

Executive Summary

In 4Q21, the Company report total revenue of THB 825 million, decreased by 20.0% YoY. The hotel business improved by 58.7% YoY especially from overseas business due to international travel restrictions lift. Meanwhile, local hotel business gradually recovered from the severe COVID-19 situation in the previous quarter as well as the country reopen in November 2021, such factors increased both domestic and inbound tourisms. However, education business and food business remained affected by COVID-19 since schools were temporarily closed. Other businesses also decreased mainly from gain on the measurement of financial assets and the absence of gain on sale of investment, gain on step acquisition offset with an increase of gain on exchange rate. For 2021, the Company reported total revenue of THB 3,443 million, increased by 3.7% YoY. The increase was driven by the increase in overseas hotel business, gain on sale of Dusit Princess Chiang Mai, gain on sale of investment, gain on the measurement of financial assets, a decrease in arrangement fee income from property development segment as well as the decreasing of operating income of education business and food business due to the second and the third waves of the COVID-19 outbreak impact.

In 4Q21, the Company reported a net loss of THB 341 million and EBITDA of THB -36 million, decreased from a net loss of 134 THB million and an EBITDA of THB 242 million in 4Q20. For 2021, the Company reported a net loss of THB 945 million, a YoY increase from a net loss of THB 1,011 million. 2021 EBITDA also improved by THB 292 million to THB 515 million from THB 223 million in 2020.

Unit: THB mn	4Q21	4Q20	Change		2021	2020	Change	
Hotel business	649	409	240	58.7%	1,797	1,579	218	13.8%
Education business	86	118	-32	-27.1%	302	386	-84	-21.8%
Food business	60	212	-152	-71.7%	279	456	-177	-38.8%
Property development business	-1	-1	-	-	244	257	-13	-5.1%
Others	31	293	-262	-89.4%	821	642	179	27.9%
Total revenue	825	1,031	-206	-20.0%	3,443	3,320	123	3.7%
EBITDA	-36	242	-278	NM-	515	223	292	130.9%
EBIT	-274	13	-287	NM-	-531	-630	99	15.7%
Net profit (loss) attributable to parent	-341	-134	-207	-154.5%	-945	-1,011	66	6.5%
EPS (THB)	-0.40	-0.16	-0.24	-149.5%	-1.12	-1.20	0.08	6.6%

4Q21 and 2021 Operating Results

Unit: THB mn	Revenue breakdown				EBITDA breakdown			
	4Q21	4Q20	Change		4Q21	4Q20	Change	
Hotel business	649	409	240	58.7%	104	17	87	511.8%
Education business	86	118	-32	-27.1%	5	35	-30	-85.7%
Food business	60	212	-152	-71.7%	-30	38	-68	NM-
Property development business	-1	-1	-	-	-15	-14	-1	-7.1%
Others	31	293	-262	-89.4%	-100	166	-266	NM-
Total revenue	825	1,031	-206	-20.0%	-36	242	-278	NM-

In 4Q21, the Company reported total revenue of THB 825 million; decreased by THB 206 million or 20.0% YoY, which 78.7%, 10.4%, 7.3%, -0.1% and 3.7% of total revenue were from Hotel Business, Education Business, Food Business, Property Development Business and Other Business, respectively.

Unit: THB mn	Revenue breakdown				EBITDA breakdown			
	2021	2020	Change		2021	2020	Change	
Hotel business	1,797	1,579	218	13.8%	80	-183	263	NM+
Education business	302	386	-84	-21.8%	-6	58	-64	NM-
Food business	279	456	-177	-38.8%	-101	34	-135	NM-
Property development business	244	257	-13	-5.1%	200	234	-34	-14.5%
Others	821	642	179	27.9%	342	80	262	327.5%
Total	3,443	3,320	123	3.7%	515	223	292	130.9%

In 2021, the Company reported total revenue of THB 3,443 million; increased by THB 123 million or 3.7% YoY, which 52.2%, 8.8%, 8.1%, 7.1% and 23.8% of total revenue were from Hotel Business, Education Business, Food Business, Property Development Business and Other Business, respectively.

Hotel Businesses

Hotel Business generated the revenue of THB 649 million in 4Q21, increased by 58.7% YoY. The main factor was international travel restrictions lift, therefore overseas hotel businesses revenue remained steadily improved especially from the Middle East, Maldives, and the Philippines. For Thailand, the country was reopened on November 1, 2021, allowing fully vaccinated visitors from low-risk countries to enter the kingdom without quarantine. The local occupancy rate has continuously improved QoQ due to an increase in number of international and domestic travelers. For 2021, Hotel Business generated the revenue of THB 1,797 million, increased by 13.8% YoY. Mainly from overseas owned hotels and managed hotels that have been resumed normal operation after progress on vaccination, international border reopen and progressive tourism recovery while local business suffered from a longer period of COVID-19.

Owned Hotels

	4Q21	4Q20	% Change	2021	2020	% Change
Occupancy %	52.6%	39.4%	33.3%	39.7%	35.5%	11.8%
ADR (THB/night)	3,419	2,710	26.2%	2,928	3,212	-8.8%
RevPar (THB/night)	1,798	1,069	68.2%	1,162	1,140	1.9%

Remark: For comparison purpose, the statistics does not include ASAI Bangkok Chinatown.

Owned hotels business generated revenue of THB 566 million in 4Q21, increased by 54.2% YoY and of THB 1,556 million in 2021, increased by 8.1% YoY from the followings:

- Revenue from Owned Hotels in Thailand in 4Q21 increased by 14.1% YoY. The increase was mainly driven by the revenue of Dusit Thani Laguna Phuket from a participation in 'Phuket Sandbox' program for travelers who have been vaccinated against COVID-19 with no quarantine requirements since 1 July 2021. The occupancy rate of Dusit Thani Laguna Phuket in 4Q21 was 48.8%, increased by 33.8% in YoY and 9.0% in QoQ. Meanwhile, most of local owned hotels revenue decreased due to the reduced quarantine period for fully vaccinated travelers (a change from state quarantine 7-14 days to Test & Go scheme 1 day) and booking cancellations around the end of 4Q21 caused by the new COVID-19 variant, Omicron. For 2021, the revenue decreased by 39.7% YoY since the situation of COVID-19 pandemic in Thailand was worse than same period in last year.
- Revenue from Overseas Hotels in 4Q21 increased by 95.1% YoY. The increase was mainly driven by both Dusit Thani Maldives and Dusit Thani Manila. Dusit Thani Maldives revenue increased as the high season is approaching. Main customers were from Saudi Arabia, United Arab Emirates, Qatar, Russia, and India. While the increase in Dusit Thani Manila was due to more inbound travels from business groups and the Philippines. The hotel also offered Staycation package starting around the end of November 2021. For 2021, the revenue increased by 66.7% YoY contributed from Dusit Thani Maldives 119.6% increase of the reopen in late June 2020 with the main customers from India and Russia and from Dusit Thani Manila 10.8% increase despite the continuing lockdown as to prevent the spread of COVID-19.

Hotel Management

Revenue from Hotel Management was THB 83 million in 4Q21, increased by 97.6% YoY and THB 241 million in 2021, increased by THB 63.9% YoY. The increase was driven by the following factors: Firstly, the higher occupancy rate of local and overseas managed hotels under Dusit brand due to the country reopen and the progressive tourism recovery especially in the Middle East, Singapore and the United States (Guam). Secondly, the revenue from Elite Havens Luxury Villa Rentals and Management, the non-Dusit brand, also increased mainly from Thai and Indonesian customers due to high season for travels and Thailand country reopen on November 1. Thirdly, the revenue of Dusit Fudu Hotel Management (Shanghai) Co., Ltd. also increased from Chinese domestic tourism recovery and the change of accounting records since 4Q20.

Loss Sharing from Investment

The Company record the loss sharing from Dusit Fudu Hotel Management (Shanghai) Co., Ltd. of THB 8 million in 9M20. After the addition investment in 4Q20 that resulting impact to accounting record from equity method to the consolidation method, the Company recorded revenue as a part of Hotel Management ever since.

The Company reported EBITDA from Hotel Business of THB 104 million in 4Q21, improved by THB 87 million YoY and of THB 80 million in 2021, improved by THB 263 million YoY. This increase was driven by the increase in overseas hotel revenue, the hotels reopen in late 2Q20 and the cost containment implementation.

The depreciation and amortization were THB 160 million in 4Q21, decreased by 5.9% YoY and of THB 642 million in 2021, increased by 2.7% YoY because of the newly opened Asai Bangkok Chinatown in 3Q20 offset with the sale of Dusit Thani Princess Chiangmai in August 2021.

In 2021, provision for impairment loss was recorded of THB 106 million from Dusit Suites Ratchadamri, Bangkok, Dusit Thani Laguna Phuket, Dusit Thani Hua Hin and Dusit D2 Chiang Mai from business disruption by COVID-19 pandemic in 1Q21.

Education Business

Education Business generated the revenue of THB 86 million in 4Q21, decreased by 27.1% YoY. The decrease was mainly driven by tuition fee reduction and the postponement of short-course learning of Dusit Thani College, the temporary closure of Le Cordon Bleu Dusit Culinary School according to the government's order during the second and third waves of COVID-19 (January and April-October 2021) and the increase in loss sharing from Dusit Hospitality Education Philippines Inc and The Food Education Bangkok Co., Ltd. (additionally invested in 1Q21) of higher administrative expenses. For 2021, the revenue was THB 302 million, decreased by 21.8% YoY due to the 1-month postponement of teaching and learning of June 2021 in response to COVID-19, the tuition fee reduction as a financial relief measure for students of Dusit Thani College, the temporary closure of Le Cordon Bleu Dusit Culinary School and the increase in loss sharing mentioned earlier.

EBITDA from Education Business was THB 5 million in 4Q21, decreased by THB 30 million YoY and THB -6 million in 2021, decreased by THB 64 million YoY mainly due to the decrease in revenue mentioned above.

Food Business

Food Business generated the revenue of THB 60 million in 4Q21, decreased by 71.7% YoY. The decrease was mainly from both Epicure Catering and The Caterers (operated in Vietnam. Newly invested in 1Q20 and additionally invested in 3Q20 by Epicure Catering) that have been directly affected by the temporary closure of international schools as ordered by the government due to the new waves of COVID-19 outbreak in Thailand and in Vietnam. Epicure Catering in Thailand resumed its operation by 29 out of 32 schools in November 2021 while The Caterers' revenue remained affected despite of the lockdown lift in October 2021 as classes were still conducted online. For 2021, the revenue was THB 279 million in 2021, decreased by 38.8% YoY mainly due to the temporary closure of schools in Thailand (January, April, and the late May until mid-October) and Vietnam (February and April until September).

EBITDA from Food Business was THB -30 million, decreased by THB 68 million YoY in 4Q21 and THB -101 million in 2021, decreased by THB 135 million YoY mainly from the decrease in Epicure Catering's revenue from COVID-19 impact mentioned above while EBITDA in 4Q21 and 2021 from The Caterers was THB -22 million and THB -46 million, respectively, from the lockdown in Vietnam to prevent the spread of COVID-19.

Property Development Business

Property Development Business reported the loss sharing from Origin Dusit Co., Ltd, joint venture, accounted for using equity method of THB -1 million in 4Q21. The Company also reported the revenue included loss sharing from the joint venture of THB 244 million in 2021, decreased by 5.1% YoY. The decrease was mainly driven from the increase in loss sharing (THB 18 million) due to the marketing expenses while revenue related to Dusit Central Park project increased by THB 5 million (gain on sale on an investment in Suanlum Property Co., Ltd., an associate (THB 251 million) and the arrangement fee recognition from the change in shareholding percentage in Suanlum Property Co., Ltd. (THB 16 million) in 1Q21 while recorded the arrangement fee recognition (THB 262 million) in the same period last year).

EBITDA from Property Development was THB -15 million in 4Q21, decreased by THB 1 million YoY and THB 200 million in 2021, decreased by THB 34 million YoY from changes in revenue and higher marketing expenses as mentioned above.

Other Businesses

The Company reported revenue from Other Businesses of THB 31 million in 4Q21, decreased by THB 262 million or 89.4% YoY. Mainly the Company recorded the decrease in gain on measurement of financial asset (THB 152 million), the absence of gain on sale of investment (THB 139 million) and gain on step acquisition (THB 46 million) offset with the increase in gain on exchange rate (THB 58 million).

The Company reported revenue from Other Businesses of THB 821 million in 2021, increased by THB 179 million or 27.9% YoY. Mainly the Company recorded gain on sale of property and equipment, Dusit Princess Chiang Mai (THB 303 million), higher profit sharing from DREIT (THB 14 million), the increase in gain on exchange rate (THB 59 million), the increase in gain on measurement of financial asset (THB 43 million) even gain on sale of investment decreased (THB 80 million) while reported the gain on investment reclassification (THB 127 million) and gain on step acquisition (THB 46 million) in the same period last year.

EBITDA in 4Q21 and 2021 was THB -100 million and THB 342 million, decreased by THB 266 million and increased by THB 262 million YoY, respectively, from the increase in revenue as mentioned and the decrease in administrative expenses.

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

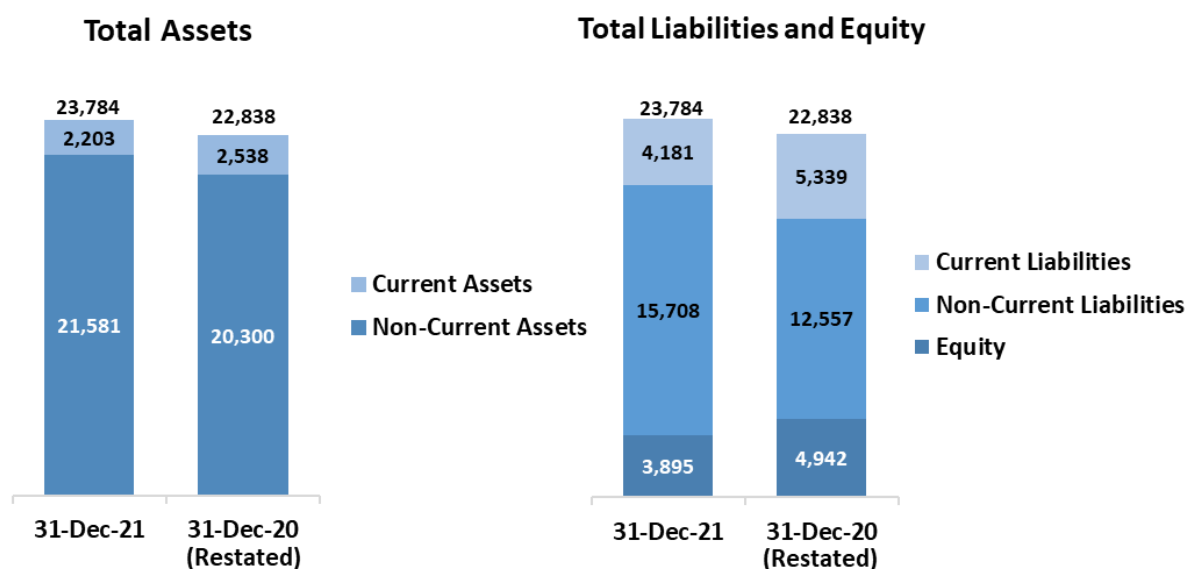
The Company's EBITDA was THB -36 million in 4Q21; decreased by THB 278 million and THB 515 million in 2021, increased by THB 292 million from the change in EBITDA mentioned above and the strict cost containment to sustainably stabilize the fixed costs, e.g., employee benefits or professional fee. The Company achieved cost saving around 8.8% in 2021.

Finance Costs

Finance Costs was THB 120 million in 4Q21, increased by 19.1% YoY mainly from the new tranche of debentures issuance 2/2021 and THB 469 million in 2021, increased by 11.5% YoY from the first and second debenture issuances, the increase in interest rate of short/long-term loans, and the increase in long-term loans.

Net Profit

The Company reported the net loss of THB 341 million in 4Q21; decreased by 154.5% YoY and of THB 945 million, improved by 6.5% YoY.



Assets

As of 31 December 2021, the Company reported the total assets of THB 23,784 million, increased by THB 946 million or 4.0% from total assets as of 31 December 2020.

- Current assets decreased by THB 335 million mainly from a proceed from receivable from sale of investment and a decrease of net changes in cash and cash equivalents offset with an increase in other current financial assets.
- Non-current assets increased by THB 1,281 million as major results of an increase in equipment and construction in process of "Dusit Central Park" and "ASAI Sathorn" projects, and ERP development, an increase in fair value of other non-current financial assets, an additional investment in associate and joint venture, an increase in long-term loan to related parties and an increase in advanced construction payment for Dusit Central Park offset with decrease of right-of-use assets from impairment and depreciation.

Liabilities

As of 31 December 2021, total liabilities were THB 19,889 million, increased by THB 1,993 million or 11.1% from the total liabilities as of 31 December 2020.

- Current liabilities decreased by THB 1,158 million mainly from a redemption of debenture, a repayment in short-term loans from financial institutions, a decrease in trade accounts and other current payable as well as other current liabilities offset with an increase in current portion of long-term loans from financial institutions.
- Non-current liabilities were increased by THB 3,151 million from the 2 tranches of debenture issuance and an increase in deferred revenue and customer's deposits offset with a reclassification of long-term loans from financial institutions to short-term ones.

Shareholders' Equity

As of 31 December 2021, Shareholders' Equity of THB 3,895 million, decreased by THB 1,047 million or 21.2% from the Shareholders' Equity as of 31 December 2020, consisted of the equity attributed to owners of the parent of THB 3,288 million and the non-controlling interest of THB 607 million due to loss on operating results in this period.

From 1 January 2021, the Company has changed the accounting policy regarding measurement after initial recognition of investment property from cost model to fair model. The management considered that the fair value method is more appropriate to value of its investment properties. The Company adjusted the transaction retrospectively, having impact on increase in investment properties of THB 977 million, deferred tax liabilities of THB 195 million and shareholders' equity of THB 782 million.

Cash Flows

As of 31 December 2021, the Company reported cash and cash equivalents of THB 1,210 million, decreased by THB 201 million (before gain from foreign currencies of THB 9 million) from THB 1,420 million as of 31 December 2020.

Use of Funds

The Company reported net cash outflows of THB 1,107 million, consisting of the followings:

- Net cash outflow of investing activities of THB 799 million consisted of
 - Cash outflow for purchases equipment and construction in process of THB 1,131 million for "Dusit Central Park", "ASAI Sathorn" projects, and ERP development.
 - Cash outflow for advanced payment for Dusit Central Park project of THB 369 million.
 - Cash outflow for the additional investment in The Cooking Capital Bangkok Co., Ltd. and The Food Education Bangkok Co., Ltd. of THB 62 million.
 - Cash outflow for the additional investment in Origin Dusit Co., Ltd. of THB 16 million.
 - Cash outflow for the additional investment in Suanlum Property Co., Ltd. of THB 52 million.
 - Cash outflow for long-term loans to related parties THB 66 million, and others of THB 15 million.
 - Cash inflow from sales property plant and equipment of THB 363 million.
 - Cash inflow from sales investment in associate of THB 461 million.
 - Cash inflow from dividend income received from investment in associates of THB 71 million and others of THB 17 million.
- Net cash outflow from financing activities of THB 218 million, mainly consisting of the followings:
 - Cash outflow for the repayment of short-term and long-term loans from financial institutions of THB 4,492 million and of THB 93 million, respectively.
 - Cash outflow for repayment from debenture redemption of THB 1,000 million.
 - Cash outflow for interest paid of THB 455 million.
 - Cash outflow for the payment of lease liabilities of THB 240 million.
 - Cash inflow from the proceed of short-term and long-term loans from financial institutions and long-term loan from other parties of THB 3,521 million, of THB 580 million and of THB 3 million, respectively.
 - Cash inflow from the proceed from debenture issuance of THB 2,000 million.

The Company reported net cash inflows of THB 816 million, consisting of the followings:

- Net cash inflow from operating activities of THB 816 million consisting of cash inflows from deferred revenue of THB 989 million, customer's deposits of THB 691 million offsetting with net cash inflow from sales and services deducting cash outflow for the operating results from COVID-19 pandemic impact and income tax payment from prior-year operating results.

Dusit Thani PLC
Management Discussion and Analysis
For 4Q21 and FY2021

Statement of Financial Position

Unit: THB mn	31-Dec-21	% to total assets	31-Dec-20 (Restated)	% to total assets	Chg
Cash and cash equivalents	1,210	5.1%	1,420	6.2%	-14.8%
Other current financial assets	197	0.8%	153	0.7%	28.8%
Trade and other receivables	438	1.8%	653	2.9%	-32.9%
Other current assets	358	1.5%	312	1.4%	14.7%
Total current assets	2,203	9.3%	2,538	11.1%	-13.2%
Other non-current financial assets	610	2.6%	508	2.2%	20.1%
Investments in associates	1,631	6.9%	1,588	7.0%	2.7%
Investment properties	1,152	4.8%	1,152	5.0%	0.0%
Property, plant and equipment	5,785	24.3%	4,849	21.2%	19.3%
Right-of-use assets	9,071	38.1%	9,437	41.3%	-3.9%
Intangible assets other than goodwill	853	3.6%	821	3.6%	3.9%
Goodwill	652	2.7%	652	2.9%	0.0%
Advance payment for construction	745	3.1%	550	2.4%	35.5%
Other non-current assets	1,082	4.5%	743	3.3%	45.6%
Total non-current assets	21,581	90.7%	20,300	88.9%	6.3%
Total assets	23,784	100.0%	22,838	100.0%	4.1%
Short-term loans from financial institutions	1,291	5.4%	2,252	9.9%	-42.7%
Trade and other current payables	1,121	4.7%	1,388	6.1%	-19.2%
Current portion of long-term loans	1,315	5.5%	233	1.0%	464.4%
Current portion of lease liabilities	252	1.1%	243	1.1%	3.7%
Current portion of debentures	-	-	999	4.4%	-100.0%
Other current liabilities	202	0.8%	224	1.0%	-9.8%
Total current liabilities	4,181	17.6%	5,339	23.4%	-21.7%
Long-term loans	1,895	8.0%	2,496	10.9%	-24.1%
Lease liabilities	7,517	31.6%	7,355	32.2%	2.2%
Debentures	1,979	8.3%	-	-	100.0%
Deferred rental revenue	457	1.9%	483	2.1%	-5.4%
Deferred revenue	2,356	9.9%	1,368	6.0%	72.2%
Customer's deposit	860	3.6%	169	0.7%	408.9%
Other non-current liabilities	644	2.7%	686	3.0%	-6.1%
Total non-current liabilities	15,708	66.0%	12,557	55.0%	25.1%
Total liabilities	19,889	83.6%	17,896	78.4%	11.1%
Equity attributable to owners of the Company	3,288	13.8%	4,243	18.6%	-22.5%
Non-controlling interests	607	2.6%	699	3.1%	-13.2%
Total shareholders' equity	3,895	16.4%	4,942	21.6%	-21.2%

Key Financial Ratio		
Profitability ratio	31-Dec-21	31-Dec-20
Gross profit margin	6.9%	5.9%
EBITDA margin	15.0%	6.7%
Net profit margin	-27.4%	-30.5%
Efficiency ratio	31-Dec-21	31-Dec-20 (Restated)
Return on equity	-25.1%	-20.8%
Return on asset	-2.3%	-3.3%
Liquidity ratio	31-Dec-21	31-Dec-20
Current ratio (time)	0.53	0.48
Leverage ratio	31-Dec-21	31-Dec-20
Interest bearing debt to equity (time)*	4.35	3.21
Net interest bearing debt to equity (time)*	3.92	2.84
Debt to equity (time)*	6.05	4.22
Interest bearing debt to total equity (time) (excl: TFRS16 effect)	1.68	1.22
	31-Dec-21	31-Dec-20
Interest coverage ratio (time)**	-1.13	-1.50

* Calculated from equity attributable to owners of the Company

** =EBIT/Interest expense

As of 31 December 2021, the Company had Interest bearing debt to equity attributable to owners of the Company (IBD/E) ratio at 4.35 times and IBD/E ratio excluding TFRS 16 - Lease at 1.99 times. The increase in liabilities was mainly from increase of deposit for right to lease building and customer's deposit and debentures issuance for the funding for the company's liquidity, investing, and new projects.

In terms of leverage, the Company's interesting bearing debts (excluding TFRS 16 - lease liability) to total shareholder equity was 1.68 times which complied with loan from financial institution's covenant to have IBD/E ratio not exceeding 1.75.

In terms of leverage, the Company's net interesting bearing debts (excluding TFRS 16 - lease liability) to total shareholder equity was 1.32 times which complied with the new debenture's covenant policy in July 2021 and December 2021 to have net IBD/E ratio not exceeding 3 times.

Average collection in 2021 was 42 days which complied with the normal credit term granted by the Group due within 30-60 days. However, the Company extended the payment terms to support the customers affected by COVID-19.

2022 Outlook

The Office of the National Economic and Social Development Council (NESDC) forecasted the growth of the Thai economy in 2022 at 3.5%-4.5%, supported by the regaining in domestic demand, the recovery of the domestic tourism, the continual expansion of exports of goods, and the support from public investments. NESDC predict that the number of international tourist arrivals to Thailand could grow to 5 million in 2022, compared to approximate 0.4 million in 2021 and 6.7 million in 2020.

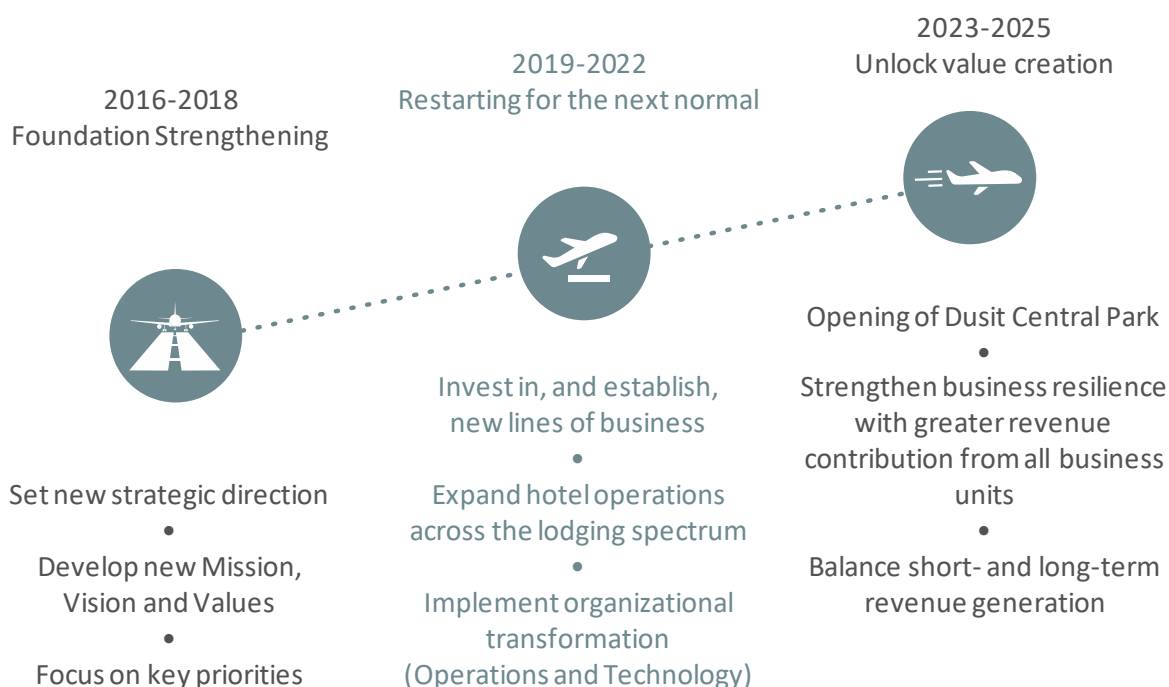
The Company views that albeit the rising risk from the new wave of COVID-19, Omicron variant from late 2021 to the present date (February 2022), Thailand's vaccination rate has increased resulting in a much lower mortality rate compared to Delta variant. The country's readiness to respond the situation increased sequentially compared to the first year of the epidemic. As the government has relaxed the epidemic control measures and reopened the country to foreign tourists since November 2021 following the Phuket Sandbox project in mid-2021, the Company expects to see a clearer recovery of the hotel business in 2H22, with 1H22 still reliant on domestic tourism and more international tourist arrivals in 2H22.

However, the recent conflict between Russia and Ukraine would affect tourism industry if the situation is prolonged. The number of Russian and European tourists visiting Thailand would drop due to the impact of the tension. Russian and European tourists were accounted for 4% and 17% of 2019 international tourist arrivals, respectively.

Amid the COVID-19 pandemic over the past 2 years, the Company has adapted the strategy to cope with the changing business environment and new trends under the new normal and restarted for the next normal. The business strategy remains "Balance, Diversification, and Expansion" but the Company has **redefined the strategy** as follows.

- **BALANCE of geographic income has changed to create a balance of the investment portfolio.** Investment consideration is not focus only for overseas business but to balance our investment portfolio as well as our short- and long-term goals (including revenue, profit, purpose, and sustainable operations). (Redefined from the original plan in 2017 that set the balance of income to increase the overseas revenue to 50% of total revenue with a balance of asset-light and capital investment).
- **DIVERSIFICATION of business** is not limited to a percentage of total revenue but will **strengthen overall business resilience by increasing revenue and EBITDA contribution from all business units.** (Redefined from the original plan in 2017 that targeted to achieve 10% revenue contribution from adjacent lines of business).
- **EXPANSION of business will not only focus on quantity but on quality.** For example, the hotel business will expand across the lodging spectrum and enhance customer experience by deploying four new pillars of Dusit Graciousness (Service, Locality, Well-being, Sustainability). The launch of the ASAI brand is target for the millennials who do not require a full-service hotel but prefer a modern platform to connect the services to enhance new customer experiences. (Redefined from the original plan in 2017 to double the number of rooms in operation from approximately 7,000 rooms in 2016 to 14,000 rooms by 2021).

The Company's long term strategic roadmap for sustainable business growth remains under the same timeframe from 2016 – 2025, but the period of each phase has been adjusted to reflect above redefined strategy. The second phase from 2019-2021 (Realizing potential) has been revised to 2019-2022 (Restarting for the next normal). The third phase from 2022-2025 has been shifted to 2023-2025 as follows:



In 2022, the Company will continue to embrace for the next normal by focusing on 3 key areas:

- **Financial Model** is to adjust asset and investment portfolios to realize profits or better returns (Asset Optimisation) to increase liquidity and financial resilience and to make the organizational structure more agile.
- **Business Model** is to reimagine the concept of doing business and providing services. Focus remains on the concept of Collaboration, Innovation, and Contribution with business alliances in the same business sector and cross sector to generate income from differentiate services that meet customer's demand.
- **Organisation Model** is to transform both business and IT by speeding up the transformation of the organizational structure, personnel, and technology. Reskill the team for business agility and more efficiency to serve the current and future business conditions. In addition, the Company has implemented the technology to uplift operating systems for better efficiency such as ERP system, CRM system, support system as well as data platform.

Hotel business:

- The outlook of hotel business in 2022 has showed an improved trend although COVID-19 epidemic still affects the domestic tourism. Increasing vaccination rates as well as easing lockdown measures, and Thailand reopening in November 2021 has supported more tourist travelling within the country and from other countries. As a result, Thailand hotel occupancy rates tend to improve. Overseas hotel business in the Middle East, Republic of Maldives, and the Philippines is expected to continue a good trend following more relaxation of international travel measures in many countries. With these assumptions, the Company expects the hotel business revenue in 2022 to increase to around 75% of the hotel business revenue in 2019 (pre-COVID-19 level) given that the epidemic situation will not become worsen and no protracted war between Russia and Ukraine.

Education business:

- The Company expects to see a better outlook for hospitality education business in 2022. Both Dusit Thani College and Le Cordon Bleu Dusit Culinary School (LCBD) have partially reopened since November 2021 after being affected by government-mandated school closures. Dusit Thani College continues to change its teaching style to blend both online and onsite for bachelor's and master's degree programs. In addition to having to adjust the teaching and learning courses to modernize to meet the needs of the market, Dusit Thani College aims to enroll more than 1,000 new students, bringing the College's total student enrollment in its degree programmes to 3,200+ students. LCBD targets more than 300 enrollments per intake/term and plans to raise tuition fees.
- The "Food School" project is expected to open in 2022. The project highlight is to offer a variety of multi-cuisine training and business incubation all under one roof. The project is the collaboration among Dusit Thani College and the world-renowned institutes including La Scuola Internazionale di Cucina Italiana (ALMA) the most famous culinary institute from Italy and TSUJI, a well-known culinary institute of Japan.

Food business:

- The international school catering services in Thailand have begun to gradually resume at most schools in the end of 4Q21 after schools temporarily closed as ordered by the government due to the COVID-19 outbreak. For business in Vietnam is planned to reopen after Tet in February 2022.
- Healthy food business under the KAUI brand already opened a flagship store in the Asoke office complex in mid-2021. In 2022, KAUI plans to generate additional income from new menus, more distribution channels, as well as plans to open two new stores in high-potential areas.
- Dusit Gourmet is a food sourcing hub and a strategic food supplier for all Dusit hotels and resorts and other Dusit food outlets domestically and internationally and for external customers. In addition to supplying frozen bakery products within the group in Thailand, Dusit Gourmet also successfully supplies a variety of sauces, seasonings, and ready-to-cook to the group. Currently, Dusit Gourmet is considering adding new product lines such as organic rice and milk, new condiments, frozen foods, and mineral water.

Property development business:

- Dusit Central Park Project, a mixed-use JV project with Central Pattana PCL, currently is in the process of sub-structure work. The construction for basements of hotel and residences has been commenced. The main contractor for super-structure construction has already been awarded. The construction of the hotel building has been scheduled to begin in 2Q22. The first phase of the project, including the hotel, is expected to open in early 2024. Central Park and Central Park Offices Building are slated to open in 2024, with Dusit Residences and Dusit Parkside following in mid-2025.
- The Hampton Sriracha by Origin and Dusit project, a condominium JV project with Origin Property PCL, is currently under construction. It is expected to be completed the construction in 2022 and begin transferring the condominium units by the end of 2022 to 2023.

Please be informed accordingly

Sukit Ngamsangapong

Authorized person to disclose information