment and also investment in any project.

**Shareholders' Equity**

As of 31 December 2019, the Company's equity was Baht 5,905 million, decreased by 2.8% from 31 December 2018, consisting of the equity attributed to owners of the parent of Baht 4,726 million, and the non-controlling interest of Baht 1,179 million.

**Cash Flows**

As of 31 December 2019, the Company reported cash and cash equivalents of Baht 2,600 million, increased by Baht 1,488 million (after reflecting impact from foreign currencies) from Baht 1,112 million as of 31 December 2018.

**Source of Funds**

The Company had net cash inflow of Baht 2,328 million consisting of the followings;

- Net cash received from operating activities Baht 450 million consisting of cash inflow from sales and services, offsetting with cash outflow for expenses and income tax payment
- Cash inflow from financing activities Baht 1,875 million mainly consisting of the proceed of short-term loans from financial institutions Baht 9,266 million offsetting with the repayment of short-term loan of Baht 7,676 million, the proceed of long-term loan of Baht 1,197 million, repayment of long-term loan of Baht 317 million interest payment Baht 114 million and dividend payment Baht 481 million.

**Use of Funds**

The Company reported net cash outflow from investing activities of Baht 779 million, mainly consisting of the followings;

- Cash outflow on net acquisition of subsidiaries in Epicure Catering Co.,Ltd. of Baht 471 million
- Cash outflow for investment in associates of Baht 646 million, the majority is Dusit Thani Freehold and Leasehold Real Estate Investment Trust.
- Cash outflow for purchases of property plant and equipment and other intangible assets of Baht 1,239 million
- Cash outflow for prepaid rental of land and buildings of Baht 773 million on Dusit Suites Ratchadamri, Bangkok and Baan Dusit Thani
- Cash inflow from sales of property, plant and equipment of Baht 2,394 million
- Cash inflow from sale on other long-term investment of Baht 216 million

Unit : Bath mn	31-Dec-19	% to total assets	31-Dec-18	% to total assets	Chg
Cash and cash equivalents	2,600	18.3%	1,112	9.6%	133.8%
Current investments	933	6.6%	457	3.9%	104.2%
Trade and other receivables	1,465	10.3%	849	7.3%	72.6%
Other current assets	290	2.0%	199	1.7%	45.7%
<b>Total current assets</b>	<b>5,288</b>	<b>37.1%</b>	<b>2,617</b>	<b>22.6%</b>	<b>102.1%</b>
Available-for-sale investments	-	-	473	4.1%	-100.0%
Investments in associates	1,814	12.7%	1,980	17.1%	-8.4%
Property, plant and equipment	3,475	24.4%	4,300	37.2%	-19.2%
Prepaid rental of land and buildings	1,381	9.7%	821	7.1%	68.2%
Other non-current assets	2,279	16.0%	1,382	11.9%	64.9%
<b>Total non-current assets</b>	<b>8,949</b>	<b>62.9%</b>	<b>8,956</b>	<b>77.4%</b>	<b>-0.1%</b>
<b>Total assets</b>	<b>14,237</b>	<b>100.0%</b>	<b>11,573</b>	<b>100.0%</b>	<b>23.0%</b>
Short-term loans from financial institutions	1,762	12.4%	167	1.4%	955.1%
Trade and other payables	1,380	9.7%	1,248	10.8%	10.6%
Current portion of long term loans	96	0.7%	241	2.1%	-60.2%
Other current liabilities	511	3.6%	279	2.4%	83.2%
<b>Total current liabilities</b>	<b>3,749</b>	<b>26.3%</b>	<b>1,935</b>	<b>16.7%</b>	<b>93.7%</b>
Long term loans	1,602	11.3%	601	5.2%	166.6%
Debenture	998	7.0%	997	8.6%	0.1%
Deferred rental revenue	508	3.6%	534	4.6%	-4.9%
Other non-current liabilities	1,475	10.4%	1,428	12.3%	3.3%
<b>Total non-current liabilities</b>	<b>4,583</b>	<b>32.2%</b>	<b>3,560</b>	<b>30.8%</b>	<b>28.7%</b>
<b>Total liabilities</b>	<b>8,332</b>	<b>58.5%</b>	<b>5,495</b>	<b>47.5%</b>	<b>51.6%</b>
Equity attributable to owners of the company	4,726	33.2%	4,971	43.0%	-4.9%
Non-controlling interests	1,179	8.3%	1,107	9.6%	6.5%
<b>Total shareholder's equity</b>	<b>5,905</b>	<b>41.5%</b>	<b>6,078</b>	<b>52.5%</b>	<b>-2.8%</b>



Key Financial Ratio		
Profitability ratio	31-Dec-19	31-Dec-18
Gross profit margin	26.4%	30.7%
EBITDA margin	22.5%	18.0%
Net profit margin	5.2%	5.2%
Efficiency ratio	31-Dec-19	31-Dec-18
Return on equity	6.6%	5.9%
Return on asset	7.1%	4.6%
Liquidity ratio	31-Dec-19	31-Dec-18
Current ratio (time)	1.41	1.35
Leverage ratio	31-Dec-19	31-Dec-18
Interest bearing debt to equity (time)	0.94	0.40
Net interest bearing debt to equity (time)	0.20	0.09
Debt to equity (time)	1.76	1.11
	31-Dec-19	31-Dec-18
Interest coverage ratio (time) **	7.76	7.73

\*\*=EBIT/Interest expense

In 2019, even though, the Dusit Thani Hotel Bangkok was closed in the beginning of the year, the company still reported better EBITDA and net profit which it was driven by the gain from sales on investments, gain from selling Dusit Thani Maldives and strong performance from investment in Epicure Catering Co., Ltd.

Company's financial position was still strong with the D/E ratio of 0.94 times which it was still under the company's policy to have D/E ratio not higher than 1.50 times and it was less than 1.75 times for Bond's policy. This increase in D/E ratio was from funding for the new company's projects.

## 2020 Outlook

2020 definitely a very challenge year for our company and in tourism business which is on the verge of the world's economic slowdown, the destabilization of international trade underpinned by US trade policies, as well as the continued appreciation of Thai Baht against other currencies in ASEAN. Furthermore, the recent outbreak of coronavirus disease (COVID-19) that was first reported at the end of 2019 has resulted in the repercussions on tourism business and international travels; as well as interrupting Chinese supply chain, both inbound and outbound.

Meanwhile, the Thai economy, especially in manufacturing and tourism sectors, has marred deep by such dilemmas. Tourism industry has reported a dramatic decline of tourist arrivals and the rise of hotel booking cancellation during high season. The Company's management has primarily evaluated and forecasted that it would take at least 5 to 6 months for the tourism sector to slowly recover. The sign of recovery

is expected to be evident at the end of May or the beginning of June. In response to on-going challenges, the Company has promptly adjusted its marketing strategy and promotion, focusing more on the domestic markets to lessen the impacts of the situation.

In 2020, the Company has initiated Organizational Transformation project which emphasizes on increasing operational efficiency and work process whereby the Group CEO also assumes an additional role of Chief Transformation Officer with great support from Technology Transformation Leader and Business Transformation Leader. This is to (1) pursue business and technological excellence while seeking to disrupt ourselves (2) maximize our value-driven proposition to our guests and customers, (3) build a performance-based culture for agile organizational sustainability.

Currently, the Company's budget is under revision to adjust the revenue target and relevant capital expenditure to reflect the challenging factors. Our key business strategies in 2020 are summarized below.

**Hotel Business:** Our strategic focus is on:

- **Diversification by expanding the business overseas to balance out the revenue from both domestic and overseas** in accordance with the Company's long-term strategic plan. By 2020, the Company plans to increase its managed hotels (Asset light) by 2,000 rooms in 9 locations abroad and to open 1 owned hotel in Thailand (ASAI Chinatown). In addition, the Company is currently studying the opportunity to expand its luxury villa management business under Elite Havens brand in Europe and Australia to mitigate the geographic concentration risk;

- **Asset portfolio rationalization.** The Company has been actively managing its hotel assets to maximize their potentials to generate returns for strategic re-investment.

**Education Business:** remains under pressure by demographic and sociological change as well as education disruption in the digital age. The number of new student enrollment continues to decline. For the long-term growth, the Company has adjusted its business strategy in 2020 as follows:

- **Restructure and modernize the curriculum** to enhance the potential of students to meet the needs in a changing market;
- **Enhance the integration of education with hotel business** (Education-hotel integration);
- **Expand to new market segments** by converting non-degree education into degree education and penetrating vocational studies and pre-degree;
- **Re-strategize education business in the Philippines** Currently, Dusit Thani Philippines, Inc. (DTPI), an indirect subsidiary of the Company in the Philippines, is considering divesting the shares of Dusit Hospitality Education Philippines (DHMC) which operates Dusit Hospitality Management College in the Philippines. Due to the delay of this project and to reduce the risk of increasing capital in DHMC, DTPI decided to sell DHMC shares and reposition ourselves to provide management service for education-hotel integration model. This divestment is to prepare for education business restructuring of Dusit Group in the future and to prepare for the lease term expiration of Dusit Thani Manila Hotel in the next 8.5 years. The proceeds of this divestment will be used as DTPI's working capital and partial debt repayment.

**Property Development Business:** The Company continues to explore the opportunity in real estate business by partnership with strong strategic partners.

- Mixed-use project, “**Dusit Central Park**”, is currently undergoing the demolition of hotel buildings and piling works. This demolition and piling are on-track with the plan to be completed in June and December 2020, respectively. The Company plans to launch the residential project sales as soon as the sales gallery and mock-up rooms are completed in mid-2020. The project completion schedule remains unchanged, including the opening date of hotel in early 2023, shopping centers and office buildings at the end of 2023, and the residential building in mid-2024.
- The high-end condominium development project, “**The Hampton Sriracha by Origin and Dusit**”, has postponed the pre-sale plan to 2Q20 due to the economic slowdown while many property developers delay their plan to launch the new projects.
- **Potential overseas real estate projects in the Philippines.** In February 2020, the company entered into a joint venture agreement with Metro Pacific Investments Corporation (MPIC) to develop 3 condominiums and 2 hotels in the Philippines. (MPIC

is a company listed on the Philippine Stock Exchange and is the developer of large-scale infrastructure projects in the Philippines such as power plants, highways, waterworks and light rails.)

The joint venture with MPIC will help expanding the scope of the Company's condominiums and hotels businesses in the Philippines and increasing business value of the company. This is in line with the continuous growth rate of the demand and supply of condominiums in the Philippines, which has a greater chance of growth than that of Thailand evidencing from the increase in RevPar growth rate. In addition to synergized benefit, being a business alliance with MPIC will allow both parties utilize their expertise in developing real estate projects which support sustainable business growth of the Company in the future.

**Food business:** The Company's food business tends to expand and is expected to recognize profits from investments.

- **Generate higher recurring revenue from international school catering business.** In January 2020, Epicure Catering (ECC) has signed an agreement to purchase shares of The Caterers Joint Stock Company (Caterers) who operates catering business in Vietnam, which will allow ECC to have the largest market share in catering service for international schools in Thailand and Vietnam, and then becomes a leader of such business in the ASEAN market.

ECC will acquire 100% shares in Caterers over specific periods of times. 51% stake in February 2020 (approximately USD 2.04 million or THB 61.2 million at the exchange rate of THB 30 per USD), 19% stake by mid-2021, and the remaining 30% within 1Q22.

- **Expand healthy food business under “Kauai” brand** by the operation of Dusit Real Food Company Limited, which opened its first healthy food outlet in Virgin Active Club 101 branch at the end of 2019 and planned to open more outlets in 2020.
- **Partially divest investment in NR Instant Produce (NRF) as part of the balance sheet rationalization plan** to recognize the return on investment. NRF's business outlook is promising with plans to expand the business in the future. As part of NRF's pre-IPO plan to restructuring its shareholding structure, its major shareholder decided to buy back the shares to allocate them to the other strategic investors. After this divestment, Dusit Foods remains a strategic shareholder in NRF with a 6.382% stake.
- **Potential overseas expansion through high quality products of “Khong Thai” brand.** The company began marketing in the United States since the end of 2019 and plans to increase revenue by 2020.
- **Develop a stand-alone restaurant business**, such as the Vietnamese restaurant “Thien Duong” and the coffee shop “Dusit Gourmet”.

# The Audit Committee Report For 2019

## 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 2019, the Audit Committee had 15 meetings as follows:

		Attendance / Total Meeting (time)
1.	Prof. Hiran Radeesri Audit Committee Chairman	15/15
2.	Khun Pranee Phasipol Committee Member	13/14
3.	Khun Teerapol Chotichanapibal Committee Member	15/15

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 2019 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 auditors 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 was 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 on website and email. Additionally, the anonymous letter can be directly sent to whistle-blowing committee or audit committee.

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 2020**

Evaluated the performance of external auditor with satisfactory result and also considered the independence, qualification and the suitability of the working period of the external auditor which were agreed that they were complied with the SEC's regulations, including reasonable auditor fee. Therefore, the Audit Committee presented to the Board of Directors for considering to propose to the shareholders' meeting consideration and appointment of Ms. Vipavan Pattavanvivek or Ms. Vannaporn Jongperadechanon or Ms. Chanarat Chanwa

of KPMG Phoomchai Audit Company Limited to be the auditor of the Company and its subsidiaries. The proposed audit fees for the year 2020 and quarterly review fee of the company are amounting to 2,055,000 baht and acknowledgement of the annual audit fee for the year 2020 of subsidiaries' financial statements and joint venture including quarterly review fee for listed subsidiaries' financial statements located in Thailand are amounting to 4,896,000 baht and the auditor fee of its overseas subsidiaries companies, associates and joint venture are amounting to 2,984,700 baht.

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.



**Professor Hiran Radeesri**  
Audit Committee Chairman

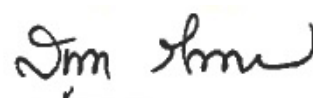
# The Nomination Remuneration And Corporate Governance Committee Report For 2019

## Dear Shareholders,

In 2019, the Board of Directors of Dusit Thani Public Company Limited approved the change of the sub-committee's structure by combining the Corporate Governance and Nomination Committee and the Remuneration Committee into one committee consisting of two independent directors and one non-executive director. The chairperson of the committee shall be an independent director.

In 2019, the Nomination, Remuneration and Corporate Governance Committee held three meetings (prior to the change of the sub-committee structure in 2019, there were three meetings held for the Corporate Governance and Nomination Committee and two meetings held for the Remuneration Committee). The summary of its duties and responsibilities shall be as follows:

1. Appointed directors in replacement of those retiring by rotation by considering and selecting persons qualified under the relevant law, rules, regulations, and the Company's policy, and taking into account the diversity of board, skills, and experiences that will be beneficial to the Company; proposed the appointment for the approval of the Company's Board of Directors and the shareholders respectively. In 2019 Annual General Meeting of Shareholders, the Company provided opportunities for minority shareholders to nominate persons to be directors during 24 October 2018 to 31 January 2019 but no shareholder proposed any name for consideration.
2. Considered the structure and composition of the sub-committee and the board of directors in subsidiaries; supervised the nomination and appointment of qualified persons to be members of the sub-committee and directors of subsidiaries by considering knowledge, skills, experiences, and profile that are beneficial to the Company's business and the ability to devote time to sufficiently perform their duties.
3. Determined compensation for directors and members of the sub-committee for 2019 by considering the appropriateness and consistency with their duties and responsibilities, the Company's operating performance, compared with peers, and proposed the compensation for the approval of the Company's Board of Directors and the shareholders respectively.
4. Reviewed the performance evaluation form of the Group Chief Executive Officer and considered the remuneration of the Group Chief Executive Officer to be in accordance with the Company's operating performance, roles, duties and responsibilities, compared with peers, before proposing to the Company's Board of Directors for approval.
5. Reviewed the good corporate governance policy to cover the current operations of the Company to be in line with the good corporate governance principles specified by the Office of the Securities and Exchange Commission.
6. Considered and established the Nomination, Remuneration and Corporate Governance Committee charter in order to be in line with the restructuring that combines the Corporate Governance and Nomination Committee and the Remuneration Committee into one committee



**(Prof. Emeritus Dr. Khunying Suchada Kiranandana)**  
Chairperson of the Nomination, Remuneration and  
Corporate Governance Committee



# The Investment Committee Report For 2019

Dear Shareholders,

According to the Company's strategies for business expansion both in Thailand and oversea with investment in a variety of businesses to diversify investment risks, the Company's Board of Directors meeting No. 6/2019 on May 8, 2019 resolved to appoint the Investment Committee of Dusit Thani Public Company Limited. The Investment Committee consists of qualified members with knowledge, experience, and expertise in various fields. Those members are: (1) Mr. Pakhawat Kovithvathanaphong, as the chairman of the Investment Committee; (2) Mr. Somprasong Boonyachai, as a member of the Investment Committee; and (3) Mr. Chanin Donavanik, as a member of the Investment Committee. The appointment became effective on June 1, 2019. Ms. Mantanee Surakarnkul, the Company Secretary and the Vice President of the Company Secretary Office, acts as the secretary of the Investment Committee.

In 2019, the Investment Committee held five meetings as follows:

		Meetings attended/ Total number of meetings held
1.	Mr. Pakhawat Kovithvathanaphong Chairman	5 / 5
2.	Mr. Somprasong Boonyachai Member	5 / 5
3.	Mr. Chanin Donavanik Member	4 / 5

The Investment Committee formulated clear investment guidelines by considering the following principles:

- Investment must be consistent with the Dusit Group's strategic directions.
- Corporate investment guidelines have set the return rate on investment, debt management ratio, average cost of capital, minimum investment in joint ventures, financial parameters and hurdle rates by considering types of the group of companies and countries in which the Company invests. Any investment in every project must have a positive net present value.
- Individual project consideration: This is a process for making investment decisions by starting from finding business investment opportunities, considering projects, doing due diligence including seeking opinions of various consultants, applying for approval from the Board of Directors, preparing important documents and contracts until the end of negotiation for the transaction.
- Post-completion monitoring: The investment management will monitor the projects that the Company invests in and prepare a report for further investment consideration.

with the strategic directions and investment guidelines of the organization. The Investment Committee then reported them to the Board of Directors for consideration.

In 2020, the Board of Directors meeting No.1/2020 on January 31, 2020 resolved to appoint Mrs. Suphajee Suthumpun as an additional member of the Investment Committee, effective from February 1, 2020 onwards. Therefore, there are currently four members of the Investment Committee consisting of two independent directors and two executive directors in order to consider investment projects, new business opportunities, and monitor project progress to be able to immediately solve problems that may occur.

The Investment Committee has performed its duties in full according to the charter and as assigned by the Board of Directors. The Investment Committee considered investment project information and issues from the management including the opinions of the project consultants to propose to the Board of Directors for investment decision making with care and prudence under the principles of good corporate governance to build confidence for shareholders and all stakeholders, and for the stable and sustainable growth of the Company.

In every meeting, the Investment Committee reviewed the business feasibility of various investment projects and marketing overview in the countries in which the Company would invest. There were discussions and debates, opinions and views that are beneficial to the Company, for example, investment structures, financial structures, advantages and disadvantages of investments, including evaluation of the worthiness and return on investment of the project consistent



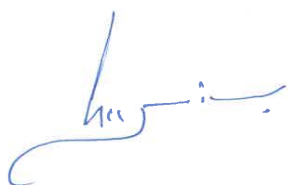
(Mr. Pakhawat Kovithvathanaphong)  
Chairman of the Investment Committee

# 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 2019 Annual Report. Hence, such Financial Statements has been prepared in accordance with the generally accepted accounting principles and standards under appropriate accounting policy and regular adherence with prudence, accuracy and completeness to reflect the true operating performance of the Company. In this regard, the Company has continuously reported the operating results and disclosed adequately key information with transparency to the Stock Exchange of Thailand for the benefit of the shareholders and general investors.

The Board of Directors has provided and maintained appropriate and efficient risk management, internal control, internal audit and supervision to ensure accurate, complete and adequate financial information for retention of assets and prevention of frauds or significant irregularities.

The Board of Directors has appointed the Audit Committee comprising three of Independent Directors to oversee and review the reliability and accuracy of the financial reports, including the internal control system that must be adequate and appropriate to ensure true reliability of such financial statements.



**Mr. Arsa Sarasin**  
Chairman



**Mrs. Suphatee Suthumpun**  
Group Chief Executive Officer

# Independent Auditor's Report And Financial Statements

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

### *Opinion*

I have audited the 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 2019, 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 2019 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, investments in subsidiaries, loans to subsidiaries and goodwill</b>	
Refer to the notes 3, 10, 12, 15 and 25	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>The Group has significant property, plant and equipment, investments in subsidiaries, loans to subsidiaries and goodwill in the financial statements. Economic benefits of the assets depend on future profitable operations which may impact value of the assets of the Group. Management performed an impairment indicator assessment over assets based upon the performance of each business unit and reviewed recoverable amount by considering the discounted estimated future cash flows. The discounted estimated 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 management's process in assessing the impairment indicators and determining the recoverable amount of assets.</li> <li>• Testing calculation of the discounted future cash flow model used.</li> <li>• Assessing the key assumptions underlying the estimate of the value from using discounted estimated future cash flows by taking into account historical data of the Group, operational plan and industry data.</li> <li>• Considering the disclosures in accordance with the Thai Financial Reporting Standards.</li> </ul>

<b>Acquisition of business</b>	
Refer to notes 3.1, 4.1, 14 and 15	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>During the year 2019, the Group has acquired of business in a subsidiary which engages in the food and beverage catering business in the Southeast Asia region in the amount of Baht 423 million resulting in the recording of goodwill of Baht 260.35 million and other intangible asset - customer relationship of Baht 305.35 million in the consolidated statement of financial position as at 31 December 2019.</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>• Considering the assessment by the independent appraiser 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 specialist in assessing the valuation methodology and financial parameters applied to the discount rate of the intangible assets.</li> <li>• Considering the disclosures in accordance with the Thai Financial Reporting Standards.</li> </ul>

*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.



(Vipavan Pattavanvivek)  
Certified Public Accountant  
Registration No. 4795

KPMG Phoomchai Audit Ltd.  
Bangkok  
25 February 2020

# Dusit Thani Public Company Limited and its Subsidiaries

## Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2019	2018	2019	2018
		(in Baht)			
<b>Current assets</b>					
Cash and cash equivalents	5	2,600,474,778	1,112,332,092	92,499,839	105,480,693
Current investments	6	932,784,816	457,202,360	-	-
Trade and other receivables	7,25	1,464,800,463	848,723,879	276,581,405	418,946,953
Inventories		69,277,200	77,009,872	12,053,458	11,618,667
Short-term loans to related parties	25	-	-	1,205,570,350	625,527,600
Short-term loans to other party		15,077,000	-	-	-
Current portion of prepaid rental of land and buildings	13	115,447,124	79,008,625	115,107,746	70,695,279
Other current assets		90,090,395	42,675,319	46,238,446	4,440,435
Non-current assets classified as held for sale	8,10	-	-	44,000,000	44,000,000
<b>Total current assets</b>		<b>5,287,951,776</b>	<b>2,616,952,147</b>	<b>1,792,051,244</b>	<b>1,280,709,627</b>
<b>Non-current assets</b>					
Restricted bank deposits	35.3	2,610,399	2,582,278	-	-
Available-for-sale investments	6	-	473,321,700	-	12,849,900
Other long-term investments	6	33,803,810	33,803,810	-	-
Investments in associates	9	1,814,425,271	1,980,201,943	1,649,880,953	1,123,954,212
Investments in subsidiaries	4,10	-	-	2,308,330,472	2,296,404,780
Investments in joint ventures	11	180,481,538	63,084,973	119,882,464	21,518,400
Long-term loans to related parties	25	234,138,694	194,747,864	344,447,714	89,844,773
Investment properties		174,806,185	173,106,185	144,571,625	144,571,625
Property, plant and equipment	12	3,474,626,873	4,300,197,453	688,988,700	487,319,146
Prepaid rental of land and buildings	13	1,380,979,984	821,225,217	1,376,092,216	770,578,542
Other intangible assets	4,14	616,793,350	313,644,167	31,017,403	43,757,862
Goodwill	4,15	580,979,631	305,301,164	-	-
Deferred tax assets	31	74,911,061	86,074,252	26,370,700	46,905,767
Deposits	16	290,970,124	100,110,124	290,970,124	100,110,124
Withholding tax	35.3	36,465,721	40,978,091	11,846,712	16,359,082
Other non-current assets		53,129,383	67,714,243	21,374,758	17,904,870
<b>Total non-current assets</b>		<b>8,949,122,024</b>	<b>8,956,093,464</b>	<b>7,013,773,841</b>	<b>5,172,079,083</b>
<b>Total assets</b>		<b>14,237,073,800</b>	<b>11,573,045,611</b>	<b>8,805,825,085</b>	<b>6,452,788,710</b>

The accompanying notes form an integral part of the 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	
		2019	2018	2019	2018
<i>(in Baht)</i>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	17	1,762,000,000	167,000,000	1,762,000,000	167,000,000
Short-term loans from related parties	25	-	4,542,972	315,000,000	90,400,000
Trade and other payables	18,25	1,379,927,105	1,247,790,267	184,484,788	275,864,845
Current portion of payable for acquisition of business	4	61,947,160	66,987,737	-	-
Current portion of long-term loans	19	96,450,681	241,366,244	33,000,000	21,800,000
Current portion of finance lease liabilities		-	542,276	-	-
Current portion of deferred rental revenue	21,25	25,433,333	25,433,333	76,879,388	76,879,388
Employee benefit obligations	22	-	88,479,890	-	88,479,890
Income tax payable		152,066,937	28,388,844	-	-
Other current liabilities	9	271,394,764	64,114,168	16,752,709	23,738,900
<b>Total current liabilities</b>		<b>3,749,219,980</b>	<b>1,934,645,731</b>	<b>2,388,116,885</b>	<b>744,163,023</b>
<b>Non-current liabilities</b>					
Payable for acquisition of business	4	-	60,315,068	-	-
Long-term loans	19,25	1,601,899,817	600,924,129	1,053,950,000	86,900,000
Debentures	20	998,249,000	997,219,000	998,249,000	997,219,000
Deferred rental revenue	21,25	508,109,209	533,542,544	1,092,574,152	1,169,453,539
Deferred tax liabilities	31	128,511,692	70,502,009	-	-
Provisions for employee benefits	22	195,740,442	171,430,882	82,031,852	65,298,478
Deposit for right to lease building	25	984,760,000	984,760,000	-	-
Liabilities from investment in joint venture	11	103,402,553	87,898,269	-	-
Other non-current liabilities		62,683,011	53,673,522	463,368	2,538,767
<b>Total non-current liabilities</b>		<b>4,583,355,724</b>	<b>3,560,265,423</b>	<b>3,227,268,372</b>	<b>2,321,409,784</b>
<b>Total liabilities</b>		<b>8,332,575,704</b>	<b>5,494,911,154</b>	<b>5,615,385,257</b>	<b>3,065,572,807</b>

The accompanying notes form an integral part of the financial statements.

# Dusit Thani Public Company Limited and its Subsidiaries

## Statement of financial position

Liabilities and equity (Continued)	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2019	2018	2019	2018
		(in Baht)			
<b>Equity</b>					
Share capital:					
Authorised share capital (850,000,000 ordinary shares, par value at Baht 1 per share)		850,000,000	850,000,000	850,000,000	850,000,000
Issued and paid-up share capital (850,000,000 ordinary shares, par value at Baht 1 per share)		850,000,000	850,000,000	850,000,000	850,000,000
Treasury shares	23	(15,740,202)	(15,740,202)	-	-
Additional paid in capital					
Premium on ordinary shares		1,643,000,000	1,643,000,000	1,643,000,000	1,643,000,000
Surplus on treasury shares	23	18,365,540	18,365,540	16,950,268	16,950,268
Retained earnings					
Appropriated	24				
Legal reserve		85,000,000	85,000,000	85,000,000	85,000,000
Dusit Thani College funds		415,272,373	440,256,988	-	-
Treasury share reserve	23	15,740,202	15,740,202	-	-
Unappropriated		1,896,212,287	1,666,583,822	595,489,560	785,986,275
Other components of equity	24	(182,335,091)	267,575,679	-	6,279,360
<b>Equity attributable to owners</b>					
of the parent		4,725,515,109	4,970,782,029	3,190,439,828	3,387,215,903
Non-controlling interests	10	1,178,982,987	1,107,352,428	-	-
<b>Total equity</b>		<b>5,904,498,096</b>	<b>6,078,134,457</b>	<b>3,190,439,828</b>	<b>3,387,215,903</b>
<b>Total liabilities and equity</b>		<b>14,237,073,800</b>	<b>11,573,045,611</b>	<b>8,805,825,085</b>	<b>6,452,788,710</b>

The accompanying notes form an integral part of the 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	
		2019	2018	2019	2018
		<i>(in Baht)</i>			
<b>Revenue from sales and services</b>	<b>25, 26</b>	<b>4,192,697,700</b>	<b>4,632,681,608</b>	<b>689,538,758</b>	<b>1,427,396,071</b>
<b>Cost of sales and services</b>					
Cost of sales and services	25	(2,715,360,890)	(2,745,836,172)	(435,408,405)	(819,295,984)
Cost of services - depreciation and amortisation		(372,008,828)	(462,477,598)	(71,439,794)	(114,573,273)
<b>Total cost of sales and services</b>		<b>(3,087,369,718)</b>	<b>(3,208,313,770)</b>	<b>(506,848,199)</b>	<b>(933,869,257)</b>
Gross profit		1,105,327,982	1,424,367,838	182,690,559	493,526,814
<b>Other income</b>					
Management service income	25	306,535,937	222,439,170	71,401,182	82,272,827
Interest income	25	25,306,703	18,723,939	42,059,268	27,067,750
Dividend income	25	17,399,730	16,952,670	262,229,246	61,756,989
Realised income from deferred rental revenue	21	25,433,333	25,433,333	76,879,388	76,879,388
Gain on sales of investments	6, 8, 9	243,751,850	366,027,185	259,443,086	366,027,185
Gain on reclassification of investments	6	463,953,342	-	6,266,700	-
Gain on sales of property, plant and equipment-net	12	582,145,723	-	896,041	580,560
Share of profits (losses) from investment in associates and joint ventures	9, 11	(3,531,798)	65,558,727	-	-
Other income	25	263,754,907	216,950,049	225,033,742	240,430,558
<b>Total other income</b>	<b>26</b>	<b>1,924,749,727</b>	<b>932,085,073</b>	<b>944,208,653</b>	<b>855,015,257</b>
Profit before expenses		3,030,077,709	2,356,452,911	1,126,899,212	1,348,542,071
<b>Expenses</b>					
Selling expenses	25, 27	(330,226,945)	(363,289,837)	(125,129,328)	(169,293,968)
Administrative expenses	25, 28	(1,666,768,753)	(1,450,892,325)	(927,248,203)	(873,610,052)
Depreciation and amortisation		(89,465,126)	(36,774,490)	(23,343,382)	(15,933,956)
Loss on remeasuring of trading securities	6	(31,294,200)	-	-	-
Loss on sales of equipment-net		-	(4,789,345)	-	-
Finance costs	25	(117,523,704)	(64,764,327)	(79,596,916)	(26,257,635)
<b>Total expenses</b>		<b>(2,235,278,728)</b>	<b>(1,920,510,324)</b>	<b>(1,155,317,829)</b>	<b>(1,085,095,611)</b>
Profit (loss) before income tax expense		794,798,981	435,942,587	(28,418,617)	263,446,460
Tax expense	31	(189,280,107)	(85,686,827)	(21,199,545)	(39,539,968)
<b>Profit (loss) for the year</b>		<b>605,518,874</b>	<b>350,255,760</b>	<b>(49,618,162)</b>	<b>223,906,492</b>
<b>Profit (loss) attributable to:</b>					
Owners of the parent		320,216,535	289,838,006	(49,618,162)	223,906,492
Non-controlling interests	10	285,302,339	60,417,754	-	-
<b>Profit (loss) for the year</b>		<b>605,518,874</b>	<b>350,255,760</b>	<b>(49,618,162)</b>	<b>223,906,492</b>
<b>Earnings (loss) per share</b>	<b>32</b>				
Basic earnings (loss) per share		0.38	0.34	(0.06)	0.26

The accompanying notes form an integral part of the financial statements.

# Dusit Thani Public Company Limited and its Subsidiaries

## Statement of comprehensive income

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		For the year ended 31 December		For the year ended 31 December	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in Baht)</i>			
<b>Profit (loss) for the year</b>		<b>605,518,874</b>	<b>350,255,760</b>	<b>(49,618,162)</b>	<b>223,906,492</b>
<b>Other comprehensive income</b>					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations		(106,550,192)	(20,123,562)	-	-
Gains (losses) on remeasuring available-for-sale investments	6,31	(463,953,342)	10,011,900	(7,849,200)	(16,811,700)
Income tax relating to items that will be reclassified to profit or loss	31	78,538,505	(2,002,380)	1,569,840	3,362,340
<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>(491,965,029)</b>	<b>(12,114,042)</b>	<b>(6,279,360)</b>	<b>(13,449,360)</b>
<i>Items that will not be reclassified to profit or loss</i>					
Gains on remeasurements of defined benefit plans	31	39,523,798	2,654,877	4,526,809	-
Income tax relating to items that will not be reclassified to profit or loss	31	(7,022,271)	(796,463)	(905,362)	-
<b>Total items that will not be reclassified to profit or loss</b>		<b>32,501,527</b>	<b>1,858,414</b>	<b>3,621,447</b>	<b>-</b>
<b>Other comprehensive income (loss) for the year, net of tax</b>		<b>(459,463,502)</b>	<b>(10,255,628)</b>	<b>(2,657,913)</b>	<b>(13,449,360)</b>
<b>Total comprehensive income (loss) for the year</b>		<b>146,055,372</b>	<b>340,000,132</b>	<b>(52,276,075)</b>	<b>210,457,132</b>
<b>Total comprehensive income (loss) attributable to:</b>					
Owners of the parent		(97,768,924)	284,651,146	(52,276,075)	210,457,132
Non-controlling interests		243,824,296	55,348,986	-	-
<b>Total comprehensive income (loss) for the year</b>		<b>146,055,372</b>	<b>340,000,132</b>	<b>(52,276,075)</b>	<b>210,457,132</b>

The accompanying notes form an integral part of the financial statements.

# Dusit Thani Public Company Limited and its Subsidiaries

## Statement of changes in equity

Note	Consolidated financial statements												
	Retained earnings			Other components of shareholders' equity									
	Issued and paid-up share capital	Treasury shares	Premium on ordinary shares	Share premium on treasury shares	Legal reserve	Dustl 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	Non-controlling interests	Total shareholders' equity
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	1,057,179,539	5,880,716,710
33	-	-	-	-	-	-	-	(133,557,625)	-	-	-	(30,381,110)	(163,938,735)
	-	-	-	-	-	-	-	(133,557,625)	-	-	-	(30,381,110)	(163,938,735)
Total distributions to owners of the Company													
Changes in ownership interest in subsidiary													
Acquisition of non-controlling interests without a change in control													
10	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	(133,557,625)	-	-	-	-	-
Total transactions with owners, recorded directly in equity													
24	-	-	-	-	-	(22,039,872)	-	18,191,209	-	-	-	3,848,663	-
	-	-	-	-	-	-	-	(133,557,625)	-	-	-	21,356,350	(142,582,385)
Comprehensive income for the year													
	-	-	-	-	-	-	-	289,838,006	-	-	-	60,417,754	350,255,760
	-	-	-	-	-	-	-	1,635,588	(14,504,658)	7,682,210	(6,822,448)	(5,186,860)	(10,255,628)
	-	-	-	-	-	-	-	291,473,594	(14,504,658)	7,682,210	(6,822,448)	55,348,986	340,000,132
	-	-	-	-	-	-	-	1,666,583,822	(112,727,735)	380,303,414	2,67,575,679	1,107,352,428	6,078,134,457
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	2,67,575,679	1,107,352,428	6,078,134,457
Year ended 31 December 2019													
	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	2,67,575,679	1,107,352,428	6,078,134,457
33	-	-	-	-	-	-	-	(143,698,791)	-	-	-	(337,491,983)	(481,190,774)
	-	-	-	-	-	-	-	(143,698,791)	-	-	-	(337,491,983)	(481,190,774)
Total distributions to owners of the Company													
Changes in ownership interest in subsidiary													
Acquisition of non-controlling interests without a change in control													
10	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	(143,698,791)	-	-	-	(175,992,942)	(319,691,733)
Total transactions with owners, recorded directly in equity													
24	-	-	-	-	-	(24,984,615)	-	21,185,410	-	-	-	3,799,205	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Comprehensive income for the year													
	-	-	-	-	-	-	-	320,216,535	-	-	-	285,302,339	605,518,874
	-	-	-	-	-	-	-	31,925,311	(69,607,356)	(380,303,414)	(449,910,770)	(41,478,043)	(459,463,502)
	-	-	-	-	-	-	-	352,141,846	(69,607,356)	(380,303,414)	(449,910,770)	243,824,296	146,055,372
	-	-	-	-	-	-	-	1,896,212,287	(182,335,091)	-	(182,335,091)	1,178,982,987	5,904,498,096
Balance at 31 December 2019													
	850,000,000	(15,740,202)	1,643,000,000	18,365,540	85,000,000	415,272,373	15,740,202	1,896,212,287	(182,335,091)	-	4,775,515,109	1,178,982,987	5,904,498,096

The accompanying notes form an integral part of the financial statements.

# Dusit Thani Public Company Limited and its Subsidiaries

## Statement of changes in equity

Separate financial statements									
	Note	Retained earnings				Other component of shareholders' equity		Total shareholders' equity	
		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 2018									
Balance at 1 January 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>									
Dividends to owners of the Company	33	-	-	-	-	(134,300,000)	-	(134,300,000)	
<i>Total distributions to owners of the Company</i>		-	-	-	-	(134,300,000)	-	(134,300,000)	
Comprehensive income for the year									
Profit		-	-	-	-	223,906,492	-	223,906,492	
Other comprehensive income (loss)		-	-	-	-	-	(13,449,360)	(13,449,360)	
Total comprehensive income for the year		-	-	-	-	223,906,492	(13,449,360)	210,457,132	
Balance at 31 December 2018		850,000,000	1,643,000,000	16,950,268	85,000,000	785,986,275	6,279,360	3,387,215,903	
Year ended 31 December 2019									
Balance at 1 January 2019		850,000,000	1,643,000,000	16,950,268	85,000,000	785,986,275	6,279,360	3,387,215,903	
Transactions with owners, recorded directly in equity									
<i>Distributions to owners of the Company</i>									
Dividends to owners of the Company	33	-	-	-	-	(144,500,000)	-	(144,500,000)	
<i>Total distributions to owners of the Company</i>		-	-	-	-	(144,500,000)	-	(144,500,000)	
Comprehensive income for the year									
Loss		-	-	-	-	(49,618,162)	-	(49,618,162)	
Other comprehensive income (loss)		-	-	-	-	3,621,447	(6,279,360)	(2,657,913)	
Total comprehensive income for the year		-	-	-	-	(45,996,715)	(6,279,360)	(52,276,075)	
Balance at 31 December 2019		850,000,000	1,643,000,000	16,950,268	85,000,000	595,489,560	-	3,190,439,828	

The accompanying notes form an integral part of the financial statements.

# Dusit Thani Public Company Limited and its Subsidiaries

## Statement of cash flows

		Consolidated financial statements		Separate financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
	Note	2019	2018	2019	2018
		(in Baht)			
<b>Cash flows from operating activities</b>					
Profit (loss) for the year		605,518,874	350,255,760	(49,618,162)	223,906,492
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>					
Realised income from deferred rental revenue	21	(25,433,333)	(25,433,335)	(76,879,388)	(76,879,388)
Interest income		(25,306,703)	(18,723,939)	(42,059,268)	(27,067,750)
Dividend income		(17,399,730)	(16,952,670)	(262,229,246)	(61,756,989)
Bad and doubtful debts expenses (reversal)	7	(3,436,465)	3,526,294	1,810	1,964,159
Depreciation of plant and equipment	12	392,558,584	484,393,563	86,843,680	119,829,755
Depreciation of investment properties		-	201,489	-	1,259,767
Amortisation of other intangible assets	14	68,915,370	14,657,037	7,939,496	9,417,707
Loss on written-off of withholding tax		11,667,677	12,488,591	-	-
Amortisation of prepaid rental of land and buildings	13	123,647,862	122,412,081	98,956,919	89,211,939
Amortisation of deferred debenture fee	20	1,030,000	309,000	1,030,000	309,000
Provisions for employee benefits	22	76,045,597	50,087,672	24,010,161	22,811,664
Share of net (profits) loss of associates and joint ventures	9, 11	3,531,798	(65,558,727)	-	-
Reversal of impairment losses on investment	8	(56,000)	(44,000)	(56,000)	(44,000)
Gain on sales of investments	8, 9, 10	(243,751,850)	(366,027,185)	(259,443,086)	(366,027,185)
Gain on reclassification of investments	6	(463,953,342)	-	(6,266,700)	-
Loss on remeasuring of trading securities	6	31,294,200	-	-	-
(Gain) loss on sales of property, plant and equipment	12	(582,145,723)	4,789,345	(896,041)	(580,560)
Reversal loss on impairment of investment properties		(1,700,000)	-	-	-
Loss on written-off of equipment	12	13,785,924	3,554,708	12,227,173	1,236,997
Loss on written-off of other intangible assets	14	7,995,892	1,672,191	7,995,892	-
Finance costs		117,523,704	64,764,327	79,596,916	26,257,635
Income tax expense		189,280,107	85,686,827	21,199,545	39,539,968
		279,612,443	706,059,029	(357,646,299)	3,389,211
<i>Changes in operating assets and liabilities</i>					
<i>Operating assets (increase) decrease</i>					
Trade and other receivables		86,893,152	27,711,037	177,584,701	(10,382,230)
Inventories		4,593,119	(6,055,241)	(434,791)	6,128,396
Other current assets		7,862,656	91,768,483	(41,798,011)	77,765,717
Other non-current assets		18,920,242	243,872	12,890,194	(14,128,057)
Prepaid rental of land and buildings		49,857,034	-	-	-
<i>Operating liabilities increase (decrease)</i>					
Trade and other payables		184,001,889	3,872,502	(110,834,327)	47,019,242
Other current liabilities		9,268,079	(12,088,519)	(6,986,189)	(13,309,397)
Other non-current liabilities		17,620,691	139,124,071	(2,075,400)	42,120,522
Payment for provisions for employee benefits		(105,617,589)	(31,170,363)	(91,229,869)	(11,817,820)
Cash generated from (used in) operating		553,011,716	919,464,871	(420,529,991)	126,785,584
Taxes paid		(102,912,252)	(129,580,087)	(25,795,184)	(16,354,767)
<b>Net cash from (used in) operating activities</b>		<b>450,099,464</b>	<b>789,884,784</b>	<b>(446,325,175)</b>	<b>110,430,817</b>

The accompanying notes form an integral part of the financial statements.



# Dusit Thani Public Company Limited and its Subsidiaries

## Statement of cash flows

		Consolidated financial statements		Separate financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
	Note	2019	2018	2019	2018
			(in Baht)		
<b>Cash flows from investing activities</b>					
Interest income		21,410,666	13,015,921	19,133,498	22,802,285
Proceed (Payments) for short-term investments		1,698,856	(9,554,717)	-	
Payments for short-term loans to related parties	25	-	-	(783,400,000)	(1,190,169,000)
Proceeds from short-term loans to related parties	25	-	-	203,357,250	944,664,000
Payments for long-term loans to related parties	25	(49,053,837)	(92,887,554)	(254,602,941)	(76,660,250)
Proceeds from long-term loans to related parties	25	1,707,121	-	-	93,975,605
Payments for short-term loans to other party		(15,077,000)	-	-	-
Increase in restricted bank deposits		(28,121)	(367,237)	-	-
Dividend received from available-for-sale investments		17,399,730	16,952,670	411,450	411,450
Dividend received from associate	9	51,995,160	37,404,556	51,995,160	37,404,556
Dividends received from subsidiaries	10	-	-	209,822,636	23,940,983
Deposit received from building lease arrangement		-	492,380,000	-	-
Payment of investment in associate	9	(645,743,911)	(705,216,406)	(535,145,741)	-
Payment of investment in joint venture	11	(119,882,464)	-	(119,882,464)	-
Payment of shares subscription in subsidiaries	10	-	-	(8,999,400)	(748,746,450)
Proceeds from sales on trading securities	6	10,128,000	-	10,128,000	-
Proceeds from sales on available-for-sale investments	6	-	218,678,087	-	218,678,087
Proceeds from sales on investments in joint venture		245,284	-	65,254,634	-
Proceeds from sales on other long-term investment		215,628,236	-	215,628,236	-
Proceeds from shares deduction of associate	9	9,219,000	600,488	9,219,000	600,488
Net cash outflow on acquisition of subsidiaries	4	(471,327,377)	(250,946,269)	-	-
Proceeds from sales of property, plant and equipment		2,394,088,088	1,969,298	11,705,068	2,481,849
Purchases of property, plant and equipment		(1,183,772,942)	(527,154,968)	(300,552,856)	(81,259,747)
Purchases of other intangible assets	14	(55,256,521)	(3,702,308)	(3,194,929)	(2,767,271)
Proceeds of other intangible assets	14	758,560	-	-	-
Payment for prepaid rental of land and buildings	13	(772,582,959)	(32,042,525)	(748,883,060)	-
Payment for deposits		(190,860,000)	-	(190,860,000)	-
<b>Net cash used in investing activities</b>		<b>(779,306,431)</b>	<b>(840,870,964)</b>	<b>(2,148,866,459)</b>	<b>(754,643,415)</b>
<b>Cash flows from financing activities</b>					
Proceeds from non-controlling interests for the increase in capital of a subsidiary		-	21,356,350	-	-
Proceeds from short-term loans from financial institutions	17	9,228,000,000	1,649,500,000	9,228,000,000	1,649,500,000
Repayments of short-term loans from financial institutions	17	(7,633,000,000)	(2,026,200,000)	(7,633,000,000)	(2,026,200,000)
Preceeds from debenture	20	-	996,910,000	-	996,910,000
Proceeds from short-term loans from related parties	25	37,704,677	-	380,000,000	169,000,000
Repayment of short-term loans from related parties	25	(42,076,234)	-	(155,400,000)	(78,600,000)
Repayments of finance lease liabilities		(542,276)	(1,328,434)	-	-
Proceeds from long-term loans	19	1,196,936,617	164,722,750	1,000,000,000	115,450,000
Repayments of long-term loans	19	(317,196,300)	(422,203,716)	(21,750,000)	(6,750,000)
Interest paid		(114,042,136)	(65,588,554)	(71,139,220)	(26,038,533)
Dividend paid		(481,190,785)	(163,938,735)	(144,500,000)	(134,300,000)
<b>Net cash from financing activities</b>		<b>1,874,593,563</b>	<b>153,229,661</b>	<b>2,582,210,780</b>	<b>658,971,467</b>

The accompanying notes form an integral part of the 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		For the year ended	
		31 December		31 December	
		2019	2018	2019	2018
		<i>(in Baht)</i>			
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		1,545,386,596	102,243,481	(12,980,854)	14,758,869
Effect of exchange rate changes on cash and cash equivalents		(57,243,910)	(10,779,241)	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>1,488,142,686</b>	<b>91,464,240</b>	<b>(12,980,854)</b>	<b>14,758,869</b>
Cash and cash equivalents at 1 January		1,112,332,092	1,020,867,852	105,480,693	90,721,824
<b>Cash and cash equivalents at 31 December</b>	<b>5</b>	<b>2,600,474,778</b>	<b>1,112,332,092</b>	<b>92,499,839</b>	<b>105,480,693</b>
<b><i>Non-cash transactions</i></b>					
Payables from acquisition of assets		28,799,023	14,604,739	10,996,574	9,566,617
Payable for acquisition of business		61,947,160	127,302,805	-	-
Receivable from sale of investments in associates		775,379,265	185,693,098	-	185,693,098

The accompanying notes form an integral part of the financial statements.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

<b>Note</b>	<b>Contents</b>
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Acquisition of subsidiaries
5	Cash and cash equivalents
6	Other investments
7	Trade and other receivables
8	Non-current assets classified as held for sale
9	Investments in associates
10	Investments in subsidiaries
11	Investments in joint ventures
12	Property, plant and equipment
13	Prepaid rental of land and buildings
14	Other intangible assets
15	Goodwill
16	Deposit
17	Short-term loans from financial institutions
18	Trade and other payables
19	Long-term loans
20	Debentures
21	Deferred rental revenue
22	Provisions for employee benefits
23	Treasury shares
24	Reserves
25	Related parties
26	Segment information and disaggregation of revenue
27	Selling expenses
28	Administrative expenses
29	Employee benefit expenses
30	Expenses by nature
31	Income tax
32	Earnings per share
33	Dividends
34	Financial instruments
35	Commitments
36	Contingent liabilities
37	Others
38	Events after the reporting period
39	Thai Financial Reporting Standards (TFRS) not yet adopted

# Dusit Thani Public Company Limited and its Subsidiaries

## Notes to the financial statements

### For the year ended 31 December 2019

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory 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 2020.

## 1 General information

Dusit Thani Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in April 1975. The Company’s registered head office at 319 Chamchuri Square Building, 29th floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok.

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, education and food. Details of the Company’s subsidiaries, associates and joint ventures as at 31 December 2019 and 2018 are given in notes 10, 9 and 11.

## 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 and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. There is no material impact on the Group’s financial statements. The Group has initially applied TFRS 15 Revenue from Contracts with Customers (“TFRS 15”) which replaces TAS 18 Revenue (“TAS 18”), TAS 11 Construction Contracts (“TAS 11”) and related interpretations. The details of accounting policies are disclosed in note 3.20.

In addition, the Group has not early adopted a number of new TFRS which are not yet effective for the current period in preparing these financial statements. Those new TFRS that are relevant to the Group’s operations are disclosed in note 39.

### 2.2 Functional and presentation currency

The financial statements are prepared in Thai Baht, which is the Company’s functional currency.

### 2.3 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 the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

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

*(a) Judgements*

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Notes 9,11	Equity-accounted investees: whether the Group has significant influence over an investee;
Note 10	Consolidation: whether the Group has de facto control over an investee

*(b) Assumptions and estimation uncertainties*

Information about assumptions and estimation uncertainties at 31 December 2019 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 7	Measurement of allowance for doubtful debts of trade receivables;
Note 15	Impairment test of goodwill: key assumptions underlying recoverable amounts;
Note 22	Measurement of defined benefit obligations: key actuarial assumptions ; and
Note 31	Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised.

**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.



## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2019

### 3 Significant accounting policies (Continued)

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

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 recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

#### *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 2019**

**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 unrealized income or expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized 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 recognised 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 2019

### 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

A receivable is recognised when the Group has an unconditional right to receive consideration.

A receivable is stated at cost less allowance for doubtful accounts which is determined based on an 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 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 2019**

**3 Significant accounting policies (Continued)**

*Investments in other equity securities*

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

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 trading securities and available-for-sale is determined as the quoted bid price at the reporting date.

*Reclassification of investments*

For the reclassification from other investments to trading securities, the difference between fair value of the investment on the date of reclassification and the carrying amount together with reversal of the relevant accounts in relation to that investment is recognised in profit or loss immediately.

*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 labor, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalized borrowing costs.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**3 Significant accounting policies (Continued)**

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.

**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 labor, 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 capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized 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 capitalized at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.



**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**3 Significant accounting policies (Continued)**

*Subsequent costs*

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

*Depreciation*

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

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

The estimated useful lives are as follows:

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 amortization and impairment losses.

*Amortization*

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

## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2019

## 3 Significant accounting policies (Continued)

### 3.11 Intangible assets

#### *Goodwill*

Goodwill arises upon the acquisition of subsidiaries. The measurement of goodwill at initial recognition is described in note 3.1. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

#### *Other intangible assets*

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

Software licenses	10 - 15 years
Villa contracts	5 years
Customer contracts	8.5 years

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.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**3 Significant accounting policies (Continued)**

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 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.

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 amortization, if no impairment loss had been recognised.

**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 Contract liabilities**

A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**3 Significant accounting policies (Continued)**

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

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

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

*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 recognises 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.

*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.

**3.17 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.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**3 Significant accounting policies (Continued)**

**3.18 Measurement of fair values**

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 these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market 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 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 or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

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.

**3.19 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.



**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**3 Significant accounting policies (Continued)**

**3.20 Revenue**

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

*Sale of goods and services*

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

*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.

Revenue for rendering of services is recognised over time as the services are provided. The related costs are recognised in profit or loss when they are incurred.

*Tuition and education fees*

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

*Commission revenue*

For the contracts that the Group is arranging for the provision of the goods or services on behalf of its customers and does not control the goods or services before the primary sellers or service providers will provide the goods or services to the customers. The Group acts in the capacity of an agent and recognises the net amount of consideration as commission revenue.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**3 Significant accounting policies (Continued)**

**3.21 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.

**3.22 Investment income**

Investment income comprises dividend and interest income from investments and bank deposits. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established. Interest income is recognised in profit or loss as it accrues

**3.23 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.

**3.24 Lease payment**

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

*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.

**3.25 Income tax**

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

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

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**3 Significant accounting policies (Continued)**

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

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

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

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

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. 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.

**3.26 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.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**3 Significant accounting policies (Continued)**

**3.27 Related parties**

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

**3.28 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.

**4 Acquisition of subsidiaries**

**4.1 Epicure Catering Co., Ltd. group**

On 30 January 2019, the Group obtained control of Epicure Catering Co., Ltd. group which engages in the food and beverage catering business in the Southeast Asia region; namely Thailand, Vietnam and Cambodia, by acquiring 70% of the shares and voting interests in the company through Dusit Foods Co., Ltd, a subsidiary of the Company. The investment will split to two lots. The Group has acquired 51% of the total number of shares and paid for first lot totaling of Baht 423 million. The second lot of 19% of the total number of shares will be done in the beginning of 2020 as stipulated under the conditions of the share purchase agreement. The total investment value is approximately Baht 613 million. The Group incurred acquisition-related costs of Baht 14.3 million which have been included in administrative expenses in the Group's consolidated statement of income.

During the period from the acquisition date to 31 December 2019, Epicure Catering Co., Ltd. group contributed revenue totaling of Baht 419.4 million and profit of Baht 72.9 million to the Group's results. If the acquisition had occurred on 1 January 2019, management estimates that consolidated revenue would have additional increased by Baht 43.6 million and consolidated profit would have additional increased by Baht 6.3 million for the year ended 31 December 2019. 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 2019.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**4 Acquisition of subsidiaries (Continued)**

During the year 2019, the determination of the fair values of assets acquired and liabilities assumed, and the purchase price allocation exercises regarding the acquisition of business acquired were finalized. The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

*Assets acquired and liabilities assumed*

	<b>Fair values</b> <i>(in million Baht)</i>
Cash and cash equivalents	25
Trade and other receivables	60
Inventories	3
Property, plant and equipment	46
Other intangible assets	341
Other non-current assets	4
Trade and other payables	(67)
Income tax payable	(9)
Deferred tax liabilities	(68)
Provisions for employee benefits	(10)
Other non-current liabilities	(6)
<b>Total identifiable assets acquired and liabilities assumed</b>	<b>319</b>
Less non-controlling interests (49%)	(156)
<b>Total identifiable net assets received</b>	<b>163</b>
Goodwill	260
<b>Purchase consideration transferred</b>	<b>423</b>
Net cash acquired with the subsidiary	25
Cash paid	(423)
<b>Net cash outflows</b>	<b>(398)</b>

*Goodwill*

The goodwill is attributable mainly to the skills of Epicure Catering Co., Ltd.'s workforce in managing food and beverage catering business as well as relationship of the subsidiary with its business target to be achieved from integrating the subsidiary into the Group to expand the food business. None of the goodwill recognized is expected to be deductible for income tax purposes.

**4.2 Niseko Gourmet Co., Ltd.**

On 1 January 2019, the Group obtained control of Niseko Gourmet Co., Ltd. which has operation relates to property management and marketing in Japan, by acquiring 100% of the shares and voting interests in the company through LVM Holdings Pte. Ltd., a subsidiary of the Company, representing a total investment value of JPY 45.0 million (approximately Baht 12.3 million). The Group has already paid the said shares amount.

During the period from the acquisition date to 31 December 2019, Niseko Gourmet Co., Ltd. contributed revenue of Baht 17.8 million and profit of Baht 0.5 million including in the Group's results.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**4 Acquisition of subsidiaries (Continued)**

During the year 2019, the determination of the fair values of assets acquired and liabilities assumed, and the purchase price allocation exercises regarding the acquisition of business acquired were finalized. The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

*Assets acquired and liabilities assumed*

	<b>Fair values</b> <i>(in million Baht)</i>
Cash and cash equivalents	5
Property, plant and equipment	1
Trade and other payables	(8)
<b>Total identifiable net assets acquired and liabilities assumed</b>	<b>(2)</b>
<i>Less non-controlling interests</i>	-
<b>Total identifiable net assets received</b>	<b>(2)</b>
Goodwill	14
<b>Purchase consideration transferred</b>	<b>12</b>
Net cash acquired with the subsidiary	5
Cash paid	(12)
<b>Net cash outflows</b>	<b>(7)</b>

**4.3 LVM Holdings Pte. Ltd. group**

On 18 September 2018, the Group purchased business of LVM Holdings Pte. Ltd. group, which LVM Holdings Pte. Ltd. is a third party in Singapore, by acquiring 100% of the shares and voting interests in amount of Baht 464 million through Dusit Overseas Co., Ltd. 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) in 2018 and paid for the share purchase price of USD 2.25 million (approximately Baht 68.12 million) in 2019 and the remaining amount of USD 2.25 million (approximately Baht 61.95 million) will be paid by 31 December 2020 according to conditions indicated in the share purchase agreement. The Group recognised the remaining unpaid amount of share price at present value.



**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**4 Acquisition of subsidiaries (Continued)**

As previously disclosed in the financial statements for the year ended 31 December 2018, the fair values of assets acquired and liabilities assumed in relate to the acquisition of of LVM Holdings Pte. Ltd. group were provisionally determined at the acquisition date and the report of independent appraiser had not yet been completed as at the date of approval of the financial statements for the year ended 31 December 2018. Subsequently, in the year 2019, the determination of the fair values of assets acquired and liabilities assumed, and the purchase price allocation exercises regarding the acquisition of business acquired during 2018 were finalised.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

*Assets acquired and liabilities assumed*

	<b>Fair values</b> <i>(in million Baht)</i>
Cash and cash equivalents	90
Trade and other receivables	126
Other current assets	2
Property, plant and equipment	2
Other intangible assets	274
Goodwill	64
Trade and other payables	(295)
Other non-current liabilities	(1)
Deferred tax liabilities	(39)
<b>Total identifiable assets acquired and liabilities assumed</b>	<b>223</b>
<i>Less non-controlling interests</i>	<i>-</i>
<b>Total identifiable net assets received</b>	<b>223</b>
Goodwill	241
<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	90
Cash paid	(340)
<b>Net cash outflows</b>	<b>(250)</b>

*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.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**5 Cash and cash equivalents**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in Baht)</i>			
Cash on hand	9,425,095	14,031,630	2,423,056	4,772,985
Cash at banks	2,541,092,184	1,058,114,212	90,076,783	100,707,708
Highly liquid short-term investments	49,957,499	40,186,250	-	-
<b>Cash and cash equivalents in the statement of financial position and statement of cash flows</b>	<b><u>2,600,474,778</u></b>	<b><u>1,112,332,092</u></b>	<b><u>92,499,839</u></b>	<b><u>105,480,693</u></b>

**6 Other investments**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in Baht)</i>			
<b>Current investments</b>				
Short-term deposits at financial institutions	458,901,216	457,202,360	-	-
Equity securities held for trading	473,883,600	-	-	-
<b>Total</b>	<b><u>932,784,816</u></b>	<b><u>457,202,360</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Other long-term investments</b>				
Equity securities available for sale	-	473,321,700	-	12,849,900
Other non-marketable equity securities				
Cost	57,274,660	57,274,660	20,000,000	20,000,000
Less impairment losses	(23,470,850)	(23,470,850)	(20,000,000)	(20,000,000)
	33,803,810	33,803,810	-	-
<b>Total</b>	<b><u>33,803,810</u></b>	<b><u>507,125,510</u></b>	<b><u>-</u></b>	<b><u>12,849,900</u></b>

Movement of other investments during the years ended 31 December were as follows;

	<b>Consolidated financial statements</b>				
	At 1 January	Classification	Sales <i>(in Baht)</i>	Fair value adjustment	At 31 December
<b>Marketable equity securities</b>					
<b>2019</b>					
<b>Current investments</b>					
- Cost	-	52,491,858	(5,000,700)	-	47,491,158
- Remeasurement	-	463,953,342	(6,266,700)	(31,294,200)	426,392,442
<b>Trading securities <sup>(1)</sup></b>	<b>-</b>	<b><u>516,445,200</u></b>	<b><u>(11,267,400)</u></b>	<b><u>(31,294,200)</u></b>	<b><u>473,883,600</u></b>
<b>Other long-term investments</b>					
- Cost	52,491,858	(52,491,858)	-	-	-
- Remeasurement	420,829,842	(463,953,342)	-	43,123,500	-
<b>Available-for-sale securities <sup>(1)</sup></b>	<b><u>473,321,700</u></b>	<b><u>(516,445,200)</u></b>	<b><u>-</u></b>	<b><u>43,123,500</u></b>	<b><u>-</u></b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**6 Other investments (Continued)**

Consolidated financial statements					
<i>Marketable equity securities</i>	At 1 January	Classification	Sales (in Baht)	Fair value adjustment	At 31 December
<b>2018</b>					
<i>Other long-term investments</i>					
- Cost	64,991,858	-	(12,500,000)	-	52,491,858
- Remeasurement	410,817,942	-	-	10,011,900	420,829,842
<b>Available-for-sale securities <sup>(2)</sup></b>	<b>475,809,800</b>	<b>-</b>	<b>(12,500,000)</b>	<b>10,011,900</b>	<b>473,321,700</b>
<b>2019</b>					
<i>Current investments</i>					
- Cost	-	5,000,700	(5,000,700)	-	-
- Remeasurement	-	6,266,700	(6,266,700)	-	-
<b>Trading securities <sup>(1)</sup></b>	<b>-</b>	<b>11,267,400</b>	<b>(11,267,400)</b>	<b>-</b>	<b>-</b>
<i>Other long-term investments</i>					
- Cost	5,000,700	(5,000,700)	-	-	-
- Remeasurement	7,849,200	(6,266,700)	-	(1,582,500)	-
<b>Available-for-sale securities <sup>(1)</sup></b>	<b>12,849,900</b>	<b>(11,267,400)</b>	<b>-</b>	<b>(1,582,500)</b>	<b>-</b>
<b>2018</b>					
<i>Other long-term investments</i>					
- Cost	17,500,700	-	(12,500,000)	-	5,000,700
- Remeasurement	24,660,900	-	-	(16,811,700)	7,849,200
<b>Available-for-sale securities <sup>(2)</sup></b>	<b>42,161,600</b>	<b>-</b>	<b>(12,500,000)</b>	<b>(16,811,700)</b>	<b>12,849,900</b>

<sup>(1)</sup> At the Executive Committee's meeting held on 6 November 2019, the Executive Committee approved to changes the objective of investing in marketable equity securities from available-for-sale securities to trading securities. As a result, the difference between fair value of the investment on the date of reclassification and the carrying amount together with reversal of the relevant accounts in relation to that investment is recognised as gain on reclassification of investments in 2019 amounting to Baht 463.9 million and Baht 6.3 million for the Group and the Company, respectively. Subsequently, in December 2019, the Group sold all trading securities in Bangkok Bank Public Company Limited at a price of Baht 160 per share totalling Baht 10.2 million and recognised loss on sales of Baht 1.1 million in the statement of income.

<sup>(2)</sup> In April 2018, the Company has sold all available-for-sale securities in Laguna Resort and Hotel Co., Ltd. at a price of Baht 40 per share totalling Baht 50 million and recognised gain on sales of Baht 37.5 million in the statement of income.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**7 Trade and other receivables**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in Baht)</i>			
Trade receivables - net	7.1	195,480,528	247,205,094	21,407,574	67,682,385
Other receivables - management fee and other services - net	7.2	59,781,598	57,232,805	90,331,042	76,696,935
Other receivables - others		214,310,614	301,419,485	77,630,374	247,569,638
Less allowance for doubtful accounts		<u>(8,740,519)</u>	<u>(8,183,135)</u>	<u>(8,740,519)</u>	<u>(8,183,135)</u>
		<u>205,570,095</u>	<u>293,236,350</u>	<u>68,889,855</u>	<u>239,386,503</u>
Other receivable - World Intertrade Corporation Co., Ltd.		40,879,585	40,879,585	40,879,585	40,879,585
Less allowance for doubtful accounts		<u>(40,879,585)</u>	<u>(40,879,585)</u>	<u>(40,879,585)</u>	<u>(40,879,585)</u>
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Receivable from sale of investment	9	775,379,265	-	-	-
Accrued interest income		22,990,518	19,094,480	34,973,301	12,047,531
Accrued income		2,851,051	5,699,152	98,929	-
Prepaid expense		41,348,030	54,978,003	14,059,219	11,849,880
Prepaid income tax		42,562,531	47,551,932	22,703,461	10,408,268
Prepayment for room rental		78,123,622	78,576,008	-	-
Advances		36,111,965	24,692,460	24,102,768	875,451
Deposits		3,969,694	20,202,345	-	-
Insurance claim		631,566	255,250	15,256	-
<b>Total</b>		<b><u>1,464,800,463</u></b>	<b><u>848,723,879</u></b>	<b><u>276,581,405</u></b>	<b><u>418,946,953</u></b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**7 Trade and other receivables (Continue)**

7.1 Aging analyses for trade receivables were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in Baht)</i>			
Within credit terms	72,928,069	177,650,727	17,564,746	46,481,005
Overdue:				
Less than 3 months	97,874,295	49,574,586	3,816,848	21,093,812
3 - 6 months	16,808,739	18,276,821	25,980	101,720
6 - 12 months	5,450,340	4,986,581	-	5,848
Over 12 months	9,761,973	8,313,323	198,272	449,295
<b>Total</b>	<b>202,823,416</b>	<b>258,802,038</b>	<b>21,605,846</b>	<b>68,131,680</b>
Less allowance for doubtful accounts	(7,342,888)	(11,596,944)	(198,272)	(449,295)
<b>Trade receivables - net</b>	<b>195,480,528</b>	<b>247,205,094</b>	<b>21,407,574</b>	<b>67,682,385</b>
Bad and doubtful debts expense for the year (reversal)	<u>(4,254,056)</u>	<u>2,502,042</u>	<u>(251,023)</u>	<u>(429,266)</u>

The normal credit term granted by the Group dues within 30 days.

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in Baht)</i>			
Within credit terms	27,848,013	38,930,114	35,348,435	41,828,557
Overdue:				
Less than 3 months	14,063,511	13,136,152	4,383,421	27,255,476
3 - 6 months	5,050,584	2,854,565	4,693,862	6,978,151
6 - 12 months	6,019,539	6,127,963	17,605,654	4,001,183
Over 12 months	18,513,077	7,636,930	34,770,633	3,409,082
<b>Total</b>	<b>71,949,724</b>	<b>68,685,724</b>	<b>96,802,005</b>	<b>83,472,449</b>
Less allowance for doubtful accounts	(11,713,126)	(11,452,919)	(6,470,963)	(6,775,514)
<b>Other receivables - management fee and other services - net</b>	<b>59,781,598</b>	<b>57,232,805</b>	<b>90,331,042</b>	<b>76,696,935</b>
Bad and doubtful debts expense for the year (reversal)	<u>260,207</u>	<u>1,723,626</u>	<u>(304,551)</u>	<u>3,092,799</u>

The normal credit term granted by the Group dues within 30 days and 45 days.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**8 Non-current assets classified as held for sale**

*Vimarn Suriya Co., Ltd.*

According to the share purchase agreement, the Company shall partially sell investment in ordinary shares of Vimarn Suriya Co., Ltd. of 550,000 shares, represented 5% shareholding, to a related party in 2020. As such, the investment at book value of Baht 44 million is presented as non-current assets classified as held for sale in the statement of financial position as at 31 December 2019.

*Saladaeng Property Management Co., Ltd.*

In January 2018, the Company partially sold investment in ordinary shares of Saladaeng Property Management Co., Ltd., the company related to the future mix-use property projects, of 440 shares totalling Baht 168.68 million and its book value was Baht 0.04 million. The Company recognised gain on sale of investment totalling Baht 168.64 million in the statement of income. In addition, the Company has a plan to partially sell another lot of the investment. 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.

Subsequently in June 2019, the Company sold 557 ordinary shares of Saladaeng Property Management Co., Ltd., which is presented in non-current assets classified as held for sale to a related party in the amount of Baht 215.63 million. The Company recognised gain on sale of investment totalling Baht 215.57 million in the consolidated and separate statements of income.



**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**9 Investments in associates**

Investments in associates as at 31 December 2019 and 2018, and dividend income from those investments for the years ended 31 December 2019 and 2018 were as follows:

	Type of business	Ownership Interest (%)		Paid-up capital		Consolidated financial statements		Separate financial statements		Dividend income for the year	
		2019	2018	2019	2018	Equity	Cost	2019	2018	2019	2018
		(in Baht)									
Direct associates (see note 25)											
Dusit Thani Freehold and Leasehold Real Estate Investment Trust <sup>(1)</sup>	Lease the investment properties	30.02	30.02	5,407,735,620	3,656,050,621	1,415,011,282	1,118,775,522	1,611,941,553	1,086,014,812	51,995,160	37,404,556
Suanlum Property Co., Ltd.	Department store, plaza and cinema	22.00	22.00	172,000,000	172,000,000	32,881,003	37,878,772	37,839,700	37,839,700	-	-
Pharam 4 Development Co., Ltd.	Office construction	10.00	10.00	1,000,000	1,000,000	-	-	99,700	99,700	-	-
Indirect associates (see note 25)											
NR Instant Produce Co., Ltd. <sup>(2)</sup>	Manufacturing	6.38	25.98	1,065,780,300	1,020,925,000	182,682,678	700,075,084	-	-	-	-
Dusit Hospitality Education Philippines Inc. <sup>(3)</sup>	Education	35.54	35.54	900,000,000	530,000,000	183,850,308	123,472,565	-	-	-	-
Total						1,814,425,271	1,980,201,943	1,649,880,953	1,123,954,212	51,995,160	37,404,556

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**9 Investments in associates (Continued)**

- (1) Dusit Thani Freehold and Leasehold Real Estate Investment Trust (“the Trust”) is listed on Stock Exchange of Thailand. As at 31 December 2019, the fair value of the Company’s investment in the Trust was Baht 1,367.19 million (*31 December 2018: Baht 614.60 million*), which is determined to be level 2 of the fair value measurement.

On 23 August 2019, the Company received of Baht 9.22 million from the capital reduction of the Trust. Subsequently on 25 September 2019, the Company subscribed as per its proportion for newly-issued investment units (Rights Offering) at the amount of Baht 535.15 million (see note 37).

- (2) On 28 March 2018, Dusit Foods Co., Ltd., a subsidiary invested in an associate (NR Instant Produce Co., Ltd.) which the share certificates of 109,973 shares are pledged as collateral for loan from financial institution of this associate. On 16 December 2019, NR Instant Produce Co., Ltd. has converted to public company limited and converted its par value from Baht 100 to Baht 1 per share. Therefore, as at 31 December 2019, the share certificates after converted par value which are pledged as described above are totaling 10,997,300 shares.

On 27 December 2019, this subsidiary has entered into share purchase agreement with third party to sell totalling 204,047,175 shares of an associate with selling price of Baht 775.38 million. The subsidiary received cash of Baht 100.00 million and recorded gain on sale of investment in proportion to the payment received of Baht 29.32 million in the consolidated statement of income. The remaining cash is secured by pledged shares and will be received according to the term and condition as specified in the agreement. The Group recorded receivable from sale of investment (see note 7) and deferred gain on sale of investment of Baht 198.01 million which is part of other current liabilities in the consolidated statement of financial position as at 31 December 2019. However, the Group has determined that remaining investment 6.38% of the Group has significant influence over the associate because the group has representative on the board of directors of the associate.

- (3) During 2019, Dusit Hospitality Education Philippines Inc., an indirect associate which invested by Dusit Thani Philippines, Inc., an indirect subsidiary, has increased its registered capital from Peso 530 million to Peso 900 million. This subsidiary has already invested accordingly to its share percentage.

All associates were incorporated in Thailand, except Dusit Hospitality Education Philippines Inc. which was incorporated in the Philippines.

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.

## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2019

#### 9 Investments in associates (Continued)

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 entities.

	<b>Dusit Thani Freehold and Leasehold Real Estate Investment Trust</b>	
	2019	2018
	<i>(in million Baht)</i>	
Ownership interest (%)	30.02	30.02
Revenue	289	227
Net investment income	209	185
Net loss from investments	(87)	(5)
<b>Increase in net assets from operations</b>	<b>122</b>	<b>180</b>
<b>Attributable to the Group</b>	<b>37</b>	<b>53</b>
Current assets	175	42
Non-current assets	6,802	4,340
Current liabilities	(88)	(55)
Non-current liabilities	(1,488)	(599)
<b>Net assets (100%)</b>	<b>5,401</b>	<b>3,728</b>
<b>Group's share of net assets</b>	<b>1,621</b>	<b>1,119</b>
Elimination of unrealised profit on downstream sales	(206)	-
<b>Carrying amount of investment in associate</b>	<b>1,415</b>	<b>1,119</b>

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

	<b>Immaterial Associates</b>	
	2019	2018
	<i>(in million Baht)</i>	
Carrying amount of the Group's interest in immaterial associates	<b>399</b>	<b>861</b>
Group's share of		
- Profit (loss) for the year	(24)	9
- Total comprehensive income (loss)	<b>(24)</b>	<b>9</b>

## Dusit Thani Public Company Limited and its Subsidiaries

### Notes to the financial statements

### For the year ended 31 December 2019

## 10 Investments in subsidiaries

Investments in subsidiaries as at 31 December 2019 and 2018 and dividend income for the years ended 31 December 2019 and 2018 were as follows:

	Type of business	Country of incorporation	Ownership interest		Paid-up capital	Separate financial statements				Dividend income for the year	
			2019	2018		2018	2019	Cost	2018	2019	2018
(in Baht)											
Direct subsidiaries (see note 25)											
Dusit Thani Properties Co., Ltd.	Holding	Thailand	99.99	99.99	800,000,000	800,000,000	799,999,300	799,999,300	204,799,897	17,599,991	
Landmark Hotel Co., Ltd.	Hotel	Thailand	99.88	99.88	10,000,000	10,000,000	9,988,000	9,988,000	-	-	
Devarana Spa Co., Ltd.	Spa	Thailand	99.99	99.99	8,000,000	8,000,000	7,999,930	7,999,930	-	-	
Dusit Thai Properties Public Company Limited	Hotel and hotel management	Thailand	2.75	2.75	825,000,000	825,000,000	40,109,974	40,109,974	1,022,741	6,340,992	
Dusit Worldwide Co., Ltd.	Management	Thailand	99.99	99.99	50,000,000	50,000,000	49,999,930	49,999,930	3,999,998	-	
Dusit Management Co., Ltd. <sup>(1)</sup>	Hotel	Thailand	99.99	99.99	9,000,000	4,000,000	8,999,960	3,999,960	-	-	
Dusit USA Management Inc.	Hotel management	United States of America	100.00	100.00	40,000 USD	40,000	1,243,600	1,243,600	-	-	
Dusit China Capital Co., Ltd.	Holding	Thailand	99.99	99.99	68,000,000	68,000,000	67,999,970	67,999,970	-	-	
Dusit Excellence Co., Ltd.	Leasing and sub-leasing	Thailand	99.99	99.99	120,000,000	120,000,000	119,999,700	119,999,700	-	-	
Vinam Suriya Co., Ltd. <sup>(2)</sup>	Hotel, resorts and residence	Thailand	65.00	65.00	880,020,000	880,020,000	528,012,700	528,012,700	-	-	
Dusit Thani Properties REIT Co., Ltd.	REIT manager for real estate investment trust	Thailand	99.99	99.99	10,000,000	10,000,000	9,999,700	9,999,700	-	-	
Asai Holdings Co., Ltd.	Holding	Thailand	99.99	99.99	18,825,000	18,825,000	18,824,700	18,824,700	-	-	
Dusit Foods Co., Ltd.	Holding	Thailand	99.99	99.99	713,000,000	713,000,000	712,999,700	712,999,700	-	-	
Dusit Hospitality Services Co., Ltd. <sup>(3)</sup>	Services	Thailand	99.99	-	1,000,000	-	999,700	-	-	-	
Grace Me Co., Ltd. <sup>(4)</sup>	Services	Thailand	99.99	-	3,000,000	-	2,999,700	-	-	-	
Dusit Colours Co., Ltd. <sup>(5)</sup>	Hotel management	Japan	100.00	-	10,000,000 JPY	-	2,926,292	-	-	-	
Indirect subsidiaries (see note 25)											
Dusit Thai Properties Public Company Limited	Hotel and hotel management	Thailand	84.04	84.04	825,000,000	825,000,000	-	-	-	-	
Dusit Thani Philippines, Inc.	Hotel	Philippines	88.00	88.00	455,000,000 PHP	455,000,000	-	-	-	-	
DMS Property Investment Pvt. Ltd. <sup>(6)</sup>	Hotel	Republic of Maldives	56.41	56.41	38,500,000 USD	38,500,000	-	-	-	-	
Dusit Thani College	Education	Thailand	86.79	86.79	217,715,882	217,715,882	-	-	-	-	
LVM Holdings Pte. Ltd.	Holding	Singapore	100.00	100.00	10,997 SGD	10,997	-	-	-	-	

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**10 Investments in subsidiaries (Continued)**

	Type of business	Country of incorporation	Ownership interest (%)		Paid-up capital	Separate financial statements			Dividend income for the year
			2019	2018		2019	2018	2019	2018
						(in Baht)			
Private Homes and Villas Pte. Ltd.	Business of marketing, booking, and villa management	Singapore	100.00	100.00	100,000 SGD	100,000	-	-	-
PT. Elite Havens	Management consultancy	Indonesia	100.00	100.00	2,536,500,000 IDR	2,536,500,000	-	-	-
Shanghai Yi-Nong Travel Consultation Co., Ltd.	Marketing	China	100.00	100.00	69,080 CNY	69,080	-	-	-
PT Bali Home Manajemen	Management consultancy	Indonesia	100.00	100.00	2,500,000,000 IDR	2,500,000,000	-	-	-
Bali Luxe Ltd.	Servicing	Hong Kong	100.00	100.00	10,000 HKD	10,000	-	-	-
Marketing Villas Ltd.	Marketing	Hong Kong	100.00	100.00	831,632 USD	831,632	-	-	-
Elite Havens Ltd.	Servicing	Hong Kong	100.00	100.00	10,000 HKD	10,000	-	-	-
Niseko Gourmet Co., Ltd. <sup>(7)</sup>	Property management and marketing	Japan	100.00	-	5,000,000 JPY	-	-	-	-
Dusit Overseas Co., Ltd.	Management	Hong Kong	99.99	99.99	33,000 HKD	33,000	-	-	-
Dusit Maldives Management Pvt. Ltd. <sup>(8)</sup>	Hotel	Republic of Maldives	99.99	-	10,000 USD	-	-	-	-
Dusit Gourmet Co., Ltd. <sup>(9)</sup>	Sales and marketing for food related products	Thailand	92.52	92.52	30,000,000	21,030,000	-	-	-
Dusit Real Foods Co., Ltd. <sup>(10)</sup>	Healthy food restaurant	Thailand	51.00	-	10,000,000	-	-	-	-
Epicure Catering Co., Ltd. <sup>(11)</sup>	Food and beverage	Thailand	51.00	-	14,000,000	-	-	-	-
Epicure Catering Indochina Co., Ltd. <sup>(11)</sup>	Food and beverage	Vietnam	51.00	-	2,250,219,825 VND	-	-	-	-
Epicure Catering (Cambodia) Co., Ltd. <sup>(11)</sup>	Food and beverage	Cambodia	51.00	-	20,000,000 KHR	-	-	-	-
<b>Total</b>						<b>2,383,102,856</b>	<b>2,371,177,164</b>	<b>209,822,636</b>	<b>23,940,983</b>
Less allowance for impairment						(74,772,384)	(74,772,384)		
<b>Net</b>						<b>2,308,330,472</b>	<b>2,296,404,780</b>		

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**10 Investments in subsidiaries (Continued)**

- (1) On 15 March 2019, the Extraordinary General Meeting of shareholders of Dusit Management Co., Ltd. has resolved to increase the authorised share capital of 0.5 million shares at Baht 10 per share, totaling Baht 5 million and the Company invested in full amount.
- (2) According to the share purchase agreement, the Company shall partially sell investment in ordinary shares of Vimarn Suriya Co., Ltd. of 550,000 shares (represented 5% shareholding) to a company in 2020. As such, the investment is presented as non-current assets classified as held for sale in the statement of financial position as at 31 December 2019 (see note 8).
- (3) Dusit Hospitality Services Co., Ltd. was incorporated on 8 January 2019.
- (4) Grace Me Co., Ltd. was incorporated on 8 July 2019.
- (5) On 19 November 2019, the Company has controlled in Dusit Colours Co., Ltd. by additional 51% invested, as such the Company has increased ownership interest from 49% to 100%. Subsequently, on 6 January 2020, this subsidiary changed its name to D&J Co., Ltd. (see note 11).
- (6) On 23 September 2019, 38.5 million share certificates of DMS Property Investment Pvt. Ltd. was redeemed pledged as collateral at a financial institution in Thailand (see note 17).
- (7) On 1 January 2019, LVM Holdings Pte. Ltd., the subsidiary, has invested 100% in Niseko Gourmet Co., Ltd. (see note 4.2).
- (8) On 31 July 2019, Dusit Management Co., Ltd., the subsidiary, has invested 99.99% in Dusit Maldives Management Pvt. Ltd. in order to accommodate the entering into of the transactions in relation to the Dusit Thani Maldives hotel project (see note 37).
- (9) On 3 December 2019, Dusit Gourmet Co., Ltd. called the additional share subscription from the existing shareholders at 30%, totaling Baht 8.97 million which the company additionally invested Baht 8.07 million.
- (10) Dusit Foods Co., Ltd., the subsidiary, has invested 51% in Dusit Real Foods Co., Ltd. The subsidiary has been established on 24 July 2019.
- (11) On 30 January 2019, Dusit Foods Co., Ltd., the subsidiary, has invested 51% in Epicure Catering Co., Ltd. group (see note 4.1).

None of the subsidiaries are publicly listed and consequently do not have published price quotations.

Management reviewed and tested impairment of certain investments in 2 subsidiaries which have impairment indicators by determining recoverable amount from their value in use by using discounted estimated future cash flows.

Key assumptions for valuing recoverable amount. 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>Dusit China Capital Co., Ltd.</b>	<b>Dusit Excellence Co., Ltd.</b>
<b>2019</b>		
	(%)	
Discount rate	12.3	5.5
Terminal value growth rate	24.6	3.3
Budgeted EBITDA growth rate	16.3	3.5



**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**10 Investments in subsidiaries (Continued)**

**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 2019</b>			
	<b>Epicure Catering Co., Ltd.</b>	<b>DMS Property Investment Pvt. Ltd.</b>	<b>Vimarn Suriya Co., Ltd.</b>	<b>Other individually immaterial subsidiaries</b>
				<b>Total</b>
	<i>(in million Baht)</i>			
Non - controlling interest percentage	49.00	43.59	35.00	
Current assets	132	1,396	253	
Non-current assets	357	-	2,089	
Current liabilities	(55)	(201)	(1,076)	
Non-current liabilities	(74)	-	(438)	
<b>Net assets</b>	<b>360</b>	<b>1,195</b>	<b>828</b>	
Carrying amount of non-controlling interest	176	520	290	193
Revenue	419	552	1	
Profit for the year	60	448	(26)	
Other comprehensive income	-	(82)	-	
<b>Total comprehensive income</b>	<b>60</b>	<b>366</b>	<b>(26)</b>	
Profit allocated to non-controlling interest	29	159	(9)	106
Other comprehensive income allocated to non-controlling interest	-	(41)	-	-
Cash flows from operating activities	72	1,031	63	
Cash flows from investing activities	(23)	1,494	(528)	
Cash flows from financing activities (Dividends to non-controlling interest amounted to Baht 309 million)	(19)	(1,166)	361	
<b>Net increase in cash and cash equivalents</b>	<b>30</b>	<b>1,359</b>	<b>(104)</b>	

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**10 Investments in subsidiaries (Continued)**

	<b>31 December 2018</b>			
	<b>DMS Property Investment Pvt. Ltd.</b>	<b>Dusit Thani College (in million Baht)</b>	<b>Other individually immaterial subsidiaries</b>	<b>Total</b>
Non-controlling interest (%)	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>
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	-	<b>60</b>
Other comprehensive income allocated to non-controlling interest	-	-	(5)	<b>(5)</b>
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

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**11 Investments in joint ventures**

Investments in joint ventures as at 31 December 2019 and 2018 and dividend income for the years ended 31 December 2019 and 2018 were as follows:

**Joint ventures (see note 25)**

Le Cordon Bleu Dusit Co., Ltd. <sup>(1)</sup>	Cooking school	Thailand	49.99	49.99	40,000,000	40,000,000	62,469,066	61,379,538	-	19,999,400	-	-
Dusit Bird Hotels Pvt. Ltd. <sup>(2)</sup>	Hotel management	India	-	50.00	-	INR 28,600,000	-	264,913	-	9,830,902	-	-
Dusit Fudu Hotel Management (Shanghai) Co., Ltd. <sup>(3)</sup>	Hotel management	People's Republic of China	44.99	44.99	CNY 30,000,000	CNY 30,000,000	-	-	-	-	-	-
Dusit Colours Co., Ltd. <sup>(4)</sup>	Management and hotel technical consultancy											
Dusit Origin Co., Ltd. <sup>(5)</sup>	Construction and development condominium	Japan	-	49.00	-	JPY 10,000,000	-	1,440,522	-	1,519,000	-	-
		Thailand	49.00	-	173,260,000	-	118,012,472	-	119,882,464	-	-	-
<b>Total</b>							<b>180,481,538</b>	<b>63,084,973</b>	<b>119,882,464</b>	<b>31,349,302</b>	<b>-</b>	<b>-</b>
Less allowance for impairment										(9,830,902)		
<b>Net</b>							<b>119,882,464</b>	<b>21,518,400</b>	<b>119,882,464</b>	<b>21,518,400</b>		

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**11 Investments in joint ventures (Continued)**

- (1) On 30 December 2019, the Company sold all of its investments to Dusit Thani Properties Co., Ltd., a subsidiary of the Company, in order to restructuring of the Group. The Company recognised gain on sale of investment totalling Baht 45 million in the separate statement of income for the year ended 31 December 2019.
- (2) On 23 March 2018, the Board of Directors of the Company approved the disposal of all investments of 1.43 million shares at fair value of Baht 0.25 million to Bird Hospitality Services Private Limited. After disposal, the separation agreement was executed which was included the ceasing to use Dusit name in Dusit Bird Hotels Pvt. Ltd. The Company has completed the disposal of this investment on 27 February 2019. The Company recognised loss on sale of investment totalling Baht 0.02 million in the consolidated statement of income and recognised gain on sale of investment totalling Baht 0.25 million in the separate statement of income for the year ended 31 December 2019.
- (3) Dusit Fudu Hotel Management (Shanghai) Co., Ltd. was held by Dusit China Capital Co., Ltd., a subsidiary at 44.99% shareholding. Liabilities from investment in joint venture derived from the subsidiary provided financial support to this joint venture. Therefore, the Group recognised cumulative loss over cost of the joint venture to liabilities from investment in joint venture totalling Baht 103.40 million in the consolidated statement of financial position as at 31 December 2019.
- (4) On 19 November 2019, the Company has controlled in Dusit Colours Co., Ltd by additionally invested in 51% of share capital. As such the Company's ownership interest increased from 49% to 100%. Subsequently, on 6 January 2020, this subsidiary changed its name to D&J Co., Ltd. (see note 10).
- (5) On 10 October 2019, the Company invested in 49% of share capital of a newly established company namely "The Origin Dusit Co., Ltd.", the joint venture, for construction and development condominium project in Chonburi. The new company has fully received the initial registered share capital of 100,000 shares at Baht 10 par value, totaling Baht 1 million. Subsequently, the company has registered the capital increase of Baht 319 million and called for paid-up capital of 54%. The Company has additional paid-in according to its holding percentage.

None of the Company's joint ventures are publicly listed and consequently do not have published price quotations.

# Dusit Thani Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

### 11 Investments in joint ventures (Continued)

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 entities.

	Le Cordon Bleu Dusit Co., Ltd.		The Origin Dusit Co., Ltd.	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Ownership interest (%)	49.99	49.99	49.00	-
Revenue	231	206	-	-
Profit (loss) for the year	2	38	(4)	-
Other comprehensive income	-	-	-	-
<b>Total comprehensive income (100%)</b>	<b>2</b>	<b>38</b>	<b>(4)</b>	<b>-</b>
<b>Total comprehensive income of the Group's interest</b>	<b>1</b>	<b>19</b>	<b>(2)</b>	<b>-</b>
Current assets	42	57	305	-
Non-current assets	234	227	32	-
Current liabilities	(113)	(151)	(65)	-
Non-current liabilities	(34)	(5)	(113)	-
<b>Net assets (100%)</b>	<b>129</b>	<b>128</b>	<b>159</b>	<b>-</b>
<b>Net assets of the Group's interest</b>	<b>64</b>	<b>64</b>	<b>78</b>	<b>-</b>
Group's interest in net assets at 1 January	61	42	-	-
Purchase on investment	-	-	120	-
Total comprehensive income of the Group's interest	1	19	(2)	-
Dividends received during the year	-	-	-	-
<b>Carrying amount of the Group's interest at 31 December</b>	<b>62</b>	<b>61</b>	<b>118</b>	<b>-</b>
Remark:				
a. Includes:				
- depreciation and amortisation	25	4	2	-
b. Includes cash and cash equivalents	35	52	52	-

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**12 Property, plant and equipment**

Property, plant and equipment as at 31 December 2019 and 2018 consisted of the following:

<b>Consolidated financial statements</b>					
<b>Cost</b>	<b>At 1 January 2018</b>	<b>Additions</b>	<b>Disposals</b>	<b>Write-offs (in Baht)</b>	<b>Transfers</b>
					<b>Exchange gain (loss) on translating financial statement</b>
					<b>At 31 December 2018</b>
Land	594,251,851	-	-	-	-
Land improvement	6,856,379	-	-	-	(74,144)
Buildings	1,300,042,869	-	(11,700)	-	(317,047,667)
Buildings on leased land	3,593,476,878	33,269,624	(5,655,110)	-	356,506,681
Furniture and equipment	1,185,182,604	27,572,496	(4,840,129)	(23,180,125)	(248,631,560)
Furniture and equipment on leased land	1,535,380,169	30,847,508	(73,006,835)	(32,600)	284,405,790
Interior and renovation	471,148,451	-	(869,650)	-	(171,762,076)
Interior and renovation on leased land	1,275,543,104	1,742,584	(7,759,843)	-	375,462,233
Vehicles	63,690,753	4,180,856	(4,484,959)	-	3,288,439
Chinaware, glassware, silverware and linen	130,656,943	20,694,030	(21,923,502)	(18,660,435)	54,629,203
Construction in process	302,787,441	408,847,870	-	-	(211,688,818)
<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>



## Consolidated financial statements

186

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**12 Property, plant and equipment (Continued)**

Consolidated financial statements								
	At 1 January 2019	Additions	Acquisitions through business combinations	<i>(in Baht)</i>			Exchange gain (loss) on translating financial statement	At 31 December 2019
				Disposals	Write-offs	Transfers		
<i>Cost</i>								
Land	594,251,851	113,447,885	-	-	-	-	-	707,699,736
Land improvement	6,782,235	-	-	-	-	-	(47,011)	6,735,224
Buildings	982,983,502	1,183,396	-	(667,658)	-	1,621,758	11,303	985,132,301
Buildings on leased land	3,895,878,536	19,365,958	-	(1,905,665,955)	(7,566,412)	18,041,078	(133,652,782)	1,886,400,423
Furniture and equipment	917,682,150	62,140,470	4,028,846	(39,136,522)	(30,771,725)	24,565,256	(22,746,880)	915,761,595
Furniture and equipment on leased land	1,774,676,441	117,801,908	-	(628,349,187)	(339,954,794)	57,243,491	(17,000,491)	964,417,368
Interior and renovation	298,516,725	-	1,258,340	(1,729,414)	-	11,582,653	-	309,628,304
Interior and renovation on leased land	1,644,988,078	13,636,283	-	(120,479,741)	(724,436,786)	49,030,503	-	862,738,337
Vehicles	66,428,871	7,231,442	5,131,487	(24,630,680)	-	-	(1,057,436)	53,103,684
Chinaware, glassware, silverware and linen	162,111,186	39,323,184	90,735,648	(23,558,817)	(15,091,418)	422,598	(6,717,136)	247,225,245
Construction in process	494,144,866	795,744,636	4,034,891	(1,489,884)	-	(162,507,337)	(380,674)	1,129,546,498
<b>Total</b>	<b>10,838,444,441</b>	<b>1,169,875,162</b>	<b>105,189,212</b>	<b>(2,745,707,858)</b>	<b>(1,117,821,135)</b>	<b>-</b>	<b>(181,591,107)</b>	<b>8,068,388,715</b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**12 Property, plant and equipment (Continued)**

Consolidated financial statements								
	At 1 January 2019	Additions	Acquisitions through business combinations	Disposals <i>(in Baht)</i>	Write-offs	Transfers	Exchange gain (loss) on translating financial statement	At 31 December 2019
<i>Accumulated depreciation</i>								
Land improvement	(6,593,845)	(25,238)	-	-	-	-	40,059	(6,579,024)
Buildings	(589,175,625)	(24,071,153)	-	667,658	-	-	(9,414)	(612,588,534)
Buildings on leased land	(1,844,944,915)	(78,153,010)	-	535,166,757	7,117,972	-	8,531,984	(1,372,281,212)
Furniture and equipment	(737,480,302)	(118,260,871)	(3,382,948)	38,532,058	30,529,257	-	18,199,773	(771,863,033)
Furniture and equipment on leased land	(1,522,550,468)	(73,599,902)	-	508,855,363	333,753,981	(501,560)	11,998,797	(742,043,789)
Interior and renovation	(249,563,534)	(24,112,011)	(1,147,535)	1,729,298	-	-	-	(273,093,782)
Interior and renovation on leased land	(1,335,963,243)	(40,979,402)	-	124,210,954	720,935,966	-	-	(531,795,725)
Vehicles	(57,917,551)	(5,595,717)	(2,763,462)	20,302,098	-	-	888,444	(45,086,188)
Chinaware, glassware, silverware and linen	(120,040,555)	(27,761,280)	(51,154,196)	19,867,580	11,698,035	501,560	2,475,251	(164,413,605)
<b>Total</b>	<b>(6,464,230,038)</b>	<b>(392,558,584)</b>	<b>(58,448,141)</b>	<b>1,249,331,766</b>	<b>1,104,035,211</b>	<b>-</b>	<b>42,124,894</b>	<b>(4,519,744,892)</b>
Property, plant and equipment	4,374,214,403	777,316,578	46,741,071	(1,496,376,092)	(13,785,924)	-	(139,466,213)	3,548,643,823
Less allowance for impairment	(74,016,950)	-	-	-	-	-	-	(74,016,950)
<b>Property, plant and equipment - net</b>	<b>4,300,197,453</b>	<b>777,316,578</b>	<b>46,741,071</b>	<b>(1,496,376,092)</b>	<b>(13,785,924)</b>	<b>-</b>	<b>(139,466,213)</b>	<b>3,474,626,873</b>
Depreciation for the year								392,558,584

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**12 Property, plant and equipment (Continued)**

	Separate financial statements				
	At 1 January 2018	Additions	Disposals (in Baht)	Write-offs	Transfers
<b>Cost</b>					At 31 December 2018
Land	180,054,500	-	-	-	180,054,500
Buildings on leased land	354,079,264	-	-	-	359,401,173
Furniture and equipment on leased land	1,258,404,402	12,967,201	(32,824,754)	(34,400)	1,263,588,424
Interior and renovation on leased land	1,304,570,140	53,616	(7,759,843)	-	1,469,832,337
Vehicles	23,383,942	180,741	(764,950)	-	22,799,733
Chinaware, glassware, silverware and linen	44,315,378	4,595,972	(83,657)	(8,649,093)	40,194,200
Construction in process	22,281,997	65,413,445	-	-	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>3,378,056,930</b>
<b>Accumulated depreciation</b>					
Buildings on leased land	(348,540,568)	(796,562)	-	-	(353,747,295)
Furniture and equipment on leased land	(1,161,028,038)	(56,173,364)	32,650,082	34,360	(1,193,464,045)
Interior and renovation on leased land	(1,099,777,276)	(57,248,957)	7,759,430	-	(1,294,861,489)
Vehicles	(20,735,864)	(693,110)	704,086	-	(20,724,888)
Chinaware, 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>(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>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 2019**

**12 Property, plant and equipment (Continued)**

	At 1 January 2019	Separate financial statements (in Baht)			At 31 December 2019
	Additions	Disposals	Write-offs	Transfers	
<b>Cost</b>					
Land	180,054,500	-	-	-	180,054,500
Buildings on leased land	359,401,173	(602,050)	(7,566,412)	-	351,232,711
Furniture and equipment on leased land	1,263,588,424	(241,296,755)	(339,954,794)	57,738,910	823,120,962
Interior and renovation on leased land	1,469,832,337	(124,265,586)	(724,436,786)	49,426,550	688,121,749
Vehicles	22,799,733	-	-	-	22,799,733
Chinaware, glassware, silverware and linen	40,194,200	(10,096,026)	(5,628,330)	422,598	29,999,668
Construction in process	42,186,563	-	-	(107,588,058)	140,430,298
<b>Total</b>	<b>3,378,056,930</b>	<b>(376,260,417)</b>	<b>(1,077,586,322)</b>	<b>-</b>	<b>2,235,759,621</b>
<b>Accumulated depreciation</b>					
Buildings on leased land	(353,747,295)	504,951	6,756,661	-	(347,309,255)
Furniture and equipment on leased land	(1,193,464,045)	232,591,140	332,991,402	(501,560)	(668,365,124)
Interior and renovation on leased land	(1,294,861,489)	124,210,954	720,935,966	-	(490,465,390)
Vehicles	(20,724,888)	-	-	-	(21,349,988)
Chinaware, glassware, silverware and linen	(27,940,067)	8,144,349	4,675,120	501,560	(19,281,164)
<b>Total</b>	<b>(2,890,737,784)</b>	<b>365,451,394</b>	<b>1,065,359,149</b>	<b>-</b>	<b>(1,546,770,921)</b>
<b>Property, plant and equipment - net</b>	<b>487,319,146</b>	<b>(10,809,023)</b>	<b>(12,227,173)</b>	<b>-</b>	<b>688,988,700</b>
Depreciation for the year					86,843,680

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**12 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 2019 and 2018 of Baht 4.01 million and Baht 4.51 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 36).

***Dusit Thai Properties Public Company Limited***

As at 31 December 2019 and 2018, 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 275.91 million and Baht 286.60 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 associate of Baht 1,300 million.

***DMS Property Investment Pvt. Ltd.***

On 25 September 2019, DMS Property Investment Pvt. Ltd., an indirect subsidiary, has transferred the ownership of the buildings and constructions at the amount of Baht 1,476.07 million and the leasehold rights over the land at the amount of Baht 49.86 million (see note 13), including other assets in relation to the Dusit Thani Maldives hotel project to Dusit Maldives Investment Private Limited according to the Group's restructuring in the Republic of Maldives (see note 37) and recognised the gain on sales totaling Baht 587.76 million in the consolidated statement of income for the year ended 31 December 2019.

***Fully depreciated plant and equipment, but still in use***

As at 31 December 2019 and 2018, the gross amount of plant and equipment of the Group of Baht 3,950.93 million and Baht 4,056.11 million, respectively, were fully depreciated but still in use.

As at 31 December 2019 and 2018, the gross amount of plant and equipment of the Company of Baht 2,237.07 million and Baht 2,336.39 million, respectively, were fully depreciated but still in use.

***Impairment of assets***

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 use by using discounted estimated future cash flows.

Key assumptions for valuing recoverable amount is presented below. 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>	
	2019	2018
	(%)	
Discount rate	5.5	5.5
Terminal value growth rate	7.1	4.3



**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**13 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>	
	2019	2018	2019	2018
	<i>(in Baht)</i>			
<b>Net book value</b>				
At 1 January	900,233,842	991,151,486	841,273,821	930,485,760
Additional payments	772,582,959	32,042,525	748,883,060	-
Amortisation	(123,647,862)	(122,412,081)	(98,956,919)	(89,211,939)
Disposals	(49,857,034)	-	-	-
Effect of movement in exchange rate	(2,884,797)	(548,088)	-	-
<b>At 31 December</b>	<b>1,496,427,108</b>	<b>900,233,842</b>	<b>1,491,199,962</b>	<b>841,273,821</b>
<i>Less current portion of prepaid rental of land and buildings</i>	<i>(115,447,124)</i>	<i>(79,008,625)</i>	<i>(115,107,746)</i>	<i>(70,695,279)</i>
<b>Prepaid rental of land and buildings</b>	<b>1,380,979,984</b>	<b>821,225,217</b>	<b>1,376,092,216</b>	<b>770,578,542</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 35). The mentioned prepaid rental is amortised throughout the lease period.

On 8 March 2019, the Company has entered into land and building lease agreement for a period of 5 years (starting from 1 July 2019 to 30 June 2024) to operate “Baan Dusit Thani”, totaling Baht 40.40 million.

On 26 March 2019, the Company has entered into sublease building space agreement and service contract for a period of 19 years and 6 months (starting from 1 May 2019 to 31 October 2038) totaling Baht 708.48 million and sale and purchase agreement of the decoration and equipment totaling Baht 34.04 million to operate “Dusit Suites Hotel Ratchadamri Bangkok”.

***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.

On 25 September 2019, DMS Property Investment Pvt. Ltd. has transferred the leasehold rights over the land in relation to the Dusit Thani Maldives hotel project at the amount of Baht 49.86 million to Dusit Maldives Investment Private Limited according to the Group’s restructuring in the Republic of Maldives (see note 12).

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

	At 1 January 2018	Acquisitions through business combinations	Additions	Disposals <i>(in Baht)</i>	Write-offs	Transfers	Exchange gain (loss) on translating financial statement	At 31 December 2018
<b>Cost</b>								
Computer software	178,109,862	93,630,652	29,707,586	(861,711)	(2,139,872)	4,509,089	372,558	303,328,164
Trademark	-	124,347,634	-	-	-	-	-	124,347,634
Villa contracts	-	14,148,113	-	-	-	-	-	14,148,113
<b>Total</b>	<b>178,109,862</b>	<b>232,126,399</b>	<b>29,707,586</b>	<b>(861,711)</b>	<b>(2,139,872)</b>	<b>4,509,089</b>	<b>372,558</b>	<b>441,823,911</b>
<b>Accumulated amortisation</b>								
Computer software	(115,303,703)	-	(13,952,411)	861,710	467,681	-	451,605	(127,475,118)
Trademark	-	-	-	-	-	-	-	-
Villa contracts	-	-	(704,626)	-	-	-	-	(704,626)
<b>Total</b>	<b>(115,303,703)</b>	<b>-</b>	<b>(14,657,037)</b>	<b>861,710</b>	<b>467,681</b>	<b>-</b>	<b>451,605</b>	<b>(128,179,744)</b>
<b>Intangible assets - net</b>	<b>62,806,159</b>	<b>232,126,399</b>	<b>15,050,549</b>	<b>(1)</b>	<b>(1,672,191)</b>	<b>4,509,089</b>	<b>824,163</b>	<b>313,644,167</b>
Amortisation for the year								14,657,037

Amortisation for the year

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**14 Other intangible assets (Continued)**

	Consolidated financial statements				
	At 1 January 2019	Acquisitions through business combinations	Additions	Disposals (in Baht)	Write-offs
					Exchange gain (loss) on translating financial statement
					At 31 December 2019
<b>Cost</b>					
Computer software	303,328,164	-	55,256,521	(4,975,177)	(9,934,206)
Trademark	124,347,634	-	-	-	(8,797,506)
Villa contracts	14,148,113	-	-	-	(1,000,969)
Customer relationship	-	342,260,000	-	-	-
<b>Total</b>	<b>441,823,911</b>	<b>342,260,000</b>	<b>55,256,521</b>	<b>(4,975,177)</b>	<b>(19,732,681)</b>
<b>Accumulated amortisation</b>					
Computer software	(127,475,118)	-	(29,375,549)	4,216,617	2,985,117
Trademark	-	-	-	-	-
Villa contracts	(704,626)	-	(2,629,429)	-	50,048
Customer relationship	-	-	(36,910,392)	-	-
<b>Total</b>	<b>(128,179,744)</b>	<b>-</b>	<b>(68,915,370)</b>	<b>4,216,617</b>	<b>3,035,165</b>
<b>Intangible assets - net</b>	<b>313,644,167</b>	<b>342,260,000</b>	<b>(13,658,849)</b>	<b>(758,560)</b>	<b>(16,697,516)</b>
Amortisation for the year					68,915,370

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**14 Other intangible assets (Continued)**

<b>Separate financial statements</b>				
	At 1 January 2018	Additions	Disposals (in Baht)	Transfers
<b>Computer softwares</b>				
Cost	134,736,837	2,767,270	(2,139,872)	4,509,089
Accumulated amortisation	(87,201,178)	(9,417,707)	503,423	-
<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>
Amortisation for the year				9,417,707
				<b>31 December 2018</b>
				139,873,324
				(96,115,462)
				<b>43,757,862</b>
				<b>31 December 2019</b>
				135,072,361
				(104,054,958)
				<b>31,017,403</b>
				<b>31 December 2019</b>
				7,939,496

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**15 Goodwill**

	<i>Note</i>	<b>Consolidated financial statements</b>	
		2019	2018
		<i>(in Baht)</i>	
<b>Cost</b>			
At 1 January		305,301,164	-
Acquisitions through business combinations	4	275,678,467	305,301,164
<b>At 31 December</b>		<b>580,979,631</b>	<b>305,301,164</b>

*Impairment testing for CGUs containing goodwill*

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs (operating divisions) as follows.

	<b>Consolidated financial statements</b>	
	2019	2018
	<i>(in Baht)</i>	
LVM Holdings Pte. Ltd. group	305,301,164	305,301,164
Epicure Catering Co., Ltd. group	260,489,839	-
Multiple units without significant goodwill	15,188,628	-
<b>Total</b>	<b>580,979,631</b>	<b>305,301,164</b>

The recoverable amount of these CGUs were estimated using discounted cash flows. The fair value measurements were categorised as a Level 3 fair value.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	<b>LVM Holdings Pte. Ltd. group</b>	<b>Epicure Catering Co., Ltd. group</b>
	2019	
	<i>(%)</i>	
Discount rate	11.8	13.1
Terminal value growth rate	9.0	4.3
Budgeted EBITDA growth rate (average of next five years)	25.0	6.5

The discount rate was a post-tax measure estimated based on the historical industry average weighted-average cost of capital.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**15 Goodwill (Continued)**

Management has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	<b>LVM Holdings Pte. Ltd. group</b>	<b>Epicure Catering Co., Ltd. group</b>
		2019 (%)
Discount rate	14.4	13.0
Budgeted EBITDA growth rate	16.1	(3.1)

**16 Deposits**

	<b>Consolidated/Separate financial statements</b>			
	At 31 December 2018	Increase (in Baht)	Decrease	At 31 December 2019
Deposits	100,110,124	190,860,000	-	290,970,124
<b>Total</b>	<b>100,110,124</b>	<b>190,860,000</b>	<b>-</b>	<b>290,970,124</b>

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. During 2017, the Company paid SGD 3 million (or Baht 74.84 million). The deposit will be refunded to the Company under conditions as specified in the memorandum.

On 23 April 2019, the Company has entered into space rental agreement and service contract for a period of 32 years and sale and purchase agreement of the decoration and equipment to develop project named “ASAI China Town” totaling Baht 954.30 million. As of 31 December 2019, the Company has already paid for deposit Baht 190.86 million and the remaining balance will be paid in 2020. The agreement will be effective from the date of completion of the contractual conditions or any other period agreed by both parties. As of 31 December 2019, the agreement is not yet effective.



**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**17 Short-term loans from financial institutions**

Consolidated/Separate financial statements					
	At 31 December 2018	Increase	Decrease (in Baht)	At 31 December 2019	
Short-term loans from financial institutions	<u>167,000,000</u>	<u>9,228,000,000</u>	<u>(7,633,000,000)</u>	<u>1,762,000,000</u>	
<b>Total</b>	<b><u>167,000,000</u></b>	<b><u>9,228,000,000</u></b>	<b><u>(7,633,000,000)</u></b>	<b><u>1,762,000,000</u></b>	

Agreement date	Limit		Interest rate	Short-term loans	
	2019	2018		31 December 2019	31 December 2018
	(in Baht)			(in Baht)	
<b>Dusit Thani Public Company Limited</b>					
26 June 2017	800,000,000	800,000,000	MMR	662,000,000	-
2 November 2010	150,000,000	150,000,000	MMR	-	-
			As specified		
8 December 2010	300,000,000	300,000,000	by bank	300,000,000	-
15 December 2010	800,000,000	800,000,000	MMR	800,000,000	36,000,000
1 November 2011	450,000,000	450,000,000	MMR	-	-
28 August 2018	200,000,000	500,000,000	MMR	-	131,000,000
27 November 2018	400,000,000	400,000,000	MMR	-	-
16 August 2019	500,000,000	-	MMR	-	-
Total <sup>(1)</sup>	<u>3,600,000,000</u>	<u>3,400,000,000</u>		<u>1,762,000,000</u>	<u>167,000,000</u>
<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>	<u>300,000,000</u>	<u>300,000,000</u>		<u>-</u>	<u>-</u>
<b>DMS Property Investment Pvt. Ltd.</b>					
			LIBOR + 2.925%		
3 September 2011 <sup>(2)</sup>	<u>113,574,000</u>	<u>113,574,000</u>	p.a.	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>4,013,574,000</u></b>	<b><u>3,813,574,000</u></b>		<b><u>1,762,000,000</u></b>	<b><u>167,000,000</u></b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**17 Short-term loans from financial institutions (Continued)**

- MMR: Money Market Rate

(1) The short-term loans have no collateral.

(2) The short-term loans have facilities of USD 3.5 million. The loans were pledged by all share certificates of the subsidiary of 38.5 million shares (see note 10). Loan facility was guaranteed by the Company at 65% and another shareholder of the subsidiary at 35%. During 2019, the subsidiary repaid all remaining long-term loan, terminate short-term and long-term loan agreements and redeemed the collateral with a financial institution (see note 19).

In addition, as at 31 December 2019 and 2018, the Group and the Company had credit lines for bank overdrafts totaling Baht 85 million and Baht 40 million with no collateral.

**18 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>	
	2019	2018	2019	2018
	<i>(in Baht)</i>			
Trade accounts payable	160,291,323	175,140,074	24,847,032	43,085,488
Other payables	54,661,921	45,143,600	27,764,265	64,948,901
Payables from acquisition of assets	43,403,762	14,604,739	20,563,191	9,566,617
Accrued expenses	656,549,692	401,547,658	61,914,167	107,914,481
Deposit received	178,925,835	399,302,155	20,025,291	30,773,154
Payables to villa owner	106,678,078	58,273,077	-	-
Unearned revenue of Dusit Thani College	147,988,464	131,753,876	-	-
Others	31,428,030	22,025,088	29,370,842	19,576,204
<b>Total</b>	<b><u>1,379,927,105</u></b>	<b><u>1,247,790,267</u></b>	<b><u>184,484,788</u></b>	<b><u>275,864,845</u></b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**19 Long-term loans**

Long-term loans as at 31 December consisted of the following:

	Interest rate 2019	2018 (% per annum)	Consolidated financial statements		Separate financial statements	
			2019	2018 (in Baht)	2019	2018
<b>19.1 Loans from financial institutions</b>						
To Dusit Thani Philippines, Inc.						
- Repayable in semi-annual installments from December 2016 to 2024	4.609 - 7.331	4.369 - 6.235	392,065,498	405,524,443	-	-
To DMS Property Investment Pvt. Ltd.						
- Repayable every 3 months from December 2016 to 2020	-	5.126 - 5.453	-	254,730,930	-	-
To Dusit Thani PLC.						
- Repayable every 3 months from October 2017 to 2022	3.727 - 3.998	3.727 - 3.998	86,950,000	108,700,000	86,950,000	108,700,000
- Repayable in 36 months from 23 September 2019	3.050	-	1,000,000,000	-	1,000,000,000	-
<b>19.2 Loan from other party</b>						
To Vimarn Suriya Co., Ltd.	5.012 - 5.200	5.200	219,335,000	73,335,000	-	-
			<b>1,698,350,498</b>	<b>842,290,373</b>	<b>1,086,950,000</b>	<b>108,700,000</b>
			(96,450,681)	(241,366,244)	(33,000,000)	(21,800,000)
<i>Less current portion</i>			<b>1,601,899,817</b>	<b>600,924,129</b>	<b>1,053,950,000</b>	<b>86,900,000</b>
<b>Total</b>						

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**19 Long-term loans (Continued)**

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in Baht)</i>			
<b>Net book value</b>				
At 1 January	842,290,373	1,132,541,123	108,700,000	-
Additions	1,196,936,617	164,722,750	1,000,000,000	115,450,000
Repayments	(317,196,300)	(422,203,716)	(21,750,000)	(6,750,000)
Effect of movement in exchange rates	(23,680,192)	(32,769,784)	-	-
<b>At 31 December</b>	<b><u>1,698,350,498</u></b>	<b><u>842,290,373</u></b>	<b><u>1,086,950,000</u></b>	<b><u>108,700,000</u></b>

***Dusit Thani Philippines, Inc.***

On 3 June 2014, Dusit Thani Philippines, Inc. (formerly named Philippine Hoteliers, Inc.), an indirect subsidiary, entered into a 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 2019 and 2018, the indirect subsidiary had outstanding long-term loan in the amount of Peso 658.71 million (or Baht 392.07 million) and Peso 655.92 million (or Baht 405.52 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**  
**For the year ended 31 December 2019**

**19 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> installments	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.

During 2019, the subsidiary repaid all remaining long-term loan, terminate short-term and long-term loan agreements and redeemed the collateral with a financial institution (see notes 10 and 17).

***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 loan bears 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 agreement has restricts and conditions as specified in the agreements such as carrying to the debt service coverage ratio.

On 18 September 2019, the Company entered into a long-term loan agreement with a financial institution of Baht 1,000 million to repayment the borrowing, capital expenditures or general purpose with maturity date of 36 months from the initial borrowing. The Company drawdown the full amount of loan. The loan bears interest rate at 3.05% per annum, repayable every 6 months.

The loan agreement has restricts and conditions as specified in the agreements such as interest-bearing liabilities to equity ratio.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**19 Long-term loans (Continued)**

***Vimarn Suriya Co., Ltd.***

On 23 June 2017, Vimarn Suriya Co., Ltd., a subsidiary, entered into a loan agreement with other companies 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 2019 and 2018, this subsidiary had long-term loans amounting to Baht 219.34 million and Baht 73.34 million which classified as long-term loan from related party (see note 25).

As at 31 December 2019, the Group had unutilised long-term credit facilities totaling Baht 229.77 million.

**20 Debentures**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	<i>(in Baht)</i>			
Debentures	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Less Deferred debentures issuing cost	<u>(1,751,000)</u>	<u>(2,781,000)</u>	<u>(1,751,000)</u>	<u>(2,781,000)</u>
	<b><u>998,249,000</u></b>	<b><u>997,219,000</u></b>	<b><u>998,249,000</u></b>	<b><u>997,219,000</u></b>

The movements of debentures 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	
	2019	2018	2019	2018
	<i>(in Baht)</i>			
<b>Debentures</b>				
At beginning of the year	997,219,000	-	997,219,000	-
Add proceeds from debentures	-	1,000,000,000	-	1,000,000,000
Add amortisation of debentures issuing cost	1,030,000	309,000	1,030,000	309,000
Less payments for deferred debentures issuing cost	<u>-</u>	<u>(3,090,000)</u>	<u>-</u>	<u>(3,090,000)</u>
<b>At ending of the year</b>	<b><u>998,249,000</u></b>	<b><u>997,219,000</u></b>	<b><u>998,249,000</u></b>	<b><u>997,219,000</u></b>



**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**20 Debentures (Continued)**

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 and/or 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, unsubordinated, 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 2019**

**21 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. During 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 25).

***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 12).

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 were 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 statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<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	<u>(229,457,458)</u>	<u>(204,024,123)</u>	<u>(192,198,468)</u>	<u>(115,319,081)</u>
	533,542,542	558,975,877	1,169,453,540	1,246,332,927
Less current portion of deferred rental revenue	<u>(25,433,333)</u>	<u>(25,433,333)</u>	<u>(76,879,388)</u>	<u>(76,879,388)</u>
<b>Deferred rental revenue</b>	<b><u>508,109,209</u></b>	<b><u>533,542,544</u></b>	<b><u>1,092,574,152</u></b>	<b><u>1,169,453,539</u></b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**22 Provisions for employee benefits**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in Baht)</i>			
Unfunded post-employment benefits	186,186,985	159,836,347	82,031,852	65,298,478
Funded post-employment benefits	41,951,709	38,617,703	-	-
Fair value of plan assets	(32,398,252)	(27,023,168)	-	-
Termination benefits	-	88,479,890	-	88,479,890
<b>Total</b>	<b>195,740,442</b>	<b>259,910,772</b>	<b>82,031,852</b>	<b>153,778,368</b>

***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.

<b><i>Present value of the defined benefit obligations</i></b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in Baht)</i>			
At 1 January	286,933,940	231,658,031	153,778,368	100,152,948
Transfer from business acquisition	11,823,949	-	-	-
<b>Included in profit or loss:</b>				
Current service cost	42,372,607	44,074,651	13,366,068	20,726,847
Past service cost	27,676,901	-	9,211,387	-
Interest on obligation	5,996,089	6,013,021	1,432,706	2,084,817
Termination benefits	-	42,631,576	-	42,631,576
<b>Included in other comprehensive income:</b>				
Actuarial (gain) loss				
- Demographic assumptions	(29,742,613)	191,766	(14,290,571)	-
- Financial assumptions	2,243,505	(2,080,072)	986,985	-
- Experience adjustment	(12,024,690)	(766,571)	8,776,778	-
Effect of movements in exchange rates	(1,523,405)	(3,618,099)	-	-
	<b>333,756,283</b>	<b>318,104,303</b>	<b>173,261,721</b>	<b>165,596,188</b>
Benefit paid	(105,617,589)	(31,170,363)	(91,229,869)	(11,817,820)
At 31 December	228,138,694	286,933,940	82,031,852	153,778,368
Fair value of plan assets	(32,398,252)	(27,023,168)	-	-
<b>Defined benefit obligation at 31 December</b>	<b>195,740,442</b>	<b>259,910,772</b>	<b>82,031,852</b>	<b>153,778,368</b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**22 Provisions for employee benefits (Continued)**

On 5 April 2019, the Labour Protection Act was amended 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 has therefore amended its retirement plan in accordance with the changes in the Labour Protection Act in 2019. As a result of this change, the provision for retirement benefits as well as past service cost recognised increased.

<i><b>Fair value of Plan assets</b></i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in Baht)</i>			
At 1 January	27,023,168	31,863,840	-	-
Expected return on plan asset	1,871,954	1,711,021	-	-
Actuarial gain (losses)	498,950	(1,072,217)	-	-
Exchange loss on translating financial statement	(1,094,018)	(3,388,549)	-	-
Benefit paid	(2,246,550)	(5,598,177)	-	-
Gains on return on plan asset	6,344,748	3,507,250	-	-
<b>At 31 December</b>	<b>32,398,252</b>	<b>27,023,168</b>	<b>-</b>	<b>-</b>

Plan assets consisted of the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in Baht)</i>			
Equity securities	11,829,153	11,769,415	-	-
Debt securities				
Government bonds	8,795,980	5,417,868	-	-
Debentures	3,030,448	3,150,526	-	-
Funds	7,202,821	6,481,510	-	-
Cash and cash equivalents	1,431,824	126,331	-	-
Others	108,026	77,518	-	-
<b>Total</b>	<b>32,398,252</b>	<b>27,023,168</b>	<b>-</b>	<b>-</b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**22 Provisions for employee benefits (Continued)**

*Actuarial assumptions*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
		(%)		
Discount rate	1.78 - 4.35	1.45 - 7.13	1.78 - 3.96	1.45 - 4.02
Inflation rate	2.5	2.5	2.5	2.5
Future salary increases	5.0 - 8.0	4.0 - 8.0	5.0 - 8.0	5.0 - 8.0
Turnover rate	0.0 - 24.0	0.0 - 24.0	5.0 - 24.0	0.0 - 24.0

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2019, the weighted-average duration of the defined benefit obligation was 8.41-11.8 years (2018: 7.98-10.80 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.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	(in Baht)			
<b>Defined benefit obligation</b>				
<b>31 December 2019</b>	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(11,748,748)	13,330,785	(4,542,185)	5,117,824
Future salary growth (1% movement)	12,789,045	(11,528,909)	4,910,310	(4,456,815)
Turnover rate (20% movement)	(20,049,932)	25,313,080	(7,856,893)	9,762,853
<b>Defined benefit obligation</b>				
<b>31 December 2018</b>	Increase	Decrease	Increase	Decrease
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

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**23 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 2019 and 2018, 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.

During 2016, a change in par value of shares of the Company resulted to the change in the number of treasury shares to be 4,715,000 ordinary shares as at 31 December 2019 and 2018.

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 2019 and 2018, 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 24).

**24 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.



**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**24 Reserves (Continued)**

**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 2019**

**25 Related parties**

Relationships with associates, subsidiaries and joint ventures are described in notes 9, 10 and 11. Other related parties that the Group had significant transactions with during the year were as follows:

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Type of business</b>	<b>Nature of relationships</b>
Acme Printing Co., Ltd.	Thailand	Printing house	Director holds the shares
MBK Public Company Limited	Thailand	Property development	Common director
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
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
Central Pattana Public Company Limited	Thailand	Hotel and shopping center	Shareholder
Dusit Thani REIT Co., Ltd.	Thailand	Other investment	Subsidiary of associate
Dusit Maldives Investment Pvt. Ltd.	Republic of Maldives	Rental property	Indirect subsidiary of associate
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.

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 fee income

Dividend income

Other income

- REIT manager fee income
- Sublease fee income
- Project development fee income
- Sales and purchase of equipment
- Other sales and purchase transactions
- Sales of investments
- Other income

**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 announcement of dividend payment.

Based on the contractually agreed prices.

Based on the contractually agreed prices.(see note 21)

Based on the contractually agreed prices.

Based on book value plus margin as agreed.

Based on the normal prices transacted with third parties and discount policies.

Based on the contractually agreed prices. (see notes 8, 9)

Based on actual expenses incurred and the contractually agreed prices.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**25 Related parties (Continued)**

**Transactions**

- Sales asset as re-structure project of Republic of Maldives

Rental expense

Interest income

- Loan to related parties

Interest expense

- Loan from related party

Other expenses

**Pricing policies**

Based on the contractually agreed prices.  
 (see notes 12, 37)

Based on the contractually agreed prices. (see note 35)

- 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 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 2019**

**25 Related parties (Continued)**

Significant transactions for the years ended 31 December 2019 and 2018 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 2019</b>									
Joint ventures	2,492,965	-	-	7,569,876	-	8,347,296	404,538	-	3,443,860
Associates	-	-	51,995,160	74,410,832	205,000,000	-	-	-	3,766,530
Other related parties	1,725,075	9,167,551	16,988,280	7,859,738	1,549,230	1,292,167	729,379	185,240	-
Total	4,218,040	9,167,551	68,983,440	89,840,446	206,549,230	9,639,463	1,133,917	185,240	7,210,390
<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	197,388,520	232,087,046	-	-	-	149,992
Other related parties	23,033,775	9,484,173	16,541,220	2,630,969	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

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**25 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
<i><b>For the year ended 31 December 2019</b></i>									
Subsidiaries	10,043,637	62,395,339	209,822,636	246,819,618	31,247,148	52,013,572	86,984,981	910,933	34,386,458
Joint ventures	-	-	-	1,350,900	-	1,376,535	404,538	-	3,443,860
Associates	-	-	51,995,160	-	-	-	-	-	3,766,531
Other related parties	208,412	7,967,551	-	7,390,708	-	1,292,167	520,898	-	-
Total	10,252,049	70,362,890	261,817,796	255,561,226	31,247,148	54,682,274	87,910,417	910,933	41,596,849
<i><b>For the year ended 31 December 2018</b></i>									
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	165,386,630	-	-	-	-	149,992
Other related parties	23,033,775	8,284,173	-	3,494,744	-	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

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**25 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	
	2019	2018	2019	2018
	<i>(in Baht)</i>			
<b>Key management personnel compensation</b>				
Salaries and other short-term employee benefits	146,204,958	140,540,810	109,669,756	109,131,859
Post-employment benefits	<u>6,558,258</u>	<u>7,972,797</u>	<u>4,794,060</u>	<u>6,136,298</u>
<b>Total key management personnel compensation</b>	<b><u>152,763,216</u></b>	<b><u>148,513,607</u></b>	<b><u>114,463,816</u></b>	<b><u>115,268,157</u></b>



**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**25 Related parties (Continued)**

Balances as at 31 December 2019 and 2018 with related parties were as follows:

		Consolidated financial statements						
		Trade accounts receivable	Other receivables	Trade account payable	Other account payable (in Baht)	Accrued expense	Deferred rental revenue	Deposit for right to lease building
<b>For the year ended 31 December 2019</b>								
	Joint ventures	-	32,251,648	-	-	-	-	-
	Associates	-	16,017,335	-	-	-	533,542,542	984,760,000
	Other related parties	358,440	2,763,690	368,846	1,676,043	-	-	-
	Total	<u>358,440</u>	<u>51,032,673</u>	<u>368,846</u>	<u>1,676,043</u>	<u>-</u>	<u>533,542,542</u>	<u>984,760,000</u>
<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	<u>232,714</u>	<u>225,998,184</u>	<u>309,175</u>	<u>869,846</u>	<u>843,178</u>	<u>558,975,877</u>	<u>984,760,000</u>

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**25 Related parties (Continued)**

Balances as at 31 December 2019 and 2018 with related parties were as follows:

	Trade accounts receivable	Other receivables	Accrued expense (in Baht)	Other payable	Deferred rental revenue
<b>Separate financial statements</b>					
<b>For the year ended 31 December 2019</b>					
Subsidiaries	412,925	144,603,044	-	18,736,694	1,169,453,540
Joint ventures	-	4,597,287	-	-	-
Associates	-	-	-	-	-
Other related parties	14,700	2,187,837	-	291,212	-
<b>Total</b>	<b>427,625</b>	<b>151,388,168</b>	<b>-</b>	<b>19,027,906</b>	<b>1,169,453,540</b>
<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>

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**25 Related parties (Continued)**

	Interest rate		Consolidated financial statements			
	At 31 December (% per annum)	At 1 January	Increase	Decrease (in Baht)	The effect of changes in foreign exchange rates	At 31 December
<b>Movement of long-term loans to</b>						
<b>2019</b>						
Dusit Fudu Hotel Management (Shanghai) Co., Ltd.	5.70 - 5.88	104,903,091	13,450,896	(1,707,121)	(7,955,886)	108,690,980
Suanlum Property Co., Ltd.	3.06 - 3.25	89,844,773	35,602,941	-	-	125,447,714
<b>Total</b>		<b>194,747,864</b>	<b>49,053,837</b>	<b>(1,707,121)</b>	<b>(7,955,886)</b>	<b>234,138,694</b>
<b>2018</b>						
Dusit Fudu Hotel Management (Shanghai) Co., Ltd.	5.70 - 5.88	88,145,633	17,080,554	-	(323,096)	104,903,091
Suanlum Property Co., Ltd.	3.25	14,037,773	75,807,000	-	-	89,844,773
<b>Total</b>		<b>102,183,406</b>	<b>92,887,554</b>	<b>-</b>	<b>(323,096)</b>	<b>194,747,864</b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**25 Related parties (Continued)**

	Interest rate		Separate financial statements			
	At 31 December (% per annum)	At 1 January	Increase	Decrease (in Baht)	The effect of changes in foreign exchange rates	At 31 December
<i>Movement of short-term loans to</i>						
<b>2019</b>						
Dusit.China Capital Co., Ltd.	2.48 - 3.14	115,400,000	13,700,000	(1,600,000)	-	127,500,000
Dusit Food Co., Ltd.	2.42 - 3.55	-	469,500,000	-	-	469,500,000
Dusit Excellence Co., Ltd.	2.45 - 4.00	164,572,600	17,200,000	(11,000,000)	-	170,772,600
Dusit Overseas Co., Ltd.	4.00	345,555,000	-	-	(31,757,250)	313,797,750
Dusit Thani Properties Co., Ltd.	2.75 - 3.55	-	159,000,000	(159,000,000)	-	-
Dusit Hospitality Services Co., Ltd.	2.40 - 3.58	-	40,000,000	-	-	40,000,000
Asai Holding Co., Ltd.	2.40 - 2.70	-	16,000,000	-	-	16,000,000
Dusit Worldwide Co., Ltd.	3.58	-	68,000,000	-	-	68,000,000
<b>Total</b>		<b>625,527,600</b>	<b>783,400,000</b>	<b>(171,600,000)</b>	<b>(31,757,250)</b>	<b>1,205,570,350</b>
<b>2018</b>						
Dusit.China Capital Co., Ltd.	2.48 - 3.14	97,400,000	18,000,000	-	-	115,400,000
Dusit Thani Properties Co., Ltd.	2.80 - 2.90	248,000,000	-	(248,000,000)	-	-
Dusit Food Co., Ltd.	2.48 - 2.50	-	682,600,000	(682,600,000)	-	-
Dusit Gourmet Co., Ltd.	2.50	-	1,000,000	(1,000,000)	-	-
Dusit Excellence Co., Ltd.	2.48 - 2.50	34,622,600	129,950,000	-	-	164,572,600
Dusit Overseas Co., Ltd.	4.00	-	358,619,000	(13,064,000)	-	345,555,000
<b>Total</b>		<b>380,022,600</b>	<b>1,190,169,000</b>	<b>(944,664,000)</b>	<b>-</b>	<b>625,527,600</b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**25 Related parties (Continued)**

	Interest rate	Separate financial statements			
		At 31 December (% per annum)	At 1 January	Increase Decrease (in Baht)	The effect of changes in foreign exchange rates At 31 December
<i><b>Movement of long-term loans to</b></i>					
<b>2019</b>					
Suanlum Property Co., Ltd.	3.06 - 3.25		89,844,773	35,602,941	-
Vimarn Suriya Co., Ltd.	5.01 - 5.20		-	219,000,000	-
<b>Total</b>			<b>89,844,773</b>	<b>254,602,941</b>	<b>-</b>
<b>2018</b>					
Suanlum Property Co., Ltd.	3.25		107,160,128	76,660,250	(93,975,605)
<b>Total</b>			<b>107,160,128</b>	<b>76,660,250</b>	<b>(93,975,605)</b>
					<b>89,844,773</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.

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 2019 and 2018, the joint venture had outstanding long-term loan to the joint venture of Chinese Yuan Renminbi 25.29 million (or Baht 108.69 million) and Chinese Yuan Renminbi 21.0 million (or Baht 104.90 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 340 million. The interest rate is MLR minus 2.95% p.a. As at 31 December 2019 and 2018, this associate had long-term loan of Baht 125.45 million and Baht 89.84 million, respectively.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**25 Related parties (Continued)**

	Interest rate		Consolidated financial statements			
	At 31 December (% per annum)	At 1 January	Increase	Decrease (in Baht)	The effect of changes in foreign exchange rates	At 31 December
<i>Movement of short-term loans from</i>						
<b>2019</b>						
MBK Hotels and Resorts Co., Ltd.*	4.38 - 5.612	4,542,972	37,704,677	(42,076,234)	(171,415)	-
<b>Total</b>		<b>4,542,972</b>	<b>37,704,677</b>	<b>(42,076,234)</b>	<b>(171,415)</b>	<b>-</b>
<b>2018</b>						
MBK Hotels and Resorts Co., Ltd.*	4.38 - 5.45	4,575,326	-	-	(32,354)	4,542,972
<b>Total</b>		<b>4,575,326</b>	<b>-</b>	<b>-</b>	<b>(32,354)</b>	<b>4,542,972</b>

\* MBK Hotels and Resorts Co., Ltd. is a subsidiary of MBK Public Company Limited.



**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**25 Related parties (Continued)**

	Interest rate	Consolidated financial statements			
		At 31 December (% per annum)	At 1 January	Increase Decrease (in Baht)	The effect of changes in foreign exchange rates At 31 December
<i>Movement of long-term loans from</i>					
<b>2019</b>					
Central Pattana Public Company Limited	5.0125 - 5.20		73,335,000	146,000,000	-
<b>Total</b>			<b>73,335,000</b>	<b>146,000,000</b>	<b>219,335,000</b>
<b>2018</b>					
Central Pattana Public Company Limited	5.20		-	135,985,403	-
<b>Total</b>			<b>-</b>	<b>135,985,403</b>	<b>73,335,000</b>
<i>Movement of long-term loans from</i>					
<b>2019</b>					
Dusit Thani Properties Co., Ltd.	3.08		90,400,000	380,000,000	-
<b>Total</b>			<b>90,400,000</b>	<b>380,000,000</b>	<b>315,000,000</b>
<b>2018</b>					
Dusit Thani Properties Co., Ltd.	2.20		169,000,000	-	-
<b>Total</b>			<b>169,000,000</b>	<b>-</b>	<b>90,400,000</b>

**Separate financial statements**

	Interest rate	Separate financial statements			
		At 31 December (% per annum)	At 1 January	Increase Decrease (in Baht)	The effect of changes in foreign exchange rates At 31 December
<i>Movement of long-term loans from</i>					
<b>2019</b>					
Dusit Thani Properties Co., Ltd.	3.08		90,400,000	380,000,000	-
<b>Total</b>			<b>90,400,000</b>	<b>380,000,000</b>	<b>315,000,000</b>
<b>2018</b>					
Dusit Thani Properties Co., Ltd.	2.20		169,000,000	-	-
<b>Total</b>			<b>169,000,000</b>	<b>-</b>	<b>90,400,000</b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**25 Related parties (Continued)**

*Land sub-lease agreement*

The Company entered into a land sub-lease agreement from the Crown Property Bureau 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 which was recorded in deferred rental revenue. 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 recognised the lease right assignment fee in other income in the consolidated statement of income of Baht 90 million based on shareholder portion and Baht 100 million in the separate statement of income as at 31 December 2017.

**26 Segment information and disaggregation of revenue**

Management determined that the Group has four reportable segments which are the Group’s strategic divisions for different products and services, and are managed separately because they require different marketing strategies. 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*      Foods
- *Segment 4*      Others

Other operations include Holding and Other services, none of these segments meets the quantitative thresholds for determining reportable segments in 2019 or 2018.

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.

## 26 Segment information and disaggregation of revenue (Continued)

224

## 26 Segment information and disaggregation of revenue (Continued)

225

## Separated financial statements

226

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**27 Selling expenses**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in Baht)</i>			
Marketing expenses	86,263,990	165,645,069	50,052,195	84,636,423
Employee benefit expenses	157,216,942	144,374,589	47,763,457	49,270,826
Others	86,746,013	53,270,179	27,313,676	35,386,719
<b>Total</b>	<b>330,226,945</b>	<b>363,289,837</b>	<b>125,129,328</b>	<b>169,293,968</b>

**28 Administrative expenses**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in Baht)</i>			
Employee benefit expenses	975,507,448	1,023,993,040	454,863,715	504,415,406
Consulting expenses	185,664,837	146,550,959	142,267,853	140,840,838
Others	505,596,468	280,348,326	330,116,635	228,353,808
<b>Total</b>	<b>1,666,768,753</b>	<b>1,450,892,325</b>	<b>927,248,203</b>	<b>873,610,052</b>

**29 Employee benefit expenses**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in Baht)</i>			
Salaries and employee benefits	1,878,456,170	1,919,048,137	661,326,714	790,839,726
Contributions to defined contribution plans	37,042,148	41,439,485	17,670,452	20,440,716
Contributions to social security fund	17,252,347	23,882,869	6,247,923	9,385,382
<b>Total</b>	<b>1,932,750,665</b>	<b>1,984,370,491</b>	<b>685,245,089</b>	<b>820,665,824</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.



# Dusit Thani Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2019

### 30 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>	
	2019	2018	2019	2018
	<i>(in Baht)</i>			
Employee benefit expenses	1,932,750,665	1,984,370,491	685,245,089	820,665,824
Land and building rental expenses	513,504,614	415,132,224	202,192,322	158,119,176
Utilities expenses	141,297,017	253,119,678	53,520,657	90,937,630
Maintenance expenses	87,504,345	116,714,642	30,375,668	42,884,612

### 31 Income tax

<i>Income tax recognised in profit or loss</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in Baht)</i>			
<b>Current tax expense</b>				
Current year	261,517,215	37,417,720	-	-
<b>Deferred tax expense</b>				
Movements in temporary differences	(72,237,108)	48,269,107	21,199,545	39,539,968
<b>Total (income) tax expense</b>	<b>189,280,107</b>	<b>85,686,827</b>	<b>21,199,545</b>	<b>39,539,968</b>

<i>Income tax recognised in other comprehensive income</i>	<b>Consolidated financial statements</b>					
	Before tax	2019 Tax (expense) benefit	Net of tax	Before tax	2018 Tax (expense) benefit	Net of tax
	<i>(in Baht)</i>					
Net change in fair value of available-for-sale investments	(463,953,342)	78,538,505	(385,414,837)	10,011,900	(2,002,380)	8,009,520
Defined benefit plan actuarial gains (losses)	39,523,798	(7,022,271)	32,501,527	2,654,877	(796,463)	1,858,414
<b>Total</b>	<b>(424,429,544)</b>	<b>71,516,234</b>	<b>(352,913,310)</b>	<b>12,666,777</b>	<b>(2,798,843)</b>	<b>9,867,934</b>



**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**31 Income tax (Continued)**

Movements in total deferred tax were as follows:

	At 1 January 2018	Consolidated financial statements (Charged) / credited to:			At 31 December 2018
		Profit or loss	Other comprehensive income (in Baht)	From acquisition of subsidiaries	
<b>Deferred tax assets</b>					
Tax losses carried forward	55,436,683	(39,093,492)	-	-	16,343,191
Employee benefit obligations	36,642,279	3,604,090	(796,463)	-	39,449,906
Others	55,564,996	(14,032,836)	-	-	41,532,160
<b>Total</b>	<b>147,643,958</b>	<b>(49,522,238)</b>	<b>(796,463)</b>	<b>-</b>	<b>97,325,257</b>
<b>Deferred tax liabilities</b>					
Unrealized gain	33,412,625	-	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	8,771,925	(1,253,131)	-	-	7,518,794
<b>Total</b>	<b>42,184,550</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>105,459,408</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 2019**

**31 Income tax (Continued)**

	Consolidated financial statements			At 31 December 2019
	(Charged) / credited to:	From acquisition of subsidiaries		
At 1 January 2019	Profit or loss	Other comprehensive income (in Baht)		
<b>Deferred tax assets</b>				
Tax losses carried forward	(15,808,805)	-	-	534,386
Employee benefit obligations	-	(7,022,271)	-	32,427,635
Others	10,408,005	-	-	51,940,165
<b>Total</b>	<b>(5,400,800)</b>	<b>(7,022,271)</b>	<b>-</b>	<b>84,902,186</b>
<b>Deferred tax liabilities</b>				
Unrealized gain	79,651,025	(78,538,505)	-	36,527,525
Trademark	(2,746,432)	-	-	17,870,652
Computer software	(986,072)	-	-	14,931,139
Villa contracts	(447,003)	-	-	1,837,917
Client contracts	(7,382,078)	-	68,452,000	61,069,922
Others	(1,253,132)	-	-	6,265,662
<b>Total</b>	<b>66,836,308</b>	<b>(78,538,505)</b>	<b>68,452,000</b>	<b>138,502,817</b>
<b>Net</b>	<b>(72,237,108)</b>	<b>71,516,234</b>	<b>(68,452,000)</b>	<b>(53,600,631)</b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**31 Income tax (Continued)**

	At 1 January 2018	Separate financial statements (Charged) / credited to:		At 31 December 2018
		Profit or loss	Other comprehensive income	
		<i>(in Baht)</i>		
<b><i>Deferred tax assets</i></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><i>Deferred tax liabilities</i></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>
	At 1 January 2019	Separate financial statements (Charged) / credited to:		At 31 December 2019
		Profit or loss	Other comprehensive income	
		<i>(in Baht)</i>		
<b><i>Deferred tax assets</i></b>				
Tax losses carried forward	16,343,191	(16,343,191)	-	-
Employee benefit obligations	22,229,358	(4,917,626)	(905,362)	16,406,370
Others	9,903,058	61,272	-	9,964,330
<b>Total</b>	<b>48,475,607</b>	<b>(21,199,545)</b>	<b>(905,362)</b>	<b>26,370,700</b>
<b><i>Deferred tax liabilities</i></b>				
Unrealized gain	1,569,840	-	(1,569,840)	-
<b>Total</b>	<b>1,569,840</b>	<b>-</b>	<b>(1,569,840)</b>	<b>-</b>
<b>Net</b>	<b>46,905,767</b>	<b>(21,199,545)</b>	<b>664,478</b>	<b>26,370,700</b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**31 Deferred tax (Continued)**

<i>Unrealized deferred tax assets</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in Baht)</i>			
Deductible temporary differences	20,627,780	20,659,536	20,228,729	20,300,779
Tax losses	115,640,136	5,192,145	81,496,142	-
<b>Net</b>	<b>136,267,916</b>	<b>25,851,681</b>	<b>101,724,871</b>	<b>20,300,779</b>

The tax losses expire in 2024. The deductible temporary differences do not expire under current tax legislation. The Group has not recognised these items as deferred tax assets because it is not probable that the Group will have sufficient future taxable profit to utilize the benefits therefrom.

**32 Earnings per share**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in Baht / share)</i>			
<b>Profit (loss) for the year attributable to ordinary shareholders of the Company (basic)</b>				
Profit (loss) excluding Dusit Thani College	276,317,053	268,464,605	(49,618,162)	223,906,492
Profit Dusit Thani College	43,899,482	21,373,401	-	-
<b>Total</b>	<b>320,216,535</b>	<b>289,838,006</b>	<b>(49,618,162)</b>	<b>223,906,492</b>
Ordinary shares outstanding 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>Ordinary shares outstanding 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 (loss) per share (basic)</b>				
Earnings (loss) per share excluding Dusit Thani College	0.33	0.32	(0.06)	0.26
Earnings per share Dusit Thani College	0.05	0.02	-	-
<b>Total</b>	<b>0.38</b>	<b>0.34</b>	<b>(0.06)</b>	<b>0.26</b>



**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**33 Dividends**

The dividends paid by the Company to the shareholders of 850 million shares were as follows:

	Appropriation of dividend from	Approval date	Payment schedule	Dividend rate per share (in Baht)	Amount (in million Baht)
<i>2018</i>					
Annual dividends	net profit	26 April 2019	15 May 2019	<u>0.170</u>	<u>144.50</u>
<i>2017</i>					
Annual dividends	retained earnings	23 April 2018	11 May 2018	<u>0.158</u>	<u>134.30</u>

**34 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.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**34 Financial instruments (Continued)**

***Interest rate risk***

Interest rate risk 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 17, 19, 20 and 25 to the financial statements.

***Liquidity risk***

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

***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.

At 31 December, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
<b><i>United States Dollars</i></b>				
Cash and cash equivalents	1,640	188	-	-
Other investments	34	1	-	-
Trade accounts receivable	126	322	42	44
Loans to related parties	15	-	-	-
Interest-bearing liabilities	(401)	-	-	-
Trade accounts payable	(526)	(449)	-	-
Other payables	(14)	(29)	-	-
<b>Gross balance sheet exposure</b>	<b>874</b>	<b>33</b>	<b>42</b>	<b>44</b>
<b><i>Peso</i></b>				
Cash and cash equivalents	130	102	-	-
Other investments	184	176	-	-
Trade accounts receivable	157	112	-	5
Loans to related parties	(450)	(656)	-	-
Trade accounts payable	(150)	(151)	-	-
Other payables	(1)	(230)	-	-
<b>Gross balance sheet exposure</b>	<b>(130)</b>	<b>(647)</b>	<b>-</b>	<b>5</b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**34 Financial instruments (Continued)**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
<b>Others</b>				
Cash and cash equivalents	-	3	-	-
Trade accounts receivable	-	17	3	-
Loans to related parties	12	105	-	-
Interest-bearing liabilities	109	(115)	-	-
Trade accounts payable	(128)	12	-	-
Other payables	-	(7)	-	-
<b>Gross balance sheet exposure</b>	<b>(7)</b>	<b>15</b>	<b>3</b>	<b>-</b>

**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.

		<b>Consolidated financial statements</b>		
<b>Financial assets measured at fair value</b>	Carrying amount	Fair value		
		Level 1	Level 2	Total
		<i>(in Baht)</i>		
<b>31 December 2019</b>				
Equity securities held for trading	473,883,600	-	473,883,600	473,883,600
<b>31 December 2018</b>				
Equity securities available for sale	473,321,700	12,849,900	460,471,800	473,321,700
		<b>Separate financial statements</b>		
<b>Financial assets measured at fair value</b>	Carrying amount	Fair value		
		Level 1	Level 2	Total
		<i>(in Baht)</i>		
<b>31 December 2018</b>				
Equity securities available for sale	12,849,900	12,849,900	-	12,849,900
		<b>Consolidated and Separate financial statements</b>		
<b>Financial liabilities not measured at fair value</b>	Carrying amount	Fair value		
		Level 1	Level 2	Total
		<i>(in Baht)</i>		
<b>31 December 2019</b>				
Debentures	998,249,000	-	1,006,498,270	1,006,498,270
<b>31 December 2018</b>				
Debentures	997,219,000	-	1,005,332,750	1,005,332,750

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**34 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.

<b>Type</b>	<b>Valuation technique</b>
Equity securities held for trading	Bid prices as of the reporting date.
Available-for-sale investments	Bid prices as of the reporting date.
Debentures	Bid prices from the Thai Bond Market Association as of the reporting date.

**35 Commitments**

**35.1 Capital commitments**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in Baht)</i>			
<b>Contracted but not provided the services</b>	<b><u>1,286,775,275</u></b>	<b><u>378,794,514</u></b>	<b><u>150,268,762</u></b>	<b><u>38,831,368</u></b>

**35.2 Service agreement commitments**

Within one year	117,928,537	37,348,310	52,854,480	13,636,226
After one year but within five years	<u>232,981,299</u>	<u>15,404,982</u>	<u>35,762,146</u>	<u>7,406,089</u>
<b>Total</b>	<b><u>350,909,836</u></b>	<b><u>52,753,292</u></b>	<b><u>88,616,626</u></b>	<b><u>21,042,315</u></b>

**35.3 Other commitments**

<b>Bank guarantee</b>	<b><u>120,270,747</u></b>	<b><u>126,802,947</u></b>	<b><u>89,573,858</u></b>	<b><u>96,088,058</u></b>
-----------------------	---------------------------	---------------------------	--------------------------	--------------------------

As at 31 December 2019 and 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 2.37 million and Baht 2.31 million, respectively which were pledged by cash at bank of the subsidiary.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**35 Commitments (Continued)**

**35.4 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. The agreement shall be automatically renewed for successive 2 years periods.

***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.

**35.5 Long-term operating leases**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in Baht)</i>			
Within one year	1,050,896,032	108,777,795	815,040,002	51,600,000
After one year but within five years	1,162,874,013	460,674,056	219,600,000	213,600,000
After five years	7,765,569,634	5,662,760,227	3,966,866,961	4,024,466,961
<b>Total</b>	<b>9,979,339,679</b>	<b>6,232,212,078</b>	<b>5,001,506,963</b>	<b>4,289,666,961</b>

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**35 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 13).

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**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**35 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 34).

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 of Baht 205 million per year, monthly payment amount was specified in the lease agreement.
- 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%

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**35 Commitments (Continued)**

***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 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.

***ASAI China Town***

At 23 April 2019, the Company entered into rental and service agreements for a period of 32 years to develop ASAI China Town Project. The rental rate and calculation method are specified in the agreements (see note 16).

***Dusit Maldives Management Pvt. Ltd.***

At 25 September 2019, Dusit Maldives Management Pvt. Ltd. entered into a sublease agreement with Dusit Maldives Investment Pvt. Ltd. according to the Dusit Thani Maldives project (see note 37) for a period of 21 years. The rental rate and calculation method are specified in the agreement which will be considered for the based rental every 3 years.

**36 Contingent liabilities**

***Dusit Thani Philippine, Inc.***

As at 31 December 2019, 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 Group's management is of the opinion that expenses, if any, from these contingencies, are not significant and will not have material adverse effects and no provision has been made on subsidiary's financial statements.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**37 Others**

**37.1 The restructuring of assets in relation to the Dusit Thani Maldives hotel project**

On 26 April 2019, the General Shareholders' Meeting of the Company passed the resolutions to the entering into the asset acquisition and disposal transactions in relation to the Dusit Thani Maldives hotel project and the investment in the newly-issued units of the Dusit Thani Freehold and Leasehold Real Estate Investment Trust (DREIT) as follows:

- The establishment of two subsidiaries in the Republic of Maldives, namely Dusit Maldives Investment Pvt. Ltd. and Dusit Maldives Management Pvt. Ltd. in order to accommodate the entering into of the transactions in relation to the Dusit Thani Maldives hotel project.
- The transfer of the assets in relation to the Dusit Thani Maldives hotel project, whereby DMS Property Investment Pvt. Ltd., an indirect subsidiary of the Company, transfers all businesses, including the leasehold rights over the land and the ownership of the buildings and constructions, and assets in relation to the Dusit Thani Maldives hotel project to Dusit Maldives Investment Pvt. Ltd., and Dusit Maldives Management Pvt. Ltd. subleases and leases the assets in relation to the operation of the Dusit Thani Maldives hotel project, and accepts the transfer of the relevant rights and duties from Dusit Maldives Investment Private Limited in order to operate the Dusit Thani Maldives hotel and enter into relevant agreements.
- The disposal of the total shares held by Dusit Thai Properties Public Company Limited in Dusit Maldives Investment Pvt. Ltd., representing 65 percent of the total shares to Dusit Thani Freehold and Leasehold Real Estate Investment Trust (DREIT), with the total value of not exceeding Baht 3,120 million and entering into relevant agreements.
- The subscription for the newly-issued investment units, which DREIT additionally issues and offers for sale to the existing unitholders in proportion to their respective unitholdings.

On 31 July 2019, the Group established two subsidiaries in the Republic of Maldives in order to accommodate the entering into of the transactions in relation to the Dusit Thani Maldives hotel project as follows:

- a) Dusit Maldives Investment Pvt. Ltd. has a registered capital of USD 150,000 which was 65% held by Dusit Thai Properties Public Company Limited, a subsidiary.
- b) Dusit Maldives Management Pvt. Ltd. has a registered capital of USD 10,000 which was 99.99% held by Dusit Management Co., Ltd, a subsidiary.

Both new subsidiaries have fully received paid-up capital on 23 September 2019.

On 25 September 2019, DMS Property Investment Pvt. Ltd. already transferred all businesses, including the leasehold rights over the land and the ownership of the buildings and constructions, and assets in relation to the Dusit Thani Maldives hotel project to Dusit Maldives Investment Pvt. Ltd. at the amount of Baht 2,315.44 million and disposed of the total 97,500 shares held by the subsidiary (Dusit Thai Properties Public Company Limited) in Dusit Maldives Investment Pvt. Ltd. to Dusit Thani REIT Company Limited (a subsidiary established in Thailand of the Dusit Thani Freehold and Leasehold Real Estate Investment Trust (DREIT)) to invest in Dusit Maldives Investment Pvt. Ltd. at the amount of USD 97,500 and the Company subscribed as per its proportion for the newly-issued investment units, which DREIT additionally issues and offers for sale to the existing unitholders in proportion to their respective unitholdings (Rights Offering) at the amount of Baht 535.15 million.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**37 Others (Continued)**

**37.2 Investment in subsidiary**

On 15 September 2019, the Group invested in a newly established company, namely Dusit Worldwide Maldives Pvt. Ltd., in Republic of Maldives to manage Dusit Thani Maldives hotel. The registered capital is USD 5,000. Dusit Worldwide Co., Ltd., a subsidiary of the Company, invested 99.98% in the new subsidiary. The establishment of this new subsidiary is pertinent to the Dusit Thani Maldives hotel project.

**37.3 Investment in overseas**

On 24 March 2015, the Board of Directors of the Company passed a resolution to approve 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 acquire 51% of shareholding. On 2 April 2015, Dusit Overseas Co., Ltd. has signed the joint venture agreement.

As of 31 December 2019, the subsidiary has not called its share subscription.

**38 Events after the reporting period**

On 21 January 2020, Epicure Catering Co., Ltd., an indirect subsidiary, has entered into a share purchase agreement to acquire 100% of total shares in The Caterers Joint Stock Company, a new subsidiary, which operates in food and beverage catering business in Vietnam. This new investment is subject to a number of conditions precedent requiring the seller to fulfill as stipulated in the share purchase agreement. In addition, this investment will be split into 3 lots and will be completed when all of conditions of each lot are met. Total investment will be approximately USD 3.9 million or Baht 117 million. This subsidiary will acquire the first 51% within February 2020, approximately USD 2.04 million or Baht 61.2 million.

On 18 February 2020, the Company has entered into an investment agreement with Metro Pacific Investments Corporation to jointly carry out the development of real estate projects of hotels and residential condominiums in the Philippines. For this investment, the Company will establish a new subsidiary in the Philippines, Dusit Philippines Corporation and invest 100% of total shares. The initial registered capital approximately USD 0.352 million or approximately Baht 10.91 million). The Company estimates that the establishment this new subsidiary will be completed within the second quarter of 2020. This new investment is subject to a number of conditions precedent requiring to fulfill as stipulated in the agreement.

**Dusit Thani Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**39 Thai Financial Reporting Standards (TFRS) not yet adopted**

New TFRS, which are relevant to the Group's operations, expected to have material impact on the consolidated and separate financial statements when initially adopted, and will become effective for the financial statements in annual reporting periods beginning on or after 1 January 2020, are as follows:

<b>TFRS</b>	<b>Topic</b>
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments

\* *TFRS - Financial instruments standards*

(a) TFRS - Financial instruments standards

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRS are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

(b) TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability, with recognition exemptions for short-term leases and leases of low-value items. As a result, the Group will recognise new assets and liabilities for its operating leases. As at 31 December 2019, the Group's and the Company's future minimum lease payments under non-cancellable operating leases amounted to Baht 21,570.69 million and Baht 14,598.32 million, respectively, on an undiscounted basis. When TFRS 16 become effective, the Group will recognise right-of-use assets and lease liabilities using the present value discounted by lessee's incremental borrowing rate on the initial application date. Lease accounting for lessor remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Management is currently considering the potential impact from these TFRS on the financial statements in the initial period adopted.

# Board of Directors, Executives, Authorized Persons and Company Secretary

## Board of Directors

As of 31 December 2019

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience	
				Period	Position Company
<b>1. Mr. Arsa Sarasin</b> - Independent Director/ Chairman	83	- 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	Mar. 2015 – Present	Independent Director/ Chairman Dusit Thani Plc.
<b>Director Appointing Date</b> 24 March 2015					
<b>Relationship</b> - None					
<b>Position in Other Listed Companies</b> Independent Director Member of Corporate Governance Committee Chairman Chairman					
				2018 – Present	Bangkok Dusit Medical Services Plc.
				2016 – Feb. 2020	Siam Makro Plc.
				1999 – Feb. 2020	Siam Makro Plc.
				1998 – Present	Padaeng Industry Plc.
<b>Position in other Businesses</b> Chairman Chairman Chairman Chairman Chairman Vice Chairman Chairman of Advisor Director Chairman Chairman Chairman					
				2018 – Present	Bualuang Foundation
				2014 – Present	The Queen's Gallery Foundation Education and Public Welfare Foundation
				2013 – Present	Mitsubishi Electric Thai Foundation
				2005 – Present	Mitsubishi Elevator Asia Co., Ltd.
				2004 – Present	Thai Tapioca Development Institute
				2003 – Present	Thai-Laos Friendship Associate
				1995 – Present	Thainamthip Co., Ltd.
				1993 – Present	Amata City Co., Ltd.
				1988 – Present	Thai Asia Pacific Brewery Co., Ltd. Padaeng Zinc Foundation



Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
1. Mr. Arsa Sarasin					<b>Experiences</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/Advisor	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	90	- MBA Wharton School, University of Pennsylvania, USA - Honorary Doctoral Degree in Accounting, Thammasat University - Certificate (High Level) of Accounting, Thammasat University - Director Certification Program (DCP) 0/2000 Thai Institute of Directors - Fellow Member, Thai Institute of Directors Association - Diploma, National Defense College, 1981 - Director Training Certificate, School of Management, Yale University, USA - Thai Financial Reporting Standards (TFRSs) - Pack 5 & Fair Value 2/2016 - Understanding Financial Reporting Standards Federation of Accounting Professions Under the Royal Patronage of His Majesty the King - Thai Financial Reporting Standards (TFRSs) 2017, Federation of Accounting Professions - Training course and director development, Thai Institute of Directors - Capital Market Seminar by Stock Exchange of Thailand and The Securities and Exchange Commission	None	Apr. 1999 – Present 2015 – Present	Independent Director Audit Committee Chairman	Dusit Thani Plc. Dusit Thani Plc.
			1999 – May 2019	Remuneration Committee Chairman/Governance and Nomination Committee Chairman	Dusit Thani Plc.	
Director Appointing Date 30 April 1999						
Relationship - None				2000 – Present	<u>Position in Other Listed Companies</u> Director / Audit Committee Chairman	Navakij Insurance Plc.
				2010 – Present	<u>Position in Other Businesses</u> 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	The Stock Exchange of Thailand
				2001 – Present	Chairman of Tax Auditors Examination Committee	The Revenue Department
				2001 – 2018	<u>Experiences</u> Director / Audit Committee Chairman	Thaicom Plc.
				1999 – 2014	Audit Committee Chairman	Dusit Thani Plc.
				2000 – 2008 1990 – 1994 1986 – 1988	Chairman Chairman Governor	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
<b>3. Mrs. Pranee Phasipol</b> - Independent Director/ Audit Committee Member	70	- Master of Science in Accounting, Thammasat University - Bachelor of Business Administration, Major : Accounting (Second Class Honors), Thammasat University - Diploma, National Defence College, The Joint State - Private Sector Course, Class 2003 - 2004 - Diploma in Public Law, Batch 9, Thammasat University and the Office of the Council of State - Top Executive Program in Commerce and Trade (TEPCoT), Batch 2, Commerce Academy - Certificate of Civil Service Executive Development Program, Course 1, Batch 30, Office of the Civil Service Commission - Certificate of Change Management, Ripa International, UK - Certified Public Accountant Federation of Accounting Professions Under the Royal Patronage of His Majesty the King - Director Certification Program (DCP) 10/2001 - Director Certification Program Update (DCP) 3/2015 - Anti-Corruption for Executive Program - Role of Compensation Committee 20/2015 - Risk Management Program for Corporate Leaders Class 1/2015 - Advance Audit Committee Programs (AAPC)	None	Apr. 2013 – Present  2015 – May 2019	Independent Director / Audit Committee Member Remuneration Committee Member / Governance and Nomination Committee Member	Dusit Thani Plc.  Dusit Thani Plc.
<b>Director Appointing Date</b> 29 April 2013						
<b>Relationship</b> - None						
				Present	<b>Position in Other Listed Companies</b> Independent Director / Audit Committee Member and Investment Director / Independent Director / Audit Committee Chairman and Nomination and Remuneration Committee Member	Thaivivat Insurance Plc.
				Present		SCI Electric Plc.
				Present	<b>Position in Other Businesses</b> Advisor	Committee of Federation of Accounting Professions Under the Royal Patronage of His Majesty the King Sub-Committee on Ethical Standard Setting, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King CPA Examination Management Sub-Committee, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King Office of the Civil Service Commission
				Present	Chairperson	
				Present	Executive Committee Member and Sub-Committee Member	
				Present	A Qualified Committee Member of Finance and Accounting section	
				2015 2007 – 2010	<b>Experiences</b> Commissioner Chief of Inspector General	The Securities Exchange Commission Ministry of Commerce

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
3. Mrs. Pranee Phasipol		<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>- Compensation and Benefits Design Fundamental and Practical Master Class 2017 By Omegaworldclass</li> <li>- TFR6, All editions 2018, Batch 1/2018 (Sub-course 00503) and a Summary of changes and significant issues of TFRS (New edition 2017), Batch 2/6</li> <li>- Federation of Accounting Professions Under the Royal Patronage of His Majesty the King</li> <li>- IT Governance and Cyber Resilience Program from Thai Institute of Directors</li> <li>- Chairman Forum 2019</li> <li>- “Successful corporate culture change : from policy to practice” from Thai Institute of Directors</li> <li>- Board that Make a Difference from Thai Institute of Directors</li> <li>- Legal &amp; Tax I HQ, ITC &amp; ROH Outbound Investment from Omega Worldclass</li> </ul>		2006	Commercial Advisor	Ministry of Commerce
				2004	Deputy Director General, Business Development Department	Ministry of Commerce
				2000	Deputy Director General, Insurance Department	Ministry of Commerce

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
<b>4. Mr. Teerapol Chotichanapibal</b> - Independent Director/ Audit Committee Member	62	- Master of Science, Operations Research, University of Southampton, Great Britain - Bachelor of Arts, Mathematics/ Economics (Joint Honor), University of Wales, Great Britain - CMO Academy, INSEAD, Singapore, 2016 - Corporate Governance for Directors and Senior Executive of State Enterprises and Public Organization, Batch 10, King Prajadhipok's Institute, 2014 - Director Certification Program Batch 11/2008 Thai Institute of Directors Association	None	Apr. 2018 – Present Oct. 2018 – Present	Independent Director Audit Committee Member	Dusit Thani Plc. Dusit Thani Plc.
<b>Director Appointing Date</b> 23 April 2018					<b>Position in Other Listed Companies</b> Legal Committee Executive Committee	Thai Airways International Plc. Nok Airlines Plc.
<b>Relationship</b> - None					<b>Position in Other Businesses</b> -None-	
				2015 – 2017	<b>Experiences</b> Executive Vice President, Human Resources	Thai Airways International Plc.
				2014 – 2015	Executive Vice President/ Executive President Advisor	Thai Airways International Plc.
				2014	Executive Vice President Commercial	Thai Airways International Plc.
				2013	Executive Vice President, Corporate Strategy & Business Development	Thai Airways International Plc.
				2011	Executive Vice President, Customer Services	Thai Airways International Plc.

ชื่อ-สกุล/ตำแหน่ง	อายุ (ปี)	คุณวุฒิการศึกษา/การอบรม	สัดส่วนการถือหุ้นในบริษัทรวมผู้เกี่ยวข้อง (%)	ประสบการณ์ทำงาน		
				ช่วงเวลา	ตำแหน่ง	ชื่อหน่วยงาน
<b>5. Professor Dr. Kittipong Kittayarak</b> - Independent Director / Nomination, Remuneration and Corporate Governance Committee Member	61	- Honorary Doctorate Degree, Radboud University, Netherlands - 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 (OCSC Scholarship Program) - Bachelor of Laws (Honor), Chulalongkorn University - Barrister-at-Law, Institute of Legal Education Thai Bar Association	None	Apr. 2016 – Present Jun. 2019 – Present  2016 – Aug. 2018	Independent Director Nomination, Remuneration and Corporate Governance Committee Member Audit Committee Member	Dusit Thani Plc. Dusit Thani Plc.  Dusit Thani Plc.
<b>Director Appointing Date</b> 1 April 2016						
<b>Relationship</b> - None				2014 – Present  2014 – Present	<b>Position in Other Listed Companies</b> Independent Director and Chairman of the Corporate Governance Committee Independent Director, Member of the Corporate Governance and Social Responsibility Committee and Member of the Compliance Committee	PTT Plc.  Krung Thai Bank Plc.
				2019 – Present  2018 – Present	<b>Position in Other Businesses</b> Chancellor  Committee	King Mongkut's Institute of Technology Ladkrabang Ramathibodi Foundation Under the Royal Patronage of His Majesty the King, Her Royal Highness Princess Maha Chakri Sirindhorn
				2018 – Present	Director	Chakri Naruebodindra Medical Institute and Ramathibodi Chakri Naruebodindra Hospital
				2017 – Present	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
				2014 – Present	Director of the Civil Service Sub-Commission on Human Resource Management System Development	Office of the Civil Service Commission



Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
5. Professor Dr. Kittipong Kittayarak		- Certificate in Law for Democracy, Office of the Constitutional Court, Class 1/2013 - Top Executive Program in Energy Literacy, Thailand Energy Academy, Class 1/2012 - Top Executive Program in Justice Administration, Judicial Training Institute, Class 10/2006 - Cyber Security, Cyber Resilience & Privacy Risk in the Era of Digital Transformation, ACIS Professional Center, Year 2018		2014 – Present	Director, consider improvement on the Code of Criminal Procedure Trustees	Office of the Council of State
				2014 – Present	Executive Director and Chairman (Thailand Branch)	Bangkok University
				2011– Present		Asia Crime Prevention Foundation - ACPF
				2010 – Present	Committee Honorary Member	Thai Bar Association
				2009 – Present		Mahidol University Council
					<b>Experiences</b>	
				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
<b>6. Prof. Emeritus Dr. Khunying Suchada Kiranandana</b> - Independent Director / Nomination, Remuneration and Corporate Governance Committee Chairperson	73	- Ph.D. (Statistics) Harvard University, U.S.A. - Master (Statistics), Harvard University, U.S.A. - B.Com. (1st class honors), Chulalongkorn University - Director Certification Program 0/2000 Thai Institute of Directors Association	None	Mar. 2017 – Present Jun. 2019 – Present	Independent Director Nomination, Remuneration and Corporate Governance Committee Chairperson	Dusit Thani Plc. Dusit Thani Plc.
<b>Director Appointing Date</b> 1 March 2017				2008 – Present	<b>Position in Other Listed Companies</b> Independent Director/ Chairperson of Sustainability and Risk Management Committee/ Chairperson of the Audit Committee	Serm Suk Plc.
<b>Relationship</b> - None					<b>Position in Other Businesses</b> Chairperson of Working Committee Director/ Audit Committee /Chairperson of Human Resource Vice Chairperson Director Director and Treasurer	Phu Fa 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
				Present Present Present Present Present		Kasikornbank Plc.
				2015 – Mar. 2018	<b>Experiences</b> Vice Chairperson/ Lead Independent Director/Chairperson of Human Resource Chairperson Executive Committee Chairperson Member President Dean of Graduate School Dean of Faculty of Commerce and Accountancy Councilor	Chulalongkorn University Council Mahidol Wittayanusorn School The National Assembly of Thailand Chulalongkorn University Chulalongkorn University Chulalongkorn University
				2012 – Feb. 2018 2011 – 2014 2006 – 2008 2004 – 2008 1999 – 2004 1991 – 1999		
				1988 – 2008		Chulalongkorn University

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
<b>7. Mr. Pakhawat Kovithathanaphong</b> - Independent Director / Investment Committee Chairman	70	- Master Degree (Finance), The Wharton School, University of Pennsylvania - Bachelor Degree (Economics) (First Class Honors), Thammasat University - Director Certification Program Batch 58/2005 - Corporate Governance for Capital Market Intermediaries Batch Exclusive 2014 by Thai Institute of Directors Association - Certificate of Leadership Program, Capital Market Academy Batch 5 - Bachelor Degree, Thailand National Defence College Batch 344 - Certificate course of Corporate Governance for Director and Senior Executive of State Enterprises and Public Organization, King Prajadhipok's Institute Batch 15 - Executive Program in "Energy Literacy for a Sustainable Future" TEA Class 12, Thailand Energy Academy	None	Mar. 2017 – Present Jun. 2019 – Present	Independent Director Investment Committee Chairman	Dusit Thani Plc. Dusit Thani Plc.
<b>Director Appointing Date</b> 1 March 2017					<b>Position in Other Listed Companies</b> Independent Director/ Chairman of the Audit Committee Chairman Independent Director and Chairman of the Audit Committee	P.C.S. Machine Group Holding Plc.  Trinity Watthana Plc. Land and Houses Plc.
<b>Relationship</b> - None					<b>Position in Other Businesses</b> Chairman Director Advisor to Board of Directors Advisor to President Advisor to Financial Economics : Master Program Sub Performance Assessment Committee  <b>Experiences</b> Honorary Director Vice Chairman Independent Director / Audit Committee Member Director /Chairman of Corporate Strategy Unit	Smart ID Group Ltd. Sukhumvit 62 Medical Ltd. Association of Thai Securities Company  Thai Listed Companies Association National Institute of Development Administration State Enterprise Policy Office (SEPO.), Ministry of Finance  Government Pension Fund (Thailand) Thai Bond Market Association Thai Rubber Latex Corporation (Thailand) Plc.  TSFC Securities Plc.

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
<b>8. Mr. Somprasong Boonyachai</b> - Independent Director/ Investment Committee Member  <b>Director Appointing Date</b> 1 July 2017  <b>Relationship</b> - None	64	- Master Degree in Engineering, (IE&M), The Asian Institute of Technology (AIT) - Bachelor Degree in Engineering (Production Engineering, P.E.), King Mongkut's University of Technology Thonburi - Director Certification Program Batch 67 Thai Institute of Directors Association	None	Jul. 2017 – Present Jun. 2019 – Present	Independent Director Investment Committee Member	Dusit Thani Plc. Dusit Thani Plc.
					<b>Position in Other Listed Companies</b> Vice Chairman Vice Chairman/ Independent Director Director Director Director/ Executive Committee/ Chairman of the Corporate Governance Committee Director	Advanced Info Service Plc. Osotspa Plc. Intouch Holdings Plc. Thaicom Plc. BEC World Plc. Power Line Engineering Plc.
					<b>Position in Other Businesses</b> Executive Committee Committee Member	Geo-Informatics and Space Technology Development National Strategic Plan Committee
					<b>Experiences</b> Group CEO/ Chairman of the Executive Committee Group CEO/ Chairman of the Executive Committee	Intouch Holdings Plc. Advanced Info Service Plc.

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
<b>9. Mrs. Varang Chaiyawan</b> - Director / Nomination, Remuneration and Corporate Governance Committee Member	52	- MBA Finance and Investment, George Washington University, Washington D.C., USA - Bachelor of Accountancy, Thammasat University (First class honors) - Director Accreditation Program 60/2006 - Certified Financial Planner Batch 1, Thai Financial Planners Association - Life Insurance Top Executives Seminar 2008, FALIA, JAPAN - Capital Market Academy (CMA), The Stock Exchange of Thailand, Batch 5	2.57	Aug. 2009 – Present Jun. 2019 – Present	Director Nomination, Remuneration and Corporate Governance Committee Member Governance and Nomination Committee/ Remuneration Committee Director	Dusit Thani Plc. Dusit Thani Plc.
<b>Director Appointing Date</b> 11 August 2009				Apr. 2016 – May 2019		Dusit Thani Plc.
<b>Relationship</b> - None				Present		Dusit Thai Properties Plc.
<b>Position in Other Listed Companies</b> - None -						
<b>Position in Other Businesses</b>						
				Present	Director & First Senior Executive Vice President	Thai Life Insurance Plc.
				Present	Chief Executive Officer	Thai Health Insurance Plc.
				Present	Director	Sangsom Co., Ltd.
						Kachanasing Korn 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>Experiences</b>						
				2000 – 2012	Director	Fitch Ratings (Thailand) Ltd.
				2007 – 2009	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
<b>10. Mr. Chanin Donavanik</b> - Vice Chairman / Executive Committee Chairman / Investment Committee Member - Authorized Director entitled to sign the Company's binding	62	- 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 Piyasouli	Jun. 2019 - Present	Investment Committee Member	Dusit Thani Plc.
				2018 - Present	Director	Dusit Foods Co., Ltd.
				Aug. 2017 - Present	Chairman	Dusit Thani Properties REIT Co., Ltd.
				Apr. 2017 - Present	Director	D&J Company Limited
				Jan. 2016 - Present	Vice Chairman and Executive Committee Chairman	Dusit Thani Plc.
				2016 - Present	Director	Vimarn Suriya Co., Ltd.
				2015 - Present	Vice Chairman	Dusit Hospitality Education Philippines Inc.
				2014 - Present	Chairman	Dusit Fudu Hotel Management (Shanghai) Co., Ltd.
				2014 - Present	Vice Chairman	Dusit Thani College
				2013 - Present	Director	Dusit China Capital Co., Ltd.
<b>Director Appointing Date</b> 28 February 1980  <b>Relationship</b> - Brother of Mrs. Sinee Thienprasiddhi - Father of Mr. Siradej Donavanik				2011 - Present	Director	DMS Property Investment Pvt. Ltd.
				2009 - Present	Director	Dusit Thai Properties Plc.
				2008 - Present	Director	Dusit Overseas 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. 2017 - Present	Director/ Corporate Governance Committee	Kasikornbank Plc.
				<b>Position in Other Businesses</b>		
				Present	Chairman of Tourism and Service Business Committee	Thai Chamber of Commerce
				Present	Head of Private Sector	Public-Private Steering Committee, D6 MICE and tourism promotion



Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
10. Mr. Chanin Donavanik				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>Experiences</b>	
				2012 – Jul. 2019	Director	Dusit USA Management Inc.
				2010 – Jun. 2019	Director	Dusit Management Co., Ltd.
				2008 – Jun. 2019	Director	Dusit Worldwide Co., Ltd.
				2000 – Jun. 2019	Director	Devarana Spa Co., Ltd.
				2014 – Jun. 2019	Director	Dusit Excellence Co., Ltd.
				2006 – Jan. 2019	Director	Le Cordon Bleu Dusit Co., Ltd.
				2011 – Mar. 2018	Director	Dusit Bird Hotels Pvt. 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	Committee on Industry and Tourism
				2006 – 2008 & 1999 – 2000	President	National Legislative Assembly
				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
<b>11. Mrs. Sinee Thienprasiddhi</b> - Director and Executive - Authorized Director entitled to sign the Company's binding	61	- Mac Duffies Springfield, MA., USA. - Fundamental Practice for Corporate Secretary Batch 29 - Fundamental Legal and Regulations on the Listed Company 8/2012 - Director Certification Program Refresher Course 2/2009 - Improving Quality of Financial Reporting 1/2006 - Finance for Non-Finance Director 22/2005 - Director Certification Program 65/2005 - Director Accreditation Program 9/2004, Thai Institute of Directors Association	49.94 Included in the group of Thanpuying Chanut Piyaoi	Present 2014 – Present 2013 – Present 2011 – Present 2010 – Present 2010 – Present 2009 – Present 2008 – Present 2006 – Present 2000 – Present 1990 – Present	Director and Executive Director Director Director Director Director Director Director Director Director Director Director	Dusit Thani Plc. Dusit Excellence Co., Ltd. Dusit China Capital Co., Ltd. DMS Property Investment Pvt. Ltd. Dusit Thani Philippines, Inc. Dusit Management Co., Ltd. Dusit Thai Properties Plc. Dusit Worldwide Co., Ltd. Le Cordon Bleu Dusit Co., Ltd. Devarana Spa Co., Ltd. Dusit Thani Properties Co., Ltd.
<b>Director Appointing Date</b> 26 April 1979						
<b>Relationship</b> - Sister of Mr. Chanin Donavanik						
<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.
				Present	Director	Acme Printing Co., Ltd.
				Present	Director	Chanut and Children Co., Ltd.
				Present	Director	Piyasiri Co., Ltd.
				Present	Director	Thana Jirang Co., Ltd.
<b>Experiences</b>						
				2015 – Oct. 2019	Director	Dusit Hospitality Education Philippines Inc.
				2012 – Jul. 2019	Director	Dusit USA Management Inc.
				2008 – Jun. 2019	Director	Dusit Overseas Co., Ltd.
				2014 – Nov. 2018	Director	Dusit Fudu Hotel Management (Shanghai) Co., Ltd.
				2011 – Mar. 2018	Director	Dusit Bird Hotels Pvt. Ltd.
				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
<b>12. Mrs. Suphajee Suthumpun</b> - Director / Investment Committee/ Executive Director and Group Chief Executive Officer	55	- 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	Feb. 2020 - Present Jul. 2019 - Present Jun. 2019 - Present	Investment Committee Member Director Director	Dusit Thani Plc. Dusit Real Foods Co., Ltd. Dusit Thani Properties REIT Co., Ltd. / Dusit Fudu Hotel Management (Shanghai) Co., Ltd.
- Authorized Director entitled to sign the Company's binding				Jan 2019 - Present Sep. 2018 - Present May 2018 - Present Mar. 2018 - Present Nov. 2017 - Present Apr. 2017 - Present Aug. 2016 - Present Apr. 2016 - Present Apr. 2016 - Present Apr. 2016 - Present Mar. 2016 - Present Mar. 2016 - Present Feb. 2016 - Present Feb. 2016 - Present Feb. 2016 - Present Jan. 2016 - Present	Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Group Chief Executive Officer and Executive Director Director Council Committee Director	Epicure Catering Co., Ltd. LVM Holdings Pte. Ltd. Dusit Gourmet Co., Ltd. Dusit Foods Co., Ltd. / NR Instant Produce Plc. ASAI Holdings Co., Ltd. D & J Co., Ltd. Vimarn Suriya Co., Ltd. Dusit Thani Properties Co., Ltd. Le Cordon Bleu Dusit Co., Ltd. Dusit Management 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.
<b>Director Appointing Date</b> 1 October 2015						
<b>Relationship</b> - None						
<b>Position in Other Listed Companies</b>						
				Oct. 2015 - Present	Independent Director/ Audit Committee/ Member of Risk Management Committee	Kasikornbank Plc.
<b>Position in Other Businesses</b>						
				Jan. 2020 - Present Nov. 2016 - Present	Qualified Member Member of the International Advisory Board	State Enterprise Policy Committee Ecole Hôtelière de Lausanne

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
12. Mrs. Suphaje Suthumpun				Sep. 2015 – Present May 2014 – Present	Council Committee Sub-committee	Navamindradhiraj University Thailand Management Association
				<b>Experiences</b>		
				Aug. 2016 – Sep. 2019	Director	Suanlum Property Co., Ltd.
				Sep. 2016 – Sep. 2019	Director	Pharam 4 Development Co., Ltd.
				Sep. 2017 – Apr 2018	Corporate Governance Committee	Nok Airlines Plc.
				Aug. 2016 – Apr 2018	Independent Director/ Audit Committee	Nok Airlines Plc.
				Mar. 2016 – 2017	Director of Investment Committee	Dusit Thani Freehold and Leasehold Property Fund
				Dec. 2016 – Jun. 2017	Director	Saladang Property Management Co., Ltd.
				2015 – 2016	Advisory Director to Youth Prosperity	Judicial Training Institute
				2011 – 2015	Executive Committee Chairperson/ Chief Executive Officer	Thaicom Plc.
				2011 – 2015	Executive Committee Chairperson - Media and New Business	Intouch Plc.
				2011 – 2015	Executive Committee Chairperson/Director/ Chairperson of	CS Loxinfo Plc.
				2011 – 2015	Remuneration Committee Chairperson/Executive Committee Chairperson	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	Development Committee General Manager and Vice President, 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, 2019

Name / Position	Age (Year)	Education/Training	Shareholding in the Company (%)	Working Experience		
				Period	Position	Company
1. Mrs. Suphajee Suthumpun Details are in the section of Board of Directors						
2. Mr. Narongchai Wongthanavimok Group Chief Financial Officer - Finance and Portfolio Management	57	- 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 - Corporate Finance 3/2019 from The Federation of Accounting Profession (7.30 hours)	None	2019 – Present	Director	Epicure Catering Co., Ltd. ASAI Holdings Co., Ltd. Dusit Hospitality Services Co., Ltd. Dusit Foods Co., Ltd. Dusit China Capital Co., Ltd. Dusit Gourmet Co., Ltd. NR Instant Produce Plc. Dusit Overseas Co., Ltd. Suanlum Property Co., Ltd. Vimarn Suriya Co., Ltd. Phraram 4 Development Co., Ltd. Dusit Fudu Hotel Management (Shanghai) Co., Ltd. Dusit Thani Plc.
				Sep. 2018 – Present	Group Chief Financial Officer	Vimarn Suriya Co., Ltd.
Relationship - None				2018 – Present	Chief Executive Officer	Dusit Thai Properties Plc.
				2018 – Present	Director	LVM Holdings Pte. Ltd.
				2015 – 2018	EVP, Chief Financial Officer	Thai Airways International Plc.
				2009 – 2015	Senior Executive Vice President, Chief Financial & Strategy Group Head	CIMB Thai Bank Plc.
				2004 – 2009	First Senior President, MIS & Planning Division Head, Finance Group	Siam Commercial Bank Plc.
				2000 – 2004	Head of Business Finance, Wholesale Bank	Standard Chartered & Standard Chartered Nakornthon Bank
				1998 – 2000	Vice President – Finance Control Department	Citibank N.A., Bangkok, Thailand

Name / Position	Age (Year)	Education/Training	Shareholding in the Company (%)	Working Experience		
				Period	Position	Company
<b>3. Mr. Sukit Ngamsangnapong</b> Chief Financial Officer	51	<ul style="list-style-type: none"> <li>- Master of Business Administration (MBA), The Faculty of Commerce and Accountancy, Chulalongkorn University, Thailand</li> <li>- Master of Accounting, The Faculty of Commerce and Accountancy, Thammasat University, Thailand</li> <li>- Bachelor of Accounting, The Faculty of Commerce and Accountancy, Thammasat University, Thailand</li> <li>- Certified Public Accountant – Thailand (CPA Thailand)</li> <li>- Certified Internal Auditor (CIA USA)</li> <li>- Director Certification Program (DCP) Class 240/2017, Thai Institute of Directors Association</li> <li>- Ethical Leadership Program (ELP), Thai Institute of Directors Association</li> <li>- Corporate Governance for Executive, Thai Institute of Directors Association</li> <li>- High Performance Leadership (HPL) IMD Business School, Singapore</li> <li>- Holcim Senior Leadership Seminar, IMD Business School, Switzerland</li> <li>- CFO's Orientation Course of New IPOs Class 4 (12 Hours)</li> </ul>	None	2019 – Present Sep. 2019 – Present 2016 – 2019 2016 – 2019 2011 – 2016 2008 – 2011 2003 – 2008 2002 – 2005 2000 – 2003 1991 – 2000	Director Chief Financial Officer Vice President Chief Executive Officer President Director Corporate Controller Head of Accounting and Reporting Lecturer, Internal Control and Auditing Head of Internal Audit and Secretary to the Audit Committee Senior Manager	The Origin Dusit Co., Ltd. / Dusit Fudu Hotel Management (Shanghai) Co., Ltd. Dusit Thani Plc. Conwood Group (A subsidiary of Siam Cement Plc.) Global Cement, under Siam City Cement Plc. PT Conwood Indonesia (Based in Jakarta, Indonesia) Holcim Group Support Co., Ltd. Zurich, Switzerland Siam City Cement Plc. University of The Thai Chamber of Commerce Siam City Cement Plc. Arthur Andersen LLP
<b>Relationship</b> - None						



Name / Position	Age (Year)	Education/Training	Shareholding in the Company (%)	Working Experience		
				Period	Position	Company
<b>4. Ms. La-ead Kovavisaruch</b> Chief Investment Officer	57	<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 Institute of Directors Association</li> <li>- 2017 Asia Pacific Hotel Management Agreement Seminar, Bangkok</li> <li>- Asia Pacific Conference (AOCAP), Macao, China</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	2019 – Present 2019 – Present 2019 – Present 2016 – Present 2013 – 2016 2003 – 2013 1990 – 2001 1987 – 1989 1985 – 1986	Director Director Director Chief Investment Officer Vice President – New Business Development Managing Consultant, Project Executive Vice President – New Product Development Business Executive System Analyst	Dusit Worldwide Co., Ltd. Dusit Gourmet Co., Ltd. Dusit Real Foods Co., Ltd. Dusit Thani Plc. Intouch Holdings Company IBM Thailand Co., Ltd., IBMAP HQ (Shanghai) TelecomAsia Corporation Charoen Pokphan PCL. Siam Cement Group Co., Ltd.
<b>Relationship</b> - None						

Name / Position	Age (Year)	Education/Training	Shareholding in the Company (%)	Working Experience		
				Period	Position	Company
<b>5. Mrs. Chitanong Poomipark</b> Chief Legal Officer	52	<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	Chief Legal Officer 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
<b>Relationship</b> - None				2001 – 2002 1989 – 2001	Legal Counsel Legal Officer	SCG Legal Counsel Limited The Siam Cement Public Company Limited

Name / Position	Age (Year)	Education/Training	Shareholding in the Company (%)	Working Experience		
				Period	Position	Company
<b>6. Mr. Boon Kwee Lim</b> Chief Operating Officer	59	- 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	2019 – Present 2019 – Present 2019 – Present 2019 – Present 2019 – Present 2019 – Present  2019 – Present 2019 – Present 2018 – Present  2016 – Present 2013 – 2016 2011 – 2013	Director Director Director Director Director Director  Director Director Director  Chief Operating Officer President Senior Vice President	Dusit Thani REIT Co., Ltd. / Grace Me Co., Ltd. Dusit Worldwide Co., Ltd. Dusit Overseas Co., Ltd. Dusit USA Management Inc. Dusit Maldives Management Pvt. Ltd. Dusit Maldives Investment Pvt. Ltd. / Dusit Worldwide Maldives Pvt. Ltd. Dusit Worldwide Hotel Management (Shanghai) Co., Ltd. LVM Holdings Pte. Ltd. / Private Homes and Villas Pte. Ltd. Dusit International Dusit Fudu Hotel Management Co., Ltd. Millennium and Copthorne for Asia
<b>Relationship</b> - None						
<b>7. Dr. Niramol Jindanuwat</b> Chief People Officer	56	- 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	2019 – Present 2019 – Present 2019 – Present 2019 – Present 2016 – Present 2012 – 2016  2008 – 2012 2006 – 2008 2002 – 2006 2000 – 2002 1996 – 2000	Director Director Director Director Chief People Officer Country HR Manager & HR Business Partner HR Manager HR Partner Managing Consultant Managing Consultant Lead Researcher & Instructor	Dusit Worldwide Co., Ltd. Dusit Excellence Co., Ltd. Dusit Hospitality Services Co., Ltd. Grace Me Co., Ltd. Dusit Thani Plc. IBM Thailand Co., Ltd.  IBM Solutions Delivery Co., Ltd. IBM Solutions Delivery Co., Ltd. IBM Thailand Co., Ltd. PwC Consulting University of California, Irvine, USA
<b>Relationship</b> - None						

Name / Position	Age (Year)	Education/Training	Shareholding in the Company (%)	Working Experience		
				Period	Position	Company
<b>8. Mr. Siradej Donavanik</b> Vice President of Development and Projects/ Interim Managing Director of Dusit Hospitality Education	34	- The Executive MBA Programme, Sasin School of Management, Chulalongkorn University - Bachelor of Arts (Hons) in Economics and Political Development the University of Exeter, UK	0.01%	2019 – Present	Director	Le Cordon Bleu Dusit Co., Ltd. / Dusit Overseas Co., Ltd.
				2019 – Present	Director	Dusit Excellence Co., Ltd.
				2019 – Present	Director	Grace Me Co., Ltd.
				2018 – Present	Director	LVM Holdings Pte. Ltd.
				2018 – Present	Vice President of Development and Projects/ Interim Managing Director of Dusit Hospitality Education	Dusit International
<b>Relationship</b> - Son of Mr. Chanin Donavanik				2018 – Present 2016 – 2018	Managing Director Director of Development and Projects	ASAI Holdings Co., Ltd. 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

Name / Position	Age (Year)	Education/Training	Shareholding in the Company (%)	Working Experience		
				Period	Position	Company
<b>9. Ms. Chanpen Chanwanitwit</b> Assistant Vice President - Accounting and Finance (The person supervising accounting)	55	<ul style="list-style-type: none"> <li>- Master of Business Administration, Business Administration, Kasetsart University</li> <li>- Master of Accountancy, Financial Accounting, Chulalongkorn University</li> <li>- Bachelor of Science in Accounting (Second Class Honor), Krungthep (Bangkok) University</li> <li>- How Blockchain influence the business operations from the Federation of Accounting Profession (3 Hours)</li> <li>- Self-Study (CPD) No. 3/2019 from the Federation of Accounting Profession (20 Hours)</li> <li>- Annual Report (56-2) and Integrated Reporting Concept Class 2/2019 from the Federation of Accounting Profession (6 Hours)</li> </ul>	None	Apr. 2014 – Present  Oct. 2005 – Mar. 2014	Assistant Vice President – Headquarters Accounting  Director of Accounting	Dusit Thani Plc.  Dusit Thani Plc.
<b>Relationship</b> - None						

Name / Position	Age (Year)	Education/Training	Shareholding in the Company (%)	Working Experience		
				Period	Position	Company
<b>10. Ms. Mantanee Surakamkul</b> Company Secretary	55	<ul style="list-style-type: none"> <li>- Master of Management, SASIN of Chulalongkorn University</li> <li>- Bachelor of Arts, Chulalongkorn University</li> <li>- Company Secretary Program (CSP) from IOD 15/2006</li> <li>- Director Certification Program (DCP) from IOD 1/2000</li> <li>- Effective Minutes taking (EMT) from IOD 2/2006</li> <li>- Improving the Quality of Financial Reporting (QFR) from IOD 2/2006</li> <li>- Understanding the fundamental of financial statements (UFS) from IOD 1/2006 Thai Institute of Directors Association</li> </ul>	None	Oct. 2016 – Present Sep. 2016 – Present 1990 – 2016  1986 – 1990	Company Secretary Vice President – Company Secretary Office Director of Corporate Affairs Department and Company Secretary Executive Secretary	Dusit Thani Plc. Dusit Thani Plc. Thoresen Thai Agencies Plc.  Mitsui-Soko (Thailand) Ltd.
<b>Relationship</b> - None						

**Remark:** In the past 5 years, there was no Director, Executive and Authorized Person who 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 held direct and indirect more than 10% of total paid-up shares.

No.	Name	Percentage of share holding	Nature of Business	Paid up Capital (Million Baht)	Shares			Address
					Category	Amount (Shares)	Par per share (Baht)	
1	Dusit Thani Properties Co., Ltd.	99.99	Holding Company	800	Ordinary shares	80,000,000	10	319 Chamchuri Square Building, 29th Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330 Tel. +66 (0) 2200 9999
2	Dusit Thani Philippines, Inc., held by Dusit Thani Properties Co., Ltd. Remark *Excluding Treasury Preferred Shares	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
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, 29th Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330 Tel. +66 (0) 2200 9999
4	Dusit Worldwide Co., Ltd.	99.99	Management	50	Ordinary shares	5,000,000	10	319 Chamchuri Square Building, 29th Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330 Tel. +66 (0) 2200 9999
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, 29th Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330 Tel. +66 (0) 2200 9999



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.  held by Dusit Thani Properties Co., Ltd. On 30 December 2019	49.99	Culinary School	40	Ordinary shares Preferred Shares	399,999 1	100 100	4, 4/5 Zen Tower, 19th Floor Ratchadamri Road, Pathumwan Sub-district, Pathumwan District, Bangkok, 10330 Tel. +66 (0) 2237-8877
8	Dusit Management Co., Ltd.	99.99	Hotel Operation	9	Ordinary shares	900,000	10	319 Chamchuri Square Building, 29th Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330 Tel. +66 (0) 2200 9999
9	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	5,407.74	Unit Trust	711,500,000	8.8552	319 Chamchuri Square Building, 29th Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330 Tel. +66 (0) 2200 9999
10	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
11	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.
12	Dusit China Capital Co., Ltd.	99.99	Holding Company	68	Ordinary shares	6,800,000	10	319 Chamchuri Square Building, 29th Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330 Tel. +66 (0) 2200 9999

No.	Name	Percentage of share holding	Nature of Business	Paid up Capital (Million Baht)	Shares			Address
					Category	Amount (Shares)	Par per share (Baht)	
13	Dusit Fudu Hotel Management (Shanghai) Co., Ltd.* held by Dusit China Capital Co. Ltd.  <b>Remark</b> * a limited liability company under the Republic of China's law which the registered capital is not specified as a share	45.00	Management	RMB 30 mn.	-	-	-	305A at 2nd – 3rd Floors, Tower One, No. 1287 Shang Cheng Road, Pudong New District, Shanghai, People's Republic of China
14	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 District, Bangkok 10400 Tel. +66 (0) 2013-9999
15	Dusit Thani College held by Dusit Thai Properties Plc.	100.00	Education Institute	Capital Investment 217.72	-	-	-	1 Soi Kaentong, Nongbon Sub-district, Praves District, Bangkok 10250 Tel. +66 (0) 2361-7811-3
16	Dusit Hospitality Education Philippines Inc. held by Dusit Thani Philippines, Inc.	40.00	Education Institute	Peso 900 mn	Ordinary shares	9,000,000	Peso 100	Pre-Opening Office 4th Floor, Dusit Thani Manila, Ayala Center, 1223 Makati City, Philippines Tel: (632) 238 8888
17	Vimarn Suriya Co.,Ltd.  <b>Remark</b> *Dusit Thani PLC. (DTC) will gradually sell its shares to Central Pattana PLC. (CPN) which the final shareholding proportion will be 60:40	65.00*	Developer of property, hotel, residence, and shopping center	880	Ordinary shares	1,000 10,990,000	100 80	319 Chamchuri Square Building, 29th Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330 Tel. +66 (0) 2200 9999
18	Suanlum Property Co., Ltd.  <b>Remark</b> *Dusit Thani PLC. (DTC) will gradually sell its shares to Central 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, Pathumwan Sub-district, Pathumwan District, Bangkok 10330
19	Pharam 4 Development Co., Ltd.	10.00	Office Building Project	1	Ordinary shares	10,000	100	999/9 Rama 1 Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330

No.	Name	Percentage of share holding	Nature of Business	Paid up Capital (Million Baht)	Shares			Address
					Category	Amount (Shares)	Par per share (Baht)	
20	Dusit Saudi LLC* held by Dusit Overseas Co., Ltd.**  <b>Remark</b> *Currently established as a corporate company but has not started business. **Held by Dusit Worldwide Co., Ltd.	51.00	Management and pre-opening 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
21	D&J Co., Ltd. (Formerly known as Dusit Colours Co., Ltd.)	100.00	Management Services and Technical consultancy of hotel and property	Registered capital JPY 10,000,000	Ordinary shares	1,000	JPY 10,000	Hitokuchizaka TS Building, 6th Floor, 3-32, Kudankita, 4-chome, Chiyodaku, Tokyo, Japan
22	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
23	Dusit Thani 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
24	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
25	Dusit Gourmet Co., Ltd. held by Dusit Foods Co., Ltd.	90.00	Marketing and Sales of food products	30	Ordinary shares	1,000 299,000	100 100	319 Chamchuri Square Building, 29th Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330 Tel. +66 (0) 2200 9999

No.	Name	Percentage of share holding	Nature of Business	Paid up Capital (Million Baht)	Shares			Address
					Category	Amount (Shares)	Par per share (Baht)	
26	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	25 Bukit Pasoh Road, Singapore (089839)
27	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	25 Bukit Pasoh Road, Singapore (089839)
28	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 80.00	Management advisory	IDR 2,536.50	Ordinary shares	500	IDR 500,000	Jalan Raya Semer no. 883 Kerobokan, Kuta Utara, Badang 80361, Bali, Indonesia
29	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
30	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 20.00	Management advisory	IDR 2,500.00	Ordinary shares	8,000	IDR 125,000	Jalan Raya Semer no. 883 Kerobokan, Kuta Utara, Badang 80361, Bali, Indonesia
31	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
32	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
33	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
34	Dusit Hospitality Services Co., Ltd.	99.97	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
35	Epicure Catering Co., Ltd. held by Dusit Foods Co., Ltd. <b>Remark:</b> Initially invested in January 2019 at 51% of shares and furthered acquiring 19% of shares in January 2020.	70.00	Food and beverage services	14	Ordinary shares	14,000	1,000	43 Thai CC, 30th Floor, Room 307-308, South Sathorn Rd., Yannawa, Sathorn, Bangkok Tel: +66(0)2231-6201

No.	Name	Percentage of share holding	Nature of Business	Paid up Capital (Million Baht)	Shares			Address
					Category	Amount (Shares)	Par per share (Baht)	
36	Grace Me Co., Ltd.	99.99	Hospitality lifestyle services on digital platform	3	Ordinary shares	30,000	100	319 Chamchuri Square Building, 29th Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330 Tel. +66 (0) 2200 9999
37	Dusit Real Foods Co., Ltd. held by Dusit Foods Co., Ltd.	51.00	Healthy food restaurant Business	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
38	Dusit Maldives Investment Pvt. Ltd. held by Dusit Thani REIT Co., Ltd.	99.99	Supports the transactions related to Dusit Thani Maldives hotel project	USD 150,000	Ordinary shares	150,000	USD 1	Level 1, H. Orchid Maage', Ameer Ahmed Magu, Male', Maldives
39	Dusit Maldives Management Pvt. Ltd. held by Dusit Management Co., Ltd.	99.99	Supports the transactions related to Dusit Thani Maldives hotel project	USD 10,000	Ordinary shares	10,000	USD 1	Level 1, H. Orchid Maage', Ameer Ahmed Magu, Male', Maldives
40	Dusit Worldwide Maldives Pvt. Ltd. held by Dusit Worldwide Co., Ltd.	99.98	Manages Dusit Thani Maldives hotel	USD 5,000	Ordinary shares	5,000	USD 1	Level 1, H. Orchid Maage', Ameer Ahmed Magu, Male', Maldives
41	The Origin Dusit Co., Ltd.	49	Developer of a condominium	320	Ordinary shares	32,000,000	10	496 Moo 9, Tambon Samrong Nua, Amphur Muang Samutprakan, Samutprakan Province
42	Dusit Thani Reit Co., Ltd. held by Dusit Thani Freehold and Leasehold Real Estate Investment Trust (DREIT)	99.99	Shareholder in Dusit Maldives Investment Pvt. Ltd.	4.9	Ordinary shares	980,000	5	319 Chamchuri Square Building, 29th Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330 Tel. +66 (0) 2200 9999
43	The Caterers Joint Stock Company held by Epicure Catering Co., Ltd. <b>Remark:</b> * Initially acquired in January 2020 and will gradually acquire 19% shares and 30% share in April 2021 and April 2022, respectively.	51.00*	Food and Beverage	VND 960,000,000	Ordinary shares	-	-	46-A-C-D Vuon Lai Street, Tan Thanh Ward, Tan Phu District, Ho Chi Minh City, Vietnam

# 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-international.com
Authorized and paid-up Capital :	Baht 850,000,000 Comprising 850 million ordinary shares at par Baht 1 each

## References Information

<b>Registrar :</b>	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
--------------------	--

<b>Registrar and Debentureholders' Representative</b>	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
---	--

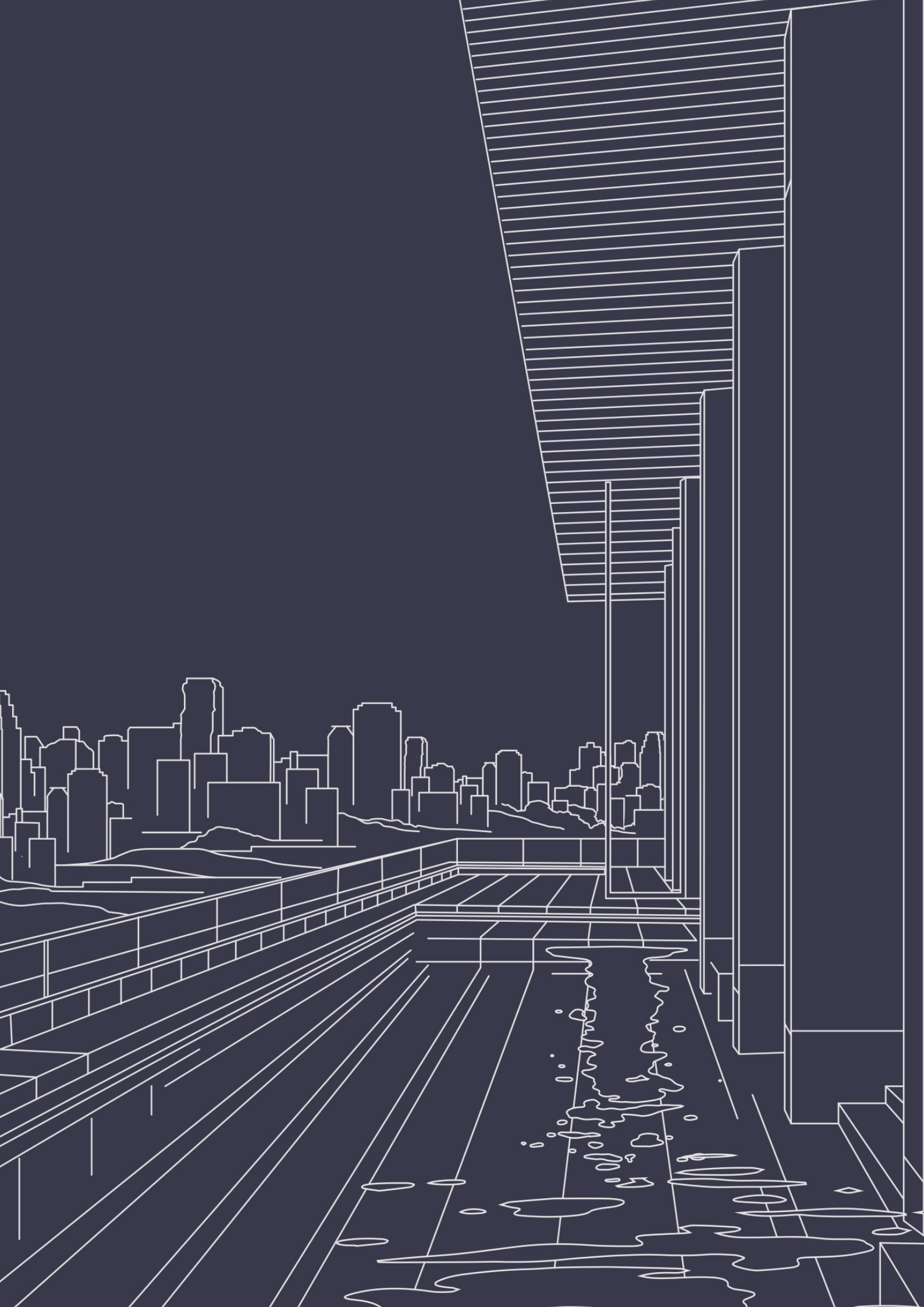
<b>Auditor :</b>	Miss Vipavan Pattavanvivek Certified Public Accountant No. 4795 KPMG Phoomchai Audit Limited 50-51th Floor, Empire Tower, 1 South Sathorn Road, Bangkok 10120 Telephone No.: + 66 (0) 2677 2000 Facsimile No.: + 66 (0) 2677 2222
------------------	---

<b>Legal advisors :</b>	Weerawong, Chinnavat & Partners Ltd. 22 <sup>nd</sup> 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 10900 Telephone No. : +66 (0) 2511 1512 / + 66 (0) 2513 1976 Facsimile No. : +66 (0) 2938 1247 / + 66 (0) 2938 1957

## Other Significant Information

No other significant information that could affect investors' decision making

\* Investor can acquire more information of the Company from the Annual Registration Statement (Form 56-1) which publicized on [www.sec.or.th](http://www.sec.or.th) or the Company's website [www.dusit-international.com](http://www.dusit-international.com)







**Dusit Thani Public Company Limited**  
319 Chamchuri Squire Building, 29th Floor,  
Phayathai Road Pathumwan, Bangkok 10330 Thailand  
Tel: 02 200 9999