

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) proving 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 226 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: Baht 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	1720.0%	402	19	383	2015.8%
Others	596	194	402	207.2%	1,549	495	1,054	212.9%
Total revenue	1,799	1,621	178	11.0%	6,117	5,565	552	9.9%
EBITDA	472	307	165	53.7%	1,374	999	375	37.5%
EBIT	357	188	169	89.9%	912	501	411	82.0%
Net profit (loss) attributable to parent	269	119	150	126.1%	320	290	30	10.3%
Net profit (loss) attributable to non-controlling interests	-3	20	-23	-114.4%	285	60	225	372.2%
Net profit (loss) for the period	266	139	127	91.4%	605	350	255	72.7%
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 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: THB 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	1720.0%	5	3	2	66.7%
Others	596	194	402	207.2%	318	-28	346	1235.7%
Total revenue	1,799	1,621	178	11.0%	472	307	165	53.7%

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: THB 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	2015.8%	56	15	41	273.3%
Others	1,549	495	1,054	212.9%	830	47	783	1666.0%
Total	6,117	5,565	552	9.9%	1,374	999	375	37.5%

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% 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
Occupancy %	53.9%	78.8%	-31.6%	68.9%	77.4%	-10.9%
ADR (THB/night)	3,404	3,816	-10.8%	3,363	3,670	-8.4%
RevPar (THB/night)	1,833	3,006	-39.0%	2,319	2,841	-18.4%

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 Bann 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.

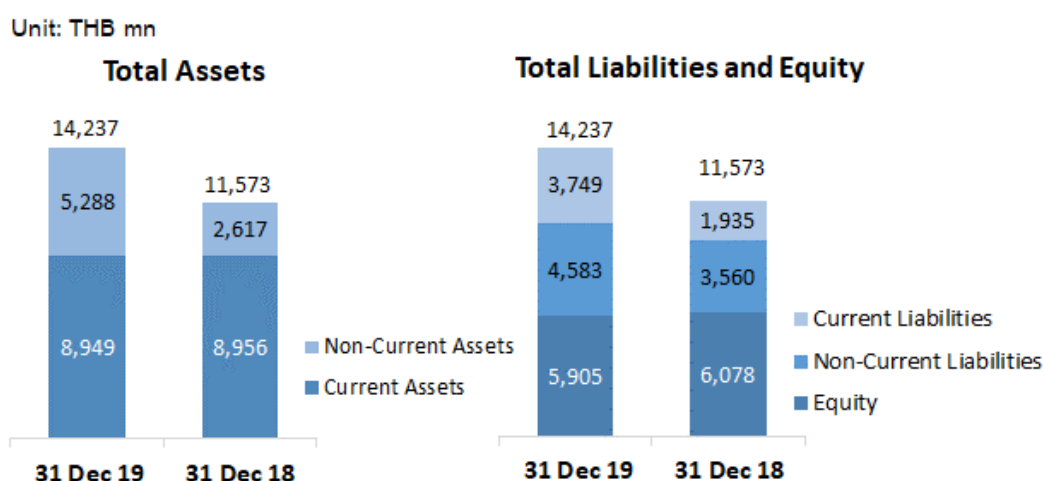
Finance Costs

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.



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

Dusit Thani PLC
Management Discussion and Analysis
For 4Q19 and FY2019

Unit: THB 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%
Total current assets	5,288	37.1%	2,617	22.6%	102.1%
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%
Total non-current assets	8,949	62.9%	8,956	77.4%	-0.1%
Total assets	14,237	100.0%	11,573	100.0%	23.0%
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%
Total current liabilities	3,749	26.3%	1,935	16.7%	93.7%
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%
Total non-current liabilities	4,583	32.2%	3,560	30.8%	28.7%
Total liabilities	8,332	58.5%	5,495	47.5%	51.6%
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%
Total shareholders' equity	5,905	41.5%	6,078	52.5%	-2.8%

Key Financial Ratio		
	31-Dec-19	31-Dec-18
Profitability ratio		
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 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 Dong" and the coffee shop "Dusit Gourmet".

Please be informed accordingly

Sukit Ngamsangapong

Authorized person to disclose information