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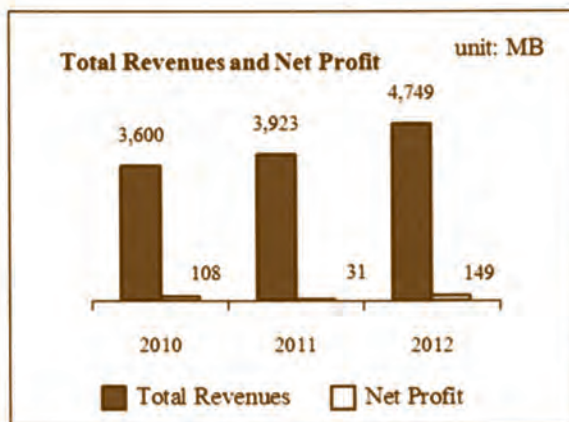
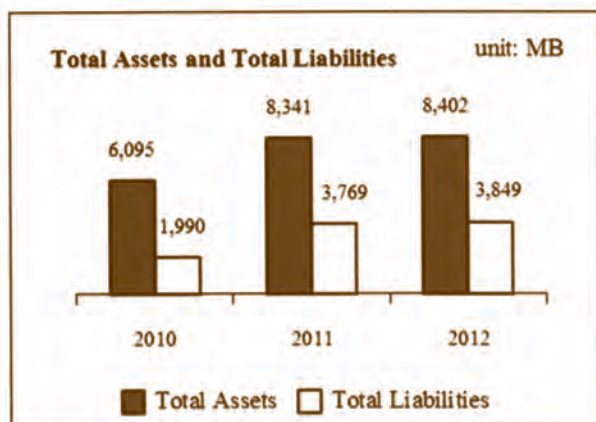
Financial Highlights

Unit: Thousand Baht

| | 2010 | Percentage | 2011 | Percentage | 2012 | Percentage |
|--|-----------|------------|-----------|------------|-----------|------------|
| Financial Position and Operation Analysis | | | | | | |
| Total Assets | 6,095,481 | 100.00 | 8,341,343 | 100.00 | 8,402,072 | 100.00 |
| Total Liabilities | 1,990,216 | 32.65 | 3,768,591 | 45.18 | 3,848,934 | 45.81 |
| Total Equity of the Parent | 3,865,060 | 63.41 | 3,876,603 | 46.47 | 3,956,981 | 47.10 |
| Total Revenues | 3,600,313 | 100.00 | 3,922,567 | 100.00 | 4,748,585 | 100.00 |
| Revenue from Sales and Services | 2,797,305 | 77.70 | 3,492,413 | 89.03 | 4,257,442 | 89.66 |
| Cost of Sales and Services | 1,755,454 | 48.76 | 2,358,219 | 60.12 | 2,805,975 | 59.09 |
| Depreciation and Amortization | 521,508 | 14.49 | 389,520 | 9.93 | 493,022 | 10.38 |
| Total Expenses* | 1,115,450 | 30.98 | 1,130,489 | 28.82 | 1,379,476 | 29.05 |
| Net Profit (Loss) – Equity holders of the parent | 108,104 | 3.00 | 31,042 | 0.79 | 149,416 | 3.15 |
| Ratio Per Share (Baht) | | | | | | |
| Earnings (Loss) | 1.28 | | 0.37 | | 1.77 | |
| Dividend | 0.50 | | 0.50 | | 1.00 | |
| Book Value | 45.72 | | 45.86 | | 46.81 | |
| Financial Ratio (%) | | | | | | |
| Net Profit / Total Revenue | 3.00 | | 0.79 | | 3.15 | |
| Return on Equity | 2.82 | | 0.80 | | 3.81 | |
| Return on Assets | 4.35 | | 0.89 | | 1.78 | |

*Total Expenses for 2010 and 2011 included loss on impairment of property, premises and equipment of Baht 86.28 million and Baht 1.94 million, respectively.

Dividend for year 2012, Board of Directors will propose to the 2013 Annual General Meeting of Shareholders to approve profit appropriation as dividend payment of Baht 1.00 per share.



MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

In 2012, Thailand's tourism industry has finally had its golden year after the tumultuous time of political upheavals from 2007 - 2010 and severe flooding in 2011. Without such negative predicaments, the country reported a 15 per cent growth in its number of tourist arrivals or the total of 22 million tourists. This is due largely to the government's policy to support the country's tourism industry as well as collaborations among private sectors.

As part of risk diversification strategy, the Dusit has geared up towards its business expansion emphasizing on hotel management business and investment in overseas locations to broaden reputation and recognition of "DUSIT" brand to the world's market. Consequently, the company invested approximately Baht 2,400 million in Dusit Thani Maldives, under an investing arm of DMS Property Investment Private Limited (DMS). In addition, a number of new overseas hotels under Dusit management in Abu Dhabi, New Delhi, Doha, Guam, Nairobi and Hainan are expected to operate within the next 12 months. On January 22, 2013, Dusit China Capital Company Limited, Dusit's subsidiary, signed a Joint Venture Agreement with the hotel real estate development company in Changzhou "Changzhou Fudu Hotel Investment and Management Company Limited" to open a new Joint Venture Company in The People's Republic of China. Dusit expects to have over 5,000 rooms under its management in The People's Republic of China by year 2020.

As for its 2012 operating results, the company earned revenue of Baht 4,257 million, an increase of baht 765 million or 22 percent compared to the same period last year. Total net profit was Baht 149 million, an increase of Baht 118 million from year 2011. These operating results included the net loss from one of our subsidiary, DMS, which is the shareholder of Dusit Thani Maldives. The hotel was official opened on September 8, 2012 – a 9-month delay from its original plan. This opening delay was a result of the flooding in Thailand which had caused the delay in delivery of decorating items and equipment. DMS's less revenue and higher-than-expected expense, especially depreciation and finance expense, including pre-opening costs which have to be entirely booked as expenses. Consequently, DMS has reported net loss of Baht 236 million, the amount of Baht 112 million was recognized into Dusit's book.

On behalf of the company's Board of Directors, I would like to express my sincere appreciation to all shareholders for their trust and continuous supports to the company. I would, also, like to take this opportunity to thank our staff for their dedication, contributions and loyalty to the Company.



Chatri Sophonpanich
Chairman

MESSAGE FROM MANAGING DIRECTOR & CEO

Dear Shareholders,

This year Dusit Thani Public Company Limited commences the compilation of regular reports to comply with the Global Reporting Initiative (GRI) 3.1 level C. The reports intend to inform the stakeholders of the goals and contribution of the Company towards social responsibility as well as to uphold the values of the Company on the long run. Epitomized by the proliferation of Thai culture in conjunction with the Company's global expansion and selling of goods and services responsibly with the impact on society and the environment in mind. Dusit is committed to operate on the basis of long term development by its synchronized approach of connecting business progress with those of society and the environment.

The result of our environmental operations has been outstanding as demonstrated by the effective reduction utilities usage and consistently safe disposal of waste. Dusit Thani is further distinguished by being the only Thai hotel that has managed to receive sufficient points as given by customers in through Market Matrix helping it to become the Top 3 Upper Upscale hotels in Asia Pacific based on customer satisfaction. This enhances our reputation for putting the customers first.

Furthermore to commemorate His Majesty the King's 85th Birthday in 2012, through donations "Dusit Smile" has sponsored 85 successful operations on children suffering from cleft lip and palate.

On behalf of Dusit Thani Public Company Limited, I would like to express my gratitude for all of your determination and hard work in leading the Dusit through all the challenges that we have faced together. Lastly I would like to invite all of you to be a part of our efforts in contributing to social responsibility that would which would be a fundamental part of our development.


Chanin Donavanik
Managing Director & CEO

The Result of Operations and Profit Appropriation for Year 2012

The Board of Directors present the results of operations of the Company presented in the financial statements for the year ended December 31, 2012, unappropriated retained earnings at the beginning was Baht 1,159,452,363. After deducting final dividend of 2011 paid on 85,000,000 shares at Baht 0.50 per share, totaling Baht 42,500,000, the balance of unappropriated retained earnings was Baht 1,116,952,363.

The Board of Directors proposes the appropriation as follows:

| | Baht |
|---|-----------------------------|
| Unappropriated retained earnings brought forward | 1,116,952,363 |
| Add Net profit of 2012 | 149,415,655 |
| Less Dividend of 2012 on 85,000,000 shares | |
| at Baht 1.00 per share, totalling | (85,000,000) |
| Unappropriated retained earnings carried forward | <u>1,181,368,018</u> |

If the Annual General Meeting of Shareholders approves the mentioned appropriation, the Company will pay such dividend on May 13, 2013.

Vision

“To deliver to the world an exceptional hospitality experience that reflects the unique artistry and culture of Thailand and delivers the standards of perfection, innovation and excellence.”

Mission

“To make Dusit one of the world’s most valued hospitality brands in preference and loyalty across everyone of its competitive segment.”

Our Core Values

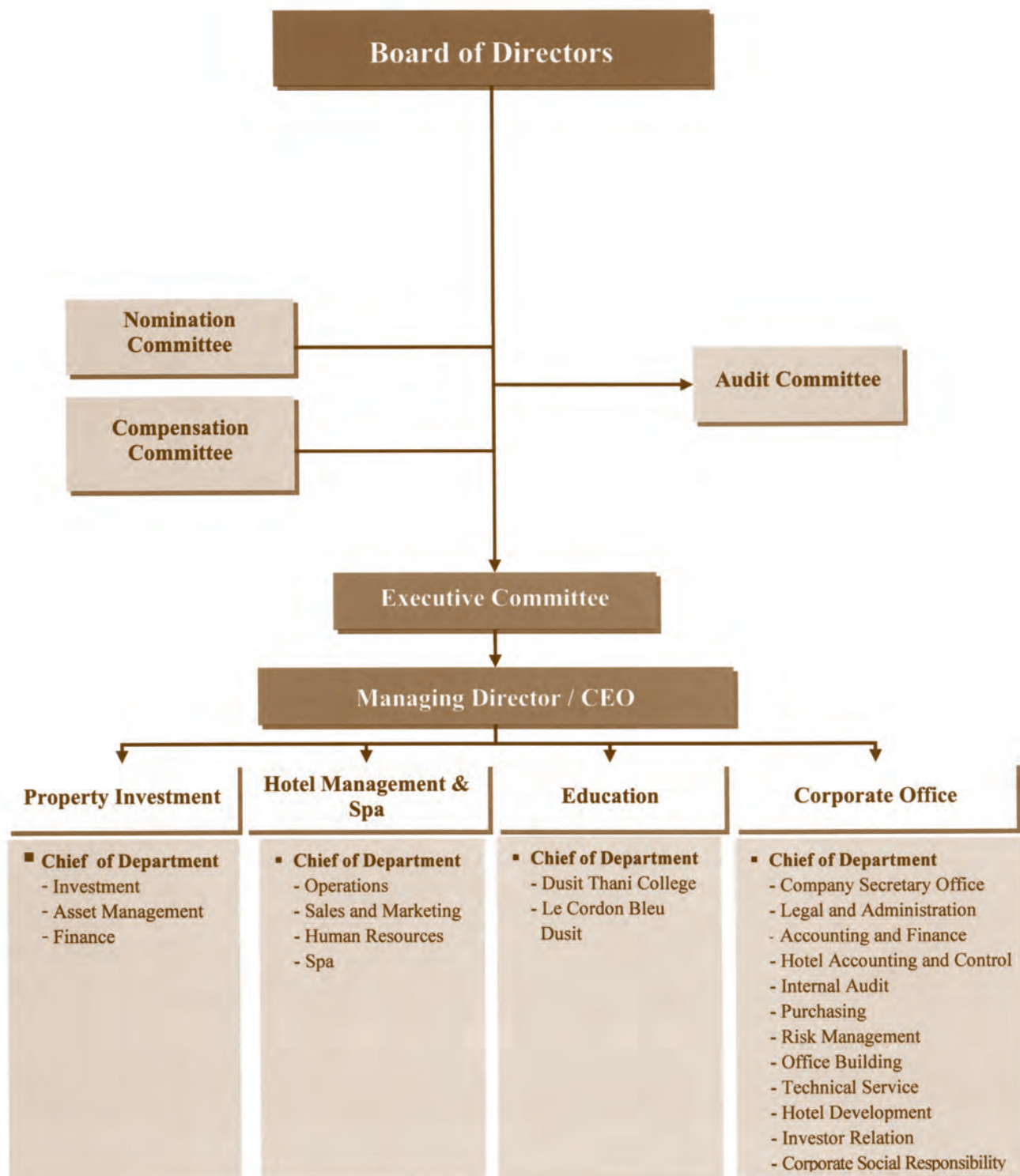
CARE

SINCERE

RESPECT

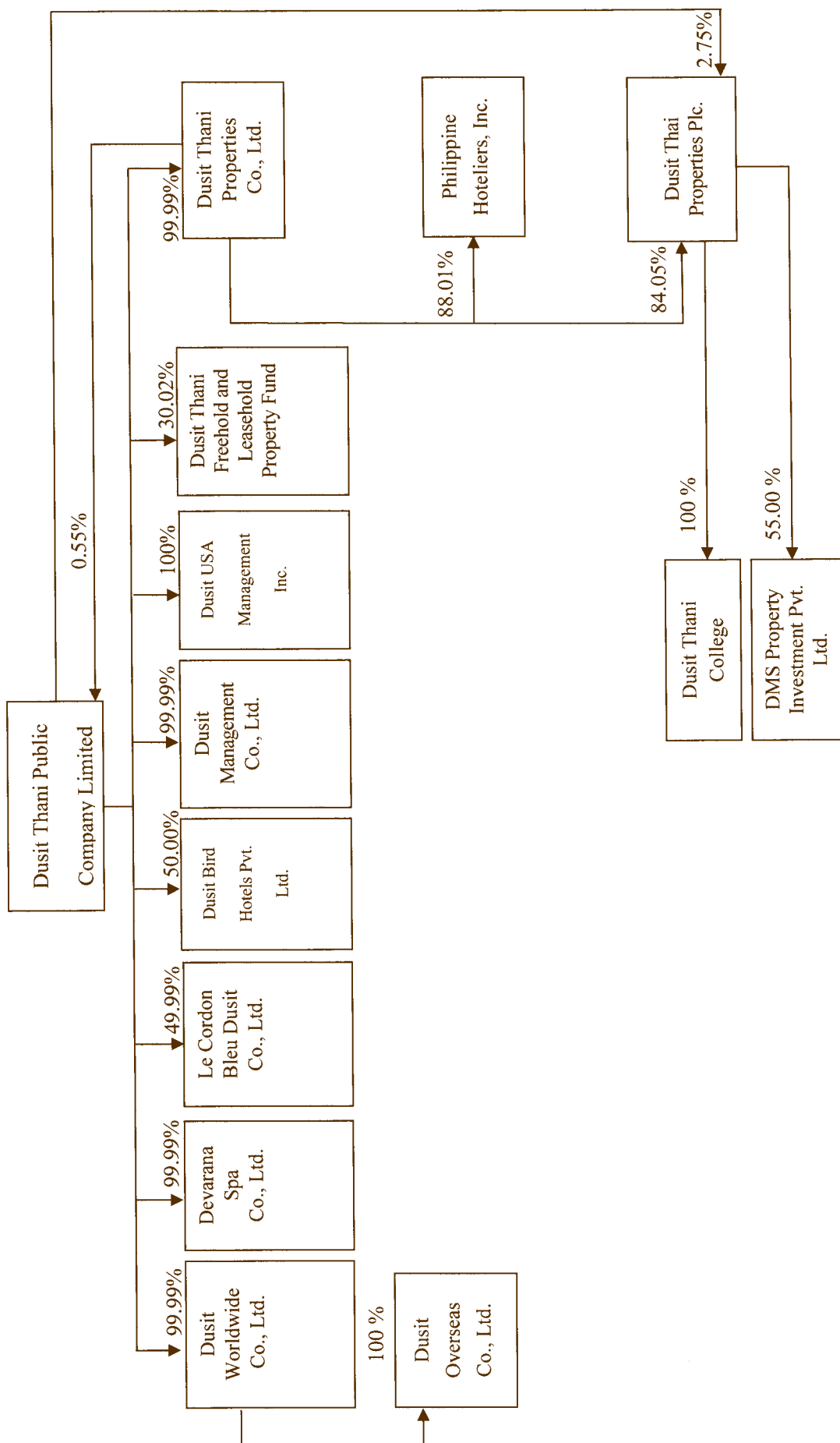
MODEST

Management Structure as of December 31, 2012



Shareholding Structure of Dusit Thani Public Company Limited

as of December 31, 2012

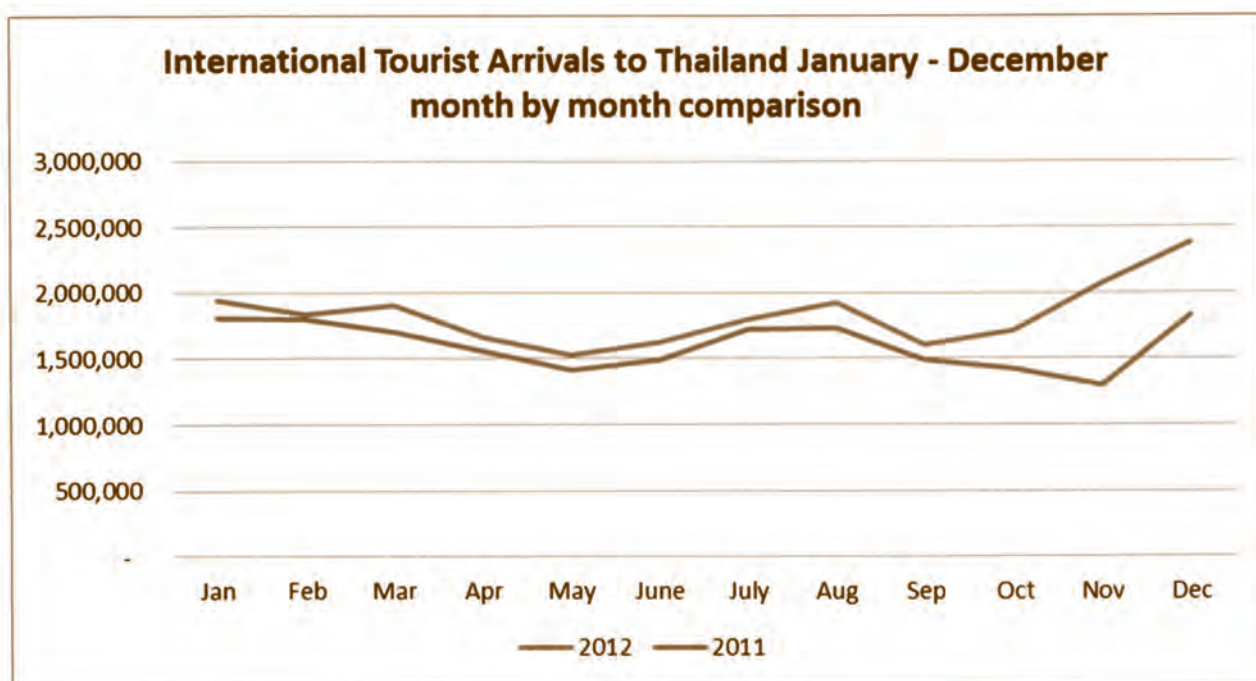


Marketing and Competition

Marketing & Sales Strategies

Thailand

The overall arrivals to Thailand in 2012 are extremely encouraging with 15 % year on year growth and a surge in arrivals from key source markets including China and Russia. This trend is likely to continue in 2013, providing the political situation remains stable. Thailand's attractive offerings, including high quality accommodation; shopping and a unique and universally appealing culture, combined with well branded cities, will further strengthen Thailand's dominance as Asia's premier leisure destination.



Source of Data: Immigration Bureau, Police Department Thailand

2012 Vs. 2011 – Tourist Arrivals

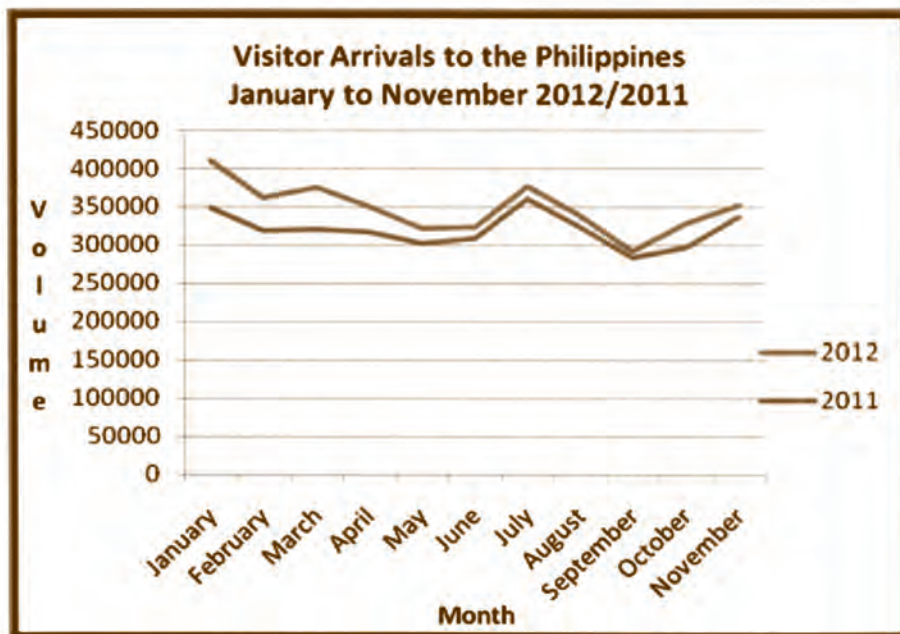
| Nationality | 2012 | 2011 | Variance (%) |
|--------------|------------|------------|--------------|
| East Asia | 12,602,194 | 10,345,866 | 21.81 |
| South Asia | 1,289,641 | 1,158,092 | 11.36 |
| Europe | 5,617,817 | 5,101,406 | 10.12 |
| The Americas | 1,080,148 | 952,519 | 13.40 |
| Oceania | 1,046,753 | 933,534 | 12.13 |
| Middle East | 604,659 | 601,146 | 0.58 |
| Africa | 161,853 | 137,907 | 17.36 |
| Grand Total | 22,403,065 | 19,230,470 | 16.50 |

- Number one tourist arrivals growth year on year from East Asia is China, with an overwhelming increase of 62.05%

- The top (growth market) tourist arrivals from South Asia is Sri Lanka with 36.73% growth compared to 2011, but India remains the largest source from South Asia surpassing the 1,000,000 arrivals barrier or 11.03 y-o-y growth.
- Russia is the number one market from Europe with over 1.3 million visitors – an increase of 24.97%

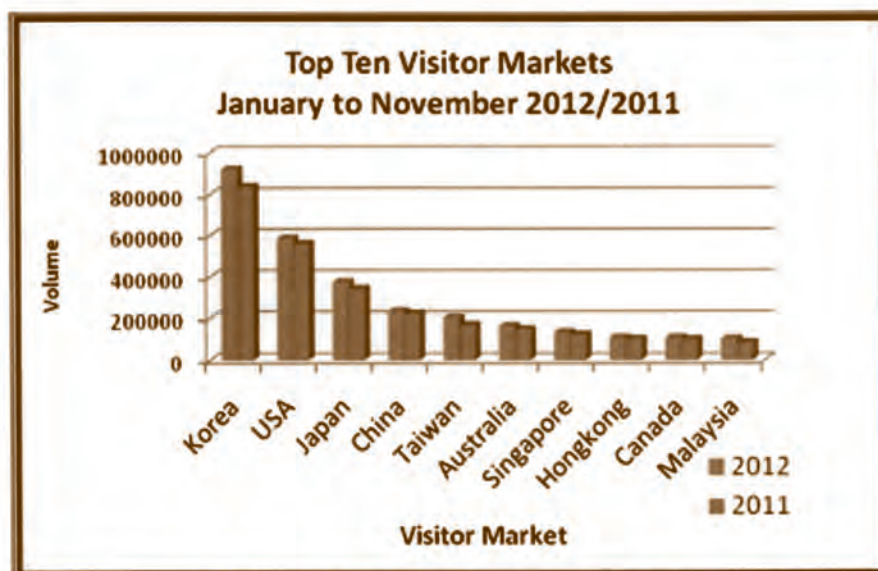
Philippines

Visitor arrivals to Philippines from January to November reached 3.83 Million representing an 8.73% increase year on year. Korea continues to be the country's largest visitor market with nearly 1 million arrivals recorded, followed by the USA with almost 600,000 arrivals.



Source of Data: Department of Tourism, Philippines

This positive trend will be offset to an extent by the increasing inventory with the first new deluxe property, The Fairmont Makati, to open in Makati in over a decade, which opened its door in 4Q/12. This will be followed by the Holiday Inn scheduled to open in 2013, located next to Dusit Thani Manila (DTMN). The aging DTMN will face stronger competition as a result. The outlook is good as the government continues to encourage foreign direct investment and tackles corruption.



Source of Data: Department of Tourism, Philippines

United Arab Emirates

There was renewed buoyancy in the UAE as the economy continued to recover. The tourism sector benefited from the Arab Spring with tourists attracted away from other less stable countries in the region. Overall arrivals grew some 8% year on year with continuing favorable opportunities to exploit further opportunities in this regard. Dusit Thani Dubai achieved outstanding results and is well poised following the room renovation to further improve REVPAR.

Revenue Management

The introduction of stronger revenue centric policies and tools continues to play a key focus within the group.

The introduction of Revenue management positions at all properties was finalized which has started to yield positive results in terms of RevPar and market share. Other initiatives include:

- Implemented front office up-sell training at key properties.
- Completed Revenue Management and Sales Accounts Management Workshops.
- Rolled out BI Cognos Daily Revenue Report to all owned properties – 01 Jun 2012
- Promoted industry rate offers across all properties in the system – 11 Jun 2012.
- Briefed all properties on how to manage Online Travel Agents effectively – 15 Jun 2012
- Monthly reporting on each property's STR Global market share report to all senior management – 27 Jun 2012
- Liaised with RateGain to conduct Channel Manager system training for all Thailand properties – 28 Aug 2012
- Switch from EZ Yield to RateGain channel manager and rate shopper programme to achieve better and more efficient results – 1 Sept 2012
- May 2012, Completed data back-up for dusit.com in Thailand.

- July 2012, Adjusted dusit.com to be compatible with tablet devices.
- Sep 2012, Signed up all properties on dusit.com with Affiliated online marketing. Total revenue achieved until November 2012 = USD 535,994
- Workshop on SynXis and Serenata at DTBK for overseas and Thailand properties
- Obtained approval to convert from Opera enterprise to SynXis and Serenata (Phase I)

Global Sales

Significant progress has been made in 2012 to enhance our Regional Sales Offices (RSO) leaders and team members.

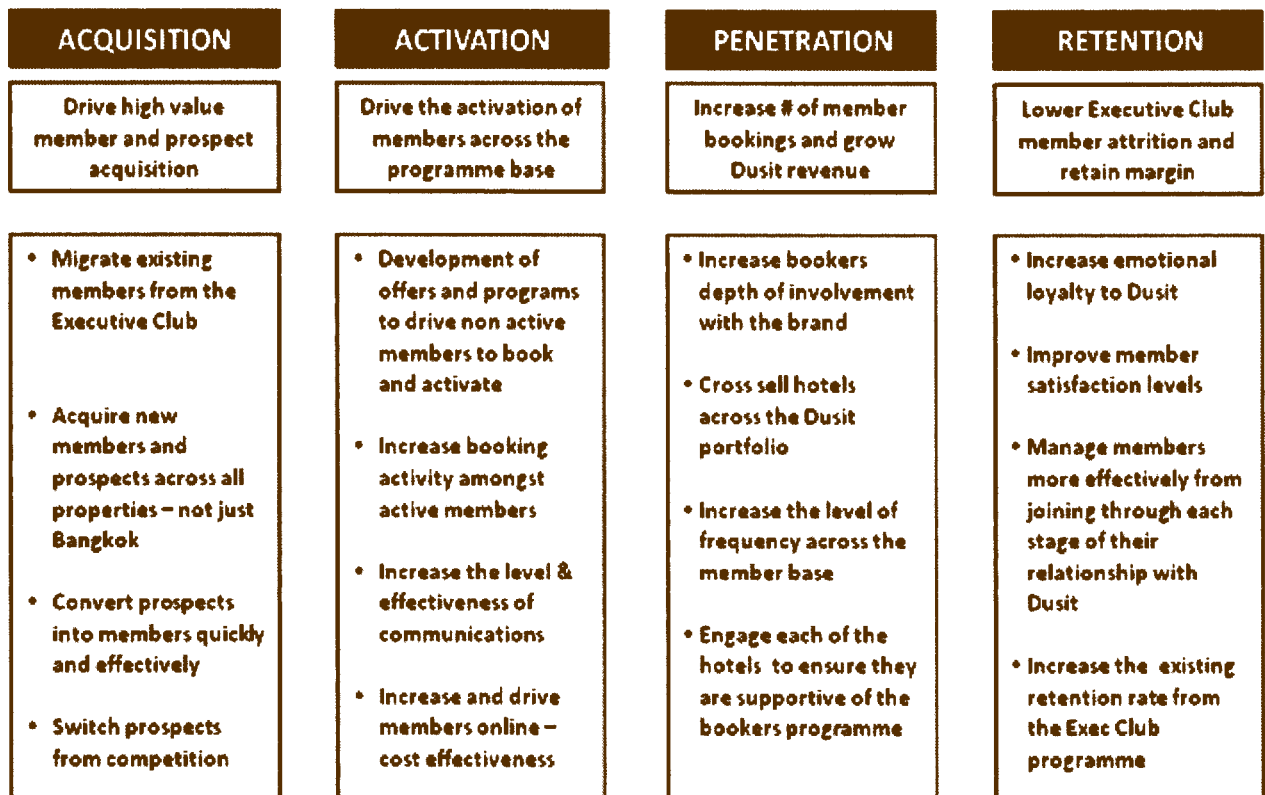
- Set up a dedicated office in Hong Kong and China (Shanghai) in February 2012.
- Consolidated the European Regional Sales Office in London and appointed a dedicated team – formerly general sales agents.
- Established a presence in Australia with the appointment of a General Sales Agent with HRA (Hotel Representation Australia) in August 01, 2012.
- Created three new corporate sales positions based at Dusit Thani Building, Bangkok: Senior Sales Manager, Korea, Director of Sales, Russia/Eastern Europe and Director of Meetings and Incentive Travel.
- Develop Key Account Management and global accounts and workshop

Brand and Loyalty Marketing

- The focus overall in 2012 was adjusting the positioning of the Dusit family of brands, including dusitD2, Dusit Devarana, Dusit Gold and Dusit Stars, to gear up for 2013. A lot of emphasis was placed to prepare Dusit International for global expansion and a world-wide marketplace with the goal of facilitating revenue growth in key markets and key segments. Extensive work is still done on the tag-lines and new media campaigns for all brands, which will be completed by Q1/13
- The Corporate Identity (CID) Manuals have been completed for Dusit Thani, Dusit Devarana and dusitD2. They have been created with the future development of the group in mind and especially taking the need of a fast and efficient expansion into consideration. The CID Manuals will provide hotels with strict guidelines for brand application and with artwork for all internal and external brand applications. They will be launched at the Sales & Marketing Conference in February 2013.
- With the re-establishment of the corporate branding department, an alignment of the brand application in all channels was started. Especially the relationship between traditional and new-media channels has been improved. The brand application on property levels are still

under assessment and strict guidelines will be implemented in Q1/2013 to foster Dusit's brand positioning and thus brand value on an international level.

- The dusitD2 re-positioning was completed on a corporate level and will be implemented in Q1/2013 for future properties and possible re-branding of current properties.
- The Dusit loyalty marketing programmes, including Dusit Executive Club and Dusit Gold Card, have been assessed and extensive research has been conducted - including a detailed comparison with competitors' loyalty programmes. A close collaboration between e-business and branding was established to determine requirements for the Serenata Phase II launch in 2013 to be in-line with the loyalty programmes' needs. Clear KPI's will be given to the loyalty marketing team to ensure maximum returns from this important sales tool. The model below illustrates the strategy being put in place.



- The Gold Card will also be re-launched with a view of qualifying and expanding the membership base and the introduction of measurable revenue and marketing objectives with a strong eye no building loyalty and generating revenue.
- A new partner for the Dusit Wine & Dine programmes has been taken under contract. ProMark has an extensive experience in the food & beverage based loyalty industry. Their

track-records show that there is extensive potential in a Dusit-wide Wine & Dine programme. The new programme was started at Dusit Thani Bangkok and will be aligned with a number of other marketing activities, including Dusit Gold, Dusit Stars, partner programmes, social media and seasonal promotions.

- A number of new procedures have been developed, including file naming procedures for collateral, a collateral library guideline and new brochure guidelines.
- Photography will be undertaken in key hotels in 2013 to prepare the group for the re-launch of dusit.com in Q3/13 and a new brand campaign in 2013.

New Media & Communications

- Structure long term New Media and Communication strategy and Direction for Dusit International
- Corporate with the e-business and marketing in planning for website restructure to improve design, usability, user experience and contents.
 - Research on design trend and usability
 - Research on online booking behaviors and industry trends
 - Revision of Chinese content on current web site to eliminate inconsistency of Brand
- Online revenue analysis and develop strategies for improvement in 2013
 - Analysis down to property level – Work closely with Business Intelligence team to extract required information for analysis
 - Study key triggers for online bookers
- Digital Communications and Marketing to drive revenue through branded web site
 - Online campaign to again awareness and maximize opportunity for DTMD (November 2012): which generated 28,736.26 USD in revenue and generated 24 qualified leads from inquiry form
 - Prepare / development of Branding Campaign for the launch in early 2013 “Enchanting Thailand”
 - Prepare plan for Revenue driven through high yield channel to execute in early 2013
- Mobile Marketing: To elaborate the brand image and maximize the chance to reach prospects in 2013
 - Research and meet with vendors for strategy preparations
 - Building of 2013 roadmap
- Social Networking: Engagement with prospects and brand advocates. Also gain the chance to convert them to be paid guests.
 - The 1st group wide Social Media campaign: Dusit Dream Holiday, which acquired 172 completed registration profile.
 - Introduce Social Media guideline for properties
 - New Media workshop rolled out in Chiang Mai and Chiang Rai (Dec 2012)

- Develop list of Key New Media contact for each property
- Provide one-on-one consultancy on property level
- Unpaid Media (PR Value) - Total publicity value for Dusit International news coverage
 - Focus on gaining international media contacts from 459 contacts in December 2011 to 3,490 in November 2012
 - Set up policy and guideline on how to prioritize and maintaining media contact for Corporate office
 - Expand distribution channel of Media Releases e.g. leverage online service (TravMedia for Global and PR Time for Japanese Market)
 - Expand news translation for new release for localization in multiple languages e.g. English, Chinese, Thai, Arabic, Japanese, German and Russia
 - Focus on the flagship opening of Dusit Thani Maldives
 - Work closely with properties team for preparation of 2013 new opening plan
 - Proposed revised team structure to support multiple new openings in 2013
 - Develop and leverage better process on news monitoring; utilize 3rd party services (Meltwater for Global online coverage / analysis and Mediabanc for Local Coverage)

Competition

Internal

Each hotel has determined a competitive set with similar property products, brand positioning and location in order to measure performance on the Revenue Per Available Room performance (RevPAR), market penetration and average rate.

The Key Performance Indicators (KPIs) for each hotel is their ranking in the competitive set within these 3 indices percent changes over previous periods. This is tracked both on a daily basis and on a monthly reporting level to corporate office. This has clearly allowed for better monitoring of a hotel's performance indicators and is also substantiated by STR Global, the industry respected benchmark.

External

There is an oversupply of rooms in all our Thailand locations with Bangkok being the most affected. Over 5,000 new rooms are due to enter the Bangkok market in 2012/2013 on the back of 3,000+ new rooms in 2010 and again in 2011. New hotels are equipped with the latest designs and technologies and very competitively priced.

Emerging destinations in South East Asia, including Vietnam and now Myanmar continue to generate increasing interest for FIT leisure business which will ultimately impact Thailand's

market share. High ARR's in Singapore and Hong Kong will provide an opportunity for Thailand in the MICE market.

Future Developments

The launch of three new properties will further cement the reputation of Dusit International as an international hotel chain but also as a luxury segment operator. Dusit Thani Maldives opened in February 2012 and Dusit Devarana New Delhi and Dusit Thani Abu Dhabi will open in 2013. Each hotel enjoys a primary location within their destination and each property adds its own unique characteristics to the portfolio which enhances the perception of the quality of the brand. The opening of the Regional Sales Office in China and Hong Kong is a major step towards securing increased business from the fastest growing source market. The new office carries aggressive sales targets and the team will need to attract the growing FIT leisure market and maximize opportunities from the corporate and MICE segments. The Regional Sales Office in the Middle East which opened in 2011 is now established and regularly producing business for the Middle East based properties. The opportunity exists to generate further business for our hotels outside the region.

Product and Service Supplies

The Company operates mainly the hotel service business. The number of rooms and percent of occupancy of each hotel are as follows:

| Hotel | Company | No. of Rooms | Occupancy (%) | | | |
|---------------------------|---|--------------|---------------|------------|------------|------------|
| | | | Yr 2009 | Yr 2010 | Yr 2011 | Yr 2012 |
| Dusit Thani Bangkok | Dusit Thani Plc. | 517 | 60.87 | 53.37 | 62.82 | 64.42 |
| Dusit Thani Pattaya | Dusit Thani Plc. | 457 | 51.79 | 58.34 | 61.05 | 65.18 |
| Dusit Thani Manila | Philippine Hoteliers, Inc. | 538 | 66.43 | 78.14 | 76.40 | 75.29 |
| Dusit Thani Maldives | DMS Property Investment Private Limited | 100 | - | - | - | 35.30 |
| Royal Princess Larn Luang | Dusit Thai Properties Plc. | 167 | 53.01 | - | - | - |
| Royal Princess Chiang Mai | Dusit Thai Properties Plc. | 198 | 49.79 | 46.95 | 58.34 | 63.66 |
| Dusit Princess Srinakarin | Dusit Thai Properties Plc. | 198 | 57.58 | 68.93 | 63.30 | 71.17 |
| Dusit Princess Korat | Dusit Thai Properties Plc. | 186 | 54.03 | 51.87 | 62.59 | 71.19 |
| Dusit Thani Hua Hin | Dusit Management Co., Ltd. | 296 | 54.40 | 56.47 | 64.23 | 66.90 |
| dusitD2 Chiang Mai | Dusit Management Co., Ltd. | 131 | 40.04 | 37.43 | 54.53 | 63.79 |
| Dusit Thani Laguna Phuket | Dusit Management Co., Ltd. | 254 | - | 60.03 | 75.08 | 81.21 |

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, and franchise services. Related business services are provided by other companies within the group as follows:

| Company | Nature of Operations |
|--|--|
| Hotel and Hotel Management Business | |
| Dusit Thani Public Company Limited | <ul style="list-style-type: none"> - Owns and Operates 2 hotels, namely Dusit Thani Bangkok, and Dusit Thani Pattaya. - Owns the hotel brands “Dusit Thani”, “Dusit Princess”, “dusitD2”, “Dusit Devarana” and “Dusit Residence” - Owns the spa brands “Devarana Spa”, “Namm Spa”, “DVN Spa”, “d v n urban” and “dvn” - Manages 6 hotels under its subsidiaries in Thailand; Dusit Thani Laguna Phuket, dusitD2 Chiang Mai and Dusit Thani Hua Hin are under Dusit Management Co., Ltd., and Dusit Princess Srinakarin, Dusit Princess Korat and Royal Princess Chiang Mai are under Dusit Thai Properties Public Company - Manage 2 local hotels Dusit Island Resort Chiang Rai, and dusitD2 Baraquda Pattaya - Will manage 1 overseas hotel: Dusit Thani Abu Dhabi |
| Philippine Hoteliers, Inc. | <ul style="list-style-type: none"> - Owns 1 hotel in Philippines, namely Dusit Thani Manila which is managed by Dusit Worldwide Co., Ltd. |
| Dusit Thai Properties Public Company Limited | <ul style="list-style-type: none"> - On April 1, 2009, Royal Princess Public Company Limited and Dusit Hotels and Resorts Public Company Limited were merged as Dusit Thai Properties Public Company Limited - Owns the hotel brand “Royal Princess” |

| Company | Nature of Operations |
|--|---|
| | <ul style="list-style-type: none"> - Owns the land and hotel building of Dusit Thani Hua Hin - Owns Royal Princess Chiang Mai, Dusit Princess Srinakarin and Dusit Princess Korat - Franchises 4 hotels Pathumwan Princess Hotel, Bel-Aire Princess Hotel, Grand China Princess Hotel and Royal Princess Larn Luang |
| Dusit Overseas Co., Ltd. | <ul style="list-style-type: none"> - Manages 3 overseas hotels which are under development stage, Dusit Thani Jeddah, Dusit Thani Hainan and Dusit Devarana Hainan - Manages overseas hotels which are Dusit Thani Dubai, unfurnished Apartment at Dusit Thani Dubai, Pearl Coast Premier Hotel Apartments and Dusit Thani LakeView Cairo - Franchise Dusit Residence Dubai Marina |
| Dusit Bird Hotels Private Limited | <ul style="list-style-type: none"> - A Joint Venture company between Dusit Thani Public Company Limited and Bird Hospitality Services Private Limited (India) for hotel management in India - Will manage Dusit Thani Goa, dusitD2 new delhi, Dusit Devarana New Delhi, Dusit Devarana Jaipur and Dusit Devarana Rishikesh which are under development stage |
| Dusit Management Co., Ltd. | <ul style="list-style-type: none"> - An established juristic person for hotel operation for Dusit Thani Laguna Phuket, dusitD2 chiang mai and Dusit Thani Hua Hin to support the property management of Dusit Thani Freehold and Leasehold Property Fund |
| Dusit Thani Freehold and Leasehold Property Fund | <ul style="list-style-type: none"> - Owns 2 hotels, namely Dusit Thani Laguna Phuket and dusitD2 chiang mai - Owns a leasehold at Dusit Thani Hua Hin |

| Company | Nature of Operations |
|---|--|
| DMS Property Investment Private Limited | - Owns the Dusit Thani Maldives which is under management agreement with Dusit Worldwide Co., Ltd. |
| Dusit USA Management Inc. | - Juristic person which is registered in Delaware, U.S.A. for hotel management business in U.S.A. |
| Other Related Business | |
| Dusit Thani Public Company Limited | - Owns and operates the office building for rent named Dusit Thani Building |
| Dusit Thani Properties Co., Ltd. (formerly known as Dusit Thani International Co., Ltd.) | - Invests in other companies |
| Devarana Spa Co., Ltd. | - Operates spa business |
| Dusit Thani College | - An educational institution offering courses in hotel management and administration. |
| Le Cordon Bleu Dusit Co., Ltd. | - A French style culinary school |
| Dusit Worldwide Co., Ltd. | <ul style="list-style-type: none"> - The group's regional operating headquarters provide hotel management services to the foreign company such as Dusit Thani Manila and Dusit Thani Maldives and the hotels under the management of Dusit Oversea Co., Ltd. - Provides the marketing services to the hotels in Thailand or overseas for the affiliated companies. |

Company's Operation

Hotel

Currently, the Company operates hotels and provides other services related thereto as follows:

Under Dusit Thani Plc.

- Dusit Thani Bangkok is a 5-star hotel with 517 guest rooms and provides accommodation, food and beverage, meeting rooms and caters to hotels guests and the general public. The hotel is located on leased land from the Crown Property Bureau, initially for a period of 30 years from April 1, 1973 to March 31, 2003. With rights to renew the lease twice for a period of 15 years each, the Company has renewed with the first from April 1, 2003 to March 31, 2018.

- Dusit Thani Pattaya is located in Chonburi Province. The resort-style hotel with 457 guest rooms provides accommodation, food and beverage, meeting rooms and caters to hotel guests and the general public. The hotel is on a land lease agreement with Siri Pattaya Co., Ltd. for the period running from February 1, 1994 to September 30, 2017. In January 2006, the Company has renewed the land lease agreement in advance for another 10 years, by canceling the previous land lease agreement and entering into a new agreement which was registered with The Land Department in Chonburi Province on February 2, 2006. The period of new land lease agreement is effective from January 1, 2006 to December 31, 2027.

Under Dusit Thai Properties Plc.

- Royal Princess Chiang Mai located on Chang-Klan Road, Chiang Mai is a 4-star hotel with 198 guest rooms and provides accommodation, food and beverage, meeting rooms and catering.

- Dusit Princess Srinakarin located on Srinakarin Road, Bangkok is a 4-star hotel with 198 guest rooms and provides accommodation, food and beverage, meeting rooms and catering.

- Dusit Princess Korat located in Nakornratsima is a 4-star hotel with 186 guest rooms and provides accommodation, food and beverage, meeting rooms and catering.

Under Dusit Management Co., Ltd.

Dusit Management Co., Ltd. is a subsidiary of the Company which the Company holds shares 99.99 percent. The purpose of incorporation is hotel operations, asset management of Dusit Thani Freehold and Leasehold Property Fund. The company leased the 3 hotels namely Dusit Thani Laguna Phuket, dusitD2 chiang mai and Dusit Thani Hua Hin from Dusit Thani Freehold and Leasehold Property Fund, ownership (freehold) of Dusit Thani Laguna Phuket and dusitD2 chiang mai and leasehold, period of 30 years of Dusit Thani Hua Hin to perform.

Under Dusit Thani Freehold and Leasehold Property Fund (“Property Fund”)

On December 21, 2010, the Company has established Dusit Thani Freehold and Leasehold Property Fund which has fund size Baht 4,094 million. The Company has invested in Property Fund by holding unit trust at 30.02 percent. On December 24, 2010 the Company transferred the business of Dusit Thani Laguna Phuket, dusitD2 Chiang Mai and Registered leasehold of Dusit Thani Hua Hin to property fund.

- Dusit Thani Laguna Phuket located at Talang Phuket, The hotel is decorated in a contemporary Thai style with 226 guests room and 28 villas, provides accommodation, food and beverage, meeting rooms and caters to hotel guests and the general public. The Company acquired Dusit Thani Laguna Phuket via a formal tender process from Laguna Resorts and Hotels Public Company Limited, In total, this investment transaction is worth Baht 2,715 and transferred such business to property fund on December 24, 2010.

- dusitD2 Chiang Mai located at Chang Klan Road Chiang Mai is a 131 guest room full service hotel, combining modern amenities with Thai hospitality and atmosphere to serve the needs of its guests.

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

Under Philippine Hoteliers, Inc.

This company was set up in the Philippines to operate and own the Dusit Thani Manila, located in Makati City. This hotel has 538 guest rooms.

Under DMS Property Investment Private Limited

This company was set up in Republic of Maldives to operate and own the Dusit Thani Maldives, located Republic of Maldives, Mudhdoo Island. This hotel has 100 villas.

Office Rent Business

The Company owns a commercial building for rent. The 11-story building is located on leased land from the Crown Property Bureau and is connected to the Dusit Thani Hotel, Bangkok. The lessees are local and foreign companies. This building has a total area of 13,245.54 square meters and basement floor with a total of 336 square meters.

Hotel Management Business

There are 5 brands as follows:

1. “Dusit Thani”

The Company operates the 5-star hotels under the brand “Dusit Thani” which is a company trademark. Such business includes the grant to use the trademark “Dusit Thani” under the standard of service provision controlled by the Company. All hotel management and franchised agreements are entered into by Dusit Thani Plc. Following the organizational restructuring, The Company, since 2000 had engaged Dusit Hotels and Resorts Co. Ltd., to manage 3 hotels namely Dusit Thani Bangkok, Dusit Thani Pattaya and Dusit Thani Hua Hin under management agreements and a fix remuneration. In addition, the Company has assigned rights and responsibilities to manage 5 other hotels to Dusit Hotels and Resorts Co. Ltd., Two of these hotels are located in Thailand, namely Dusit Island Resort Chiang Rai and Dusit Thani Laguna Phuket while 3 are located overseas, namely Dusit Thani Manila (Philippines), Dusit Thani Dubai (United Arab Emirates) and Dusit Inya Lake (Myanmar), adding up to a total of 8 hotels. On December 30, 2006, prior to the expiration date, the Company terminated 3 hotel management agreements with Dusit Hotels and Resorts Co. Ltd., namely Dusit Thani Bangkok, Dusit Thani Pattaya and Dusit Thani Hua Hin. The Company agreed to pay a total of Baht 146.4 million to Dusit Hotels and Resorts Co. Ltd., as a result of the termination. Other hotel management agreements with rights and responsibilities assigned to Dusit Hotels and Resorts Co. Ltd., by the Company have been cancelled. From April 1, 2007, the Company has assumed management.

In 2007, the Company has entered into the management agreement for Dusit Thani Lake View, Cairo (Egypt)

In 2008, the Company has terminated the management agreement for Dusit Inya Lake (Myanmar) and transferred the management agreement of Dusit Thani Lake View, Cairo (Egypt) to Dusit Overseas Co., Ltd. and entered into a franchise agreement for Chatrium Suites – Bangkok, A Dusit Thani Hotels Partner. In addition, the Company has entered into the management agreement for the following hotels:

- Dusit Thani, Abu Dhabi (United Arab Emirates)
- Dusit Thani, Palm Jumeirah (United Arab Emirates)

In 2009, the Company transferred management agreements of Dusit Thani Manila (Philippines) to Dusit Worldwide Co., Ltd and Dusit Overseas Co., Ltd. has entered into a management agreement for Dusit Thani Sanya (now, Dusit Thani Hainan) in China and Dusit Thani Jeddah in Saudi Arabia. In addition, the Company terminated the management agreement for Dusit Thani, Palm Jumeirah in United Arab Emirates.

The Company in a joint venture with Bird Hospitality Services Private Limited in India has formed the management company Dusit Bird Hotels Private Limited which will manage Dusit Thani Goa which is now under development stage.

In 2010, Dusit Thani Public Company Limited entered into management agreement for Dusit Thani Hua Hin and Dusit Thani Laguna Phuket and transferred management agreements of “Dusit Thani Dubai” to Dusit Oversea Co., Ltd.

In 2011, Dusit Worldwide Co., Ltd. signed management agreement for Dusit Thani Maldives and the Company terminated the franchise agreement for Chatrium Suites – Bangkok.

In 2012 Dusit USA Management Inc. signed management agreement for Dusit Thani Guam, U.S.A.

2. “Dusit Princess”

Subsequent to a rebranding exercise, the brand “Royal Princess” of Royal Princess Plc. was changed to “Dusit Princess”. The “Dusit Princess” brand will be used in management of 4-star hotels and operated under Dusit Thai Properties Plc.

Now, there are 2 owned and operated properties under the “Dusit Princess” trademark namely Dusit Princess Srinakarin and Dusit Princess Korat,

In 2011, the Company terminated the management agreement for Dusit Princess Koh Chang and Dusit Overseas Co., Ltd. also terminated the management agreement for Dusit Princess City Centre Dubai (United Arab Emirates.).

The owned and operated 4-star hotel, under the “Royal Princess” trademark is Royal Princess Chiang Mai.

There are 4 hotels under franchise agreements namely “Pathumwan Princess”, “Bel-Aire Princess”, “Grand China Princess” and “Royal Princess Larn Luang”.

3. “dusitD2”

Dusit Thani Plc. manages 3 hotels under the brand “dusitD2” namely the dusitD2 Chiang Mai, dusitD2 Baraquadra Pattaya. With the same brand name, Dusit Bird Hotels Private Limited will manage dusitD2 New Delhi which will open in 2014.

In 2012, the Company signed the management agreement for dusitD2 Pasadena in U.S.A.

4. “Dusit Devarana”

The Company in a joint venture with Bird Hospitality Services Private Limited has formed the management company Dusit Bird Hotels Private Limited which will manage 3 Dusit Devarana hotels namely Dusit Devarana New Delhi opening in 2013, Dusit Devarana Jaipur and Dusit Devarana Rishikesh are in the development stage.

In 2011, Dusit Overseas Co., Ltd. signed management agreement for Dusit Devarana Hainan Hotel in China.

5. “Dusit Residence”

In 2010, Dusit Overseas Co., Ltd. has been engaged to manage 2 service apartments under the brand “Dusit Residence”, which is Pearl Coast Premier Hotel Apartments, Dubai (United Arab Emirates) and Unfurnished Apartment at Dusit Thani Dubai (United Arab Emirates). The management agreement with the Company for Dusit Residence Dubai Marina, United Arab Emirate was terminated but instead in 2011, Franchise Agreement was signed.

Other Business

Spa Business

The spa business is operated by a subsidiary company, Devarana Spa Co., Ltd. Currently, there is 1 spa branch, which is Devarana Spa Bangkok located at Dusit Thani Bangkok. This company has also been engaged to manage another 5 spas, located at Dusit Thani Pattaya, Dusit Thani Hua Hin, dusitD2 Chiang Mai, Dusit Thani Manila in Philippines and Dusit Thani Maldives.

Education Business

1. Dusit Thani College, under Dusit Thai Properties Public Company Limited was set up to offer bachelor’s degree and master’s degree in culinary arts, tourism, hotel management and other modules related to hotel business. In addition, Dusit Thani College had co-ordinated with Le Cordon Bleu Helvetia Sarl to bring the culinary course of Le Cordon Bleu to combine with the course of Dusit Thani College.
2. Le Cordon Bleu Dusit Co., Ltd. is a joint venture between Dusit Thani PCL and Le Cordon Bleu International B.V. The Company was established with the purpose of founding Le Cordon Bleu Dusit Culinary School. The School has been accredited by the Ministry of Education and became operational in July 2007. All the courses are accredited by the Ministry of Education.
3. Dusit Thani College has expanded business to Pattaya in year 2011 by launching 3 BBA programs, Hotel and Resort Management, Culinary Arts and Kitchen Management and MICE and Events Management, including other subjects.
4. In December 2008 Dusit Thani PCL entered into a Licensing and Consulting Agreement to provide 5 undergraduate curriculum in hotel, travel, Cruise line and kitchen administrative and management, and variety of short courses for cooking, front office, housekeeping and beverage management at four campuses of Lyceum of the Philippines

University (LPU), in Manila, Batangas, Laguna and Cavite. This year we have reported of over 14,000 students enrolled on this program.

5. To increase the academic strengths and increase number of education alliances, Dusit Thani College has collaborated with several well-known institutes such as;

- 5.1 Ecole Hôtelière de Lausanne, Lausanne, Switzerland on International Bachelor Degree Program in Hotel and Resort Management.

- 5.2 ASO College, Fukuoka, Japan in developing Japanese language, in order for the student to take Japanese Language Proficiency Test (JLPT), which have the same standard throughout the world.

- 5.3 Tsuji Culinary Institute, Osaka, Japan on joint educational program in Japanese Culinary

Business' Goal

The group of the Company is using the Growth Strategy's policy, together with Cost Efficiency's policy aiming for expansion of management business by increasing the numbers of the hotels managed in the Kingdom and overseas. Presently, the Company is tending to expand the management business to diversify the risks in case there is an event affecting business. At the same time, the Company still consider on the hotel investment and its related business together with expansion of management business by focusing on generation of the income from investment both management business and hotel investment when time is appropriate and has an opportunity for an investment.

Revenue Structure

Revenue by Business

Revenues and shareholding structures of the Company in subsidiaries for 3 year periods ended December 31

Unit: Thousand Baht

| Sales and Services | Company | % of shares holding (direct and indirect) | 2010 | | 2011 | | 2012 | |
|---|---|---|------------------|--------------|------------------|--------------|------------------|--------------|
| | | | Revenues | % | Revenues | % | Revenues | % |
| 1. Revenue from Hotel Business | | | | | | | | |
| 1.1 Room | 1. Dusit Thani Plc. | 100.00 | 732,214 | 20.34 | 668,551 | 17.05 | 747,939 | 15.75 |
| | 2. Philippine Hoteliers, Inc. | 88.00 | 454,562 | 12.62 | 481,997 | 12.29 | 540,510 | 11.38 |
| | 3. Dusit Thai Properties Plc. * | 86.79 | 247,447 | 6.87 | 184,543 | 4.70 | 210,798 | 4.44 |
| | 4. Dusit Management Co., Ltd. | 99.99 | 36,283 | 1.01 | 625,364 | 15.94 | 688,399 | 14.50 |
| | 5. DMS Property Investment Pvt. Ltd. | 47.72 | - | - | - | - | 180,195 | 3.79 |
| Total Room Revenue | | | 1,470,506 | 40.84 | 1,960,455 | 49.98 | 2,367,841 | 49.86 |
| 1.2 Food and Beverage | 1. Dusit Thani Plc. | 100.00 | 606,151 | 16.84 | 547,295 | 13.95 | 645,102 | 13.58 |
| | 2. Philippine Hoteliers, Inc. | 88.00 | 239,511 | 6.65 | 232,834 | 5.94 | 268,109 | 5.65 |
| | 3. Dusit Thai Properties Plc. * | 86.79 | 208,036 | 5.78 | 136,142 | 3.47 | 159,987 | 3.37 |
| | 4. Dusit Management Co., Ltd. | 99.99 | 18,083 | 0.50 | 332,316 | 8.47 | 365,196 | 7.69 |
| | 5. DMS Property Investment Pvt. Ltd. | 47.72 | - | - | - | - | 88,764 | 1.87 |
| Total Food and Beverage Revenue | | | 1,071,781 | 29.77 | 1,248,587 | 31.83 | 1,527,158 | 32.16 |
| 1.3 Others | 1. Dusit Thani Plc. | 100.00 | 55,674 | 1.55 | 41,837 | 1.07 | 40,959 | 0.86 |
| | 2. Philippine Hoteliers, Inc. | 88.00 | 25,410 | 0.71 | 24,220 | 0.62 | 23,516 | 0.49 |
| | 3. Dusit Thai Properties Plc. * | 86.79 | 20,585 | 0.57 | 13,942 | 0.36 | 15,521 | 0.33 |
| | 4. Devarana Spa Co., Ltd. | 99.99 | 15,161 | 0.42 | 21,785 | 0.55 | 22,096 | 0.47 |
| | 5. Dusit Executive Development Center Co., Ltd. | 99.99 | 2,641 | 0.07 | 2,515 | 0.06 | - | - |
| | 6. Le Cordon Bleu Dusit Co., Ltd. | 49.99 | 74,331 | 2.06 | 93,708 | 2.39 | 96,833 | 2.04 |
| | 7. Dusit Management Co., Ltd. | 99.99 | 1,042 | 0.03 | 27,573 | 0.70 | 28,167 | 0.59 |
| | 8. DMS Property Investment Pvt. Ltd. | 47.72 | - | - | - | - | 73,730 | 1.55 |
| Total Other Revenues | | | 194,844 | 5.41 | 225,580 | 5.75 | 300,822 | 6.33 |
| Total Revenue from Hotel Business | | | 2,737,131 | 76.02 | 3,434,622 | 87.56 | 4,195,821 | 88.35 |
| 2. Revenue from Rental Business | | | | | | | | |
| Rental and Services | 1. Dusit Thani Plc. | 100.00 | 60,174 | 1.67 | 57,791 | 1.47 | 61,621 | 1.30 |
| Total Revenue from Rental Business | | | 60,174 | 1.67 | 57,791 | 1.47 | 61,621 | 1.30 |

| Sales and Services | Company | % of shares holding (direct and indirect) | 2010 | | 2011 | | 2012 | |
|--|---|---|------------------|---------------|------------------|---------------|------------------|---------------|
| | | | Revenues | % | Revenues | % | Revenues | % |
| 3. <u>Revenue from Hotel Management Contracts</u> | 1. Dusit Thani Plc. | 100.00 | 44,145 | 1.22 | 10,294 | 0.26 | 11,354 | 0.24 |
| | 2. Dusit Thai Properties Plc. * | 86.79 | 3,500 | 0.10 | 4,600 | 0.12 | 4,600 | 0.10 |
| | 3. Devarana Spa Co., Ltd. | 99.99 | 671 | 0.02 | 1,022 | 0.03 | - | - |
| | 4. Dusit Worldwide Co., Ltd. | 99.99 | 10,365 | 0.29 | 1,236 | 0.03 | - | - |
| | 5. Dusit Overseas Company Limited | 99.99 | 23,352 | 0.65 | 45,602 | 1.16 | 45,081 | 0.95 |
| Total Revenue from Hotel Management Contracts | | | 82,033 | 2.28 | 62,754 | 1.60 | 61,035 | 1.29 |
| 4. <u>Other Incomes</u> | 1. Dusit Thani Plc. | 100.00 | **171,863 | 4.77 | **297,504 | 7.59 | **340,514 | 7.17 |
| | 2. Philippine Hoteliers, Inc. | 88.00 | 23,098 | 0.64 | 15,591 | 0.40 | 14,685 | 0.31 |
| | 3. Dusit Thai Properties Plc. * | 86.79 | * 509,683 | 14.16 | 37,511 | 0.96 | 49,744 | 1.05 |
| | 4. Dusit Thani Properties Co., Ltd. | 99.99 | 276 | 0.01 | 256 | 0.01 | 58 | 0.00 |
| | 5. Devarana Spa Co., Ltd. | 99.99 | 1,610 | 0.05 | 949 | 0.02 | 482 | 0.01 |
| | 6. Dusit Executive Development Center Co., Ltd. | 99.99 | 1 | 0.00 | 31 | 0.00 | 53 | 0.00 |
| | 7. Le Cordon Bleu Dusit Co., Ltd. | 49.99 | 252 | 0.01 | 379 | 0.01 | 539 | 0.01 |
| | 8. Dusit Worldwide Co., Ltd. | 99.99 | 13,831 | 0.38 | 4,094 | 0.10 | 9,270 | 0.20 |
| | 9. Dusit Bird Hotels Private Limited | 50.00 | 134 | 0.00 | 91 | 0.00 | - | - |
| | 10. Dusit Management Co., Ltd. | 99.99 | 227 | 0.01 | 10,994 | 0.28 | 13,656 | 0.29 |
| | 11. DMS Property Investment Pvt. Ltd. | 47.72 | | | | | 1,107 | 0.02 |
| Total Other Incomes | | | 720,975 | 20.03 | 367,400 | 9.37 | 430,108 | 9.06 |
| Total Revenues | | | 3,600,313 | 100.00 | 3,922,567 | 100.00 | 4,748,585 | 100.00 |

* Dusit Thai Properties Plc. was set up from amalgamation of Royal Princess Plc. and Dusit Hotels and Resorts Co., Ltd. and registered under the Public Company Limited Act on April 1, 2009. Other income of year 2010 of Baht 509.68 million were mainly from gain on sales of Royal Princess Larn Luang of Baht 467.47 million, the gain on sales of furniture and equipment of Dusit Thani Hua Hin to Dusit Thani Freehold and Leasehold Property Fund (DTCPPF) of Baht 53.56 million, the loss on sales of DusitD2 Hotel, Chiang Mai to DTCPPF of Baht 22.41 million and others of Baht 11.06 million.

** In 2010, other income of Baht 171.86 million included the net revenue from assets held for sale of Baht 34.80 million (revenues after deducting expenses of Dusit Thani Laguna, Phuket during the acquisition period from October 12, 2010 to the transfer date to DTCPPF on December 23, 2010 and the share profit from investment, 30% in DTCPPF of Baht 6.88 million). In 2011, the share profit from investment, 30.02% in DTCPPF was Baht 111.81 million and the gain on sales of property, premises and equipment of Rommance Court, Chiang Mai and the equipment of other hotels totaling Baht 39.55 million. In 2012, the share profit from investment, 30.02% in DTCPPF was Baht 106.93 million and the gain from sales of investment properties was Baht 101.11 million.

Revenue by Hotels

Revenues structure from each hotel under Dusit Thani Group, by not considering percentage of ownership by the Company, consisted of room, food and beverage and other income of hotel operation for the 3 years ended December 31,

Unit: Thousand Baht

| Hotels | Owned by | % of shares holding (direct and indirect) | 2010 | | 2011 | | 2012 | |
|--|-----------------------------------|--|-------------------|---------------|-------------------|---------------|-------------------|---------------|
| | | | Total revenues | % | Total revenues | % | Total revenues | % |
| Dusit Thani Bangkok | Dusit Thani Plc. | 100.00 | 683,031 | 25.17 | 799,053 | 23.61 | 951,232 | 22.81 |
| Dusit Thani Pattaya | Dusit Thani Plc. | 100.00 | 441,856 | 16.28 | 493,863 | 14.59 | 526,696 | 12.63 |
| Dusit Thani Hua Hin | Dusit Thani Plc. | 100.00 | 307,249 | 11.32 | 295 | 0.01 | 824 | 0.02 |
| Dusit Thani Manila | Philippine Hoteliers, Inc. | 88.00 | 742,582 | 27.36 | 754,643 | 22.30 | 847,302 | 20.31 |
| dusitD2 Chiang Mai | Dusit Thai Properties Plc. * | 98.29/86.79 | 57,857 | 2.13 | 134 | 0 | - | - |
| Royal Princess Larn Laung | Dusit Thai Properties Plc. * | 98.29/86.79 | 96,027 | 3.54 | 791 | 0.02 | - | - |
| Royal Princess Chiang Mai | Dusit Thai Properties Plc. * | 98.29/86.79 | 63,372 | 2.34 | 78,849 | 2.33 | 85,582 | 2.05 |
| Dusit Princess Srinakarin | Dusit Thai Properties Plc. * | 98.29/86.79 | 179,284 | 6.61 | 164,347 | 4.85 | 187,428 | 4.49 |
| Dusit Princess Korat | Dusit Thai Properties Plc. * | 98.29/86.79 | 86,843 | 3.20 | 96,749 | 2.86 | 133,172 | 3.19 |
| Dusit Thani Hua Hin | Dusit Management Co., Ltd. | 99.99 | 14,190 | 0.52 | 354,479 | 10.47 | 378,804 | 9.08 |
| Dusit Thani Laguna, Phuket | Dusit Management Co., Ltd. | 99.99 | 37,657 | 1.39 | 549,844 | 16.25 | 605,815 | 14.53 |
| dusitD2 Chiang Mai | Dusit Management Co., Ltd. | 99.99 | 3,788 | 0.14 | 91,608 | 2.71 | 110,169 | 2.64 |
| Dusit Thani Maldives | DMS Property Investment Pvt. Ltd. | 47.72 | - | - | - | - | 344,162 | 8.25 |
| Total revenues from hotels under Dusit Thani Group owned by the Dusit Thani group | | | 2,713,736 | 100.00 | 3,384,655 | 100.00 | 4,171,186 | 100.00 |

* Dusit Thai Properties Plc. was set up from amalgamation of Royal Princess Plc. and Dusit Hotels and Resorts Co., Ltd. and registered under Public Company Act on April 1, 2009.

Significant Changes and Development

During Year 2012, the Company had significant changes and development as follows:

- The Board of Director Meeting No.1/2012 on February 27, 2012 resolved to approve DMS Property Investment Pvt., Ltd. (DMS), subsidiary, increase the investment fund for Maldives project of USD 3 million from USD 77 million to USD 80 million.
- The Board of Directors Meeting No.4/2012 on April 27, 2012 resolved to approve DMS, the subsidiary, borrowed long-term loan in the amount of USD 3 million and short-term loan as a working capital of USD 1 million. The Company guarantees the additional loan of USD 4 million to the Joint Venture Company in the part that Dusit Thai Properties Public Company Limited holds 55 percent of total shares and Coastline Hotels and Resorts Private Limited (“Coastline”) holds 5 percent of the total shares, totaling 60 percent or USD 2.4 million.

The Company guarantees the loan for Coastline because Coastline entered into the agreement with Dusit Thai Properties Public Company Limited that during a period of two years, commencing from August 7, 2011, if the Joint Venture Company asks for the loan more than USD 40 million, Coastline shall be entitled to require Dusit Thai Properties Public Company Limited to purchase its entire shares or Dusit Thai Properties Public Company Limited shall be entitled to require Coastline to sell its entire shares to Dusit Thai Properties Public Company Limited.

Such transaction is a connected transaction according to the Notification of the Board of Governors of the Stock Exchange of Thailand re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003 dated November 19, 2003 and the Notification of the Capital Market Supervisory Board No.Tor Chor. 21/2551 Re: Rules on Connected Transactions dated August 31, 2008. After calculating from the consolidated Financial Statements as of December 31, 2011, the size of the transaction is 1.9 percent of the net tangible assets (NTA) which less than Baht 100 million and less than 3 percent of NTA. Thus, the transaction needs the BOD’s approval and reports to the Stock Exchange of Thailand which was done on April 27, 2012.

- The Board of Directors Meeting No.5/2012 on May 15, 2012 resolved the following.
 - Open Dusit USA Management Inc. at United State of America for hotel management in U.S.A. which is established on August 14, 2012.

- Close two companies which are Dusit Executive Development Center Company Limited to reduce the redundant work which the dissolution of company was registered on June 29, 2012 and Dusit Enterprises Company Limited because it does not have activity which the company is closed on July 26, 2012.
- The Board of Directors Meeting No.6/2012 on August 9, 2012 resolved to approve the sale of the Company's land located on Tambon Pla, Amphoe Mueang Rayong (Ban Chang), Rayong area 38-0-96 rai. On October 17, 2012, the ownership of the said land was transferred.
- The Board of Directors Meeting No.7/2012 on August 20, 2012 resolved to approve Dusit Thai Properties Public Company Limited, a subsidiary of the Company, to provide shareholder loan to DMS at the portion 60 percent of total loan of USD 2.0 million equal to USD 1.2 million by commencing loan from September 2012 with an interest rate of LIBOR 6 months + 3.425% per annum or not less than those which the Company pays to the financial institution. The loan period is 2 years.

The above transaction is a connected transaction, according to the Notification of the Board of Governors of The Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003 dated November 19, 2003 and the Notification of the Capital Market Advisory Board No. Tor Chor. 21/2551 Re: Rules on Connected Transactions, 2008 dated August 31, 2008. After calculating from the consolidated Financial Statements as of June 30, 2012, the size of the transaction is 1.07 percent of the Net Tangible Assets (NTA) and when the size of transaction during past 6 months of 1.90 percent which was reported to SET on April 27, 2012 is included, the total size of transaction is 2.97 percent which is less than 3 percent of NTA. Thus, although the shareholder's approval is not required, the transaction needs the BOD's Meeting approval and reports to the Stock Exchange of Thailand which was done on August 20, 2012.

- On October 30, 2012, the Company made the second capital payment to unpaid capital of Dusit Bird Hotels Private Limited for 450,000 shares which is INR 10 per share, totaling INR 4,500,000.
- The Board of Directors Meeting No.9/2012 on December 20, 2012 resolved in principle to open the subsidiary in Thailand The said subsidiary shall invest in Joint Venture

Company in China in proportion of 45 percent of the registered capital of RMB 30 million. The Joint Venture Company shall operate hotel management business in China.

Awards of Dusit International for year 2012

1. Dusit Thani Laguna Phuket and Dusit Thani Hua Hin recognized by EarthCheck

Dusit Thani Laguna Phuket and Dusit Thani Hua Hin have achieved Silver benchmark status from the world's leading certifier of travel and tourism organization for their strong commitment to conserve the environment sustainably.

2. dusitD2 and Royal Princess in Chiang Mai win “Nice Hotel Programme” Gold Status

dusitD2 and Royal Princess in Chiang Mai won “Nice Hotel Programme (Gold Status)” from Mayor of Chiang Mai as the local healthy workplace.

3. Dusit Thani Pattaya receives recognition making World No Tobacco Day 2012

Dusit Thani Pattaya was the only hotel in Thailand recently awarded the Action on Smoking and Health Foundation (ASHF) “Award of Recognition” of policies aimed at reducing tobacco use.

4. Dusit Thani Laguna Phuket voted one of Top Ten Family Resorts 2012

Dusit Thani Laguna Phuket has been voted one of the Top Ten Family Resorts 2012 by the readers of Australian travel publication Holidays with Kids.

5. Dusit Thani Laguna Phuket is one of T+L's ‘500 World's Best Hotels’ Two years running

Dusit Thani Laguna Phuket has been voted one of the world's 500 best hotels by the readers of Travel + Leisure two years running.

6. dusitD2 baraquda pattaya and Dusit Thani LakeView Cairo receives 2012 TripAdvisor Certificate of Excellence

dusitD2 baraquda Pattaya and Dusit Thani LakeView Cairo received “Certificate of Excellence” award from TripAdvisor. The accolade, which honours hospitality excellence, is given only to establishments that consistently achieve outstanding traveler reviews, and is extended to qualifying business worldwide.

Risk Factors

Hotel industry has been known as one of the most vulnerable businesses where a wide array of risks can adversely impact the industry. For a given hotel company, such risks can be triggered by both internal and external factors; while the first are variable mainly to the company's operational strength, the latter are driven by seemingly-uncontrollable events. Taken together, these risk factors directly impact, to the greatest extent, upon the business operation, eventually resulting in the failure to achieve the company's goals.

Given the fact that the impacts of these risks can be catastrophic, Dusit Thani has, therefore, initiated its risk management practices by studying, introducing and implementing enterprise risk management since 2005. Consequently, risk management policy has been determined, promulgated and applied throughout the organization with the supervision and responsibility of Risk Management Department and Risk Management Committee, established with an aim to ensure that the effectiveness of enterprise risk management is maximized.

Nevertheless, all risks to be elaborated herein this report are not exhaustive; there shall be other unforeseen risks or ones that their influences are not yet deemed severe to affect the company in a very negative way. The investor should, therefore, be aware of the existence of such unidentified risks including their potential impacts and also give a due consideration prior to the investment accordingly.

Key Risk

2.1 Internal Risk Factors

Strategic Risk

◆ Risk of Business Expansion Management

In 2012, the company has still continued to embark on its long-term business expansion strategy aiming simultaneously at domestic and overseas markets. Such efforts have been put forth for the past 4 – 5 years in order to help enhance our competitiveness in a wider market range as well as to mitigate risks of revenue loss triggered by overreliance on domestic market. Nevertheless, the company has put a greater emphasis on increasing its hotel management services overseas especially in those promising regions, Middle East—United Arab Emirate, Eastern Asia—China, and South Asia—India, for instance, all of which are deemed major emerging markets with high purchasing power and potentials to grow. In addition to such destinations, the company also has

its eyes on other countries with prime locations considered suitable and profitable for our hotel management expansion; several preliminary studies were, thus, conducted.

Owing to the expansion strategy, the company has seen its associated expenses increase dramatically; the investment goes primarily to IT and related technological systems, marketing activities, feasibility study as well as human resources management. However, in terms of financial returns, the company may have not yet reached its expected revenues—a certain return on investment period is expected. Furthermore, such expansion also induces the huge amount of work to be handled and the inevitable complexity in work implementation. Without clear and aligned strategies, effective and efficient management including productive human resources management, the company and its subsidiaries are likely to witness the negative impact to the company's financial performance.

Consequently, the company has reviewed and pondered its strategy, ensuring that they are in accordance with the ever-changing market conditions, and are suitable to maximize the efficiency of operational process. To properly accommodate the ongoing expansion of business, the company's structure was, therefore, adjusted. In terms of human resources management, experienced staff and executives with the expertise have been employed to leverage working standards at corporate and hotel level. In addition, the company has invested tremendously on IT systems that help support sales and marketing activities in order to enhance the ability to compete with our competitors worldwide.

Business Risks

◆ Risk from Hotel Management Service

In 2011 and 2012, the Company and its subsidiaries earned 1.60 and 1.29 percent of its total revenues respectively from hotel management service which is normally signed under the management agreement within the terms of 2-15 years. Therefore, the Company and its subsidiaries are inclined to encounter with risks caused by the premature cancellation of the agreement or the denial to renew the management contract which will impact the Company's gross revenues. In response to this, the Company and its subsidiaries have improved the terms and conditions of the management agreement in order to reduce the risks arisen from premature cancellation and to mitigate the risk of not obtaining the compensation.

In addition, since the Company is well aware that our trademark as a Thai brand is less competitive in comparison to those of international brands with worldwide network converge; enormous efforts have been put to strengthen our brand to attain the global recognition.

In 2011 and 2012, the Company has increased its marketing activities after the adjournment in previous year due to political and economic situations. The Company has extensively publicized its brand via different channels such as publishing, radio broadcast, online channel and e-communications. The company has also taken a step beyond by initiating and implementing Corporate Social Responsibility (CSR) to ensure positive image of the company. After having participated with Preferred Hotel Group (PHG) in 2009, the Company has fully utilized the network of PHG that has 29 sales offices worldwide and several key market segments in Europe and America, of which all are Company's target markets. In 2010, the Company continuously received positive feedback from its target customers via the utilization of PHG. Furthermore, to maximize our revenue generation, the Company has developed its revenue management by implementing Channel Management System which facilitates our sales channel via online travel agencies and E-distribution via dusit.com website. In the last quarter of the year, the company has introduced the new Central Reservation System and Customer Relation Management System to effectively leverage sales and marketing efforts.

◆ **Risk from New Investment Projects**

In addition to the determination to expand hotel management service, the Company and its subsidiaries have also planned to continuously invest more in high potential hotel properties as part of the investment plan that would help ensuring the Company's growth in the future. In the past year, the company has conducted in-depth studies for several investment projects both in domestic and overseas locations. Nevertheless, the risk factors together with the return of investment should be taken into consideration for maximizing the benefit of the Company. Despite the fact that a considerable number of studies have been conducted cautiously, the Company still certainly has potential risks from this business movement such as market acceptance, revenues fluctuation, changes in construction cost and pre-opening expenses.

To reduce the possible occurrence of such risks, the Company and its subsidiaries have employed distinguished private companies with expertise to conduct feasibility studies. The obtained-information from such analysis shall be considered by experienced executive committees before making any decision pertinent to the Company's future investment to ensure the worthwhile returns of each project and the enhancement of the Company's value.

◆ Risk from Renovation Project Management

For hotel business, it is tremendously important that a given hotel and its facilities be regularly renovated to ensure its best condition. In light of this critical factor, the Company and its subsidiaries have contrived the renovation plan for each hotel to undergo major renovation once for every 5-7 years to meet the standard of five- and four-star hotels and to increase the company's competitiveness.

However, it was found that some hotels are unable to complete their renovation projects as scheduled due to the limitation in the former structure of the hotels. As a result, the renovation has to be done part by part, causing the delay in completion of renovation project. Eventually, such delay affects negatively to the service and reputation of the hotels. Furthermore, this also leads to risk of cost overrun which not only increases the expenses of the company and its subsidiaries, but also decreases the cash flow.

Nevertheless, after the adjustment and standardization of working procedures and workflow of renovation project, the problems and impact caused by the delay of renovation have, thus, been rectified effectively. Renovation projects were completed in accordance with the allocated budget and specified timeframe under the agreed quality.

In 2012, the Company has spent over Bath 256 million on several renovation projects as well as safety and security systems. Renovation budgets have been approved to uplift safety standards to ensure that appropriate hazard protection systems for the buildings are in place including necessary electricity system and water supply system. As for other renovation projects, the majority of such projects—interior and exterior refurbishment, landscape improvement, infrastructure system, for instance—have been completed as scheduled. Nevertheless, prior to the approval of every renovation project, the Company will take into accounts the worthiness and appropriateness of such project including market conditions simultaneously.

◆ Financial Risk

As of December 31, 2012, the Company and its subsidiaries have long-term loan with financial institutions worth in total of Bath 1,323 million, of which 510 million peso in the credit line of Philippine Hotelier, Inc. for renovation projects of Dusit Thani Manila—the repayment period starting from February 2009 until February 2015. Besides, a subsidy of the Company also has a long-term loan caused by the investment in Dusit Thani Maldives, worth in total of USD 41.50 million with the repayment period starting from September 2013 to June 2018.

For both long-term loans which are made under Peso and US Dollar, the company has made an agreement with the creditors that throughout the loan period, the company shall maintain its debt-to-equity ratio not to exceed 2:1 and 1.75:1 respectively. If the Company fails to abide with such obligation, it shall be deemed the Company in breach of loan agreement and the creditors may declare the loans to be canceled and any outstanding amounts under the agreement are immediately due and payable. If so, the Company and its subsidiaries cash flow and, ultimately, operation can be affected.

However, as of December 31, 2012, the Company's debt-to-equity ratio is at 0.85:1 in accordance with the company's debt-to-equity policy not to exceed 1:1.

2.2 External Risk Factors

◆ Risk from High Competition and Increase of Competitors

Room: Affected by a bunch of ruthless competitors ranging from local, domestic and international hoteliers—some of which are hotel chains with overseas network which allows strong financial resources and lower financial costs. In addition, the company has inevitably encountered the increasingly intense competition, not to mention serviced apartments or private hospitals where short-stay accommodations are also provided. The advent of these competitors does not only increase the supply in room, but also decrease the company's market share.

Restaurant: The increasing number of restaurants outside the hotels with a wide variety of choices and service has become apparent during the past few years, resulting in the drops in the market share where the supply rises.

In order to cope with these situations, the company and its subsidiaries have made the continuous strives in capturing the new target customers and maintaining the existing ones by emphasizing on impressive service. Sensational room and restaurant promotions have been launched; staff's skills, continuously developed via training courses provided. All these are considered key successful factors apart from newly renovated rooms with state-of-art facilities. In addition, efforts have been put to effectively control operational cost to increase the company's competitiveness.

◆ Risk from Global Economic Crisis

The world's economy in 2012 seemed to be decelerating. European economy, in particular, has still been in financial chaos intensified by tremendous public debt of several countries in European Union. The protracted Eurozone crisis did not only lead to the further downgrade of

credit ratings, but also ramify throughout the global economy especially that of the United States which has delicate financial relations with E.U. It is predicted that the U.S. economy should remain its status quo; while the unemployment rate would still remain high. Despite the vigorous economic growth of developing countries that play a significant role in driving the world's economic recovery, the global investments and trading still rely heavily on the economic conditions of E.U. and U.S.

The global economic outlook is, therefore, believed to restrain or grow sluggishly and vulnerably due to several associated factors—inflation rate, rise of oil price, fluctuation of consumer goods, and unemployment rate, for instance.

For Thailand, the country's tourism and hospitality industry have apparently been affected by the global economic crisis. As for 2012, the country has nevertheless shown positive signs of improvement as can be seen by the increasing number of international tourist and investor arrival which helps boost the consumption demands of products and services for export sector and tourism industry eventually. Consequently, it is forecasted that Thailand's hospital industry will grow more steadily next year.

◆ Risk from Natural Disasters

Natural disasters such as storm, flood and earthquake cause direct impacts to the country's hospitality and tourism industry especially during the past few years where the effects of such act of god have become detrimental and less predictable. In light of this, the Company has entered into global liability insurance policy with solid and well-known insurance companies to cover all possible damages to the customers worldwide (Third Party Liability). In addition, the company has also been covered by business interruption insurance which ensures that the company will receive sufficient compensation once the business is interrupted. Moreover, the Company has established Insurance Committee responsible for considering issues related to insurance policies such as, terms/conditions and premium on a yearly basis as well as for pondering insurance issues before proposing for further approval. The Company has also set up risk mitigating measures, for instance, emergency drills and emergency policy, for all hotels.

In the past, in case of properties damage and loss which caused business interruption by natural disaster, the Company has received appropriate reimbursement from the insurance company.

◆ Risk from Thailand's Economy

In 2012, Thailand's tourism industry has quickly and steadily revived after the repercussion of inland flooding during the end of third quarter to the fourth quarter of 2011. Despite the remaining impacts of severe flooding, the lessening political vulnerability has greatly contributed to the country's economic growth.

Thai tourism industry, likewise, saw a rapid and continuous rebound as can be seen by the increasing tourist arrivals as well as the growing number of international flights to Thailand, not to mention several direct routes to well-known tourist destinations in the major provinces of Thailand.

In spite of such positive signs, the Company and its subsidiaries are well aware of this risk and have consequently adjusted its marketing strategies and diversified risk by seeking of new revenue resources in different destinations to ensure that our business expansion is not clustered in the same areas.

Interest Rate Risk

As of 31 December 2012, the Company and its subsidiaries have current liabilities with financial institutions, worth of Bath 1,978 million and are inclined to make further loan for renovation projects and new investment projects. This means that the Company may have potential risks caused by the fluctuation of interest rate in the future. If so, it will subsequently have a direct impact upon the company's performance and cash flow.

In addition, in search of new financial resources, the company, with the resolution arrived in Shareholder Meeting, has approved the issuance of debenture worth in total of Bath 5 billion (5,000,000,000) which the Company can determine the fixed rate of interest under the agreed term. This will help the company in managing risk from the fluctuation of interest rate.

However, the Company has also been mitigating this risk by not allowing the ratio of Debt to Equity to exceed 1:1. This is to help reduce the company's burdens for both interest payment and principle repayment.

◆ Exchange Rate Risk

Since the company has generated part of its revenue from overseas properties such as Philippines, the Republic of the Maldives and other managed hotels, the company is prone to encounter exchange rate risk. This is because the company enters into management agreement and marketing agreement which stipulates that management fee shall be paid in US Dollar only;

whereas, some room selling contracts, room payment and package payment can be paid in other currencies such as Pound, Yen and Euro etc. Also, rooms sold via website are quoted in US Dollar. Consequently, in a case where Thai currency is appreciated, it will result in the decrease of the company's revenues.

However, there is no significant impact caused by such risk since the main revenues of the company and its subsidiaries are still Thai currency. Nevertheless, whenever the company foresees the greater impact this risk would have on the company's revenues, the company shall consider employing financial derivatives to cope with such risk.

As for loans in other foreign currencies which might be affected by the fluctuation in exchange rate, there shall be no impact to the company as the source of revenues to be paid for such loan is in the same currency.

Subsidiary and Associated Companies

Subsidiary and associated companies of which the Company held direct and indirect more than 10% of total paid-up shares.

| No. | Name | Percentage of share holding | Nature of Business | Paid up Capital (Million Baht) | Shares | | | Address |
|-----|--|-----------------------------|----------------------|---------------------------------------|-----------------|--------------------|-------------------------|---|
| | | | | | Category | Amount (Shares) | Par per share (Baht) | |
| 1. | Dusit Thani Properties Co.,Ltd. (Formerly Dusit Thani International Co., Ltd.) | 99.99 | Holding Company | 800 | Ordinary shares | 80,000,000 | 10 | 946 Dusit Thani Building, 5 th Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel. +66 (0) 2200-9999 Fax. +66 (0) 2636-3545 |
| 2. | Philippine Hoteliers, Inc., held by Dusit Thani Properties Co.,Ltd. Remark * Excluding Treasury Preferred Shares | 88.01 | Hotel | Peso 365 mn.* | Ordinary shares | 3,648,701* | Peso 100 | 3 th Floor., Dusit Thani Manila , Ayala Center, Makati City 1223 Metro Manila, Philippines Tel. (632) 867-3333 Fax. (632) 867-3888 |
| 3. | Dusit Thai Properties Plc. is held by - Dusit Thani Plc. - Dusit Thani Properties Co., Ltd. | 2.75 84.05 | Hotel and Management | 825 | Ordinary shares | 82,500,000 | 10 | 946 Dusit Thani Building, 5 th Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel. +66 (0) 2200-9999 Fax. +66 (0) 2636-3545 |
| 4. | Dusit Worldwide Co., Ltd. | 99.99 | Management | 50 | Ordinary shares | 5,000,000 | 10 | 946 Dusit Thani Building, 3 rd Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel. +66 (0) 2200-9999 Fax. +66 (0) 2636-3630 |
| 5. | Dusit Overseas Co., Ltd. is held by Dusit Worldwide Co., Ltd. | 100.00 | Management | HKD 33,000 | Ordinary shares | 33,000 | HKD 1 | Suite 3001-022,30/F, Great Eagle Center, 23 Harbour Rd Wanchai, Hong Kong. |
| 6. | Devarana Spa Co., Ltd. | 99.99 | Spa | 8 | Ordinary shares | 800,000 | 10 | 946 Dusit Thani Building, 9 th Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel. +66 (0) 2200-9999 Fax. +66 (0) 2233-1655 |

| No. | Name | Percentage of share holding | Nature of Business | Paid up Capital (Million Baht) | Shares | | | Address |
|-----|--|-----------------------------|--------------------|---------------------------------------|---|--------------------|-------------------------|--|
| | | | | | Category | Amount (Shares) | Par per share (Baht) | |
| 7. | Le Cordon Bleu Dusit Co., Ltd. | 49.99 | Cooking School | 40 | Ordinary shares Preferred Shares | 399,999 1 | 100 100 | 946 Dusit Thani Building, 1 st Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel. +66 (0) 2237-8877 Fax. +66 (0) 2237-8878 |
| 8. | Dusit Bird Hotels Pvt. Ltd. by Dusit Thani Plc. | 50.00 | Management | Rs. 5 mn. | Ordinary shares | 500,000 | Rs 10 | E-9, Connaught House, Connaught Place, New Delhi – 110001, Delhi, INDIA |
| 9. | Dusit Management Co., Ltd. | 99.99 | Hotel Operation | 4 | Ordinary shares | 400,000 | 10 | 946 Dusit Thani Building, 5 th Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel. +66 (0) 2200-9999 Fax. +66 (0) 2636-3545 |
| 10. | Dusit Thani Freehold and Leasehold Property Fund | 30.02 | Property Fund | 4,094 | Unit Trust | 409.40 | 10 | M, G and 10 th Floor, Q House Sathorn Building, 11 South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120 |
| 11. | DMS Property Investment Private Limited held By Dusit Thai Property Plc. | 55.00 | Hotel Operation | USD 38.5 mn. | Ordinary shares | 38,500,000 | USD 1 | Level 2, Orchid Maage', Ameer Ahmed Magu, Male', Maldives |
| 12. | Dusit USA Management Inc. | 100.00 | Management | USD 40,000 | Ordinary shares | 40,000 | USD 1 | 2711 Centerville Road, Suite 400, in the City of Wilmington, Country of New Castle, 19808, State of Delaware, U.S.A. |

Shareholders and Management's Structures

Shareholders' Structure

Structure and detail of major shareholders as of March 31, 2012 are as follows:

| Name | No. of shares | % |
|--|-------------------|--------------|
| 1. Thanpuying Chanut Piyaoui and related persons | 42,439,833 | 49.93 |
| 2. MBK Hotels and Resorts Company | 9,920,500 | 11.67 |
| 3. PIONEER INETWORK LIMITED | 8,765,072 | 10.31 |
| 4. Thai Life Insurance Company Limited and related persons | 4,593,708 | 5.40 |
| 5. Mr. Chatri Sophonpanich and related person | 4,383,939 | 5.16 |
| 6. Thai NVDR Company Limited | 2,598,233 | 3.06 |
| 7. Mrs. Jarunee Chinwongworakul | 2,000,300 | 2.35 |
| 8. Mr. WANG KONG-WEI | 1,950,000 | 2.29 |
| 9. Prospack International Company Limited | 834,900 | 0.98 |
| 10. CHASE NOMINEES LIMITED 42 | 508,500 | 0.60 |
| Total | 77,994,985 | 91.76 |
| Other Minor Shareholders | 7,005,015 | 8.24 |

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

Thanpuying Chanut Piyaoui and related persons consist of Chanut and Children Co., Ltd., group of Mr. Chanin Donavanik, group of Mrs. Sinee Thienprasiddhi and group of Mrs. Sunong Salirathavibhaga.

Thai Life Insurance Co., Ltd. and related persons consist of V.C. Property Co., Ltd., and Mr. Winyou Chaiyawan

Mr. Chatri Sophonpanich and related person consist of Mrs. Savitri Ramyarupa

Management's Structure

Management structure consists of Board of Directors and 4 committees which are Audit Committee, Nomination Committee, Compensation Committee and Executive Committee. The Managing Director is the top executive of the Company who manages the Company through the executives which summarize as follows:

1. Board of Directors

As of December 31, 2012 the Company had General Prem Tinsulanonda as a Chairman Advisor, Mr. Khwankeo Vajarrodaya and Mr. Banterng Tantivit as Advisor to the Board of Directors.

The Board of Directors of the Company consists of 11 directors as follows:

| No. | Name | Position | No. of meetings attended in 2012 |
|-----|---------------------------------|---|----------------------------------|
| 1. | Thanpuying Chanut Piyaoui | Honorary Chairperson and Director | 7/9 |
| 2. | Mr. Chatri Sophonpanich | Chairman | 8/9 |
| 3. | Pol.Lt. Chatrachai Bunya-Ananta | Director | 8/9 |
| 4. | Mrs. Varang Chaiyawan | Director | 9/9 |
| 5. | Mr. Kenneth Korsirisophon | Director | 3/9 |
| 6. | Mr. Chanin Donavanik | Director / Managing Director / CEO | 9/9 |
| 7. | Mrs. Sinee Thienprasiddhi | Director / Secretary to the Board of Director / Company Secretary | 9/9 |
| 8. | Professor Hiran Radeesri | Independent Director / Audit Committee Chairman / Nomination Committee Chairman / Compensation Committee Chairman | 9/9 |
| 9. | Professor Sansern Kraichitti | Independent Director / Audit Committee Member / Nomination Committee Member/ Compensation Committee Member | 9/9 |

| | | | |
|-----|-----------------------|--|-----|
| 10. | Mr. Sakdi Kiewkarnkha | Independent Director / Audit Committee Member / Nomination Committee Member/ Compensation Committee Member | 8/9 |
| 11. | Mr. Soradis Vinyaratn | Independent Director | 8/9 |

Shareholding of Director and related party at December 31, 2011 comparing with December 31, 2012

| Dusit Thani Public Company Limited | | | | | | | | |
|------------------------------------|---------------------------------|---|-----------|-----------------------|------------|------------|------------|------------------------|
| No. | Name | Shareholding | | | | | | |
| | | Held by himself/herself | | Held by Related Party | | Total | | Increase (Decrease) |
| | | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | |
| 1 | Thanpuying Chanut Piyaoui | - | - | 42,439,833 | 42,439,833 | 42,439,833 | 42,439,833 | - |
| 2 | Mr. Chatri Sophonpanich | 4,373,866 | 4,362,866 | 10,073 | 10,073 | 4,383,939 | 4,372,939 | 11,000 |
| 3 | Pol.Lt. Chatrachai Bunya-Ananta | - | - | - | - | - | - | - |
| 4 | Mrs. Varang Chaியawan | - | - | 2,194,508 | 4,593,708 | 2,194,508 | 4,593,708 | (2,399,200) |
| 5 | Mr. Kenneth Korsirisophon | - | - | 8,765,072 | 8,765,072 | 8,765,072 | 8,765,072 | - |
| 6 | Professor Hiran Radeesri | - | - | - | - | - | - | - |
| 7 | Professor Sansern Kraichitti | 5,406 | 5,406 | 61,660 | 61,660 | 67,066 | 67,066 | - |
| 8 | Mr. Sakdi Kiewkarnkha | - | - | - | - | - | - | - |
| 9 | Mr. Soradis Vinyaratn | - | - | - | - | - | - | - |
| 10 | Mr. Chanin Donavanik | Included in Thanpuying Chanut Piyaoui’s group | | | | | | |
| 11 | Mrs. Sinee Thienprasiddhi | Included in Thanpuying Chanut Piyaoui’s group | | | | | | |
| | Total (Share) | 4,379,272 | 4,368,272 | 53,471,146 | 55,870,346 | 57,850,418 | 60,238,618 | (2,388,200) |

Authorized Directors

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

Authorities and Responsibilities of Board of Directors

1. Approve the appointment and the remuneration of the Managing Director or CEO and the top executives of the Company and subsidiaries 4 level counted from Managing Director or CEO.
2. Annual evaluation of the CEO
3. Consider and approve the organizational structure and management of the Company and its subsidiaries
4. Determine the strategies, directions and objectives of the Company including its investment policies
5. Consider and approve the annual operating budget, capital expenditure budget and investment projects of the Company and its subsidiaries
6. Follow up the operating results and financial status of the Company and its subsidiaries
7. Consider and approve the related transactions and conflict of interest relating to the purchase or disposal of assets according to the regulation of the Stock Exchange of Thailand (SET)
8. Consider and approve the issues of contingent liabilities, commitments and guarantees of the Company and its subsidiaries
9. Consider any dispute and litigation of the Company and its subsidiaries
10. Consider and approve annual manpower plan, annual bonus payment and salary adjustment of the Company and its subsidiaries
11. Consider and approve the agreement on purchasing, hiring, servicing, renting, and leasing which is not included in the annual budget with exceeding value of Baht 5 million
12. Consider the purchase of the out-of budget items which value more than Baht 5 million, and the over budget expenses exceeding 10% of approved value
13. Consider on renting and leasing assets for a period over 3 years
14. Consider and approve on Quarterly Financial Statements, Annual Financial Statements, Annual filing Forms 56-1 and 56-2, etc. according to the regulation of the SET and the Securities and Exchange Commission (SEC)

15. Consider and determine the responsibilities and authorities of Audit Committee and other committees
16. Propose the appointment of external auditors and audit fees in the Shareholders' Meeting in accordance with Audit Committee's recommendation
17. Propose the director whose tenure will end and the new director in the Shareholders' Meeting
18. Propose the meeting attendance remuneration, bonus for Board Members as well as dividend payment to shareholders
19. Consider and approve on any matters presented by Executive Committee including all matters required by law to present to the Board
20. The Board meeting shall be held minimum 4 times a year with at least 50% of attendants
21. Board of Directors may assign a director or any other persons to take action or have authority for the Board within an acceptable period of time, under the Board's consideration. The Board may abrogate, change or revise the assigned person as appropriate, except for the acquisition and purchase of asset which shall follow the regulation of the Securities and Exchange Commission and the Stock Exchange of Thailand

However, the Board may authorize the Executive Committee to process other assignments within their scope of responsibilities. The authorization shall not involve with any personal issues, interests or other benefits relating to the Company or subsidiary companies, unless the issues reviewed and approved under the objectives and principles of the Board
22. Any directors whose interest relating to the issue shall not be entitled to vote and shall leave the meeting
23. Director shall perform their duties with responsibility, cautious and honesty inclusive of conforming to the law, Company's Objectives, Company's Articles of Association, The Board of Directors Resolution and Shareholders Resolution
24. Director shall perform their duties with responsibility, cautious as an responsible man who are the same kind of business operator will perform under the same situation
25. Director shall report to the Company regarding their interest or concerned person which related to Company business or subsidiary according to regulation, condition and method that announced and specified by the Capital Market Supervisory Board

26. Director shall provide Company Secretary to be responsible and perform as follows:

- (1) Provide and document storage
 - (a) Director Registration
 - (b) Invitation for The Board of Directors Meeting, Minutes of the Board of Directors Meeting and Company's Annual Report
 - (c) Invitation for The Annual General Meeting of Shareholders and Minutes of The Annual General Meeting of Shareholders
- (2) Storage of interest report which reported by Director or Management
- (3) To perform any other duties according to the Capital Market Supervisory Board Notification
- (4) Any other responsibilities other than the responsibility according to the law, conforming with Chairman Statement

In the event that the Company Secretary is removed or being an incompetent person, the Board of Directors shall appoint the new Company Secretary within 90 days from the date of such removal or become an incompetent person as 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.

Chairman shall inform the name of Company Secretary to the office within 14 days from the date that provide responsible person of that position inclusive of informing the document storage place according to Section (1) and (2)

The Appointment and Termination of the Company's Directors

1. The Board shall be appointed in the annual general shareholders meeting which consist of at least 6 members, but not more than 19 members. At least 50% of the total must have residency in the Kingdom of Thailand.

2. The shareholders will elect the candidate directors who has the appropriate qualification which already selected by the Nomination Committee. The process of election is as follows:

- (a) By electing either individual vote or group vote up to the number of the directors to be elected.
- (b) Each shareholder shall receive the vote pursuant to the number of all shares of such shareholders and casting the vote as mentioned in (a), but cannot separate more or less for any candidates.

- (c) After the vote, the candidates shall be ranked in order descending from the highest number of votes received to the lowest until up to the number of directors to be elected.
 - (d) In case that there is the same votes for the following candidates which over the number of directors to be elected, the Chairman in the Meeting is entitled to have the casting vote.
3. At every annual general meeting, one-third of directors shall retire. If the number of directors cannot be one-third, the number of director closest to one-third shall retire.
4. The Meeting of the Shareholders may resolve to vacate any director before the end of office term of such director by the vote of three-fourth of the number of the shareholders who attended the Meeting and is entitled to vote and all shares shall not be less than half of shares held by the shareholders who attended and be entitled to vote.
5. In case that any director want to resign, he should submit the resigning letter to the Company which will be effective from receiving date.

Independent Director

Independent Directors consists of the following persons.

1. Professor Hiran Radeesri
2. Professor Sansern Kraichitti
3. Mr. Sakdi Kiewkarnkha
4. Mr. Soradis Vinyaratn

Qualifications of Independent Director are as follows:

1. Shall not hold more than 1% of total shares with voting rights of the company, parent company, subsidiary company, associated company or juristic person that may conflict, including shares held by the connected person.
2. Shall neither be the director involving in the management, staff, employee, consultant who receive regular salary, nor a person having control power over the company, parent company, subsidiary company, associated company, subsidiary company in the same level or a juristic person that may conflict (at present and two years prior to the appointment).
3. Shall neither be a blood relationship nor relationship from registration in the nature of parent, spouse, brother/sister, child including child's spouse with the executives, major shareholders or controlling person or a person who will be nominated to be the executive or the controlling person of the company or subsidiary company.

4. Commercial relationship with the company

(a) Nature of the relationship

- Relationship in the nature of professional service
 - Nature of relationship: auditor and other professional service e.g. legal consultant, financial advisor, and property appraiser.
 - Significant level of non-independence
 - In case of auditor: prohibited in all case
 - In case of other professionals: value of transaction more than Baht 2 million per annum
- Commercial and business relationship (shall be applicable with the same rule of the Stock Exchange of Thailand in relation to connected transactions)
 - Nature of relationship: include all business transactions i.e. normal transaction, lease/lease out of immovable property, asset/service related transactions and providing support or receiving the financial assistance transactions.
 - Significant level of non-independence: transaction value in equivalent to or more than THB 20 million or in equivalent to or more than 3% of NTA (Net Tangible Asset) of the company whichever the amount is lower provided that the consideration of transaction value shall include the transactions occurred during six (6) months prior to the date of transaction at this time.

(b) In case of relationship in Clause (a) with a juristic person, the person who shall be deemed not independent is the major shareholders, director (except independent director and audit committee) and the executive or partner of such juristic person.

(c) Prohibited duration of relationship under Clause (a) and (b): at present and 2 year prior to the appointment.

(d) Exemption: In case of emergency and reasonable manner which is not regular and continual, the independent director / audit committee may have a relationship beyond the significant level prescribed during his position period. However, this exemption is required to be approved by the Board of Directors of the company with the unanimously resolution. Furthermore, the company is required to disclose the foregoing relationship of such director in the filing form for offering to sell the securities (Filing Form), Annual Disclosing Form (Form 56-1), and Annual Report (Form 56-2) of the company. Subsequently, if the company will nominate such

independent director / audit committee to hold his post again, the company shall disclose details of the said relationship in the notice to convene the shareholders meeting in the agenda of appointing the director.

5. Shall not be a director who is appointed as a representative of the director of the company, major shareholders or the shareholders who are the connected person of the company's major shareholders.
6. Shall have no other characteristic in which unable to provide the opinion independently.
7. The independent director who has the qualifications under Clause 1-6 may be assigned by the Board of Directors to make a decision, in business of the company, parent company, subsidiary company, associated company, subsidiary company in the same level or juristic person which may conflict, in terms of collective decision.

In case of independent director also be independent director in the parent company, subsidiary and company in the same level. The Company shall disclose the information of such holding position and total compensation which independent director received by filing in form of 56-1 and 56-2.

Criteria of Independent Director Selection

In the selection of Independent Director to be defined by Nomination Committee which considered from qualification and experience, also will not contradict with the Securities and Exchange Commission Notification. After passing the consideration from Nomination Committee, it will be proposed to the Board of Directors to agree and proposed for shareholders approval.

2. Audit Committee

The Audit Committee was formed on June 24, 1999 by 3 independent directors which each person has 3 years term.

The names and details of Audit Committee's members in year 2012 are as follows:

| No. | Name | Position | Meetings attendance (No.) |
|------------|------------------------------|---------------------------------|----------------------------------|
| 1. | Professor Hiran Radeesri | Chairman of the Audit Committee | 10 / 10 |
| 2. | Professor Sansern Kraichitti | Audit Committee Member | 10 / 10 |
| 3. | Mr. Sakdi Kiewkarnkha | Audit Committee Member | 10 / 10 |

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

Professor Hiran Radeesri and Mr. Sakdi Kiewkarnkha have adequate expertise and experience to review creditability of the financial reports

The Board of Directors Meeting No. 1/2009 held on February 25, 2009 had approved the Audit Committee Charter as follows:

1. Composition and Qualification

Audit Committee will consist of three persons which are one Audit Committee Chairman and two Audit Committee Members. Those appointed persons must be independent with full qualifications as specified by SEC. One member at least must have sufficient acknowledge and experience for reviewing the reliability of financial reporting. Moreover, one secretary shall be appointed as suitability.

2. Duties and Responsibilities

1. To review the accuracy and adequacy of the Company's financial reporting.
2. To ensure that the Company has an effective internal control system and internal auditing in place and also ensure the independency of the Internal Audit Department and to approve the appointment, transfer, termination or promotion of the head of Internal Audit Department or other relating Internal Auditing.
3. To review the Company's compliance with the Securities and Exchange Commission Act, the SET notifications & regulations, and the relevant laws relating to the Company's business.
4. To consider, select, nominate, and recommend the Company's external auditor and its remuneration and to participate in the meeting with the external auditor without the Company's management at least once a year.
5. To ensure that the related transactions or transactions that may lead to conflict of interest has been done in compliance with the laws and the SET notifications & regulations so as to ensure that they are justified and contribute to the best interest of the Company.
6. To review an adequacy of the Company's Risk Management processes.
7. To report the Audit Committee's performance to Board of Directors at least quarterly.
8. To prepare the Audit Committee's report and disclose it in the annual report of the Company and signed by the Chairman of the Audit Committee in such a report. Such report should contain at least the following details:
 - 8.1 Comment on the accuracy, adequacy and reliability of the Company's financial report.

- 8.2 Comment on the adequacy of the Company's internal control system.
- 8.3 Comment on the compliance with the SEC Act, the SET's notifications or relevant laws related to the Company's businesses
- 8.4 Ground to believe that the Company's external auditor nominated by the Audit Committee is suitable
- 8.5 Comment on transactions that may lead to conflict of interest
- 8.6 The frequency of Audit Committee meeting and the participation of each members
- 8.7 Overview comments and notices on the Company which the Audit Committee obtains from the duties according to this charter
- 8.8 Any other report which should be made to the shareholders and general investors within the scope of duties and responsibilities assigned by Board of Directors
- 9. To perform any other duties assigned by Board of Directors.
- 10. If Audit Committee finds any matter which has material impact on the financial status and the Company's performance, the committee shall report such finding to Board of Directors so that the Board can seek a solution within timely manner:
 - 10.1 Report on conflict of interest
 - 10.2 Suspected or presumed fraud or irregularity or material defect in the internal control system
 - 10.3 Suspected infringement of the SEC Act, the SET notifications & regulations, or relevant laws related to the Company's business

If the Audit Committee finds that such finding has been unreasonably ignored, any member of the Audit Committee may report such finding to the Office of the SEC or the SET.
- 11. If external auditor has reasonable doubt that Board, Management or any other responsible persons for the Company's performance violate the laws and report to Audit Committee to urgently investigate, the Committee must primarily report investigating results to the office of SEC and external auditor within 30 days since the day acknowledged. The method to pursue the facts of such behavior as mentioned will be in accordance with Capital Market Supervision's prescription.

3. Authority

- 1. The Audit Committee can invite the Board member, management, manager or any relevant employee to discuss or answer the matter being audited.

2. The Audit Committee is also authorized to hire or bring in specialists to assist with their mission, as, it deemed appropriate.

4. Term

Term of the Audit Committee member is 3 years. Each member shall be in post no longer than 3 terms except getting a special approval by Board of Directors.

If any the Audit Committee member is unable to hold office until expiration of the term of service in any other circumstance, Board of Directors should appoint a new qualified member to fill up the vacancy. The replaced member shall hold the position for remaining term of the former member.

The Audit Committee regularly scheduled the meeting in the year 2012 and the performance also occasionally report. Audit Committee provides the opinion to Director concerning the internal control inclusive of consideration of the auditor and fixes the remuneration for the year 2012.

3. Nomination Committee

The Nomination Committee was set up on May 14, 2002 which all members are independent directors and each person has 3 years term.

The names and details of Nomination Committee's members in year 2012 are as follows:

| No. | Name | Position | Meetings attendance (No.) |
|-----|------------------------------|----------------------------------|------------------------------|
| 1. | Professor Hiran Radeesri | Nomination Committee Chairman | 1/ 1 |
| 2. | Professor Sansern Kraichitti | Nomination Committee Member | 1/ 1 |
| 3. | Mr. Sakdi Kiewkarnkha | Nomination Committee Member | 1/ 1 |

Mrs. Jongkonnee Chantavorakit,, Vice President Headquarter in Finance and Accounting, is the Secretary of Nomination Committee.

Authorities and Responsibilities of Nomination Committee

1. Consider organizational structure and component of the Board of Directors of the Company and its subsidiaries
2. Consider the lists of qualified persons to be appointed as Director of the Company and its subsidiaries
3. Consider and determine qualified persons to be appointed as Managing Director and top executives of the Company and successors

In 2012, the Nomination Committee held the meeting and submitted their report to the Board of Directors.

4. Compensation Committee

The Compensation Committee was set up on May 14, 2002 which is all independent directors and has 3 years term for each person.

The names and details of Compensation Committee's members in year 2012 are as follows:

| No. | Name | Position | Meetings attendance (No.) |
|-----|------------------------------|---------------------------------|---------------------------|
| 1. | Professor Hiran Radeesri | Compensation Committee Chairman | 7/7 |
| 2. | Professor Sansern Kraichitti | Compensation Committee Member | 7/7 |
| 3. | Mr. Sakdi Kiewkarnkha | Compensation Committee Member | 7/7 |

Mrs. Jongkonnee Chantavorakit, Vice President Headquarter in Finance and Accounting, is the Secretary of Compensation Committee.

Authorities and Responsibilities of Compensation Committee

1. Consider remuneration for the Board of Directors and Sub-Committees of the Company and subsidiary companies, both in the form of cash and non-cash
2. Consider remuneration for the top Executives of the Company and subsidiary companies, both in the form of cash and non-cash
3. Consider policies and procedures for the top executive's annual remuneration.

In 2012, the Compensation Committee held the meetings and submitted their report to the Board of Directors.

5. Executive Committee

Names and positions of Executive Committee as of December 31, 2012 are as follows:

| No. | Name | Position |
|-----|---------------------------------|--|
| 1. | Thanpuying Chanut Piyaoui | Advisor to Executive Committee |
| 2. | Mr. Chatri Sophonpanich | Advisor to Executive Committee |
| 3. | Mr. Chanin Donavanik | Executive Committee Chairman |
| 4. | Mrs. Sinee Thienprasiddhi | Executive Director / Company Secretary |
| 5. | Pol.Lt. Chatrachai Bunya-Ananta | Executive Director |
| 6. | Mr. Khampi Suwanarat | Member |

Mrs. Jongkonnee Chantavorakit, Vice President Headquarter in Finance and Accounting, is the Secretary of Executive Committee.

Authorities and Responsibilities of Executive Committee

1. Issues required to be presented to the Board of Directors

1.1 Executive Committee shall consider the following items in order to propose to Board of Director for approval

1.1.1 Strategies, Goals and Policy of the Group

1.1.2 Investment Project, Operation Budget and Capital Expenditure

1.1.3 Annual workforce plan,

1.1.4 Annual bonus and Annual Salary increase

1.1.5 Any legal implications including disputes, litigation and suggestions and procedures

1.2 The Executive Committee shall report the following items inclusive providing advice in order to inform Board of Director

1.2.1 Operating Results and Financial Status of the Group

1.2.2 Examine, Prepare and Conclude on important issues

2. Issues to be approved by the Executive Committees

The Executive Director shall has authorize in consideration the following items:

2.1 Appointment, Termination and Consideration of remuneration of management executives in the Directorial Level (Corporate/Group Manager)

2.2 Management Structure and framework under the Executive Level

2.3 Consideration and Supervision on operational management in accordance with the Strategies, Goals and Policy of the Company within the approved budget

2.4 Any purchasing, hiring, servicing which is not included in the annual budget with the value not exceed Baht 5 million per one time of the Board of Directors Meeting

2.5 Contract Signing for management agreement

2.6 Asset Purchasing, excluding the budget with the value not exceeding Baht 5 million and the over budget expense that is within 10% of the approved budget per one time of the Board of Directors Meeting

2.7 Renting or Letting of assets which is land, building, office and store that is not operating normally and not included in the annual budget that is not over 3 years and has the value of the renting or letting within the limit not exceed of Baht 15 million per year per person.

2.8 All issues raised by management team

3. Submit details and principles of the Board Committee meeting attendance, remuneration and bonus as well as dividend payment to Shareholders to the Compensation Committee
4. Proceed on the assigned issues from the Board of Directors and the Audit Committee
5. Executive Committees' meeting shall be held at least 6 times a year. The quorum shall have Executive Committees at least 50% of the total number;

Term

Executive Committee will be removed from the position according to following condition

1. Remove from Director or Management of the Company
2. Submit a letter of resignation
3. The Board of Directors passes the resolution to discharge

If any committee member is unable to hold office, the Board of Directors should appoint a new qualified member to fill up the vacancy.

Besides of Executive Committees, the Company also set up the special management committee to consider and manage in particular matters in order to have the best appropriateness, effectiveness and efficient to the Company. Such management committees are as follows:

- Management Committee
- Risk Management Committee
- Spa Executive Committee
- Project Renovation Committee
- Legal Committee
- IT Committee
- Accounting and Finance Committee
- TS/Design Committee
- Marketing Committee
- HR Committee
- Investment and Development Committee
- Investor Relation Committee
- Corporate Social Responsibility Committee

6. Company Secretary

The Board of Directors Meeting No.4/2008 held on August 11, 2008 had approved the appointment Mrs. Sinee Thienprasiddhi as a Company Secretary with the following manners:

1. Duties and responsibilities by the law

1.1 To provide and file the document as following to comply with the law

(a) Director Registration

(b) Invitation for the Board of Directors Meeting, Minute of the Board of Directors Meeting and Company's Annual Report

(c) Invitation for The Annual General Shareholders Meeting and Minutes of The Annual General Meeting of Shareholders

1.2 File interest transaction report which reported by Director or Management

1.3 To perform any other duties according to the Capital Market Supervisory Board Notification

1.4 To perform any other duties according to Public Limited Companies Act and Securities and Exchange Act

1.5 To perform the duties with responsibility, cautious and honesty inclusive of performing according to the law, Company Objective, Company's Articles of Association, The Board of Directors Resolution and the Shareholders Resolution.

2. Duties and responsibilities to The Board of Directors

2.1 To provide report of interest which report by the Director or Management and propose to Chairman and the Board of Directors according to the regulation of the Securities and Exchange Commission and the Stock Exchange of Thailand.

2.2 Report to the Board of Directors regarding new law which concerns the company business including additional item, regulation and notification of the Securities and Exchange Commission and the Stock Exchange of Thailand and report to the Chairman of Audit Committee within 7 days from document receiving date and file that document as evidence.

2.3 Monitor Directors to perform their duties and has the resolution to comply with the law, regulation and notification of the Securities and Exchange Commission and the Stock Exchange of Thailand.

2.4 To provide guidance and support in working performance to Directors as individual and group, especially Directors who are not executives for performing their appropriate duties inclusive of purpose the appropriate training and seminar to Directors.

2.5 Monitor and coordinate with Directors and Subcommittee to receive the information for their consideration and decision, gathering and screening the document of the Board of Directors Meeting in order to comply with the good governance and suggests the point which Directors need to propose to Chairman.

- 2.6 Coordinate with Chairman and Managing Director in order to provide the agenda for the Board of Directors Meeting.
- 2.7 To provide accuracy share or securities holding report of Directors according to the regulation of Securities and Exchange Commission and summarize to the Board of Directors in the agenda of the matter for acknowledgement.
- 2.8 To perform any other duties assigned by the Board of Directors.

3. Duties and responsibilities to Management

- 3.1 Follow up with the Management performing the resolution and suggestion of the Board of Directors.
- 3.2 Monitor and follow up with the Management performing according to the law and regulation concerning company business.
- 3.3 Monitor and follow up with the Management performing with business morality or ethics and good governance policy.
- 3.4 To provide share or securities holding report of the Executive according to the regulation of Securities and Exchange Commission and the Stock Exchange of Thailand.

4. Duties and responsibilities to Shareholder

- 4.1 To communicate and provide the appropriate information to shareholder of the company according to the regulation
- 4.2 To take care of shareholders to receive the equal performance from the company with convenience and fast.
- 4.3 Being a center in contacting with various institutes and minor investors, especially concerning with the good governance matter.

5. Others

- 5.1 Monitor and prepare shareholders meeting to be compliance with the law, accuracy and transparency.
- 5.2 Coordinate with the Board of Directors and Management for the preparation of shareholders' meeting agenda.
- 5.3 Being center for communication, information and news among the Board of Directors, Management, Shareholders, Securities and Exchange Commission and Stock Exchange of Thailand including the relevant organization.

Term

In the event that the Company Secretary is removed or being an incompetent person, the Board of Directors shall appoint the new Company Secretary within 90 days from the date of such removal or become an incompetent person of such Company Secretary. The Board of Directors shall authorize one of any of directors to act on behalf based on temporary basis for such period of time.

7. Management Team

(Name and experience of each management referred in General Information)

| No. | Name | Position |
|-----|--------------------------------|---|
| 1. | Thanpuying Chanut Piyaoui | Honorary Chairperson and Executive Committee Advisor |
| 2 | Mr. Chanin Donavanik | Managing Director / Chief Executive Officer |
| 3 | Mrs. Sinee Thienprasiddhi | Executive Director / Company Secretary / Acting Chief Financial Officer |
| 4 | Mr. Khampi Suwanarat | Chief Operating Officer – Education |
| 5 | Mr. David Ian Shackleton* | Chief Operating Officer |
| 6 | Mr. Chamnarnsil Charnnarnkit** | Senior Vice President – Finance |
| 7 | Mrs. Jongkonnee Chantavorakit | Vice President - Headquarter in Finance and Accounting |
| 8 | Miss Warunee Anekritmongkol | Vice President - Hotel Accounting |
| 9 | Miss Amara Kulworasreth | Vice President – Company Secretary Office |
| 10 | Mr. Awmsin Manchakra | Vice President -Legal and Administration |
| 11 | Mr. Yudishtra Jeganathan*** | Vice President - Accounting & Finance (Hotel Division) |
| 12 | Mr. Alex Colin Willats | General Manager - Dusit Thani Bangkok |
| 13 | Mr. Chatchawal Supachayanont | General Manager - Dusit Thani Pattaya |

Remark: * *Appointed on May 3, 2012*
 ** *Appointed on May 18, 2012*
 *** *Appointed on April 19, 2012*

In 2012, executives who are not directors did not hold/purchase/sell the company's share.

Authorities and Responsibilities of Managing Director

1. Management

- 1.1 Set up Goal, Policy and Business Plan of the Company and propose to the Board of Directors to approve.
- 1.2 Supervise the corporate governance in accordance with the approved policy, business plan and budget to achieve the target and to increase shareholders' value by maximizing earning per share.
- 1.3 Authorized to take actions in following of objectives, regulations and procedure, policy, command, resolution of shareholders' meeting and/or resolution of the Board of Directors Meeting and/or of Executive Committee.
- 1.4 Meeting will be held at least once a month to follow up process.
- 1.5 Resolve the problems and provide suggestions to operation in case where monthly performance does not achieve the target.
- 1.6 Manage all operations under the Corporate Good Governance principles outlined by the Stock Exchange of Thailand

2. Accounting and Finance

- 2.1 Set Policy and Financial Plan of the Company with CFO as appropriate. Also oversee operational plans to ensure properness.
- 2.2 Set up appropriate accounting system and provide accurate financial reports.
- 2.3 CFO shall engage in producing financial analysis to assess the company performance.
- 2.4 Set up internal audit and risk management to reduce potential risks.
- 2.5 Consider annual budget of revenue and expenses, hotel renovation budget with CFO to be presented to the Board.
- 2.6 Consider all details concerned and approve asset purchasing, renovation projects in accordance with the budget approved by the Board of Directors.
- 2.7 Consider the over-budget purchasing that is within 10% of the approved budget to receive additional approval from the Board.
- 2.8 Approve direct operating expenses exceeding Baht 1 million but not over Baht 10 million with CFO.
- 2.9 Approve other non-operating expenses exceeding a hundred thousand Baht but not over Baht 5 million with CFO.

- 2.10 Approve any emergency purchasing and maintenance expenses limited to Baht 10 million a year.
- 2.11 Consider investment projects, budget, rate of return, risk management with CFO to foresee project feasibility with substantial rate of return.
- 2.12 Control and follow Public Company Limited Act, the regulations of the Stock Exchange of Thailand and other related announcements
- 2.13 Control revenue and expenses following the approved budget with CFO

3. Purchasing

- 3.1 Set up clear policy and transparent guidelines of purchasing including bidding, price comparison, and negotiation by Committees from other segments.
- 3.2 Monitor and verify the purchasing process by guidelines as determined.

4. Human Resources

- 4.1 Select the well-qualified and competent candidates for all executive levels.
- 4.2 Properly allocate management structure by assigning responsible persons and job descriptions.
- 4.3 Create leadership skills to executives at all levels.
- 4.4 Draw up the efficient Career Development Plan.
- 4.5 Set up employee's regulations relevant to the law of labor and the social welfare.
- 4.6 Consider the promotion of the executives.
- 4.7 Consider the termination of the executives by presenting to the Board of Directors for consideration.
- 4.8 Instruct working ethics to all executives and monitor the practice.

5. Marketing Policy

- 5.1 Plan in advance for policy and marketing strategy.
- 5.2 Set revenue target of the Company annually.
- 5.3 Set marketing scheme for sale promotions, advertising and public relations with private sector and government unit both domestically and internationally.
- 5.4 Set the competitive analysis for market share possibility.
- 5.5 Define new market channels for increasing market expansion.
- 5.6 Conduct marketing research on consumer behavior for the evaluation on weakness to satisfy customer's needs properly and correctly.
- 5.7 Coordinate with government sectors in terms of social contribution for promoting company's image.

6. Information Technologies

6.1 Conduct a study on integrated technology to improve the existing technology for the better customer service efficiency and further increased revenue.

6.2 To provide an internal proper use of Information Technology as specified by laws

7. Others

7.1 Consider in project investment and/or expand the company business and purpose to the Board of Directors for approval

7.2 Perform the duties assigned by Board of Directors

However, authority and function of Managing Director will not include the item which can conflict or the item of Managing Director or connected person has an interest or other benefit which conflict to the company or subsidiary company according to the regulation of the Stock Exchange of Thailand. The mentioned approval need to be purposed to the Board of Directors meeting and/or the Shareholders meeting for consideration and approval in order to comply with the company regulation and legal concern, except some approval for such transaction is to support the business with the normal course of business which clearly specified by Directors.

8. The Consideration of Directors and Management

Board of Directors has set up the Nominated Committee to nominate the management team and top management from hotel general manager up, by considering with the Company's principle and policy and work performance for each management.

9. Remuneration for Directors and Management

The Company has set up the fair and reasonable compensate to directors. The Compensation Committee will consider the remuneration by considering together with the appropriateness of work and responsibilities of each director, the Company's financial position and compare with other companies in the same level business. The remuneration for the year 2012 as follows:

1. Meeting Remuneration:

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

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

Remuneration to the sub-committee which are:

- Audit Committee: the monthly remuneration to the Chairman of the Audit Committee is Baht 30,000 and to other members is Baht 20,000 each.
- Nomination Committee and Compensation Committee, the timely remuneration to Chairman is Baht 10,000 and to other members is Baht 7,500 each.

2. Annual Remuneration: The annual remuneration to directors is considered and approved by the shareholders.

In 2012, the summary of remuneration received by each director was as follows:

| Director's names | Year 2012 (Baht) | | | | |
|-------------------------------------|--------------------|-----------|---------|--------------------|--------------------|
| | Board of Directors | | | Other committees * | Total Remuneration |
| | Remuneration | | | | |
| | Monthly | Timely | Yearly | | |
| 1. Thanpuying Chanut Piyaoui | 120,000 | 140,000 | 35,400 | - | 295,400 |
| 2. Mr. Chatri Sophonpanich | 180,000 | 160,000 | 70,800 | - | 410,800 |
| 3. Pol. Lt. Chatrachai Bunya-Ananta | 120,000 | 120,000 | 35,400 | - | 275,400 |
| 4. Mrs. Varang Chaiyawan | 120,000 | 135,000 | 35,400 | - | 290,400 |
| 5. Mr. Kenneth Korsirisophon | 120,000 | 45,000 | 35,400 | - | 200,400 |
| 6. Mr. Chanin Donovanick | 120,000 | 135,000 | 35,400 | - | 290,400 |
| 7. Mrs. Sinee Thienprasiddhi | 120,000 | 135,000 | 35,400 | - | 290,400 |
| 8. Professor Hiran Radeesri | 120,000 | 135,000 | 35,400 | 440,000 | 730,400 |
| 9. Professor Sansern Kraichitti | 120,000 | 135,000 | 35,400 | 300,000 | 590,400 |
| 10. Mr. Sakdi Kiewkarnkha | 120,000 | 120,000 | 35,400 | 300,000 | 575,400 |
| 11. Mr. Soradis Vinyaratn | 120,000 | 120,000 | 35,400 | - | 275,400 |
| Total | 1,380,000 | 1,380,000 | 424,800 | 1,040,000 | 4,224,800 |

Remark: Including Audit Committee, Nomination Committee, Compensation Committee and Executive Committee

(1) Remuneration for Board of Directors

| Remuneration | Amount (Baht) | |
|---------------------------------|------------------|------------------|
| | Year 2011 | Year 2012 |
| Monthly and timely remuneration | 3,762,500 | 3,800,000 |
| Annual remuneration | 424,800 | 424,800 |
| Total | 4,187,300 | 4,224,800 |

Remark: Excluding remuneration to Advisor to Board of Directors

In addition, the entertainment allowance is provided for each Director Baht 120,000 per year. In 2012, the actual entertainment spent by all directors was Baht 1,135,300.

(2) Remuneration for Executives

| Remuneration | Amount (Million Baht) | |
|------------------|-----------------------|--------------|
| | Year 2011 | Year 2012 |
| Salary and bonus | 35.37 | 46.03 |
| Other benefits | 7.18 | 6.74 |
| Total | 42.55 | 52.77 |

10. Corporate Governance

The Board of Directors has performed the company business under good corporate governance and has established the written guideline of Good Corporate Governance and Code of Conduct for the Board of Directors, the Executives and the Company's employees which have been approved since 2003.

At present, the Stock exchange of Thailand has amended the guideline of Good Corporate Governance. Thus, the Board of Directors Meeting No.6/2012 on August 9, 2012 approved the Good Corporate Governance and Code of Conduct for the Board of Directors, the Executives and the Company's employees (Revised) to govern the amended guideline. The details are below.

10.1 Policy on Corporate Governance

The Board of Directors has emphasized on the Good Corporate Governance which is necessary to operate the Company's business for sustainable growth, increasing transparency and competitive capability as well as creating trust and confidence to the shareholders, investors and stakeholders. Thus, the Board of Directors has determined the policies to promote the Good Corporate Governance which consist of the main principles as follows;

1. Rights of Shareholders
2. Equitable Treatment of Shareholders
3. Roles of Stakeholders
4. Disclosure and Transparency
5. Board Responsibilities

Key Definition

| Wording | Definition |
|------------------------|--|
| Managing Director | Chief Executive Officer (CEO)/ Managing Director (MD) |
| Executive Director | The Executive who is appointed as Director of the Company. |
| Non-Executive Director | The Company's Director who is not the Executive. |
| Independent Director | The Company's Director who is qualified by the law and independent to provide opinions to improve the performance of the Company's performance to be progressive, transparent and to have Good Corporate Governance. |
| Sub-Committee | The Subordinate-Committee is appointed by the Board of Directors and delegated to assist and determine specified work. |
| Audit Committee | The Sub-Committee is appointed by the Board of Directors responsible to oversee the efficiency and effectiveness of internal operation, to ensure the completeness, correctness and reliability of the Company's financial report and to disclose the correct important information to comply with international standard by having sufficient and standard internal control and internal audit systems. |
| Compensation Committee | The Sub-Committee is appointed by the Board of Directors to be responsible for consideration remuneration for the Directors and top Executives. |
| Nomination Committee | The Sub-Committee is appointed by the Board of Directors to be responsible for nominating persons to be Director and top Executive. |
| Company Secretary | The person is appointed by the Board of Directors to be responsible for preparing and keeping the inviting letter of the Meetings and Minutes of the Board of Directors' Meeting and Shareholders' Meeting, including other important documents filling as assigned or specified by the law. |

1) Rights of shareholders

All shareholders have equitable rights. In this regard, the Company shall support and facilitate shareholders to exercise their rights and shall not perform any action to infringe or lessen the rights of shareholders as follows:

1.1 All shareholders have the right to vote equivalent to the amount of shares possess and have basic rights such as the right to trade shares independently, receive dividend equally, attend the Shareholders' Meeting and express their opinions independently, participate in decision-making for important matters of the Company such as appointment of Director and Auditor, approval of Director's remuneration and significant transactions of the Company.

1.2 The Company has provided an opportunity to shareholders to vote for appointment of individual Director in order that shareholders can actually vote for each Director.

1.3 The Company has provided an opportunity to shareholders to propose an agenda in the Shareholders' Meeting, to nominate candidate for the Company's Director and to submit questions regarding an agenda of the Shareholders' Meeting, 3 months prior to the fiscal year-end date. The shareholders who would like to propose such matter shall hold or combine shares proportion not less than 4 percent of the Company's issued shares.

1.4 The Company has held the Annual General Meeting of Shareholders (AGM) within 4 months after end of the Company's fiscal year in proper date, time and location which the Company will send the notice of the meeting together with supporting documents containing accurate and sufficient information of the background, objectives and Directors' opinions regarding to the propose agenda and inform to shareholders not less than 14 days prior to the meeting.

In addition, in case that significant matter occurs during the year and requires resolution from the Shareholders' Meeting, the Company shall hold the Extraordinary General Meeting of Shareholders.

1.5 The Shareholders' Meeting Practices are as follows;

- Prepare shareholder registration by using bar code system which displays each shareholder's registration number in order to facilitate shareholders and expedite registration process.
- Allow the shareholders to fully exercise their voting right in each agenda. The Company shall use the vote counting method which is transparent, convenient, fast and effective and can promptly display voting results to the meeting.

- Entitle shareholder who attends the meeting after the meeting has begun to have the right to vote in an agenda which is still under consideration and has no resolution yet, and is counted for a quorum commencing from an agenda which the shareholder attends and votes.
- Allow shareholders to provide their opinions, suggestions or submit questions in the agenda independently before voting and shall record the question and answer evidently. In this regard, the Company shall provide sufficient information to shareholders in such matter. In addition, the Company shall appoint the Directors or related persons to answer shareholders under the Board of Directors' responsibility.
- After the Shareholders' Meeting has finished, the Company shall make the Minutes of the Shareholders' Meeting with complete details together with voting results consisting of vote for approved, disapproved and abstained in each voting agenda and send to the Stock Exchange of Thailand (SET) within 14 days after the meeting and publicize it on the SET website and the Company's website at www.dusit.com in order that the Minutes of the Shareholders' Meeting can be verified by shareholders.

1.6 The Directors and the Executives are responsible for shareholders. Therefore, it is their responsibility to attend the Shareholders' Meeting in order that shareholders can inquire information about the Company.

2) Equitable Treatment of Shareholders

The Company shall place importance on shareholders and treat all shareholders equally as the Company's owner and no shareholder has special privilege over another shareholder as follows:

2.1 The Company has entitled shareholders to vote by one share one vote.

2.2 The Company has provided an opportunity to minority shareholders to participate in the Director's nomination by nominating candidate for the Company's Director prior to the AGM.

2.3 All shareholders have equitable right to obtain important information in the same time such as the Company's operating results, the acquisition and disposition of assets, the connected transaction under the SET rules and regulations or the Securities and Exchange Commission (SEC) which the Company shall publicize the news on the Company's website and the SET website.

2.4 The Company has facilitated shareholder who cannot attend the meeting by authorizing a proxy holder or Independent Director on his behalf to attend and vote in the Shareholders' Meeting. In this regard, the Company makes a proxy form which shareholder can vote, in accordance with form specified by the Ministry of Commerce and send together with the Notice

of the Shareholders' Meeting and supporting documents for each agenda, including notification to shareholders of the shareholders' rights to attend the meeting and the voting right.

2.5 The Company has publicized the schedule and agenda of the Shareholders' Meeting on the Company's website not less than 30 days prior to the meeting.

2.6 The invitation letter of the meeting and supporting documents are made in Thai and English to facilitate foreign shareholders. In addition, shareholders can download the invitation letter of the meeting, supporting documents and proxy form from the Company's website at www.dusit.com

3) Roles of Stakeholders

The Company gives importance to all stakeholders both inside and outside the Company in order that the stakeholders shall have equitable and appropriate treatment in accordance with related laws and regulations to preserve stakeholders' right because the Company appreciated stakeholders' support that create competitive capability and profitability to the Company which are long term goals. Thus, the Company has determined the policies of the stakeholders' treatment which a group of stakeholder is classified as follows:

3.1 Employees

- Maintain work safety and work environment regularly.
- Provide employees' welfare such as health insurance, provident fund, medical treatment fee and recompense in accordance with the law.
- Continuously support and promote knowledge improvement and career advancement to the employees in every level.
- Support the employees to utilize their knowledge and capability.
- Give an opportunity in career advancement and growth toward the Company's success.
- Provide the projects to support knowledge and capability improvement.

3.2 Customers

- Treat customers properly in compliance with the agreed terms.
- Treat all customers fairly and equally.
- Maintain customers' relationship as well as sustainable improvement of customers' relationship.
- Accept customers' suggestions and/or complaints and utilize it to improve customers' satisfaction.
- Oversee customers' safety and security.

- Provide accurate, sufficient and timely information to customers.
- Keep customers' information confidential and not improperly utilize customers' information for personal or related person's benefit.

3.3 Trade Competitors

- Perform the business in strict compliance with trade competition rules.
- Maintain the trade competition practices.
- Not to use dishonest approach to defeat the competitors.

3.4 Trading Partners

- Not to perform its business against the tradition and good custom.
- Perform the business in compliance with contractual terms and conditions or other agreements.
- Treat all trading partners appropriately, equitably and fairly.

3.5 Creditors

- Conduct in compliance with contracts and conditions or other agreements.
- Treat all creditors appropriately, equitably and fairly.
- Not to request or receive or provide any dishonest benefits.

3.6 Society, Resources and Environment

- Participate in the projects which support and improve society or communities livelihood.
- Support and associate with the government and communities in the activities of communities, society and educational institutes.
- Promote the company group's employees to have consciousness and responsibility to society, communities and environment.
- Provide the activities or support employees to participate in the training related to environment.
- Perform the business in compliance with relevant laws and regulations concerning environment for sustainable environmental development.
- Support and associate with the projects that aim to preserve and sustain environment.
- Maximize the efficiency and effectiveness of resources, materials or other equipment utilization.
- Control and keep materials and equipment up to standard level to reduce the use of natural resources.

3.7 Human Rights

- Have the policy not involving human rights violation.
- Not to support in any activity violating human rights.

3.8 Intellectual Property

- Perform the business in compliance with the intellectual property law and shall not infringe all intellectual property of others, including patent, trademark and copyright.
- Not to support the employees to copy or adapt the intellectual property of others for personal benefit or others.

3.9 Anti-Corruption and Bribery

- Support the government and private sector in Anti-Corruption measure.
- Not to request or receive money, assets or any other benefits from related business parties unless such receipt is owing to traditional providing.

3.10 The Board of Directors shall provide channel for all stakeholders to contact and file a complaint in the matters which may cause damage to the Company by submitting a letter to the Managing Director and/or the Company Secretary.

4. Information Disclosure and Transparency

The Company perceived that financial information and non-financial information of the Company have an effect on investor and stakeholders' decision, therefore, the management was determined to thoroughly disclose the complete and transparent information in time to ensure that the shareholders can acquire the information for making decision in time which the management consistently places importance and adheres in strictly practice as follows;

4.1 The Company has disclosed shareholding's structure with transparency.

4.2 Information disclosed in the Annual Report is as follows:

- Financial status and operating results
- Nature of the business operation and competition
- The risk factors in the business operation
- The Board of Directors and the Executives' background
- Identification of the Independent Directors
- The Directors' remuneration procedure
- Top Executives' remuneration policy and procedure
- Individual Director's remuneration
- Number of meetings attended by each Director

4.3 The Company has disclosed the complete information of the connected transaction which specifies the name of connected persons, relationship, details of transaction, conditions, pricing policy and transaction size. In addition, in case that such transaction is a connected transaction which the Company shall disclose information or requires shareholders' approval under the SET regulations, the Company shall disclose the details and causes of the connected transaction to inform shareholders before proceeding such transaction.

4.4 The Company has determined that the Directors and the Executives shall report on shareholding and/or change in shareholding to the SEC under Section 59 of the Securities and Exchange Act B.E. 2535 (Amended B.E. 2551).

4.5 The Company has determined that the Directors shall report their shareholding in the Company to the Board of Directors' Meeting annually.

4.6 In case the Company has information or news relating to the Company's operations such as the connected transaction or occurrence of important events which the shareholders should be informed. Although such matters do not require approval from the Shareholders or they are not enforced by the law to disclose, the Company shall disclose such matters to shareholders or other investors via the Company's website or the SET website.

4.7 The Company has appointed the Auditors which are independent and credible, and have approbation from the SET.

4.8 In order to facilitate shareholders and investors to access the Company's information conveniently and equally, the Company has provided the communication of the Company's information via the following channels.

- The Annual Report
- The Company's website
- Analyst Meeting
- Newsletter presenting the Company's financial status
- The SET website

4.9 The Company has presented its updated information on the Company's website, www.dusit.com

4.10 Regarding the Investor Relation part, The Company has assigned top Executives to communicate with the investors, financial institutes, including the analysts and related government sectors.

5. The Board of Directors' Responsibility

The Board of Directors consists of the persons possessing a variety of knowledge and skills. They have important role in determining the Company's policy with top Executives, including business operation planning, risk management and overall image of the Company. Thus, the Company has determined the policies and responsibilities of the Board of Directors as follows:

5.1 The Board of Directors has determined the Company's Good Corporate Governance policy.

5.2 The Board of Directors has determined the Business Ethics policy and Code of Conduct for the Directors, the Executives and the Company's employees.

5.3 The Board of Directors has considered and agreed on the Company's vision, mission, strategies, goals, business plans, investment and budget as proposed by the Managing Director and the management, including ensuring that the management performs the business operation efficiently and effectively in accordance with the business plans and budget to create profitability to the Company and maximum benefit to shareholders.

5.4 The Board of Directors has determined and categorized roles, duties and responsibilities of the Board of Directors, Sub-Committees, Executive Directors and Management clearly and conveyed those roles, duties and responsibilities to the Board of Directors, Sub-Committees, Management and the Company's employees.

5.5 The Board of Directors has overseen and monitored the Managing Director to manage the business in accordance with the specified policies and regulations.

5.6 The Board of Directors has determined the policy to each Director to be appointed as a Director, not exceeding than 3 listed companies.

5.7 The Board of Directors has determined the policy for the Managing Director to be appointed as Director of the other companies that the Managing Director shall not be appointed as a Director in the other companies which have same business as the Company except being Director of the subsidiaries.

5.8 The Board of Directors has determined the terms of the Director, not exceeding than 3 years. When the tenure has ended, the Director may be proposed to the Shareholders' Meeting for re-election.

5.9 The Board of Directors has a duty to oversee the Company's operation to comply with the law and regulations of SEC and SET.

5.10 The Board of Directors is responsible for the Consolidated Financial Statement of the Company and its subsidiaries and financial information in the Annual Report. The said Financial Statement is made according to the certified Thailand accounting standard by using

suitable accounting policy and constantly performing, and carefully considering with the best estimation in making, including disclosure of sufficient information in the Note to Financial Statement.

5.11 The Board of Directors has determined that the Managing Director shall report the actual operating results comparing with the goal set to the Board of Directors at least every quarter in order to comply with the goal, including the Financial Report and the progress of the operations in other parts.

5.12 The Board of Directors has placed importance to the efficiency of the internal control system in both management and operational levels by clearly determining duties and authorities of the performer in writing, controlling the utilization of the Company's assets and separately categorizing the duties among the performer, controller and evaluator to create the appropriate mutual balance and monitoring to ensure that the financial information is accurate, complete and adequate to sustain the Company's assets and acknowledge the weakness to prevent the fraud or significant irregular operations.

The Internal Audit Department has the duties to monitor the Company's operations and financial activities to comply with the specified directions and have efficiency, including the Management Audit and Compliance Control.

5.13 The Board of Directors has determined the Internal Audit Department to report on Audit Results directly to the Audit Committee and its performance shall be evaluated by the Audit Committee in order that the Internal Audit Department shall be independent and be able to fully perform examination and balance.

5.14 The Board of Directors has provided an orientation for new Director by informing the Company's information, rules and regulations, including the information relating to the Company's business operation.

5.15 The Directors have participated in the training course relating to the Director's practices.

5.16 The Board of Directors has supported the Directors to continuously participate in the training courses or seminars which improve knowledge of operations.

5.17 The Directors shall attend the Board of Directors' Meeting constantly for acknowledgement and consideration of the matters proposed by the Managing Director and the management. The agendas shall be clearly specified prior to the meeting. The meeting shall be called occasionally in case that there is extraordinary matter to be considered besides those agendas specified in advance. In this regard, the Company Secretary shall send the notice of the

meeting together with the meeting agenda 7 days in advance prior to the meeting in order that the Board of Directors shall have sufficient time to consider the matters before the meeting.

After the meeting has finished, the Company Secretary has the duty to prepare the minutes of the meeting to propose to the next Board of Directors' Meeting for certification in the first agenda and have Chairman of the Board of Directors sign to certify. However, the Directors can provide their opinions or amend the minutes of the meeting to the utmost accuracy.

The certified Minutes of the meeting shall be kept as confidential document at the Company Secretary Office.

5.18 The Non-Executive Directors has held the meeting as necessary without the management for discussing the problems related to the management.

5.19 The Board of Directors has determined the risk management policy to apply to the overall Company's organization and provided the risk management manual as a guideline to manage risks in every functions of the Company.

5.20 The Board of Directors has carefully overseen the transaction which might have the conflict of interest or be connected transaction by carefully considering in every transaction. In case that the voting is required, the Interested Director shall not have the right to vote in such agenda, and the SET regulations shall be followed by disclosing the details, transaction size, contract party, cause and necessity of the transaction in the Annual Report and Forms 56-1.

5.21 Regarding to the use of internal information, the Directors, the Executives or the related Departments are prohibited to disclose internal information to third party or unrelated person and trade shares by using internal information of the Company and its subsidiaries, including no trading of the Company's shares within 1 month before publication of the Company's Financial Statement.

5.22 The Board of Directors has determined the Directors and the Executives to report on the Conflict of Interest Report under Section 89/14 of the Securities and Exchange Act B.E. 2535 (Amended B.E. 2551) annually and/or when information is changed.

5.23 The Board of Directors has clearly separated roles and responsibilities among the Board of Directors and the Management.

5.24 The Board of Directors has evaluated self-performance annually in accordance with the SET guideline for collaborative consideration and adjustment of the performance and problems.

5.25 The Board of Directors has evaluated the performance of the Chief Executive Officer who is the highest executive of the Company in accordance with the SET criteria.

5.26 The Nomination Committee has responsibilities to consider and nominate qualified person to be appointed as the Company's top Executive to the Board of Directors for ensuring that the Company has the Executives possessing knowledge, skills, and capabilities which can be the successor of important position in the future.

5.27 The Chairman of the Board of Director is not an Independent Director. However, the Chairman of the Board of Director does not act as the Executive or the employee of the Company.

5.28 The Chairman of the Board of Director is not the same person with the Managing Director who has clear separated roles, authorities and responsibilities in order to create the check & balance between the Management and Corporate Governance.

5.29 The Board of Directors has determined the definition of independence for the Directors in accordance with the SEC criteria and disclosed it in the Annual Report.

5.30 The Board of Directors has determined the policy to balance authorities of the Directors as follows;

- The Board of Directors consists of Non-executive Directors not less than 1/3 of the total number of the Directors.
- The Board of Directors consists of Independent Directors not less than 1/3 of the total number of the Directors.

5.31 The Board of Directors has appointed the Sub-Committees to assist in overseeing the Company's business operation as follows:

Audit Committee

1) The Audit Committee was appointed by the Board of Directors on June 24, 1999, for 3 year term, consisting of 3 Directors of which 2 members of the Audit Committee have knowledge of accounting and finance.

2) The Audit Committee has duties to review the accuracy and adequacy of the Company's Financial Report, ensure the suitability and effectiveness of the internal control system and internal audit, and an adequacy of the Company's risk management, oversee the Company's operations in compliance with the Public Limited Companies Act, the Securities and Exchange Act, the SET/SEC regulations and the relevant laws relating to the Company's business, consider and nominate independent person to be appointed as the Company's External Auditor, consider the connected transaction or transaction that may lead to conflict of interest, prepare the Audit Committee's Report and disclose it in the Annual Report and perform any other duties assigned by the Board of Directors.

- 3) The biography and qualifications of the members of the Audit Committee are disclosed in the Annual Report and Forms 56-1.
- 4) All members of the Audit Committee are Independent Director.
- 5) The number of the Audit Committee's Meetings and meetings attended by the Audit Committee are disclosed in the Annual Report.

Compensation Committee

- 1) The Compensation Committee was appointed by the Board of Directors on May 14, 2002, for 3 year term, consisting of 3 Directors.
- 2) The Compensation Committee has duties to propose policy and procedure, and consider remuneration of the Directors, Managing Director, top Executives, Advisor of the Board of Directors and Sub-Committees which appointed by the Board of Directors.
- 3) The Compensation Committee has determined the appropriate remuneration for the Board of Directors and top Executives by considering the Company's performance and compare to leading companies in the same industry which shall be proposed for shareholders' approval annually. For Executives' remuneration, the Board of Directors shall consider the remuneration from duties, responsibilities and performance of the Executives including the Company's operating results.
- 4) All members of the Compensation Committee are Independent Directors in order to be independent and equitable in decision-making.
- 5) The number of the Compensation Committee's Meetings and meetings attended by the Compensation Committee are disclosed in the Annual Report.

Nomination Committee

- 1) The Nomination Committee was appointed on May 14, 2002 , for 3 year term, consisting of 3 Directors.
- 2) The Nomination Committee has duties to consider the structure and composition of the Board of Directors of the Company and its subsidiaries, together with the lists of qualified persons to be appointed as the Director of the Company and its subsidiaries, including consideration of qualified persons to be appointed as the Managing Director and top Executives of the Company and criteria for consideration of top Executives' position.
- 3) All members of the Nomination Committee are Independent Directors.
- 4) The number of the Nomination Committee's Meetings and meeting attended by the Nomination Committee are disclosed in the Annual Report.

Risk Management Committee

The Company has appointed the Risk Management Department and the Risk Management Committee which consist of the Managing Director and one top Executive from the Operation Department, one top Executive from the Education Department and two top Executives from the Corporate Office who are responsible to maximize the efficiency of overall risk management by considering the risk factors in Strategic Risk, Operation Risk, Financial Risks and Compliance Risk. In this regard, the Risk Management Department shall prepare Risk Management Report and report on the progress of risk management to the Board of Directors' Meeting quarterly. In addition, the Risk Management Department has provided risk management training to all hotel supervisors in order to comply with the risk management concepts and policies for overall Company's organization.

Company Secretary

The Board of Directors appointed the Company Secretary, on August 11, 2008, who is responsible to prepare and keep the documents correctly and completely in accordance with the law and to perform any duty specified in the notifications of the Capital Market Supervisory Board, the Public Limited Companies Act and the Securities and Exchange Act.

10.2 The Company's Business Ethics

In order to comply with the Principles of the Good Corporate Governance particularly the principles of responsibility, transparency, honesty, morality and perseverance for the growth and stability of the Company as well as for teamwork and social responsibility, Dusit Thani Public Company Limited has determined the Company's Business Ethics and Code of Conduct for the Board of Directors, the Executives and the Company's employees as follows:

Business Ethics

1. The Company shall perform its business with the consideration of the efficiency, effectiveness, transparency, in adherence to the responsibility with stakeholders and create appropriate return on investment for the investors including create the advancement and sustainable growth to the Company.
2. The Company shall continuously improve the management and other operations to increase competitive capability.
3. The Company shall perform its business in compliance with the law, the standard and the best practice on the business operation and the disclosure of financial information.
4. The Company shall have responsibility to the environment of the society and promote the sustainable development by participating according to the Company's status.

Code of Conduct for the Board of Directors, the Executives and the Employees

Code of Conduct for the Board of Directors

1. Responsibilities to the Company

- 1.1 The Board of Directors shall conduct in compliance with the Company's Business Ethics.
- 1.2 The Board of Directors shall conduct in compliance with the law, the objectives and the Articles of Associations of the Company, including the resolutions of the Shareholders' Meeting.
- 1.3 The Board of Directors shall conduct in compliance with the Code of Best Practice for Directors of Listed Companies and relevant regulations of the SET, SEC and related 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 and Practices to Shareholders

- 2.1 The Board of Directors shall perform the duties according to the resolutions of the Shareholders' Meeting with honesty, justice and be circumspect to preserve shareholders' interests both short-term and long-term.
- 2.2 The Board of Directors shall preserve all shareholders' benefits equally.
- 2.3 The Board of Directors shall manage the business in accordance with the goals and directions which maximize shareholders' benefit.
- 2.4 The Board of Directors shall oversee the Company to disclose information and present important information of the Company, including other operations correctly, completely, consistently and timely.

3. Responsibilities and Practices to Stakeholders

- 3.1 The Board of Directors shall treat all 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 and Practices to Shareholders

1.1 The Executives shall conduct in compliance with the law, the objectives and the Articles of Associations of the Company including the resolutions of the Shareholders' Meeting with honesty, justice and be circumspect for preserving shareholders' interests both short-term and long-term.

1.2 The Executives shall perform the duties with honesty and make a decision in good faith and fair to both 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 and Practices to the Customers

2.1 The Executives shall satisfy the needs of customers/consumers with the quality products and excellent services.

2.2 The Executives shall determine quality level of the products and services accepted by the customers.

2.3 The Executives shall disclose complete, correct and fair information such as commercial of the products and services to the customers and shall not distort the fact.

- 2.4 The Executives shall guarantee the products and services under appropriate terms.
- 2.5 The Executives shall not deliver the products and services to the customers when knowing that such products and services are defective or may cause danger to the customers and shall not release the products and services which its qualities are poorer than standard to the customers.
- 2.6 The Executives shall provide the customer service system in order to facilitate the customers to file a complaint on the products and services, and shall specify the best practices to promptly respond to the customers.
- 2.7 The Executives shall minimize the production cost, however, remaining the quality of the products and services according to the standard at all time.
- 2.8 The Executives shall seriously and regularly keep customers' information confidential, including not using customers' information for personal or relevant persons' benefits improperly.
- 2.9 The Executives shall seek alternative service channels to constantly serve the customers.
- 2.10 The Executives shall strictly operate the business to comply with the conditions and contracts agreed with the customers.
- 2.11 In case the terms agreed with the customers cannot be complied, the Executives shall inform the customers in advance for collaborative consideration to find the solution and prevent the damage.
- 2.12 The Executives shall provide safety system for the customers such as fire alarm system and thief deterrent system.
- 2.13 The Executives shall not set an exorbitant price comparing to the quality of the products or services and shall not set unfair commercial term to the customers.

3. Responsibilities and Practices to the Employees

- 3.1 The Executives shall provide appropriate compensation according to each employee's capability, responsibility and performance.
- 3.2 The Executives shall support and improve the employees' knowledge and capability for career advancement and stability.
- 3.3 The Executives shall support the employees to participate in determining of work directions and resolutions for the Company's problems.
- 3.4 The Executives shall oversee and maintain working environment for employee's life safety and 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 and Practices to the Trading Partners, Trade Competitors and Creditors

4.1 The Executives shall strictly conduct to comply with the agreements with the trading partners and the creditors in the matter of the purpose of money usage, the repayment, the quality control of mortgage securities and any other matters agreed with the creditors. In case the agreement cannot be complied, the Executives shall urgently negotiate with the trading partners and the creditors in advance for collaborative consideration to find the solution and prevent the damage.

4.2 The Executives shall provide the actual, correct and complete financial information.

4.3 The Executives shall not request, receive or provide any illegal benefits to the trading partners or the creditors. If information indicates the occurrence of any illegal benefits, the Executives shall discuss with the trading partners or the creditors to immediately find the fair solution.

4.4 The Executives shall constantly report accurate and financial information to the creditors on time.

5. Responsibilities to the Trade Competition

5.1 The Executives shall perform the trade competition in compliance with fair trade competition framework.

5.2 The Executives shall not use dishonest, inappropriate or illegal act to approach confidential information of the trade competitors.

5.3 The Executives shall not violate the reputation of the trade competitors by accusing or taking any action without truth or unfair.

6. Responsibilities and Practices to Society, Community and Environment

6.1 The Executives shall support the activities which benefit community and society in general.

6.2 The Executives shall consistently return part of the Company's profit to the activities which improve the society.

6.3 The Executives shall not perform any action which may damage the reputation of the kingdom, resources and environment.

6.4 The Executives shall not perform any action to assist and support or being used as a tool to avoid the laws or other regulations or be harmful to the society and national security.

6.5 The Executives shall consistently and seriously implant the spirit of social responsibility to the employees in every level.

6.6 The Executives shall strictly conduct or control the practices to comply with the spirit of the laws and regulations released by relevant departments.

6.7 The Executives shall not use shareholders' money to support politics.

Code of Conduct for the Employees

Responsibilities to the Company

1. The employees shall perform their duties with responsibility, honesty and loyalty for the advancement and stability of the Company and employees.
2. The employees shall maintain and create the harmony and unity among the employees for collaborative working and effective problems solving as teamwork.
3. The employees shall pay attention and perform the Company's works with dedication and patient to improve the quality, efficiency and profitability of the Company and develop the Company to the excellence.
4. The employees shall use the Company's assets efficiently and economically, maintain the assets to prevent irregular damage or loss, and not to use the Company's assets for personal interest.
5. The employees shall strictly keep information of the customers, trading partners and the Company confidential.
6. The employees shall cooperate and support the works of all colleagues for the Company's interest and shall respect other employees' rights.
7. The employees shall constantly pay attention and support any activity which preserves the environmental and work safety in the workplace to be clean and pleasant.
8. The employees shall provide knowledge and pass on work experiences to colleagues by adhering to the Company's interests and goals.
9. The employees shall not accuse the Company, the Executives and the colleagues without truth and unfair.
10. The employees shall inform the relevant departments or the Executive of any improper or illegal action happening in the Company.
11. The employees shall not seek personal benefit or others' from their duties with bad faith.

12. The employees shall not perform any action which shall violate the Company's image and the reputation.

13. The employees shall seriously and strictly pay attention to all activities to improve the quality, efficiency and development of the Company to the excellence.

14. The employees shall not receive the gift valued more than Baht 2,000 without proper reason.

10.3 Relationship with Investors

The Company is aware that both financial and non-financial information could affect investors' decision making and stakeholders. Therefore, the management team strongly emphasizes on the disclosure of significant information that should be done completely, precisely, regularly and timely. For investor relations, the Company has assigned Mr. Chamnarnsil Charnnarnkit, Senior Vice President – Finance, to contact with all investors such as institution, shareholders, analysts, and government sectors.

For more information, please contact SET's website: www.set.or.th and the Company's website: www.dusit.com.

In case that the investor and others have enquires, they can telephone to the Company at +662 200 9999 Ext. 3671 or e-mail: chamnarnsil.cn@dusit.com

10.4 Board Self-Assessment

The Board of Directors has an annual self-assessment according to the Stock Exchange of Thailand's guideline to consider operation's result to improve the company performance.

The results of Board Self-Assessment are concluded as follows:

| No. | Topic | Year 2012 | Year 2011 |
|---------------|---|-----------|-----------|
| 1. | Structure and characteristics of the board | 3.7 | 3.5 |
| 2. | Roles and responsibilities of the board | 3.4 | 3.2 |
| 3. | Board meetings | 3.6 | 3.3 |
| 4. | The board's performance of duties | 3.4 | 3.3 |
| 5. | Relationship with management | 3.8 | 3.6 |
| 6. | Self-development of the directors and executive development | 3.3 | 3.0 |
| Average score | | 3.5 | 3.3 |

| | | | |
|---------|---|---|------------------|
| Remark: | 4 | = | Excellent |
| | 3 | = | Good |
| | 2 | = | Fair |
| | 1 | = | Need Improvement |

The summary of the Board Self-Assessment 2012, the BOD opines that all matters have good implementation.

10.5 Self-Assessment Performed by the Board Committees

According to SET's guideline, Audit Committee has annually performed self-assessment checklists to evaluate and increase their performance.

10.6 Chief Executive Officer's Performance Evaluation

The Board of Directors has annually evaluated CEO's performance according to SET's guideline.

10.7 Board of Directors' Training

In 2012, the Directors who had training courses, summarized below.

| Name | Course | Institution |
|---------------------------|--|--|
| Professor Hiran Radeesri | Accounting Standard and Auditing Standard | Federation of Accounting Professions Under The Royal Patronage of His Majesty The King |
| Mr. Sakdi Kiewkarnkha | How to Develop a Risk Management Plan (HRP) | Thai Institution of Director |
| Mrs. Sinee Thienprasiddhi | Fundamental Legal and Regulations on the Listed Company (8/2012) | Thai Listed Companies Association |

11. Corporate Social Responsibility Report

This CSR Report contains economic, social and environmental management and operations policies from January 1 to December 31, 2012, according to Dusit Thani's annual data updating cycles. Data was last collected on December 31, 2012. This report was compiled following the CSR Report on the Global Reporting Initiative (GRI) Version 3.1 (G3.1) Level C; the data was collected solely in 2012 and can see in the Company's website www.dusit.com

Contact information for data collection

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Scope of Content

Data disclosure in this CSR Report is controlled by Dusit Thani in accordance with the control levels on Dusit Thani Group hotels. Thus, the report covers hotel businesses owned by Dusit and hotels located in Thailand that Dusit manages only, excluding affiliates, subsidiaries, educational businesses and partners, except in the event that they are identified as under direct management of Dusit or their operations might significantly affect the performance of Dusit.

As such, this report covers policies and operating guidelines for sustainability of Dusit Thani Public Company Limited and eight hotels under its supervision, namely: Dusit Thani Bangkok, Dusit Thani Pattaya, Dusit Thani Hua Hin, Dusit Thani Laguna Phuket, DusitD2 Chiang Mai, Dusit Princess Srinakarin, Dusit Princess Korat and Royal Princess Chiang Mai. For more information apart from this report, please refer to the 2012 Annual Report.

However, Dusit will extend the scope of this CSR Report to cover hotels located in other countries as part of its supervision and support of international CSR reporting standards, and in response to expectations of stakeholders for quality information.

Dusit Thani compiled this first CSR Report according to the CSR Report of the Global Reporting Initiative (GRI), Version 3.1 (G3.1), Level C. The CSR Committee determines the main points, strategies and procedures, gives opinions on significant issues affecting economic, social and environmental sustainability of its businesses, and periodically follows up and evaluates the report so that the content is accurate, complete and transparent.

GRI Application Level Criteria

| Report Application Level | | C | C + | B | B+ | A | A + |
|--------------------------|--|---|---------------------------|---|---------------------------|---|---------------------------|
| Standard Disclosures | G3 Profile Disclosures OUTPUT | Report on: 1.1 2.1-2.10 3.1-3.8, 3.10-3.12 4.1-4.4, 4.14-4.15 | Report Externally Assured | Report on all criteria listed for Level C plus: 1.2 3.9-3.13 4.5-4.13, 4.16-4.17 4.1-4.4, 4.14-4.15 | Report Externally Assured | Same as requirement for Level B | Report Externally Assured |
| | G3 Management Approach Disclosures OUTPUT | Not Required | | Management Approach Disclosures for each Indicator Category | | Management Approach Disclosures for each Indicator Category | |
| | G3 Performance Indicators & Sector Supplement Performance Indicators OUTPUT | Report on a minimum of 10 Performance Indicators, Including at least one from each of: Economic, Social and Environmental | | Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human rights, Society, Product Responsibility. | | Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission. | |

*Dusit Thani Public Company Limited starts the CSR Report at Level C.

Since this is the first GRI Version 3.1-based CSR Report, there is no comparison of significantly changed data.

Stakeholders

Organizational stakeholders are individuals or entities affecting or affected by business operations or activities concerning such stakeholders as shareholders and investors, customers, employees, society and government agencies in connection with impacts on the organization.

Stakeholders and Responsibilities

| Stakeholders | Responsibilities |
|--|---|
| 1. Shareholders and investors | <ul style="list-style-type: none"> ➤ Transparent management ➤ Appropriate compensation for investors ➤ Value added to the company |
| 2. Customers Tourists, businesspeople, seminar attendants, hotel customers | <ul style="list-style-type: none"> ➤ Service standards ➤ Satisfaction and safety ➤ Price-worthy goods and services ➤ No taking advantage of customers ➤ Customer confidentiality ➤ Service and after sale service promotions ➤ Service information through various channels ➤ Wholehearted service before customer requests ➤ Prompt execution after customer requests |
| 3. Employees Executives, employees and workers | <ul style="list-style-type: none"> ➤ Good benefits and remuneration packages ➤ Security and employee career advancement ➤ Equal skill development and training opportunities ➤ Promotional priorities for current employees ➤ Good working environment |
| 4. Society Communities, people, youth, the needy, schools | <ul style="list-style-type: none"> ➤ Participation in social activities ➤ Use of environmentally friendly products and services ➤ Energy efficiency ➤ Efficient waste disposal ➤ Creative co-living in communities |
| 5. Government agencies Government agencies develop the following policies: | <ul style="list-style-type: none"> ➤ Completely and strictly promoting and complying with regulations ➤ Disseminate good identity and culture ➤ Supporting government agencies in activities |

Dusit has identified these stakeholders as one of the CSR elements in response to major customer expectations and current and future regulations in different markets. This is to create new market opportunities and reduce negative social impacts in operating areas. Priorities are set based on the overall CSR and impacts on the organization and stakeholders are evaluated. Issues are addressed and plans are made and executed in response to each group of stakeholders in a systematic way, in the form of Dusit News, websites, press releases and meetings, in order to sustainably build stakeholder trust. Stakeholder groups are regularly revised to ensure their appropriateness for the organization.

Major issues and association of stakeholders

| Importance for Dusit | | | |
|-----------------------------|----------------|---|--|
| Importance for Stakeholders | Very important | Important | Very important |
| | | <ul style="list-style-type: none"> ➤ Satisfying customers and making them feel safe while receiving services, and ensuring that the services are worth the money. ➤ Giving returns appropriate for net profits. ➤ Disclosing accurate data and reports. ➤ Responsibly publishing goods and services before and after sales. | <ul style="list-style-type: none"> ➤ Standards of goods and services. ➤ Rendering full services before customer requests. ➤ Good governance. ➤ Procuring environmentally friendly products and services. |
| | Important | Important | Very important |
| | | <ul style="list-style-type: none"> ➤ Being a good citizen by supervising socially responsible businesses in their areas of operations and nearby communities. ➤ Preventing accidents and disasters that might derive from Dusit businesses. ➤ Responding to customer complaints. | <ul style="list-style-type: none"> ➤ Taking care of employees and giving them career security and advancement. ➤ Energy efficiency. ➤ Compliance with government laws and regulations. |

Business Context

Dusit Thani aims to run its businesses proactively and have effective cost management practices, focusing on increasing the number of hotels it manages both in Thailand and in other countries. Meanwhile, it is considering investing in hotel, education and spa businesses with the aim of maintaining its long-term business values based on Thai cultural promotion. Dusit sells goods and services with the CSR concept in mind. Committees formed from various departments have transparent and fair management while performing their duties in a correct, proper, effective and efficient manner.

Dusit also emphasizes social sustainability through employee development and career security, which lead to family security. Regarding education, Dusit develops school curricula, producing the competent and ethical graduates in demand by employers. Additionally, Dusit places great importance on the communities surrounding its hotels. Dusit always helps society when given the chance. Environmental awareness is instilled in employees, customers and stakeholders; environmentally friendly and energy-efficient equipment and appliances are used widely in hotels so that future generations can continue to enjoy ample resources.

Economic Sustainability

In 2012, Dusit Thani officially launched Dusit Thani Maldives, situated in the Maldives, a country known for natural abundance and beauty and a top tourist destination. Increasing the number of hotels in the group is an important economic strategy and shows management capacity and growth of the company. More importantly, it creates more local jobs and income, increases company income, adds value to the brand, expands the company's market networks, etc.

Wage, Salary and Benefit Management

Dusit Thani abides by the minimum wage laws of the countries where its hotels are located. Wages of our male and female employees are effectively higher than the minimum wage standards compared to wages offered by local hotels at the same level. In addition, gender is not an indicator of employee wages.

At the beginning of April every year, Dusit Thani reviews salaries of its employees based on their KPIs and the company's performance. Thus, employees of any gender or age receive fair and proper salaries. Moreover, the company's pay structure is appropriate and comparable to other businesses in the same category. The company acts in compliance with the government's minimum wage policy, increasing wages of both men and women employees working in the company's hotels all over Thailand to 300 baht.

Furthermore, Dusit Thani offers many benefits to employees, such as living expenses, special service expenses, annual bonuses, two free meals per day, holidays, sick leave, retirement mutual funds, group life insurance, medical benefits covering employee medical expenses and their family members in private and public hospitals, travel insurance in cases where employees have to travel to work abroad, funeral allowances and wreaths when an employee's immediate family member dies, disaster relief funds, benefits of staying in affiliated hotels at employee prices and letting relatives stay there at special prices, rights for children of employees to study at Dusit Thani College at discount rates, laundry service discounts, wedding discounts for employees or their children in hotels in the Dusit Thani Group, loans at special rates from participating banks, retirement compensation, etc.

Moreover, Dusit Thani provides medical units with physicians in workplaces to all employees. Annual physical examinations are also provided for personnel by physicians from hospitals, who come to hotels to service and give health advice to employees.

Environmental Sustainability

Environmental sustainability is the key to management of hotels in the Dusit Thani Group. All hotels under Dusit Thani management have been awarded environmental and social certification by EarthCheck. Dusit Thani promises that it will constantly improve the environment and society using equipment designed in compliance with EarthCheck standards in terms of energy preservation and efficiency, water usage, environmental protection and management, social and cultural management, space planning and management, air quality protection, noise control, wastewater management, solid waste management and storage of materials hazardous to the environment.

Dusit Thani also complies with laws and regulations on the environment and tries its best to achieve global standards.

Dusit Thani has appointed regional technical directors so that EarthCheck coordinators and all hotels have a green team working on environmental issues, assessing risks, recording, following up on environmental impacts and setting measures of sustainable environmental and social development. Dusit Thani hires local people to work as employees and contractors in its hotels and procures products or services from local communities with environmental awareness. In addition, our employees are encouraged to tell guests, goods and service providers, contractors and goods distributors about the company's commitment to sustainable environment and social development and our status under EarthCheck activities.

Dusit Thani places importance on selecting materials for equipment in hotels that are environmentally friendly and fresh clean food, quality assured by the procurement department, so that our customers can be sure of quality every time they stay at our hotels.

Energy

In order to reduce electricity use while not compromising our international customer service standards, we are planning to replace incandescent light bulbs with LED light bulbs, in consideration of the environment, within five years, and install intelligent lighting control systems in all our hotels in Thailand. We have solar water heating systems, use LPG instead of diesel to heat water, and change motors and control systems or replace old appliances with new ones. Employees involved with laundry, kitchens and lifts are trained and educated on how to decrease electricity use in a practical way.

Furthermore, we run energy saving campaigns encouraging personnel to take the stairs instead of lifts, turn off computers during the lunch break while they are not using them, use natural light and set automatic shutdown times on air conditioners. We also invite customers and employees to join the Earth Hour programme every year. With full cooperation from employees, energy efficiency plans were successful in reducing energy use to 192.69 megajoules per room usage, a 12.4% decrease from 2011.

Water

Since hotel businesses require large amounts of water, we strive for sustainable water management while meeting international customer service standards. Every hotel has concrete water saving measures, such as water pipe and water meter maintenance and replacement, water-saving sanitary ware, faucet and shower installations, use of salt chlorinators for swimming pools and providing water efficiency training to employees. Dusit Thani has ongoing water efficiency plans and activities in order to continuously reduce water use. This has resulted in a decrease of 623.59 litres per room usage, a 1.4% decrease from 2011.

Waste Landfill

In order to effectively and efficiently reduce and manage waste, the Green Team Committee has initiated a 3 R's Project (Reduce, Reuse and Recycle). Each hotel, including the central office, educates employees about waste reduction such as using both sides of paper, storing documents on hard drives instead of paper, using kitchenware made of durable materials and sorting waste. Every hotel has an effective waste management system and sorts waste into two categories: waste that can be reused through the Reduce, Reuse and Recycle concept, such as used paper, glass, aluminum, and plastic bottles, which are disposed of and processed, food waste, which is composted into organic fertilizer, and waste that is sent to landfills, such as used batteries. Proper waste disposal methods are in place for public safety. Effective waste management reduced landfill waste to 2.55 litres per room usage, a 12.9% decrease from 2011.

Summary of Environmental Operations in 2012

Usage Processes in 2012 Compared to 2011

Percentage: Room Usage of Customer

Electricity



12.4%

Water



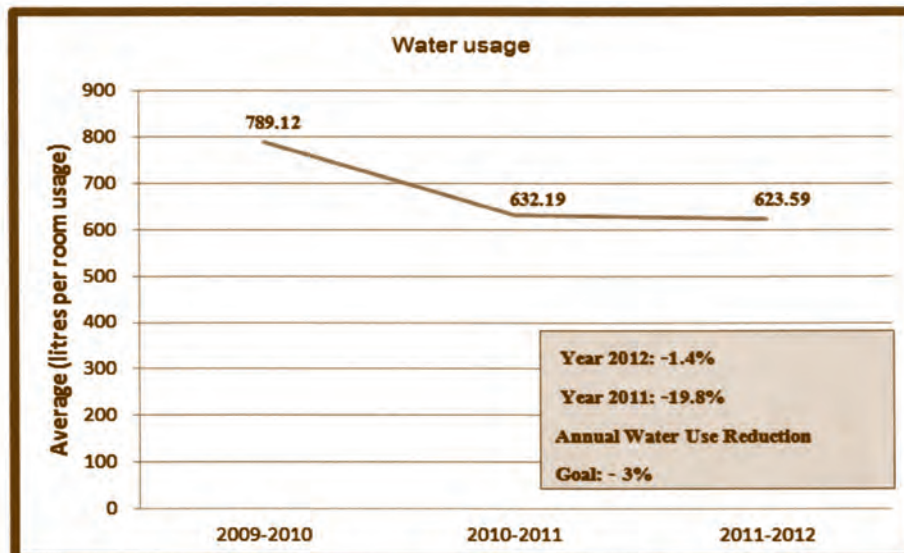
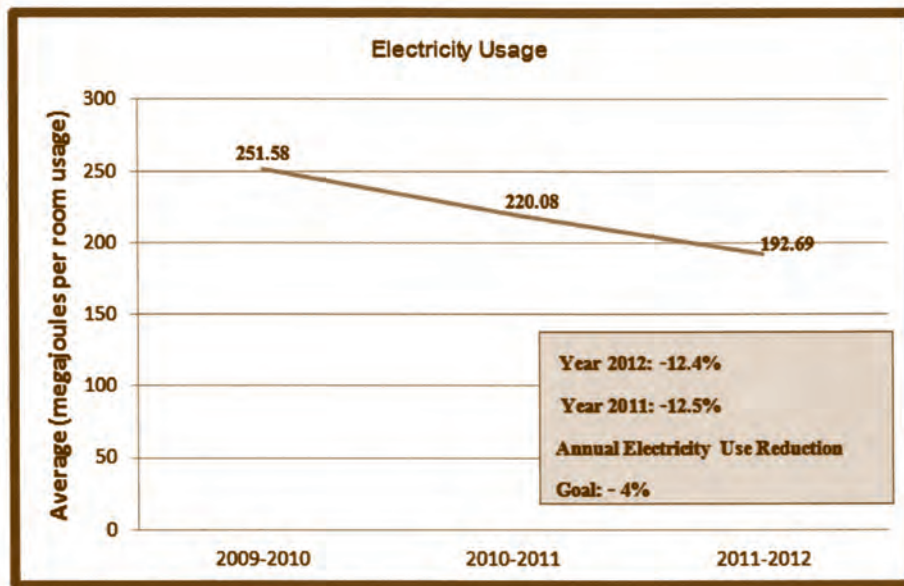
1.4%

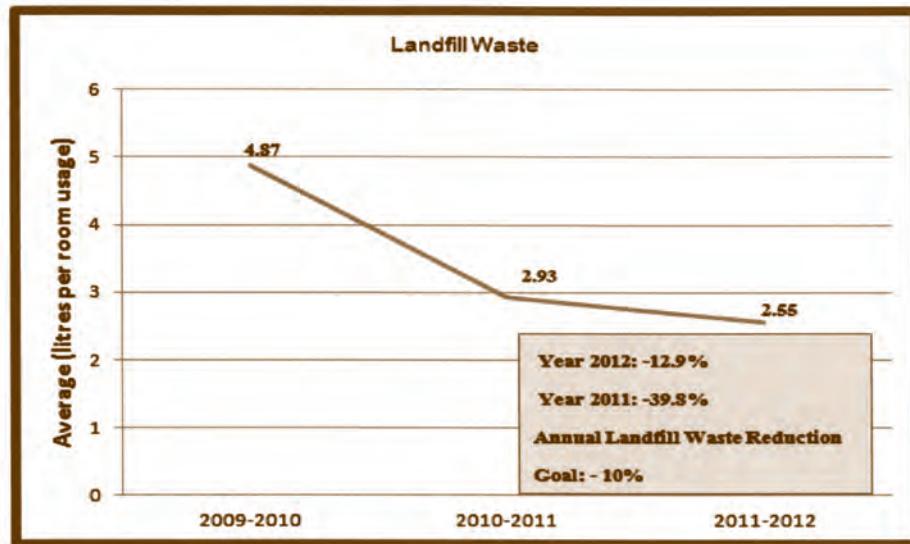
Waste Landfill



12.9%

| Number per Room Usage of Customer | 2009-2010 | 2010-2011 | 2011-2012 | Yearly Goal |
|--|--------------|------------------|------------------|-------------|
| Electricity consumption (MG) % Difference Compared to the Year Before | 251.58 0% | 220.08 -12.5% | 192.69 -12.4% | - 4% |
| Water (litres) % Difference Compared to the Year Before | 789.12 0% | 632.19 -19.8% | 623.59 -1.4% | - 3% |
| Landfill Waste % Difference Compared to the Year Before | 4.87 0% | 2.93 -39.8% | 2.55 12.9% | - 10% |





In 2012, Dusit Thani performed the following environmental activities:

1. Installed LED light bulbs. At present, 40% of the work is completed in all hotels in the Dusit Thani Group.
2. Installed water saving equipment. At present, 40% of the work is completed in all hotels in the Dusit Thani Group.
3. Installed key card controlled electricity systems in hotel rooms. At present, 60% of the work is completed in all hotels in the Dusit Thani Group.
4. Recycled used materials. At present, 80% of all the hotels practice recycling.
5. Maids set the temperature of hotel rooms at 26 degrees Celsius when there are no customers in the rooms and help save water. Heat control curtains are also installed in our hotel rooms.
6. Laundry is done in a water efficient manner. Amounts of chemicals are reduced and ozone laundry systems are used. Water from washing machines is treated and then used to water trees.
7. Water chillers have been changed to the Screw type to increase energy efficiency by 45%.
8. Installing equipment controlling electricity systems and replacing old motors with new ones for increased performance. At present, over 40% of the work is completed in all hotels in the Dusit Thani Group.
9. Over 40% of water heaters are installed and maintained in all hotels in the Dusit Thani Group.

Environmental Report

| # | Items | Objectives | Goals | Operations |
|---|-----------------------|---------------------------------|--|---|
| 1 | Electricity Use (EN5) | To decrease electricity use | <ul style="list-style-type: none"> > Efficiently decrease electricity use in all types of appliances within 5 years and decrease yearly electricity use by 4%. > Replace 100% of old light bulbs with LED light bulbs within five years. | <ul style="list-style-type: none"> > Install lighting systems controlled by key cards and automatic time settings. > Change and install light bulbs, water heating pumps and solar water heating systems. Replace diesel with LPG for water heating systems. > Replace old motors and control systems with new ones for laundry, cooking and lifts. > Train and educate employees so they understand the concept and implementation of energy efficiency. |
| 2 | Water Use (EN8) | Decrease water use | <ul style="list-style-type: none"> > Effectively reduce water use in all activities within five years and reduce yearly water use by 3%. | <ul style="list-style-type: none"> > Examine wear and tear of water pipes and water meters and fix them if necessary. > Select water-saving sanitary ware, faucets and showers. > Use salt chlorinators for swimming pools. > Train and educate employees so they understand the concept and implementation of saving water. |
| 3 | Landfill Waste (EN22) | Reduce waste sent to landfills. | <ul style="list-style-type: none"> > Effectively dispose of waste and reduce amounts of each type of waste in each hotel within 5 years, and reduce waste produced each year by 10% | <ul style="list-style-type: none"> > Organize, Reduce, Reuse and Recycle campaigns > Allocate areas for waste sorting. > Turn food waste into organic fertilizer. > Effectively deliver waste to landfills. > Use environmentally friendly and biodegradable containers such as plastic bags made of corn starch. > Train and educate employees so they understand the concept and implementation of waste reduction. |

Social Sustainability

Thanpuying Chanut Piyaoui, founder of Dusit Thani and Dusit Thani College, saw the importance of sustainable social development through education. As a result, Dusit Thani is the only company managing both hotels and a college, proudly graduating quality people into the job market. At present, Dusit Thani College welcomes 3,000 students per year. Dusit Thani also established a joint programme with Lyceum of the Philippines University, providing education to over 14,000 students each year. Each year, over 1,000 students complete cooking courses offered by Le Cordon Bleu Dusit. Moreover, Dusit Thani offers opportunities to students to become trainees in hotels in the Dusit Thani Group to enhance their knowledge.

Since all employees are part of social sustainability, their working and English language skills are constantly developed so that they are ready for the ASEAN Economic Community (AEC). In addition, the company organizes an Executive Trainee programme with the aim of developing the potential of employees and to promote and transfer them for work in Dusit Thani hotels newly opening in foreign countries. Dusit Thani also offers a Management Trainee programme to graduates who are interested in the hotel business so they can study, work as trainees and become employees in Dusit Thani hotels after they complete the programme.

Furthermore, participation in social activities is another important mission. As such, Dusit organizes yearly activities such as blood drives and donations of desk calendars to schools for the blind in order to increase Braille teaching materials. On Children's Day, activities are organized for children living near Dusit hotels, and campaigns to promote clean hotels and their environs are also coordinated. The "Arsa...Dusit" project are raised funds and provided help to employees and communities when disaster struck.

Personnel Development

Employees are precious resources of an organization. Therefore, employee competency development is an important policy. The company allocated 3% of total annual income of each hotel to training for employees at all levels, who have to attend different training courses as follows: Executives, plan supervisors and managers must attend over 48 hours of training. Officer-level employees must attend over 72 hours of training and operating employees must attend over 96 hours of training. Training curricula are designed to meet demands of employees at different levels and in different departments. Training is one of the Key Performance Indicators (KPIs), as are employee evaluation standards. Each employee is evaluated during the fourth quarter of every year.

All new employees attend orientation training which consist of three programmes: the programme for new employees, the 60-day orientation programme, and the 365-day orientation programme. Orientation training is aimed at introducing new employees to rules in the workplaces, the organization's policies and products, and the location of each hotel, to prepare them for working with other employees.

Training Plan for Managers and Higher

| Training And Development Program Model For Management Staff | | | |
|--|---|---|--------------|
| Job-related training program | 12-15 hrs | Seminars/Workshops (Job-related/position-based) | 12-15 hrs |
| Interview skill workshop | 8-12 hrs | Revenue Management or Finance for Non-Finance | 8-12 hrs |
| Operational Trainer | 15 hrs | Managing Strategic change | 8-12 hrs |
| Handling Grievances & Disciplines | 8 hrs | Presentation skill | 8-12 hrs |
| Front Line Leadership (specific modules: Situational Leadership, Time Management, Communication skill) | 15-18 hrs | Leadership Profiling and Influencing | 8-12 hrs |
| 4-6 hrs | Crisis Management (Emergency Procedures & Practice) | | 4-6 hrs |
| 2 hrs | Performance Appraisal | | 2 hrs |
| 12 hrs | Dusit Thai Graciousness | | 4 hrs |
| 2 hrs | 60-Days Orientation | | Not required |
| 8-12 hrs | New Staff Orientation | | As scheduled |
| Dept. Head/Section Manager grade 2-3 (72 hrs) | | Division Head grade 1 (60 hrs) | |

Training Plan for Officer-Level and Operations Employees

| Training And Development Program Model For Non Management Staff | | | |
|---|-----------|--|--------|
| Competency Development (Language or Computer) | 24-30 hrs | Job-related training/on-the job training | 6 hrs |
| On-The-Job Training | 30 hrs | Customer service/handling complaint | 6 hrs |
| | | Front Line Leadership | 30 hrs |
| Personality Development & telephoning | 6 hrs | and / or Operational Trainer | 15 hrs |
| Emergency Practice | | | 6 hrs |
| Performance appraisal | | | 1 hr |
| Dusit Thai Graciousness | | | 12 hrs |
| 60-Days Orientation | | | 2 hrs |
| New Staff Orientation | | | 12 hrs |
| Service Agent grade 5 (96 hrs) | | Supervisor grade 4 (72 hrs) | |

Sanitation and Safety in the Workplace

The Ministerial Regulation requires a hotel to provide its employees with training on sanitation and safety in the workplace. Therefore, hotels in the Dusit Thani Group organize three training topics for employees as follows:

1. Safety officer work curricula for supervisors.
2. Safety officer work curricula for executives.
3. Safety committee work curricula for committees

All hotels have a safety committee in charge of safety in the workplace, safety regulations, manuals and standards in the workplace, setting up an unsafe working condition reporting system, evaluating safety performance in the workplace, follow-up meetings, etc.

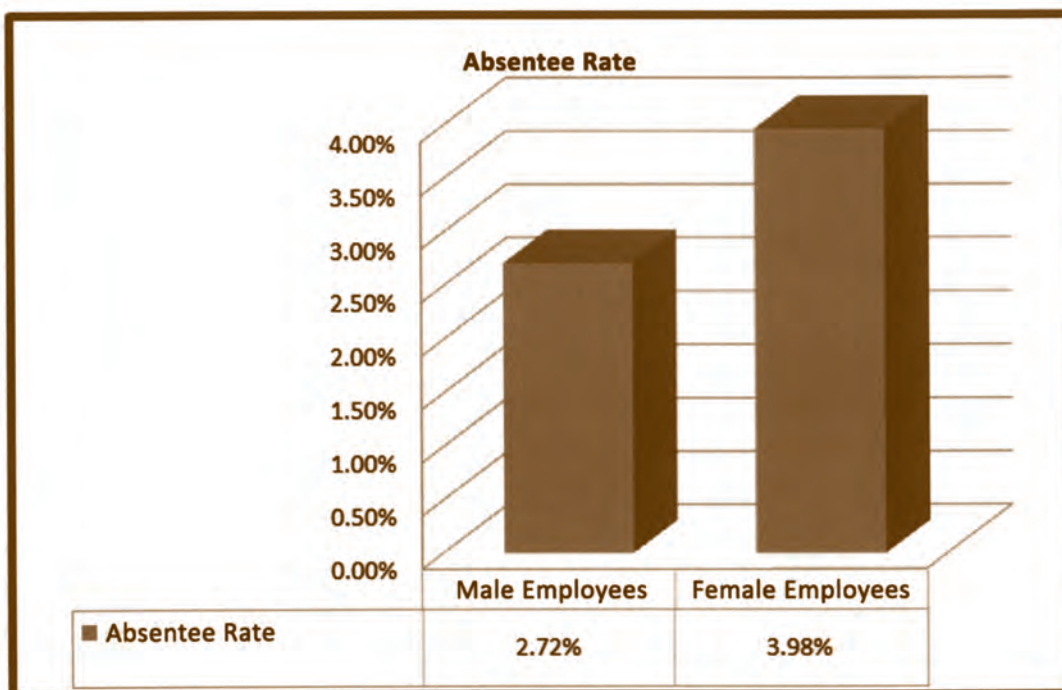
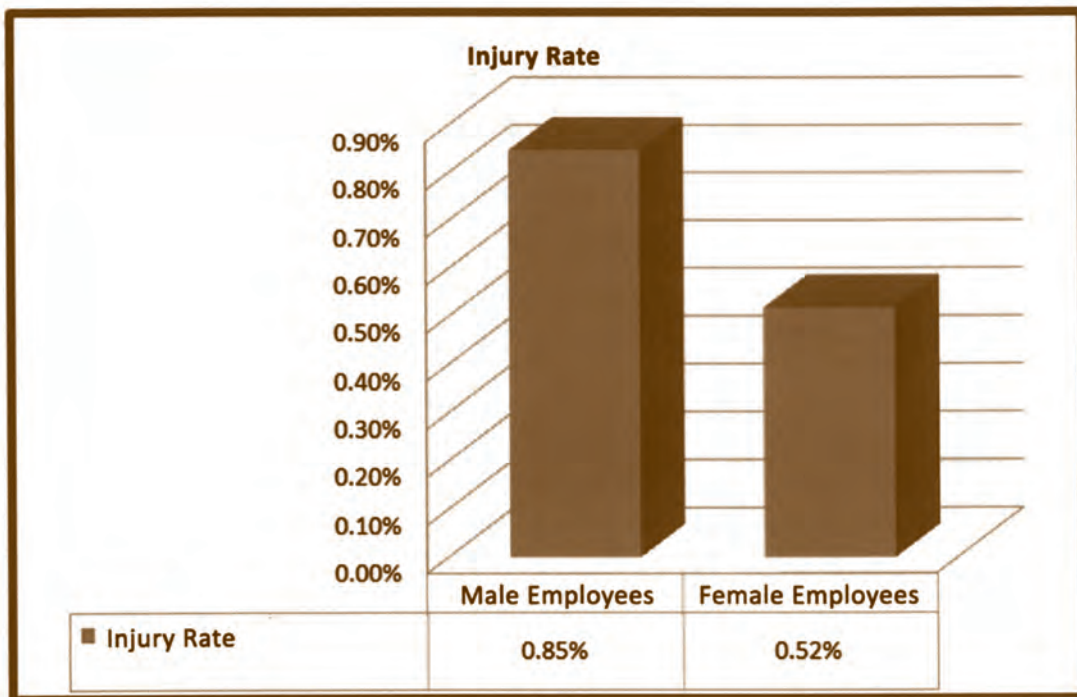
Proportion of Employees to Workplace Safety Committee

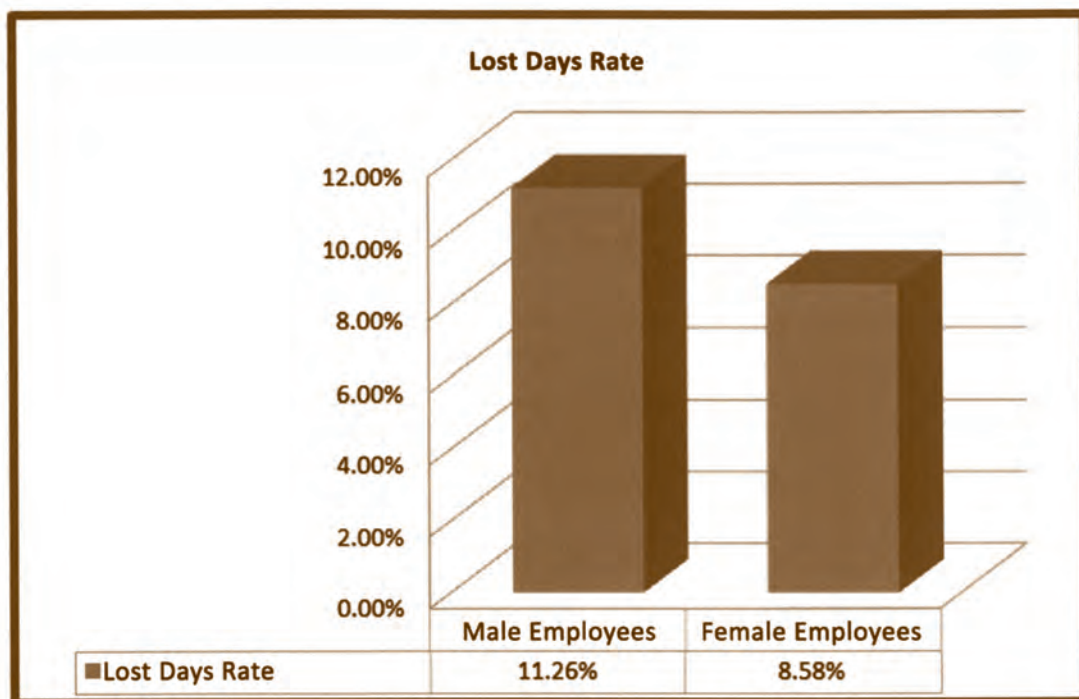
| | Hotel | Committee | Staff | Average (%) |
|---|----------------------------|-----------|-------|-------------|
| 1 | Dusit Thani Bangkok | 10 | 816 | 1.23 |
| 2 | Dusit Thani Pattaya | 15 | 574 | 2.61 |
| 3 | Dusit Thani Hua Hin | 10 | 435 | 2.30 |
| 4 | Dusit Thani Laguna, Phuket | 9 | 408 | 2.21 |
| 5 | dusitD2 Chiang Mai | 9 | 139 | 6.47 |
| 6 | Dusit Princess Srinakarin | 4 | 231 | 1.73 |
| 7 | Dusit Princess Korat | 7 | 216 | 3.24 |
| 8 | Royal Princess Chiang Mai | 8 | 142 | 5.63 |

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 three groups: injury rate, absentee rate and lost day rate, calculated according to the standards of the International Labour Organization (ILO). Data gathered from 2,745 employees was compiled into a 2012 safety report as follows:

1. The injury rate of male employees was 0.85%, while the rate for female employees was 0.52%.
2. The absentee rate is the number of days an employee does not come to work due to work-related causes and other reasons, excluding holidays and leave. The absentee rate of male employees was 2.72%, while the rate for female employees was 3.98%.
3. Lost days are days lost due to work-related sickness. Days where an employee comes back to work or is transferred to work in another department in the organization are not counted as lost days. The lost day rate of male employees was 11.26%, while the rate for female employees was 8.58%.





Corruption and Human Rights

Dusit Thani supports and encourages all employees to learn about human rights and anti-corruption. Each employee must pass training on human rights and anti-corruption. This is designated a social responsibility policy of Dusit Thani. All executives and employees must abide to the local laws, customs, traditions and culture, which differ in each country where Dusit Thani hotels operate. Dusit Thani employees must strictly observe human rights according to the Universal Declaration of Human Rights in 2012. Fifty percent of all employees in the Dusit Thani Group have been through a one-hour training session on anti-corruption and human rights. Dusit Thani plans for all employees to complete this training by 2013.

Services and Customer Satisfaction

In 2012, Dusit Thani hotels were rated by their customers in a survey conducted by the Market Matrix; Dusit Thani hotels received the highest points in the top three places in the top luxury hotels category of Asia Pacific and received a customer satisfaction level of 84.9%, which is very high. In addition, Dusit Thani hotels also received an award from the World Travel Awards voted by 791,358 experienced travelers from 171 countries. The awards announced in New Delhi, India, were as follows:

- Asia's Leading Hotel Brand in 2012 by World Travel Awards
- Asia's Leading Resort Brand in 2012 by World Travel Awards
- The middle East's Leading Hotel Brand in 2012 by World Travel Awards

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

MMHI Results: Q3 2012

Top Brands by Region by Segment

| Segment | Americas | | Europe | | Asia Pacific | |
|----------------|--------------------|---------|-------------------|---------|------------------|---------|
| | Brand | CSScore | Brand | CSScore | Brand | CSScore |
| Luxury | Ritz-Carlton | 91.7 | Kempinski | 87.1 | InterContinental | 83.8 |
| | JW Marriott | 89.6 | InterContinental | 86.7 | Ritz-Carlton | 83.6 |
| | Fairmont | 88.6 | Luxury Collection | 84.8 | Taj | 82.6 |
| Upper Upscale | Hard Rock | 89.4 | Steigenberger | 85.6 | Grand Metropark | 83.9 |
| | Kimpton | 87.8 | Exclusive Hotel | 84.4 | Renaissance | 83.3 |
| | Renaissance | 87.8 | Swissotel | 84.2 | Dusit Thani | 82.4 |
| Upscale | Springhill Suites | 88.1 | Scandic Hotel | 86.5 | Four Points | 84.1 |
| | Homewood Suites | 87.7 | Rica Hotel | 85.4 | Quest | 81.2 |
| | Disney's | 87.6 | Moevenpick | 85.0 | Prince Hotel | 80.4 |
| Upper Midscale | Drury Hotels | 91.3 | Tulip Inn | 84.5 | Quality | 78.0 |
| | TownePlace Suites | 89.6 | Holiday Inn | 84.3 | Mantra | 76.6 |
| | Hampton Inn | 87.7 | Van der Valk | 82.2 | Rydges | 76.6 |
| Midscale | Fiesta Inn | 85.4 | Ramada | 80.6 | Chisun | 81.8 |
| | Wingate By Wyndhar | 85.2 | Sol | 80.5 | Fortune | 77.1 |
| | Best Western | 83.7 | All Seasons | 79.8 | | |
| Economy | Jameson Inn | 83.0 | B&B Hotel | 82.0 | Han Ting | 76.7 |
| | Super 8 | 82.2 | Premier Inn | 81.9 | Home Inn | 71.3 |
| | Microtel Inn | 81.5 | Balladins | 78.7 | Motel 168 | 71.1 |

1. Data: MMHI survey date Jul 2012 – Sep 2012
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Dusit Smile Programme

Dusit Thani cooperated with the Operation Smile Foundation Thailand to organize the Dusit Smile programme in order to help children with cleft lip (cheiloschisis) and other facial disabilities. The company's mission was to give smiles and new lives to patients. The Dusit Smile programme 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, donations from business partners inside and outside Thailand, etc.

On the occasion of His Majesty King Bhumibol Adulyadej's 85th birthday celebrations in 2012, the programme organized medical operations for 85 children with cleft lip. From the first day to date, the programme has collected 3.3 million Baht in donations and has organized medical operations for 161 children with cleft lip.

Performance Indicators

| Indicator | Description | Page |
|--|---|--------|
| Economics | | |
| EC5 | Range of ratios of standard entry level wage by gender compared to local minimum wage at significant of operation. | 89 |
| Environment | | |
| EN22 | Total weight of waste by type and disposal method. | 91-94 |
| EN5 | Energy saved due to conservation and efficiency improvements. | 90-94 |
| EN8 | Total water withdrawal by source. | 91-94 |
| Society | | |
| SO3 | Percentage of employees trained in organization's anti-corruption policies and procedures. | 99 |
| Labor Practices and Decent Work | | |
| LA6 | Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs. | 97 |
| LA7 | Rates of injury, occupational diseases, lost days, and absenteeism, and number of workrelated fatalities by region and by gender. | 97-99 |
| LA10 | Average hours of training per year per employee by gender, and by employee category. | 95-96 |
| Human Rights | | |
| HR8 | Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations. | 99 |
| Product Responsibility | | |
| PR5 | Practices related to customer satisfaction, including results of surveys measuring customer satisfaction. | 99-100 |

12. Supervision on the Use of Inside Information

All important internal information is considered strictly confidential and not intended for disclosure, unless to concerned persons, such as, auditor or legal counsel, etc. The Company will disclose only key information to shareholders at appropriate time, and prohibit the management team, directors or staff from releasing information for personal interests. Such conduct is considered an offence; however, punishment has not yet been determined, but will be considered on a case-by-case basis. If there is un-transparency information outside the Company, employees can inform to Internal Auditors, for the public, they can inform to the Audit Committee.

The Company has set 4 management levels, below the managing director. The managing director shall report any changes of his/her equity holding to The Securities and Exchange Commission in Thailand and The Stock Exchange of Thailand according to section 59 of Securities and Exchange Act B.E. 2535. In addition, the report of shareholding of directors and related person are informed to the Company's Board of Directors in February every year.

13. Human Resources

Number of employees

As of December 31, 2012, the total number of 10 hotel employees of the Company and subsidiaries is 3,508 persons which a new hotel, Dusit Thani Maldives has operated since February 2012. The details are as follows:

| No. of employees | Year 2011 (persons) | Year 2012 (persons) |
|----------------------------|------------------------|------------------------|
| 1. Hotels' employees | 2,888 | 3,204 |
| 2. Subsidiaries' employees | 302 | 304 |
| Total | 3,190 | 3,508 |

Employees' remuneration

| Remuneration | Year 2011 (MB) | Year 2012 (MB) |
|---|-------------------|-------------------|
| Salary | 773.46 | 938.63 |
| Bonus | 58.84 | 64.33 |
| Provident fund and other related expenses | 189.13 | 216.06 |
| Total | 1,021.43 | 1,219.02 |

Remark: other related expenses such as medical fee, uniform, meal allowance, social security fund, etc.

Dividend Policy

The Company has a policy to pay dividends to its shareholders in the amount of not less than 50 percent of consolidated net income by consideration the result of operating in the consolidated financial statements including the result of operating and retained earnings presented in the Company financial statements to assure that the ability of paying such dividend is not opposed the Public Limited Companies Act. In addition, on August 11, 2011, the Board of Directors' meeting No. 7/2011 resolved to change the policy for allocation of dividend payment by not paying interim dividend.

The Company paid dividend for the year of 2011 by profit and retained earnings appropriation at Baht 0.50 per share, totally Baht 42.50 million which was 137 percent of the net profit.

Internal Controls

The Board of Directors and the Management have responsibilities to provide and maintain the internal control system covering financial, operational, corporate governance, compliance and risk management process. Therefore, the Board of Directors has constituted the Audit Committee of the Company. The Audit Committee is responsible for reviewing the wholeness and reliability of financial statements; ensuring the maintenance of adequate and effective internal control systems and internal audit process; reviewing the effectiveness of risk management process; and ensuring the compliance of SEC regulations, SET notifications and other applicable laws. Internal Audit Department is one of the organizations to audit and evaluate the effectiveness of control, risk management, and governance processes.

The Company has a policy to arrange and maintain an efficient internal control system which provides a reasonable assurance that the following objectives and goals can be achieved:

- Reliability and integrity of information and financial reports.
- Compliance with regulations, policies, procedures and related laws.
- Safeguarding of the Company's assets.
- Efficiency, effectiveness of operations and economy of resources.

In the Board of Directors Meeting No. 9/2012 on December 20, 2012, they assessed its internal control system following the guidelines of five components which are:

1. Organizational Control and Environment
2. Risk Management
3. Management Control Activities
4. Information and Communication
5. Monitoring

The Board of Directors also got the comments from the Audit Committee and made any queries to the Management. In summary of the Board of Directors' opinion, internal control system of the Company was fairly adequate. In part of Internal Audit report, there were no significant control weaknesses affecting internal control system. Besides, the external auditor of the Company for year 2012, PricewaterhouseCoopers ABAS, did not have any material notices concerning internal control over financial reporting.

The Management believes that the Company's internal control system is adequately restrictive to protect assets from damages that may be caused by usage or distribution without approval and monitoring of the Company and its subsidiary Companies to protect assets of the Company and its Subsidiaries, which may be abused by Executives.

In addition, Internal Audit Department manned 7 persons had a role and responsibility independently to review and evaluate the effectiveness of internal control, risk management, and governance processes including compliance with relevant regulations, especially the connected transactions. The Company's Internal Audit planned the schedule, policy and guideline for the year 2012 by auditing 1-2 times a year for each of large hotels and 1 time a year for each of small hotels. Approximately 80% of each audit assignment focused on financial audit and the rest concerned review on operational audit as well as connected transactions and the relevant laws of hotel business as appropriate. For auditing at corporate office of the Company and its major subsidiaries, financial audit was performed 1 time a year including appropriate connected transaction review.

Since late 2006, the risk management team has been set up to study and implement ERM procedure according to the PWC's recommendations both at corporate and hotel levels which will support the efficiency of the Company's internal control accordingly.

Related Transactions

1. The Company and subsidiaries have related transactions with the persons who may have the conflicts of interest during 2011 and 2012 as follows:

| Transactions with the Company/ Subsidiaries | Types of transactions | Balances/Value of transaction (Million Baht) | | Details, conditions and their necessary |
|---|--|--|-------------|---|
| | | 2011 | 2012 | |
| Dusit Thani Plc. and subsidiaries with Acme Printing Co., Ltd. by Mrs. Sinee Thienprasiddhi is the major shareholder. | Printed the calendar and annual report of the Company | 1.93 / 2.54 | 0.05 / 0.09 | 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 Company and without decision making by connected person. |
| | Selling and administration expenses | | - / 0.35 | Prices and terms are in the normal business transaction. |
| Dusit Thani Plc. and subsidiaries with the Peninsula Travel Service Co., Ltd. by Thanpuying Chanut Piyaoui's Group held 20% of its ownership. | Buying air tickets for executives to travel for business expansion | - / 0.07 | - / - | Such transaction is to support the business with the normal course of business. |

| Transactions with the Company/Subsidiaries | Types of transactions | Balances/Value of transaction (Million Baht) | | Details, conditions and their necessary |
|---|-------------------------------------|--|-------------|--|
| | | 2011 | 2012 | |
| Dusit Thani Plc. and subsidiaries with MBK Plc. by Mr. Chanin Donavanik and Mrs. Sinee Thienprasiddhi are the shareholders. | Management fee and other incomes | 0.07 / 11.76 | 0.07 / 1.28 | The conditions of pricing and services in sales and marketing are similar to those charged to other hotels in the group. |
| | Selling and administration expenses | - / 0.14 | - / - | Prices and terms are in the normal business transaction. |
| | Dividend income | - / 11.18 | - / 11.02 | Per dividend declaration |
| | Medical expenses | - / 0.23 | - / 0.29 | Prices and terms are in the normal business transaction. |
| Dusit Thani Plc. and subsidiaries with Piyasiri Co., Ltd. by Thanpuying Chanut Piyasiri's Group held majority of its ownership. | | | | |
| Dusit Thani Plc. and subsidiaries with Bangkok Bank Plc by Mr. Chatrri Sophonpanich, Chairman | Dividend and interest income | - / 0.35 | - / 0.64 | Prices and terms are in the normal business transaction. |
| | Selling and administrative expenses | - / 5.85 | - / 9.76 | Prices and terms are in the normal business transaction. |

| Transactions with the Company/Subsidiaries | Types of transactions | Balances/Value of transaction (Million Baht) | | Details, conditions and their necessary |
|--|--|--|-------------|---|
| | | 2011 | 2012 | |
| Dusit Thani Plc. and subsidiaries with Laguna Resorts and Hotels Plc. by the Company owned 0.74% of its ownership. | Management fee and other income | 33.75 / - | 1.57 / - | Such transaction calculated based on similar amount shared to other hotels and based on proportion of actual expenses, no margin added. |
| | Dividend income | - / 12.00 | - / - | Per dividend declaration |
| Dusit Thani Plc. and subsidiaries with JTB (Thailand) Co., Ltd by Mr. Chanin Donavanik is the shareholder. | Revenue from sales and services and other income | 0.50 / 4.31 | 1.84 / 9.47 | The Company had travel-agent agreement with JTB (Thailand) to perform the guestroom sales, which generally support hotel business. Prices and terms are in the normal business transaction. |
| Dusit Thani Plc. and subsidiaries with The Navakij Insurance Plc. by Professor Hiran Radeesri is the director | Insurance expenses | - / 0.33 | - / 0.67 | Prices and terms are in the normal business transaction. |
| Dusit Thani Plc. and related board of directors of Dusit Thani Plc. | Staff accommodation | - / - | - / 0.22 | Prices and terms are in the normal business transaction. |

According to the Audit Committee meeting No. 2/2013, the Audit Committee had considered that the above related transactions are reasonable in pricing and conditions at the normal course of business.

2. Related transactions between the Company and subsidiaries in financial supporting

Besides the normal transactions in doing business which already disclosed in the notes to the financial statements, the Company has policies for related transactions with subsidiaries to acquire and dispose of assets and financial supporting transaction according to SET's regulations. Even though the Company has related transactions with subsidiaries, such transaction must be approved by the Audit Committee and Board of Directors.

In 2011 and 2012, the Company had transactions related to assets or services and financial supporting to subsidiaries which was in the normal course of business. The summary of conditions and compensations of market and fair values from financial supporting transactions to subsidiaries by changing in balances and outstanding of loans were as follows:

| Subsidiaries | Changing balances (Million Baht) | | Balances (Million Baht) | | Detail of transactions |
|--------------------------------------|-------------------------------------|---------|----------------------------|------|--|
| | 2011 | 2012 | 2011 | 2012 | |
| 1. Le Cordon Bleu Dusit Co., Ltd. | (10.00) | (12.00) | 12.00 | - | The Company provided short-term loans. |
| | (0.61) | (0.58) | 0.79 | 0.21 | The Company's interest income. |

3. Standard or policies governing related transactions

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

1. Cost, retail price and value of the related transactions follow normal general trading norms.
2. The Company follows the Stock Exchange of Thailand's regulations and proposes to Audit Committee for consideration, including processes for a reasonable related transaction in the best benefits to the Company. The Audit Committee has reviewed the price or the rate of such transaction with the officers and internal auditors of the Company that the price is reasonable and appropriate disclosed in financial statements.
3. The Company sets the approval procedures for related transactions to follow the format applied to the Company's general procedures for purchasing and hiring of services.

Neither the executive directors nor the shareholders are involved in the benefits or loss or approval of these related transactions.

4. Upon entering the related transactions, the Company has strictly followed the conditions and regulations of the Stock Exchange of Thailand.

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

The Company has complied with the regulations issued by The Stock Exchange of Thailand regarding the connected transactions and/or the acquisition and disposed of assets of listed companies. The amendment will include the disclosures to shareholders of the Company, general investors and related entities including The Stock Exchange of Thailand. Such disclosure will be approved by the Board of Directors and/or the Shareholders' meeting according to the Stock Exchanged of Thailand's regulations.

4. Policies or trend on future related transactions

The entering on future related transactions according to the standard mentioned above including related transactions with Acme Printing Co., Ltd., The Peninsula Travel Service Co., Ltd. and Dusit Thai Properties Plc. (formerly, Royal Princess Plc. / Dusit Hotels and Resorts Co., Ltd.) and/or other companies may conflict.

Audit Committee's Report

The Audit Committee comprises three Independent Directors: Prof. Hiran Radeesri as Chairman of the Audit Committee, Prof. Sansern Kraichitti and Khun Sakdi Kiewkarnkha as Committee Members.

During the year 2012, the Audit Committee met for 10 times. Each of Committee members attended the meeting as follows:

- | | | |
|-----------------------------|---------------------------------|------------------------|
| 1) Prof. Hiran Radeesri | Chairman of the Audit Committee | 10 times of attendance |
| 2) Prof. Sansern Kraichitti | Committee Member | 10 times of attendance |
| 3) Khun Sakdi Kiewkarnkha | Committee Member | 10 times of attendance |

Audit Committee carried out their duties within the scope of its Charter as assigned by the Board of Directors. Audit Committee reported the performance for the year 2012 as follows:

1. Reviewing the quarterly and annual financial statements of the company and its subsidiaries: Audit Committee invited external auditors and the management to attend the meetings considering financial reporting in conformity with the auditing standards and the general accepted accounting principles to ensure all financial reports presented fairly in all material respects and their relevant information and footnotes were disclosed adequately and reliably. The external auditors' observations and advices reported have been considered and led to improvement for the accounting controls. Audit Committee meets separately with the external auditors once a year. The external auditors confirmed that they performed the engagements objectively and independently and obtained a kind cooperation with the management. Vice President Finance & Accounting confirmed that the company's accounting systems were effective to ensure that collecting and recording data were complete and accurate according to the current accounting standard. As a result of such review and confirmation of external auditors and the management, Audit Committee agreed that the annual financial statements of the company and its subsidiaries were presented in conformity with the general accepted accounting principles and disclosed adequately and reliably.
2. Reviewing internal control system of the company and its subsidiaries: Audit Committee reviewed and evaluated the plan and the reports from internal audit department which there was no significant control weakness. Director of internal audit informed that internal control system was adequate to prevent and detect frauds. Furthermore, the external auditors reported that financial internal control of the company was adequate and appropriate. Audit Committee, therefore, agreed that internal control system of the company and its subsidiaries was adequate and appropriate. Besides, Audit Committee also reviewed the plan and the report from the management regarding risk management activity. Audit Committee acknowledged that risk management system was under process.
3. Reviewing the disclosure of related transactions and compliance with SEC acts, SET rules & notifications and relevant laws: In 2012, Audit Committee was confirmed by the management that the company and management complied with relevant laws and regulations. Considering on the reports and confirmations from the responsible management as well as reviewing results, Audit Committee agreed to declare that the company complied with relevant laws and regulations and disclosed the related transactions correctly and accordingly.
4. Audit Committee performed activities according to its Charter without any limitation. Audit Committee has full and free access to any information. Audit Committee conducted the performance self-assessment with a good result. Audit Committee can also approve on the appointment, transfer and make the performance evaluation of Director of internal audit.
5. Nominating external auditors for the year 2013: Audit Committee evaluated the performance of external auditors and their independency last year with satisfactory result. Audit Committee found that all qualifications were met the SEC office requirements. Therefore, Audit Committee proposed the Board of Directors to recommend the shareholders meeting the nomination of Mrs. Nattaporn Phan-Udom or Mrs. Anothai Leekitwattana or Mrs. Unakorn Phruithithada of PricewaterhouseCoopers ABAS Limited as external auditors if the company for the year 2013 with audit fee 1,355,000 Baht.



Professor Hiran Radeesri
Audit Committee Chairman

The Board of Directors' Responsibility for Financial Reports

The Board of Directors gives priority to and takes responsibility for the consolidated financial statements of the Company and its subsidiaries, as well as the financial information presented in the 2012 annual report. Hence, such financial statements has been prepared in accordance with the generally accepted accounting principles and standards under appropriate accounting policy and regular adherence with prudence, accuracy and completeness to reflect the true operating performance of the Company. In this regard, the Company has continuously reported the operating results and disclosed adequately key information with transparency to the Stock Exchange of Thailand for the benefit of the shareholders and general investors.

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

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

| Name | Position | Signature |
|------------------------------|-------------------------------|---|
| 1. Mr. Chatri Sophonpanich | Chairman |  |
| 2. Mr. Chanin Donavanik | Managing Director |  |
| 3. Mrs. Sinee Thienprasiddhi | Executive Director of Finance |  |

Analysis of Operations and Financial Position

A. Summary of Audit Report

Auditors: PricewaterhouseCoopers ABAS Limited by Mrs. Nattaporn Phan-Udom,
Certified Public Accountant (Thailand) No. 3430

According to Auditor's report, the consolidated and company financial statements for the year ended December 31, 2012 were reported with unqualified opinion that the consolidated and company financial position as at December 31, 2012, and the consolidated and company results of operations and cash flows for the year then ended presented fairly in all material respects in accordance with Thai Financial Reporting Standards. (Page Nos. 136-137)

B. Summary of Consolidated Financial Statement

The financial position and operating results and cash flows of Company and subsidiaries in the past two years: years 2011 to 2012 are summarized and referred to Page Nos.138-208

Management Discussion and Analysis

1. Operation analysis

The impact of external factor to the operations: In 2012, tourism business in Thailand has recovered, after passing after the tumultuous time of political upheavals and severe flooding during last 5 years which classified as external factor impacted to hotel and tourism business. These caused the tourists felt un-safety, then lesser came to Thailand. Besides of crisis within the country, the decrease in economic in Europe and America also push lesser tourists travel to Thailand. Moreover, hotel business has rapid expanded, compared to the increase of guest-rooms was more than tourists. Therefore, the competition in pricing occurred and caused the average-selling price decreased while cost and other expenses were higher. In addition, hotels have to renovate their building and rooms in order to maintain their 4 and 5 stars standards, which caused higher depreciation impacted to the Company's profit.

The Company' Policy and Strategy: The external factors has high risk impacted to the Company's business in receiving the effects of crisis within the country, as such the Company set up the strategy to expand the income by proportion of overseas income to higher or in similar in Thailand. Increasing income in overseas, the Company set up the strategy as follows:

- **Investment Business:** the Company considers to investing within the region or countries where there is high tourism and return potentials. In 2011, the Company invested in resort in Maldives, a 5-star resort comprised 100 villas located on Mudhdhoo Island, Republic of

Maldives under DMS Property Investment Private Limited (DMS). DMS is a joint venture company and registered in Republic of Maldives with registered capital of USD 38.50 million of which Dusit Thai Properties Plc holds by 55%, a subsidiary of MBK Plc holds by 30%, Mr. Chattri Sophonpanich holds by 10% and Coastline Investment Private Limited holds the rest by 5%. DMS had the investment in Dusit Thani Maldives (Maldives) by purchasing the resort structure and leasehold in the amount of USD 60 million and renovation work approximately USD 20 million. DMS expected to open the resort in December 2011. However, an external factor, the flooding in Thailand delayed the procurement for delivery of material and equipment from Thailand, DMS could not start its operation as expected. DMS had an unofficially opened 10 villas in February 2012 and officially opened 100 villas on September 8, 2012. As a result of that, DMS's revenues had not achieved its target budget. In addition, during hotel decoration period, preopening expenses were fully recorded as expenses. The project had high investment value; therefore, depreciation and finance expense are significantly impacted to DMS to have net loss for 2011 of Baht 65 million and for 2012 of Baht 236 million.

- **Hotel Management Business:** the Company has strategy by increasing the number of management hotels in overseas by setting up the Development and Investment Department in Hong Kong and Dubai. In addition, in 2007 the Company had joint venture with Indian's company to set up a new company to manage hotels in India. The Company invested 50% in this new company. In 2012, the Company had set up a company in Delaware, United State of America to support the management hotels, currently 2 hotels are already signed the management agreements: Dusit Thani Guam and dusitD2 Pasadena. In February 2013, the Company has jointed investment with Chinese company in order to set up a management company in China of which invested by the Company at 45%. This new company expected to have management hotels up to 5,000 guest-rooms within year 2020.

- **Education Business:** The Company also has potential to expand its education business by the success and experience of Dusit Thani College that can open the additional campus in Pattaya in 2012 and cooperated with Le Cordon Bleu Dusit to open the cooking course and also provide the education management to Lyceum of Philippines University (LPU) in hotel management course. By this succeed experienced, it is the Company's strength, as such the Company set up the additional strategy beside of hotel business in expanding education business both in Thailand and overseas.

The Company has growth strategy since 2007. However, there are many factors caused the Company cannot meet targets. In expanding the business, the Company hired more executives, more develop systems and had more projects development expenses, as a result, the Company had higher administration expenses while the revenues was under budgeted. Starting from 2013, if there is no external factor impacted to the hotels' operation of the Company and subsidiaries and also the signed management hotels can operate as their expected, the Company expects to have higher operation profit in future.

For 2012, the general economic and tourism industry has continuing increased and after the flooding problem in late quarter 3 and continued to quarter 4 of 2011. Moreover, there was no politic in Thailand, as such the growth in economy was stable. Therefore, the revenues from sales and services of the Company and subsidiaries were Baht 4,257.44 million, increased by Baht 765.03 million, or 21.91%. The increase was resulted from revenues from sales and services of hotels, included revenues from Maldives of Baht 343.05 million. Other income was Baht 491.14 million, increased from last year by Baht 60.99 million. The increased partially resulted from gain on sales of investment properties of Baht 101.11 million. After deducting cost of sales, total expenses and non-controlling interest, net profit of the Company was Baht 149.41 million. Net profit increased from last year by Baht 118.37 million, which included net loss of Maldives of Baht 112.60 million. If excluding net loss of Maldives as mentioned above, the Company had net profit of Baht 262.01 million, increased from last year by Baht 200.16 million, or 323.65%.

Even though, in 2012 the Company's net profit increased, however, the Company still adjusted its marketing strategy including diversify its revenues and find new sources of incomes from other region in order not to concentrated income only in the country or in particular region.

Currently, the Company and subsidiaries operate hotel business which own hotels located in Thailand and overseas 10 hotels and manage 5 hotels. Besides hotel business and manage hotel business which are the main objectives, the Company and subsidiaries have operated other related business in order to consistently increase and/or support its revenues and hotel business as follows:

1. Office Building: the Company had renovated and decorated its office building to increase its rental rate and resize renting space for each room.

2. Spa Business: the subsidiary has 6 spas located at Dusit Thani Bangkok, Dusit Thani Pattaya, Dusit Thani Hua Hin, DusitD2 Chiang Mai, Dusit Thani Manila and Dusit Thani Maldives. This subsidiary has been rewarded from many leading institutions with its certified services quality.
3. Education: Dusit Thani College, Bangkok campus and Pattaya campus
Dusit Thani College has registered under Private Higher Educational Institutions Act B.E. 2522, its financial statements, is therefore not included in the consolidated financial statements of the Company. Currently, Dusit Thani College has potential growth rate in its performance.
4. Training Business for Company's entities and public: Dusit Executive Development Center Company Limited (closed its business on June 29, 2012).
5. Culinary School: Le Cordon Bleu Dusit Company Limited.

The Analysis of Operating Performance of 2011 Compared with 2012

The performance of the Company for the year ended December 31, 2012 compared with the year ended December 31, 2011 was summarized in table below:

Unit: Million Baht

| Descriptions | 2011 | | | 2012 | | | Changes | |
|--|----------------|----------------|-----------------|-----------------|-----------------|-----------------|---------------|--------------|
| | Excluding DMS | DMS | Total | Excluding DMS | DMS | Total | Amount | % |
| Revenue from sales and services | 3,492.41 | - | 3,492.41 | 3,914.39 | 343.05 | 4,257.44 | 765.03 | 21.91 |
| Cost of sales and services | (2,358.22) | - | (2,358.22) | (2,526.20) | (279.78) | (2,805.98) | 447.75 | 18.99 |
| % | 67.52 | - | 67.52 | 64.54 | 81.56 | 65.91 | 5.85 | |
| Cost of sales and services-depreciation and amortization | (352.45) | - | (352.45) | (348.86) | (91.98) | (440.84) | 88.39 | 25.08 |
| Total cost of sales and services | (2,710.67) | - | (2,710.67) | (2,875.06) | (371.76) | (3,246.82) | 536.14 | 19.78 |
| Gross profit (loss) | 781.74 | - | 781.74 | 1,039.33 | (28.72) | 1,010.62 | 228.88 | 29.28 |
| % | 22.38 | - | 22.38 | 26.55 | (8.37) | 23.74 | 29.91 | |
| Management service income | 62.75 | - | 62.75 | 61.04 | - | 61.04 | (1.71) | (2.73) |
| Other income | 162.27 | - | 162.27 | 148.59 | 1.10 | 149.69 | (12.58) | (7.75) |
| Total expenses | (1,043.98) | (64.52) | (1,108.51) | (1,140.62) | (157.47) | (1,298.09) | 189.58 | 17.10 |
| Operation profit (loss) | (37.22) | (64.52) | (101.74) | 108.34 | (185.08) | (76.74) | 25.00 | 24.57 |
| Depreciation and amortization | (37.06) | - | (37.06) | (51.57) | (0.60) | (52.17) | 15.11 | 40.77 |
| Operation profile (loss) before interest | (74.28) | (64.52) | (138.80) | 56.77 | (185.68) | (128.91) | 9.88 | 7.13 |

| Descriptions | 2011 | | | 2012 | | | Changes | |
|--|-----------------|----------------|-----------------|---------------|-----------------|-----------------|----------------|----------------|
| | Excluding DMS | DMS | Total | Excluding DMS | DMS | Total | Amount | % |
| Interest income - expenses | (15.97) | - | (15.97) | (19.77) | (50.18) | (69.95) | 53.98 | 338.01 |
| Operation profit (loss) before income tax | (90.25) | (64.52) | (154.77) | 37.00 | (235.86) | (198.86) | (44.09) | (28.49) |
| Income tax | (37.27) | - | (37.27) | (33.29) | - | (33.29) | (3.98) | (10.68) |
| Operation profit (loss) after income tax | (127.52) | (64.52) | (192.04) | 3.71 | (235.86) | (232.15) | (40.11) | (20.89) |
| Non operation revenues (expenses) | | | | | | | | |
| Dividend income | 24.26 | - | 24.26 | 12.12 | - | 12.12 | (12.14) | (50.04) |
| Realized income from deferred rental revenue | 25.43 | - | 25.43 | 25.43 | - | 25.43 | - | - |
| Gain on sales of property, premises and equipment | 39.55 | - | 39.55 | - | - | - | (39.55) | (100) |
| Gain on sales of investment properties | - | - | - | 101.11 | - | 101.11 | 101.11 | 100 |
| Share of profit from investment in associate | 111.81 | - | 111.81 | 106.93 | - | 106.93 | (4.88) | (4.37) |
| Loss on sales of property, premises and equipment | - | - | - | (2.36) | - | (2.36) | (2.36) | - |
| Loss on impairment of property, premises and equipment | (1.94) | - | (1.94) | - | - | - | 1.94 | (100) |
| Other income – insured assets | - | - | - | 25.74 | - | 25.74 | 25.74 | 100 |
| Net profit | 71.59 | (64.52) | 7.07 | 272.68 | (235.86) | 36.82 | 29.75 | 420.79 |
| Non-controlling interest | (9.75) | 33.72 | 23.97 | (10.67) | 123.26 | 112.59 | 88.62 | 369.71 |
| Net profit – the Comapany | 61.84 | (30.80) | 31.04 | 262.01 | (112.60) | 149.41 | 118.37 | 381.34 |

The Revenue Structure

The Company and subsidiaries have revenues from hotel business and management services which are the key revenues. Non operation revenues are realized income from deferred rental revenue, gain on sales of property, premises and equipment, gain on sales of investment properties, share of profit from investment in associate, interest income, dividend income, and others such as shop rental in hotels, advertising-printed material, marketing fees from managed hotels, etc.

The proportion of revenues of the Company and subsidiaries can summarize as follows:

Unit: Million Baht

| Revenues | 2011 | | 2012 | | Changes | |
|--|-----------------|---------------|-----------------|---------------|---------------|--------------|
| | Amount | % | Amount | % | Amount | % |
| 1. Revenue from sales and services | | | | | | |
| - Hotel business | 3,432.53 | 87.51 | 4,195.82 | 87.51 | 763.29 | 22.24 |
| - Office building | 59.88 | 1.52 | 61.62 | 1.52 | 1.74 | 2.91 |
| Total revenue from sales and services | 3,492.41 | 89.03 | 4,257.44 | 89.03 | 765.03 | 21.91 |
| 2. Management service income | 62.75 | 1.60 | 61.03 | 1.60 | (1.72) | (2.74) |
| 3. Other income | | | | | | |
| - Realized income from deferred rental revenue | 25.44 | 0.65 | 25.44 | 0.54 | - | - |
| - Gain on sale of property, premises and equipment | 39.55 | 1.01 | - | - | (39.55) | (100.00) |
| - Gain on sale of investment properties | - | - | 101.11 | 2.13 | 101.11 | 100.00 |
| - Share of profit from investment in associate | 111.81 | 2.85 | 106.93 | 2.25 | (4.88) | (4.36) |
| - Interest income | 4.07 | 0.10 | 9.09 | 0.19 | 5.02 | 123.34 |
| - Dividend income | 24.26 | 0.62 | 12.12 | 0.26 | (12.14) | (50.04) |
| - Other income | 162.27 | 4.14 | 175.43 | 3.68 | 13.16 | 8.11 |
| Total other income | 367.40 | 9.37 | 430.12 | 9.06 | 62.72 | 17.07 |
| Total Revenues | 3,922.56 | 100.00 | 4,748.59 | 100.00 | 826.03 | 21.06 |

Total revenue for 2012 increased from 2011 by Baht 826.03 million, or 21.06%.

1. Revenues

1.1 Revenue from sales and services

1.1.1 Hotel Business

For 2012, the Company had revenues from sales and services increased from 2011 by Baht 765.03 million, or 21.91%, the major resulted from the following:

- Dusit Thani Hotels Group increased by Baht 666.65 million, consisting of revenues from Dusit Thani group hotels by Baht 612.36 million, including revenues of Maldives Baht 343.05 million, from Dusit Princess group hotels by Baht 52.32 million and from subsidiaries of Baht 1.97 million.

- Hotels under Dusit Thani Freehold and Leasehold Property Fund (DTCPF), their revenues increased by Baht 96.64 million.

1.1.2 Office Building Business

- Revenues from office building business increased by Baht 1.74 million.

1.2 Management service income

For 2012, the Company had management service income decreased from 2011 by Baht 1.72 million, or 2.74%, because few management agreements were terminated. However, for the current management hotels, the management service income increased.

1.3 Other income

Other income represented income from the following:

- Realized income from deferred rental revenue of Baht 25.44 million from amortized the deferred rental received from Dusit Thani Freehold and Leasehold Property Fund (DTCPF).
- Gain on sales of property, premises and equipment, from selling Rommanee Court in 2011 of Baht 39.55 million.
- Gain on sales of investment properties, from selling land in Rayong province had gain of Baht 101.11 million.
- Share of profit from investment in associate from investment in DTCPF of Baht 106.93 million, decreased from 2011 by Baht 4.88 million.
- Interest income of Baht 9.09 million, increased by Baht 5.02 million.
- Dividend income of Baht 12.12 million, decreased from 2011 by Baht 12.14 million since few invested companies had not declared their dividend for 2012.

- Other income of Baht 175.43 million, increased by Baht 13.16 million. In 2012, there was income received from damage claimed - flooding by Dusit Princess Korat of Baht 14.80 million and damage claimed - politic crisis in 2010 of Baht 10.94 million.

2. Cost of sales and services

Cost of sales and services of the Company was 65.91% of total revenue from sales and services, decreased when compared with 2011 of 67.52% of total revenue from sales and services. Cost of sales and services included rental of land and building of 3 hotels from DTCPPF for 2011 and 2012 of Baht 293.68 million and Baht 314.29 million, respectively, and in 2012, also included rental of land and building of Dusit Thani Maldives of Baht 27.04 million and the guaranteed rental to DTCPPF by the Company for 2011 and 2012 of Baht 87.70 million and Baht 68.46 million, respectively.

3. Gross profit (loss)

The mentioned comparison above, after deducting cost of sales and services, depreciation and amortization, for 2012 by excluding Maldives (DMS), the Company had gross operating profit of Baht 1,039.33 million increased from 2011 by Baht 257.59 million, or 32.95%. Including gross loss of Maldives of Baht 28.72 million, gross profit of the Company was Baht 1,010.62 million, increased from 2011 by Baht 228.88 million, or 29.28%.

4. Expenses

The Company had the total expenses for 2012 of Baht 1,298.09 million, increased by Baht 189.58 million, or 17.10% comprised the following:

- Selling expenses of Baht 364.21 million comprised marketing, promotion and advertising expenses increased by Baht 22.00 million. The increased resulted from Maldives of Baht 41.17 million since the opening in February 2012. While these expenses from other hotels and entities decreased by Baht 19.17 million.

- Administrative expenses of Baht 933.88 million, increased by Baht 167.57 million. Mostly these expenses resulted from Maldives of Baht 51.78 million (its preopening expenses of Dusit Thani Maldives) and administrative expenses of other hotels and entities increased by Baht 115.79 million since number of employees and foreign – executives increased in order to expand the Company's oversea-business in future.

In addition, there were non operation expenses as follows:

- Loss on sales of property, premises and equipment of Baht 2.36 million from selling of unused equipment of hotels.

- Loss on impairment of property, premises and equipment of Baht 1.94 million from recording the impairment of assets in 2011, but there was no such impairment increased in 2012.

5. Depreciation and amortization

The Company had depreciation and amortization expenses of Baht 52.17 million, increased by Baht 15.11 million because in 2012, the hotels have renovated to maintain the higher impages, as such depreciation was higher.

6. Operation profit (loss)

The operation profit (loss) represent profit (loss) by excluding revenues from non-operating, such as interest income, interest expenses, dividend income, realized income from deferred rental revenue, gain on sales of property, premises and equipment, gain on sales of investment properties, and share of profit from investment in associate. For 2012, the Company had total operation loss before interest of Baht 128.91 million. However, if excluding operation loss of Maldives which was Baht 185.68 million, the Company's operation profit before interest was Baht 56.77 million, increased from last year by Baht 131.05 million, or 176.42%.

7. Net profit (loss) and net profit (loss) attributed to the Company

For 2012, the Company had net profit of Baht 149.41 million. The main reason resulted from the operation profit before interest of the Company of Baht 56.77 million. After including non-operating revenues of Baht 268.97 million (majority were from gain on sales of investment properties of Baht 101.11 million and share of profit from investment in associate of Baht 106.93 million), Maldives's operation loss of Baht 185.68 million, financial expenses of Maldives of Baht 50.18 million and of the Company of Baht 19.77 million, income tax of Baht 33.29 million and attributed net loss to non-controlling interest of Baht 112.59 million, therefore net profit of the Company was Baht 149.41 million.

However, excluding net loss of Maldives, the net profit of the Company for 2012 was Baht 262.01 million, increased from 2011 by Baht 200.17 million, or 323.69%. The major expenses increased resulted from the Company's financial expenses and administration expenses.

8. Net profit

The Company had net profit of Baht 149.41 million, increased from 2011 by Baht 118.37 million as follows:

Unit: Million Baht

| Transactions | Amount |
|--|---------------|
| Gross profit increased | 228.88 |
| Other income increased: | |
| - Gain on sales of property, premises and equipment and investment properties | 59.20 |
| - Other income; interest income, rental income, etc. | 18.16 |
| Other income decreased: | |
| - Management service income | (1.71) |
| - Share of profit from investment in associate (from invested 30.02% in DTCPF) | (4.88) |
| - Dividend income | (12.14) |
| Expenses increased: | |
| - Selling and administrative expenses | (189.58) |
| - Depreciation and amortization | (15.11) |
| - Interest expenses | (58.99) |
| Expenses decreased: | |
| - Loss on impairment of property, premises and equipment | 1.94 |
| Income tax expenses decreased from 2011 | 3.98 |
| Non-Controlling interest decreased | 88.62 |
| Net profit increased | 118.37 |

The Analysis of Financial Position

The significant financial positions of the Company and subsidiaries as at December 31, 2012 compared with as at December 31, 2011 were as follows:

Total Assets were Baht 8,402.07 million, increased by Baht 60.72 million, consisted of the following:

Current assets decreased from 2011 by Baht 66.45 million as follows:

Trade and other receivables - net

As at December 31, 2011 and 2012, the Company and subsidiaries had trade and other receivable - net of Baht 527.77 million and Baht 407.53 million, respectively, decreased by Baht 120.24 million. Majority decreased resulted from receiving premises and equipment which previously paid deposit for asset acquisition of Maldives.

Short-term loans to related companies

As at December 31, 2011, the Company and subsidiaries had short-term loans to related companies of Baht 6.00 million. This decreased in 2012 as the resulted from receiving the payment of such loan from related companies.

Deposit at bank with collateral

As at December 31, 2011, the Company and subsidiaries had deposit at bank with collateral of Baht 47.25 million. This decreased in 2012 according to condition specified in the sale and purchase agreement for Maldives project.

The increase transactions were as follows:

Cash and cash equivalent

As at December 31, 2011 and 2012, cash and cash equivalent were Baht 590.23 million and Baht 662.91 million, respectively, increased by Baht 72.68 million, resulting from the operation of Maldives of Baht 45.64 million.

Inventories

As at December 31, 2011 and 2012, the Company and subsidiaries had inventories of Baht 74.20 million and Baht 86.18 million, respectively. The increase was by Baht 11.98 million. Most inventories are food and beverage, engineering supplies and other supplies, including inventories of Maldives opened in 2012.

Prepaid rental of land and buildings

As at December 31, 2011 and 2012, the Company and subsidiaries had prepaid rental of land and buildings of Baht 89.82 million and Baht 103.52 million, respectively. The increase was Baht 13.70 million. This prepaid rental of land and buildings of the Company paid to The Crown Property Bureau of Baht 74.07 million and of DMS of Baht 29.45 million.

Other current assets

As at December 31, 2011 and 2012, the Company and subsidiaries had other current assets of Baht 28.28 million and Baht 36.97 million, respectively, increased by Baht 8.69 million.

Non-Current Assets increased by Baht 127.18 million, consisted of the following:

Property, premises and equipment – net

As at December 31, 2011 and 2012, the Company and subsidiaries had property, premises and equipment – net of Baht 4,314.58 million and Baht 4,541.77 million, respectively, increased by Baht 227.19 million. Major increases resulted from premises and equipment on leased land of 5-star resort, structure and equipment of Dusit Thani Maldives of Baht 2,110.86 million, depreciation of Baht 90.78 million. In addition, in 2012, there were hotel renovation of the Company and subsidiaries.

Available-for-sale investments

As at December 31, 2011 and 2012, the Company and subsidiaries had available-for-sales investment of Baht 266.29 million and Baht 299.15 million, respectively, increased by Baht 32.86 million, as the increased of fair value of such investment.

Investment in associate

As at December 31, 2011 and 2012, the Company and subsidiaries had investment in associate of Baht 1,302.78 million and Baht 1,309.53 million, respectively, increased by Baht 6.75 million from share of profit from investment in DTCPF of Baht 106.93 million and dividend received of Baht 100.18 million. The Company had investment in Dusit Thani Freehold and Leasehold Property Fund (DTCPF) of 30.02% in December 2010.

Other non-current assets

As at December 31, 2011 and 2012, the Company and subsidiaries had other non-current assets of Baht 48.11 million and Baht 53.17 million, respectively, increased by Baht 5.06 million, resulting from the amortization according to the periods.

The decrease transactions were as follows:

Investment properties - net

As at December 31, 2011 and 2012, the Company and subsidiaries had investment properties - net of Baht 297.71 million and Baht 273.15 million, respectively, decreased by Baht 24.56 million, resulting from depreciation of rental - office buildings.

Prepaid rental of land and buildings exceeding one year – net

As at December 31, 2011 and 2012, the Company and subsidiaries had prepaid rental of land and building exceeding one year – net of Baht 530.61 million and Baht 410.48 million, respectively, decreased by Baht 120.13 million, resulted from the amortization according to leased period. The

balance consisted of prepaid land and buildings of the Company paid to The Crown Property Bureau of Baht 314.78 million and of DMS of Baht 95.70 million.

Total Liabilities were Baht 3,848.93 million, increased by Baht 80.34 million, consisted of the following:

Current liabilities decreased from 2011 by Baht 144.05 million as follows:

Bank overdrafts and short-term loans from financial institutions

As at December 31, 2011 and 2012, the Company and subsidiaries had bank overdrafts and short-term loans from financial institutions of Baht 822.40 million and Baht 655.30 million, respectively, decreased by Baht 167.10 million, from repayment of borrowing by the Company.

Trade and other payables

As at December 31, 2011 and 2012, the Company and subsidiaries had trade and other payable of Baht 872.90 million, and Baht 822.55 million, respectively, decreased by Baht 50.35 million from payment of payables – assets acquisition and other accrued expenses of the Company and Maldives.

Liabilities under rental guaranteed

As at December 31, 2011 and 2012, the Company and subsidiaries had liabilities under rental guaranteed by Baht 87.70 million and Baht 68.45 million, respectively, decreased by Baht 19.25 million, resulted from the rental guaranteed by the Company to DTCPF.

The increase transactions were as follows:

Current portion of long-term loans

As at December 31, 2011 and 2012, the Company and subsidiaries had current portion of long-term loans of Baht 20.61 million and Baht 98.01 million, respectively. The increase of Baht 77.40 million resulted from loans of DMS.

Short – term loan from related companies

As at December 31, 2011 and 2012, the Company and subsidiaries had short – term loan from related companies of Baht 6.00 million, and Baht 12.23 million, respectively, increased by Baht 6.23 million.

Accrued income tax

As at December 31, 2011 and 2012, the Company and subsidiaries had accrued income tax of Baht 7.54 million, and Baht 11.11 million, respectively, increased by Baht 3.57 million.

Other current liabilities

As at December 31, 2011 and 2012, the Company and subsidiaries had other current liabilities totaling Baht 47.28 million and Baht 52.73 million, respectively, increased by Baht 5.45 million.

Non-current liabilities increased by Baht 224.39 million, consisted of the following:

Long-term loans

As at December 31, 2011 and 2012, the Company and subsidiaries had long-term loans of Baht 1,015.79 million and Baht 1,225.04 million, respectively, increased by Baht 209.25 million.

Retirement benefit obligation

As at December 31, 2011 and 2012, the Company and subsidiaries had retirement benefit obligation of Baht 129.26 million and Baht 163.64 million, respectively, increased by Baht 34.38 million according to the calculation by the actuarial.

Other non-current liabilities

As at December 31, 2011 and 2012, the Company and subsidiaries had non-current liabilities of Baht 15.19 million and Baht 21.38 million, respectively, increased by Baht 6.19 million.

Deferred rental revenue

As at December 31, 2011 and 2012, the Company and subsidiaries had deferred rental revenue from DTCPPF of Baht 711.58 million and Baht 686.14 million, respectively, decreased by Baht 25.44 million because of recognition as income during the year.

Equity

As at December 31, 2011 and 2012, total equity was Baht 4,572.75 million and Baht 4,553.14 million, respectively, decreased by Baht 19.61 million. Majority decrease resulted from dividend payment for year 2011 to ordinary shareholders of 85,000,000 shares at Baht 0.50 per share, totaling Baht 42.50 million, Company's operation profit of Baht 149.41 million, unrealized gain of available-for-sale investments (from market value) by Baht 29.77 million, exchange differences on the translation of financial statements of subsidiaries by Baht 29.07 million, net loss of non-controlling interest by Baht 99.98 million and actuarial losses on defined employee benefit plan by Baht 27.24 million. As at December 31, 2012, the unappropriated retained earnings of the Company was Baht 1,266.37 million.

As at December 31, 2012, debt to equity ratio was 0.85:1. If excluding deferred rental revenue of Baht 711.57 million, debt to equity ratio would be 0.69:1. Total equity attributable to owners of the parent was Baht 3,956.98 million and book value was Baht 46.81 per share.

The Analysis of Cash flows

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

| | Unit: Million Baht | | |
|--|--------------------|------------|----------|
| | 2010 | 2011 | 2012 |
| Net cash flow provided by operating activities | 463.43 | 402.77 | 528.82 |
| Net cash flow provided by (used in) investing activities | 342.62 | (2,058.99) | (493.23) |
| Net cash flow provided by (used in) financing activities | (820.51) | 1,864.80 | 32.91 |
| Effect of exchange rate changes on cash | (4.30) | 4.24 | 4.17 |
| Net increase (decrease) in cash flows | (18.76) | 212.82 | 72.67 |

The Company and subsidiaries have cash flows for 2011 compared with 2012 as follows:

Net cash flows provided by operating activities of Baht 528.82 million, resulted from operation profit before changes in operating assets and liabilities of Baht 502.67 million, cash received from trade and other receivables of Baht 61.23 million, from settlement by receivables and prepayment for assets of Dusit Thani Maldives, trade and other payables of Baht 37.12 million, other current liabilities of Baht 12.13 million, less purchase of inventories and other current assets decreased of Baht 23.26 million, liabilities under rental guaranteed to DTCPF decreased of Baht 19.25 million, payment for employee benefit of Baht 20.39 million, paid of income tax of Baht 32.23 million, and cash received from refund of prepaid income tax of Baht 10.80 million.

Net cash flow provided by (used in) investing activities of Baht 493.22 million, resulted from interest received by Baht 11.03 million, dividend received Baht 12.12 million, dividend received from DTCPF Baht 100.18 million, cash received from repayment of loans to related companies Baht 6.00 million, from sales of investment properties – land in Rayong province Baht 114.72 million, and payment for purchasing of investment properties of Baht 1.45 million, cash received from sales of property, premises and equipment Baht 16.40 million, payment for purchasing property, premises and equipment Baht 742.03 million, and payment for intangible assets, software Baht 10.19 million.

Net cash flows provided by (used in) financing activities of Baht 32.91 million, resulted from cash received from long-term loans of Baht 315.57 million, majority was from DMS Property Investment Private Limited, cash received from short-term loans from related companies of Baht 12.23 million, payment for short-term loans from financial intuitions – net Baht 166.14 million, payment for short-term loans from related companies Baht 6.00 million, payment for interest of Baht 73.83 million and payment for dividend of Baht 48.46 million.

2. The Profitability

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

Profitability Ratios

| | | 2010 | 2011 | 2012 |
|------------------------|---|------|------|------|
| Net profit margin | % | 3.00 | 0.79 | 3.15 |
| Return on Equity (ROE) | % | 2.82 | 0.80 | 3.81 |

In reference to the above ratios, in 2012, the Company had net profit margin at 3.15% of total revenues, and return on equity (ROE) was at 3.81%, increased from 2011. In 2012, the Company and subsidiaries had operating profit of Baht 149.41 million, increased from 2011 by Baht 118.37 million as the results, the profitability ratio of 2012 increased from 2011, because the Company had higher revenues from hotel business according to the growth of tourism business in Thailand and higher investments. The higher cost of investment caused the starting operation profit at the starting stage was not covered its cost. Higher expenses directly impacted to the Company's net profit. However, in 2012, the Company had gain on sales of assets, cash received from insurance claim – flooding and share of profit from DTCPF, the Company therefore had higher net profit.

In addition, the Company had continually paid dividend to the shareholders and had policy to pay dividend not less than 50% of basic earnings per share. In 2012, the Board of Directors meeting on February 26, 2013, declared the dividend payment by appropriated from retained earnings to shareholders at Baht 1.00 per share, totaling Baht 85.00 million.

3. The Ability to Manage Assets

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

Trade and other receivables consisted of the following:

| | Unit : Million Baht | | |
|--|---------------------|---------------|---------------|
| | Dec. 31, 2010 | Dec. 31, 2011 | Dec. 31, 2012 |
| Trade accounts receivable – net | 255.39 | 262.62 | 273.54 |
| Other receivables - Management and other service - net | 43.38 | 48.28 | 47.63 |
| Other receivable – other companies | 39.76 | 21.46 | 16.49 |
| <u>Less</u> Allowance for doubtful accounts | (5.42) | (0.40) | (0.64) |
| Receivable – Sale of hotel | 30.00 | - | - |
| Accrued interest income | 0.09 | 2.33 | 0.39 |
| Accrued income | - | 0.15 | 0.19 |
| Prepaid expenses | 35.63 | 38.40 | 32.00 |
| Prepaid income tax | 42.08 | 29.53 | 18.77 |
| Advances | 8.13 | 9.27 | 9.53 |
| Prepaid for Assets | - | 115.59 | - |
| Deposits | 0.01 | - | 9.13 |
| Refundable deposits | 0.86 | 0.54 | 0.50 |
| Trade and other receivables - net | <u>449.91</u> | <u>527.77</u> | <u>407.53</u> |

As at December 31, 2012, the Company and subsidiaries had trade and other receivables increased because of trade accounts receivable of Maldives, while other receivables decreased.

Trade accounts receivable classified by aging as follows:

Unit: Million Baht

| Outstanding amount | Dec. 31, 2010 | Dec. 31, 2011 | Dec. 31, 2012 |
|--|---------------|---------------|---------------|
| - Less than 3 months | 251.00 | 256.71 | 264.85 |
| - More than 3 months | 19.15 | 20.14 | 25.68 |
| Total trade accounts receivable | 270.15 | 276.85 | 290.53 |
| <u>Less:</u> Allowance for doubtful accounts | (14.76) | (14.23) | (16.99) |
| Trade accounts receivable - net | 255.39 | 262.62 | 273.54 |

As at December 31, 2012, the Company and subsidiaries had trade accounts receivable past due more than 3 months of Baht 25.68 million which mostly were agents. The Company and subsidiaries had set up the allowance for doubtful accounts totaling Baht 16.99 million, which were sufficient for their operations.

Effective Assets Management

| | | 2010 | 2011 | 2012 |
|------------------------|---|-------|-------|-------|
| Return on Assets (ROA) | % | 4.35 | 0.89 | 1.78 |
| Return on Fixed Assets | % | 20.91 | 12.17 | 14.35 |
| Assets turnover | % | 0.62 | 0.54 | 0.57 |

Efficiency ratio for management of assets for 2012: return on assets was 1.78%, increased from 2011, because in 2012, the Company and subsidiaries had net profit of Baht 149.41 million which increased and total assets of 2012 was Baht 8,402.07 million, increased by Baht 60.72 million. However, the Company still has to continually invest in fixed assets, for instance decoration of Dusit Thani Maldives, renovation hotels and their restaurants. These assets will be sufficient in generate revenues to receive higher return in future years. According to the mentioned ratios, it presented the ability of the Company by higher of using assets for higher efficiency in operations.

4. The Capital Efficiency

The capital structure of the Company consisted of short-term and long-term loans and from shareholders. As at December 31, 2012, borrowings were detailed as follows:

| Unit: Million Baht | | | |
|--|-----------------|-----------------|----------------------|
| | Limit | Balance | Interest |
| 1. Bank overdraft | 89.00 | - | MOR |
| 2. Short-term loans from financial institutions | | | |
| - Dusit Thani Plc. | 450.00 | 267.00 | MMR |
| - Dusit Thani Plc. | 150.00 | - | MMR |
| - Dusit Thani Plc. | 300.00 | - | be specified by bank |
| - Dusit Thani Plc. | 800.00 | - | MMR |
| - Dusit Thani Plc. | 350.00 | 309.90 | MMR |
| - Dusit Thai Properties Plc. | 150.00 | 5.00 | MMR |
| - DMS Property Investment Pvt. Ltd. ⁽¹⁾ | 76.95 | 73.40 | LIBOR |
| | | | 6 months+3.425% |
| 3. Short-term loans from related company | | | |
| - DMS Property Investment Pvt. Ltd. | 24.47 | 12.23 | LIBOR |
| | | | 6 months+3.425% |
| 4. Long-term loans from financial institutions | | | |
| - Philippine Hoteliers, Inc. ⁽²⁾ | 364.32 | 53.88 | 4.3865% |
| - DMS Property Investment Pvt. Ltd. ⁽¹⁾ | 1,269.17 | 1,269.17 | LIBOR |
| | | | 6 months+3.425% |
| Total | 4,023.91 | 1,990.58 | |

⁽¹⁾ DMS Property Investment Private Limited has short-term and long-term loans with financial institutions in Thailand totaling USD 2.50 million and USD 41.50 million, respectively. Short-term loans were for working capital and long-term loans were for payment of liabilities according the sale and purchase agreement and for acquiring operating assets, furniture, installation of fixture and equipment and preopening expenses and others. Such short-term and long-term loans are pledged by total securities - share certificates of such subsidiary of 38.50 million shares and 60% guaranteed by the company and 40% by other 2 shareholders of such subsidiary. Long-term loans had fully withdrawn.

⁽²⁾ Limitation of long-term loans of Philippine Hoteliers, Inc. was Peso 510 million.

As at December 31, 2012, debt to equity ratio was 0.85:1. If excluding deferred rental revenue of Baht 711.57 million, debt to equity ratio would be 0.69:1. Total equity attributable to owners of the parent was Baht 3,956.98 million and book value was Baht 46.81 per share.

The Liquidity Ratios

| | | 2010 | 2011 | 2012 |
|---------------|-------|------|------|------|
| Current Ratio | times | 1.02 | 0.72 | 0.74 |
| Quick Ratio | times | 0.64 | 0.45 | 0.54 |

The Company's current ratio and quick ratio for 2012 were increased from 2011 because cash from operations increased by Baht 72.68 million, trade accounts receivable increased by Baht 10.92 million, inventories increased by Baht 11.98 million, prepaid rental of land and building increased by Baht 13.70 million of DMS. However, current liabilities decreased as in 2012 the Company had bank overdraft and short-term loans from financial institutions decreased by Baht 167.10 million, liabilities under rental guaranteed to DTCPF decreased by Baht 19.25 million, trade and other payables, such as payable - assets acquisition to renovate and decorate Dusit Thani Maldives and other hotels of the Company and subsidiaries decreased by Baht 91.07 million, therefore, the liquidity ratios of the Company was higher. The liquidity ratios of the Company analyzed according to the financial position were lower because the Company managed to use short-term borrowing as lower of interest rate. However, the Company has already considered the payment ability of such loans and will convert such short-term loan to long-term loans according to the situation.

The Ratios in Debt Management

| | | 2010 | 2011 | 2012 |
|---|-------|------|------|------|
| Debt to Equity Ratio | times | 0.30 | 0.66 | 0.69 |
| (for liabilities - excluding deferred rental revenue) | | | | |
| Debt to Equity Ratio | times | 0.48 | 0.82 | 0.85 |
| Time-Interest Earned Ratio | times | 5.48 | 3.21 | 1.89 |

As at December 31, 2012, the Company and subsidiaries had debt to equity ratio equal to 0.69 times and as at December 31, 2011 equaled to 0.66 times (such liabilities excluding deferred rental revenue). The main reason for increasing in such ratio were part of liabilities of the Company and subsidiaries, there were additional borrowing for hotel renovation and decoration – Dusit Thani Maldives and hotels of the Company and subsidiaries, and for working capital totaling Baht 1,978.35 million, increased by Baht 119.55 million (a which partially paid during

the year), retirement benefit obligation increased by Baht 34.38 million. However, the above mentioned ratio was lower than the ratio specified in loan agreements which is to maintain the debt to equity ratio to not more than 1.75:1. The time-interest earned ratio was 1.89 times, decreased from 2011 because in 2012, the Company and subsidiaries had increased in operating profit and had interest paid more than 2011 by Baht 58.99 million, from borrowing of DMS. However, the Company still has ability to pay interest when it dues. In order to manage liabilities, the Company set up the policy of debt to equity ratio in not over 1 time.

5. Factors may affect to the future operations or financial positions

5.1 External factor affects to the hotel business

These situations might occur: political crisis, terrorism, disaster or disease, economic and competition.

The operations of the Company are hotel business which major revenue are form hotels operations. The external factors might impact to business of the Company. Hotel business is sensitive to those impacts by external factors, especially political crisis. In the past, such external factors had directly affected to the operation of the Company. The major business of the Company is from hotel operations of 79% of total revenues were from hotels operated in Thailand, so it significantly impacted on the operation of the Company. However, the Company has set up the policies to prevent those effects by insuring with the insurer for all risks and business interruption, and terrorism in order to reduce the effect from such risk.

The Company has reduced such risk by set up the strategies of expand the investment and manage hotels in many regions.

In marketing areas, the Company had find new market share to replace the problem one by set up the sale office in China, Dubai, Russia and America, etc.

The new management service agreements of the Company and subsidiaries cover period of 2 – 15 years, therefore, the potential risk in terminating the agreement before its expiry date or not renew the agreement is high. This will directly impact to revenues. The Company and subsidiaries have to be clearly specific term and conditions of such agreement in order to reduce risk of terminating the agreement before its expiry date. Moreover, the economic and world financial crisis affected to hotel business, therefore, Company's revenues might not meet the expected budget. The Company expected these situations might continue impacting for next 1-2 years. However, the Company has set up the Development and Investment Office for new management hotels.

5.2 Internal factor affects to the business

Manpowers are substantially significant to the operation of the Company. The Company set as the first priority in developing those manpowers by training in order to support the expansion of the owned and managed hotels in future. Moreover, Dusit Thani College also provides the bachelor and master degrees in hotel business, as such the Company can self-select those qualify manpowers. In addition, the Company also manages in Lyceum of Philippines University (LPU) which can be another channel in having qualified manpowers to support the expansion of hotel business in future.

5.3 Impairment of property, premises and equipment

With the high competitive and regression of tourism industry, while the number of tourists are continually decreased, the Company, therefore considers about impairment of property, premises and equipment of each hotel by engaging the independent appraiser to appraise, based on discounted cash flow of all hotels owned by the Company and subsidiaries. In case the carrying value of such property, premises and equipment is less than such appraised, based on discounted cash flows, the Company, therefore, recognizes loss on impairment of property, premises and equipment as an expense.

6. Remuneration for Auditors

In 2012, the Company paid remuneration fees to auditors as follows:

1. The audit fee of the Company and subsidiaries in Thailand paid to PricewaterhouseCoopers ABAS totaling Baht 3.68 million.
2. The audit fee of subsidiaries in overseas:
 - Isla Lipana & Co. (a member firm of PricewaterhouseCoopers), Makati Cty, Philippines, totaling Peso 665,500.
 - PricewaterhouseCoopers, Male', Republic of Maldives, totaling USD 8,250.
3. The non-audit fee
 - No non-audit service was provided by the auditor to the Company and subsidiaries in Thailand.
 - Subsidiary in overseas: Philippine Hoteliers, Inc., other non-audit service was the agreed upon procedure related to monthly service charges distributed to employees of Dusit Thani Manila by Isla Lipana & Co. (a member firm of PricewaterhouseCoopers). This service has been provided in 2012. The fee of such service was Peso 130,000 which will be paid in 2013.

AUDITOR'S REPORT

To the Shareholders and the Board of Directors of Dusit Thani Public Company Limited

I have audited the accompanying consolidated and company financial statements of Dusit Thani Public Company Limited and its subsidiaries and of Dusit Thani Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2012, and the related consolidated and company statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of Dusit Thani Public Company Limited and its subsidiaries and of Dusit Thani Public Company Limited as at 31 December 2012, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



Nattaporn Phan-Udom
Certified Public Accountant (Thailand) No. 3430
PricewaterhouseCoopers ABAS Ltd.

Bangkok
26 February 2013

Dusit Thani Public Company Limited and Subsidiaries
Statements of Financial Position
As at 31 December 2012 and 2011 and As at 1 January 2011

| | | | | | | | Baht |
|---|--------------------------------------|---------------------------------------|-------------------------------------|---------------------------------|---------------------------------------|-------------------------------------|-----------------------------|
| Notes | Consolidated financial statements | | | Company financial statements | | | |
| | 31 December 2012 | 31 December 2011 (Reclassified) | 1 January 2011 (Reclassified) | 31 December 2012 | 31 December 2011 (Reclassified) | 1 January 2011 (Reclassified) | |
| ASSETS | | | | | | | |
| Current Assets | | | | | | | |
| Cash and cash equivalents | 5.1 | 662,907,841 | 590,233,725 | 377,415,418 | 158,817,002 | 126,179,211 | 180,844,300 |
| Trade and other receivables - net | 6 | 407,533,873 | 527,773,595 | 449,914,280 | 206,594,695 | 244,609,447 | 416,571,636 |
| Inventories - net | 7 | 86,181,551 | 74,196,923 | 71,032,433 | 27,225,622 | 26,873,594 | 26,510,710 |
| Short-term loans to related companies | 31.3 | - | 6,000,180 | 11,000,330 | - | 12,000,000 | 23,828,900 |
| Prepaid rental of land and buildings | 13 | 103,519,347 | 89,817,390 | 74,066,640 | 74,066,640 | 74,066,640 | 74,066,640 |
| Deposit at bank with collateral | 12.4 | - | 47,252,250 | - | - | - | - |
| Other current assets - net | 8 | 36,967,129 | 28,284,449 | 45,875,916 | 9,031,660 | 10,325,624 | 18,262,264 |
| Total Current Assets | | <u>1,297,109,741</u> | <u>1,363,558,512</u> | <u>1,029,305,017</u> | <u>475,735,619</u> | <u>494,054,516</u> | <u>740,084,450</u> |
| Non-Current Assets | | | | | | | |
| Available-for-sale investments | 9 | 299,147,850 | 266,293,475 | 305,070,400 | 270,993,150 | 243,498,500 | 278,982,100 |
| Investment in associate | 31.1 | 1,309,525,818 | 1,302,779,562 | 1,235,075,256 | 1,229,202,500 | 1,229,202,500 | 1,228,200,000 |
| Investment in subsidiaries | 31.1 | - | - | - | 907,109,034 | 899,074,034 | 896,074,066 |
| Investment in joint ventures | 31.1 | - | - | - | 26,079,945 | 23,469,945 | 23,469,945 |
| Other long-term investments | 10 | 217,715,882 | 217,715,882 | 217,715,882 | - | - | - |
| Investment properties - net | 11 | 273,149,054 | 297,708,004 | 311,630,822 | 226,629,699 | 256,449,805 | 274,787,250 |
| Property, premises and equipment - net | 12 | 4,541,772,948 | 4,314,575,701 | 2,482,026,756 | 847,427,664 | 861,136,144 | 898,711,828 |
| Prepaid rental of land and buildings exceeding one year - net | 13 | 410,484,345 | 530,606,610 | 462,916,500 | 314,783,220 | 388,849,860 | 462,916,500 |
| Intangible assets - net | 14 | 46,063,601 | 42,864,792 | 45,069,818 | 41,897,788 | 41,925,576 | 43,504,075 |
| Other non-current assets - net | 15 | 7,102,529 | 5,240,253 | 6,670,223 | 3,255,042 | 1,339,043 | 1,315,871 |
| Total Non-Current Assets | | <u>7,104,962,027</u> | <u>6,977,784,279</u> | <u>5,066,175,657</u> | <u>3,867,378,042</u> | <u>3,944,945,407</u> | <u>4,107,961,635</u> |
| Total Assets | | <u><u>8,402,071,768</u></u> | <u><u>8,341,342,791</u></u> | <u><u>6,095,480,674</u></u> | <u><u>4,343,113,661</u></u> | <u><u>4,438,999,923</u></u> | <u><u>4,848,046,085</u></u> |

Dusit Thani Public Company Limited and Subsidiaries

Statements of Financial Position (Continued)

As at 31 December 2012 and 2011 and As at 1 January 2011

| | | Consolidated financial statements | | | Company financial statements | | | Baht |
|--|-------|--------------------------------------|---------------------------------------|-------------------------------------|---------------------------------|---------------------------------------|-------------------------------------|------|
| | Notes | 31 December 2012 | 31 December 2011 (Reclassified) | 1 January 2011 (Reclassified) | 31 December 2012 | 31 December 2011 (Reclassified) | 1 January 2011 (Reclassified) | |
| LIABILITIES AND SHAREHOLDERS' | | | | | | | | |
| EQUITY | | | | | | | | |
| Current Liabilities | | | | | | | | |
| Bank overdrafts and short-term loans | | | | | | | | |
| from financial institutions | 16 | 655,297,760 | 822,400,000 | 197,000,000 | 576,900,000 | 822,400,000 | 183,000,000 | |
| Trade and other payables | 17 | 822,553,419 | 872,899,269 | 674,592,275 | 283,903,854 | 270,888,895 | 418,835,089 | |
| Current portion of long-term liabilities | | | | | | | | |
| under financial lease agreements | 18 | 488,219 | 449,295 | 200,731 | 279,115 | 254,341 | 18,969 | |
| Current portion of long-term loans | 19 | 98,009,749 | 20,610,799 | 36,518,585 | - | - | - | |
| Short-term loan from related companies | 31.3 | 12,232,960 | 5,999,820 | 14,999,550 | - | - | 1,092,310,000 | |
| Current portion of deferred rental revenue | 20 | 25,433,333 | 25,433,333 | 25,433,333 | - | - | - | |
| Accrued income tax | | 11,108,026 | 7,541,821 | 11,335,218 | - | - | - | |
| Liabilities under rental guaranteed | | 68,454,870 | 87,703,789 | - | 68,454,870 | 87,703,789 | - | |
| Others current liabilities | | 52,241,716 | 46,830,339 | 53,558,987 | 24,991,695 | 26,226,212 | 24,820,633 | |
| Total Current Liabilities | | <u>1,745,820,052</u> | <u>1,889,868,465</u> | <u>1,013,638,679</u> | <u>954,529,534</u> | <u>1,207,473,237</u> | <u>1,718,984,691</u> | |
| Non-Current Liabilities | | | | | | | | |
| Long-term liabilities under financial lease agreements | 18 | 777,415 | 1,272,599 | 477,080 | 704,394 | 990,474 | - | |
| Long-term loans | 19 | 1,225,044,223 | 1,015,787,914 | 119,734,785 | - | - | - | |
| Unrealized gain on sales of assets held for sale | 24 | 6,904,215 | 6,904,215 | 6,904,215 | 6,904,215 | 6,904,215 | 6,904,215 | |
| Deferred rental revenue | 20 | 686,142,556 | 711,575,889 | 737,009,224 | - | - | - | |
| Retirement benefit obligation | 25 | 163,643,129 | 129,260,687 | 97,220,070 | 89,554,253 | 60,926,211 | 67,123,831 | |
| Other non-current liabilities | | 20,602,675 | 13,921,113 | 15,232,252 | 15,592,675 | 13,921,113 | 15,232,252 | |
| Total Non-Current Liabilities | | <u>2,103,114,213</u> | <u>1,878,722,417</u> | <u>976,577,626</u> | <u>112,755,537</u> | <u>82,742,013</u> | <u>89,260,298</u> | |
| Total Liabilities | | <u>3,848,934,265</u> | <u>3,768,590,882</u> | <u>1,990,216,305</u> | <u>1,067,285,071</u> | <u>1,290,215,250</u> | <u>1,808,244,989</u> | |

Dusit Thani Public Company Limited and Subsidiaries

Statements of Financial Position (Continued)

As at 31 December 2012 and 2011 and As at 1 January 2011

| | | | | | | | Baht |
|---|-------------|--------------------------------------|---------------------------------------|-------------------------------------|---------------------------------|---------------------------------------|-------------------------------------|
| | | Consolidated financial statements | | | Company financial statements | | |
| | Notes | 31 December 2012 | 31 December 2011 (Reclassified) | 1 January 2011 (Reclassified) | 31 December 2012 | 31 December 2011 (Reclassified) | 1 January 2011 (Reclassified) |
| LIABILITIES AND SHAREHOLDERS' | | | | | | | |
| EQUITY (Continued) | | | | | | | |
| Shareholders' Equity | | | | | | | |
| Share capital | | | | | | | |
| Authorized share capital | | | | | | | |
| 85,000,000 common shares of | | | | | | | |
| Baht 10 each | | | | | | | |
| | | 850,000,000 | 850,000,000 | 850,000,000 | 850,000,000 | 850,000,000 | 850,000,000 |
| Issued and paid-up share capital | | | | | | | |
| 85,000,000 common shares of | | | | | | | |
| Baht 10 each, fully paid | | | | | | | |
| | | 850,000,000 | 850,000,000 | 850,000,000 | 850,000,000 | 850,000,000 | 850,000,000 |
| Additional paid-in capital | | | | | | | |
| Premium on common shares | | | | | | | |
| | | 1,643,000,000 | 1,643,000,000 | 1,643,000,000 | 1,643,000,000 | 1,643,000,000 | 1,643,000,000 |
| Paid-in surplus - treasury common shares | | | | | | | |
| | 23.1 | 18,365,540 | 18,365,540 | 18,365,540 | 16,950,268 | 16,950,268 | 16,950,268 |
| Retained earnings | | | | | | | |
| Appropriated | | | | | | | |
| Legal reserve | | | | | | | |
| | 21 | 85,000,000 | 85,000,000 | 85,000,000 | 85,000,000 | 85,000,000 | 85,000,000 |
| Other reserves | | | | | | | |
| | 22 and 23.1 | 15,740,202 | 15,740,202 | 15,740,202 | - | - | - |
| Unappropriated | | | | | | | |
| | | 1,266,368,018 | 1,159,452,363 | 1,170,909,965 | 577,086,495 | 452,945,667 | 306,368,659 |
| <u>Less Treasury common shares</u> | | | | | | | |
| | 23.1 | (15,740,202) | (15,740,202) | (15,740,202) | - | - | - |
| <u>Other components of equity</u> | | | | | | | |
| | | 94,247,470 | 120,785,538 | 97,784,425 | 103,791,827 | 100,888,738 | 138,482,169 |
| Equity attributable to | | | | | | | |
| owners of the parent | | | | | | | |
| | | 3,956,981,028 | 3,876,603,441 | 3,865,059,930 | 3,275,828,590 | 3,148,784,673 | 3,039,801,096 |
| Non-controlling interests | | | | | | | |
| | | 596,156,475 | 696,148,468 | 240,204,439 | - | - | - |
| Total Shareholders' Equity | | | | | | | |
| | | 4,553,137,503 | 4,572,751,909 | 4,105,264,369 | 3,275,828,590 | 3,148,784,673 | 3,039,801,096 |
| Total Liabilities and Shareholders' Equity | | | | | | | |
| | | 8,402,071,768 | 8,341,342,791 | 6,095,480,674 | 4,343,113,661 | 4,438,999,923 | 4,848,046,085 |

Dusit Thani Public Company Limited and Subsidiaries
Statements of Income
For the years ended 31 December 2012 and 2011

| | | | | Baht | |
|---|--------|--------------------------------------|------------------|---------------------------------|--------------------|
| | | Consolidated financial statements | | Company financial statements | |
| | Notes | 2012 | 2011 | 2012 | 2011 |
| Revenue from sales and services | | 4,257,442,247 | 3,492,412,640 | 1,513,599,631 | 1,333,443,724 |
| Cost of sales and services | | | | | |
| Cost of sales and services | | (2,805,974,670) | (2,358,218,729) | (910,326,459) | (836,607,531) |
| Cost of services - depreciation and amortization | | (440,844,111) | (352,455,996) | (188,556,548) | (194,521,000) |
| Total cost of sales and services | | (3,246,818,781) | (2,710,674,725) | (1,098,883,007) | (1,031,128,531) |
| Gross profit | | 1,010,623,466 | 781,737,915 | 414,716,624 | 302,315,193 |
| Other incomes | | | | | |
| Management service income | | 61,035,294 | 62,754,647 | 62,092,703 | 57,307,303 |
| Interest income | | 9,091,635 | 4,071,207 | 1,132,936 | 2,356,248 |
| Dividend income | | 12,115,125 | 24,260,400 | 147,382,008 | 313,162,851 |
| Realized income from deferred rental revenue | 20 | 25,433,333 | 25,433,333 | - | - |
| Gain on sales of property, premises and equipment | | - | 39,552,622 | 1,744,816 | 39,361,957 |
| Gain on sales of investment properties | 11 | 101,110,332 | - | 101,110,332 | - |
| Share of profit from investment in associate | 26 | 106,926,093 | 111,813,445 | - | - |
| Other income | | 175,430,955 | 162,268,900 | 249,153,659 | 209,551,760 |
| Total other incomes | | 491,142,767 | 430,154,554 | 562,616,454 | 621,740,119 |
| Profit before expenses | | 1,501,766,233 | 1,211,892,469 | 977,333,078 | 924,055,312 |
| Expenses | | | | | |
| Selling expenses | | (364,212,645) | (342,212,584) | (201,432,794) | (209,200,896) |
| Administrative expenses | | (933,874,383) | (766,296,350) | (548,840,943) | (475,826,098) |
| Depreciation and amortization | | (52,177,399) | (37,064,036) | (34,567,335) | (18,980,405) |
| Loss on sales of property, premises and equipment | | (2,356,293) | - | - | - |
| Loss on impairment of property, premises and equipment | 12 | - | (1,935,286) | - | - |
| Financial expenses | | (79,033,107) | (20,044,946) | (25,851,178) | (30,970,905) |
| Total expenses | | (1,431,653,827) | (1,167,553,202) | (810,692,250) | (734,978,304) |
| Profit before income tax | | 70,112,406 | 44,339,267 | 166,640,828 | 189,077,008 |
| Income tax | 27 | (33,291,361) | (37,266,352) | - | - |
| Net profit | | 36,821,045 | 7,072,915 | 166,640,828 | 189,077,008 |
| Attributable net profit (loss) to: | | | | | |
| - Equity holders of the parent | | 149,415,655 | 31,042,398 | 166,640,828 | 189,077,008 |
| - Non-controlling interests | | (112,594,610) | (23,969,483) | - | - |
| | | 36,821,045 | 7,072,915 | 166,640,828 | 189,077,008 |
| Basic earnings per share | | | | | |
| - Equity holders of the parent | Baht | 1.77 | 0.37 | 1.96 | 2.22 |
| Weighted average number of ordinary shares | Shares | 84,528,500 | 84,528,500 | 85,000,000 | 85,000,000 |

Dusit Thani Public Company Limited and Subsidiaries
Statements of Comprehensive Income
For the years ended 31 December 2012 and 2011

| | Consolidated | | Company | |
|---|-----------------------------|-------------------|-----------------------------|---------------------|
| | financial statements | | financial statements | |
| | 2012 | 2011 | 2012 | 2011 |
| Net profit | 36,821,045 | 7,072,915 | 166,640,828 | 189,077,008 |
| Other comprehensive income (loss) | | | | |
| Exchange differences on the translation of financial statements of subsidiaries | (13,593,101) | 67,096,921 | - | - |
| Gains (losses) on remeasuring available for sale investments | 32,854,375 | (38,776,925) | 27,494,650 | (35,483,600) |
| Actuarial gain (losses) on define employee benefit plan | (27,238,429) | (4,017,900) | (24,591,561) | (2,109,831) |
| Other comprehensive income (loss) | (7,977,155) | 24,302,096 | 2,903,089 | (37,593,431) |
| Total comprehensive income | 28,843,890 | 31,375,011 | 169,543,917 | 151,483,577 |
| Total comprehensive income (loss) attributable to: | | | | |
| - Owners of the parent | 122,877,587 | 54,043,511 | 169,543,917 | 151,483,577 |
| - Non-controlling interests | (94,033,697) | (22,668,500) | - | - |
| | 28,843,890 | 31,375,011 | 169,543,917 | 151,483,577 |

Dusit Thani Public Company Limited and Subsidiaries
Statements of Changes in Shareholders' Equity
For the years ended 31 December 2012 and 2011

| | Consolidated financial statements | | | | | | | | | | | | Bath | | |
|--|--|--------------------------|--|-------------------|--------------|------------------------|----------------------------|---|---|----------------------------|--------------|----------------------------|---------------|--------------|---------------|
| | Attributable to owners of the parent | | | | | | Non-Controlling interests | | | | | Total shareholders' equity | | | |
| | Issued and paid-up share capital | Premium on common shares | Paid-in surplus-treasury common shares | Retained earnings | | Treasury common shares | Other components of equity | | | Total owners of the parent | | | | | |
| | | | | Legal reserve | Appropriated | | Unrealized gain (loss) | Exchange differences on the translation of financial statements of subsidiaries | Actuarial losses on defined employee benefit plan | | | | | | |
| Note | | | | | | | | | | | | | | | |
| 28 | Beginning balance : 1 January 2011 | 850,000,000 | 1,643,000,000 | 18,365,540 | 85,000,000 | 15,740,202 | 1,268,130,035 | (15,740,202) | 240,078,542 | (142,294,117) | - | 97,784,425 | 3,962,280,000 | 240,204,439 | 4,202,484,439 |
| | Adjustment from changes in accounting policy | - | - | - | - | - | (97,220,070) | - | - | - | - | - | (97,220,070) | (3,867,863) | (101,087,933) |
| | Balance after adjustment | 850,000,000 | 1,643,000,000 | 18,365,540 | 85,000,000 | 15,740,202 | 1,170,909,965 | (15,740,202) | 240,078,542 | (142,294,117) | - | 97,784,425 | 3,865,059,930 | 236,336,576 | 4,101,396,506 |
| | Changes in shareholders' equity for the year | - | - | - | - | - | (42,500,000) | - | - | - | - | - | (42,500,000) | (37,132,595) | (79,632,595) |
| | Dividend paid | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Non-controlling interests - increase from investment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total comprehensive income (losses) for the year | - | - | - | - | - | 31,042,398 | - | (38,776,925) | 65,795,938 | (4,017,900) | 23,001,113 | 54,043,511 | (22,668,500) | 31,375,011 |
| | Ending balance : 31 December 2011 | 850,000,000 | 1,643,000,000 | 18,365,540 | 85,000,000 | 15,740,202 | 1,159,452,363 | (15,740,202) | 201,301,617 | (76,498,179) | (4,017,900) | 120,785,538 | 3,876,603,441 | 696,148,468 | 4,572,751,909 |
| | Beginning balance : 1 January 2012 | 850,000,000 | 1,643,000,000 | 18,365,540 | 85,000,000 | 15,740,202 | 1,159,452,363 | (15,740,202) | 201,301,617 | (76,498,179) | (4,017,900) | 120,785,538 | 3,876,603,441 | 696,148,468 | 4,572,751,909 |
| | Changes in shareholders' equity for the year | - | - | - | - | - | (42,500,000) | - | - | - | - | - | (42,500,000) | (5,958,296) | (48,458,296) |
| 28 | Dividend paid | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total comprehensive income (losses) for the year | - | - | - | - | - | 149,415,655 | - | 29,772,079 | (29,071,718) | (27,238,429) | (26,538,068) | 122,877,587 | (94,033,697) | 28,843,890 | |
| | Ending balance : 31 December 2012 | 850,000,000 | 1,643,000,000 | 18,365,540 | 85,000,000 | 15,740,202 | 1,266,368,018 | (15,740,202) | 231,073,696 | (105,569,897) | (31,256,329) | 94,247,470 | 3,956,981,028 | 596,156,475 | 4,553,137,503 |

Dusit Thani Public Company Limited and Subsidiaries
Statements of Changes in Shareholders' Equity (Continued)
For the years ended 31 December 2012 and 2011

| | Company financial statements | | | | | | | | Baht |
|--|--|--------------------------|--|----------------------------|----------------|---------------------------|---|----------------------------|---------------|
| | Issued and paid-up share capital | Premium on common shares | Paid-in surplus-Treasury common shares | Retained earnings | | Other component of equity | | Total shareholders' equity | |
| | | | | Appropriated Legal reserve | Unappropriated | Unrealized gain (loss) | Actuarial losses on defined employee benefit plan | | |
| | | | | | | | | | |
| Note | Beginning balance : 1 January 2011 | | | | | | | | |
| | Adjustment from changes in accounting policy | | | | | | | | |
| | 850,000,000 | 1,643,000,000 | 16,950,268 | 85,000,000 | 373,492,490 | 138,482,169 | - | 138,482,169 | 3,106,924,927 |
| | Balance after adjustment | | | | | | | | |
| | 850,000,000 | 1,643,000,000 | 16,950,268 | 85,000,000 | 306,368,659 | 138,482,169 | - | 138,482,169 | 3,039,801,096 |
| | Changes in shareholders' equity for the year | | | | | | | | |
| | Dividend paid | | | | | | | | |
| | 850,000,000 | - | - | - | (42,500,000) | - | - | - | (42,500,000) |
| | Total comprehensive income (losses) for the year | | | | | | | | |
| | 850,000,000 | 1,643,000,000 | 16,950,268 | 85,000,000 | 452,945,667 | (35,483,600) | (2,109,831) | (37,593,431) | 151,483,577 |
| Ending balance : 31 December 2011 | | | | | | | | | |
| 850,000,000 | 1,643,000,000 | 16,950,268 | 85,000,000 | 452,945,667 | 102,998,569 | (2,109,831) | 100,888,738 | 3,148,784,673 | |
| Beginning balance : 1 January 2012 | | | | | | | | | |
| Changes in shareholders' equity for the year | | | | | | | | | |
| Dividend paid | | | | | | | | | |
| 850,000,000 | - | - | - | (42,500,000) | - | - | - | (42,500,000) | |
| Total comprehensive income (losses) for the year | | | | | | | | | |
| 850,000,000 | 1,643,000,000 | 16,950,268 | 85,000,000 | 577,086,495 | 27,494,650 | (24,591,561) | 2,903,089 | 169,543,917 | |
| Ending balance : 31 December 2012 | | | | | | | | | |
| 850,000,000 | 1,643,000,000 | 16,950,268 | 85,000,000 | 577,086,495 | 130,493,219 | (26,701,392) | 103,791,827 | 3,275,828,590 | |

Dusit Thani Public Company Limited and Subsidiaries

Statements of Cash Flows

For the years ended 31 December 2012 and 2011

| | | Consolidated | | Company | | Baht |
|---|-------|----------------------|---------------|----------------------|---------------|------|
| | | financial statements | | financial statements | | |
| | Notes | 2012 | 2011 | 2012 | 2011 | |
| Cash flows from operating activities | | | | | | |
| Profit before income tax | | 70,112,406 | 44,339,267 | 166,640,828 | 189,077,008 | |
| Items to reconcile: | | | | | | |
| Realized income from deferred rental revenue | 20 | (25,433,333) | (25,433,333) | - | - | |
| Interest income | | (9,091,635) | (4,071,207) | (1,132,936) | (2,356,248) | |
| Dividend income | | (12,115,125) | (24,260,400) | (147,382,008) | (313,162,851) | |
| Bad debts and allowance for doubtful accounts (Reversal) | | (23,829,945) | (6,904,498) | 10,923,356 | (8,204,578) | |
| Depreciation and amortization of property, premises and equipment | 12 | 474,724,097 | 368,520,756 | 200,825,164 | 189,591,816 | |
| Depreciation of investment properties | 11 | 11,266,612 | 13,922,818 | 16,277,579 | 18,337,445 | |
| Amortization of prepaid rental of land and buildings | 13 | 102,188,618 | 74,066,640 | 74,066,640 | 74,066,640 | |
| Amortization of intangible assets | 14 | 7,000,048 | 6,211,169 | 6,021,140 | 5,572,144 | |
| Amortization of other non - current assets | 15 | 30,753 | 865,298 | - | - | |
| Withholding tax written off | | 2,160,449 | - | - | - | |
| Employee benefit obligation | 25 | 23,710,053 | 35,226,807 | 12,329,519 | 8,526,969 | |
| Share of profit from investment in associate | 26 | (106,926,093) | (111,813,445) | - | - | |
| Gain on sales of investment properties | 11 | (101,110,332) | - | (101,110,332) | - | |
| Loss (Gain) on sales of property, premises and equipment | | 2,356,293 | (39,552,622) | (1,744,816) | (39,361,957) | |
| Loss on property, premises and equipment written off | 12 | 8,594,238 | 3,510,246 | 4,049,229 | 2,783,905 | |
| Loss on impairment of property, premises and equipment | 12 | - | 1,935,286 | - | - | |
| Loss on intangible assets written off | 14 | 53 | 2 | 2 | - | |
| Financial expenses | | 79,033,107 | 20,044,946 | 25,851,178 | 30,970,905 | |
| Income from operations before changes in operating assets and liabilities | | 502,670,264 | 356,607,730 | 265,614,543 | 155,841,198 | |
| (Increase) decrease in operating assets | | | | | | |
| Trade and other receivables | | 61,230,249 | (114,965,466) | 18,398,746 | 182,697,677 | |
| Inventories | | (12,667,877) | (2,903,303) | (352,028) | (630,675) | |
| Other current assets | | (8,735,280) | 19,610,842 | 1,293,964 | 8,204,430 | |
| Other non-current assets | | (1,862,276) | 1,429,970 | (1,915,999) | (23,172) | |
| Increase (decrease) in operating liabilities | | | | | | |
| Trade and other payables | | 37,121,999 | 123,571,806 | (16,875,297) | (111,519,925) | |
| Liabilities under rental guaranteed | | (19,248,919) | 87,703,789 | (19,248,919) | 87,703,789 | |
| Other current liabilities | | 5,451,208 | (5,501,090) | (1,234,517) | (5,084,284) | |
| Other non-current liabilities | | 6,681,562 | (1,311,139) | 1,671,562 | (1,311,139) | |
| Repayment for retirement benefit obligation | 25 | (20,393,108) | (32,959,106) | (6,680,696) | (16,834,420) | |
| Cash provided by operating activities before income tax paid | | 550,247,822 | 431,284,033 | 240,671,359 | 299,043,479 | |
| Proceeds from refund of prepaid income tax | | 10,796,242 | 10,044,788 | 7,500,227 | 7,775,903 | |
| Payment for income tax | | (32,225,027) | (38,554,978) | (259,788) | (9,032,592) | |
| Net cash provided by operating activities | | 528,819,037 | 402,773,843 | 247,911,798 | 297,786,790 | |

Dusit Thani Public Company Limited and Subsidiaries

Statements of Cash Flows (Continued)

For the years ended 31 December 2012 and 2011

| | | Consolidated | | Company | | Baht |
|--|-------|----------------------|-----------------|----------------------|---------------|------|
| | | financial statements | | financial statements | | |
| | Notes | 2012 | 2011 | 2012 | 2011 | |
| Cash flows from investing activities | | | | | | |
| Interest income | | 11,029,155 | 1,830,453 | 2,585,147 | 1,082,027 | |
| Dividend income | | 12,115,125 | 24,260,400 | 147,382,008 | 313,162,851 | |
| Dividend income received from associate | | 100,179,800 | 45,111,640 | - | - | |
| Proceeds from repayment of loans to related companies | 31.3 | 6,000,180 | 5,000,150 | 12,000,000 | 58,428,900 | |
| Payment for loans to related companies | 31.3 | - | - | - | (46,600,000) | |
| Payment for purchase of shares in associate | | - | (1,002,500) | - | (1,002,500) | |
| Payment for purchase of shares in subsidiaries | | - | - | - | (2,999,968) | |
| Payment for purchase of shares in joint venture | | - | - | (2,610,000) | - | |
| Proceeds from sales of investment properties | | 114,720,000 | - | 114,720,000 | - | |
| Payment for purchase of investment properties | 11 | (1,453,237) | - | (2,099,581) | - | |
| Payment for prepaid rental of land | | - | (149,960,449) | - | - | |
| Proceeds from sales of property, premises and equipment | | 16,405,871 | 48,461,941 | 1,896,385 | 48,615,182 | |
| Payment for purchase of property, premises and equipment | 5.2.1 | (742,031,290) | (2,028,688,767) | (174,379,004) | (194,300,970) | |
| Payment for purchase of intangible assets | 14 | (10,191,055) | (4,006,145) | (5,993,354) | (3,993,645) | |
| Net cash provided by (used in) investing activities | | (493,225,451) | (2,058,993,277) | 93,501,601 | 172,391,877 | |

Dusit Thani Public Company Limited and Subsidiaries

Statements of Cash Flows (Continued)

For the years ended 31 December 2012 and 2011

| | Notes | Consolidated | | Company | | Baht |
|---|-------|----------------------|----------------------|----------------------|----------------------|------|
| | | financial statements | | financial statements | | |
| | | 2012 | 2011 | 2012 | 2011 | |
| Cash flows from financing activities | | | | | | |
| Proceeds from short-term loans from financial institutions | | 996,497,760 | 1,316,400,000 | 918,100,000 | 1,316,400,000 | |
| Repayment for short-term loans from financial institutions | | (1,162,638,020) | (691,000,000) | (1,163,600,000) | (677,000,000) | |
| Proceeds from short-term loans from related companies | 31.3 | 12,232,960 | - | - | - | |
| Repayment for short-term loan from related companies | 31.3 | (5,999,820) | (8,999,730) | - | (1,092,310,000) | |
| Payment for long-term liabilities under finance lease agreement | 5.2.1 | (456,260) | (497,917) | (261,306) | (316,154) | |
| Proceeds from long-term loans | | 336,177,106 | 918,057,866 | - | - | |
| Repayment of long-term loans | 19 | (20,610,799) | (88,601,226) | - | - | |
| Proceed from share subscription by non-controlling interest | | - | 519,612,987 | - | - | |
| Interest paid | | (73,830,596) | (20,538,512) | (20,514,302) | (29,117,602) | |
| Dividends paid | 28 | (48,458,296) | (79,632,595) | (42,500,000) | (42,500,000) | |
| Net cash provided by (used in) financing activities | | <u>32,914,035</u> | <u>1,864,800,873</u> | <u>(308,775,608)</u> | <u>(524,843,756)</u> | |
| Net increase (decrease) in cash and cash equivalents | | 68,507,621 | 208,581,439 | 32,637,791 | (54,665,089) | |
| Cash and cash equivalents as at 1 January | | 590,233,725 | 377,415,418 | 126,179,211 | 180,844,300 | |
| Exchange gain on cash | | 4,166,495 | 4,236,868 | - | - | |
| Cash and cash equivalents as at 31 December | 5.1 | <u>662,907,841</u> | <u>590,233,725</u> | <u>158,817,002</u> | <u>126,179,211</u> | |

Dusit Thani Public Company Limited and Subsidiaries
Notes to the Consolidated and Company Financial Statements
For the years ended 31 December 2012 and 2011

1. General information

Dusit Thani Public Company Limited is a public limited company incorporated and resident in Thailand with its head office located at 946 Dusit Thani Office Building, 5th floor, Rama IV Road, Silom, Bangrak, Bangkok. The Company's main objective is to operate hotel business and hotel management service business.

The Company is listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to as the "Group".

The consolidated and company financial statements were approved for issuing by the board of directors of the Company on 26 February 2013.

2. Accounting policies

The principal accounting policies applied in the preparation of these consolidated and company financial statements are set out below:

2.1 Basis for preparation

The accompanying consolidated and company financial statements have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543 being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act .

The consolidated and company financial statements have been prepared under the historical cost convention, except those explain in accounting policies.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and company financial statements are disclosed in Note 3.

An English version of the consolidated and company financial statements have been prepared from the financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language financial statements shall prevail.

2. Accounting policies (Continued)

2.1 Basis for preparation (Continued)

The Company reclassified the following items in the consolidated and company financial statements to conform with changes in presentation in the current period:

| Previous account | Amount Baht | Reclassification | Amount Baht |
|---|----------------|-----------------------------------|----------------|
| Consolidated financial statement | | | |
| Statement of financial position | | | |
| As at 1 January 2011 | | | |
| Trade accounts receivable - net | 255,388,882 | Trade and other receivables - net | 449,914,280 |
| Inventory – net | 69,683,855 | Inventory - net | 71,032,433 |
| Other current assets - net | 241,749,892 | Other current assets | 45,875,916 |
| Trade accounts payable | 151,507,936 | Trade and other payables | 674,592,275 |
| Other payables | 58,618,861 | Other current liabilities | 53,558,987 |
| Payable - Asset acquisition | 78,466,205 | | |
| Accrued expenses | 253,443,939 | | |
| Deposit received | 80,508,782 | | |
| Other current liabilities | 105,605,539 | | |
| Consolidated financial statement | | | |
| Statement of financial position | | | |
| As at 31 December 2011 | | | |
| Trade accounts receivable - net | 262,622,280 | Trade and other receivables - net | 527,773,595 |
| Inventory - net | 73,116,136 | Inventory - net | 74,196,923 |
| Other current assets - net | 294,516,551 | Other current assets | 28,284,449 |
| Trade accounts payable | 153,055,507 | Trade and other payables | 872,899,269 |
| Other payables | 62,792,240 | Other current liabilities | 46,830,339 |
| Payable - Asset acquisition | 166,758,240 | | |
| Accrued expenses | 286,049,293 | | |
| Deposit received | 97,401,552 | | |
| Other current liabilities | 153,672,776 | | |

2. Accounting policies (Continued)

2.1 Basis for preparation (Continued)

The Company reclassified the following items in the consolidated and company financial statements to conform with changes in presentation in the current period: (Continued)

| Previous account | Amount Baht | Reclassification | Amount Baht |
|--|----------------|-----------------------------------|----------------|
| Company financial statement | | | |
| Statement of financial position | | | |
| As 1 January 2011 | | | |
| Trade accounts receivable - net | 148,002,491 | Trade and other receivables - net | 416,571,636 |
| Inventory - net | 25,162,132 | Inventory - net | 26,510,710 |
| Other current assets - net | 288,179,987 | Other current assets | 18,262,264 |
| Trade accounts payable | 80,655,603 | Trade and other payables | 418,835,089 |
| Other payables | 120,094,100 | Other current liabilities | 24,820,633 |
| Payable - Asset acquisition | 59,428,748 | | |
| Accrued expenses | 109,451,184 | | |
| Deposit received | 35,365,850 | | |
| Other current liabilities | 38,660,237 | | |
| Company financial statement | | | |
| Statement of financial position | | | |
| As at 31 December 2011 | | | |
| Trade accounts receivable - net | 107,813,759 | Trade and other receivables - net | 244,609,447 |
| Inventory - net | 25,792,807 | Inventory - net | 26,873,594 |
| Other current assets - net | 148,202,099 | Other current assets | 10,325,624 |
| Trade accounts payable | 51,471,237 | Trade and other payables | 270,888,895 |
| Other payables | 27,027,942 | Other current liabilities | 26,226,212 |
| Payable - Asset acquisition | 27,639,038 | | |
| Accrued expenses | 78,764,209 | | |
| Deposit received | 40,439,330 | | |
| Other current liabilities | 71,773,351 | | |

2. Accounting policies (Continued)

2.1 Basis for preparation (Continued)

The consolidated financial statements include all account balances of the Company, subsidiaries and the proportionate of investment in joint ventures and investment in associates are accounted for using equity method as follows:

| | % of shareholding | |
|---|-------------------|--------|
| | 2012 | 2011 |
| Dusit Thani Properties Company Limited | 99.99 | 99.99 |
| Dusit Thai Properties Public Company Limited | | |
| by the Company | 2.87 | 2.15 |
| by Dusit Thani Properties Company Limited | 83.93 | 84.65 |
| Philippine Hoteliers, Inc. | | |
| by Dusit Thani Properties Company Limited | 88.01 | 88.01 |
| Dusit Enterprises Company Limited | | |
| by Dusit Thani Properties Company Limited ⁽¹⁾ | - | 100.00 |
| Devarana Spa Company Limited | 99.99 | 99.99 |
| Dusit Executive Development Center Company Limited ⁽²⁾ | 99.99 | 99.99 |
| Le Cordon Bleu Dusit Company Limited | 49.99 | 49.99 |
| Dusit Worldwide Company Limited | 99.99 | 99.99 |
| Dusit Overseas Company Limited | | |
| by Dusit Worldwide Company Limited | 100.00 | 100.00 |
| Dusit Bird Hotels Private Limited | 50.00 | 50.00 |
| Dusit Management Company Limited | 99.99 | 99.99 |
| Dusit Thani Freehold and Leasehold Property Fund | 30.02 | 30.02 |
| DMS Property Investment Private Limited | | |
| by Dusit Thai Properties Public Company Limited ⁽³⁾ | 55.00 | 55.00 |
| Dusit USA Management Inc. ⁽⁴⁾ | 100.00 | - |

⁽¹⁾ Dusit Enterprises Company Limited registered for liquidation with Companies Division, the Government Authorities in Republic of Mauritius on 26 July 2012.

⁽²⁾ Dusit Executive Development Center Co, Ltd. registered for liquidation with Department of Business Development on 29 June 2012.

⁽³⁾ Dusit Thai Properties Public Company Limited invested in DMS Property Investment Private Limited on 15 August 2011 and share certificates of such company are pledged as collateral of loan from financial of such company.

⁽⁴⁾ On 14 August 2012, the Company invested in Dusit USA Management Inc.

2. Accounting policies (Continued)

2.2 New accounting standards, new financial reporting standard, new interpretations and amendments to accounting standard

New accounting standards, new financial reporting standard, new interpretations and amendments to accounting standard that are not yet effective and have not been early adopted by the Group:

Effective for the periods beginning on or after 1 January 2013

| | |
|-----------------------|---|
| TAS 12 | Income taxes |
| TAS 20 (Revised 2009) | Accounting for Government Grants and Disclosure of Government Assistance |
| TAS 21 (Revised 2009) | The Effects of Changes in Foreign Exchange Rates |
| TFRS 8 | Operating Segments |
| TSIC 10 | Government Assistance - No Specific Relation to Operating Activities |
| TSIC 21 | Income Taxes - Recovery of Revalued Non-Depreciable Assets |
| TSIC 25 | Income Taxes - Changes in the Tax Status of an Entity or its Shareholders |

TAS 12 deals only with taxes on income, comprising current and deferred tax. Current tax expense for a period is based on the taxable and deductible amounts that will be shown on the tax return for the current year. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax accounting is based on the temporary differences between the tax base of an asset or liability and its carrying amount in the financial statements.

TSIC 21 clarifies that deferred tax liability or asset that arises from the revaluation of a non-depreciable asset in accordance with TAS 16, Property, Plant and Equipment, shall be measured on the basis of the tax consequences that would follow from recovery of the carry amount of that asset through sale, regardless of the basis of measuring the carrying amount of that asset.

TSIC 25 clarifies that a change in the tax status of an entity or its shareholders does not give rise to increases or decreases in amounts recognized outside profit or loss. The current and deferred tax consequences of a change in tax status shall be included in profit or loss for the period, unless those consequences related to transactions and events that result, in the same or different period, in a direct credit or charge to the recognized amount of equity or in amounts recognized in other comprehensive income. Those tax consequences shall be charged directly to shareholders' equity or other comprehensive income, respectively. The Group is assessing the impact of deferred tax.

TAS 20 applies in accounting for, and in the disclosure of, government grants and in the disclosure of other forms of government assistance. Government grants are recognized when there is reasonable assurance that the entity will comply with conditions related to them and that the grants will be received. Grants related to income are recognized in profit or loss over periods necessary to match them with the related costs that they are intended to compensate. Grants related to assets are either offset against the carrying amount of the relevant asset or presented as deferred income in the statement of financial position.

2. Accounting policies (Continued)

2.2 New accounting standards, new financial reporting standard, new interpretations and amendments to accounting standard (Continued)

TSIC 10 clarifies on TAS 20 that government assistance to entities meets the definition of government grants in TAS 20, even if there are no conditions specifically relating to the operating activities of the entity other than the requirement to operate in certain regions or industry sectors. Such grants shall therefore not be credited directly to shareholders' interests. The Group is assessing the impact of the standard and interpretation.

TAS 21 (revised 2009) requires an entity to determine its functional currency which is the currency of the primary economic environment in which the entity operates. Currency other than functional currency of an entity is foreign currency. Foreign currency transactions are required to be translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year-end exchange rate of monetary items denominated in foreign currency are recognized in profit or loss. The standard permits the presentation currency of a reporting entity to be any currencies. The results and financial positions of all the Group entities that have a functional currency different from the presentation currency are translated in the presentation currency as follows: (a) assets and liabilities are translated at the closing rate at the date of that statement of financial position; (b) income and expenses are translated at the exchange rate at the date of the transactions; and (c) all resulting exchange differences are recognized in the statement of comprehensive income. The Group is currently assessing the impact of applying this standard.

TFRS 8 requires a management approach under which segment information is presented on the same basis that used for internal reporting purpose as provided to the chief operating decision makers. The new standard will have an impact on disclosure.

Effective for the periods beginning on or after 1 January 2014

| | |
|----------|---|
| TFRIC 4 | Determining whether an Arrangement contains a Lease |
| TFRIC 12 | Service Concession Arrangements |
| TFRIC 13 | Customer Loyalty Programmes |
| TSIC 29 | Service Concession Arrangements: Disclosure |

TFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. TFRIC 4 is not relevant to the Group's operations.

TFRIC 12 applies to public-to-private service concession arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. TFRIC12 is not relevant to the Group's operations.

2. Accounting policies (Continued)

2.2 New accounting standards, new financial reporting standard, new interpretations and amendments to accounting standard (Continued)

TFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement, and the consideration received or receivable from the customer is allocated between the components of the arrangement using fair values. The Group is currently assessing the impact of applying this interpretation.

TSIC 29 contains disclosure requirements in respect of public-to-private service arrangements. TSIC 29 is not relevant to the Group's operations.

2.3 Group Accounting - Investments in subsidiaries and associates and interests in joint ventures

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Investments in subsidiaries are accounted for at cost less impairment.

Intercompany transactions, balances and unrealized gains or loss on transactions between the Group's companies are eliminated. Unrealized losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in shareholders' equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

2. Accounting policies (Continued)

2.3 Group Accounting - Investments in subsidiaries and associates and interests in joint ventures (Continued)

(c) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognized in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognized in the profit or loss.

In the Company financial statements, investments in associates are accounted for using the cost method.

A list of the Group's associates is set out in Note 31.1.

(d) Joint Ventures

The Group's interests in jointly controlled entities are accounted for by proportionate consolidation in the consolidated financial statements. The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements. The Group recognizes that portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other ventures. The Group does not recognize its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realizable value of current assets or an impairment loss, the loss is recognized immediately.

In the Company financial statements, interests in jointly controlled entities are accounted for using the cost method.

A list of the Group's principal joint ventures is set out in Note 31.1.

2. Accounting policies (Continued)

2.4 Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using Thai Baht. The consolidated financial statements are presented in Thai Baht.

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the statement of financial position date. Gains and losses resulting from the settlement of foreign currency transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognized in the profit or loss.

Translation differences on investments in debt securities and other monetary financial assets measured at fair value are included in foreign exchange gains and losses. Translation differences on non-monetary items such as investments in equity securities held for trading are reported as part of the fair value gain or loss. Translation differences on available-for-sale investments in equity securities are included in the revaluation reserve in shareholders' equity.

The statements of comprehensive income and cash flows of foreign entities are translated into the Group's reporting currency at the weighted average exchange rates for the year and statement of financial position are translated at the exchange rates ruling on the end of reporting period. Currency translation differences arising from the retranslation of the net investment in foreign entities are taken to shareholders' equity. On disposal of a foreign entity, accumulated exchange differences are recognized in the statement of comprehensive income as part of the gain or loss on sale.

2.5 Cash and cash equivalents

In the consolidated and company statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated and company statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.6 Trade accounts receivable

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognized in profit or loss within administrative expenses.

2.7 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined on a moving weighted average basis.

Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2. Accounting policies (Continued)

2.8 Investments

Investments other than investments in subsidiaries, associates and interests in joint ventures are classified into the following four categories: (1) available-for-sale investments; and (2) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

Investment in non-marketable equity securities, which classifies as general investments are value at cost.

All categories of investment are initially recognized at cost, which is equal to the fair value of consideration paid plus transaction cost.

- (1) Available-for-sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand. The unrealized gains and losses of available for sale investments are recognized in shareholders' equity.
- (2) General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statements of income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2.9 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Land held under operating leases is classified and accounted for by the Group as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

2. Accounting policies (Continued)

2.9 Investment property (Continued)

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalized as part of its cost. Borrowing costs are capitalized while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Land is not depreciated. Depreciation on other investment properties is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

| | |
|--|---------------------|
| Building on leased land | Per lease agreement |
| Interior and renovation on leased land | 5 - 30 years |
| Furniture and equipment on leased land | 3 - 20 years |

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

2.10 Property, premises and equipment

Land is stated at cost. Premises and equipment are stated at cost, net of accumulated depreciation and allowance for impairment.

Subsequent costs are included in the asset's carrying amount or recognized as the Group asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is computed by the straight-line method. Estimated useful lives of the assets are as follows:

| | |
|--|---------------------|
| Building on leased land | Per lease agreement |
| Building | 20 - 33 years |
| Interior and renovation on leased land | 5 - 50 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 | 5 - 10 years |
| Vehicles | 5 - 10 years |
| Building and land rights | Per lease agreement |

2. Accounting policies (Continued)

2.10 Property, premises and equipment (Continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

In case an impairment of property, premises and equipment has occurred, the resultant loss is recognized in the statement of income (see Note 2.14).

The Group recognized repairs and maintenance as Interior and renovation of buildings when their future economic benefits are in excess of one fiscal year.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "Other gains/(losses) - net" in profit or loss.

2.11 Borrowing cost

The Group records their borrowing cost incurred during the renovation and decoration period as cost of buildings and equipment under renovation and decoration until their completion and total costs are not over net realizable value.

Borrowing cost subsequently incurred is recognized as expense for the period.

2.12 Non-current assets held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower end of the carrying amount and fair value less cost to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

2.13 Intangible assets

Intangible assets are computer software which is amortized over 10 years.

In case of impairment in value of intangible assets has occurred, the resultant loss is recognized in the statement of income.

2.14 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2. Accounting policies (Continued)

2.15 Employee benefits

The Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a Company entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognized past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

- Defined benefit plans

Retirement benefit

Under Labour Laws applicable in Thailand and the Group' employment policy, all employees completing 120 days of service are entitled to severance pay on termination or retrenchment without cause or upon retirement age of 50 years, 55 years or 60 years as specify in employment policy of each entities. The severance pay will be at the rate according to number of years of service as stipulated in the Labor Law which is currently at a maximum rate of 300 days of final salary.

2.16 Long-term lease

- a) Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

- b) Finance lease

The Group leases certain property, plant and equipment. Leases of property, plant or equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

2. Accounting policies (Continued)

2.16 Long-term lease (Continued)

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

2.17 Treasury common shares

Treasury common shares are stated at cost. Cost is determined on a weighted average basis.

In the resale of treasury common shares, the excess or (lower) of resale prices and costs of treasury common shares are recognized as addition (reduction) in premium on treasury common shares. In case of lower than premium, the remaining reduction is deducted to retained earnings.

2.18 Recognition of revenues and expenses

Revenues and expenses of the Group are recognized on an accrual basis.

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

For joint venture business; revenues from training and tuition fee income are recognized according to the teaching period.

Management fees are recognized on an accrual basis.

Interest income is recognized on a time proportion basis.

Dividends are recognized when the right to receive payment is established.

2.19 Income tax

The Group recognized income tax expense based on the tax paid and accrued for the year.

2.20 Provident fund

The Company and other 5 companies in the Group, namely, Dusit Thai Properties Public Company Limited, Devarana Spa Company Limited, Le Cordon Bleu Dusit Company Limited, Dusit Worldwide Company Limited and Dusit Management Company Limited have set up a provident fund for their employees, for each company. Each fund has been registered in accordance with the Provident Fund Act B.E. 2530 (1987).

The Group recorded their contribution to provident fund for their employees as expenses when incurred.

2. Accounting policies (Continued)

2.21 Basic earnings (loss) per share - Equity holders of the parent

Basic earnings (loss) per share - equity holders of the parent are computed by dividing net profit (loss) for the year for equity holders of the parent by the weighted average number of outstanding ordinary shares during the year. In case of a capital increase, the number of shares are weighted according to time of registration of issued and paid-up share capital.

3. Critical accounting estimates and judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumption

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

3.1 Impairment of receivable

The determination of the allowance for doubtful accounts is considered by the management, based on the collection experience of the Group in the prior years.

3.2 Write-down of inventories

Net realizable value is the estimate of the selling price in the ordinary course of business less necessary expenses. Allowance is made, for obsolete, slow-moving and defective inventories, based on observation and judgement by the management.

3.3 Depreciation and amortization

Management determines the estimated useful lives for the Group's property, premises and equipment and other non-current assets. Management will revise the depreciation and amortization charge where useful lives are different to previously estimated, or it will write off or write down technically obsolete or assets that have been abandoned or sold.

3.4 Retirement benefit obligation

The present value of the retirement benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for benefit include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of retirement benefit obligation.

3. Critical accounting estimates, assumption and judgement (Continued)

3.4 Retirement benefit obligation (Continued)

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefit obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related retirement benefit liability.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 25.

4. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group's manage, maintain and/or make adjustment to their capital structures according to the changes in economic conditions and the risk characteristics of the underlying assets. In this regard, they may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

5. Supplementary disclosures of cash flow information

5.1 Cash and cash equivalents as at 31 December are as follows:

| | | | Baht | |
|------------------------------------|----------------------|-------------|----------------------|-------------|
| | Consolidated | | Company | |
| | financial statements | | financial statements | |
| | 2012 | 2011 | 2012 | 2011 |
| Cash and deposits at bank | 662,907,841 | 463,833,725 | 158,817,002 | 126,179,211 |
| Deposits at financial institutions | - | 126,400,000 | - | - |
| Total | 662,907,841 | 590,233,725 | 158,817,002 | 126,179,211 |

5. Supplementary disclosures of cash flow information (Continued)

5.2 Non-cash transactions are as follows:

5.2.1 In the consolidated and Company financial statements for the years ended 31 December 2012 and 2011:

Purchases of property, premises and equipment

| | Consolidated | | Company | |
|------------------------------|-----------------------------|--------------------|-----------------------------|-------------------|
| | financial statements | | Financial statements | |
| | 2012 | 2011 | 2012 | 2011 |
| Payables-Assets acquisition | | | | |
| Balance brought forward | 166,758,240 | 78,466,204 | 27,639,038 | 59,428,748 |
| <u>Add</u> Purchases of | | | | |
| fixed assets | 794,846,060 | 2,198,265,640 | 189,285,042 | 162,511,260 |
| Exchange gain | | | | |
| on translation | (28,292,567) | (81,284,837) | - | - |
| <u>Less</u> Prepaid expenses | (115,591,825) | - | - | - |
| Cash payments | (742,031,290) | (2,028,688,767) | (174,379,004) | (194,300,970) |
| Balance carried forward | <u>75,688,618</u> | <u>166,758,240</u> | <u>42,545,076</u> | <u>27,639,038</u> |
| Long-term liabilities under | | | | |
| finance lease agreements | | | | |
| (including current portion) | | | | |
| Balance brought forward | 1,721,894 | 677,811 | 1,244,815 | 18,969 |
| <u>Add</u> Purchases of | | | | |
| fixed assets | - | 1,542,000 | - | 1,542,000 |
| <u>Less</u> Cash payments | (456,260) | (497,917) | (261,306) | (316,154) |
| Balance carried forward | <u>1,265,634</u> | <u>1,721,894</u> | <u>983,509</u> | <u>1,244,815</u> |

5.2.2 In the consolidated financial statements for the years ended 31 December 2012 and 2011:

5.2.2.1 The recording of available-for-sale investments at fair value and recognizing unrealized gain (loss) on such investments of Baht 32,854,375 and Baht (38,776,925), respectively, were included in shareholders' equity.

5.2.2.2 The recording of exchange differences on the translation of the subsidiary's financial statements into Baht was presented as an addition (deduction) in the shareholders' equity in the amount of Baht (13,593,101) and Baht 67,096,921, respectively.

5.2.2.3 The recording losses on defined employee benefit plan in the amount of Baht 27,238,429 and Baht 4,017,900, respectively, were included in shareholders' equity.

5.2.3 In the Company financial statements for the years ended 31 December 2012 and 2011:

5.2.3.1 The recording of available-for-sale investments at fair value and recognizing unrealized gain (loss) on such investments of and Baht 27,494,650 and Baht (35,483,600), respectively, were included in shareholders' equity.

5.2.3.2 The recording losses on defined employee benefit plan in the amount of Baht 24,591,561 and Baht 2,109,831, respectively, were included in shareholders' equity.

5.2.3.3 For the year ended 31 December 2012, the Company had additional invested in Dusit Thai Properties Public Co., Ltd. by purchasing of 500,000 ordinary shares, equivalent to Baht 8,035,000 from another related company. However, as at 31 December 2012, the Company has not yet paid such share purchased which presented including in current liabilities (trade and other payables).

6. Trade and other receivables - net

Trade and other receivables - net as at 31 December consisted of the following:

| | | Consolidated | | Company | | Baht |
|--|------|----------------------|---------------------|----------------------|---------------------|------|
| | | financial statements | | financial statements | | |
| | Note | 2012 | 2011 | 2012 | 2011 | |
| Trade accounts receivable - net | 6.1 | 273,544,623 | 262,622,280 | 80,814,114 | 107,813,759 | |
| Other receivables | | | | | | |
| - Management fee and other service - net | 6.2 | 47,629,596 | 48,275,003 | 71,794,294 | 58,406,672 | |
| Accounts receivable - World Intertrade Corporation Limited | | 40,879,585 | 40,879,585 | 40,879,585 | 40,879,585 | |
| <u>Less</u> Allowance for doubtful accounts | | <u>(40,879,585)</u> | <u>(40,879,585)</u> | <u>(40,879,585)</u> | <u>(40,879,585)</u> | |
| | | - | - | - | - | |
| Other receivables | | | | | | |
| - Related companies | | - | - | 9,529,347 | 13,009,693 | |
| - Others companies | | 16,492,545 | 21,462,771 | 27,682,587 | 29,385,214 | |
| | | 16,492,545 | 21,462,771 | 37,211,934 | 42,394,907 | |
| <u>Less</u> Allowance for doubtful accounts | | <u>(637,425)</u> | <u>(405,645)</u> | <u>(637,425)</u> | <u>(2,242,645)</u> | |
| | | 14,289,547 | 21,057,126 | 35,008,936 | 40,152,262 | |
| Accrued interest receivable | | 391,381 | 2,328,901 | - | 1,452,211 | |
| Accrued income | | 192,749 | 152,900 | 53,200 | - | |
| Prepaid expenses | | 32,002,757 | 38,402,139 | 7,693,251 | 19,665,080 | |
| Prepaid income tax | | 18,770,503 | 29,534,800 | 9,302,094 | 16,542,533 | |
| Advances | | 9,525,264 | 9,270,613 | 363,233 | 576,930 | |
| Prepaid for assets | | - | 115,591,825 | - | - | |
| Deposits | | 9,126,736 | - | - | - | |
| Refundable deposits | | 495,144 | 538,008 | - | - | |
| Trade and other receivables - net | | <u>407,533,873</u> | <u>527,773,595</u> | <u>206,594,695</u> | <u>244,609,447</u> | |

6. Trade and other accounts receivable - net (Continued)

6.1 Trade accounts receivable - net as at 31 December are classified by aging as follows:

| | Consolidated financial statements | | Company financial statements | |
|--|--------------------------------------|--------------|---------------------------------|--------------|
| | 2012 | 2011 | 2012 | 2011 |
| Number of accounts receivable | 1,139 | 1,181 | 407 | 444 |
| | Baht | Baht | Baht | Baht |
| Outstanding amount | | | | |
| Less than 3 months | 264,846,307 | 256,712,597 | 81,452,725 | 106,089,311 |
| 3-6 months | 12,180,561 | 5,650,236 | 287,559 | 2,023,554 |
| 6-12 months | 804,651 | 1,026,938 | - | 102,679 |
| Over 12 months | 12,703,130 | 13,464,654 | 8,798,029 | 10,266,767 |
| | 290,534,649 | 276,854,425 | 90,538,313 | 118,482,311 |
| <u>Less</u> Allowance for doubtful accounts | (16,990,026) | (14,232,145) | (9,724,199) | (10,668,552) |
| Trade accounts receivable-net | 273,544,623 | 262,622,280 | 80,814,114 | 107,813,759 |

6.2 Others receivables - Management fee and other service - net as at 31 December are classified by aging as follows:

| | Consolidated financial statements | | Company financial statements | |
|--|--------------------------------------|--------------|---------------------------------|--------------|
| | 2012 | 2011 | 2012 | 2011 |
| Number of other receivables | 59 | 61 | 33 | 37 |
| | Baht | Baht | Baht | Baht |
| Outstanding amount | | | | |
| Less than 3 months | 38,770,560 | 35,325,389 | 55,700,940 | 46,719,108 |
| 3-6 months | 8,796,815 | 10,427,466 | 15,329,127 | 9,652,542 |
| 6-12 months | 109,013 | 13,555,901 | 17,464,336 | 10,352,731 |
| Over 12 months | 282,865 | 14,239,063 | 11,892,275 | 6,801,746 |
| | 47,959,253 | 73,547,819 | 100,386,678 | 73,526,127 |
| <u>Less</u> Allowance for doubtful accounts | (329,657) | (25,272,816) | (28,592,384) | (15,119,455) |
| Other receivables - Management fee and other service - net | 47,629,596 | 48,275,003 | 71,794,294 | 58,406,672 |

7. Inventories - net

Inventories - net as at 31 December consisted of the following:

| | Consolidated financial statements | | Company financial statements | | Baht |
|---|--------------------------------------|------------|---------------------------------|------------|------|
| | 2012 | 2011 | 2012 | 2011 | |
| Food and beverage | 35,866,294 | 37,444,217 | 15,284,349 | 15,575,446 | |
| Chinaware, glassware, silverware and linen | 3,360,513 | 1,337,550 | - | - | |
| Mechanical supplies | 2,100,410 | 1,706,424 | 998,802 | 894,751 | |
| Other supplies | 43,347,625 | 32,173,932 | 9,811,739 | 9,187,992 | |
| Retail products | 1,506,709 | 1,534,800 | 1,130,732 | 1,215,405 | |
| Total | 86,181,551 | 74,196,923 | 27,225,622 | 26,873,594 | |

8. Other current assets - net

Other current assets as at 31 December consisted of the following:

| | Consolidated financial statements | | Company financial statements | |
|----------------|--------------------------------------|-------------------|---------------------------------|-------------------|
| | 2012 | 2011 | 2012 | 2011 |
| VAT refundable | 36,601,253 | 25,932,067 | 9,031,660 | 10,325,624 |
| Others | 365,876 | 2,352,382 | - | - |
| Total | <u>36,967,129</u> | <u>28,284,449</u> | <u>9,031,660</u> | <u>10,325,624</u> |

9. Available-for-sale investments

Available-for-sale investments as at 31 December consisted of the following:

| | Consolidated financial statements | | Company financial statements | | Baht |
|--|--------------------------------------|--------------------|---------------------------------|--------------------|------|
| | 2012 | 2011 | 2012 | 2011 | |
| Available-for-sale Equity securities | | | | | |
| Cost | 64,991,858 | 64,991,858 | 140,499,931 | 140,499,931 | |
| Add Net valuation adjustment for change in fair value | 234,155,992 | 201,301,617 | 130,493,219 | 102,998,569 | |
| | <u>299,147,850</u> | <u>266,293,475</u> | <u>270,993,150</u> | <u>243,498,500</u> | |

Movements in available-for-sale investments for the year ended 31 December 2012 are summarized as follows:

| | Consolidated financial statements | Company financial statements | Baht |
|---|--------------------------------------|---------------------------------|------|
| Available-for-sale investments | | | |
| Net book value at beginning | 266,293,475 | 243,498,500 | |
| Change in fair value of Available-for-sale investments | 32,854,375 | 27,494,650 | |
| Net book value at ending | <u>299,147,850</u> | <u>270,993,150</u> | |

10. Other long-term investments

Other long-term investments as at 31 December consisted of the following:

| | Consolidated financial statements | | Company financial statements | | Baht |
|---|--------------------------------------|--------------------|---------------------------------|--------------|------|
| | 2012 | 2011 | 2012 | 2011 | |
| General investments in Equity securities | 241,186,732 | 241,186,732 | 20,000,000 | 20,000,000 | |
| Less Allowance for impairment in value of securities | (23,470,850) | (23,470,850) | (20,000,000) | (20,000,000) | |
| | <u>217,715,882</u> | <u>217,715,882</u> | <u>-</u> | <u>-</u> | |

11. Investment properties - net

Investment properties - net consisted of the following:

Consolidated financial statements as at 31 December 2011

| | Balance as at 31 December 2010 | Additions | Transfer out | Baht Balance as at 31 December 2011 |
|--|--------------------------------------|---------------------|--------------------|--|
| Cost | | | | |
| Land | 228,555,029 | - | - | 228,555,029 |
| Buildings on leased land | 3,033,754 | - | (110,763) | 2,922,991 |
| Interior and renovation on leased land | 114,858,944 | - | (3,702,553) | 111,156,391 |
| Furniture and equipment on leased land | 6,956,479 | - | (253,982) | 6,702,497 |
| Total cost | <u>353,404,206</u> | <u>-</u> | <u>(4,067,298)</u> | <u>349,336,908</u> |
| Accumulated Depreciation | | | | |
| Buildings on leased land | (2,452,265) | (320,904) | 110,763 | (2,662,406) |
| Interior and renovation on leased land | (35,449,053) | (13,038,228) | 3,702,553 | (44,784,728) |
| Furniture and equipment on leased land | (3,872,066) | (563,686) | 253,982 | (4,181,770) |
| Total accumulated depreciation | <u>(41,773,384)</u> | <u>(13,922,818)</u> | <u>4,067,298</u> | <u>(51,628,904)</u> |
| Investment properties - net | <u>311,630,822</u> | <u>(13,922,818)</u> | <u>-</u> | <u>297,708,004</u> |
| Depreciation | | | | <u>13,922,818</u> |

Consolidated financial statements as at 31 December 2012

| | Balance as at 31 December 2011 | Additions | Disposal | Transfer out | Baht Balance as at 31 December 2012 |
|--|--------------------------------------|---------------------|---------------------|--------------------|--|
| Cost | | | | | |
| Land | 228,555,029 | - | (13,609,668) | - | 214,945,361 |
| Buildings on leased land | 2,922,991 | - | - | (48,013) | 2,874,978 |
| Interior and renovation on leased land | 111,156,391 | 1,453,237 | - | (1,825,855) | 110,783,773 |
| Furniture and equipment on leased land | 6,702,497 | - | - | (110,095) | 6,592,402 |
| Total cost | <u>349,336,908</u> | <u>1,453,237</u> | <u>(13,609,668)</u> | <u>1,983,963</u> | <u>335,196,514</u> |
| Accumulated Depreciation | | | | | |
| Buildings on leased land | (2,662,406) | (187,921) | - | 43,732 | (2,806,595) |
| Interior and renovation on leased land | (44,784,728) | (10,647,485) | - | 735,634 | (54,696,579) |
| Furniture and equipment on leased land | (4,181,770) | (431,206) | - | 68,690 | (4,544,286) |
| Total accumulated depreciation | <u>(51,628,904)</u> | <u>(11,266,612)</u> | <u>-</u> | <u>848,056</u> | <u>(62,047,460)</u> |
| Investment properties - net | <u>297,708,004</u> | <u>(9,813,375)</u> | <u>(13,609,668)</u> | <u>(1,135,907)</u> | <u>273,149,054</u> |
| Depreciation | | | | | <u>11,266,612</u> |

11. Investment properties - net (Continued)

Company financial statements as at 31 December 2011

| | Balance as at 31 December 2010 | Additions | Transfer out | Baht Balance as at 31 December 2011 |
|--|--------------------------------------|---------------------|--------------------|--|
| Cost | | | | |
| Land | 158,181,293 | - | - | 158,181,293 |
| Buildings on leased land | 4,258,205 | - | (104,545) | 4,153,660 |
| Interior and renovation on leased land | 161,217,084 | - | (3,260,419) | 157,956,665 |
| Furniture and equipment on leased land | 9,764,178 | - | (239,723) | 9,524,455 |
| Total cost | <u>333,420,760</u> | <u>-</u> | <u>(3,604,687)</u> | <u>329,816,073</u> |
| Accumulated Depreciation | | | | |
| Buildings on leased land | (3,442,023) | (445,884) | 104,545 | (3,783,362) |
| Interior and renovation on leased land | (49,756,620) | (17,144,281) | 3,260,419 | (63,640,482) |
| Furniture and equipment on leased land | (5,434,867) | (747,280) | 239,723 | (5,942,424) |
| Total accumulated depreciation | <u>(58,633,510)</u> | <u>(18,337,445)</u> | <u>3,604,687</u> | <u>(73,366,268)</u> |
| Investment properties - net | <u>274,787,250</u> | <u>(18,337,445)</u> | <u>-</u> | <u>256,449,805</u> |
| Depreciation | | | | <u>18,337,445</u> |

Company financial statements as at 31 December 2012

| | Balance as at 31 December 2011 | Additions | Disposal | Transfer out | Baht Balance as at 31 December 2012 |
|--|--------------------------------------|---------------------|---------------------|--------------------|--|
| Cost | | | | | |
| Land | 158,181,293 | - | (13,609,668) | - | 144,571,625 |
| Buildings on leased land | 4,153,660 | - | - | (100,392) | 4,053,268 |
| Interior and renovation on leased land | 157,956,665 | 2,099,581 | - | (3,868,508) | 156,187,738 |
| Furniture and equipment on leased land | 9,524,455 | - | - | (230,203) | 9,294,252 |
| Total cost | <u>329,816,073</u> | <u>2,099,581</u> | <u>(13,609,668)</u> | <u>(4,199,103)</u> | <u>314,106,883</u> |
| Accumulated Depreciation | | | | | |
| Buildings on leased land | (3,783,362) | (271,502) | - | 98,005 | (3,956,859) |
| Interior and renovation on leased land | (63,640,482) | (15,383,087) | - | 1,909,974 | (77,113,595) |
| Furniture and equipment on leased land | (5,942,424) | (622,990) | - | 158,684 | (6,406,730) |
| Total accumulated depreciation | <u>(73,366,268)</u> | <u>(16,277,579)</u> | <u>-</u> | <u>2,166,663</u> | <u>(87,477,184)</u> |
| Investment properties - net | <u>256,449,805</u> | <u>(14,177,998)</u> | <u>(13,609,668)</u> | <u>(2,032,440)</u> | <u>226,629,699</u> |
| Depreciation | | | | | <u>16,277,579</u> |

On 17 October 2012, the Company has sold partially investment properties (land) to the third party in the amount of Baht 114,720,000 and had gain on sales of Baht 101,110,332.

As at 31 December 2012, the fair value of investment property which presented in the consolidated and company financial statements were Baht 771.48 million and Baht 655.19 million, respectively.

The Group's investment properties were revalued as at 31 December 2011 by independent professionally qualified valuers who hold a recognized relevant professional qualification and have recent experience in the locations and categories of the investment properties valued.

12. Property, premises and equipment - net

Property, premises and equipment - net consisted of the following:

Consolidated financial statements as at 31 December 2011

| Cost | Balance as at 31 December 2010 | Additions | Disposals | Amortization | Written off | Assets transfer to related | Transfers | Exchange gain (loss) on translation | Baht Balance as at 31 December 2011 |
|---|--------------------------------------|---------------|--------------|--------------|--------------|----------------------------------|---------------|---|--|
| Land | 264,805,841 | - | (3,247,665) | - | - | - | - | - | 261,558,176 |
| Land improvement | 9,448,193 | - | (640,803) | - | - | - | - | 49,694 | 8,857,084 |
| Buildings | 984,457,886 | 559,240 | (13,341,424) | (3,109,872) | - | - | 745,947 | - | 969,311,777 |
| Buildings on leased land | 1,128,326,079 | 3,631,157 | - | - | - | - | 304,145 | 35,853,661 | 1,168,115,042 |
| Furniture and equipment | 414,740,971 | 19,229,076 | (2,892,163) | - | 3,199,971 | - | 15,837,986 | - | 450,115,841 |
| Furniture and equipment on leased land | 1,265,528,104 | 56,727,336 | (26,058,205) | - | (1,160,486) | - | 40,551,270 | 10,296,587 | 1,345,884,606 |
| Interior and renovation | 330,035,649 | 7,008,126 | (4,915,608) | - | 540,902 | - | 43,076,578 | - | 375,745,647 |
| Interior and renovation on leased land | 1,058,954,994 | 13,125,690 | - | (15,344,167) | - | - | 68,407,813 | - | 1,125,144,330 |
| Vehicles | 66,655,027 | 6,177,306 | (1,009,109) | - | - | - | - | 93,540 | 71,916,764 |
| Chinaware, glassware, silverware and linen | 85,225,950 | 15,970,948 | (11,340) | - | (10,488,171) | - | 108,339 | - | 90,805,726 |
| Building and land rights - net | 71,153,789 | - | - | (9,780,644) | - | - | - | - | 61,373,145 |
| Construction in process | 95,622,424 | 2,077,378,758 | (1,052,407) | - | (4,797,703) | - | (173,099,379) | 14,670 | 1,994,066,363 |
| Total cost | 5,774,954,907 | 2,199,807,637 | (53,168,724) | (28,234,683) | (12,705,487) | - | (4,067,301) | 46,308,152 | 7,922,894,501 |

12. Property, premises and equipment - net (Continued)

Consolidated financial statements as at 31 December 2011 (Continued)

| | Balance as at 31 December 2010 | Additions | Disposals | Amortization | Written off | Assets transfer to related | Transfers | Exchange gain (loss) on translation | Baht Balance as at 31 December 2011 |
|---|--------------------------------------|---------------|-------------|--------------|-------------|----------------------------------|-------------|---|--|
| Accumulated Depreciation | | | | | | | | | |
| Land improvement | (7,042,204) | (219,212) | - | - | - | - | - | (33,937) | (7,295,353) |
| Buildings | (593,054,430) | (19,150,787) | 10,434,777 | - | 570,526 | - | 52,658 | - | (601,147,256) |
| Buildings on leased land | (699,453,654) | (47,364,678) | - | - | - | - | 110,763 | (23,797,982) | (770,505,551) |
| Furniture and equipment | (231,911,194) | (33,660,813) | 2,351,573 | - | 871,264 | - | (1,189,613) | - | (263,538,783) |
| Furniture and equipment on leased land | (936,821,603) | (96,352,886) | 26,636,754 | - | 1,160,080 | - | (743,198) | (8,336,012) | (1,014,456,865) |
| Interior and renovation | (50,082,525) | (27,735,214) | 3,933,487 | - | - | - | 1,136,956 | - | (72,747,296) |
| Interior and renovation on leased land | (579,485,919) | (98,776,542) | 1,562,773 | - | 393,660 | - | 4,699,735 | - | (671,606,293) |
| Vehicles | (58,152,603) | (4,607,764) | 892,136 | - | - | - | - | (86,087) | (61,954,318) |
| Chinaware, glassware, silverware and linen | (46,470,495) | (12,418,177) | 10,686 | - | 6,199,711 | - | - | - | (52,678,275) |
| Total accumulate depreciation | (3,202,474,627) | (340,286,073) | 45,822,186 | - | 9,195,241 | - | 4,067,301 | (32,254,018) | (3,515,929,990) |
| Property, premises and equipment | 2,572,480,280 | 1,859,521,564 | (7,346,538) | (28,234,683) | (3,510,246) | - | - | 14,054,134 | 4,406,964,511 |
| Less Allowance for impairment | (90,453,524) | (1,935,286) | - | - | - | - | - | - | (92,388,810) |
| Property, premises and equipment - net | 2,482,026,756 | 1,857,586,278 | (7,346,538) | (28,234,683) | (3,510,246) | - | - | 14,054,134 | 4,314,575,701 |
| Depreciation | | | | | | | | | 340,286,073 |
| Amortization | | | | | | | | | 28,234,683 |

12. Property, premises and equipment - net (Continued)

Consolidated financial statements as at 31 December 2012

| Cost | Balance as at 31 December 2011 | Additions | Disposals | Amortization | Written off | Assets transfer to related | Exchange gain (loss) on translation | Baht Balance as at 31 December 2012 |
|---|--------------------------------------|-------------|--------------|--------------|---------------|----------------------------------|---|--|
| Land | 261,558,176 | - | - | - | - | - | - | 261,558,176 |
| Land improvement | 8,857,084 | - | - | - | - | - | 64,304 | 8,921,388 |
| Buildings | 969,311,777 | - | (407,589) | - | - | 800,000 | - | 969,704,188 |
| Buildings on leased land | 1,168,115,042 | 62,409,699 | (30,107,333) | - | (206,049,530) | 1,774,931,275 | 45,148,928 | 2,814,448,081 |
| Furniture and equipment | 450,115,841 | 53,075,753 | (4,421,212) | - | (6,545,186) | 379,642,951 | (486,648) | 871,381,499 |
| Furniture and equipment on leased land | 1,345,884,606 | 54,547,588 | (49,570,922) | - | (14,203,080) | 49,092,821 | 19,718,084 | 1,405,469,097 |
| Interior and renovation | 375,745,647 | 7,096,121 | - | - | (481,224) | 64,751,504 | - | 447,112,048 |
| Interior and renovation on leased land | 1,125,144,330 | 11,784,332 | (18,000) | - | (5,066,428) | 54,751,601 | 21,973,248 | 1,208,569,083 |
| Vehicles | 71,916,764 | 7,756,162 | (9,079,344) | - | - | 13,177,475 | 75,943 | 83,847,000 |
| Chinaware, glassware, silverware and linen | 90,805,726 | 26,932,757 | (369,329) | - | (15,896,639) | 41,313,490 | - | 142,786,005 |
| Building and land rights - net | 61,373,145 | - | - | (14,876,136) | - | - | - | 46,497,009 |
| Construction in process | 1,994,066,363 | 571,243,648 | (2,097,050) | - | (2,352,297) | (2,376,477,154) | (80,107,679) | 104,275,831 |
| Total cost | 7,922,894,501 | 794,846,060 | (96,070,779) | (14,876,136) | (250,594,384) | 1,983,963 | 6,386,180 | 8,364,569,405 |

12. Property, premises and equipment - net (Continued)

Consolidated financial statements as at 31 December 2012 (Continued)

| | Balance as at 31 December 2011 | Additions | Disposals | Amortization | Written off | Assets transfer to related | Exchange gain (loss) on translation | Baht Balance as at 31 December 2012 |
|---|--------------------------------------|---------------|--------------|--------------|--------------|----------------------------------|---|--|
| Accumulated Depreciation | | | | | | | | |
| Land improvement | (7,295,353) | (220,982) | - | - | - | - | (45,308) | (7,561,643) |
| Buildings | (601,147,256) | (14,721,156) | 213,224 | - | - | - | (586,066) | (616,241,254) |
| Buildings on leased land | (770,505,551) | (102,501,046) | 15,761,268 | - | 206,219,990 | (43,732) | (39,053,173) | (690,122,244) |
| Furniture and equipment | (263,538,783) | (38,552,208) | 2,542,943 | - | 6,409,649 | - | 1,552,164 | (291,586,235) |
| Furniture and equipment on leased land | (1,014,456,865) | (146,080,129) | 49,399,627 | - | 9,894,074 | (68,690) | (38,348,991) | (1,139,660,974) |
| Interior and renovation | (72,747,296) | (32,137,520) | - | - | 26,497 | - | 1,564 | (104,856,755) |
| Interior and renovation on leased land | (671,606,293) | (97,890,095) | 17,998 | - | 4,045,249 | (735,634) | 3,332,557 | (762,836,218) |
| Vehicles | (61,954,318) | (6,978,130) | 9,079,335 | - | - | - | (41,466) | (59,894,579) |
| Chinaware, glassware, silverware and linen | (52,678,275) | (20,766,695) | 294,220 | - | 10,828,903 | - | 98,318 | (62,223,529) |
| Total accumulate depreciation | (3,515,929,990) | (459,847,961) | 77,308,615 | - | 237,424,362 | (848,056) | (73,090,401) | (3,734,983,431) |
| Property, premises and equipment | 4,406,964,511 | 334,998,099 | (18,762,164) | (14,876,136) | (13,170,022) | 1,135,907 | (66,704,221) | 4,629,585,974 |
| Less Allowance for impairment | (92,388,810) | - | - | - | 4,575,784 | - | - | (87,813,026) |
| Property, premises and equipment - net | 4,314,575,701 | 334,998,099 | (18,762,164) | (14,876,136) | (8,594,238) | 1,135,907 | (66,704,221) | 4,541,772,948 |
| Depreciation | | | | | | | | 459,847,961 |
| Amortization | | | | | | | | 14,876,136 |

12. Property, premises and equipment - net (Continued)

Company financial statements as at 31 December 2011

| | Balance as at 31 December 2010 | Additions | Disposals | Amortization | Written off | Assets transfer to related | Baht Balance as at 31 December 2011 |
|---|--------------------------------------|----------------------|---------------------|---------------------|--------------------|----------------------------------|--|
| Cost | | | | | | | |
| Land | 3,247,665 | - | (3,247,665) | - | - | - | - |
| Land improvement | 640,803 | - | (640,803) | - | - | - | - |
| Buildings | 12,891,575 | - | (12,891,575) | - | - | - | - |
| Buildings on leased land | 1,627,322 | - | - | - | - | 104,545 | 1,731,867 |
| Interior and renovation | 4,915,608 | - | (4,915,608) | - | - | - | - |
| Interior and renovation on leased land | 1,061,776,049 | 13,125,690 | - | - | (468,023) | 75,370,783 | 1,149,804,499 |
| Furniture and equipment | 2,427,187 | - | (2,427,187) | - | - | - | - |
| Furniture and equipment on leased land | 1,105,173,184 | 45,514,827 | (22,629,224) | - | (1,160,487) | 41,044,976 | 1,167,943,276 |
| Vehicles | 44,279,171 | 5,065,157 | - | - | - | - | 49,344,328 |
| Chinaware, glassware, silverware and linen | 50,896,961 | 7,684,998 | - | - | (7,109,354) | 65,135 | 51,537,740 |
| Building and Land rights - net | 105,548,360 | - | - | (14,876,136) | - | - | 90,672,224 |
| Construction in process | 48,127,177 | 92,662,589 | (1,052,408) | - | - | (112,980,752) | 26,756,606 |
| Total cost | 2,441,551,062 | 164,053,261 | (47,804,470) | (14,876,136) | (8,737,864) | 3,604,687 | 2,537,790,540 |
| Accumulated Depreciation | | | | | | | |
| Buildings | (10,197,453) | (14,994) | 10,212,447 | - | - | - | - |
| Buildings on leased land | (1,315,410) | (157,517) | - | - | - | (104,545) | (1,577,472) |
| Interior and renovation | (3,862,131) | (71,356) | 3,933,487 | - | - | - | - |
| Interior and renovation on leased land | (614,357,548) | (82,192,234) | - | - | 393,660 | (2,263,238) | (698,419,360) |
| Furniture and equipment | (1,882,826) | (6,766) | 1,889,592 | - | - | - | - |
| Furniture and equipment on leased land | (840,688,498) | (82,421,764) | 22,515,720 | - | 1,160,079 | (1,236,904) | (900,671,367) |
| Vehicles | (39,487,870) | (3,148,482) | - | - | - | - | (42,636,352) |
| Chinaware, glassware, silverware and linen | (31,047,498) | (6,702,567) | - | - | 4,400,220 | - | (33,349,845) |
| Total accumulated depreciation | (1,542,839,234) | (174,715,680) | 38,551,246 | - | 5,953,959 | (3,604,687) | (1,676,654,396) |
| Property, premises and equipment - net | 898,711,828 | (10,662,419) | (9,253,224) | (14,876,136) | (2,783,905) | - | 861,136,144 |
| Depreciation | | | | | | | 174,715,680 |
| Amortization | | | | | | | 14,876,136 |

12. Property, premises and equipment - net (Continued)

Company financial statements as at 31 December 2012

| | Balance as at 31 December 2011 | Additions | Disposals | Amortization | Written off | Assets transfer to Related | Baht Balance as at 31 December 2012 |
|---|--------------------------------------|----------------------|---------------------|---------------------|---------------------|----------------------------------|--|
| Cost | | | | | | | |
| Buildings on leased land | 1,731,867 | - | - | - | - | 100,392 | 1,832,259 |
| Interior and renovation on leased land | 1,149,804,499 | 10,837,699 | (18,000) | - | (5,066,428) | 56,433,897 | 1,211,991,667 |
| Furniture and equipment on leased land | 1,167,943,276 | 46,273,809 | (38,775,608) | - | (6,403,325) | 49,212,929 | 1,218,251,081 |
| Vehicles | 49,344,328 | 1,279,906 | (7,340,650) | - | - | - | 43,283,584 |
| Chinaware, glassware, silverware and linen | 51,537,740 | 13,406,888 | (68,421) | - | (9,948,567) | - | 54,927,640 |
| Building and Land rights - net | 90,672,224 | - | - | (14,876,136) | - | - | 75,796,088 |
| Construction in process | 26,756,606 | 117,486,740 | - | - | (66,762) | (101,548,115) | 42,628,469 |
| Total cost | 2,537,790,540 | 189,285,042 | (46,202,679) | (14,876,136) | (21,485,082) | 4,199,103 | 2,648,710,788 |
| Accumulated Depreciation | | | | | | | |
| Buildings on leased land | (1,577,472) | (113,202) | - | - | - | (98,005) | (1,788,679) |
| Interior and renovation on leased land | (698,419,360) | (93,332,309) | 17,998 | - | 4,045,249 | (1,909,974) | (789,598,396) |
| Vehicles | (42,636,352) | (2,687,568) | 7,340,643 | - | - | - | (37,983,277) |
| Chinaware, glassware, silverware and linen | (33,349,845) | (6,711,237) | 61,989 | - | 7,003,773 | - | (32,995,320) |
| Total accumulated Depreciation | (1,676,654,396) | (185,949,028) | 46,051,110 | - | 17,435,853 | (2,166,663) | (1,801,283,124) |
| Property, premises and equipment - net | 861,136,144 | 3,336,014 | (151,569) | (14,876,136) | (4,049,229) | 2,032,440 | 847,427,664 |
| Depreciation | | | | | | | 185,949,028 |
| Amortization | | | | | | | 14,876,136 |

12. Property, premises and equipment - net (Continued)

12.1 Dusit Thani Public Company Limited

12.1.1 Property, premises and equipment - net included building and building improvement on lease land of Dusit Thani Hotel, Pattaya at a book value as at 31 December 2012 and 2011 of Baht 75,796,088 and Baht 90,672,224, respectively. Even though the title to the building of Dusit Thani Hotel, Pattaya has not been transferred to the Company, the management believes that by the fact and law, the Company has the right to use such 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 such right on land lease 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 32.3).

12.1.2 On 28 January 2011, the Company sold its certain part of land and premises to the third party in the amount of Baht 47,300,000 and had gain on such sales in the amount of Baht 39,173,005.

12.2 Dusit Thai Properties Public Company Limited, a subsidiary

As at 31 December 2012 and 2011, land, premises and equipment of Dusit Thani Hua Hin under Dusit Thai Properties Public Company Limited, as subsidiary in net book value of Baht 353,111,598 and Baht 363,674,731, respectively, are mortgaged as a guaranteed condition which specified in lease agreement for land and building with Dusit Thani Freehold and Leasehold Property Fund in the amount of Baht 1,300,000,000 (see Note 20).

12.3 Philippine Hoteliers, Inc., an indirect subsidiary

As at 31 December 2012 and 2011, hotel building and equipment and rights on lease agreement of the subsidiary in net book value of Peso 438,262,604 and Peso 490,026,957, respectively, or approximately Baht 365,085,734 and Baht 346,498,062, respectively, are used as collateral for long-term loan of this subsidiary in the amount of Peso 510 million (see Note 19.1).

12.4 DMS Property Investment Private Limited, an indirect subsidiary

12.4.1 On 13 July 2011, Dusit Thai Properties Public Company Limited has entered into resort sale and purchase agreement with Coastline Hotels and Resort Private Limited in order to purchase assets, composed of the leasehold right from the Government of Republic of Maldives, five-star resort and construction over Mudhdhoo Island in Baa Atoll, Republic of Maldives in the total value of USD 60 million. The subsidiary has operated to comply with the conditions in the agreement as follows;

1. Purchase deal of USD 0.5 million as specified in the Memorandum of Understanding
2. Deposit of USD 6 million
3. Purchase price installment of USD 9 million
4. First completion payment of USD 43 million
5. Second completion payment of USD 1.5 million

12. Property, premises and equipment - net (Continued)

12.4 DMS Property Investment Private Limited, an indirect subsidiary (Continued)

The leasehold right which Coastline Hotels and Resort Private Limited got from Government of Republic of Maldives is for 35 years, started from 8 September 2009 and included in the amount of USD 60 million was prepaid rental of USD 5 million which already paid to the Government of Republic of Maldives for the first 5 years period (see Note 13). In addition, such sale and purchase agreement had specific the annual rental for year one to ten from the date of commencement of operation of resort or 30 months from 8 September 2009, whichever happens earlier at USD 1 million. Such rental will be paid every 3 months by off-setting with the prepaid rental of USD 5 million.

However, the Government of Republic of Maldives issued the law to extend the leasehold right for a maximum period of 50 years which such subsidiary has to pay additional yearly rental of USD 100,000 from September 2044 onwards. As such the lease period will be due in September 2059.

- 12.4.2 On 7 August 2011, Dusit Thai Properties Public Company Limited and other 2 shareholders had established the Company, namely DMS Property Investment Private Limited, registered in Republic of Maldives with registered capital of USD 100,000, divided into 100,000 ordinary shares at USD 1 par value each. Dusit Thai Properties Public Company held at 60% of ownership. Subsequently, such company has increased its registered share capital to USD 38,500,000, divided into 38,500,000 shares at USD 1 par value each. Dusit Thai Properties Public Company held at 55% of ownership.
- 12.4.3 On 7 August 2011, Dusit Thai Properties Public Company Limited transferred right and obligation under sale and purchase agreement dated 13 July 2011 from Coastline Hotels and Resort Private Limited to DMS Property Investment Private Limited.
- 12.4.4 During the year 2011, Dusit Thai Properties Public Company Limited and DMS Property Investment Private Limited made the payment as the mentioned in sale and purchase agreement dated 13 July 2011 to Coastline Hotels and Resort Private Limited totalling USD 57 million.
- 12.4.5 As at 31 December 2011, DMS Property Investment Private Limited recorded payable for the second completion payment of USD 1.5 million and retention of USD 1.5 million which deposit at bank under Escrow account. (presented as deposit at bank with collateral). This retention was transferred to the seller, when the seller worked to comply with the conditions as specify in the agreement, on 30 November 2012.
- 12.4.6 As at 31 December 2012, premises and equipment and as at 31 December 2011, renovation and construction in progress in the consolidated financial statements, included interest expenses from loan of DMS Property Investment Private Limited, a subsidiary in Republic of Maldives, in the amount of USD 452,154 or Baht 13,827,954 and USD 315,260 or Baht 9,931,188, respectively.

12. Property, premises and equipment - net (Continued)

12.5 Fully depreciated building and equipment

As at 31 December 2012 and 2011, building and equipment of the Company and subsidiaries amounting to Baht 1,865,732,360 and Baht 2,027,342,391, respectively, were fully depreciated but still in use.

As at 31 December 2012 and 2011, building and equipment of the Company amounting to Baht 1,095,690,487 and Baht 886,892,075, respectively, were fully depreciated but were still in use.

12.6 Impairment of property, premises and equipment

During the year 2011, the impairment charged of Baht 1,935,286 for property, premises and equipment as a result of economic situation and hotels' performance. The Group considered recoverable amount at the cash-generating unit level considering operation of each hotel. The recoverable amount at the cash-generating unit is determined based on value in use calculations. This calculation is determined based on discounted projected-operation cash flows reference with hotel's past performance and expected growth of each hotel business. The growth and discounted rates are determined to be 3.50% and 13.50%, respectively, based on the appraisal report appraised by independent appraiser authorized by the Stock Exchange of Thailand.

13. Prepaid rental - land and buildings - net

Prepaid rental-land and buildings - net as at 31 December consisted of the following:

| | Consolidated financial statements | | Company financial statements | | Baht |
|--|--------------------------------------|---------------|---------------------------------|---------------|------|
| | 2012 | 2011 | 2012 | 2011 | |
| Prepaid rental amount | 1,257,507,500 | 1,257,507,500 | 1,100,000,000 | 1,100,000,000 | |
| Other fees | 11,000,000 | 11,000,000 | 11,000,000 | 11,000,000 | |
| | 1,268,507,500 | 1,268,507,500 | 1,111,000,000 | 1,111,000,000 | |
| <u>Less</u> Accumulated amortization of prepaid rental – due within one year | (750,272,118) | (648,083,500) | (722,150,140) | (648,083,500) | |
| | 518,235,382 | 620,424,000 | 388,849,860 | 462,916,500 | |
| <u>Less</u> Prepaid rental of land and buildings | (103,519,347) | (89,817,390) | (74,066,640) | (74,066,640) | |
| Loss on translation adjustment | (4,231,690) | - | - | - | |
| Prepaid rental of land and buildings exceeding one year - net | 410,484,345 | 530,606,610 | 314,783,220 | 388,849,860 | |
| Amortization | 102,188,618 | 74,066,640 | 74,066,640 | 74,066,640 | |

As at 31 December 2012 and 2011, prepaid rental amount included lease rental of DMS Property Investment Private Limited in the amount of USD 5 million for the period of 5 years (see Note 12.4).

14. Intangible assets - net

Intangible assets - net consisted of the following:

Consolidated financial statements as at 31 December 2011

| | Balance as at 31 December 2010 | Additions | Disposals | Written off | Baht Balance as at 31 December 2011 |
|--------------------------------|--------------------------------------|--------------------|-----------|-------------|--|
| Computer software | | | | | |
| Cost | 81,527,390 | 4,006,145 | - | (82,619) | 85,450,916 |
| Accumulated amortization | (36,457,572) | (6,211,169) | - | 82,617 | (42,586,124) |
| Intangible assets - net | <u>45,069,818</u> | <u>(2,205,024)</u> | <u>-</u> | <u>(2)</u> | <u>42,864,792</u> |
| Amortization | | | | | <u>6,211,169</u> |

Consolidated financial statements as at 31 December 2012

| | Balance as at 31 December 2011 | Additions | Written off | Loss on translation adjustment | Baht Balance as at 31 December 2012 |
|--------------------------------|--------------------------------------|------------------|-------------|--------------------------------------|--|
| Computer software | | | | | |
| Cost | 85,450,916 | 10,191,055 | (3,752,941) | - | 91,889,030 |
| Accumulated amortization | (42,586,124) | (7,000,048) | 3,752,888 | 7,855 | (45,825,429) |
| Intangible assets - net | <u>42,864,792</u> | <u>3,191,007</u> | <u>(53)</u> | <u>7,855</u> | <u>46,063,601</u> |
| Amortization | | | | | <u>7,000,048</u> |

Company financial statements as at 31 December 2011

| | Balance as at 31 December 2010 | Additions | Written off | Baht Balance as at 31 December 2011 |
|--------------------------------|--------------------------------------|--------------------|-------------|--|
| Computer software | | | | |
| Cost | 71,360,740 | 3,993,645 | - | 75,354,385 |
| Accumulated amortization | (27,856,665) | (5,572,144) | - | (33,428,809) |
| Intangible assets - net | <u>43,504,075</u> | <u>(1,578,499)</u> | <u>-</u> | <u>41,925,576</u> |
| Amortization | | | | <u>5,572,144</u> |

Company financial statements as at 31 December 2012

| | Balance as at 31 December 2011 | Additions | Written off | Baht Balance as at 31 December 2012 |
|--------------------------------|--------------------------------------|-----------------|-------------|--|
| Computer software | | | | |
| Cost | 75,354,385 | 5,993,354 | (2,231,119) | 79,116,620 |
| Accumulated amortization | (33,428,809) | (6,021,140) | 2,231,117 | (37,218,832) |
| Intangible assets - net | <u>41,925,576</u> | <u>(27,786)</u> | <u>(2)</u> | <u>41,897,788</u> |
| Amortization | | | | <u>6,021,140</u> |

15. Other non-current assets - net

Other non-current assets - net consisted of the following:

Consolidated financial statements as at 31 December 2011

| | Balance as at 31 December 2010 | Increase | Decrease | Baht Balance as at 31 December 2011 |
|---------------------------------------|---|------------------|------------------|--|
| Leasehold rights | | | | |
| Cost | 17,305,793 | - | - | 17,305,793 |
| Accumulated amortization | (16,409,742) | (865,298) | - | (17,275,040) |
| Leasehold rights - net | 896,051 | (865,298) | - | 30,753 |
| Deposits | 4,078,893 | | (220,302) | 3,858,591 |
| Others | 1,695,279 | - | (344,370) | 1,350,909 |
| Other non-current assets - net | 6,670,223 | (865,298) | (564,672) | 5,240,253 |
| Amortization | | | | <u>865,298</u> |

Consolidated financial statements as at 31 December 2012

| | Balance as at 31 December 2011 | Increase | Decrease | Baht Balance as at 31 December 2012 |
|---------------------------------------|---|------------------|--------------------|--|
| Leasehold rights | | | | |
| Cost | 17,305,793 | - | - | 17,305,793 |
| Accumulated amortization | (17,275,040) | (30,753) | - | (17,305,793) |
| Leasehold rights - net | 30,753 | (30,753) | - | - |
| Deposits | 3,858,591 | 3,243,938 | - | 7,102,529 |
| Others | 1,350,909 | - | (1,350,909) | - |
| Other non-current assets - net | 5,240,253 | 3,213,185 | (1,350,909) | 7,102,529 |
| Amortization | | | | <u>30,753</u> |

15. Other non-current assets - net (Continued)

Company financial statements as at 31 December 2011

| | Balance as at 31 December 2010 | Increase | Decrease | Baht Balance as at 31 December 2011 |
|----------|---|-----------------|-----------------|--|
| Deposits | 1,315,871 | 23,172 | - | 1,339,043 |
| | <u>1,315,871</u> | <u>23,172</u> | <u>-</u> | <u>1,339,043</u> |

Company financial statements as at 31 December 2012

| | Balance as at 31 December 2011 | Increase | Decrease | Baht Balance as at 31 December 2012 |
|----------|---|------------------|------------------|--|
| Deposits | 1,339,043 | 2,033,591 | (117,592) | 3,255,042 |
| | <u>1,339,043</u> | <u>2,033,591</u> | <u>(117,592)</u> | <u>3,255,042</u> |

16. Bank overdrafts and short-term loans from financial institutions

Bank overdrafts and short-term loans from financial institutions as at 31 December consisted of the following:

| | Consolidated financial statements | | Company financial statements | |
|--|--|--------------------|---|----------------------|
| | 2012 | 2011 | 2012 | Baht 2011 |
| Bank overdrafts and short-term loans from Financial institutions | 655,297,760 | 822,400,000 | 576,900,000 | 822,400,000 |
| | <u>655,297,760</u> | <u>822,400,000</u> | <u>576,900,000</u> | <u>822,400,000</u> |

16. Bank overdrafts and short-term loans from financial institutions (Continued)

The Group has entered into loan agreements with financial institutions for working capital of the following:

| | | | | | Baht | |
|---|---------------|---------------|----------------------|---------------------------------|-------------|--|
| Agreement date | Limit | | Interest rate | Short-term loans 31 December | | |
| | 2012 | 2011 | | 2012 | 2011 | |
| Dusit Thani Public Company Limited | | | | | | |
| 17 September 2004 | - | 300,000,000 | be specified by bank | - | - | |
| 17 December 2007 | 450,000,000 | 450,000,000 | MMR | 267,000,000 | - | |
| 2 November 2010 | 150,000,000 | 150,000,000 | MMR | - | - | |
| 8 December 2010 | 300,000,000 | 300,000,000 | be specified by bank | - | 116,000,000 | |
| 15 December 2010 | 800,000,000 | 800,000,000 | MMR | - | 534,000,000 | |
| 1 November 2011 | 350,000,000 | 350,000,000 | MMR | 309,900,000 | 172,400,000 | |
| Total ⁽¹⁾ | 2,050,000,000 | 2,350,000,000 | | 576,900,000 | 822,400,000 | |
| Dusit Thai Properties Public Company Limited | | | | | | |
| 24 June 2009 | 50,000,000 | 200,000,000 | MMR | 5,000,000 | - | |
| 15 October 2012 | 50,000,000 | - | MMR | - | - | |
| 6 November 2012 | 50,000,000 | - | MMR | - | - | |
| Total ⁽²⁾ | 150,000,000 | 200,000,000 | | 5,000,000 | - | |
| DMS Property Investment Private Limited | | | | | | |
| 3 September 2011 | 76,950,000 | 47,252,000 | LIBOR plus 3.425% | 73,397,760 | - | |
| Total ⁽³⁾ | 76,950,000 | 47,252,000 | | 73,397,760 | - | |
| | 2,276,950,000 | 2,597,252,000 | | 655,297,760 | 822,400,000 | |

- MMR : Money Market Rate

⁽¹⁾ Such short-term loans have no guarantor.

⁽²⁾ On 31 December 2011, such short-term loans were guaranteed by the Company (see Note 32.6).

⁽³⁾ As at 31 December 2012 and 2011, such short-term loans have facilities of USD 2.50 million and USD 1.50 million, respectively. As at 31 December 2012, such company withdrew such short-term loan totalling USD 2.40 million. Such loan was pledged by total securities - share certificates of such subsidiary of 38.50 million shares (see Note 31.1). As at 31 December 2012, such loan was guaranteed by the Company at 60% and other 2 shareholders of such subsidiary at 40% and as at 31 December 2011, was guaranteed by the Company at 55% and other 3 shareholders of such subsidiary at 45%.

As at 31 December 2012 and 2011, the Group have credit lines for bank overdrafts totalling Baht 89,000,000, which is guaranteed by the Company totalling Baht 1,000,000 and Baht 46,000,000, respectively (see Note 32.6).

As at 31 December 2012 and 2011, the Company has credit lines for bank overdrafts totalling Baht 43,000,000, with no guarantor.

17. Trade and other payables

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

| | Consolidated financial statements | | Company financial statements | | Baht |
|-------------------------------|--------------------------------------|--------------------|---------------------------------|--------------------|------|
| | 2012 | 2011 | 2012 | 2011 | |
| Trade account payables | 221,466,214 | 153,055,507 | 54,205,293 | 51,471,237 | |
| Other payables | 39,909,802 | 62,792,240 | 25,915,403 | 27,027,942 | |
| Payables - Assets acquisition | 75,688,618 | 166,758,240 | 42,545,076 | 27,639,038 | |
| Payables - Shares | - | - | 8,035,000 | - | |
| Accrued expenses | 297,895,581 | 286,049,293 | 83,454,020 | 78,764,209 | |
| Deposit received | 114,242,182 | 97,401,552 | 34,212,151 | 40,439,330 | |
| Others | 73,351,022 | 106,842,437 | 35,536,911 | 45,547,139 | |
| Trade and others payables | <u>822,553,419</u> | <u>872,899,269</u> | <u>283,903,854</u> | <u>270,888,895</u> | |

18. Long-term liabilities under finance lease agreements

Long-term liabilities under finance lease agreements as at 31 December consisted of the following:

| | Consolidated financial statements | | Company financial statements | | Baht |
|---|--------------------------------------|------------------|---------------------------------|------------------|------|
| | 2012 | 2011 | 2012 | 2011 | |
| Long-term liabilities under finance lease agreements | 1,396,943 | 1,980,028 | 1,100,569 | 1,461,374 | |
| <u>Less</u> Deferred interest | <u>(131,309)</u> | <u>(258,134)</u> | <u>(117,060)</u> | <u>(216,559)</u> | |
| | 1,265,634 | 1,721,894 | 983,509 | 1,244,815 | |
| <u>Less</u> Current portion | <u>(488,219)</u> | <u>(449,295)</u> | <u>(279,115)</u> | <u>(254,341)</u> | |
| | <u>777,415</u> | <u>1,272,599</u> | <u>704,394</u> | <u>990,474</u> | |

19. Long-term loans

Long-term loans as at 31 December consisted of the following:

| | Interest rate % p.a. | | Consolidated financial statements | | Baht |
|---|----------------------|--------|--------------------------------------|---------------|------|
| | 2012 | 2011 | 2012 | 2011 | |
| Loans from financial institutions | | | | | |
| Repayable in semi-annual installments through 2015 by Philippine Hoteliers, Inc. | 4.3865 | 4.1615 | 53,884,371 | 72,137,798 | |
| Repayable in every three months from September 2013 through 2018 by DMS Property Investment Private Limited | 4.1240 | 4.0740 | 1,269,169,601 | 964,260,915 | |
| | | | 1,323,053,972 | 1,036,398,713 | |
| <u>Less</u> Current portion | | | (98,009,749) | (20,610,799) | |
| | | | 1,225,044,223 | 1,015,787,914 | |

Movements in the long-term loans account for the years ended 31 December are summarized as follows:

| | Consolidated financial statements | | Baht |
|-------------------------------------|--------------------------------------|---------------|------|
| | 2012 | 2011 | |
| Balance brought forward | 1,036,398,713 | 156,253,370 | |
| <u>Add</u> Additional loans | 336,177,106 | 964,260,915 | |
| <u>Less</u> Repayments | (20,610,799) | (88,601,226) | |
| Exchange (gain) loss on translation | (28,911,048) | 4,485,654 | |
| Balance carried forward | 1,323,053,972 | 1,036,398,713 | |

The Company and subsidiaries have long-term loan agreements as follows:

19.1 On 2 February 2007, Philippine Hoteliers, Inc., an indirect subsidiary, has entered into loan agreement with a bank to renovate its hotel in the limit of Peso 510,000,000, guaranteed by mortgaged of its hotel building and equipment and rights on lease agreement (see Note 12.3). The agreement identified the terms and conditions as follows:

- Interest rate for first 6 months refer to corresponding promissory note, thereafter interest rate refer to 6-month MART1 in Philippines plus 1.70% per annum, repayment every 6 months.
- Repayment of principal in semi-annual instalments through 2015 is for 13 instalments. The first instalment is from 24 months from the first draw down date which is 9 February 2007.

As at 31 December 2012 and 2011, this subsidiary had outstanding long-term loan of Peso 72,870,878 and Peso 102,019,231, respectively.

Such loan agreement specifies to declare dividends, carries certain restrictive covenants pertaining to the debt to equity ratio and current ratio of such subsidiary.

19. Long-term loans (Continued)

The Company and subsidiaries have long-term loan agreements as follows: (Continued)

19.2 On 3 September 2011, DMS Property Investment Private Limited, an indirect subsidiary in Republic of Maldives has entered into a long-term loan agreement with a financial institution in Thailand for payment of operating assets and equipment, furniture, fixture and equipment installation, preopening expenses and others totalling USD 38.50 million. Such loan was pledged by total securities - share certificates of such subsidiary of 38.50 million shares (see Note 31.1) and guaranteed by the Company by 55% and other 3 shareholders of such subsidiary by 45%.

On 14 May 2012, such subsidiary had amended such agreement to borrow additional long-term loan amounting of USD 3 million, as such totalling long-term loan are USD 41.50 million. Such loan was pledged by total securities - share certificates of such subsidiary of 38.50 million shares (see Note 31.1) and guaranteed by the Company by 60% and other 2 shareholders of such subsidiary by 40%.

As at 31 December 2012 and 2011, the subsidiary has withdrawn such long-term loan in the amount of USD 41.50 million and USD 30.61 million, respectively.

Such loan agreement specifies to declare dividends, carries certain restrictive covenants pertaining to the debt to equity ratio and current ratio of such subsidiary.

20. Deferred rental revenue

On 24 December 2010, Dusit Thai Properties Public Company Limited, a subsidiary, entered into lease agreement for land, premises and utility systems of Dusit Thani Hua Hin with Dusit Thani Freehold and Leasehold Property Fund (DTCPPF) for a period of 30 years with rental of Baht 763,000,000, covered lease period. This subsidiary has committed itself to comply with lease condition as specified in lease agreement for land and building with DTCPPF by mortgaged such land and building with DTCPPF in the amount of Baht 1,300,000,000 (see Note 12.2).

Deferred rental revenue consisted of the following:

| | Baht | |
|---|--|--------------|
| | Consolidated financial statements | |
| | 2012 | 2011 |
| Total deferred rental received | 763,000,000 | 763,000,000 |
| <u>Less</u> Accumulated realized income from deferred rental revenue | (51,424,111) | (25,990,778) |
| | 711,575,889 | 737,009,222 |
| <u>Less</u> Current portion | (25,433,333) | (25,433,333) |
| Deferred rental revenue | 686,142,556 | 711,575,889 |
| Realized income from deferred rental revenue | 25,433,333 | 25,433,333 |

21. Legal reserve

| | Consolidated financial statements | | Company financial statements | | Baht |
|------------------------------|--------------------------------------|-------------------|---------------------------------|-------------------|------|
| | 2012 | 2011 | 2012 | 2011 | |
| As at 1 January | 85,000,000 | 85,000,000 | 85,000,000 | 85,000,000 | |
| Appropriated during the year | - | - | - | - | |
| As at 31 December | <u>85,000,000</u> | <u>85,000,000</u> | <u>85,000,000</u> | <u>85,000,000</u> | |

Pursuant to the Public Companies Act B.E. 2535 (1992), the Company must allocate to a reserve fund not less than five percent of the annual net income, after deduction of the total accumulated loss brought forward (if any) until the reserve fund reaches an amount of not less than ten percent of the registered capital, unless the Company has a regulation or other law which prescribes for a higher amount of such reserve. Such reserve is not available for distribution as dividend.

22. Other reserves

Other reserves as at 31 December consisted of the following:

| | Consolidated financial statements | | Company financial statements | | Baht |
|------------------------------------|--------------------------------------|-------------------|---------------------------------|----------|------|
| | 2012 | 2011 | 2012 | 2011 | |
| Reserve for treasury common shares | 15,740,202 | 15,740,202 | - | - | |
| Total | <u>15,740,202</u> | <u>15,740,202</u> | <u>-</u> | <u>-</u> | |

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 common shares reserve. The Board of Directors appropriated its retained earnings to treasury common shares reserve (see Note 23.1).

23. Treasury common shares and weighted average number of ordinary shares

23.1 Treasury common shares

23.1.1 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 is for financial management because the Company has excess liquidity. The resale period of such repurchase share was from 1 July 2004 to 29 December 2006.

The 2,760,500 shares or 3.25% of the Company's paid-up capital has been repurchased, totalling Baht 115,818,208.

During 2006, the Company sold 2,760,500 treasury common shares and gain on sales in the amount of Baht 16,950,268 has been presented as paid-in surplus - treasury common shares.

23. Treasury common shares and weighted average number of ordinary shares (Continued)

23.1 Treasury common shares (Continued)

23.1.2 Dusit Thani Properties Company Limited

Dusit Thani Properties Company Limited, a subsidiary, held 606,300 ordinary shares of the Company with the acquisition cost of Baht 20,240,264. Such shares were presented as treasury common shares in the consolidated statements of financial position.

During 2006, Dusit Thani Properties Company Limited sold 134,800 ordinary shares of the Company to third parties totalling Baht 5,915,334 and gain on sales in the amount of Baht 1,415,272 has been presented as paid-in surplus - treasury common shares. As at 31 December 2012 and 2011, Dusit Thani Properties Company Limited held 471,500 ordinary shares of the Company with the carrying value of Baht 15,740,202. Such shares were presented as treasury common shares in the consolidated statements of financial position.

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 common shares reserve. As at 31 December 2012 and 2011, the Company has appropriately retained earnings to treasury common shares reserve in the amount of Baht 15,740,202 which has been included in other reserves (see Note 22).

23.2 Weighted average number ordinary shares

Weighted average number of ordinary shares for the years ended 31 December calculated as follows:

| | Consolidated financial statements | | Company financial statements | |
|---|--|-------------------|---|-------------------|
| | 2012 | 2011 | 2012 | 2011 |
| Number of issued and paid-up ordinary shares | 85,000,000 | 85,000,000 | 85,000,000 | 85,000,000 |
| <u>Less</u> Repurchased ordinary shares by Dusit Thani Properties Company Limited | (471,500) | (471,500) | - | - |
| Weighted average number of ordinary shares | <u>84,528,500</u> | <u>84,528,500</u> | <u>85,000,000</u> | <u>85,000,000</u> |

24. Net revenue from assets held for sale and net revenue from assets held for sale

On 12 October 2010, the Company purchased operations assets of Dusit Thani Laguna Phuket from Laguna Resorts and Hotels Public Company Limited, Phuket Resort Development Limited and Laguna Grande Limited in amount of including inventories and operating equipment for hotel operation totalling Baht 2,620,000,000 (included VAT). On 24 December 2010, the Company sold these assets to Dusit Thani Freehold and Leasehold Property Fund (DTCPF) in the amount of Baht 2,715,000,000 (included VAT) and had gain on sales of such assets, net of related transferring expenses, of Baht 6,904,215. This gain is separately presented as unrealized gain on sales of assets held for sale, under non-current liabilities because the Company provided a guarantee for lease and/or sublease payment (in a such case) that Dusit Management Company Limited, a subsidiary, has to pay to DTCPF for a period of 4 years.

25. Retirement benefit obligation

| | Consolidated | | Company | |
|--|----------------------|--------------|----------------------|------------|
| | financial statements | | financial statements | |
| | 2012 | 2011 | 2012 | 2011 |
| Present value of funded obligations | 179,011,891 | 170,264,353 | 64,962,693 | 60,926,211 |
| Fair value of plan assets | (51,947,516) | (46,000,270) | - | - |
| Present value of unfunded obligation | 127,064,375 | 124,264,083 | 64,962,693 | 60,926,211 |
| Unrecognized past service cost | (73,537) | (140,853) | - | - |
| Unrecognized actuarial loss | 36,652,291 | 5,137,457 | 24,591,560 | - |
| Liability in the statement of financial position | 163,643,129 | 129,260,687 | 89,554,253 | 60,926,211 |

The movement in the defined benefit obligation over the year is as follows:

| | Consolidated | | Company | |
|----------------------|----------------------|--------------|----------------------|--------------|
| | financial statements | | financial statements | |
| | 2012 | 2011 | 2012 | 2011 |
| At 1 January | 170,264,354 | 173,972,235 | 60,926,211 | 67,123,831 |
| Current service cost | 18,630,101 | 16,914,709 | 8,573,779 | 6,285,015 |
| Interest cost | 7,204,535 | 8,374,080 | 2,143,399 | 2,241,954 |
| Actuarial losses | 27,238,427 | 1,452,710 | 24,591,560 | 2,109,831 |
| Exchange differences | 3,306,011 | 2,509,726 | - | - |
| Benefits paid | (20,393,108) | (32,959,106) | (6,680,696) | (16,834,420) |
| At 31 December | 206,250,320 | 170,264,354 | 89,554,253 | 60,926,211 |

The movement in the fair value of plan assets over the year is as follows:

| | Consolidated | | Company | |
|--------------------------------|----------------------|--------------|----------------------|------|
| | financial statements | | financial statements | |
| | 2012 | 2011 | 2012 | 2011 |
| At 1 January | 46,000,270 | 55,225,257 | - | - |
| Expected return on plan assets | 4,038,864 | 6,808,033 | - | - |
| Actuarial (gains) losses | 3,039,354 | (3,778,702) | - | - |
| Exchange difference | 2,151,554 | 1,922,751 | - | - |
| Expected return on plan assets | 7,304,000 | - | - | - |
| Benefits paid | (10,586,526) | (14,177,069) | - | - |
| At 31 December | 51,947,516 | 46,000,270 | - | - |

25. Retirement benefit obligation (Continued)

The amounts recognized in the income statement are as follows:

| | Consolidated | | Company | | Baht |
|--------------------------------|----------------------|-------------|----------------------|-----------|------|
| | financial statements | | financial statements | | |
| | 2012 | 2011 | 2012 | 2011 | |
| Current service cost | 18,630,101 | 16,914,709 | 8,573,778 | 6,285,015 | |
| Interest cost | 7,204,535 | 8,374,080 | 2,143,399 | 2,241,954 | |
| Expected return on plan assets | (4,038,864) | (6,808,033) | - | - | |
| Past service cost | 1,914,281 | 69,687 | 1,612,342 | - | |
| Total, included in staff costs | 23,710,053 | 18,550,443 | 12,329,519 | 8,526,969 | |

The principal actuarial assumptions used were as follows:

| | Consolidated | | Company | |
|--------------------------------|----------------------|-------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | 2012 | 2011 | 2012 | 2011 |
| Discount rate | 3.7%, 5.4% | 3.7%, 5.4% | 3.5% | 3.5% |
| Inflation rate | 3.0% | 3.0% | 3.0% | 3.0% |
| Expected return on plan assets | 8.5% | 8.5% | - | - |
| Future salary increases | 4.0% - 9.0% | 4.0% - 9.0% | 4.0% - 9.0% | 4.0% - 9.0% |

26. Share of profit from investment in associate

For the year ended 31 December 2012, share of profit from investment in associate is included unrealized gain from investment property revaluation of Dusit Thani Freehold and Leasehold Property Fund (DTCPPF) of Baht 8,718,373 (for the year ended 31 December 2011 of Baht 7,998,538), according to the investment percentage by the Company. The fair value of investments in properties has assessed by independent appraisers who are authorized by the Securities and Exchange Commission, by using the income approach per their reports dated 3 August 2012, 15 August 2012 and 6 September 2012 of Dusit Thani Laguna Phuket Hotel, Dusit Thani Hua Hin Hotel and DusitD2 Chiang Mai Hotel, respectively, with discount rates approximately 10% - 14%.

In addition, the management of the Company had received the confirmation letter from DTCPPF's manager that DTCPPF has already considered and agreed the reasonable of the assumption information, discounted rate and the revalued of assets, together with the actual performance and types of right on such assets of DTCPPF which also agreed by the management of the Company.

27. Income tax

For the years ended 31 December 2012 and 2011, income tax of the Group has been calculated on the net profit after deduction of revenue which is not subjected to tax calculation and adding back certain expenses which are disallowance for tax computation purposes.

Income tax for the years ended 31 December can summarized as follows:

| | Consolidated | | Company | |
|--|----------------------|-------------------|----------------------|----------|
| | financial statements | | financial statements | |
| | 2012 | 2011 | 2012 | 2011 |
| Income tax of the Company | - | - | - | - |
| <u>Add</u> Income tax of subsidiaries: | | | | |
| - Dusit Thai Properties Public Company Limited | 5,711,516 | 10,527,806 | - | - |
| - Philippine Hoteliers, Inc. | 26,266,127 | 26,698,469 | - | - |
| - Dusit Management Company Limited | 1,313,718 | 40,077 | - | - |
| | <u>33,291,361</u> | <u>37,266,352</u> | <u>-</u> | <u>-</u> |

28. Dividend paid

On 27 April 2012, the shareholders' meeting of the Company passed a resolution to approve and appropriate profit as dividend payment for the year 2011 for 85,000,000 ordinary shares at Baht 0.50 per share, totalling Baht 42,500,000 was paid on 11 May 2012.

On 29 April 2011, the shareholders' meeting of the Company passed a resolution to approve and appropriate profit and retained earnings as dividend payment for the year 2010 for 85,000,000 ordinary shares at Baht 0.50 per share, totalling Baht 42,500,000 was paid on 13 May 2011.

29. Revenues arising from exchanges of goods or services

The Group have revenues arising from exchange of goods or services with the outside parties. The Company recognized revenues from such parties when the goods or services are rendered from the Company and subsidiaries. Such revenues are charged at the arm-length prices that charged to the other customers or at the agreed price to exchange according to each agreement.

For the years ended 31 December 2012 and 2011, revenues arising from exchange of goods or services included in revenues from sales and services are as follows:

| | Consolidated | | Company | |
|--|----------------------|------------|----------------------|------------|
| | financial statements | | financial statements | |
| | 2012 | 2011 | 2012 | 2011 |
| Revenues arising from exchanges of goods or services | 19,035,910 | 16,164,444 | 12,673,789 | 14,355,762 |

30. Long-term leases

30.1 Dusit Thani Public Company Limited

The land lease agreement of Dusit Thani Hotel and Dusit Thani Office Building dated 16 March 1966 between The Crown Property Bureau and the Company scheduled to expire on 31 March 2003 which the right on building transferred to the lessor since the date of construction completion. However, under the condition of the lease, the Company can extend the lease period twice for a period of 15 years each with related lease payments to be renegotiated by the parties.

On 26 August 2002, the Company signed the first extension of the above land lease agreements for period from 1 April 2003 to 31 March 2018. The prepaid rental for the period of 15 years is Baht 1,100,000,000.

On 27 January 2006, the Company entered into the land lease agreement with Siri Pattaya Company Limited for rental period 22 years started from 1 January 2006 to 31 December 2027. Currently, Dusit Thani Hotel, Pattaya (formerly Dusit Resort Pattaya) is now located on such land. Total rental thorough the lease agreement is totalling of Baht 1,002,000,000. The rental payment may vary in accordance with fluctuation in the Swiss Franc exchange rate. During the lease period, if the Swiss Franc is cancelled, the exchange rate between Baht and US dollar will be used instead. In this case, the rate to be used is the average exchange rate for US dollars on the date of the original agreement, which is the commercial bank selling rate announced by The Bank of Thailand, one US dollar for Baht 39.14. When the lease agreement is expired, the Company can extend the lease period twice for a period of 10 years each with related lease payments to be renegotiated by the parties.

30.2 Philippine Hoteliers, Inc.

Philippine Hoteliers, Inc., a subsidiary, has a lease agreement for the land on which the hotel building is situated with a specified rental payable quarterly at a rate of 5% of the annual gross income. The term of the lease is up to 31 December 2002 and is renewable for another period of 25 years at the option of the subsidiary. Upon termination of the lease, the subsidiary shall return and surrender to the lessor the leased property together with the building constructed thereon, and with all the permanent fixtures therein.

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.

30. Long-term leases (Continued)

30.3 Dusit Management Company Limited

On 24 December 2010, Dusit Management Company Limited, a subsidiary entered the lease agreements for operating assets of Dusit Thani Laguna Phuket, dusitD2 Chiang Mai and sublease agreement for operating assets of Dusit Thani Hua Hin from Dusit Thani Freehold and Leasehold Property Fund (DTCPF) for a period of 3 years and has rights to renew such lease and sublease agreements for 6 times with 3 years period each. The Company guaranteed the minimum lease and/or sublease payment by this subsidiary to DTCPF (see Note 32.7). The rental amount detailed as follows:

30.3.1 Fixed rental of Baht 205,000,000 per year, monthly payment amount was specified in the lease agreement.

Rental amount during 24 December 2010 to 31 December 2010 was calculated by days in proportion of such rental amount.

30.3.2 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 amortization (EBITDA). Such percentage specified as follows:

| | |
|--------------------|-----|
| Years 2011 - 2016 | 90% |
| Years 2017 - 2022 | 85% |
| Years 2023 onwards | 80% |

Rental amount during 24 December 2010 to 31 December 2010 was calculated by days, using 90%.

30.4 DMS Property Investment Private Limited

Reference from Dusit Thai Properties Public Company Limited and/or DMS Property Investment Private Limited have right on leasehold land from the Government of Republic of Maldives, resort and construction on Mudhdhoo Island, Baa Atoll, Republic of Maldives as mentioned in Note 12.4, as of 31 December 2012, the rental for remaining lease period is as follows:

| Due period | | Amount |
|----------------------------------|-----|------------|
| Not over 1 year | USD | 1,000,000 |
| Over 1 year but not over 5 years | USD | 4,000,000 |
| Over 5 years | USD | 43,182,787 |

However, prepaid rental amounting to USD 5,000,000 of DMS Property Investment Private Limited is amortized as expense of USD 1,000,000 per year for the period of 5 years.

31. Transactions between related companies

Transactions between related companies are as follows:

31.1 Investment in subsidiaries, associate and a joint venture

As at 31 December 2012

| Company's name | Country of incorporation | Type of business | Relationship | Issued and paid-up (ordinary shares) | % of shareholding | Investment | | Baht |
|---|--------------------------|----------------------|--------------|--------------------------------------|-----------------------|-----------------------------|----------------------------------|------|
| | | | | | | Company financial statement | Consolidated financial statement | |
| Subsidiaries | | | | | | | | |
| 1. Dusit Thani Properties Co., Ltd. | Thailand | Holding | Subsidiary | 800,000,000 | 99.99 | 799,999,300 | - | - |
| - Dusit Thai Properties Public Co., Ltd. | Thailand | Hotel and Management | Subsidiary | 825,000,000 | 83.93 ⁽¹⁾ | - | - | - |
| - Philippine Hoteliers, Inc. | Philippines | Hotel | Subsidiary | PESO 364,870,100 | 88.00 ⁽¹⁾ | - | - | - |
| 2. Landmark Hotel Co., Ltd. | Thailand | Hotel | Subsidiary | 10,000,000 | 99.88 | 799,999,300 | - | - |
| 3. Devarana Spa Co., Ltd. | Thailand | Spa | Subsidiary | 8,000,000 | 99.99 | 9,988,000 | - | - |
| 4. Dusit Executive Development Center Co., Ltd. | Thailand | Training | Subsidiary | 5,000,000 | 99.99 ⁽⁴⁾ | 7,999,930 | - | - |
| 5. Dusit Thai Properties Public Co., Ltd. | Thailand | Hotel and Management | Subsidiary | 825,000,000 | 2.86 ⁽⁷⁾ | 4,999,940 | - | - |
| - DMS Property Investment Private Limited | Republic of Maldives | Hotel | Subsidiary | USD 38,500,000 | 47.72 ⁽³⁾ | 40,109,974 | - | - |
| 6. Dusit Worldwide Co., Ltd. | Thailand | Management | Subsidiary | 50,000,000 | 99.99 | 49,999,930 | - | - |
| - Dusit Overseas Co., Ltd. | Hong Kong | Management | Subsidiary | HKD 33,000 | 99.99 ⁽²⁾ | - | - | - |
| 7. Dusit Management Co., Ltd. | Thailand | Hotel | Subsidiary | 1,000,000 | 99.99 | 3,999,960 | - | - |
| 8. Dusit USA Management Inc. | United State of America | Hotel management | Subsidiary | USD 40,000 | 100.00 ⁽⁶⁾ | - | - | - |
| Less Allowance for impairment | | | | | | 917,097,034 | - | - |
| | | | | | | (9,988,000) | - | - |
| | | | | | | 907,109,034 | - | - |

31. Transactions between related companies (Continued)

31.1 Investment in subsidiaries, associate and a joint venture (Continued)

As at 31 December 2012

| Company's name | Country of incorporation | Type of business | Relationship | Issued and paid-up (ordinary shares) | % of shareholding | Company financial statement Cost | Investment financial statement Equity | Baht |
|---|--------------------------|------------------|---------------|--------------------------------------|----------------------|----------------------------------|---------------------------------------|------|
| Joint ventures | | | | | | | | |
| 1. Le Cordon Bleu Dusit Co., Ltd. | Thailand | Cooking School | Joint venture | 40,000,000 | 49.99 | 19,999,400 | - | - |
| 2. Dusit Bird Hotels Private Limited | India | Management | Joint venture | INR 5,000,000 | 50.00 ⁽⁵⁾ | 6,080,545 | - | - |
| | | | | | | 26,079,945 | - | - |
| Associate | | | | | | | | |
| 1. Dusit Thani Freehold & Leasehold Property Fund | Thailand | Leasing | Associate | 4,094,000,000 | 30.02 | 1,229,202,500 | 1,309,525,818 | |
| | | | | | | 1,229,202,500 | 1,309,525,818 | |

(1) Dusit Thani Properties Company Limited holds 83.94% in Dusit Thai Properties Public Company Limited, 88.01% in Philippine Hoteliers, Inc.

(2) Dusit Worldwide Company Limited holds 100.00% in Dusit Overseas Company Limited.

(3) Dusit Thai Properties Public Company Limited holds 55.00% in DMS Property Investment Private Limited and share certificates of such company are pledged as collateral of loan from financial of such company (see Notes 16 and 19.2).

(4) Dusit Executive Development Center Co, Ltd. registered for liquidation with Department of Business Development on 29 June 2012.

(5) Dusit Bird Hotels Private Limited passed a resolution to call the issued and paid-up share capital 900,000 shares, at par value 10.00 Indian Rupees each from existing shareholders. The Company paid such share subscription for the Company's proportion of 450,000 shares, totalling 4,500,000 Indian Rupees, equivalent to Baht 2.61 million on 30 October 2012.

(6) Dusit USA Management Inc. has registered on 14 August 2012 and as at 31 December 2012, has not called its share subscription.

(7) The Company had additional invested in Dusit Thai Properties Public Co., Ltd. from another related company.

31. Transactions between related companies (Continued)

31.1 Investment in subsidiaries, associate and a joint venture (Continued)

As at 31 December 2011

| Company's name | Country of incorporation | Type of business | Relationship | Issued and paid-up (ordinary shares) | % of shareholding | Baht | |
|--|----------------------------------|---|--|--|---|---|---|
| | | | | | | Investment | Baht |
| | | | | | | Company financial statement Cost | Consolidated financial statement Equity |
| Subsidiaries | | | | | | | |
| 1. Dusit Thani Properties Co., Ltd. - Dusit Thai Properties Public Co., Ltd. | Thailand Thailand | Holding Hotel and Management Hotel | Subsidiary Subsidiary (Indirect holding) Subsidiary | 800,000,000 825,000,000 PESO 364,870,100 | 99.99 84.64 ⁽¹⁾ 88.00 ⁽¹⁾ | 799,999,300 - | - |
| - Philippine Hoteliers, Inc. | Philippines | | (Indirect holding) Subsidiary | | | | - |
| - Dusit Enterprises Co., Ltd. | Republic of Mauritius | Management | (Indirect holding) | USD 27,500 | 99.99 ⁽¹⁾ | - | - |
| 2. Landmark Hotel Co., Ltd. | Thailand | Hotel | Subsidiary | 10,000,000 | 99.88 | 799,999,300 | - |
| 3. Devarana Spa Co., Ltd. | Thailand | Spa | Subsidiary | 8,000,000 | 99.99 | 9,988,000 | - |
| 4. Dusit Executive Development Center Co., Ltd. | Thailand | Training | Subsidiary | 5,000,000 | 99.99 | 7,999,930 | - |
| 5. Dusit Thai Properties Public Co., Ltd. - DMS Property Investment Private Limited | Thailand Republic of Maldives | Hotel and Management Hotel | Subsidiary Subsidiary (Indirect holding) | 825,000,000 USD 38,500,000 | 2.15 47.72 ⁽³⁾ | 4,999,940 32,074,974 | - |
| 6. Dusit Worldwide Co., Ltd. - Dusit Overseas Co., Ltd. | Thailand Hong Kong | Management Management | Subsidiary Subsidiary (Indirect holding) | 50,000,000 HKD 33,000 | 99.99 99.99 ⁽³⁾ | 32,074,974 49,999,930 | - |
| 7. Dusit Management Co., Ltd. Less Allowance for impairment | Thailand | Hotel | Subsidiary | 1,000,000 | 99.99 | - 49,999,930 3,999,960 909,062,034 (9,988,000) 899,074,034 | - - - - - |
| Joint ventures | | | | | | | |
| 1. Le Cordon Bleu Dusit Co., Ltd. 2. Dusit Bird Hotels Private Limited | Thailand India | Cooking School Management | Joint venture Joint venture | 40,000,000 INR 5,000,000 | 49.99 50.00 | 19,999,400 3,470,545 23,469,945 | - - - |
| Associate | | | | | | | |
| 1. Dusit Thani Freehold & Leasehold Property Fund | Thailand | Leasing | Associate | 4,094,000,000 | 30.02 | 1,229,202,500 1,229,202,500 | 1,302,779,562 1,302,779,562 |

31. Transactions between related companies (Continued)

31.1 Investment in subsidiaries, associate and a joint venture (Continued)

- (1) Dusit Thani Properties Company Limited holds 84.65% in Dusit Thai Properties Public Company Limited, 88.01% in Philippine Hoteliers, Inc. and 100.00% in Dusit Enterprises Company Limited and Dusit Enterprises Company Limited registered for liquidation with Companies Division, Government Office in Republic of Mauritius on 26 July 2012.
- (2) Dusit Worldwide Company Limited holds 100.00% in Dusit Overseas Company Limited.
- (3) Dusit Thai Properties Public Company Limited holds 55.00% in DMS Property Investment Private Limited and share certificates of such company are pledged as collateral of loan from financial of such company (see Notes 16 and 19.2).

31.2 Relationship with related companies

As at 31 December 2012

| Related companies | Country of incorporation | Type of business | Relationship |
|---|--------------------------|---|---|
| 1. Acme Printing Co., Ltd. | Thailand | Printing house | Director holds the shares |
| 2. The Peninsula Travel Service Co., Ltd. | Thailand | Sale air ticket | Director holds the shares |
| 3. MBK Public Co., Ltd. | Thailand | Property development | Company and director hold the shares |
| 4. Laguna Resorts & Hotels Public Co., Ltd. | Thailand | Hotel | Company holds the shares and director is director |
| 5. Piyasiri Co., Ltd. | Thailand | Hospital | Director holds the shares |
| 6. Bangkok Bank Public Co., Ltd. | Thailand | Bank | Company and director holds the shares |
| 7. Thai Life Insurance Co., Ltd. | Thailand | Life insurance | Director is director |
| 8. The Navakij Insurance Public Co., Ltd. | Thailand | Non-life insurance | Director is director |
| 9. New Atlantic Co., Ltd. | Thailand | Department store | Director holds the shares |
| 10. Thana-jirang Co., Ltd. | Thailand | Office rental | Director holds the shares |
| 11. JTB (Thailand) Co., Ltd. | Thailand | Sale package tour and hotel reservation, air ticket | Director holds the shares |

31. Transactions between related companies (Continued)

31.2 Relationship with related companies

As at 31 December 2011

| Related companies | Country of incorporation | Type of business | Relationship |
|---|--------------------------|---|---|
| 1. Acme Printing Co., Ltd. | Thailand | Printing house | Director holds the shares |
| 2. The Peninsula Travel Service Co., Ltd. | Thailand | Sale air ticket | Director holds the shares |
| 3. MBK Public Co., Ltd. | Thailand | Property development | Company and director hold the shares |
| 4. Laguna Resorts & Hotels Public Co., Ltd. | Thailand | Hotel | Company holds the shares and director is director |
| 5. Piyasiri Co., Ltd. | Thailand | Hospital | Director holds the shares |
| 6. Bangkok Bank Public Co., Ltd. | Thailand | Bank | Company and director holds the shares |
| 7. Thai Life Insurance Co., Ltd. | Thailand | Life insurance | Director is director |
| 8. The Navakij Insurance Public Co., Ltd. | Thailand | Non-life insurance | Director is director |
| 9. New Atlantic Co., Ltd. | Thailand | Department store | Director holds the shares |
| 10. Thana-jirang Co., Ltd. | Thailand | Office rental | Director holds the shares |
| 11. JTB (Thailand) Co., Ltd. | Thailand | Sale package tour and hotel reservation, air ticket | Director holds the shares |

31. Transactions between related companies (Continued)

31.3 Short-term loans to and from related companies

Short-term loans to and from related companies as at 31 December consisted of the following:

| | Consolidated financial statements | | Company financial statements | | Baht |
|---|--------------------------------------|-----------|---------------------------------|------------|------|
| | 2012 | 2011 | 2012 | 2011 | |
| Short-term loan to joint venture | | | | | |
| Le Cordon Bleu Dusit Company Limited | - | 6,000,180 | - | 12,000,000 | |
| Total | - | 6,000,180 | - | 12,000,000 | |
| Short-term loan from related company | | | | | |
| Le Cordon Bleu International BV | - | 5,999,820 | - | - | |
| MBK Hotels and Resort Co., Ltd. | 12,232,960 | - | - | - | |
| Total | 12,232,960 | 5,999,820 | - | - | |

The costs of borrowing are as follows:

- Loan to joint venture - minimum loan rate of commercial banks or not lower than 8.50% p.a.
- Loans from related companies - minimum loan rate of commercial banks or not lower than 8.50% p.a. and interest rate LIBOR plus 3.425% per annum or not less than those pays to the financial institution.
- All inter - company borrowings are unsecured.

Movements in the short-term loans to and from related companies account are summarized as follows:

| | Consolidated financial statements | | Company financial statements | | Baht |
|-----------------------------|--------------------------------------|-------------|---------------------------------|-----------------|------|
| | 2012 | 2011 | 2012 | 2011 | |
| Loan to related companies | | | | | |
| Balance brought forward | 6,000,180 | 11,000,330 | 12,000,000 | 23,828,900 | |
| Add Additional loans | - | - | - | 46,600,000 | |
| Less Repayments | (6,00,180) | (5,000,150) | (12,000,000) | (58,428,900) | |
| Balance carried forward | - | 6,000,180 | - | 12,000,000 | |
| Loan from related companies | | | | | |
| Balance brought forward | 5,999,820 | 14,999,550 | - | 1,092,310,000 | |
| Add Additional loans | 12,232,960 | - | - | - | |
| Less Repayments | (5,999,820) | (8,999,730) | - | (1,092,310,000) | |
| Balance carried forward | 12,232,960 | 5,999,820 | - | - | |

31. Transactions between related companies (Continued)

31.4 Significant related business transactions

Related balances

Company financial statements

| Company | As at 31 December 2012 | | | | | As at 31 December 2011 | | | Baht |
|--|---------------------------|-------------------|------------------|------------------|----------------|---------------------------|-------------------|------------------|----------------|
| | Trade accounts receivable | Other receivables | Accrued expenses | Payable - shares | Other payables | Trade accounts receivable | Other receivables | Accrued expenses | Other payables |
| Dusit Thai Properties Public Co., Ltd. | 63,908 | 1,901,976 | - | - | 248,317 | 35,297 | 8,589,401 | - | 132,002 |
| Dusit Thani Properties Co., Ltd. | - | 101,650 | - | 8,035,000 | - | - | 101,650 | - | - |
| Philippine Hoteliers, Inc. | - | 32,414 | - | - | - | 39,547 | - | - | - |
| Dusit Enterprises Co., Ltd. | - | - | - | - | - | - | 1,381 | - | - |
| Devarana Spa Co., Ltd. | 148,536 | 88,960 | - | - | 1,019,148 | 124,083 | 89,338 | - | 588,564 |
| Dusit Executive Development Center Co., Ltd. | - | - | - | - | - | 174,106 | 125,217 | - | 427,395 |
| Dusit Worldwide Co., Ltd. | 314,417 | 37,830,571 | - | - | 5,919,515 | 520,444 | 17,897,762 | - | 4,327,241 |
| Dusit Overseas Co., Ltd. | - | 4,650,938 | - | - | - | - | 8,522,459 | - | - |
| Dusit Management Co., Ltd. | 488,086 | - | - | - | - | 237,997 | 17,552,370 | - | 1,931,055 |
| Le Cordon Bleu Dusit Co., Ltd. | 156,210 | - | - | - | 384,834 | 158,079 | - | - | - |
| Dusit Thani Freehold and Leasehold Property Fund | - | 978,799 | 68,454,870 | - | - | - | - | 87,703,789 | - |
| Acme Printing Co., Ltd. | - | - | 46,224 | - | - | - | - | - | - |
| Laguna Resorts & Hotels Public Co., Ltd. | - | 1,565,573 | - | - | - | 33,752,739 | - | 2,470,317 | - |
| DMS Property Investment Private Limited | 738,684 | 2,746,968 | - | - | - | 504,708 | 10,817,971 | - | - |
| JTB (Thailand) Co., Ltd. | 1,710,820 | - | - | - | - | - | - | - | - |
| | 3,620,661 | 49,897,849 | 68,501,094 | 8,035,000 | 15,606,814 | 35,547,000 | 63,697,549 | 90,174,106 | 7,406,257 |

31. Transactions between related companies (Continued)

31.4 Significant related business transactions (Continued)

Related transactions

Company financial statements

| Company | For the year ended 31 December 2012 | | | | | | | Bath | |
|--|-------------------------------------|---------------------------|-----------------|-----------------|--------------|---------------|------------------|-------------|-------------------------|
| | Revenue from sales and services | Management service income | Interest income | Dividend income | Other income | Cost of sales | Selling expenses | | Administrative expenses |
| Dusit Thai Properties Public Co., Ltd. | 231,660 | 12,327,027 | - | 443,189 | 16,861,126 | - | - | 28,561,912 | - |
| Dusit Thani Properties Co., Ltd. | 96,570 | - | - | 35,999,969 | 2,105,839 | - | - | - | - |
| Philippine Hoteliers, Inc. | - | - | - | - | 200,482 | - | - | - | - |
| Devarana Spa Co., Ltd. | 2,525,436 | - | - | - | 6,523,563 | 346,350 | - | 1,228,590 | - |
| Dusit Executive Development Center Co., Ltd. | 1,325,176 | - | - | - | 720,302 | - | - | - | - |
| Dusit Worldwide Co., Ltd. | 5,896,799 | - | - | - | 22,793,239 | - | 68,334,438 | 8,234,320 | - |
| Dusit Overseas Co., Ltd. | - | - | - | - | 7,760,613 | - | - | 23,635,229 | - |
| Dusit Management Co., Ltd. | 1,027,875 | 41,661,127 | - | - | 17,263,383 | - | - | - | - |
| Le Cordon Bleu Dusit Co., Ltd. | 7,592,241 | - | 213,774 | - | 360,370 | - | - | - | - |
| DMS Property Investment Private Limited | - | - | - | - | 4,056,762 | - | - | 366,857 | - |
| Dusit Thani Freehold and Leasehold Property Fund | - | - | - | 100,179,800 | - | - | - | 68,454,670 | - |
| Acme Printing Co., Ltd. | - | - | - | - | - | - | - | 352,324 | - |
| MBK Public Co., Ltd. | - | - | - | 10,379,250 | - | - | - | - | - |
| Piyasiri Co., Ltd. | - | - | - | - | - | - | - | 284,734 | - |
| Bangkok Bank Public Co., Ltd. | - | - | - | 379,800 | - | - | - | 566,994 | 9,197,351 |
| The Navakij Insurance Public Co., Ltd. | - | - | - | - | - | - | - | 479,771 | - |
| JTB (Thailand) Co., Ltd. | 7,303,801 | - | - | - | - | - | - | - | - |
| | 25,999,558 | 53,988,154 | 213,774 | 147,382,008 | 78,645,679 | 346,350 | 68,334,438 | 132,165,401 | 9,197,351 |

31. Transactions between related companies (Continued)

31.4 Significant related business transactions (Continued)

Related transactions (Continued)

Company financial statements

| Company | For the year ended 31 December 2011 | | | | | | | Bath | |
|--|-------------------------------------|---------------------------|-----------------|-----------------|--------------|---------------|------------------|------------|-------------------------|
| | Revenue from sales and services | Management service income | Interest income | Dividend income | Other income | Cost of sales | Selling expenses | | Administrative expenses |
| Dusit Thai Properties Public Co., Ltd. | 229,987 | 12,016,284 | - | 5,318,271 | 29,949,668 | - | 36,563 | 22,599,165 | - |
| Dusit Thani Properties Co., Ltd. | 64,380 | - | - | 239,999,790 | 1,146,250 | - | - | - | 16,263,226 |
| Philippine Hoteliers, Inc. | - | - | - | - | 362,184 | - | - | - | - |
| Devarana Spa Co., Ltd. | 2,322,135 | - | 1,986 | - | 6,507,026 | 359,938 | - | 1,774,699 | - |
| Dusit Executive Development Center Co., Ltd. | 1,358,556 | - | - | - | 1,736,628 | - | - | 4,511,725 | - |
| Dusit Worldwide Co., Ltd. | 4,024,462 | - | - | - | 21,234,857 | - | 63,934,703 | 10,110,673 | - |
| Dusit Overseas Co., Ltd. | - | - | - | - | 6,644,445 | - | - | 13,257,943 | - |
| Dusit Management Co., Ltd. | 822,300 | 38,457,430 | 129,024 | - | 30,050,768 | - | 824,365 | 989,823 | - |
| Le Cordon Bleu Dusit Co., Ltd. | 7,558,732 | - | 787,100 | - | 136,920 | - | - | - | - |
| Dusit Thani Freehold and Leasehold Property Fund | - | - | - | 45,111,640 | - | - | - | - | - |
| Acme Printing Co., Ltd. | - | - | - | - | - | - | - | 2,480,521 | - |
| The Peninsula Travel Service Co., Ltd. | - | - | - | - | - | - | - | 67,000 | - |
| MMBK Public Co., Ltd. | - | - | - | 9,885,000 | 42,633 | - | - | 139,832 | - |
| Laguna Resorts & Hotels Public Co., Ltd. | - | - | - | 12,500,000 | - | - | - | - | - |
| Piyasiri Co., Ltd. | - | - | - | - | - | - | - | 230,503 | - |
| Bangkok Bank Public Co., Ltd. | - | - | - | 348,150 | - | - | - | 75,877 | 5,777,933 |
| Thai Life Insurance Co., Ltd. | - | - | - | - | - | - | - | 3,000 | - |
| The Navakij Insurance Public Co., Ltd. | - | - | - | - | - | - | - | 264,170 | - |
| | 16,380,552 | 50,473,714 | 918,110 | 313,162,851 | 97,811,379 | 359,938 | 64,795,631 | 56,504,931 | 22,041,159 |

31. Transactions between related companies (Continued)

31.4 Significant related business transactions (Continued)

Prices and terms are as follows:

Management fees are similar to the fee charged to other hotels which were managed by the Company.

Other income is calculated based on actual expenses incurred and the price agreed upon by the Company and the subsidiaries according to the agreement.

The interest income see Note 31.3.

Other expenses are based on the price agreed upon by the Company and the subsidiaries according to the agreement.

The remuneration received for transferring of rights and obligations of the Hotels Management Agreement to the subsidiary is equivalent to 1.50% of total revenue or gross operation profit, depending on the condition of each contract which is used as the base for computation of management fee or licensing fee charged from each hotel.

Sale and purchase of equipment by the Company and the subsidiary are based on book value plus margin as agreed.

Other sale and purchase transactions are in the normal prices transacted with third parties and discount policies.

31.5 Key management compensation

Key management includes directors (executive and non-executive), members of the Executive Committee, the Company Secretary and the Head of Internal Audit. The compensation paid or payable to key management for employee services is shown below:

| | Consolidated | | Company | |
|------------------------------|----------------------|-------------------|----------------------|-------------------|
| | financial statements | | financial statements | |
| | 2012 | 2011 | 2012 | 2011 |
| Salaries and other | | | | |
| short-term employee benefits | 86,219,757 | 78,915,948 | 55,679,824 | 46,736,171 |
| | <u>86,219,757</u> | <u>78,915,948</u> | <u>55,679,824</u> | <u>46,736,171</u> |

32. Commitments and contingent liabilities

32.1 As at 31 December 2012 and 2011, the Company and subsidiaries had letter of guarantees issued by banks totalling Baht 148,385,800 and Baht 148,097,100, respectively (see Note 32.7).

32.2 As at 31 December 2012 and 2011, the Company had letter of guarantees issued by banks totalling Baht 139,158,600 (see Note 32.7).

32. Commitments and contingent liabilities (Continued)

- 32.3 On 26 June 2001, the Company paid Baht 44,246,000 to the Official Receiver on behalf of World Intertrade Corporation Limited. Subsequently, the Company submitted a notice to World Intertrade Corporation Limited requesting for the repayment of debt to the Company. However, the Company did not receive any repayment from World Intertrade Corporation Limited. Therefore, on 19 December 2001, the Company filed a claim with The Southern Bangkok Civil Court against World Intertrade Corporation Limited for demanding the repayment of Baht 45,782,488 which the Company has a lawful right to claim.

On 7 December 2001, World Intertrade Corporation Limited filed a claim with The Southern Bangkok Civil Court against the Company. The claim demands the return of property (Dusit Thani Hotel, Pattaya) and damages. The amount claimed for damages is Baht 2,760,000,000. The Company has already filed an answer to the claim on such issue with The Southern Bangkok Civil Court on 16 January 2002 due to the reason that the Company has peacefully and openly possessed the property with intention to be its owner for more than 10 years and has obtained the Building by operation of law.

On 29 July 2002, the Southern Bangkok Civil Court ordered to tie conjointly the following cases, the case under which World Intertrade Corporation Limited sued the Company calling for its assets (Dusit Thani Hotel, Pattaya) and claiming for compensation on ground of wrongful act of the Company and the case under which the Company sued World Intertrade Corporation Limited.

On 26 March 2004, the Court has declared the case filed by World Intertrade Corporation Limited has been dismissed with the verdict that the Company is the owner of the property (Dusit Thani Hotel, Pattaya) by virtue of the law found in the Civil and Commercial Code of Thailand, sections 1382 and 1385 without doubt and the Court has given the verdict that World Intertrade Corporation Limited must pay compensation amounting to Baht 45,782,488 with 7.5% interest per annum of the principal amount of Baht 44,246,000 starting from 20 December 2001 until the entire amount has been fully paid.

On 26 April 2004, World Intertrade Corporation Limited filed the appeal with the Appeal Court. On 7 July 2004, the Company then filed the appeal answer and filed the objection against petition requesting the Court to delay the execution.

On 31 January 2005, the Company filed a bankruptcy case against World Intertrade Corporation Limited with the Central Bankruptcy Court. Thereafter, on 11 July 2005, the Central Bankruptcy Court granted the receivership order. Then, on 9 August 2005, World Intertrade Corporation Limited filed the appeal against the receivership order and the Company then filed the appeal answer against the said appeal. On 21 October 2008, the Bankruptcy department of the Supreme Court has considered by sustaining result of the Court of First Instance to the receiving order of World Intertrade Corporation Limited. Currently, the case is under the calling for creditors' meeting by the Enforcement Officer.

On 30 January 2006, the Official Receiver of World Intertrade Corporation Limited carried out the case to the Southern Bangkok Civil Court against the Company to claim for returning of the assets (Dusit Thani Hotel, Pattaya).

On 3 April 2007, the Southern Bangkok Civil Court made an appointment with litigant the result of case of the Appeal Court of World Intertrade Corporation Limited filed the Company to the Southern Bangkok Civil Court to claim for returning of the assets (Dusit Thani Hotel, Pattaya) by standing the result of the Court of First Instance to dispose such case of World Intertrade Corporation Limited out of the case list.

On 3 May 2007, World Intertrade Corporation Limited filed the Company to the supreme case with the Southern Bangkok Civil Court against the result of the Court of First Instance and Appeal Court. However, on 26 July 2007, the Company filed the case against such Supreme Court. Currently, the case is under the consideration of the Supreme Court.

32. Commitments and contingent liabilities (Continued)

32.4 For Philippine Hoteliers, Inc., an indirect subsidiary, as at 31 December 2012 and 2011, there are pending litigations, unasserted claims, and contingent liabilities that may arise in the normal course of operations of the subsidiary which are not reflected in the accompanying financial statements such as pending labor dispute cases filed with the NLRC-NCR. The subsidiary's management is of the opinion that expenses, if any, from these contingencies, are not significant and will not have material adverse effects and no provision has been made on subsidiary's financial statements.

32.5 As at 31 December 2012 and 2011, the Group has commitments for renovation contracts totalling Baht 139,026,222 and Baht 62,612,572, respectively.

As at 31 December 2012 and 2011, the Company has commitments for renovation contracts totalling Baht 75,974,909 and Baht 45,932,077, respectively.

32.6 The Company has contingent liabilities for the guarantee of credit facilities granted to the subsidiaries as at 31 December consisted of the following:

| | Note | 2012 | Baht 2011 |
|--|------|------------------|--------------------|
| Bank overdrafts and | | | |
| short-term loans from financial institutions | 16 | 1,000,000 | 246,000,000 |
| Total | | <u>1,000,000</u> | <u>246,000,000</u> |

32.7 The Company has contingent liabilities, as guarantor, the minimum lease and/or sublease payment by Dusit Management Company Limited, a subsidiary, to Dusit Thani Freehold and Leasehold Property Fund (DTCPF) for the lease period 1st - 4th years. The minimum lease and/or sublease payment are as follows:

| | |
|----------|------------------|
| 1st year | Baht 381,342,000 |
| 2nd year | Baht 382,741,000 |
| 3rd year | Baht 384,649,000 |
| 4th year | Baht 386,144,000 |

The Company has pledged the 1 year bank guarantee in the amount of Baht 125,000,000 to DTCPF (see Notes 30.3, 32.1 and 32.2) and will pledge new bank guarantee every year during such guarantee period.

32.8 As at 31 December 2012 and 2011, the Company has contingent liabilities from guarantee to DMS Property Investment Private Limited, an indirect subsidiary in Republic of Maldives at 60% and 55% for short-term and long-term loan not excess USD 24.40 million and USD 22.00 million, respectively.

33. Investment Promotion Privileges

On 28 February 2007, Le Cordon Bleu Dusit Company Limited, joint venture, was granted investment promotion privileges for human resources development activity by virtue of the provisions of the Investment Promotion Act B.E. 2520 (1977), amendment by the Investment Promotion Act (No. 3) B.E. 2544 (2001) such as exemption from payment of import duties on machinery, etc. In addition, the joint venture also obtained exemption from company income tax for human resources development activity for 8 years from the date of receiving income from such activity. Shareholders of this joint venture will also benefit from exemption of tax on dividends from human resources development activity during the period in which this joint venture receives exemption from company income tax.

The aforementioned joint venture has to comply with certain term and conditions required of promoted activities.

34. Revenues from promoted activities

Revenues from joint venture which is promoted activities included in the consolidated financial statements consist of the following:

| | Promoted activities | Non-promoted activities | Baht Total amount |
|--|---------------------|-------------------------|----------------------|
| For the year ended 31 December 2012 | | | |
| Revenue from sales and services | 96,833,099 | - | 96,833,099 |
| Interest income | - | 291,596 | 291,596 |
| Other income | - | 247,498 | 247,498 |
| Total | 96,833,099 | 539,094 | 97,372,193 |
| For the year ended 31 December 2011 | | | |
| Revenue from sales and services | 93,708,719 | - | 93,708,719 |
| Interest income | - | 90,037 | 90,037 |
| Other income | - | 288,641 | 288,641 |
| Total | 93,708,719 | 378,678 | 94,087,397 |

35. Provident fund

For the years ended 31 December 2012 and 2011, the contributions of the Group to the provident fund recorded as expenses were Baht 25,357,856 and Baht 25,783,027, respectively.

For the years ended 31 December 2012 and 2011, the contributions of the Company to the provident fund recorded as expenses were Baht 13,833,235 and Baht 15,626,508, respectively.

36. Expense by nature

The following expenditure items, classified by nature, have been charged in arriving at the operating profit:

| | Consolidate Financial statement | | Company Financial statement | |
|---------------------------------------|------------------------------------|---------------|--------------------------------|-------------|
| | 2012 | 2011 | 2012 | 2011 |
| For the year ended 31 December | | | | |
| Salary and other benefits | 1,238,085,105 | 1,009,170,710 | 523,133,653 | 463,596,209 |
| Rental expenses | 222,479,724 | 158,799,450 | 129,056,849 | 110,066,640 |
| Repair and maintenance expenses | 143,622,147 | 93,814,232 | 38,869,642 | 33,277,062 |
| Utility expenses | 299,028,397 | 251,154,530 | 104,380,716 | 79,584,697 |

37. Business segment information

Business segment information of the Group classified by geographical segment are as follows:

| | Million Baht | | |
|--|--------------|----------------------|--------------------|
| | Revenues | Net Profit (Loss) | Assets Employed |
| For the year ended 31 December 2012 | | | |
| Bangkok | 2,219.30 | 128.95 | 5,612.62 |
| Other provinces | 1,841.07 | 46.91 | 1,232.72 |
| Overseas | 1,293.70 | (146.78) | 2,477.70 |
| Total | 5,354.07 | 29.08 | 9,323.04 |
| <u>Less</u> Inter-company transactions | (605.49) | 7.74 | (920.97) |
| Total | 4,748.58 | 36.82 | 8,402.07 |
| <u>Add</u> Net loss of non-controlling interests | | 112.59 | |
| Consolidated net profit - equity holders of the parent | | 149.41 | |
| Consolidated assets | | | 8,402.07 |

| | Million Baht | | |
|--|--------------|----------------------|--------------------|
| | Revenues | Net Profit (Loss) | Assets Employed |
| For the year ended 31 December 2011 | | | |
| Bangkok | 2,103.84 | 130.38 | 5,707.81 |
| Other provinces | 1,680.92 | 42.03 | 1,184.16 |
| Overseas | 825.43 | 8.77 | 2,374.36 |
| Total | 4,610.19 | 181.18 | 9,266.33 |
| <u>Less</u> Inter-company transactions | (687.63) | (174.11) | (924.99) |
| Total | 3,922.56 | 7.07 | 8,341.34 |
| <u>Add</u> Net loss of non-controlling interests | | 23.97 | |
| Consolidated net profit - equity holders of the parent | | 31.04 | |
| Consolidated assets | | | 8,341.34 |

38. Disclosure of financial instruments

38.1 Accounting policies

Financial assets carried on the statements of financial position consisted of cash and cash equivalents, trade and other receivables, short-term loans to related companies and other long-term investments. Financial liabilities carried on the statements of financial position consisted of bank overdrafts and short-term loans from financial institutions, trade and other payables, short-term loans from related companies, long-term liabilities under financial lease agreements and long-term loans.

Details of significant accounting policies are disclosed in Note 2 to the financial statements.

38. Disclosure of financial instruments (Continued)

38.2 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Concentrations of the credit risk with respect to trade receivables are limited due to the large number of customers comprising the customer base, and dispersion across different geographic regions in Thailand and overseas.

In the case of recognized 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.

38.3 Foreign exchange risk

Foreign exchange risk arises from the change in foreign currency exchange rates to have an adverse effect on the Group in the current reporting period and in future years. The Group expects that there may be an effect from changes in exchange rates resulted from investment in foreign currencies which has not been hedged. The Group expect that the effect from foreign exchange risk on its financial statements will not be material.

38.4 Interest rate risk

Interest rate risk in the statements of financial position arises from the potential for a change in interest rates to have an adverse effect on the Group in the current reporting period and in future years.

Information regarding interest rates and term of payments of loan are disclosed in Note 19 to the financial statements.

38.5 Fair value of financial instruments

The Group used the methods and assumptions to estimate fair value of financial instruments as follows:

- Cash in hand and at banks, current investments whose maturity is less than 90 days and trade accounts receivable; the carrying values approximate their fair values.
- The determination of fair value of investments and the presentation of such items are described in Note 9 to the financial statements.
- As at 31 December 2012 and 2011, there is no information on fair value of other long-term investments (investment in Dusit Thani College) due to cost constraint.
- Bank overdrafts and short-term loans from financial institutions, carrying variable rates of interest and trade accounts payable; the carrying amounts of these financial liabilities approximate their fair values.
- Short-term and long-term loans carrying variable rates of interest; the carrying values approximate their fair values.

39. Others

The issue and offer of debentures

On 17 December 2007, the Extraordinary Shareholders meeting of the Company passed a resolution to issue and offer of debentures for the Company's business operation and expansion and/or for partial debt repayment. Such debenture is specific or non-specific name of holder, subordinated or unsubordinated, secured or unsecured, with or without debentureholders' representative, redeemable or non-redeemable prior to the term. The total debentures is not exceeding Baht 5,000 million with face value of Baht 1,000 per unit. The maturity of this debenture is not over 7 years from the issue date. The debenture's interest rate depends on the market situation at the time of debenture issue and offering. This debenture will domestically and/or internationally offer to public and/or institutional investor high net-worth investors, and/or specific investors. The Board of Directors of the Company or the person assigned by Board of Directors is authorized to determine conditions and other necessary details relating to the issuance and offering of debentures and other matters.

On 29 April 2011, the Shareholders' meeting of the Company passed a resolution to approve the extension the issuance and offering debentures of another 5 years commencing 29 April 2011.

The Board of Directors of the Company will carry out this resolution later.

40. Event occurring after the financial position date

- 40.1 On 20 December 2012, the Board of Directors' meeting of the Company approved in principle to establish a new company for holding in joint venture company in People's Republic of China. On 18 January 2013, the Company has set up a new subsidiary, namely Dusit China Capital Company Limited with registered capital of Baht 68,000,000 and first paid-up capital is 30%. This new subsidiary is invested by the Company at 99.99% and its business objective is to invest in joint venture company, in proportion of 45%, namely Dusit Fudu International Hotel Management (Shanghai) Company Limited, will register in People's Republic of China. This new joint venture company will be set up within April 2013 with registered capital of Chinese Yuan 30,000,000 and first paid-up capital will be 30%, and its business objective is to manage hotel in People's Republic of China. On 18 January 2013, the Company has already invested in Dusit China Capital Company Limited in proportion of such called and paid-up.
- 40.2 On 26 February 2013, the Board of Directors' meeting of the Company considered to propose dividend payment for the year 2012 to shareholders for 85,000,000 ordinary shares at Baht 1.00 per share, totalling Baht 85,000,000. The Board of Directors will propose such dividend payment to the shareholders at the meeting.

Board of Directors, Executive and Authorized Person as of December 2012

| Name / Position | Age | Education | Share Holding in the Company including related person (%) | Working Experience | | |
|---|-----|---|---|--|--|--|
| | | | | Period | Position | Company |
| Thanpuying Chanut Piyaoui - Honorary Chairperson - Director - Authorized Director entitled to sign to bind the Company Relationship - Mother of Mr.Chanin Donavanik, Mrs. Sinee Thienprasiddhi | 88 | - Honorary Degree of Doctor in Business Administration, NIDA - Honorary Degree of Doctor in Tourism and Hotel, Sripatum University - Honorary Degree of Doctor of Arts in Tourism Industrial, Mahidol University. - Honorary Degree of Doctor of Business Administration in Hospitality Management, Johnson & Wales University, U.S.A. | 49.93 | Present 1966 - 2006 1996 - 2000 1982 - 1986 | Honorary Chairperson / Director / Executive Committee Advisor Chairperson Emeritus Chairperson Director Chairperson / Managing Director / Chairperson of Executive Committee Senator President | Dusit Thani Plc. Philippine Hoteliers, Inc. Dusit Thai Properties Plc. Chanut and Children Co., Ltd. New Atlantic Co., Ltd. Thana Jirang Co., Ltd. The Statesman General Prem Tinsulanonda Foundation Dusit Thani Plc. The Senate Thai Hotels Association |
| Mr. Chatri Sophonpanich - Chairman Relationship - None | 79 | - Diploma in Accountancy, Kwang Tai High Accountancy College, Hong Kong - Certificate from London Regent Street Polytechnic, U.K. - Certificate of Banking from Institute of Bankers, U.K. - Honorary Degree of Doctor of Law, Pepperdine University, Malibu, California, U.S.A. - Honorary Degree of Doctor of Business Management, De La Salle University, Republic of the Philippines - Honorary Degree of Doctor of Business Administration, Thammasat University - Honorary Professor, Shan Tou University, People's Republic of China - Director Accreditation Program | 5.16 | 2005 - Present 1999 - Present Present | Chairman / Executive Committee Advisor Chairman Chairman | Dusit Thani Plc. Bangkok Bank Plc. Bangkok Entertainment Co., Ltd. |

| Name / Position | Age | Education | Share Holding in the Company including related person (%) | Working Experience | | |
|--|-----|--|---|--------------------|---|--|
| | | | | Period | Position | Company |
| Pol. Lt. Chatrachai Bunya-Ananta - Director - Authorized Director entitled to sign to bind the Company Relationship - None | 80 | - Advanced Management Program, Harvard University, U.S.A. - Bachelor's degree in Economics, University of Wales, U.K. - Director Certification Program (66/2005) - Director Accreditation Program (45/2005) | - | 1994 - Present | Director / Executive Director | Dusit Thani Plc. |
| | | | | Present | Committee | Dusit Thai College |
| | | | | | Independent Director / Nomination Committee Chairman/ Compensation Committee Chairman | MBK Plc. |
| | | | | | Chairman | Royal Orchid Hotel (Thailand) Plc. |
| | | | | | Chairman | Italian Thai Development Plc. |
| | | | | 2006 - 2008 | Member | The Statesman General Prem Tinsulanonda Foundation National Legislative Assembly |
| | | | | 1992 - 1993 | President | Thai Airways International Plc. |
| | | | | Present | Director | Dusit Thani Plc. |
| | | | | | | Dusit Thai Properties Plc. |
| | | | | | | Sangsom Co., Ltd. |
| Mrs. Varang Chaiyawan - Director Relationship - None | 45 | - MBA Finance and Investment, George Washington University, Washington D.C., USA - Bachelor of Accountancy, Thammasat University (First class honors) - Director Accreditation Program Batch 60 - Certified Financial Planner Batch 1, Thai Financial Planners Association - The Invitation Life Insurance Top Executives Seminar 2008, FALIA, JAPAN - The student of Capital Market Academy (CMA), The Stock Exchange of Thailand, Batch 5 | 2.58 | 2006 - Present | Deputy Managing Director | Kanchana Singkhorn Co., Ltd. |
| | | | | | Managing Director | Fuengfuanant Co., Ltd. |
| | | | | | Director | Thanapakdi Co., Ltd. |
| | | | | | | Mongkolsamai Co., Ltd. |
| | | | | 2007 - 2009 | | Thai Ginebra Trading Co., Ltd. |
| | | | | | | Thai Life Insurance Co., Ltd. |
| | | | | 2001 - 2006 | | Thai Health Insurance Plc. |
| | | | | | | Thai Asia Pacific Brewery Co., Ltd. |
| | | | | | | |
| | | | | | Vice President | Thai Life Insurance Co., Ltd. |

| Name / Position | Age | Education | Share Holding in the Company including related person (%) | Working Experience | | |
|--|-----|--|--|--|---|---|
| | | | | Period | Position | Company |
| Mr. Kenneth Korsirisophon - Director Relationship - None | 42 | - Bachelor of Science in Applied Mathematics and Economics (Magna Cum Laude), Brown University, U.S.A. | 10.31 | 2008 - Present 2006 - Present 2005 - Present 2003 - Present 1998 - Present 1994 - Present 2000 - 2006 | Director Director Director Director Director Managing Director Director Director Director | Cape Nga Development Ltd. Home Inns and Hotels Management Inc. Gaw Capital Partners Dusit Thani Plc. Pioneer Hospitality Siam (GBR) Ltd. Pioneer Global Group Ltd. Strand Hotels International Ltd. Myanmar Hotel International Pte. Ltd. Siam Food Products Plc. |
| Mr. Chanin Donovanik - Director - Authorized Director entitled to sign to bind the Company Relationship - Son of Thanpuying Chanut Piyaoui - Brother of Mrs. Sinee Thienprasiddhi | 55 | - Master of Business Administration (MBA), Boston University, U.S.A. - Director Certification Program (72/2006) - Director Accreditation Program (10/2004) | Included in the item of Than puying Chanut Piyaoui and Related Persons | Present < | | |

| Name / Position | Age | Education | Share Holding in the Company including related person (%) | Working Experience | | |
|--|-----|--|---|---|--|--|
| | | | | Period | Position | Company |
| Mrs. Sinee Thienprasiddhi - Director and Company Secretary - Authorized Director entitled to sign to bind the Company Relationship - Daughter of Thanpuying Chanut Piyaoui - Sister of Mr. Chanin Donovanik | 54 | - Mac Duffies Springfield, MA., USA. - Fundamental Legal and Regulations on the Listed Company (8/2012) - Director Certification Program Refresher Course - Improving Quality of Financial Reporting (1/2006) - Finance for Non-Finance Director (22/2005) - Director Certification Program (65/2005) - Director Accreditation Program (9/2004) | Included in the item of Thanpuying Chanut Piyaoui and Related Persons | Present | Director/ Company Secretary/ Secretary to the Board of Director/ Executive Director/ In charge of Chief Financial Officer Director | Dusit Thani Plc. Dusit Thai Properties Plc. Dusit Thani Properties Co., Ltd. Devarana Spa Co., Ltd. Le Gordon Bleu Dusit Co., Ltd. Dusit Worldwide Co., Ltd. Dusit Management Co., Ltd. Philippine Hoteliers, Inc. Dusit Overseas Co., Ltd. Dusit Bird Hotels Pvt. Ltd. DMS Property Investment Pvt. Ltd. Dusit USA Management Inc. Acme Printing Co., Ltd. Chanut and Children Co., Ltd. New Atlantic Co., Ltd. Piyasiri Co., Ltd. Thana Jirang Co., Ltd. |
| Professor Hiran Radeesri - Independent Director Relationship - None | 83 | - Master of Business Administration University of Pennsylvania, USA - Honorary Degree of Doctor of Accounting, Thammasat University - Certificate (High Level) of Accounting, Thammasat University - Director Certification Program (0/2000) - Fellow Member, Thai Institute of Directors (IOD) - Diploma, National Defense College, 1981 - Director Training Certificate, School of Management, Yale University, USA. | - | 2003 - Present 2002 - Present 2002 - Present 2000 - Present 1999 - Present 1999 - Present 2000 - 2008 | Chairman Advisory Group Corporate Governance Center Committee Chairman of Auditing Examiner Honorable Committee of University Council Director / Audit Committee Chairman Director / Audit Committee Chairman Independent Director / Audit Committee Chairman / Nomination Committee Chairman / Compensation Committee Chairman Chairman | The Stock Exchange of Thailand The Revenue Department Thammasat University Thaicom Plc. Navakij Insurance Plc. Dusit Thani Plc. Thai Institute of Directors (IOD) |

| Name / Position | Age | Education | Share Holding in the Company including related person (%) | Working Experience | | |
|--|-----|---|---|---|--|---|
| | | | | Period | Position | Company |
| Professor Sansern Kraichitti - Independent Director Relationship - None | 86 | - LL.B., Thammasat University - Barrister - At - Law of Lincoln's Inn, London - Honorary Degree of Doctor of Law, Chulalongkorn University and Ramkhamhaeng University - Director Accreditation Program (5/2003) | 0.08 | 1999 - Present 1996 - Present 1988 - Present 1987 - Present | Audit Committee Member / Compensation Committee Member / Nomination Committee Member Chairman of Juridical Council Group 7 Independent Director Director | Dusit Thani Plc. Juridical Council Dusit Thani Plc. The Thai Red Cross Society |
| Mr. Sakdi Kiewkarnkha - Independent Director Relationship - None | 77 | - Bachelor's degree in Accounting, Thammasat University - Bachelor's degree in Commerce, Thammasat University - Bachelor's degree in Law, Thammasat University - Executive Program, Stanford - National University of Singapore - Senior Executive Program, SASIN - Role of the Chairman Program - Role of Compensation Committee Program - Audit Committee Program - Director Certification Program - Director Certification Program Refresher Course | - | 1999 - Present 2000 - Present 2011 - Present 2010 - Present 2000 - 2010 | Independent Director / Audit Committee Member / Compensation Committee Member / Nomination Committee Member Independent Director / Audit Committee Chairman Compensation Committee Member / Nomination Committee Member / Risk Management Committee Member Vice President Director / Treasurer | Dusit Thani Plc. Thai Union Frozen Products Plc. Thai Union Frozen Products Plc. The Princess Mothers' Medical Volunteer Foundation The Princess Mothers' Medical Volunteer Foundation |
| Mr. Soradis Vinyaratn - Independent Director Relationship - None | 72 | - Banking Training, City of London College of Banking, U.K. - Director Accreditation Program (CP/2005) | - | Present 1982 - 2001 1987 - 1998 1957 - 1990 | Independent Director Independent Director / Member of Audit Committee Managing Director Managing Director Managing Director Managing Director Vice Chairperson Executive Director Executive Vice President Marketing & Credit Card | Dusit Thani Plc. Bumrungrad Hospital Plc. Sorachaiwiwat Co.,Ltd. M.V.S. Holding Co., Ltd. Ph.D. Chiangrai Co., Ltd. Prime Management (Thailand) Co., Ltd. Landmark Hotel Group Post Publishing Plc. Bangkok Bank Plc. |

Management Team as of December 31, 2012

| Name / Position | Age | Education | Share Holding in the Company including related person (%) | Working Experience | | | |
|---|-----|---|---|--|--|---|--|
| | | | | Period | Position | Company | |
| 1. Thanpuying Chanut Piyaoi | | Details are in the section of Board of Director | | | | | |
| 2. Mr. Chanin Donavanik | | Details are in the section of Board of Director | | | | | |
| 3. Mrs. Sinee Thienprasiddhi | | Details are in the section of Board of Director | | | | | |
| 4. Mr. Khampi Suwanarat Relationship - None | 68 | <ul style="list-style-type: none">- Bachelor of Business Administration, University of Hawaii- Post Graduate Studies, School of Hotel, Administration, Cornell University of New York- Director Accreditation Program- Leading at a Higher Level, Dr.Ken Blanchard, Thailand Management Association- General Managers Program (GMP), Cornell University School of Hotel Administration- Professional Development Program (PDP), Cornell University, School of Hotel Administration | - | 2007 - Present 1997 - 2007 1986 - 1997 | Managing Director - Education Committee Director Chief Operating Officer Assistant Managing Director/ Senior Vice President/ Executive Vice President | Dusit Thani Plc. Dusit Thani College Dusit Thai Properties Plc. Dusit Thani Properties Co., Ltd Devarana Spa Co., Ltd. Le Gordon Bleu Dusit Co., Ltd. Philippine Hoteliers, Inc. Worldclass Rent A Car Co., Ltd. Dusit Hotels & Resorts Co., Ltd. Dusit Thani Plc. | |
| 5. Mr. David Ian Shackleton Relationship - None | 61 | <ul style="list-style-type: none">- Certified Hotel Administrator (CHA), American Hotel & Motel Association, University of Capetown- Degree equivalent in Hotel Management Studies, Leeds Polytechnic University, England | - | Present 2010 - 2011 2009 - 2010 2005 - 2009 2005 | Chief Operating Officer Vice President of Operations Eastern China Director of Operations Eastern China Area General Manager New Zealand & South Pacific Senior Vice President | Dusit Thani Plc. Intercontinental Hotel Group based in Shanghai Intercontinental Hotel Group Intercontinental Hotel Group Starwood Hotels & Resorts | |

| Name / Position | Age | Education | Share Holding in the Company including related person (%) | Working Experience | | |
|--|-----|--|---|---|--|---|
| | | | | Period | Position | Company |
| 6. Mr. Chamnarnsil Charnnarnkit Relationship - None | 54 | - Master of Business Administration, Tarleton State University, Texas, USA. - Bachelor of Science (Marketing), Kasetsart University - Fundamental Legal and Regulations on the Listed Company (8/2012) - Director Accreditation Program 2003 | - | Present 2005 - 2012 1996 - 2005 | Senior Vice President – Finance Managing Director Director and Senior Executive Vice President- CFO & Life Operation | Dusit Thani Plc. Wattanakarn Co., Ltd. Interlife John Hancock Assurance PLC. |
| 7. Mrs. Jongkonnee Chantavorakit Relationship - None | 59 | - Master's Degree of Business Administration, Ramkhamhaeng University | - | Present 1997-2004 | Vice President of Headquarter Finance and Accounting Director Director of Finance and Accounting | Dusit Thani Plc. Dusit Thai Properties Plc. Devarana Spa Co., Ltd. Dusit Worldwide Co., Ltd. Dusit Thani Plc. |
| 8. Miss. Warunee Anekritmongkol Relationship - None | 56 | - Master of Business Administration for Executive, Thammasat University - Bachelor of Accounting, Ramkhamhaeng University - Update Tax and Accounting System 2012 | - | 2005 - Present 1995-2005 1993-1995 1987-1993 | Vice President of Hotel Accounting and Finance Director of Accounting Group Chief Accountant Chief Accountant | Dusit Thani Plc. Dusit Hotels & Resorts Co., Ltd. Royal Princess Plc. Dusit Laguna Phuket |
| 9. Miss. Amara Kulworasreth Relationship - None | 55 | - Master of Accountancy in Banking and Finance, Chulalongkorn University - Bachelor of Science in Accounting (Second class honors), Bangkok College - Effective Minute Taking Class 13/2009, Thai Institution of Directors - Corporate Secretary Development Program 2008, the Stock Exchange of Thailand/ The Listed Companies Association | - | 2009 - Present 2008 - 2009 2006 - 2008 1997 - 2006 1991 - 1996 1989 - 1991 | Vice President - Company Secretary Office Vice President Legal & Administration Assistant Vice President Legal & Administration Group Director of Treasury Corporate Securities & Investment Manager Assistant Corporate Financial Controller | Dusit Thani Plc. |
| 10. Mr. Awmsin Manchakra Relationship - None | 52 | - Master of Law, School of Law, University of Miami, USA - Bachelor of Law, Chulalongkorn University - Law Compliance and Corporate Governance under the laws of the United States of America | - | 2011 - Present 2010 - 2011 1994 - 2010 | Vice President - Legal and Administration Vice President - Legal Chief Counsel and Corporate Secretary | Dusit Thani Plc. King Power International Co., Ltd. Chevron (Thailand) Ltd., a subsidiary of Chevron Corp. |

| Name / Position | Age | Education | Share Holding in the Company including related person (%) | Working Experience | | |
|---|-----|---|---|---|--|--|
| | | | | Period | Position | Company |
| 11. Mr. Yudishtra Jeganathan Relationship - None | 41 | <ul style="list-style-type: none"> - Accounting and Financial Management Specialization Certificate, Educational Institute of the American Hotel & Lodging Association - Hospitality Operations Certificate, Educational Institute of the American Hotel & Lodging Association - Advanced to CPA status with the Australian Society of CPAs. - Admitted as Associate Member of the Australian Society of CPAs - Bachelor of Business (Accountancy), Royal Melbourne Institute of Technology, Australia | - | Present 2008 - 2011 2005 - 2008 2002 - 2005 1997 - 2002 | Vice President - Accounting & Finance (Hotel Division) Regional Vice President Finance & HR for the Middle East Director of Finance Regional Director of Finance Director of Finance | Dusit Thani Plc. Dusit Thai Properties Plc. The Ritz-Carlton Hotel Company, L.L.C. Mandara Spa Asia (a subsidiary of Steiner Leisure Limited) The Ritz-Carlton Hotel Company, L.L.C. |
| 12. Mr. Alex Colin Willats Relationship - None | 40 | <ul style="list-style-type: none"> - Bachelor Degree in Hotel Management, South Bank University, London, UK - Management DGMP Course (Cer.), Cranfield University, UK | - | Nov 2011 - Present May 2011 - Oct 2011 Oct 2010 - Apr 2011 Oct 2008 - Sep 2010 Jan 2008 - Sep 2008 Jun 2005 - Dec 2007 | General Manager Acting General Manager Resident Manager Executive Assistant Manager Hotel Manager Executive Assistant Manager | Dusit Thani Hotel Bangkok Dusit Thani Hotel Bangkok Dusit Thani Hotel Bangkok Diplomat Radisson BLU Hotel, Bahrain Claridge's Hotel, UK The Ritz London, UK |
| 13. Mr. Chatchawal Suprachayanont Relationship - None | 59 | <ul style="list-style-type: none"> - Vocational Graduate Diploma, Pattana Commercial College - Cornell Summer Course, New York (Hotel Management) | - | 1993 - Present 1991 - 1993 | General Manager General Manager | Dusit Thani Hotel Pattaya Bel-Aire Princess Hotel Bangkok |

General Information

Company Name: Dusit Thani Public Company Limited
Securities Symbol: DTC
Head Office: 946 Dusit Thani Building, 5th Floor, Rama 4 Road,
Silom, Bangrak, Bangkok 10500
Type of Business: Hotel
Registration No.: 0107536000617
Telephone No.: +66 (0) 2200-9999
Facsimile No.: +66 (0) 2636 3630 / +66 (0) 2636-3545
Website: www.dusit.com
Authorized and paid-up Capital Baht 850,000,000
Comprising 85 million ordinary shares at par 10 baht each

References

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Auditor Mrs. Nattaporn Phan-Udom
Certified Public Accountant No. 3430
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Facsimile No.: + 66 (0) 2286 5050

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