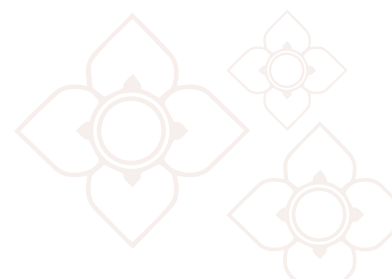


Annual Report 2016
Dusit Thani Public Company Limited

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In Remembrance of His Majesty King Bhumibol Adulyadej
1927 - 2016

Dusit Thani Public Company Limited and its subsidiaries



LONG LIVE THE KING

Dusit Thani Public Company Limited and its subsidiaries



Message from Chairman

Asa Sarasin
Chairman



Dear Shareholders,

Although the global economy in 2016 was challenged by worldwide political turmoil, as well as anxiety surrounding the UK's exit from the EU (Brexit), the Thai economy remained resilient and still continued to grow. The Bank of Thailand (BOT) estimated the country's economy would grow 3.2 per cent, up from 2.8 per cent in the previous year, driven mostly by spending and investments in the public sector.

As for tourism outturn, according to the latest information from the Tourism Authority of Thailand, tourist arrivals in 2016 totaled 32.58 million. This was an 8.9 per cent rise from 2015, generating overall tourism revenue of 2.52 trillion Baht, up approximately 11 per cent from the previous year and contributing to Thailand's GDP by 17.7 per cent, the revenue of which contributed to overall local economy.

Dusit Thani Public Company Limited, meanwhile, faced three immensely significant changes during 2016. The first and most unfortunate change to occur last year was the passing of His Majesty King Bhumibol Adulyadej, which tremendously saddened all Thai nationals including everyone in our Dusit family. In honour of His Majesty and his remarkable work, the Company pledged to continue his dedication to the sustainable development of Thailand, by fostering growth to benefit each and every stakeholder in our business.

The second change saw Mr. Chanin Donovanik decide to take up the positions of Vice Chairman and Chairman of Executive Committee to oversee corporate strategic policies. This led to the Board of Directors appointing Mrs. Suphaje Suthumpun as new Group Chief Executive Officer, responsible for managing and growing the organization in line with Mr. Chanin's initial plans. As such, significant emphasis was placed over the past year on building solid foundations to prepare the Company for profitable and sustainable growth, as well as seamlessly performing business operations.

The last change, which I am pleased to announce here, was the extension of our lease agreement with the Crown Property

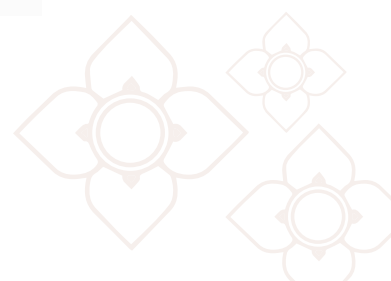
Bureau for the 19 rai of land on which Dusit Thani Bangkok stands, on the Silom-Rama 4 intersection. In accordance with the new agreement, which also grants us additional land between the Dusit Thani Office Building and Abdulrahim Building alongside Rama IV Road, which currently has nothing but derelict buildings, the lease will be extended by 30 years with the right to extend for another 30 years. In total we will have 23-2-2.72 rai of land (approximately 37,611 sq. m), and we aim to develop this site to its maximum potential to create a new destination in Bangkok. The new development will not only add economic value to the area, but it will also complement its surroundings and embrace the rich heritage of Dusit Thani Bangkok by incorporating key elements of Thai culture, green space opposite Lumpini Park, and new ring roads providing access to Rama 4, Silom and Sathorn Roads, and thus easing traffic congestion in the area.

We are well aware that Dusit Thani is a Thai brand and it is our duty to conduct business that benefits both the Company and community. We are confident that our accomplished list of business operations and investments throughout 2016 will play an important part in elevating our brand to become a prominent name in the local and global markets.

On behalf of the Board of Directors at Dusit Thani Public Company Limited, I would like to extend my sincere gratitude to our shareholders, guests, business partners, executives, employees, and all other stakeholders, who have placed their confidence in us and continued to support the company and its subsidiaries as we grow and move our business forward.

A stylized handwritten signature in black ink, likely belonging to Asa Sarasin.

Asa Sarasin
Chairman





Suphajee Suthumpun
Group Chief Executive Officer

Message from Group Chief Executive Officer

Dear Shareholders and Stakeholders,

2016 was very much a year of change for Thailand. The nation's collective heart was broken last October with the passing of His Majesty the late King Bhumibol Adulyadej, the father of our nation. However, in line with His Majesty's wish for stable and sustainable development in Thailand, we rallied together with our 'can do' spirit to end the year as we mean to go on – that is, by practicing His Majesty's Sufficiency Economy principles in our business operations as we work diligently to introduce Thai culture to the world via distinctive gracious service and to become a leading hospitality company.

2016 was also very much a year of change for Dusit International as a company. My arrival in January marked the first time in the Company's long history that it would employ a Group Chief Executive Officer outside of the founding family. And my objectives were based on positive disruption: usher in a new era, elevate the Dusit brand, and prepare the Company for an unprecedented period of growth which will see its portfolio of hotels more than double in number within the next couple of years.

My first priority towards achieving these aims was to establish strong foundations which could support our sustainable growth. We began by reviewing the fundamentals of our business – people, processes, technology, properties, and financial instruments – and then started implementing changes designed to enhance overall performance, improve operational efficiency, reduce redundancy, provide a consistent standard of service, and ultimately improve customer engagement and satisfaction.

With work on these foundations well underway, by mid-2016 our strategy for long-term sustainable and profitable growth was clear. We formulated a three-pronged approach based on balance, expansion and diversification, and we established the following goals to achieve within the next three-to-five years: Safeguard our future by balancing our portfolio to have equal domestic and international contributions; double our operations for not only hotels, but also education; and invest in, and earn from, business not directly linked to hotels or education.

As part of our transformation and to align with our strategies, we revisited Dusit's Vision, Mission and Values

to put greater emphasis on our employees and empowerment. To position ourselves as a global brand, and to maintain the same standards of service worldwide, we also shifted our focus from Thai hospitality, to gracious hospitality inspired by our Thai heritage, and we began developing gracious behaviours for our international staff to follow. The new values that now unite us all are 'Care, Commit, Can Do.' We hope these inspire all Dusit employees to exceed expectations. Always.

During the year we enjoyed many successes, we opened five new properties, including the debut of our *dusitD2* and *DusitPrincess* brands in UAE and China, respectively, which expanded our operations to 29 hotels in eight countries worldwide; and we signed eight new projects across Indonesia, Dubai, Myanmar, Philippines, Sri Lanka, Thailand and Turkey, taking our tally of upcoming projects to 45.

Some of the most important work we carried out since 2016 involved laying the groundwork for our biggest venture to date, a world-class mixed-use development project consists of hotels, residence, office building, and retail shopping center designed to leverage Dusit Thani Bangkok's heritage and prime location to create a new icon for a new era of tourism and raise our profile internationally. Designed to benefit the local community as well as enhance Bangkok's destination appeal worldwide, the new project will feature a large green space to complement the adjacent Lumpini Park, and will also incorporate new road infrastructure to alleviate local traffic congestion. Through its striking design and impeccable services, the new project will maintain and continue Dusit Thani Bangkok's legacy to uniquely deliver gracious hospitality to the world.

On behalf of Dusit Thani Public Company Limited, I would like to thank all of our shareholders, management, staff, partners, associates and all other stakeholders, for supporting us and continuing to support our business. With strong foundations in place and the new mixed-use project officially announced, an exciting new chapter in Dusit International's history has begun. We look forward to making it one that benefits all of our stakeholders, including Thai society at large, as we grow Dusit from being a dominant regional hospitality provider to one of the world's best-known brands.

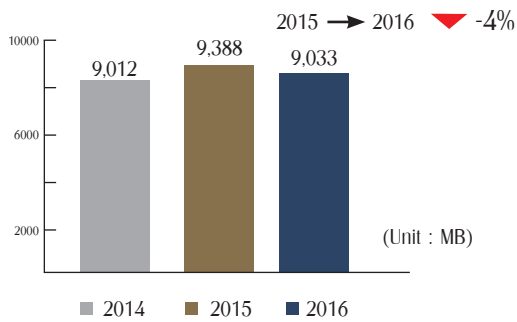
Yours sincerely,



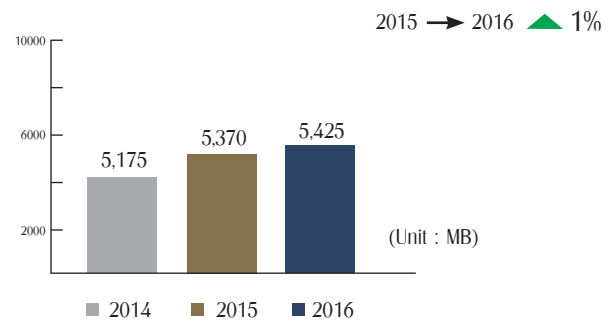
Suphajee Suthumpun
Group Chief Executive Officer



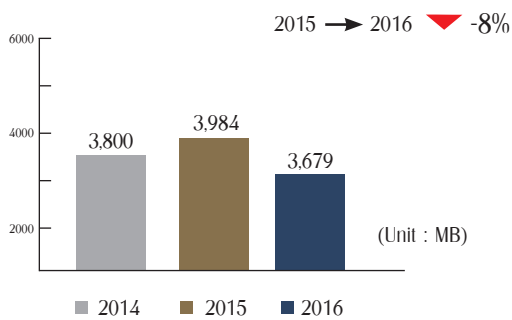
Total Assets



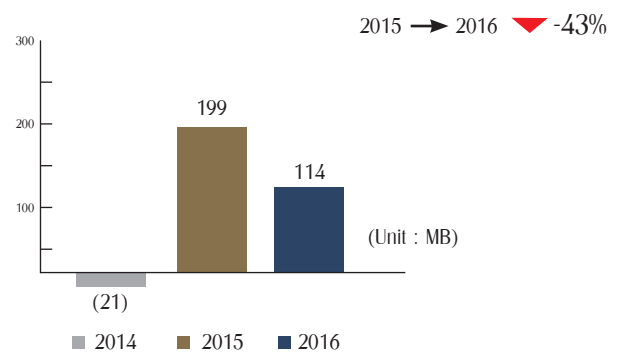
Total Revenue



Total Liabilities



Net Profit - the Company

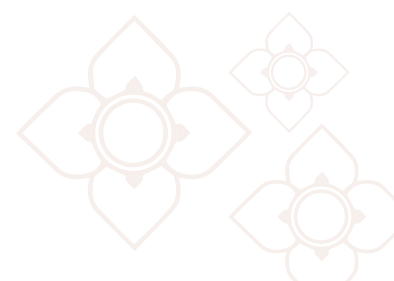


Significant Financial Information (Consolidated Financial Statements)

	2014	2015	2016
Financial position (in Thousand Baht)			
As of 31 December			
Total assets	9,012,391	9,388,476	9,032,977
Total liabilities	3,800,281	3,984,011	3,678,888
Equity	4,443,286	4,593,203	4,588,981
Operation performance (in Thousand Baht)			
For the years ended 31 December			
Total revenues	5,174,699	5,369,590	5,425,132
Revenues from sales and services	4,675,480	4,895,150	4,974,352
Cost of sales and services	2,902,863	2,901,951	2,915,209
Depreciation and amortization	618,382	643,922	661,689
Total expenses	1,618,021	1,531,209	1,706,870
Net profit	13,250	253,101	152,915
Net profit (loss) - the Company	(20,645)	199,189	114,121
Ratio per share ⁽¹⁾ (in Baht)			
Net profit (loss) - the Company	(0.024)	0.236	0.135
Dividend	1.00	1.20	0.10
Book value	5.26	5.43	5.43
Number of shares (million shares)	850.00	850.00	850.00
Financial ratio (%)			
Net profit / Total revenues	0.26	4.71	2.82
Return on equity	(0.46)	4.41	2.49
Return on assets	1.00	3.58	2.19

Dividend for 2016, the Board of Directors will propose to the 2017 Annual General Meeting of Shareholders to approve unappropriated retained earnings as dividend payment of Baht 0.10 per share.

⁽¹⁾ On 28 April 2016, the Annual General Meeting of Shareholders of the Company approved the change in par value of the Company from Baht 10 per share to Baht 1 per share resulting in the change in the total number of shares from 85,000,000 shares to 850,000,000 shares. The Company registered the change in par value of the Company to the Ministry of Commerce on 16 May 2016. The retrospective adjustment of number of shares by calculation of the ratio per share mentioned above (except dividend) is required to present fairly, as if a change in par value has been made since the beginning of the first year it was presented.



The Results of Operations and Profit Appropriation for Year 2016

The Board of Directors presents the results of operations of the Company presented in the financial statements for the year ended 31 December 2016, the unappropriated retained earnings at the beginning was Baht 1,394,120,463, deducted amount of Dusit Thani College of Baht 187,128,139, the unappropriated retrained earnings was Baht 1,206,992,324. After deducting final dividend of 2015 paid on 85,000,000 shares at Baht 1.20 per share, totaling Baht 102,000,000 (including dividend paid to treasury shares of Baht 565,800), the balance of unappropriated retained earnings was Baht 1,105,558,124.

The Board of Directors proposes the appropriation of retained earnings for 2016 dividend as follows:

	Baht
Unappropriated retained earnings brought forward	1,105,558,124
Unappropriated retained earnings bought forward – Dusit Thani College	187,128,139
Unappropriated retained earnings brought forward	<u>1,292,686,263</u>
<u>Add</u> Profit for 2016	114,121,274
<u>Less</u> Transfer excess of revenues over expenses to Dusit Thani College fund	(48,571,582)
<u>Less</u> Acquisition of non-controlling interest without a change in control	(20,044,086)
<u>Add</u> Defined benefit plan actuarial gains for 2016	<u>3,805,399</u>
Total unappropriated retained earnings	<u>1,341,997,268</u>
Dividend of 2016 on 850,000,000 shares at Baht 0.10 per share, totaling	<u>(85,000,000)</u>
Unappropriated retained earnings carried forward	<u>1,256,997,268</u>

If the Annual General Meeting of Shareholders approves the mentioned appropriation, the Company will pay such dividend on 12 May 2017.

Policy and Business Overview

■ Vision

“The Preferred Asian Hospitality Brand for Customers, Employees and Stakeholders.”

■ Mission

“Exceeding Customers’ Expectations with each and every experience.”

■ Our Core Values

CARE SINCERE RESPECT MODEST

At the Board of Directors Meeting No. 7/2016 on 29 September 2016, the Board approved the new vision, mission and core values in order to be aligned with the Company’s business direction effective from 2017 onwards

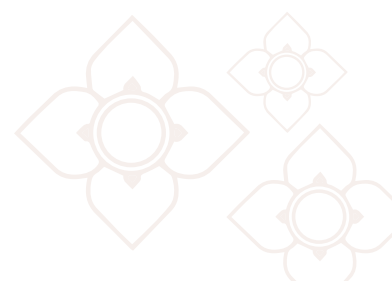
Vision	Mission	Our Core Values
Proud of our Thai heritage, uniquely delivering gracious hospitality to the world.	“We empower our people to exceed expectations. Always.”	“CARE” “COMMIT” “CAN DO!”

■ Objective

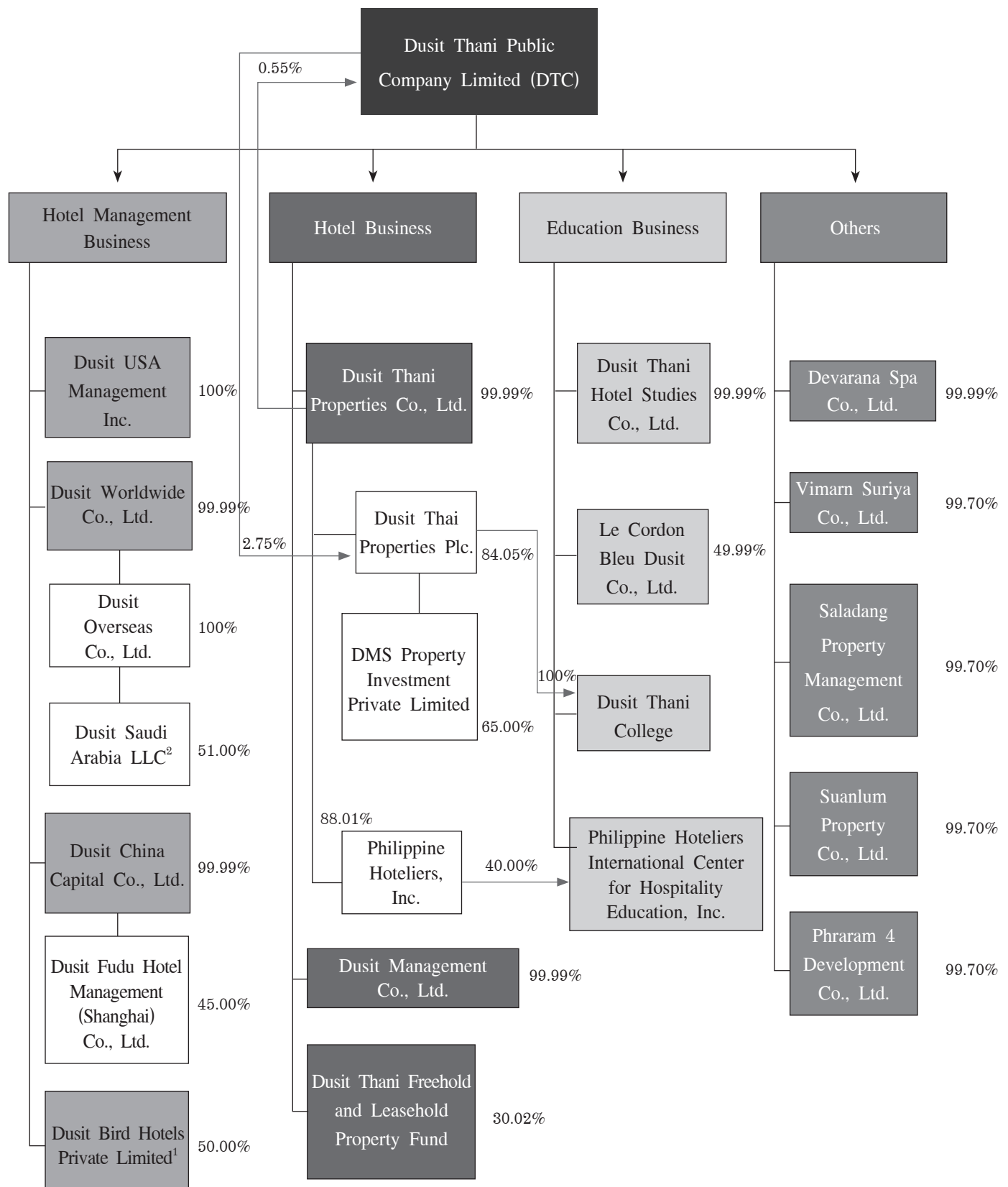
Provide long-term growth in revenue, diversify business to reduce risk and create good return to Shareholders.

■ Business’ Goal

The group of the Company is using the Growth Strategy’s policy, together with Cost Efficiency’s policy aiming to expand hotel management business by increasing a number of hotels under Company’s management domestically and internationally in order to diversify risks. At the same time, the Company considers some hotel investment and its related businesses along with an expansion of hotel management business by focusing on income generation from investment in both hotel management business and hotel business as appropriate in a timely manner and occasion.



Dusit Thani Public Company Limited
Shareholding Structure as of December 31, 2016



Remarks ¹ Dusit Bird Hotels Private Limited is on process of closing the company and under liquidation by Indian law.

² Dusit Saudi LLC is now established as the company but not yet operated.

Business

Dusit Thani Public Company Limited, “the Company”, is engaged in hospitality services which include the operations of owned hotels, providing hotel management services under trademark licensing of “Dusit Thani”. The Company also engages in education business and other businesses. Details of which are 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 Dusit Princess Chiang Mai are under Dusit Thai Properties Public Company Limited. - Manages 1 local hotel dusitD2 Khaoyai - Manages 1 overseas hotel dusitD2 Hotel Constance Pasadena, U.S.A. - Will manage 1 local hotel dusitD2 Phuket Aria - Will manage 1 overseas hotel Dusit Thani Laguna, Singapore - Grants to licensee a trademark 4 hotels, namely Dusit Island Resort Chiang Rai, Dusit Thani Krabi Beach Resort, Dusit Thani Residence Davao and dusitD2 Residence Cebu City Philippines
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. - Will manage the hotels in the Philippines, namely Dusit Princess NAIA Gardens Manila, dusitD2 Davao, Dusit Thani Lubi Island, Dusit Princess Cebu City, dusitD2 Residence Cebu City and dusitD2 Wave San Juan
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 Company Limited were merged as Dusit Thai Properties Public Company Limited - Owns the brand “Royal Princess” - Owns the land and hotel building of Dusit Thani Hua Hin - Owns Dusit Princess Chiang Mai, Dusit Princess Srinakarin and Dusit Princess Korat - Grants to licensee a trademark 2 hotels, namely Pathumwan Princess Hotel, and Royal Princess Larn Luang

Company	Nature of Operations
Dusit Overseas Co., Ltd.	<ul style="list-style-type: none"> - Manages overseas hotels which are Dusit Thani Abu Dhabi, unfurnished Apartment at Dusit Thani Dubai, Pearl Coast Premier Hotel Apartments, Dusit Thani LakeView Cairo and dusitD2 Nairobi - Will manage overseas hotels which are Dusit Hotel & Suites Doha, Dusit Devarana Maldives, Dusit Thani Samara Sousse, Dusit Thani Brookwater, Dusit Thani Cam Ranh, dusitD2 Residence Yangon, dusitD2 Thimphu, Dusit Thani Jeddah, Dusit Thani Paradise Safari Park Hotel and Casino, dusitD2 Ulaanbaatar, dusitD2 Punaka, dusitD2 Palm Mall Muscat, dusitD2 Salwa Doha, Dusit Princess Aces Dubai, Dusit Thani Beachfront Balapitiya, Sri Lanka, dusitD2 Kuta Beach Bali, dusitD2 Sunset Road Bali, Dusit Thani Residence Maslak Istanbul, and Dusit Thani Yangon. - Grants to licensee a trademark 3 hotels, namely Dusit Residence Dubai Marina, dusitD2 Kenz and dusitD2 Residence AL Manzel Abu Dhabi
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 - Due to different strategic investment plan between the Company and Bird Hospitality Services Private Limited (India), in 2016, both companies mutually agreed to close down their joint venture and under arranging liquidation by Indian law.
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
DMS Property Investment Private Limited	<ul style="list-style-type: none"> - Owns the Dusit Thani Maldives which is under management agreement with Dusit Worldwide Co., Ltd.
Dusit USA Management, Inc.	<ul style="list-style-type: none"> - Juristic person which is registered in Delaware, U.S.A. for hotel management business in U.S.A. - Manages Dusit Thani Guam
Dusit Fudu Hotel Management (Shanghai) Co., Ltd.	<ul style="list-style-type: none"> - Manages hotels in the Republic of China, namely dusitD2 Fudu Binhu Changzhou, Dusit Thani Fudu Qingfeng Changzhou, Dusit Thani Dongtai Jiangsu, Dusit Devarana Hot Spring and Spa Conghua Guangzhou, and Dusit Princess Resort Panzhuhua Sichuan - Will manage 25 hotels in the Republic of China

Company	Nature of Operations
Dusit Saudi LLC	<ul style="list-style-type: none"> - A Joint Venture company between Dusit Overseas Company Limited and Dyar Hotels and Resorts Limited for hotel management in Saudi Arabia, the Middle East and North Africa - Will manage 2 hotels in Saudi Arabia and Qatar
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.
Dusit China Capital Co., Ltd.	<ul style="list-style-type: none"> - Holds shares in Dusit Fudu Hotel Management (Shanghai) Co., Ltd.
Dusit Thani Properties Co., Ltd. (Formerly known as Dusit Thani International Co., Ltd.)	<ul style="list-style-type: none"> - Invests in other companies
Education Business	
Dusit Thani Hotel Studies Co., Ltd.	<ul style="list-style-type: none"> - Education
Dusit Thani College	<ul style="list-style-type: none"> - An educational institution offering courses in hotel management and administration.
Le Cordon Bleu Dusit Co., Ltd.	<ul style="list-style-type: none"> - A French style culinary school
Philippine Hoteliers International Center for Hospitality Education, Inc.	<ul style="list-style-type: none"> - Education
Other Related Business	
Dusit Thani Public Company Limited	<ul style="list-style-type: none"> - Owns and operates the office building for rent named Dusit Thani Building
Devarana Spa Co., Ltd.	<ul style="list-style-type: none"> - Operates spa business
Vimarn Suriya Co., Ltd.	<ul style="list-style-type: none"> - A newly-established company in 2016 to prepare for business expansion of the Company
Suanlum Property Co., Ltd.	<ul style="list-style-type: none"> - A newly-established company in 2016 to prepare for business expansion of the Company
Phraram 4 Development Co., Ltd.	<ul style="list-style-type: none"> - A newly-established company in 2016 to prepare for business expansion of the Company
Saladang Property Management Co., Ltd.	<ul style="list-style-type: none"> - A newly-established company in 2016 to prepare for business expansion of the Company

Nature of Business

➤ Significant Changes and Development of the Company's Business in Year 2016

1. The Company registered 4 new subsidiary companies which are Vimarn Suriya Co., Ltd., Suanlum Property Co., Ltd (both have established date on 23 August 2016), Phraram 4 Development Co., Ltd. (established date on 5 October, 2016), and Saladang Property Management Co., Ltd. (established date on 26 December, 2016) in order to prepare its business expansion in the near future.
2. The Board of Directors resolved to cease the joint venture, Dusit Bird Hotels Private Limited that the Company holds 50% Share with Bird Hospitality Services Private Limited ("Bird Group") in India for hotel management purpose. With different strategic investment plans of both companies, the Board of Directors of both companies mutually agreed to close down the joint venture business and will arrange a liquidation by Indian law accordingly. However, with long-lasting friendships for years and potential growing market in India, the Company will sign a partnership sales and marketing agreement with Bird Group and consider setting a new representative sales office in Mumbai, India to strengthen Dusit Brand in the region.

➤ Significant Changes of the Shareholding Structure or Business Operation or Other Important Events in the Past 3 Years.

At the Annual General Meeting of the Shareholders No. 23/2016 on 28 April 2016, the Shareholders approved the change in par value of the Company from Baht 10 par value per share to Baht 1 par value each. Therefore, the total number of ordinary shares of the Company was increased from 85 million shares to 850 million shares. Moreover, additional amendments in the Clause 4 of the Memorandum of Association, and the Clause 4 of the Articles of Association were made to be aligned with changing par value. The Company registered its changing par value to Department of Business Development, Ministry of Commerce on 16 May 2016 effecting to the additional paid-up ordinary shares from 85,000,000 shares to 850,000,000 shares while the paid-up registered capital remains the same as Baht 850,000,000.

➤ Awards of Dusit International for Year 2016

1. **Certificate of Excellence 2016 by Trip Advisor:** Dusit Thani Huahin has been awarded the 2016 Certificate of Excellence from Trip Advisor, which is an honorary award of the year 2016. The award was given to the hotels that consistently earn high ratings from TripAdvisor travelers and articles on website www.tripadvisor.com. This site is one of the world's largest travel websites that can guarantee excellence in services of Dusit Thani Huahin.
2. **EarthCheck GOLD Certified:** dusitD2 Chiangmai and Dusit Princess Chiangmai were awarded with "EarthCheck GOLD Certified" in 2016 by EarthCheck. This organization is an expert in environmental standard evaluation for corporations in tourism industry around the world. Both hotels have passed the

evaluation in supporting, giving importance to and maintaining its high standard in energy saving and sustainable environmental conservation as well as waste management system to reduce impact to the environment.

3. **ASEAN Green Hotel 2016:** Dusit Thani Pattaya was awarded ASEAN Green Hotel 2016 in order to certify the hotel's operation that aligned with ASEAN's environmental conservation standard.
4. **Thailand MICE Venue Standard Award by Thailand Convention Exhibition Bureau: TCEB**
Dusit Thani Pattaya and Dusit Thani Krabi Beach Resort were given the prize regarding standardized venue for exhibition in Thailand by Thailand Convention Exhibition Bureau (TCEB). With the Company's leading role in MICE industry, the Company is ready to standardize MICE corporations in Thailand by providing well-equipped meetings rooms with vision and sound effects to prepare for business expansion.
5. **Thailand Tatler Best Restaurant 2016 by Thailand Tatler Magazine:** Benjarong restaurant and 22 Kitchen & Bar from Dusit Thani Hotel Bangkok were both awarded as "The best restaurant of 2016" from Thailand Tatler magazine which is a high-end lifestyle magazine.
6. **Best Thai Restaurant by FACT Abu Dhabi:** Benjarong restaurant from Dusit Thani Abu Dhabi was awarded as the best Thai restaurant of Abu Dhabi among all Thai restaurants in the city for the 2nd year. This magazine is the country's first metropolitan culture magazine that boasts international standards of design.
7. **Condé Nast Traveller Readers' Choice Award 2016:** Dusit Thani Maldives was given Condé Nast Traveller Middle East Readers' Choice Awards 2016 which was from voting result of the Condé Nast Traveller magazine worldwide as the most Favourite Hotel or Resort for Families in the Middle East.
8. **Ranna Award by Baa Atoll Council:** Dusit Thani Maldives was awarded from Baa Atoll Council for their contribution to the local community. The first award received from the Home Minister of Maldives was "Appreciation and Gratitude for unwavering support and help to the Baa Atoll Council" while the second award was "Distinguished Service Award" for continuously supporting Baa Atoll Residents and Council. The latter award was for the most helpful and dedicated resort in Baa Atoll and Dusit Thani Maldives was the only hotel to receive this award.
9. **"Certificate of ESG100 Company":** Thaipat Institute, the Foundation for Thailand Rural Reconstruction Movement under Royal Patronage, which is an initiated organization in applying international sustainable evaluation or Global Initiative for Sustainability Rating (GISR) that covers information related to Environmental, Social and Governance (ESG) for registered companies. Dusit Thani PCL was selected to the group of ESG100 securities in 2016 and was honorary awarded with "Certificate of ESG100 Company".



➤ Revenue Structure

- Classified by services

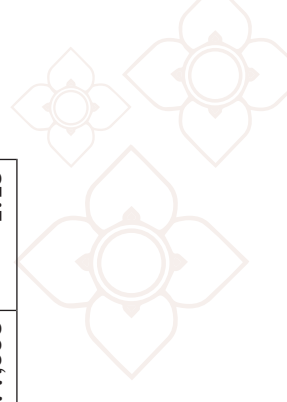
Revenues and shareholding structures of the Company in subsidiaries for 3 years ended 31 December

(Unit: Thousand Baht)

Sales and Services	Company	% of shares holding (direct and indirect)	2014		2015		2016	
			Revenues	%	Revenues	%	Revenues	%
1. Revenue from Hotel Business								
1.1 Room	1. Dusit Thani Plc.	100.00	653,897	12.64	823,280	15.33	836,212	15.41
	2. Philippine Hoteliers, Inc.	88.00	429,831	8.31	381,412	7.10	449,787	8.29
	3. Dusit Thai Properties Plc.	86.79	256,436	4.96	270,377	5.04	281,421	5.19
	4. Dusit Management Co., Ltd.	99.99	785,802	15.18	746,099	13.90	715,399	13.19
	5. DMS Property Investment Pvt. Ltd. ⁽¹⁾	56.41	483,014	9.33	485,530	9.04	468,091	8.63
Total Room Revenue			2,608,980	50.42	2,706,698	50.41	2,750,910	50.71
1.2 Food and Beverage	1. Dusit Thani Plc.	100.00	512,931	9.91	606,055	11.29	563,363	10.38
	2. Philippine Hoteliers, Inc.	88.00	239,568	4.63	254,429	4.74	299,095	5.51
	3. Dusit Thai Properties Plc.	86.79	183,384	3.54	185,882	3.46	175,730	3.24
	4. Dusit Management Co., Ltd.	99.99	364,893	7.05	353,862	6.59	333,328	6.14
	5. DMS Property Investment Pvt. Ltd. ⁽¹⁾	56.41	179,439	3.47	183,300	3.41	201,411	3.72
Total Food and Beverage Revenue			1,480,215	28.60	1,583,528	29.49	1,572,927	28.99

(Unit: Thousand Baht)

Sales and Services	Company	% of shares holding (direct and indirect)	2014		2015		2016	
			Revenues	%	Revenues	%	Revenues	%
1.3 Others	1. Dusit Thani Plc. 2. Philippine Hoteliers, Inc. 3. Dusit Thai Properties Plc. 4. Devarana Spa Co., Ltd. 5. Dusit Management Co., Ltd. 6. DMS Property Investment Pvt. Ltd. ⁽¹⁾	100.00 88.00 86.79 99.99 99.99 56.41	35,710 16,303 10,522 10,896 27,948 57,895	0.69 0.32 0.20 0.21 0.54 1.12	57,084 13,186 8,060 - 28,210 50,653	1.06 0.25 0.15 - 0.53 0.94	47,196 13,276 8,868 - 30,131 50,006	0.87 0.24 0.16 - 0.56 0.93
Total Other Revenues			159,274	3.08	157,193	2.93	149,477	2.76
Total Revenue from Hotel Business			4,248,469	82.10	4,447,419	82.83	4,473,314	82.46
2. Revenue from Hotel Management Contracts	1. Dusit Thani Plc. 2. Dusit Thai Properties Plc. 3. Dusit Overseas Company Limited 4. Dusit USA Management Inc.	100.00 86.79 99.99 100.00	5,907 3,000 107,202 -	0.11 0.06 2.07 -	5,734 3,000 115,385 -	0.10 0.06 2.15 -	6,258 3,000 96,399 41,961	0.12 0.06 1.78 0.76
Total Revenue from Hotel Management Contracts			116,109	2.24	124,119	2.31	147,618	2.72
3. Revenue from Rental Business								
Rental and Services	1. Dusit Thani Plc.	100.00	77,537	1.50	76,289	1.42	77,553	1.43
Total Revenue from Rental Business			77,537	1.50	76,289	1.42	77,553	1.43



Sales and Services		Company	% of shares holding (direct and indirect)	2014		2015		2016	
				Revenues	%	Revenues	%	Revenues	%
4. <u>Revenue from Education Business</u>	1. Dusit Thani Plc.		100.00	36,980	0.71	32,191	0.60	21,841	0.40
	2. Dusit Thani College		86.79	377,161	7.29	403,067	7.51	412,650	7.61
	3. Dusit Thani Hotel Studies Co., Ltd.		99.99	-	-	1,338	0.02	7,503	0.14
Total Revenue from Education Business				414,141	8.00	436,596	8.13	441,994	8.15
5. <u>Other Incomes</u>	Dividend income			14,720	0.28	14,451	0.27	15,764	0.29
	Share of profits from investments by the equity method ⁽²⁾			74,694	1.44	40,625	0.76	22,080	0.41
	Others			229,028	4.44	230,091	4.28	246,809	4.54
Total Other Incomes				318,442	6.16	285,167	5.31	284,653	5.24
Total Revenues				5,174,698	100.00	5,369,590	100.00	5,425,132	100.00

(Unit: Thousand Baht)

⁽¹⁾ For the year ended 31 December 2016, Dusit Thai Properties PCL additionally invested in DMS Property Investment Pvt. Ltd., a subsidiary in Republic of Maldives, for another 5% by acquiring the shares from the existing shareholder in total of 1,925,000 shares, worth USD 2,435,000. Thus, Dusit Thai Properties PCL has 65% stake in DMS Property Investment Pvt. Ltd. as of 31 December 2016 and 60% as of 31 December 2015 and share certificates of the subsidiary are pledged as collateral of loan from financial institution of the subsidiary.

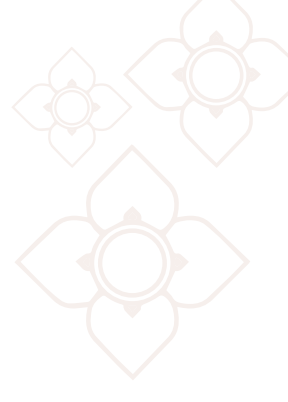
⁽²⁾ Share of profits from investments by the equity method from Dusit Fudu Hotel Management (Shanghai) Co., Ltd., Le Cordon Bleu Dusit Co., Ltd and Dusit Bird Hotels Pvt. Ltd.

- **Classified by Hotels**

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

(Unit: Thousand Baht)

Sales and Services	Company	% of shares holding (direct and indirect)	2014		2015		2016	
			Revenues	%	Revenues	%	Revenues	%
Dusit Thani Bangkok	Dusit Thani Plc.	100.00	659,679	15.12	897,161	19.70	915,120	19.90
Dusit Thani Pattaya	Dusit Thani Plc.	100.00	606,573	13.90	619,089	13.59	583,262	12.68
Dusit Thani Manila	Philippine Hoteliers, Inc.	88.00	703,810	16.13	680,761	14.94	780,080	16.96
Dusit Princess Chiang Mai	Dusit Thai Properties Plc.	86.79	118,408	2.71	142,214	3.12	146,758	3.19
Dusit Princess Srinakarin	Dusit Thai Properties Plc.	86.79	208,302	4.77	218,742	4.80	221,024	4.81
Dusit Princess Korat	Dusit Thai Properties Plc.	86.79	125,582	2.88	111,972	2.46	109,051	2.37
Dusit Thani Hua Hin	Dusit Management Co., Ltd.	99.99	416,235	9.54	450,402	9.89	419,437	9.12
Dusit Thani Laguna, Phuket	Dusit Management Co., Ltd.	99.99	643,620	14.75	542,630	11.91	530,949	11.55
DusitD2 Chiang Mai	Dusit Management Co., Ltd.	99.99	124,069	2.84	152,090	3.34	154,570	3.36
Dusit Thani Maldives	DMS Property Investment Pvt. Ltd.	56.41	757,716	17.36	740,176	16.25	738,209	16.06
Total revenues from owned hotels operated by Dusit Thani Group			4,363,994	100.00	4,555,237	100.00	4,598,460	100.00



Business Operation of Each Business

At present, the Company is engaged in hotel business-related service as follows:

1. Hotel Business

➤ Characteristic of Products and Services

The Company operates under 5 trademarks which are:

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

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

Hotel operation of the Company is divided into 2 categories.

a) *The Company-Owned Hotel Business*

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

- **Dusit Thani Bangkok** is a 5-star-hotel with 517 guestrooms consisting 232 Superior rooms, 138 Deluxe rooms, 71 Executive Suites, 36 Club Executive Suites, 23 Junior Suite (Thai Heritage Suite), 12 Club King, 2 Dusit Two Bedroom Suite (Princess Suite), 2 Rattanakosin Suites and 1 Majesty Suite. Hotel's facilities including food & drink, banquet rooms, meeting & seminar room and other hotel's facilities i.e. swimming pool, fitness club (DFiT), spa 'Devarana', Dusit Shop and varieties of products for local community and souvenir, Dusit Gourmet, limousine service for hotel transfer and airport pickup, touring service, money exchange service, baby-sitting service, hair salon, laundry, postal service and telephone service.

The hotel's customers mainly are expatriates both travellers and business persons. The hotel normally organize seminars to both local Thailand and overseas. Majority of travellers usually travel and stay in the hotel during October - March in the following year, which is during high season. The low season is during April - August with less number of travellers.

The hotel is located on leased land from the Crown Property Bureau, initially for a term of 30 years from 1 April 1973 to 31 March 2003 with rights to renew the lease twice for a term of 15 years each. The Company has renewed the lease for the first 15 year commencing from 1 April 2003 to 31 March 2018.

On 22 December 2016, the Company has signed land lease agreement with the Crown Property Bureau ("new land lease agreement") for the new term of 30 years with the rights to renew such agreement for another 30 years. The period of the lease per this agreement starts from July 2024 onwards. However, the Company has a construction period in total of 7 years since July 2017 onwards, according to the new land lease agreement, the Company agreed to waive its current rights of remaining leased term including the rights to extend the term to another 15 years in order to start the Project Mixed Use.

- **Dusit Thani Pattaya** is located in Chonburi province. The resort-style hotel with 457 guest rooms consisting 304 Deluxe, 58 Club rooms, 42 Club Grand Rooms, 24 Family Suite, 15 One-Bedroom Suite, 9 Cabana Room, 3 Dusit Suite, 2 Royal Princess Suite. Hotel's facilities include Food & Beverage, banquet room, meeting & seminar rooms and others i.e. tennis court, swimming pool, fitness club 'DFit', Deverana Spa, Dusit Shop and retail shop for local products and souvenirs, bakery shop "Dusit Gourmet", limousine service, touring service, money exchange service, baby-sitting service, hair salon, laundry, postal service and telephone service.

The hotel is located on a land lease agreement with Siri Pattaya Co., Ltd. Initial agreement between Siri Pattaya Co., Ltd. and Landmark Hotel Co., Ltd. starting from 1 October 1987 to 30 September 2017. Later, on 24 January 2000, the rights to lease has been registered to transfer from Landmark Hotel Co., Ltd. to Dusit Thani Plc. with the period running from 1 February 1994 to 30 September 2017. On January 2006, the Company has renewed the land lease agreement in advance for another 10 years, by canceling the previous land lease agreement and entering into a new agreement which was registered with the Department of Land in Chonburi Province on 2 February 2006. The period of new land lease agreement is effective from 1 January 2006 to 31 December 2027

- **Under Dusit Thai Properties Plc.** are 4-star hotels under Dusit Princess trademark.

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

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

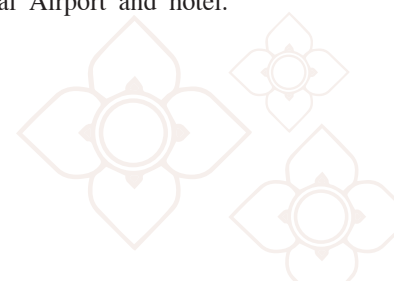
- **Dusit Princess Korat** is located in Nakornratsima. It is a 4-star hotel with 186 guest rooms. The hotel provides accommodation, food and beverage, meeting rooms, catering and 'Naam Spa', a subsidiary spa brand under Dusit Princess Hotels & Resorts.

- **Under Philippine Hoteliers, Inc.**

This company was set up in the Philippines to operate and own Dusit Thani Manila, located in Makati City. This hotel has 538 guest rooms; 406 Deluxe, 62 Grand Rooms, 44 Club Rooms, 23 Corner Rooms, 2 Ambassador Suites, 1 Presidential Suite. Hotel's facilities include Food & Beverage, banquet room, meeting & seminar rooms and others i.e. tennis court, swimming pool, fitness club 'DFit', Deverana Spa, Dusit Shop and retail shop for local products and souvenirs, bakery shop "Dusit Gourmet", limousine service, touring service, money exchange service, baby-sitting service, hair salon, laundry service, postal service, telephone service, Valet Service and Medical Clinic.

- **Under DMS Property Investment Private Limited**

This company was set up in Republic of Maldives to operate and own Dusit Thani Maldives, located at Republic of Maldives, Mudhdoo Island. The hotel has 94 villas; 36 Beach villas, 29 Water villas, 20 Ocean Villas, 5 Family Beach Villas, 2 Ocean Pavilion and 2 Beach Residence. The hotel's facilities include Food & Beverage and others i.e. swimming pool, water sport center, fitness club 'DFit', Deverana Spa, Dusit Shop and retail shop for local products and souvenirs, seaplane services between Male International Airport and hotel.



b) Under Dusit Thani Freehold and Leasehold Property Fund

• **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 21 December 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 24 December 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 is located at Talang, Phuket. The hotel is decorated in a contemporary Thai style with 226 guest rooms 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 amount of Baht 2,715 million and transferred such business to property fund on 24 December 2010.

- dusitD2 Chiang Mai is located at Chang Klan Road, Chiang Mai. The hotel has 131 guest rooms, 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

2. Hotel Management Business

➤ **Characteristic of Products and Services**

Management hotels and resorts at present are as follows:

(1) **“Dusit Thani”** Dusit Thani Hotels & Resorts are the 5-star hotels under the brand “Dusit Thani”. Such business includes the grant to use the trademark “Dusit Thani” (Licensing) under the standard of service provision controlled by the Company. All hotel management and licensing agreements are entered into by Dusit Thani Plc.



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

Dusit Thani Brand is a renowned, up-market, full-service brand that embodies the richness and tradition of Asian culture that are calm, fragrant and colorful, with every detail crafted to lift the spirit and engage the senses.

Guests experience the genuine warmth, respectfulness, and commitment of the staff with each stay and in each moment.

Dusit Thani Hotels & Resorts are located near the central business district and major attractions of each destination, offers exceptional infrastructure and services for all occasions, including special celebrations and major business and social events.

Current **Dusit Thani Hotels & Resorts'** brands listed below:

- Dusit Thani Bangkok, Thailand
- Dusit Thani Hua Hin, Thailand*
- Dusit Thani Pattaya, Thailand
- Dusit Thani Laguna Phuket, Thailand**
- Dusit Thani Krabi Beach Resort, Thailand ***
- Dusit Thani Manila, Philippines
- Dusit Thani Dubai, U.A.E.
- Dusit Thani Abu Dhabi, U.A.E.
- Dusit Thani LakeView Cairo, Egypt
- Dusit Thani Maldives, the Republic of the Maldives
- Dusit Thani Guam Resort, U.S.A.
- Dusit Thani Dongtai, Jiangsu, the Republic of China
- Dusit Thani Fudu Qingfeng Changzhou, the Republic of China

Upcoming **Dusit Thani Hotels & Resorts'** brands listed below:

- Dusit Thani Brookwater, Australia
- Dusit Thani Sri Lanka Balapitiya Beachfront, Sri Lanka
- Dusit Thani Cam Ranh, Vietnam
- Dusit Thani Fushun Liaoning, the Republic of China
- Dusit Thani Fuzhou, Fujian, China
- Dusit Thani Huizhou, the Republic of China
- Dusit Thani Jeddah, Saudi Arabia
- Dusit Thani Laguna, Singapore
- Dusit Thani Lubi Island, Philippines
- Dusit Thani Paradise Safari Park Hotel and Casino Nairobi, Kenya
- Dusit Thani Panzhuhua Sichuan, the Republic of China
- Dusit Thani Qingyuan Guangdong, the Republic of China
- Dusit Thani Residence Davao, Philippines***
- Dusit Thani Residence Maslak Istanbul, Turkey
- Dusit Thani Samara Sousse, Tunisia
- Dusit Thani Shaoxing, the Republic of China
- Dusit Thani Suining, the Republic of China
- Dusit Thani Suzhou, Jiangsu, China
- Dusit Thani Zaozhuang, Shandong, China
- Dusit Thani Zhabei Shanghai, the Republic of China
- Dusit Thani Yangon, Myanmar

Remarks: * Leasehold under Dusit Thani Freehold and Leasehold Property Fund
 ** Freehold under Dusit Thani Freehold and Leasehold Property Fund
 *** Licensing Agreement with Dusit Thani Public Company Limited



(2) **“Dusit Devarana”** Dusit Devarana provides an exceptional enclave for those who lead truly global lives. What makes it different is that its properties are select intimate hotels and resorts where each person is regarded as being ‘at home in residence’ with all resources at their disposal. Its role is to create ‘a world of one’ that perfectly meets an individual’s leisure or business needs. This is transfused through devotion in understanding individuality of need, and delivering individuality in experience.

DUSIT DEVARANA

HOTELS & RESORTS

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

The brand reflects the ultimate in luxury and refinement, providing an enriching experience through intellectual and artistic touch points, and a modern yet timeless aesthetic. With personalized, discreet, flawless service and privacy for each individual, Dusit Devarana provides an escape from the everyday world - a sense of renewal, a renaissance of the mind.

Current **Dusit Devarana Hotels & Resorts’** brands listed below:

- Dusit Devarana Hot Spring & Spa Conghua Guangzhou, the Republic of China

Upcoming **Dusit Devarana Hotels & Resorts’** brands listed below:

- Dusit Devarana Haikou Hainan, the Republic of China
- Dusit Devarana Maldives
- Dusit Devarana Zhuzhou, the Republic of China

(3) **“dusitD2”** dusitD2 is a contemporary hotel and resort brand whose distinctive combination of cutting-edge design, high-tech connectivity and efficient, modern convenience reflects the needs and desires of today’s new generation traveler. dusitD2 hotels & resorts are a smart and happening place to stay for the savvy modern traveller. Offering a refreshing take on destinations’, the upper scale dusitD2 brand promises to inspire and energize.



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

dusitD2hotels & resorts are strategically located in key business and entertainment precincts, dusitD2 properties are destinations in themselves, where every experience is designed to surprise and delight. A place to meet and interact, dusitD2 is the new classic of our times, a place known for its contemporary scene, relaxing luxury and colourful charisma.

Current **dusitD2 Hotels & Resorts’** brands listed below:

- dusitD2 Chiang Mai, Thailand*
- dusitD2 Hotel Constance Pasadena, U.S.A.
- dusitD2 Fudu Binhu, Changzhou, the Republic of China
- dusitD2 Khao Yai, Thailand
- dusitD2 Nairobi, Kenya
- dusitD2 Kenz Dubai, U.A.E.**

Upcoming **dusitD2 Hotels & Resorts**’ brands listed below:

- dusitD2 Dabieshan Anhui, the Republic of China
- dusitD2 Davao, Philippines
- dusitD2 Kuta Beach Bali, Indonesia
- dusitD2 Palm Mall, Muscat, Oman
- dusitD2 Punaka, Bhutan
- dusitD2 Residence Al Manzel Abu Dhabi, U.A.E.
- dusitD2 Residence Cebu City, the Philippines
- dusitD2 Residence Yangon, Myanmar
- dusitD2 Salwa, Doha, Qatar
- dusitD2 Society Hill Tianjin, the Republic of China
- dusitD2 Suining Sichuan, the Republic of China
- dusitD2 Sunset Road Bali, Indonesia
- dusitD2 Thimphu, Bhutan
- dusitD2 Ulaanbaatar, Mongolia
- dusitD2 Phuket Aria, Thailand
- dusitD2 Wave San Juan, the Philippines

Remark : * Freehold under Dusit Thani Freehold and Leasehold Property Fund
 ** Licensing agreement with Dusit Overseas trademark

(4) “**Dusit Princess**” Dusit Princess is an upper-midscale hotel brand. Each hotel has its own distinctive personality, embracing the culture and character of the local community. The hotels are designed to appeal to travelers who seek an optimal combination of a well-located hotel with comfortable and functional rooms, essential business facilities, services and sustainable value.



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

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

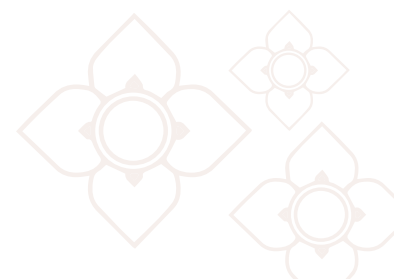
Current **Dusit Princess Hotels & Resorts**’ brands listed below:

- Dusit Princess Chiang Mai, Thailand
- Dusit Princess Korat, Thailand
- Dusit Princess Srinakarin, Bangkok, Thailand
- Dusit Princess Panzhuhua Sichuan, the Republic of China

Upcoming **Dusit Princess Hotels & Resorts**’ brands listed below:

- Dusit Princess Aces Dubai, U.A.E.*
- Dusit Princess Cebu City, Philippines
- Dusit Princess Jiangyin Jiangsu, the Republic of China
- Dusit Princess NAIA Gardens Manila, Philippines
- Dusit Princess Residence Xuhui Shanghai, the Republic of China

Remark: * Licensing agreement with Dusit Overseas trademark



(5) “Affiliate Properties”

Current **Dusit’s Affiliate Properties** listed below:

- Dusit Island Resort Chiangrai, Thailand*
- Pathumwan Princess MBK Centre Bangkok, Thailand**
- Royal Princess Lanluang Bangkok, Thailand**
- Pearl Coast Premier Hotel Apartments, Dubai, U.A.E.
- Dusit Thani Residence Dubai Marina, U.A.E.

Upcoming **Dusit’s Affiliate Properties** listed below:

- Dusit Hotel and Suite Doha, Qatar*

Remark : * Licensing Agreement with Dusit Thani Public Company Limited

** Licensing Agreement with Dusit Thai Properties Public Company Limited

3. Education Business

It is Dusit Thani Education Department’s great honour to inherit the company’s wisdom to provide academic programs and trainings in service industry in order to produce quality human resources to work in hotel and tourism industry in Thailand up to the present. In 1993, the Company offered the highest level of service industry program at Dusit Thani College Bangkok such as Culinary Arts and Kitchen Management, Tourism Management, and other management program related to hotels and resorts. Currently, we have developed international standard programs which are proudly presenting Thai authentic service such as Front Office Service Program, Management Program for Managers, Executives and Senior Executives. All programs are aligned with regulations of MOE and are certified in all levels, undergraduate level, graduate level, both bachelor’s degree and master’s degree.

On September 2015, Dusit Thani Hotel School provided hotel study certificate program and undergraduate program and on June 2016, Dr. Sarote Phornprapha was appointed as President of Dusit Thani College and President of Education Department Thailand of Dusit Thani groups who is responsible for management of Dusit Thani College Bangkok and Pattaya and developed Dusit Thani Hotel School as well as other domestic projects. One of all projects for 2017 is to merge operation between Dusit Thani Hotel School and Dusit Thani College in order to maximize mutual benefits.

Besides, Dusit Thani Education Department managed Le Cordon Bleu Dusit Co., Ltd. (LCBD) which is a joint venture between Dusit Thani Plc. and Le Cordon Bleu International B.V. The Company offered certificate program and under graduate program of French Cuisine and Pastry and expanded its branch to the Philippines under Dusit Hospitality Management College (DHMC) which will be opened in 2018 offering service industry program of both bachelor’s degree and several programs for professional management. DHMC will be the first college who integrate instructions with management of DusitD2 The Fort.

Education Department has a strategic partnership with some of the world’s best hotel schools and culinary arts institute. For example, in 2006, the Company cooperated with Le Cordon Bleu International B.V., France to open Le Cordon Bleu Dusit Co., Ltd. (LCBD) providing luxury culinary arts program of French Style Pastry, Thai Academic Kitchen, Baking Bread, Wine Studies, etc.

In 2012, the Company teamed up with Ecole hôtelière de Lausanne, Switzerland to run hotel and resort management program, and executive training program. In addition, cooperation with Institut Paul Bocuse to operate Dusit Hospitality Management College, Manila has been activated to offer culinary arts in food and beverage and other trainings.

Dusit Thani Education Department also worked together with Aso College to offer Japanese language program and teamed up with Tsuji Culinary School, Japan and Gambero Rosso, Italy to provide Japanese and Italian culinary arts. Education business units consist of:

3.1 Dusit Thani College

➤ Characteristic of Products and Services

Dusit Thai Properties Plc. is grantee of the license to establish Dusit Thani College, provides the bachelor and master degrees in culinary, tourism, hotel management and other programs related to hotel and tourism business.

Dusit Thani College started off as a vocational school under Dusit Thani Hotel Group on 1 June 1993 from the determination of Thanpuying Chanut Piyaoui, Chairperson and Managing Director of Dusit Thani Public Company Limited at that moment with the purpose of producing the professional hospitality personnel who would be expected to become a driving force in the development of hotel and tourism business whereby has offered two English curriculums at the certificate level: one in the Hotel Operation (Diploma in Hotel Operation), and another in Culinary Arts (Professional Chef Diploma).

Since the beginning of the operation, the school placed great emphasis on the academic excellence and provided quality teaching and learning - both on the theoretical and practical aspects. Consequently, the standard of education provided by the school was well recognized by the society more widely. Later, the school developed and upgraded the curriculum for the Bachelor's degree program in the hospitality industry with an eye to meet the need of society. The curriculum was approved by the Ministry of University Affairs and finally, the school was upgraded to become a higher educational institution (university level). The fully accredited "Dusit Thani College" came into existence on 30 May 1996.

At present, the college which was certified by Office of Higher Education Commission, Ministry of Education, offers both Bachelor's Degree Program and Master's Degree Program as the details specified below.

● Dusit Thani College (Bangkok)

Undergraduate Level

1. Bachelor of Business Administration in Hotel and Resort Management
2. Bachelor of Business Administration in Culinary Arts and Kitchen Management
3. Bachelor of Business Administration in Tourism Management
4. Bachelor of Business Administration in MICE and Events Management

Undergraduate Level (International Program, teaching in English)

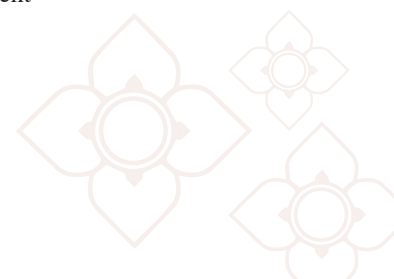
1. Bachelor of Business Administration in Hotel and Resort Management
(With the academic certification of Ecole Hôtelière de Lausanne)
2. Bachelor of Business Administration in Culinary Arts and Restaurant Management
(A joint degree program with Le Cordon Bleu)

Undergraduate Level (Experience-Based Credit Transfer)

1. Bachelor of Business Administration in Hotel and Resort Management
2. Bachelor of Business Administration in Culinary Arts and Kitchen Management

Graduate Level

- Master's Degree in Hotel and Restaurant Management



- **Dusit Thani College (Pattaya City Centre)**

Undergraduate Level

1. Bachelor of Business Administration in Hotel and Resort Management
2. Bachelor of Business Administration in Culinary Arts and Kitchen Management
3. Bachelor of Business Administration in MICE and Events Management

Furthermore, Dusit Thani College also offers various short professional courses such as Hospitality Access Program (HAP) – Five-month training programs, Thai Culinary Arts, Mini-MBA in Hospitality Management and Executive Programs in Hotel Management etc.

Apart from focusing on the academic excellence and producing qualified graduates, Dusit Thani College has supported and contributed to the social on developing qualified personnels who wish to work in the service industry in foreign countries. Throughout 18 years, Dusit Thani College has been authorized by the Department of Skill Development, Ministry of Labor to organize skill tests for job seekers in the 5-certified job testing which is composed of Food Production, Bartending, Food and Beverage Service, Front Office Operations and Housekeeping. Currently, there are a large number of personnels who have passed the test and worked in overseas.

Currently, Dusit Thani College (Bangkok and Pattaya City Center) has been certified as an organization responsible to certify the professional competency standard in the following 2 programs:

1. Tourism Hotel and Restaurant Occupation for Thai Food Production, Thai Cuisine, and Thai Desserts
2. Activities to promote wellness in body, Spa Service

As the leader in Asia's hospitality education, Dusit Thani College sustainably develops international collaborations in various areas with the leading international institutions such as:

- **ASO COLLEGE GROUP, JAPAN** – in the area of Japanese language and Cultural tourism in Fukuoka, Japan. The intention is to improve the quality of Japanese language study of our students. Dusit Thani College provided 34 students for 4 batches to attend this program taught by Japanese teacher from ASO COLLEGE GROUP at Dusit Thani College.
- **ECOLE HÔTELIÈRE DE LAUSANNE, SWITZERLAND** – to develop and certify an international program for Bachelor of Business Administration in Hotel and Resort Management.
- **LE CORDON BLEU, FRANCE** – to develop and offer an international joint degree program: Bachelor of Business Administration in Culinary Arts and Restaurant Management.
- **LYCEUM OF THE PHILIPPINES UNIVERSITY (MANILA, CAVITE, BATANGAS AND LAGUNA)** – Dusit Thani College act as a consultant on teaching quality, assessment, and learning resources. Successfully, LPU has 11,898 students in 2016.
- **THE HONG KONG POLYTECHNIC UNIVERSITY, HONG KONG** – One of renown university in Asia and the world, jointly offer Executive Hotel Industry Professional Development Programs with the course of Innovation, Leader in Hospitality Industry and MICE.
- **TSUJI CULINARY INSTITUTE, JAPAN** – in the area of joint educational program in Japanese Culinary and cuisine course to the public and Dusit Thani College students for selecting as a free elective subject for Bachelor Degree.

- **GAMBERO ROSSO, ITALY** – in the area of Italian Cuisine courses to the public and Dusit Thani College students for selecting as a free elective subject for Bachelor Degree.
- **BALI INTERNATIONAL TRAINING AND DEVELOPMENT CENTRE, INDONESIA** – Dusit Thani College acts as a consultancy service to operate hospitality institute in Bali and have a plan to offer a short program in the future.

In addition, Dusit Thani College is also co-operating with other hospitality education and service in exchanging and sharing knowledge and experience such as: being invited from Tourism Authority of Thailand at Rome, Italy to demonstrate Thai Cuisine cooking in the event of at VIAGGIO IN THAILANDIA Bologna, Italy to create awareness and good image of Thailand during 30 September – 1 October 2016 which was the only educational institute of Thailand.

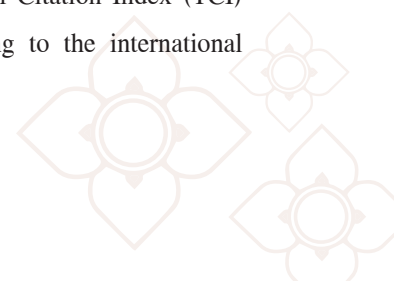
In order to maintain the up-to-date knowledge of hospitality industry and for its further development of this field, Dusit Thani College has been a membership of the well-known hospitality institutes as follows:

- THE INTERNATIONAL COUNCIL ON HOTEL, RESTAURANT, AND INSTITUTE EDUCATION (ICHRIE)
- THE ASIA PACIFIC COUNCIL ON HOTEL, RESTAURANT, AND INSTITUTIONAL EDUCATION (APACCHRIE)
- THE PACIFIC ASIA TRAVEL ASSOCIATION (PATA) – The Dean of Dusit Thani College has been appointed to be the committee on Education Board since 1 August 2013 to present.
- THE ASSOCIATION OF ASIA PACIFIC BUSINESS SCHOOL – Dusit Thani College is the first private educational institute member of Thailand.
- THE THAILAND CONVENTION AND EXHIBITION BUREAU (TCEB)
- THE THAILAND INTENSIVE AND CONVENTION ASSOCIATION (TICA)
- THE INTERNATIONAL CENTER OF EXCELLENCE IN TOURISM AND HOSPITALITY EDUCATION (THE-ICE) – The Dean of Dusit Thani College has been appointed to be the director of THE-ICE Board from 2014 to present.

In 2016, Dusit Thani College has won the bid to host the 14th APacCHRIE Conference scheduled to take place from 11-13 May 2016 at Dusit Thani Bangkok Hotel. The theme of the conference will be “Crisis Management and Business Continuity in the Tourism Industry” which was attended by 368 academicians, and practitioners both domestically and internationally from 30 countries presenting their research in the conference.

The college, thus, strives for its constant development on research projects. The college publishes the book “The Authentic Thai Cuisine, Dusit Thani College Standard” which developed from the research project entitled “The Development of Thai Food Recipes in Accordance with Dusit Thani College Standard”, a research that obtained a copyright and trademark registration with Department of Intellectual Property, Ministry of Commerce, to with the purpose in promoting and preserving the authentic Thai Food to public.

Additionally, the Dusit Thani College Journal is also certified by the Thai-Journal Citation Index (TCI) Centre and be listed in the first tier which does have the content and quality according to the international standard and will be selected to be listed in ASEAN Citation Index (ACI) later.



Regarding competition, Dusit Thani College has been invited to attend both domestic and international academic competition such as:

1. Thailand and Asia representative in Congress-Disciples Escoffier International in France from 5-7 March 2016
2. Thailand representative to participate in Food & Hotel Asia 2016 in Singapore from 9-17 April 2016
3. Thailand representative to participate in 44th World Skills on Culinary Arts in Abu Dhabi, U.A.E. from 14-19 October 2016

For over 23 years of success, Dusit Thani College has been recognized as one of the international hospitality education institutions with quality learning and teaching activities from top-notch faculty with professional experience in hospitality industries. The college has produced qualified graduates to be competence in both practical skills and managerial skills with high creativity and vision that meet the need of the industry both domestic and overseas. The college currently has more than 3,622 full-time students, and has produced more than 4,638 successful graduates and alumni to the industry.

Dusit Thani College, under the investment of Dusit Thai Properties Public Company Limited, is located on Srinakarin Road, Prayet, Bangkok on 12 rai area which consists of 2 buildings with 14,083 square meter space of classrooms, practical rooms, demonstration rooms and fully equipped kitchens, as well as proper student recreation facilities. In 2016, Dusit Thani College has planned to renovate venue and technology to be more modern and beautiful.

3.2 LE CORDON BLEU DUSIT CULINARY SCHOOL (Le Cordon Bleu Dusit Co., Ltd.)

➤ Characteristic of Products and Services

Le Cordon Bleu Dusit Co., Ltd. (LCBD) is a joint venture between Dusit Thani Plc. and Le Cordon Bleu International B.V. The Company was established with the purpose of founding Le Cordon Bleu Dusit Culinary School. The School and its courses have been accredited by the Ministry of Education (MOE). The joint venture officially opened on July 2008.

Since the school opened it has enrolled between 1,200 – 1,500 students per year into its main **French Cuisine and Pastry Classes (Classic Cycle Programme)**, which continue to be the school's main revenue source. In 2010 the school developed and opened a 540 hour **Professional Thai Cuisine Course** to promote Thai cuisine internationally. Enrolments into the Thai cuisine program have been impressive. Also in 2010 the school opened its first Bakery course - **the Art of Bakery** - a 240 hour program which has also proved to be very popular. In April 2013, LCBD opened its first 45 hour **Wine Studies Course** which has become very popular and has been full each term. The Wine Studies program cooperates closely with local and international wine suppliers.

Le Cordon Bleu Dusit also offers many short courses, workshops and a wide range of corporate team building or incentive activities as well as exclusive corporate member events which can be tailor-made to meet customers' needs. All courses are sustained by chefs to support and expand learning and enrichment opportunities for students and alumni, but also a great place where the school's reputation underpins its success.

In 2014, LCBBD opened special intensive cooking classes for children – known as Les Petit Cordon Bleus – offered during the Thai and International school breaks. It is hoped this new program will attract a lot of creative and motivated kids aiming at aged 8-11 and 12-15 years old who have a passion for cooking. We also plan to develop and offer more short courses in culinary management subjects - and also molecular gastronomy – a very new and exciting subject which is collaboration between our LCBBD Chefs - and academics from well-known university. LCBBD is committed to innovation - offering the general public courses which reflect new trends in the market as well as a cooperation with well-known university such as Mahidol University.

Le Cordon Bleu is a world's renowned network of educational institutions dedicated to providing the highest level of French style culinary through world-class programs, today Le Cordon Bleu has a presence more than 50 campuses in 20 countries with 120 years of experience and heritage. In 2009, 2010 and 2011 LCBBD was ranked in the top 3 culinary schools in Asia – an award announced at the World Gourmet Summit in Singapore each year. Then, in 2014, LCBBD was awarded First Place at the World Gourmet Summit and became the Electrolux: Best Culinary Institute in Asia. This was a wonderful achievement for the Joint Venture.

In 2012, LCBBD produced a very special book in-house on **Somtum: A Meeting of Tastes, Flavours, & Cultures**, which won Best Cook Book in the World (Asia category) at the International Gourmand Cook Book Awards held in Paris, France. Furthermore, the hotel is graciously participating in supporting “Operation Smile” Thailand Program with Dusit Thani hotel's donation to the foundation generated from distribution of the book.

Also every year since 2008, LCBBD has supported the Royal Project Foundation in Chiang Mai; also known as “Le tour d' Angkhang” whereby a full team of LCBBD Chefs and support staff travel north to prepare gourmet breakfasts, lunches and dinners for VIP clients of the Foundation for 2 nights and 3 days.

The school has produced significant operating profits in the last 2 years, both 2015 and 2016, being the most successful year to date. The joint venture has established itself as the premier private vocational provider of culinary training in Thailand and is attracting more international students into its programs every year.

Courses

- Classic Cycle Programme – Weekday Class and Saturday Class
 - French Cuisine Class (Diplôme de Cuisine)
 - Pastry Class (Diplôme de Pâtisserie)
 - French Cuisine and Pastry Class (Grand Diplôme)
- The Professional Thai Cuisine Programme
- The Art of Bakery
- Wine Studies Course
- Culinary Discovery Programme (Short Courses)

Le Cordon Bleu Dusit Culinary School is located on the 1st floor of Dusit Thani Building, 946 Rama IV Road, Silom, Bangrak, Bangkok with total approximately 2,000 square meter space. School is fully equipped with well and modern facilities with kitchen for cuisine, pastry, demonstration, barista, wine classes and a library.



3.3 Dusit Thani Hotel School (Dusit Thani Hotel Studies Co., Ltd.)

➤ Characteristic of Products and Services

The concept of Dusit Thani Hotel School was developed after a vocational education section was established by an Education Department of Dusit Thani in late 2013. The school was created due to an identified high demand in the hospitality business for well trained and educated young professionals for jobs and careers in operations.

The school offers hospitality courses at certificate and diploma levels which offer working opportunities for the youth especially high school to gain knowledge and professional skills required for the jobs in hospitality industry.

Dusit Thani Hotel School was firstly established under Dusit Thani Hotel Studies Co., Ltd. with its office in the heart of Bangkok, Petchburi Road in August 2015.

Dusit Thani Hotel School is a school for professional hotel training at certificate and diploma levels. The programs aim to provide knowledge and skills in various fields of the hotel business to youth who want to pursue careers in the hotel business to improve their skills to further excel in their profession with the course period range from 6-18 months.

The programs are developed on the basis of adherence to the ASEAN Common Competency Standards for Tourism Professionals covering all areas of hotel operations, i.e., Food Production, Food and Beverage Service, and Rooms Division (Front Office and Housekeeping) which were prepared for flow of labour within ASEAN countries in 2015.

The programs are segmented into 4 levels: Basic, Professional, and Advanced Certificate Programs, and Diploma Programs. The Basic Certificate Programs concentrate on competencies in basic skills, routine knowledge and attitudes in a defined context required for hotel personnels. Professional Certificate Programs concentrate on competencies in broad ranges of skills and attitudes in more varied contexts and team leader responsibilities. Advanced Certificate Programs concentrate on competencies in Greater technical competencies with supervisory skills. Finally, Diploma Programs concentrate on competencies in specialized competences with managerial skills.

The curriculums for these programs are developed in close collaboration with experts and faculty of Dusit Thani College as to also ensure that students will earn credits, which can be transferred credits to their bachelor programs of Dusit Thani College or other colleges and universities that have signed Memorandum of Understanding with the school. The Dusit Thani Hotel School is the very first of its kind that adheres 100% to the ASEAN competence standards. This will qualify and enable graduates from these programs to seek employment and work throughout the ASEAN community

By using unique curriculums that meets the needs of the labor market, both domestic and internationally, together with provision of quality and effective teaching from well qualified faculty who have knowledge and direct experience in the teaching field, arrangement of an internship with establishments in the industry, and extra-curricular activities to enhance professional skills, graduates will have the necessary knowledge and ability to work professionally in hotels or restaurants in the country and abroad. Their competencies and skills meet the ASEAN Common Competency Standards for Tourism Professionals per an official Mutual Recognition Agreements (MRAs) that allowed skilled labor movement within ASEAN in 2015.

Dusit Thani Hotel School is certified by Ministry of Education, under Office of the Private Education Commission. Its courses run on four levels:

- **Basic Certificate Programs**
 1. Food and Bakery Production Basic
 2. Food and Beverage Service Basic
 3. Room Division Basic (Housekeeping and Front Office)
- **Professional Certificate Programs**
 1. Food Production Professional
 2. Pastry Professional
 3. Food and Beverage Service Professional
 4. Room Division Professional (Housekeeping and Front Office)
- **Advanced Professional Certificate Programs**
 1. Food Production Advanced
 2. Pastry Advanced
 3. Food and Beverage Service Advanced
 4. Housekeeping Advanced
 5. Front Office Advanced
- **Diploma Programs**
 1. Kitchen Management
 2. Food & Beverage Management
 3. Room Division Management

Currently, the school offers 2 approved courses at the Basic Certificate level in August 2015 while the Professional Certificate Programs and the Advanced Professional Certificate Programs has been approved from MOE in 2016.

Duration of Learning and Teaching

For Basic, Professional, and Advanced of Certificate Programs, there are 3-month in-class learning (both theory and practice) and 3-month internships at the establishment. Duration for each program is 6 months.

The Diploma program consists of 15-month in-class learning (both theory and practice), and 3-month internships at the establishment. Duration throughout the course is 18 months.

Dusit Thani Hotel School is located on 588/5 Phetchaburi Road, Ratchathewee District in central Bangkok. The school building will be 7-story building, built on 1 rai and 66 square wah plot of land. It has a total built area of approximately 6,947.5 square meters. It is fully equipped with modern classrooms, IT and Language labs, demo and practical kitchens, mock-up for front office, restaurant, and hotel guest-room, cafeteria and recreational facilities for students, library, teachers' office, and other supporting facilities.

3.4 Philippine Hoteliers International Center for Hospitality Education, Inc.

➤ Characteristic of Products and Services

Philippine Hoteliers International Center for Hospitality Education, Inc. (PHI Education) has operated the Education Institute, registering in the Republic of the Philippines since 15 July 2015. PHI Education will offer a Bachelor's Degree in Hospitality Management and certified short courses in Culinary Arts and Hotel Operations.

4. Other Business

4.1 Spa Business

Dusit Thani PCL operates spa business for health and wellness. There are 4 branches in Thailand and 5 branches overseas under Devarana Spa and Naam Spa trademarks respectively. Both offers creative spa service development with 5-star standards and delicate details of its services with the combination of therapeutic science both from the East and West with its uniqueness of Devarana Spa. Its interior design reflects an atmosphere of ultimate relaxation in an intimate sanctuary. Hence, Devarana Spa has now become an Asia's top-end spa destination.

Spa business in Thailand operates 4 branches listed below:

- Deverana Spa Bangkok, Dusit Thani Bangkok
- Devarana Spa Pattaya, Dusit Thani Pattaya
- Deverana Spa Hua Hin, Dusit Thani Hua Hin
- Deverana Spa Chiang Mai, DusitD2 Chiang Mai

Spa business overseas operates 7 branches listed below:

- Deverana Spa Manila, Dusit Thani Manila
- Deverana Spa Maldives, Dusit Thani Maldives
- Deverana Spa Nairobi, DusitD2 Nairobi
- Deverana Spa Guam, Dusit Thani Guam
- Deverana Spa Cairo, Dusit Thani Lakeview Cairo
- Deverana Spa Conghua, Dusit Devarana Hot Spring & Spa Guangzhou Conghua, the Republic of China
- Deverana Spa Dongtai, Dusit Thani Dongtai, Jiangsu, the Republic of China

Characteristic of Products and Services

Devarana Spa has developed its own exclusive lines of spa products such as natural massage oil blends, shampoo, soap, shower gel and body lotion. All spa product formulations are environmental friendly and designed to enhance the natural beauty and well-being. They are 100% natural ingredients and are free from synthetic additives such as parabens, phenoxythanol, SLS, silicone or other artificial components to ensure its delicacy and non-sensitivity. For the organic product range, it has been developed with an ecological awareness in mind and promised to maximize ingredients from organic plant. Our main objective is, from planting to manufacturing processes, being harmless to the environment.

Devarana Spa uses the products from the pioneer marine cosmeceuticals and thalassotherapy brand, Algotharm. The brand has been established since 1962 in France and won AsiaSpa Award in the category “Best Spa Brand” in 2009.

The skillful therapists at Devarana expertly deliver a variety of treatments to provide guests with the ultimate relaxation and pampering. The massage section alone is inclusive of many kinds of massage from Eastern and Western styles such as Swedish Massage and Ayurvedic Massage etc. The “Devarana Signature Massage” is particularly outstanding as it combines several different massage techniques from the East and the West. A superb variety of treatments includes massage, deep-cleansing facial treatment, steamed treatment with Thai herbs, scrub and mask treatment and much more with a complete rejuvenation experience, using high quality products for both body and mind.

Naam Spa

Naam Spa offers health-related service (spa) for 4-5 star hotel whose concept depicts simplicity and straightforward both design and service with the following locations:

- Naam Spa Korat, Dusit Princess Korat
- Naam Spa Abu Dhabi, Dusit Thani Abu Dhabi
- Naam Spa Dubai, Dusit Thani Dubai

4.2 Office Rent Business

➤ Characteristic of Products and Services

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

Marketing and Competition

1. Hotel Business

Revenue Management

1. With stronger focus on driving Dusit system delivery, a number of initiatives have been put in place to grow online bookings which are championed by the Revenue Director at each property, with ongoing support and directives from Dusit International Corporate to ensure rate parity and appropriate, effective web contents. For the period of January - December, total room nights booked via the Dusit.com internet booking engine have grown by 19% and mobile application bookings also increased almost three-fold by 298% compared to the previous year.

2. The Dusit Best Available Rates, Packages and E-Commerce segments were among the priority segments to grow and were assigned as part of the KPI to the Revenue Directors to constantly drive at each property. All 3 segments have improved over the previous year with results as follows (based on actual available data for the period of January - December 2016):

- Dusit Best Available Rate – room nights up by 9%, however revenue down by 6% due to more competitive Average Daily Rate (ADR).
- Packages – room nights up by 17% and revenue up by 7%
- E-Commerce – room nights up by 20% and revenue up by 16%

3. To ensure rate parity and provide a more seamless booking process, Direct Connect agreements have been set up for the Group with major wholesalers and Online Travel Agencies (OTAs). With this being a corporate initiative and ongoing effort since mid-2016, RNs from this channel have grown by 125% year on year.

4. Successfully signed up TripAdvisor Instant Booking to grow OTA bookings at a lower commission.

5. Online reputation management has been continuously reinforced through ReviewPro with all properties to improve brand and product positioning to increase yield and revenues.

6. Corporate packages have been streamlined and re-launched to drive bookings through more targeted marketing online and offline marketing activities.

7. Concluded group agreement with Nor1 upselling program to drive incremental room, F&B and ancillary revenues. System implementation and training scheduled for completion by early Q1 2017.



E-Business

1. A dynamic digital marketing strategy was developed and a new digital marketing agency, iProspect appointed in February 2016 with the objective to increase online brand presence, drive qualified web traffic to grow Dusit.com bookings and revenues through online marketing campaigns including search engine optimization and search engine marketing (SEO and SEM), banner displays and retargeting ads which have generated improving revenues by 75% versus last year.

2. SalesCycle, a booking recovery tool was implemented in mid-February 2016 to increase web booking conversions. Since launch, the programme has recovered a total of THB20.3M online booking revenue on Dusit.com up to December 2016.

3. A new responsive booking engine was launched in October 2016 featuring improvements such as a cleaner layout, larger text and call-to-action buttons enhanced for mobile phone displays. Since its release, Dusit.com booking conversion rate has increased 42.8% over the same period last year (vs October 2015).

4. To drive more direct bookings from OTAs, Dusit has participated in TripAdvisor's Instant Booking from mid-October 2016. This initiative displays Dusit hotels rates and allows guests to booking our hotels directly on TripAdvisor, which then delivers the booking directly into Dusit's Central Reservations System instead of booking through one of the OTAs.

Global Sales/Regional Sales

1. Global Sale Office (GSO) and Regional Sales Office (RSOs) contributed 21% of total DI hotels RNs in 2016 compared to 15% the year before.

(Note: GSO and RSOs includes dusit.com, Dusit Gold, Global Distribution System, etc. that generate revenue for the hotels.)

2. Total GSO/RSOs production increased by 85,168 RNs (+54%) and THB566M (+66%) in revenue over last year with increased sales penetration to cover potential emerging markets including secondary cities in China, Saudi Arabia, Korea through roadshows and direct sales calls.

3. A total of 12 tradeshow and roadshows to feeder markets were organized and attended by participating DI hotels. Number of accounts covered increased by 132%. ROI from all such activities YTD was also up by 11% compared to last year.

4. Room sales revenue from Discovery Thailand increased by 30% compared to the previous year.

5. Sales coverage was expanded during the 2 China Roadshows held in March and September, as well RSO sales trips to include besides Beijing and Shanghai, potential markets such as Dalian, Tianjin, Nanjing, Shanxi, Chengdu, Wenzhou, Hangzhou, Suzhou, Ningbo and Kunming to cultivate biz from these secondary cities. Total RNs for January - December 2016 from China for the Group increased by 20% compared to the same period last year. China RSOs production was up by 8% in RNs and 11% in revenue year on year.

6. RSO Riyadh which was set up in May 2015 to develop business from the high-potential Saudi Arabia region generated an increase of 29% in RNs over the previous year for the Group.

7. A native Korean Director of Sale was hired in February this year to grow this market for the Group particularly for Dusit Thani Guam Resort (DTGU) where Korea is now the Resort's no. 1 feeder market. Our Korean Roadshow debuted this year with 8 hotels participating. Total RNs from Korea YTD December has grown by 155% compared to the same period last year with DTGU accounting for 66% of share of total Korean inbound business for the Group.

8. GSO and RSO will continue to foster close relationships with tourism boards, airlines and strategic partners to strengthen Dusit brand awareness, generate more sales leads and exposure through collaborative marketing initiatives and joint promotions for the Group especially for our new and need properties.

Branding and Loyalty Marketing

1. A dedicated new Dusit Gold website, www.dusitgold.com featuring member benefits, exclusive offers from hotels and partners as well as an improved online enrolment process was launched in January to promote awareness and better market the program so as to drive enrolments and bookings.

2. Dusit Gold membership has tripled in 2016 through an improved hotel enrolment process as well as a series of membership acquisition marketing campaigns. Membership has grown by three-fold to 288,215 at year-end 2016. Revenue from qualified member stays also increased by 131% compared to 2015.

3. To drive incremental revenue by filling up distressed room inventory, a series of Dusit Gold tactics including monthly group-wide Private Flash Sales have been launched since May this year which generated a total of THB20.2M incremental room revenue.

4. To increase brand awareness globally, 7 new hotel videos were produced in 2016 to showcase Dusit in diverse locations such as Bangkok, Dubai, Abu Dhabi, Nairobi, Guam, Maldives and Guangzhou which are being used in various marketing channels including websites, social media, sales presentations, tradeshow as well as hotel in-room TV channels.

Public Relations/Marketing Communication

1. Dusit brand awareness was amplified by leveraging the appointment of our new Group CEO through various PR initiatives including a series of media interviews and press conferences with trade, hotel & tourism, business, education, and lifestyle media; as well as speaking engagements at large-scale national and international business events and industry forums. Coverages received included Bangkok Post, the Nation, TTG MENA and TTG APAC, Business Traveler (APAC), Travelvision.jp (Japan) and HOTEL Magazine (US).

2. Total media value generated for 2016 was THB586M which was THB 15M higher than the previous year. The top 5 countries included Thailand, UAE, UK, Japan, and China.

3. Launched opening of Dusit D2 Khao Yai through integrated marketing communication tools including press conference, media releases, interviews and blogger reviews, as well as social media campaigns through Line, Facebook and Instagram. Media exposures received included coverages and features in included in Matichon TV, chillpainai.com, www.facebook.com/tieweng, www.facebook.com/ninebooking

To promote awareness of the Dusit brand and DTGU in its key feeder market Korea, Corporate S&M initiated and funded a series of publicity outreach campaigns by securing TV exposure, celebrity location shoot as well as a consumer marketing tie-up from January through May 2016.

Partnership Marketing and Corporate Advertising

1. One of our objectives this year is to directly contract major airlines serving our destinations to lower our costs for Frequent Flyer Program (FFPs), most of which DT currently participates in through PHG (Preferred Hotel Group). YTD, we have signed up China Eastern, Etihad and Singapore Airlines and currently participate in 22 airline frequent flyer programmes including 11 directly contracted airline partners. We aim to sign agreements with more airlines in 2017 to expand our FFP sales network and reduce costs.



2. RNs generated from FFPs of our directly contracted airline partners went up by 50% in 2016 compared to the year before with increased joint tactical promotions to expand brand exposure and drive incremental revenues.

3. Airline award redemptions primarily from Thai and Bangkok Airways generated THB18.16M revenue, up by 13% compared to the previous year with additional number of participating hotels and increased promotional activities throughout the year.

4. Promotions with other partners including banks, credit cards and FMCGs produced 41% more RNs and an increase of 23% in revenue respectively compared to the previous year.

5. Developed and launched AIS One Point Marketing Campaign to promote our Thai properties via hard print ads as well social media including Facebook, Privilege Line and SMS to a total audience of 32.4M valued at THB9.2M. Other partnership programs included promotions with Aspire Life Style targeting their clients i.e. Citibank Global, UOB Singapore and Porsche.

6. Advertising focus was on generating Dusit brand awareness both online and offline including traditional print ads as well as digital banner ads using online media geared towards supporting tactical promotions to reach key target regional and international markets.

7. Other brand exposures included editorial featuring of DI properties in inflight magazines such as Scoot (Tigerair), Fah Thai (Bangkok Airways) as well as tactical offers, i.e. festive Season's Special in Singapore Airline's Priority Magazine.

Local Economic and Political Environment

The Thai economy grew below expectation by just 0.6 percent quarter-on-quarter in the three months to September 2016, compared to a downwardly revised 0.7 percent expansion in the previous quarter, to hit the weakest growth rate. Private consumption slowed and exports rebounded while government spending contracted.

In late October, the bank forecast GDP would increase by 3.2% this year, up from 2.8% last year with a similar level of expansion forecast for 2017 which was somewhat in line with IMF's projection. Some of the uncertainty was domestic, with BOT citing local risk factors that needed to be monitored, including deteriorating loan quality in the business sector and rising inflation. Government expenditure remains essential for the economy's momentum. Conversely, tourism and private fixed investment were subdued. Further from home, the bank highlighted uncertainties stemming from political developments in the US and Europe, and falling tourist arrivals from key markets such as China as factors that pose risks to economic recovery.

In early November, the Bank of Thailand (BOT) warned there were greater downside risk facing the national economy on both the domestic and foreign fronts, though at the same time reaffirming that overall prospects for the growth remain solid.

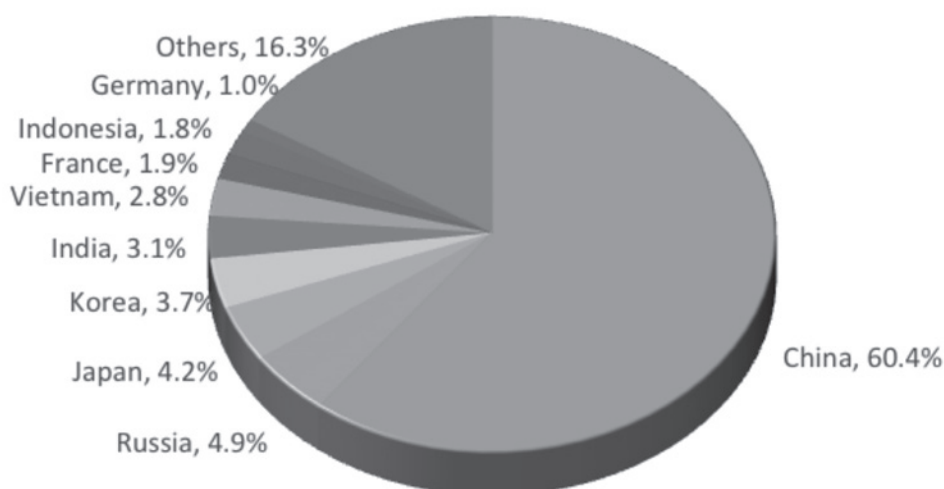
At the beginning of the 4th quarter. The Thai Chamber of Commerce's consumer confidence index eased from 74.2 in September to 73.1 in October and 72.3 in November, reversing three months of increases.

Occupancy

Total available rooms and occupancy %:

Hotel	Company	No. of Rooms	Occupancy (%)		
			2014	2015	2016
Dusit Thani Bangkok	Dusit Thani Plc.	517	47.39	76.89	73.9
Dusit Thani Pattaya	Dusit Thani Plc.	457	68.55	74.11	74.9
Dusit Thani Manila	Philippine Hoteliers, Inc.	538	78.61	74.87	66.6
Dusit Thani Maldives	DMS Property Investment Pte Ltd	94	65.67	63.47	67.8
Dusit Princess Chiang Mai	Dusit Thai Properties Plc.	198	84.71	92.21	89.4
Dusit Princess Srinakarin	Dusit Thai Properties Plc.	198	74.73	74.93	76.5
Dusit Princess Korat	Dusit Thai Properties Plc.	186	72.44	57.27	57.7
Dusit Thani Hua Hin	Dusit Management Co., Ltd.	296	62.68	67.63	65.6
dusitD2 Chiang Mai	Dusit Management Co., Ltd.	131	73.58	84.12	81.5
Dusit Thani Laguna Phuket	Dusit Management Co., Ltd.	254	78.65	67.33	72.9

Tourism Statistics for 10 major markets as of 31 Dec 2016

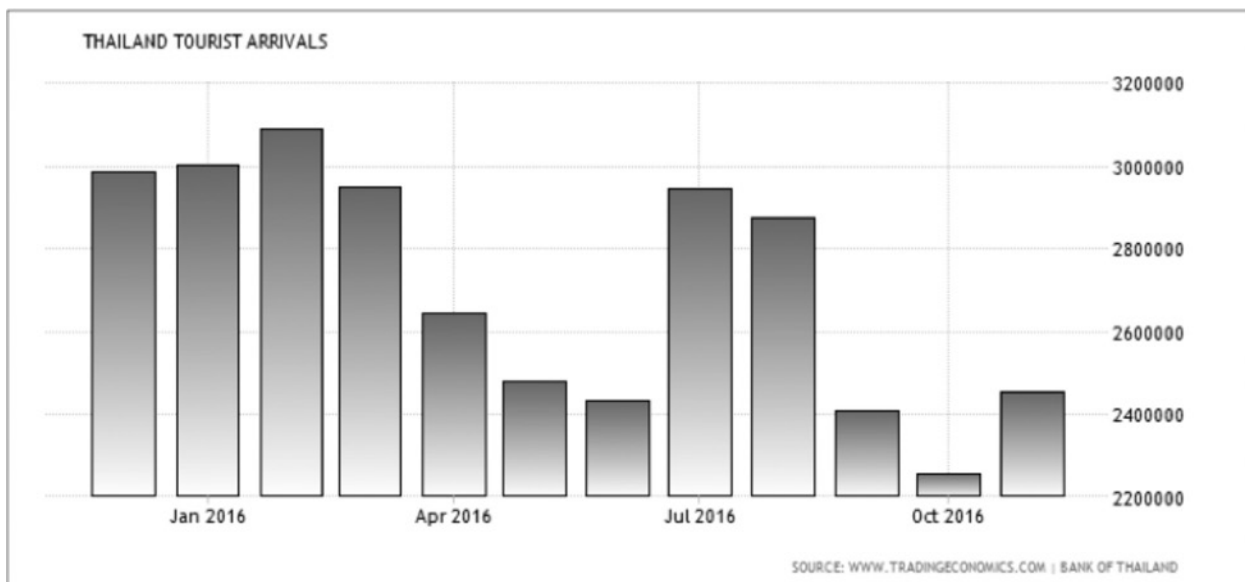
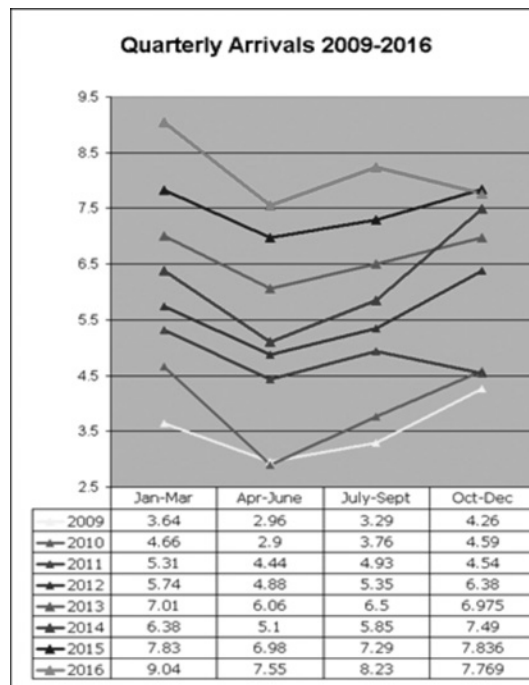


Competitive Situation

Arrivals continued to increase in the first three quarters of 2016, with 9.04 million visitors in the first three months, an increase of 15.45% when compared to 2015. There were 7.55 million visitors in the second quarter, an increase of 8.23% when compared with the second quarter of 2015. This indicated a slight loss of momentum of arrivals (15.45% increase in first quarter, compared to 8.23 % increase in the second quarter). However, 2.3 million visitors arrived in the third quarter, an increase over same time last year by 12.8%.

A crackdown by the Government started towards the end of the third quarter into the fourth quarter against the so-called zero-dollar tours mainly coming out of China whereby tourists were lured by cheap tours to travel to Thailand and once they arrived, they were taken by tour guides to shop at retail stores at highly inflated prices. This invariably led to dissatisfaction and complaints from customers after the tours and would affect Thailand's reputation as a tourist destination. Reportedly also the Chinese tourist authorities wanted this type of tours to be stopped which has had a negative impact on tourism and travel industry with some airlines and hotels seeing a drop in the number of bookings from China especially over the traditional peak period of the October Golden Week according to local media reports.

From the below table, it shows number of tourist arrivals to Thailand comparing to last year. Tourist arrivals to Thailand have increased from 2015 to 9.04 million people during January to March 2016 while decreased its numbers to 7.55 million people in April. However, during July to September, the numbers ramped up to 8.23 million people whereas reducing again during October to December to 7.769 million people.



Competition

- Internal

Each hotel has determined a competitive set with similar products, brand positioning and location for measuring performance on the Revenue per Available Room (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' percentage changes over the previous periods. This is tracked both on a daily basis and in their monthly report to the corporate office to allow better monitoring of each hotel's performance against their competition in each market and is also substantiated by STR Global, the industry's respected benchmark.

Aside from market share, Global Review Index is also used to measure and monitor each property's online reputation, data from which will be used to identify and correct operational issues for driving improvement in service and ranking.

- External

There is an oversupply of rooms in all our Thailand locations with Bangkok being the most affected. 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.

➤ Product and Service Acquisition

Manpower is the main key for operating hotel business and other related services, apart from setting up the place and providing facilities for the customers.

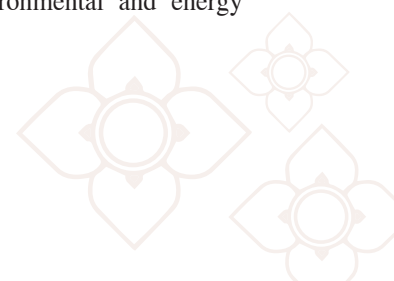
For hotels in Thailand, most employees are domestic workforce with well-trained skills in hospitality service; however, some positions are required foreigner specialist. For overseas hotels, main employees are local workforce in order to facilitate customer's satisfaction in such country whilst remaining of service standard and personalized welcome upon Thai culture.

In addition, Dusit Thani College has the purpose of producing the professional hospitality personnel who would be expected to become a driving force for hotels in Dusit Group.

➤ Governmental Control

Dusit Thani Public Company Limited has been registered with the Department of Business Development as a juristic person in accordance with the Public Limited Companies Act.

For sanitation, the Company conducts in accordance with the provision of Bangkok Metropolitan Administration or Municipality. In addition, most hotels in Dusit Group have participated in Green Leaf Programs under Green Leaf Foundation which established by the Board of Environmental Promotion of Tourism Activities or BEPTA, their vision is to develop both the quality of the environment and the tourism industry at the same time. The visionary organizations are composed of Tourism Authority of Thailand, Thai Hotels Association, United Nations Environment Program, Demand Side Management Office of Electricity Generating Authority of Thailand, Association for the Development of Environmental Quality, and Metropolitan Water works Authority. Green Leaf Program for hotels is the first step in the development of environmental quality for the tourism industry which has completed environmental practical checklists for hotels for the environmental and energy saving assessment which comparable to ISO 14000.



Risk Factors

In today's rapidly changing and complex business environments, the Company and its subsidiaries is well aware that a wide arrays of uncertainties and risks—either external forces or internal factors—can adversely affect the Company's reputation, success and, ultimately, its existence in the business.

In attempts to mitigate such uncertainties to meet the most acceptable and appropriate level of risk exposure, the Company has, since 2006, established its Risk Management Committee and Risk Management Department to oversee the effectiveness of risk management implementation organization-wide.

In 2016, to pave up with the Company's ongoing business expansion, Risk Management Committee has reached a resolution to establish sub-risk management committees for each business so that risk management practices can be more effective and holistically driven.

Nevertheless, all risk information described herein this report is not exhaustive; there can be either unprecedented risks or ones that their influences are not yet deemed severe to affect the Company in a significant way. Investors should, therefore, be aware of such unidentified risks and their potential impacts. A due consideration should also be given prior to arriving at any investment decision.

➤ Key Business Risks

Internal Risk Factors

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

The Company's revenues are mainly contributed from hotel business; while others business generate additional revenue at a lesser amount. Currently, the revenue from hotel business accounts for 85.18% of the total revenues; whereas those of education and other business account for 8.15% and 6.67% respectively. Therefore, the Company's ability to generate revenues and profits may vary according to economic, political and social uncertainties.

To cope with the risk of overreliance on hotel business, the Company has attempted to diversify its revenue stream by increasing the revenues from education and other business. The Company has geared up its education business by opening the first Dusit Thani Hotel School, in addition to its distinguished Dusit Thani College, and will continue to expand more in the future. Furthermore, New Business Development Department was formed in 2016 to aggressively strengthen the Company's portfolio to other potential businesses.

As for hotel business, the Company has still embarked on increasing its hotel management services overseas especially in those promising regions, Middle East –United Arab Emirates, Eastern Asia –China, South Asia –India, including Europe and Africa, all of which are deemed major emerging markets with high purchasing power and potential growth. This will also help ensure a proper balance of revenue streams which are currently dominated by domestic hotels.

- **Risk From Hotel Management Service**

The Company has continuously expended its hotel management service in both domestic and overseas locations under the management agreement terms of 2-15 years. Therefore, the Company and its subsidiaries are inclined to encounter with the risks caused by the premature cancellation of the agreement, the denial to renew the management contract or changes in related rules and regulations, which will impact the Company's gross revenues.

In 2015 and 2016, the Company and its subsidiaries earned 2.31% and 2.72% of the total revenue from hotel management service. However, in response to this risk, the Company has leverage its management

standards—ranging from sales & marketing, operations, human resources, finance and information technology—to ensure its work efficiency, to enhance competitiveness and to strengthen the brand recognition worldwide. In addition, the Company and its subsidiaries have carefully considered the terms and conditions of the management agreement in order to reduce the impact from such risks

- **Risk from New Investment Projects**

In addition to the expansion of its hotel management service, the Company and its subsidiaries have also considered investing in potentially high return projects as part of its business expansion plan. In the past years, the Company has conducted in-depth studies for several investment projects both in domestic and overseas locations. Nevertheless, associated risk factors, together with the return of investment, were 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 related rules and regulations.

To mitigate the possible materialization of such risks, companies well-known for their expertise in feasibility studies are hired. The obtained information from such analysts shall be considered by experienced executive committees prior to any future investment decision to ensure the worthwhile returns of each project and the enhancement of the Company's value.

- **Risk of Manpower Shortage**

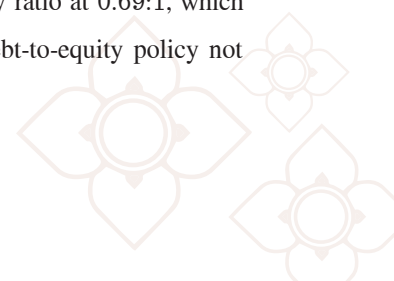
To enhance business competitiveness and accommodate business expansion, it is essential that qualified candidates be attracted and, skilled manpower especially those in an executive level, be retained. However, the Company and subsidiaries are fully aware of such risk which is intensified by the labor shortage in the hospitality industry, both domestic and overseas, not to mention the competition from those outside service industry. To mitigate this risk, effective human resources development and succession plan were developed and executed organization-wide. Currently, the number of developed successors accounts for 67 percent of the key positions at hotels.

- **Credit and Financial Security Risk**

As of December 31, 2016, the Company and its subsidiaries have long-term loan with financial institutions worth in total of Baht 1,209 million, of which Peso 991.68 million is for Philippine Hoteliers, Inc. (the outstanding amount is Peso 595 million), USD 41.50 million is the long-term loan of the Company's subsidiary for investing in Dusit Thani Maldives (the outstanding amount is USD 18.55 million) and Baht 116.2 million for the long-term loan of Dusit Thani Hotel School which has not yet reached the due date of payment.

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

However, as of December 31, 2016, the Company has settled the aforementioned principals including the interests thereof in a timely manner. In addition, the Company has maintained its debt-to-equity ratio at 0.69:1, which is in accordance with the conditions stipulated in the loan agreement and the Company's debt-to-equity policy not to exceed 1:1.



- **Information Technology Risk**

The Company and its subsidiaries are fully aware of the significance of IT systems and their vital roles in operating business and leveraging competitiveness advantages. Therefore, the Company has made continuous investments on several operating systems for the management of customer data, financial data and personnel-related data, for instance. Inevitably, the Company is exposed to the risks of data security—system failure/unavailability, loss of critical data, unauthorized disclosure of confidential information, inaccuracy of data, to name a few, all of which can lead to other risks such as reputational risk, financial risk and operational risk.

To mitigate such risks, the Company has imposed data security policies to be stringently followed by all members. To cite some examples, data backup policy, authorization policy, crisis management plan for IT systems.

External Risk Factors

- **Regulatory Risk**

The Company and its subsidiaries operate and manage a number of hotels across the globe under the environment where laws and regulations governing the business can be unfamiliar and complex. Therefore, the Company is exposed to the risk that is caused by an unintentional breach of relevant laws and regulations. In addition, an unprecedented change in laws and regulations can also put a dramatic impact on the operation of such hotels, resulting in financial and reputational loss. In attempts to mitigate such risks, the Company has hired professional law firms to provide legal consultancy and ensure that those who are involved shall be informed of such laws and regulations.

- **Risk from Natural and Manmade Disasters**

Natural and manmade disasters have, nowadays, been occurring more frequently and unprecedentedly around the world; and their impacts are increasingly detrimental. In 2016, we have witnessed a series of earthquakes in Japan, Italy, Myanmar, India and Ecuador as well as terrorist attacks which are no longer just a regional threat, but international perils in the Middle East, Europe and Asia as can be seen in a suicide bombing in Brussels, Belgium, a truck rampage in Nice, France, and Christmas market attack in Berlin, Germany.

As for Thailand, the country was seen not only the ongoing South Thailand insurgency, but also a bombing attack in Hua Hin during 11 to 12 August 2016 which creates a significant impact toward Thailand's tourism and hospitality industry as well as tourist confidence. Therefore, the Company is exposed to the risk of revenue shortfall, property damage and loss of lives induced by such factors.

In light of this, the Company has been insured under several insurance policies such as Industrial All Risks, Political Violence, Business Interruption and Public and Product Liability Insurance, all of which are to ensure that the Company and its assets will sufficiently be compensated when natural and manmade disasters strike. The Company has also instituted a crisis management plan and implemented evacuation drills to be stringently followed by all hotel properties.

- **Risk from Economic and Social Factors**

The global economy has still been in a prolong recession and its repercussions have direct impacts towards tourism and hospitality industry as the confidence and purchasing power of tourists drop. Therefore, the Company and its subsidiaries cannot escape from the impacts of economic factors. As for 2016, the world's economic

outlook remains susceptible; whereas a considerable number of social factors have made it more uncertain—the future of the global economic after the UK’s vote to leave the European Union (Brexit) as well as an unpredictable economic direction by the newly-elected US President, Donald Trump.

In addition to that, Thailand’s economic and political situations which are still unstable and unpredictable have also adversely affected the country’s tourism and hospitality industry business. For example, the government’s recent policy to suppress “Zero-Dollar” tour from China affected the number of Chinese tourists coming to Thailand due to the decrease of direct chartered flights to Thailand. However, the Country’s tourism industry has also been affected dramatically from the government’s announcement that urged the public not to hold any form of celebration for 30 days during October to November, resulting in the slowdown of the country’s tourism industry in the fourth quarter of 2016.

To cope with such uncontrollable risks, the Company and its subsidiaries has attempted to diversify its revenue streams by diminishing the reliance on one particular market segments and securing the replacement markets, both domestically and internationally.

- **Risk from High Competition**

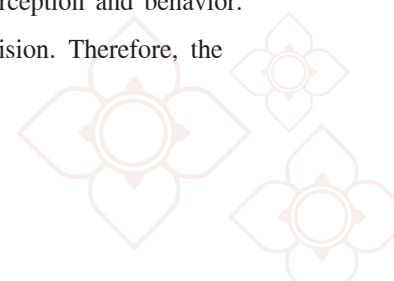
High competition is no stranger to hospitality industry as a continuous increase of competitors in prime locations has dramatically intensified the competition landscape. Not surprisingly, therefore, the Company has been competing with a wide range of competitors, ranging from local, domestic and international hoteliers—some of which are globally-known international hotel chains. Besides these mentioned direct competitors, the rise of indirect competitors—service apartment, homestay, timeshare rental, Airbnb, for example—also results in the oversupplies which are far exceeding the existing demands, hence price war which is economically non-sustainable for sound hotel operations.

Furthermore, the complete merging and acquisition between Marriott and Starwood in September 2016, not to mention that of Accor Hotels and FRHI Group -Fairmont, raffles and Swissôtel in December 2015, have made them the world’s largest hotel group, resulting in its leveraged competitiveness in all market segments.

To mitigate the risk of high competition, the Company and its subsidiaries have committed in delivering high quality service to the customers. Continuous efforts have been exerted on employee training and development, which are deemed vital to the success of the business. Furthermore, the Company has fine-tuned its marketing strategies, leveraging distribution channels, accentuating the unique selling points of each hotel property as well as improving the competitive advantages of the Company to maintain its market share. Additional efforts have been put in customer relationship management via an effective management of customer database to make the service more personalized. In addition, an effective control of operating costs was imposed throughout the Company to enhance its competitiveness.

- **Risk from Customer Trend and Behavior**

Customer behaviors—lifestyle, interest, purchasing behavior, and information access, for example—have always been changing; and such factors can significantly affect their decision making in selecting and purchasing products and services. Besides the abovementioned factors that influence customer behavior, the Company is fully aware that internet is one of the most influential factors that can shape customers perception and behavior. It also allows customers an easy access to information that will be used for making decision. Therefore, the



Company is exposed to the risk of changing customer behaviors which can affect the demands of the Company's products and services, hence the Company's revenues and profits.

To mitigate such risks, the Company has been engaging in managing customer information—behavior, demands and needs, in particular—in order to adjust its business strategies. For example, existing customer information is collected and analyzed in order to develop products and services that can accommodate their needs. In addition, Customer Relationship Management (CRM) system has been developed as an analytical tool for customer behavior analysis as well as a tool to create a positive relationship with customers. Furthermore, the Company also focuses on developing managing reputation through online channels, improving the Company's website and smartphone applications that will facilitate customers effectively.

- **Interest Rate Risk**

As of 31 December 2016, the Company and its subsidiaries has current liabilities with financial institutions, worth of Baht 1,671.46 million, and are inclined to make additional loans for further renovation and new investment projects. Therefore, the Company is exposed to risks caused by the fluctuation of interest rate in the future. If so, it will subsequently have a direct impact upon the Company's performance and cash flow.

However, the Company has also been mitigating this risk by closely monitoring the fluctuation of interest rate to effectively manage such financial risk.

➤ **Investment Risks for Shareholders**

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

As of the latest share register book closing date, 30 September 2016, the group of Thanpuying Chanut Piyaoui and related persons hold 424,475,680 shares, accounting for 49.94 percent of the Company's total paid-up shares. Therefore, it is possible that a resolution made by the major shareholder may dominantly impact shareholder meeting resolutions, except those resolutions pertinent to laws and regulations that requires three-fourths of the shareholder's votes. Nevertheless, the Board of Directors and high-level executives of the Company shall stringently adhere to the principles for Good Governance to ensure the highest management transparency.

Shareholders

10 Major Shareholders

Structure and detail of 10 major shareholders and other minor shareholders as of the latest book closing date, September 30, 2016 are as follows:

Name	No. of shares	%
1. Group of Thanpuying Chanut Piyaoui and related persons	424,475,680	49.94
2. MBK Hotels and Resorts Company Limited	99,186,000	11.67
3. UOB KAY HIAN (HONG KONG) LIMITED – Client Account (PIONEER INETWORK LIMITED)	86,917,720	10.23
4. Group of Mr. Vichit Chinwongworakul and related person	52,019,000	6.12
5. Group of Mr. Chatri Sophonpanich and related person	42,540,330	5.00
6. Thai NVDR Company Limited	25,997,840	3.06
7. Thai Life Insurance Public Company Limited	21,882,430	2.57
8. BARCLAYS BANK PLC, HONG KONG	11,931,000	1.40
9. Mr. Sahanun Chaintrakoon	7,780,000	0.92
10. Office of the Privy Purse	4,950,000	0.58
Total	777,680,000	91.50
Other Minor Shareholders	72,320,000	8.50
Authorized share capital	850,000,000	Baht
Par value	1	Baht/share
Number of issued and paid-up ordinary shares	850,000,000	Shares
<u>Less</u> Repurchase ordinary shares by Dusit Thani Properties Co., Ltd.	<u>(4,715,000)</u>	Shares
Total weighted average of number of ordinary shares	<u>845,285,000</u>	Shares

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

2. MBK Hotels and Resorts Company Limited performs hotel business, major shareholder is MBK Public Company Limited which is a listed company on the Stock Exchange of Thailand, shareholding 99.99 percent of the total shares of MBK Hotels and Resorts Company Limited.

3. PIONEER INETWORK LIMITED is Investment Holding, major shareholders are as follows:

(1) Pioneer Industries (Holdings) Limited, shareholding 50 percent of the total shares. In addition, Pioneer Global Group Limited, a listed company on the Hong Kong Stock Exchange holds 100 percent of the total shares of Pioneer Industries (Holdings) Limited

(2) Add Return Company Limited, shareholding 50 percent of the total shares. In addition, Mrs. Rossana Wang Gaw holds 100 percent of the total shares of Add Return Company Limited.

4. Group of Mr. Vichit Chinwongworakul and related person consist of Mrs. Charunee Chinwongworakul

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



Dividend Policy

➤ **Policy of the Company:** The Company has a policy to pay dividends to its shareholders in the amount of not less than 50 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's financial statements to assure that the ability of paying such dividend is not opposed the Public Limited Companies Act. In addition, on 11 August 2011, the Board of Directors Meeting No. 7/2011 resolved to change the policy for allocation of dividend payment by not paying interim dividend.

In 2016, the Company paid dividend for the year of 2015 by retained earnings appropriation at Baht 1.20 per share, totally Baht 102 million.

➤ **Subsidiary's policy:** The Company has not set up the dividend payment rate by subsidiaries to the Company. The dividend payment of each subsidiary will be set up based on its performance and its cash flows. In case the subsidiary has sufficient and after-set-up legal reserve, the Board of Directors of each subsidiary will consider its dividend payment. However, the dividend payment will not exceed the unappropriated retained earnings of such subsidiaries.

Dividend Payment Information of the Company For Previous Years:

Dividend payment information	Unit	2015	2014	2013	2012	2011
1. Profit (loss), excluding Dusit Thani College	Million Baht	100	(88)	90	156	31
Profit - Dusit Thani College ⁽¹⁾	Million Baht	99	67	74	67	
Total	Million Baht	199	(21)	164	223	31
2. Number of shares	Million shares	85 ⁽²⁾	85	85	85	85
3. Profit (loss) per share, excluding Dusit Thani College	Baht/Share	1.18	(1.03)	1.07	1.86	0.37
Profit per share - Dusit Thani College	Baht/Share	1.18	0.79	0.87	0.77	
Total	Baht/Share	2.36	(0.24)	1.94	2.63	0.37
4. Dividend for the year	Baht/Share	1.20	1.00	1.00	1.00	0.50
5. Dividend amount	Million Baht	*102	*85	*85	*85	**42.50
6. Dividend paid per profit (loss), excluding Dusit Thani College	%	-	-	94	54	137

Remarks: * Appropriated from retained earnings

** Appropriated from net profit and retained earnings

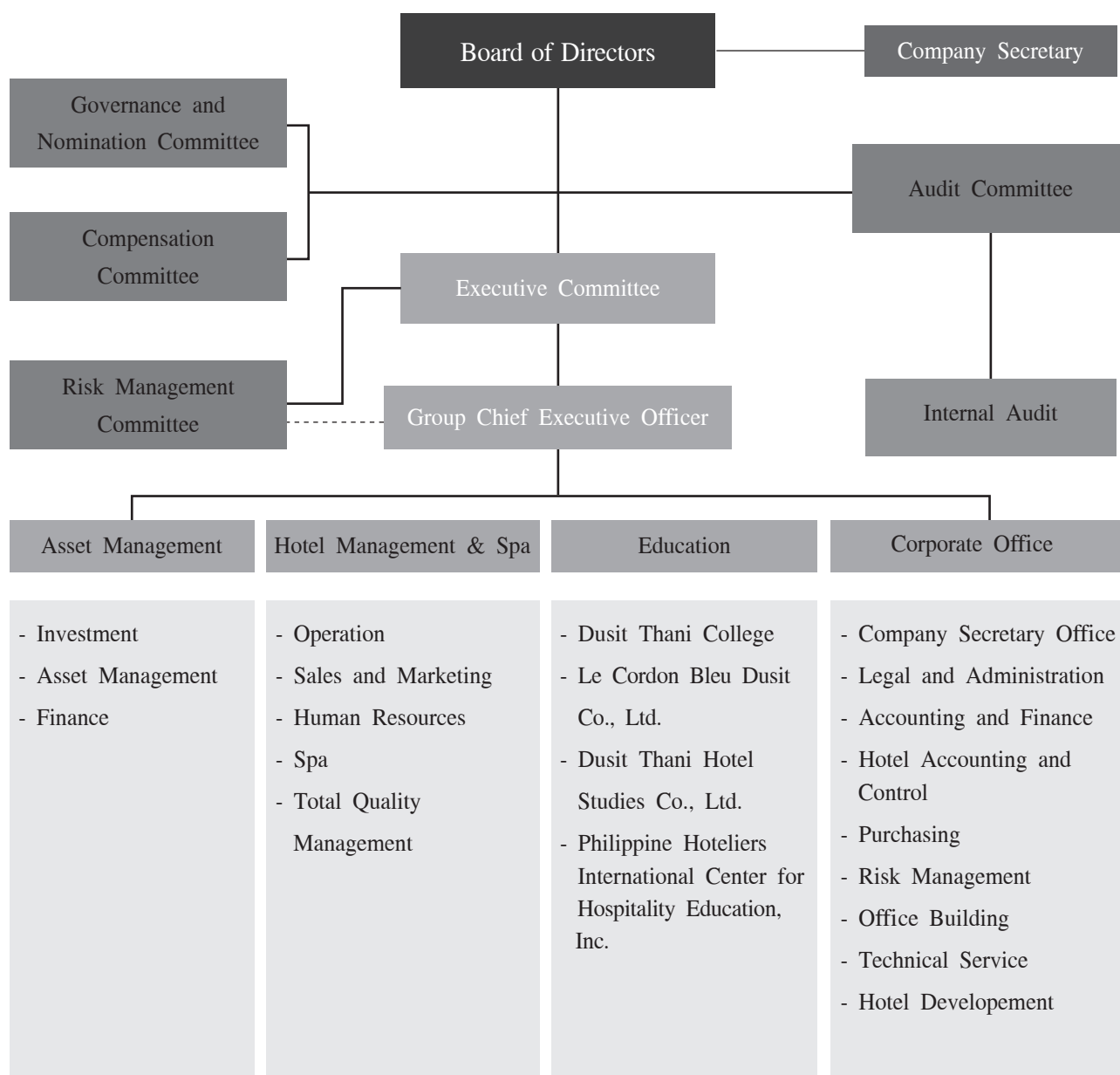
⁽¹⁾ In the consolidated financial statements of 2013 compared to 2012 included the financial statement of Dusit Thani College which indirectly invested 86.79% by the Company. The Company had re-evaluated the control in Dusit Thani College and concluded that Dusit Thani College is a subsidiary of the Company. As such, since the 3rd quarter 2014, the Company consolidated the financial statements of Dusit Thani College in the consolidated financial statements and has restated the consolidated financial statements retrospectively, and later resubmitted the restated financial statements for the year ended 31 December 2013 compared to year 2012.

The Private Higher Education Institutions Act B.E. 2546 Amendment (No.2) B.E. 2550 requires that a private higher education institution shall allocate, not over 30 percent of its annual excess revenues over expenses, as benefit to the licensor.

⁽²⁾ On 28 April 2016, the Annual General Meeting of the Company's shareholders resolved to approve the change of the par value of the Company's shares from Baht 10 per share at the amount of 85,000,000 shares to Baht 1 per share at the amount of 850,000,000 shares, and registered the change of the par value of the Company par value to The Ministry of Commerce on 16 May 2016.

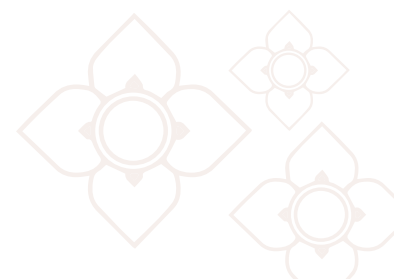
Management Structure

as of 31 December 2016



Presently Dusit International categorizes the management structure into 4 parts as follows:

1. Asset Management
2. Hotel Management & Spa
3. Education
4. Corporate Office



➤ Board of Directors

As of 31 December 2016, the Company had General Prem Tinsulanonda as Chairman Advisor, Mr. Khwankeo Vajarrodaya^{/5}, Professor Sansern Kraichitti and Mr. Sakdi Kiewkarnkha as Advisors to the Board of Directors, Thanpuying Chanut Piyaoui as Founder and Advisor to the Board of Directors and Mr. Chatri Sophonpanich as Honorary Chairman.

The Board of Directors of the Company consists of 12 directors as follows:

No.	Name	Position	No. of meetings attended	
			Board of Directors	Meeting without the Management
1.	Mr. Arsa Sarasin	Independent Director / Chairman	9/9	1/1
2.	Professor Hiran Radeesri	Independent Director / Audit Committee Chairman / Compensation Committee Chairman / Governance and Nomination Committee Chairman	8/9	1/1
3.	Mrs. Pranee Phasipol	Independent Director / Audit Committee Member / Compensation Committee Member / Governance and Nomination Committee Member	9/9	1/1
4.	Dr.Kittipong Kittayarak ^{/3}	Independent Director / Audit Committee Member	4/9	1/1
5.	Mr. Banterng Tantivit ^{/7}	Director	5/9	-/1
6.	Mr. Vichit Chinwongworakul	Director	6/9	-/1
7.	Mrs. Pratana Mongkolkul ^{/6}	Director	6/9	-/1
8.	Mrs. Varang Chaiyawan ^{/4}	Director / Compensation Committee Member / Governance and Nomination Committee Member	8/9	1/1
9.	Mr. Kenneth Korsirisophon	Director	4/9	-/1
10.	Mr. Chanin Donavanik ^{/1}	Vice Chairman	9/9	-
11.	Mrs. Sinee Thienprasiddhi	Director	7/9	-
12.	Mrs. Suphajee Suthumpun ^{/2}	Director / Group Chief Executive Officer	9/9	-

Remark ^{/1} Mr. Chanin Donavanik

^{/2} Mrs. Suphajee Suthumpun

^{/3} Dr.Kittipong Kittayarak

^{/4} Mrs. Varang Chaiyawan

^{/5} Mr. Khwankeo Vajarrodaya

^{/6} Mrs. Pratana Mongkolkul

^{/7} Mr. Banterng Tantivit

was appointed as Vice Chairman effective from 1 January 2016.

was appointed as Group Chief Executive Officer effective from 1 January 2016.

was appointed as Independent Director and Audit Committee Member effective from 1 April 2016.

was appointed as Compensation Committee Member / Governance and Nomination Committee Member effective from 1 April 2016.

passed away on 28 January 2017.

resigned from Director effective from 31 January 2017 and the Board of Directors appointed Mr. Pakhawat Kovithathanaphong to replace this position effective from 1 March 2017.

resigned from Director effective from 28 February 2017 and the Board of Directors appointed Emeritus Prof. Dr. Khunying Suchada Kiranandhana to replace this position effective from 1 March 2017.

Some directors were unable to attend every Board of Directors Meeting due to business matters.

The Company has 4 Independent Directors and 3 Audit Committee Members which the number and qualifications are in accordance with related notifications.

In addition, Non-Executive Directors had the meeting on 10 November 2016 without the management.

Shareholding of Directors and related party

Shareholding of Directors and related party of Dusit Thani PCL at 31 December 2016 comparing with 31 December 2015

Dusit Thani Public Company Limited								
No.	Name	Shareholding						
		Held by himself/herself		Held by Related Party		Total		Increase (Decrease)
		2016	2015	2016	2015	2016	2015	
1	Mr. Arsa Sarasin	-	-	-	-	-	-	-
2	Professor Hiran Radeesri	-	-	-	-	-	-	-
3	Dr. Kittipong Kittayarak	-	-	-	-	-	-	-
4	Mrs. Pranee Phasipol	-	-	-	-	-	-	-
5	Mr. Banterng Tantivit	-	-	99,186,000	9,918,600	99,186,000	9,918,600	89,267,400
6	Mr. Vichit Chinwongworakul	31,588,000	3,158,800	20,431,000	2,043,100	52,019,000	5,201,900	46,817,100
7	Mrs. Pratana Mongkolkul	-	-	-	-	-	-	-
8	Mrs. Varang Chaiyawan	-	-	21,911,080	2,191,108	21,911,080	2,191,108	19,719,972
9	Mr. Kenneth Korsirisophon	-	-	86,917,720	8,731,772	86,917,720	8,731,772	78,185,948
10	Mr. Chanin Donavanik	526,000	52,600	423,389,440	42,338,944	424,475,680	42,447,568	382,028,112
11	Mrs. Sinee Thienprasiddhi	560,240	56,024					
12	Mrs. Suphajee Suthumpun	-	-	-	-	-	-	-
Total (Shares)		32,674,240	3,267,424	651,835,240	65,223,524	684,509,480	68,490,948	616,018,532

On 28 April 2016, the Annual General Meeting of Shareholders of the Company approved the change in par value of the Company from Baht 10 per share to Baht 1 per share resulting in the change in the total number of shares from 85,000,000 shares to 850,000,000 shares. The Company registered the change in par value of the Company to the Ministry of Commerce on 16 May 2016.

Authorized Directors

Directors who have authorized to sign to bind the Company are Mr. Chanin Donavanik, Mrs. Sinee Thienprasiddhi, Mrs. Varang Chaiyawan and Mrs. Suphajee Suthumpun. Two of these Directors must jointly sign and affix the Company's seal.



➤ Management Team

Management Structure of the Company as of 31 December 2016

No.	Name	Position
1.	Mrs. Suphajee Suthumpun	Group Chief Executive Officer
2.	Mr. Lars Eltvik	Managing Director - Education
3.	Miss Surang Jirattigalachote	Managing Director - Property Development
4.	Miss Wipawadee Sirimongkolkasem	Managing Director - Wellness Living
5.	Miss La-ead Kovavisaruch	Chief Investment Officer
6.	Mr. Akamon Prasoppolsujarit	Chief Financial Officer - Special Project
7.	Mrs. Jongkonnee Chantavorakit*	Vice President - Headquarter Accounting and Finance

Remarks: * Mrs. Jongkonnee Chantavorakit is holding the position of manager or equivalent in accounting or finance departments according to the definition of the Securities and Exchange Commission Notification.

In 2016, executives who are not Directors did not hold/purchase/sell the Company's share.

➤ Company Secretary

The Board of Directors Meeting No.7/2016 held on 29 September 2016 had approved the appointment Miss Mantanee Surakarnkul as a Company Secretary, effective on 1 October 2016 with the following manners:

1. Duties and responsibilities by the law

- 1.1 To provide and file the document as following to comply with the law
 - (a) Director Registration
 - (b) Invitation for the Board of Directors Meeting, Minute of the Board of Directors Meeting and Company's Annual Report
 - (c) Invitation for The Annual General Shareholders Meeting and Minutes of The Annual General Meeting of Shareholders
- 1.2 To file interest transaction report which reported by Director or Management.
- 1.3 To perform any other duties according to the Capital Market Supervisory Board Notification.
- 1.4 To perform any other duties according to Public Limited Companies Act and Securities and Exchange Act.
- 1.5 To perform the duties with responsibility, cautious and honesty inclusive of performing according to the law, Company Objective, Company's Articles of Association, The Board of Directors Resolution and the Shareholders Resolution.

2. Duties and Responsibilities to The Board of Directors

- 2.1 To provide report of interest which report by the Director or Management and propose to Chairman and the Board of Directors according to the regulation of the Securities and Exchange Commission and the Stock Exchange of Thailand.
- 2.2 To report to the Board of Directors regarding new law which concerns the company business including additional items, regulation and notification of the Securities and Exchange Commission and the Stock Exchange of Thailand and report to the Chairman of Audit Committee within 7 days from document receiving date and file that document as evidence.
- 2.3 To monitor Directors to perform their duties and has the resolution to comply with the law, regulation and notification of the Securities and Exchange Commission and the Stock Exchange of Thailand.
- 2.4 To provide guidance and support in working performance to Directors as individual and group,

especially Directors who are not executives for performing their appropriate duties inclusive of purpose the appropriate training and seminar to Directors.

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

2.6 To coordinate with Chairman and Managing Director in order to provide the agenda for the Board of Directors Meeting.

2.7 To provide accuracy share or securities holding report of Directors according to the regulation of Securities and Exchange Commission and summarize to the Board of Directors in the agenda of the matter for acknowledgement.

2.8 To perform any other duties assigned by the Board of Directors.

3. Duties and Responsibilities to Management

3.1 To follow up with the Management performing the resolution and suggestion of the Board of Directors.

3.2 To monitor and follow up with the Management performing according to the law and regulation concerning company business.

3.3 To monitor and follow up with the Management performing with business morality or ethics and good governance policy.

3.4 To provide share or securities holding report of the Executive according to the regulation of Securities and Exchange Commission and the Stock Exchange of Thailand.

4. Duties and Responsibilities to Shareholder

4.1 To communicate and provide the appropriate information to shareholder of the Company according to the regulation

4.2 To take care of shareholders to receive the equal performance from the Company with convenience and fast.

4.3 To be a center in contacting with various institutes and minor investors, especially concerning with the good governance matter.

5. Others

5.1 To monitor and prepare shareholders meeting to be compliance with the law, accuracy and transparency.

5.2 To coordinate with the Board of Directors and Management for the preparation of Shareholders' meeting agenda.

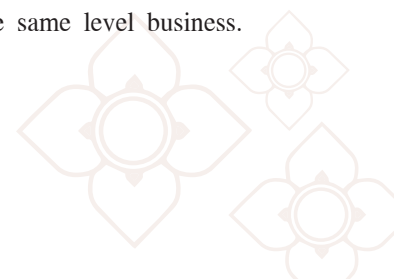
5.3 Being center for communication, information and news among the Board of Directors, Management, Shareholders, Securities and Exchange Commission and Stock Exchange of Thailand including the relevant organization.

Term

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

➤ Remuneration for Directors and Management

The Company has set up the fair and reasonable compensation to directors. The Compensation Committee will consider the remuneration by considering together with the appropriateness of work and responsibilities of each director, the Company's financial position and compare with other companies in the same level business. The remuneration for the year 2016 was as follows:



- Remuneration in Cash

1. Meeting Remuneration:

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

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

Remuneration to the Sub-Committee which are:

- Audit Committee:
 - Monthly remuneration: Chairman of Audit Committee is Baht 20,000 and other members is Baht 10,000 each.
 - Meeting remuneration: Chairman and other members is Baht 10,000 each.
- Compensation Committee and Governance and Nomination Committee:
 - Meeting remuneration to Chairman is Baht 20,000 and to other members is Baht 10,000 each.

2. Annual Remuneration: The annual remuneration to Directors is considered and approved by the Annual General Meeting of Shareholders. In 2016, the summary of remuneration received by each director was as follows:

Name	Year 2016					
	Board of Directors				Other committees*	Total Remuneration
	Monthly Remuneration	Meeting Remuneration	Non-Executives Meeting Remuneration	2015 Annual Remuneration	Remuneration	
1. Mr. Chatri Sophonpanich ^{/1}	-	-	-	45,768	-	45,768
2. Mr. Arsa Sarasin	180,000	180,000	20,000	117,690	-	497,690
3. Professor Hirun Radeesri	120,000	120,000	15,000	78,460	420,000	753,460
4. Mrs. Pranee Phasipol	120,000	135,000	15,000	78,460	260,000	608,460
5. Dr. Kittipong Kittayalak ^{/4}	90,000	60,000	15,000	-	150,000	315,000
6. Mr. Banterng Tanvivit ^{/9}	120,000	75,000	-	52,307	-	247,307
7. Mr. Vichit Chinwongworakul	120,000	90,000	-	52,307	-	262,307
8. Mrs. Pratana Mongkolkul ^{/8}	120,000	90,000	-	78,460	-	288,460
9. Mrs. Varang Chaiyawan ^{/5}	120,000	120,000	15,000	78,460	10,000	343,460
10. Mr. Kenneth Korsiripon	120,000	60,000	-	78,460	-	258,460
11. Mr. Chanin Donavanik ^{/2}	120,000	135,000	-	78,460	-	333,460
12. Mrs. Sinee Thienprasiddhi	120,000	105,000	-	78,460	-	303,460
13. Mrs. Suphaje Suthumpun ^{/3}	120,000	135,000	-	19,615	-	274,615
Directors who retired in 2015						
1. Pol. Lt. Chatrachai Bunya-Ananta (Passed Away)	-	-	-	26,153	-	26,153
2. Mr. Soradis Vinyaratn (Resigned)	-	-	-	19,615	-	19,615
Total Remuneration	1,470,000	1,305,000	80,000	882,675	840,000	4,577,675
Advisors						
1. Professor Sansern Kraichitti ^{/6}	120,000	135,000	-	78,460	90,000	423,460
2. Mr. Khwankeo Vajarodaya ^{/7}	-	60,000	-	-	-	60,000
3. Mr. Sakdi Kiewkarnkha	120,000	120,000	-	58,845	200,000	498,845
Total (Baht)	1,710,000	1,620,000	80,000	1,019,980	1,130,000	5,559,980

Remark: * Including Audit Committee, Compensation Committee and Governance and Nomination Committee

^{/1} Mr. Chatri Sophonpanich is Honorary Chairman.

^{/2} Mr. Chanin Donavanik was appointed as Vice Chairman effective from 1 January 2016.

^{/3} Mrs. Suphaje Suthumpun was appointed as Group Chief Executive Officer effective from 1 January 2016.

- ^{/4} Dr. Kittipong Kittayarak was appointed as Independent Director and Audit Committee Member to replace Professor Sansern Kraichitti who resigned, effective from 1 April 2016.
- ^{/5} Mrs. Varang Chaiyawan was appointed as Compensation Committee and Governance and Nomination Committee member to replace Professor Sansern Kraichitti who resigned effective from 1 April 2016.
- ^{/6} Professor Sansern Kraichitti resigned from Director effective from 1 April 2016 and was appointed as Advisor to the Board of Directors effective from 1 April 2016.
- ^{/7} Mr. Khwankeo Vajarrodya passed away on 28 January 2017.
- ^{/8} Mrs. Pratana Mongkolkul resigned from Director effective from 31 January 2017 and the Board of Directors appointed Mr. Pakhawat Kovithvathanaphong to replace this position effective from 1 March 2017.
- ^{/9} Mr. Banterng Tantivit resigned from Director effective from 28 February 2017 and the Board of Directors appointed Emeritus Prof. Dr. Khunying Suchada Kiranandhana to replace this position effective from 1 March 2017.

Remuneration for the Board of Directors

Remuneration*	Amount (Baht)	
	Year 2015	Year 2016
Monthly and meeting remuneration	3,878,065	3,695,000
Annual remuneration	849,550	882,675
Total	4,727,615	4,577,675

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

Remuneration for Executives

The Board of Directors has set up Executives remuneration policy. The Compensation Committee will consider the remuneration of Group Chief Executive Officer to propose The Board of Directors for approval. For the other Executives will be considered by Executive Committee and approve appropriate remuneration individually based on their KPIs and the Company's performance, the comparison of remuneration in the same position and industry, the survey of employees with their bosses. The Company provides benefits in short term, such as salary adjustment, annual bonus and others. Moreover, provident funds is the long term benefits. The details of remuneration for Executives in 2015-2016 were as follows :

Year	Amount (Person)	Amount (Million Baht)		
		Salary and Bonus	Other Benefits	Total
2015	8	28.67	3.84	32.51
2016	7	47.63	9.50	57.13

Remark: In 2016, the Company changed organizational structure and Executives positions.

Therefore, the name list, number of Executives, salary and bonus was different from those in 2015.

• Other Remuneration

Other Remuneration for the Board of Directors

-None-

Other Remuneration for Executives

The Company provides Provident Fund which the contribution by the Company is 5 percent of the Executives' salary. In 2016, the money contributed by the Company for 7 Executives was Baht 1.82 million.



➤ Human Resources

• Total Employees

The Company has 3,792 employees consists of the Company and subsidiaries employees, own hotels employees included hotels under Dusit Thani Freehold and Leasehold Property Fund, in total of 10 hotels.

• Employees' Remuneration

In 2016, the Company paid employees' remuneration in the amount of Baht 707.79 million which was salary, over time, cost of allowance, bonus, medical expense, uniform, meals, social security fund and money distributed to provident fund. In addition, the subsidiaries paid similar remuneration to their employees in the amount of Baht 1,074.75 million with the details as follows:

Year 2016	Dusit Thani Plc.	Dusit Thai Properties Plc.	Dusit Management Co., Ltd.	Dusit Worldwide Co., Ltd.	Dusit Thani Hotel Studies Co., Ltd.	Philippine Hoteliers, Inc.	Dusit Overseas Co., Ltd.	DMS Property Investment Private Limited	Dusit Thani College	Total
Hotel Employees (person)	1,083	451	871	-	32	537	2	246	300	3,522
Executives (person)	18	3	3	6	1	1	-	1	1	34
Corporate Office Employees (person)	194	7	-	35	-	-	-	-	-	236
Total (person)	1,295	461	874	41	33	538	2	247	301	3,792
Employees' Remuneration (THB Million)	707.79	165.97	299.47	91.46	18.32	178.10	5.51	158.11	157.81	1,782.54

Remark: The Company has no significant change in number of employees or labor dispute in past 3 years.

Employee Development Policy

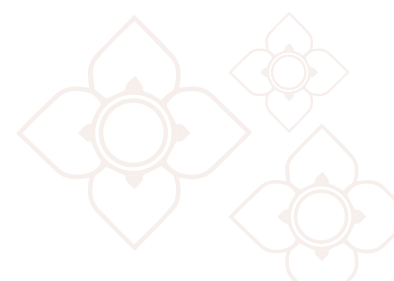
The Company believes that the growth of the Company depends on the quality and efficiency of employees. As such, the employee development policy mainly focuses on the knowledge and skills development of employees at all levels to strengthen the enterprise's potential and overall success of the Company.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

Employee's Learning and Development Budget

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

New Staff Orientation

All new employees shall attend orientation training which consists of three programs: the program for new employees, the after-60-day orientation program, and the after-365-day orientation program. Orientation training is aimed to introduce new employees the rules and regulations in the workplaces, the organization's policies and products, and the location of each hotel, to prepare them to work with other employees.



Training plan for each level based on Dusit 4Cs training model

Type	Grade 1-2	Grade 3	Grade 4-5
Compulsory Training	<ul style="list-style-type: none"> • New Staff Orientation • Dusit Guest Experience Module1 • Performance Appraisal • Behavior-based interview • Professional Trainer • Maintain Discipline 	<ul style="list-style-type: none"> • Dusit Guest Experience M. 1 & 2 • Frontline Leadership (Some modules) • Behavior-based interview • Operational Trainer • Maintain Discipline 	<ul style="list-style-type: none"> • New Staff Orientation • Product Knowledge • Job Skill (SOPs) • Dusit Guest Experience M.1&M.2 • Frontline Leadership (For Grade 4) • Operational Trainer (For Grade4)
Career Training	<ul style="list-style-type: none"> • Management courses Related to individual development plan (IDP) 	<ul style="list-style-type: none"> • Management Courses Related to individual development plan (IDP) 	<ul style="list-style-type: none"> • Competency Development (Related to position skills, language, and computers)
Competitive Training	<ul style="list-style-type: none"> • Finance for Non Finance • Revenue Management • Entrepreneurship • Budgeting, P&L, Financial Analysis • Leadership Profiling and influencing • Situational Leadership the core plus • High Impact Presentation 	<ul style="list-style-type: none"> • Presentation Skill • Training topics based on business and functional needs 	<ul style="list-style-type: none"> • Training topics based on business and functional needs • Other languages required • Up-Selling Training
Corrective Training	<ul style="list-style-type: none"> • Handling Grievance 	<ul style="list-style-type: none"> • Handling Complaint • Handling Grievance 	

Continuous Employee Development

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

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

To ensure that the Company continues to develop employees and covers all the skills, a total training plan is used as a training guideline for employees and to assure that the all year training plan meets the Company's objectives. Moreover, the Company sets a target to achieve the total training plan at 70% which focuses on the end result of people development to increase guest satisfaction instead of the number of training hours. As a result, the training structure is established as following:

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

Dusit Compulsory Programs by Grade Level								
GL	NSO	DTG	DSS	FLL	OPT	HG	PA	MD
	18 hours	3 hours	18 hours	30 hours	12 hours	3 hours	6 hours	6 hours
1	X	X	X			X	X	X
2	X	X	X			X	X	X
3	X	X	X	X	X	X	X	X
4	X	X	X	X	X			
5	X	X	X	X				

NSO	New Staff Orientation
DTG	Dusit Thai Graciousness
DSS	Dusit Signature Service
FLL	Frontline Leadership
OPT	Operational Trainer
HG	Handling Grievances
PA	Performance Appraisal
MD	Maintaining Discipline

Staff Development to Support the Growth and Expansion of the Company

For the staff development to support the growth and expansion of the Company, there is the Succession Plan for the managerial level up. This is to prepare them to be ready for the next position and for long-term expansion. Furthermore, high potential staff are selected to participate in the fast-track development program called “Executive Trainee” to support the short-term growth and expansion of the Company.

For the talent development, the Company also has the Management Trainee Program to develop new graduates to grow in the management level in the future. In the first year, they are assigned to experience every department to gain the operational knowledge and skills. They are also expected to submit their report with their findings and alternative solutions to the executive team. In the second year, they are promoted to be permanent staff at their sponsored hotel and further developed to be middle and top management accordingly.



Corporate Governance

• Policy on Good 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

Important Definition

Wording	Definition
Group Chief Executive Officer	The top executive of the Group.
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 to consider the Directors and Group Chief Executive Officer's remuneration.
The Governance and Nomination Committee	The Sub-Committee is appointed by the Board of Directors to be responsible to nominate persons to be Director and Group Chief Executive Officer and oversee the Company's performance, the disclosure of Investor Relations part and the performance of the Board of Directors, Sub-Committee, Executives and Employees to have Good Corporate Governance complying with the Company's policy and relevant laws, including consideration of the Company's policy and action plan relating to Corporate Social Responsibility.
Company Secretary	The person is appointed by the Board of Directors to be responsible to prepare and keep the invitation letter of the Meetings and Minutes of the Board of Directors' Meeting and Shareholders' Meeting, including other important documents 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, including Institutional Investors 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 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 Annual General Meeting of Shareholders

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

2.7 The Company has determined the policy that the Directors and Executives shall inform the Board of Directors or the person whom assigned by the Board of Directors at least 1 day before the date of purchase or sale the Company's shares.

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 appreciates 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.
- Provide appropriate Employees' benefit concerning with knowledge, responsibility and working performance of the individual which conform to the Company's operating results in short term such as profit of the Company each year and long term such as working performance evaluated by Key Performance Indicator (KPI)

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, equitable and fairly.
- Conduct the standard of trading partners' selection by considering the professional, financial stability, no record of working abandonment, capability to deliver the products and services in time, having appropriate standard of product and service quality and having appropriate price according to the market price.

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 activities 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

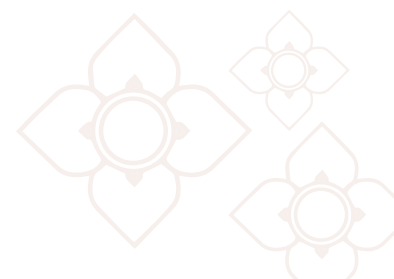
- Support the government and private sector in Anti-Corruption measure.
- Not to request or receive money, assets or any other benefits from related business parties unless such receipt is owing to traditional providing. The said receipt shall be reported to the superior and proceed complying with the Company's regulations.

3.10 The Board of Directors shall provide a 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 Executives or Internal Audit or Audit Committee members and implement the policy of whistleblower's protection.

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 backgrounds
- Identification of the Independent Director
- 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 SEC.

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 Chief Financial Officer (CFO) 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 and disclosed in Annual Report and the Company's website.

5.3 The Board of Directors has considered, reconsidered and approved on the Company's vision, mission, strategies, goals, business plans, investment and budget annually as proposed by the Group Chief Executive

Officer and the management, including ensuring and monitoring that the management performs the business operation efficiently and effectively in accordance with the resolution approved 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 Committee and management clearly and convey 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 Group Chief Executive Officer 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 5 listed companies.

5.7 The Board of Directors has determined the policy that the Group Chief Executive Officer shall not be appointed as a Director in more than 2 other listed companies and must be agreed by the Board of Directors.

In addition, the Group Chief Executive Officer shall not hold Director position in other companies which has the same nature as and is in competition with the business of the Company unless the Board of Director has agreed and informed to the Shareholders' Meeting prior to the appointment.

The above regulations are except being Director in subsidiary company.

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 Group Chief Executive Officer 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 audit 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 should participate 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 Board of Directors shall schedule the Board of Directors Meeting in advance every year which shall be held more than 6 times a year. In case the Company has no meeting by monthly, the Company shall send the report of operating results to the Board of Directors in the month which has no meeting in order that the Board of Directors could oversee, control and monitor the operation of the Company's Management timely and continuously.



The Directors shall attend the Board of Directors' Meeting constantly for acknowledgement and consideration of the matters proposed by Group Chief Executive Officer and the management. The agendas shall be clearly specified prior to the meeting. The meeting shall be called occasionally in case that there is an 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 at least 5 working 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 to 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 have 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 all functions of the Company.

5.20 The Board of Directors has carefully overseen when the transaction 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 SEC and SET regulations shall be followed by disclosing the details, transaction size, contract party, cause and necessity of the transaction in the Annual Report and Form 56-1.

5.21 Regarding to the use of internal information, the Directors, the Executives or the department 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 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 December and reports the evaluation result to the Board of Directors' meeting in February of the following year 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 Group Chief Executive Officer who is the highest executive of the Company in accordance with performance evaluation criteria approved by the Board of Directors.

5.26 The Governance and Nomination Committee has responsibilities to consider organizational structure and component of the Board of Directors of the Company and its subsidiaries, considered the lists of qualified persons to be appointed as Director of the Company and its subsidiaries. In this regard, the structure of the Board of Directors must have diversity of skills, professions, specialization, gender etc., including consideration and nomination of qualified person to be appointed as the Group Chief Executive Officer 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.

Furthermore, regarding the nomination of the Company's Directors, the Board of Directors has responsibility to implement the Board Skill Matrix to specify the qualifications and skills of the qualified persons for nomination of Directors who possess skills of hotel business, finance and accounting, foreign investment and law by considering of important deficient skill in the Board of Directors, consistency with the business strategies and use Director Pool as the database for new Director nomination.

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

5.28 The Chairman of the Board of Directors is not the same person with the Group Chief Executive Officer who has clear separated roles, authorities and responsibilities in order to create the 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 the responsibility to set and enforce the anti-corruption policy to ensure that the management acknowledges the importance of anti-corruption.

5.32 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 consists of at least three persons which one is Audit Committee Chairman. All members of the Audit Committee must be Independent Director, appointed by the Board of Directors, having full qualifications as specified by SEC and SET, with at least one member having accounting knowledge and experience for reviewing the reliability of financial report. Moreover, one secretary shall be appointed as appropriate.

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

3) The biography and qualifications of the members of the Audit Committee are disclosed in the Annual Report and Form 56-1.

4) Meetings of the Audit Committee shall be convened at least 4 meetings per year. The number of the Audit Committee's Meetings and meetings attended by the Audit Committee are disclosed in the Annual Report.

Duties and Responsibilities

1. Review the accuracy and adequacy of the Company's financial report.

2. Review whether the Company has an appropriate and effective internal control system and internal audit procedure and evaluate the independence of Internal Audit Department as well as the appointment, transfer, termination or promotion of the Head of Internal Audit Department.

3. Review the Company's compliance with the Securities and Exchange Act, SET regulations, and relevant laws relating to the Company's business.

4. Consider an external auditor to propose appointment and termination of the Company's auditor and to propose their remuneration and responsibilities, including participating with the auditor in the meeting without the Company's management at least once a year.

5. Evaluate any transactions which may cause conflict of interest according to the law and the SET regulations in order to ensure that the transactions are reasonable and contribute to the best interest of the Company.

6. Review the adequacy of the Company's Risk Management processes.

7. Review the Company's performance according to the Anti-Corruption Policy.

8. Report the Audit Committee's performance to the Board of Directors at least four times a year.

9. Prepare the Audit Committee report and disclose said report, signed by the Audit Committee Chairman, in the Annual Report. The Audit Committee's report should contain at least the following information:

9.1 Opinion on the accuracy, adequacy and reliability of the Company's financial report

9.2 Opinion on the adequacy of the Company's internal control system

9.3 Opinion on the Company's compliance with the Securities and Exchange Act, the SET regulations, and the relevant laws relating to the Company's business

- 9.4 Opinion on the appropriateness of the external auditor
- 9.5 Opinion on transactions that may cause conflict of interests
- 9.6 The frequency of Audit Committee meetings and the participation of each member
- 9.7 Opinion or raise the points on which the Audit Committee obtained from the duties according to the charter
- 9.8 Other reports which shareholders and general investors should know under the scope of duties and responsibilities assigned by the Board of Directors

10. Perform any other duties assigned by the Board of Directors.

11. If the Audit Committee finds any matter which significantly impacts the financial status and/or Company performance, the committee shall report such matters to the Board of Directors in order to resolve such matters in a timely manner:

11.1 Conflict of interest

11.2 Fraud or irregularity or a significant deficiency in the internal control system

11.3 Infringement of the SEC Act, the SET regulations, or relevant laws related to the Company business

If the Board of Directors or the management fails to seek an improvement within a reasonable period, any member of the Audit Committee may report such matter directly to the SEC or SET.

12. If the Auditor finds suspicious circumstances in which a Director, Manager or responsible person in the Company has committed an offense under the law, the Audit Committee should be contacted in order to conduct further investigation immediately. The Audit Committee shall report the primary result to the SEC and the Auditor within 30 days of being informed. The method to obtain clarification on the above mentioned circumstances should be in accordance with the notification of the Capital Market Supervisory Board.

Compensation Committee

1) Compensation Committee consists of at least three persons which one is Compensation Committee Chairman who must be Independent Director. Majority of the Compensation Committee members shall be Independent Director and appointed by the Board of Directors.

The Compensation Committee shall monitor the changing of the Company's performances for further improvement of the Company's rules on remuneration determination and must be able to independently perform the duties, express opinions and report on the performance of the assigned duties.

2) Term of the Chairman of Compensation Committee and Compensation Committee Member is 3 years each. Each member shall be in the position no longer than 3 terms except getting a special approval by the Board of Directors.

3) Meetings of the Compensation Committee shall be convened at least 2 meetings per year. The number of the Compensation Committee's Meetings and meetings attended by the Compensation Committee are disclosed in the Annual Report.

Duties and Responsibilities

1. Propose the policy and procedure of remuneration for the Board of Directors and Sub-Committees of the Company and subsidiary companies appointed by the Board of Directors, both in cash and non-cash.

2. Propose the remuneration policy for Group Chief Executive Officer, both in cash and non-cash, to comply with the Company's performance prior to the Board of Directors approval annually

3. Regularly review, study and follow up the changes and trends of remuneration for the Board of Directors, including the management of the Company, by comparing with other leading companies in the same business in order to motivate the administration progress.

4. Perform other duties as assigned by the Board of Directors.

Governance and Nomination Committee

1) Governance and Nomination Committee consists of at least three persons which one is Governance and Nomination Committee Chairman who must be Independent Director. Majority of Governance and Nomination Committee members shall be Independent Director and appointed by the Board of Directors.

The Governance and Nomination Committee must have good knowledge and understanding on Corporate Governance, be able to independently perform the duties, express opinions, report on the performance of the assigned duties and be neutral in recruitment and selection of persons qualified for nomination to hold the position of the Company's directors, replacing those whose terms of office expired or other cases.

2) Term of the Chairman of Governance and Nomination Committee and Governance and Nomination Committee Member is 3 years each. Each member shall be in the position no longer than 3 terms except getting a special approval by the Board of Directors.

3) Meetings of the Governance and Nomination Committee shall be convened at least 2 meetings per year. The number of the Governance and Nomination Committee's Meetings and meeting attended by the Governance and Nomination Committee are disclosed in the Annual Report.

Duties and Responsibilities

1. Govern and monitor the Company's business operation, disclose information of Investor Relations and ensure the Board of Directors, Sub-Committees, management and employees strictly comply with good corporate governance, Company policies and related laws and regulations.

2. Determine the scope of and review the Company's operation policies, making recommendations concerning good Corporate Governance and keeping the policies up-to-date.

3. Consider CSR policy and operating plans to be submitted to the Board of Directors for approval.

4. Propose organizational structures of the Board of Directors of the Company and its subsidiaries.

5. Propose a list of qualified persons to be appointed as Director of the Company and its subsidiaries.

6. Consider and determine qualified persons to be appointed as Group Chief Executive Officer and formulate the Succession Plan.

7. Recommend a process of performance evaluation for the Board of Directors and the Sub-Committees, utilizing such information for improvement of work efficiency.

8. Perform other duties as assigned by the Board of Directors.

Risk Management Committee

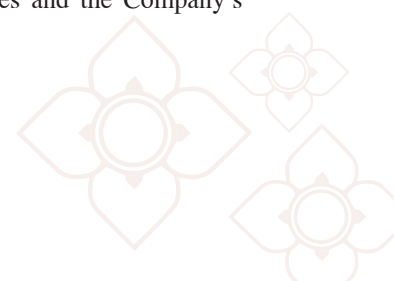
The Company has appointed the Risk Management Department and the Risk Management Committee which consist of the Group Chief Executive Officer and one top Executive from the Operation Department, one top Executive from the Education Department and two top Executives from the Corporate Office who are responsible 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 and report to Executive Committee and later to Audit Committee. 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 which is responsible to prepare and keep the documents correctly and completely in accordance with the law and to perform any duties specified in the notifications of the Capital Market Supervisory Board, the Public Limited Companies Act and the Securities and Exchange Act.

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 authorities.

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 actions 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 shareholders 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 to provide channels 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 a 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 major and minor 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 and efficiency and develop the Company to the excellence.

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 health.

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 practice 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 patience 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, to 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 activities which preserve the environmental and working 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 unfairness.

10. The employees shall inform the relevant departments or the Executive of any improper or illegal actions 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 which improve the quality, efficiency and development of the Company to the excellence.

14. The employees shall not receive the gift except such receipt is owing to tradition providing. The said receipt shall be reported to the superior and proceed complying with the Company's regulations.

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 assigned Chief Financial Officer (CFO) 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/investor

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



Committee and Sub-Committee

• Board of Directors Structure

Board of Directors structure of the Company consists of Board of Directors and 4 sub-committees which are Audit Committee, Compensation Committee, Governance and Nomination Committee and Executive Committee. Group Chief Executive Officer is the top executive of the Company who manages the Company through the executives which summarize as follows:

Board of Directors

As of 31 December 2016, the Board of Directors of the Company consists of 12 directors which the authorities and responsibilities are as follows:

Authorities and Responsibilities of Board of Directors

1. Approve the appointment and the remuneration of Group Chief Executive Officer.
2. Evaluate the performance of Group Chief Executive Officer.
3. Approve the organizational structure and management of the Group.
4. Approve the vision, mission, policies, strategies, goals, business plan, investments and annual budget for the Group and ensures performance according to the plan and budget.
5. Regularly evaluate the performance and finance of the Group, including determining remuneration and succession planning review.
6. Approve related transactions, conflicts of interest, acquisition or disposition of assets, etc. according to the laws and regulations of the SEC and SET.
7. Approve the issues of contingent liabilities, commitments and guarantees of the Group and authorize management to process appropriately.
8. Consider any dispute or litigation of the Group where the capital has claimed is in excess of, Baht 5 million.
9. Approve the payment of the Group which is not in the annual budget and/or exceeds the authority of the Executive Committee.
10. Approve the payment of the Group which over budget and exceed the authority of the Executive Committee.
11. Approve the rental and leasing of immovable property for a period over 3 years.
12. Consider and determine the responsibilities and authorities of: Audit Committee and other Sub-Committees; representative Board of Directors in subsidiary companies; and Executive Committee.
13. Consider matters to be proposed at the Shareholders Meeting.
14. Approve matters proposed by the Executive Committee, including all matters required by law or SEC or SET, to be proposed to Board of Directors for approval.
15. The Board of Directors may assign a Director or any other person(s) to take action or have authority for the Board of Directors within an acceptable period of time, under the Board of Directors' consideration. The Board of Directors may abrogate, change or revise the assigned person as appropriate, except for the acquisition and disposition of assets which shall follow the regulations of the SEC and SET.

However, the Board of Directors may authorize the Executive Committee to process other assignments within their scope of responsibilities. The authorization shall not involve any personal issues, interests or other benefits relating to the Company or subsidiary companies, unless the issues are reviewed and approved under the objectives and principles of the Board.

Term

Term of the Board of Directors shall be in line with the Article of Association of Dusit Thani Public Company Limited, Chapter 4. Director, Clause 14 to 18.

Meetings and Quorum

The Board of Directors sets up 6 meetings per year at the Headquarter of the Company.

During the meeting, Directors are required to attend no less than half numbers of all Directors to make a quorum. In case the President is absent or cannot perform his or her duty, the Board of Directors will select one of the Directors to be the Chairman of the meeting.

Responsibilities of the Chairman of the Board of Directors

1. To be responsible as the leader of the Board of Directors to oversee the operations of the Company to achieve the objectives pursuant to the specified plan;
2. To act as the Chairman of the Board of Directors Meeting and the Shareholders' Meeting and ensure that the said meetings run in good order in accordance with the Public Limited Company Act and the Securities and Exchange Act;
3. To have a casting vote in case the Board of Directors Meeting and Shareholders' Meeting has a tie vote.

Audit Committee

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

At present, the Audit Committee of the Company consists of 3 persons and 1 Advisor.

The names and meeting attendance record of Audit Committee's members during January-March 2016 were as follows:

No.	Name	Position	Number of Meeting Attendance
1.	Professor Hiran Radeesri	Audit Committee Chairman	3/3
2.	Professor Sansern Kraichitti*	Audit Committee Member	3/3
3.	Mrs. Pranee Phasipol	Audit Committee Member	3/3
4.	Mr. Sakdi Kiewkarnkha **	Advisor to the Audit Committee	3/3

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

The names and meeting attendance record of Audit Committee's members during April-December 2016 were as follows:

No.	Name	Position	Number of Meeting Attendance
1.	Professor Hiran Radeesri	Audit Committee Chairman	7/7
2.	Dr. Kittipong Kittayarak	Audit Committee Member	6/7
3.	Mrs. Pranee Phasipol	Audit Committee Member	7/7
4.	Mr. Sakdi Kiewkarnkha **	Advisor to the Audit Committee	6/7

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

Remark: * Referring to the Resolution of the Board of Directors' meeting no. 2/2016, Professor Sansern Kraichitti resigned from Audit Committee Member with effective date of 1 April 2016 onwards and the Board of Directors appointed Dr. Kittipong Kittayarak to replace his position with effective of 1 April 2016 onwards.

** Referring to the Resolution of the Board of Directors' meeting no. 6/2015, Mr. Sakdi Kiewkarnkha resigned from Director with effective date of 1 October 2015 onwards and the Board of Directors appointed him as Advisor to the Board of Directors and Advisor to the Audit Committee with effective of 1 October 2015 onwards.

Composition and Qualification:

The Audit Committee consists of at least three persons which are one Audit Committee Chairman and Audit Committee Members. All members of the Audit Committee must be the Independent Director, appointed by the Board of Directors, having full qualifications as specified by SEC and SET, with at least one member having sufficient knowledge in Accounting and experience for reviewing the reliability of financial report. Moreover, one secretary shall be appointed as appropriate.

Duties and Responsibilities

1. Review the accuracy and adequacy of the Company's financial report.
 2. Review whether the Company has an appropriate and effective internal control system and internal audit procedure and evaluate the independence of Internal Audit Department as well as the appointment, transfer, termination or promotion of the Head of Internal Audit Department.
 3. Review the Company's compliance with the Securities and Exchange Act, SET regulations, and relevant laws relating to the Company business.
 4. Consider an external auditor to propose appointment and termination of the Company auditor and to propose their remuneration and responsibilities, including participating with the auditor in the meeting without the Company's management at least once a year.
 5. Evaluate any transactions which may cause conflict of interest according to the law and the SET regulations in order to ensure that the transactions are reasonable and contribute to the best interest of the Company.
 6. Review the adequacy of the Company's Risk Management processes.
 7. Review the Company's performance according to the Anti-Corruption Policy.
 8. Report the Audit Committee's performance to Board of Directors at least four times a year.
 9. Prepare the Audit Committee report and disclose said report, signed by the Audit Committee Chairman, in the Annual Report. The Audit Committee's report should contain at least the following information:
 - 9.1 Opinion on the accuracy, adequacy and reliability of the Company's financial report.
 - 9.2 Opinion on the adequacy of the Company's internal control system.
 - 9.3 Opinion on the Company's compliance with the Securities and Exchange Act, the SET regulations, and the relevant laws relating to the Company's business.
 - 9.4 Opinion on the appropriateness of the external auditor.
 - 9.5 Opinion on transactions that may cause conflict of interests.
 - 9.6 The frequency of Audit Committee meetings and the participation of each member.
 - 9.7 Opinion or raise the points on which the Audit Committee obtains from the duties according to the charter.
 - 9.8 Other reports which shareholders and general investors should know under the scope of duties and responsibilities assigned by Board of Directors.
 10. Perform any other duties assigned by Board of Directors.
 11. If the Audit Committee finds any matter which significantly impacts the financial status and/or Company performance, the committee shall report such matters to Board of Directors in order to resolve such matters in timely manner:
 - 11.1 Conflict of interest
 - 11.2 Fraud or irregularity or a significant deficiency in the internal control system.
 - 11.3 Infringement of the SEC Act, the SET regulations, or relevant laws related to the Company business.
- If the Board of Directors or the management fails to seek an improvement within a reasonable period, any member of the Audit Committee may report such matter directly to the SEC or SET.
12. If the Auditor finds suspicious circumstances in which a Director, Manager or responsible person in the Company has committed an offense under the law, the Audit Committee should be contacted in order to conduct further investigation immediately. The Audit Committee shall report the primary result to the SEC and the Auditor within 30 days of being informed. The method to obtain clarification on the above mentioned circumstances should be in accordance with the notification of the Capital Market Supervisory Board.

Authority

1. The Audit Committee can invite the Board of Directors 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.

Term

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

Besides the tenure ending, the Audit Committee will be terminated due to the reasons as follows:

1. lack of qualification for the office of the Audit Committee;
2. death;
3. resignation;
4. removal;
5. being imprisoned by a final judgment or by lawful order, except for offences committed through negligence or a minor offence;
6. being an incompetent or quasi-incompetent persons and;
7. being bankrupt.

For resignation, the Audit Committee Member has to submit the resignation letter to the Chairman of the Board of Directors. The resignation is effective since the date of resignation letter delivered to the Chairman of the Board of Directors.

If a member of the Audit Committee resigns or is dismissed from the position before expiration of the term of office, the Company shall immediately inform the Stock Exchange of Thailand. The member of the Audit Committee who resigned or was dismissed may explain the reason to the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand.

In case of vacancies of all members in the Audit Committee, the said Audit Committee shall perform any act in the name of the Audit Committee until new Audit Committee shall be appointed.

In case of a vacancy in the Audit Committee for reasons other than expiration of the term of office, the Board of Directors shall appoint a new qualified member to fill up the vacancy. The replaced member shall hold the position for remaining term of the former member.

Meetings and Quorum

Meetings of the Audit Committee shall be convened at least 4 meetings per year.

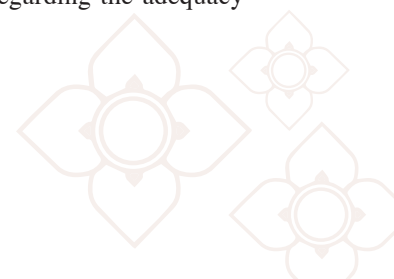
In calling a meeting of the Audit Committee, the Audit Committee Chairman or the Secretary to the Audit Committee, by order of the Audit Committee Chairman, shall serve a written notice calling for such meeting to members of the Audit Committee not less than 7 days prior to the date of the meeting. Where it is necessary or urgent, the meeting may be called by other methods or set an earlier meeting date.

The Audit Committee should hold meetings to discuss matters within its scope of duties.

At a meeting of the Audit Committee at least half the number of the members of the Audit Committee appointed by the Board of Directors must be present to constitute a quorum. In case the Audit Committee Chairman is absent or unable to perform the duty, the Audit Committee shall appoint a member presents at the meeting to perform the duty on behalf of the Audit Committee Chairman.

Decisions making in the meeting shall be made by a simple majority vote. Each member of the Audit Committee is entitled to one vote, except the member of the Audit Committee who has a conflict of interest in any matter shall not be entitled to vote on such matter. In the event of tie vote, the Chairman of the meeting shall have a casting vote.

In 2016, the Audit Committee regularly held the meeting and submitted their report to the Board of Directors occasionally. The Audit Committee provided opinion to the Board of Directors regarding the adequacy of internal control and fixed the auditors' remuneration for the year 2017.



- **Name list of Audit Committee who have knowledge and experience for reviewing the reliability of financial report and auditing experiences of those directors**

Professor Hiran Radeesri and Mrs. Pranee Phasipol have knowledge in Accounting and experience for reviewing the reliability of financial report and are Certified Public Accountant. The education, trainings and work experiences of Audit Committee Members are disclosed in the Board of Directors, Executive and Authorized Person information.

Compensation Committee

The Compensation Committee was set up on May 14 2002. Currently, majority members are independent directors and has 3 years' term for each person.

The names and meeting attendance record of Compensation Committee's members during January to March 2016 were as follows:

No.	Name	Position	Number of Meeting Attendance
1.	Professor Hiran Radeesri	Compensation Committee Chairman	1/1
2.	Professor Sansern Kraichitti *	Compensation Committee Member	1/1
3.	Mrs. Pranee Phasipol	Compensation Committee Member	1/1

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

The names and meeting attendance record of Compensation Committee's members during April to December 2016 were as follows:

No.	Name	Position	Number of Meeting Attendance
1.	Professor Hiran Radeesri	Compensation Committee Chairman	-/-
2.	Mrs. Pranee Phasipol	Compensation Committee Member	-/-
3.	Mrs. Varang Chaiyawan	Compensation Committee Member	-/-

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

Remark: *Referring to the Resolution of the Board of Directors' meeting no. 2/2016, Professor Sansern Kraichitti resigned from Compensation Committee Member with effective date of 1 April 2016 onwards and the Board of Directors appointed Mrs. Varang Chaiyawan to replace his position with effective of 1 April 2016 onwards. However, since during 1 April 2016 – 31 December 2016, the Company did not hold any meetings for The Compensation Committee.

Composition and Qualification:

Compensation Committee consists of at least three persons which are one Compensation Committee Chairman who must be Independent Director and Compensation Committee Members. Majority of the Compensation Committee members shall be Independent Director and appointed by the Board of Directors.

The Compensation Committee shall monitor the changing of the Company's performances for further improvement of the Company's rules on remuneration determination and must be able to independently perform the duties, express opinions and report on the performance of the assigned duties.

Duties and Responsibilities

1. Propose the policy and procedure of remuneration for the Board of Directors and Sub-Committees of the Company and subsidiary companies appointed by the Board of Directors, both in cash and non-cash.
2. Propose the remuneration policy for Group Chief Executive Officer, both in cash and non-cash, to comply with the Company's performance prior to the Board of Directors approval annually.

3. Regularly review, study and follow up the changes and trends of remuneration for the Board of Directors, including the management of the Company, by comparing with other leading companies in the same business in order to motivate the administration progress.
4. Perform other duties as assigned by the Board of Directors.

To fulfill the duties under scope of authority, the Compensation Committee is authorized to call and order the Management, manager or any relevant employee to give opinions, attend meetings or submit necessary documents. In addition, the Compensation Committee may seek external consultation from independent consultants or experts in various fields, as deemed necessary and appropriate, at the Company's expense.

Term

Term of the Compensation Committee Chairman and Compensation Committee Member is 3 years each. Each member shall be in the position no longer than 3 terms except getting a special approval by the Board of Directors.

Besides the tenure ending, the Compensation Committee will be terminated due to the reasons as follows:

1. lack of qualification for the office of the Compensation Committee;
2. death;
3. resignation;
4. removal;
5. being imprisoned by a final judgment or by lawful order, except for offences committed through negligence or a minor offence;
6. being an incompetent or quasi-incompetent persons and;
7. being bankrupt.

For resignation, the Compensation Committee Member has to submit the resignation letter to the Chairman of the Board of Directors. The resignation is effective since the date of resignation letter delivered to the Chairman of the Board of Directors.

In case of vacancies of all members in the Compensation Committee, the said Compensation Committee shall perform any act in the name of the Compensation Committee until new Compensation Committee shall be appointed.

In case of a vacancy in the Compensation Committee for reasons other than expiration of the term of office, the Board of Directors shall appoint a new qualified member to fill up the vacancy. The replaced member shall hold the position for remaining term of the former member.

Meetings and Quorum

Meetings of the Compensation Committee are to be called whenever the Compensation Committee or the Compensation Committee Chairman sees fit, as deemed necessary and appropriate. There shall be convened at least 2 meetings per year.

In calling a meeting of the Compensation Committee, the Compensation Committee Chairman or the Secretary to the Compensation Committee, by order of the Chairman of Compensation Committee, shall serve a written notice calling for such meeting to members of the Compensation Committee not less than 7 days prior to the date of the meeting. Where it is necessary or urgent, the meeting may be called by other methods or set an earlier meeting date.

The Compensation Committee should hold meetings to discuss matters within its scope of duties.

At a meeting of the Compensation Committee, at least half the number of the members of the Compensation Committee appointed by the Board of Directors must be present to constitute a quorum. In case the Compensation Committee Chairman is absent or unable to perform the duty, the Compensation Committee shall appoint a member presents at the meeting to perform the duty on behalf of the Compensation Committee Chairman.

Decisions making in the meeting shall be made by a simple majority vote. Each member of the Compensation Committee is entitled to one vote, except the member of the Compensation Committee who has a conflict of interest in any matter shall not be entitled to vote on such matter. In the event of tie vote, the Chairman of the meeting shall have a casting vote.

In 2016, the Compensation Committee held the meeting and submitted their report to the Board of Directors.

Compensation Committee performed activities according to its Charter without any limitation and has full access to any information.

Governance and Nomination Committee

The Governance and Nomination Committee was set up on 14 May 2002. Currently, majority members are Independent Directors and each person has 3 years' term.

The names and meeting attendance record of Governance and Nomination Committee's members during January - March 2016 were as follows:

No.	Name	Position	Number of Meeting Attendance
1.	Professor Hiran Radeesri	Governance and Nomination Committee Chairman	2/2
2.	Professor Sansern Kraichitti*	Governance and Nomination Committee Member	2/2
3.	Mrs. Pranee Phasripol	Governance and Nomination Committee Member	2/2

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

The names and meeting attendance record of Governance and Nomination Committee's members during April - December 2016 were as follows:

No.	Name	Position	Number of Meetings Attendance
1.	Professor Hiran Radeesri	Governance and Nomination Committee Chairman	1/1
2.	Mrs. Varang Chaiyawan	Governance and Nomination Committee Member	1/1
3.	Mrs. Pranee Phasripol	Governance and Nomination Committee Member	1/1

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

Remark: *Referring to the Resolution of the Board of Directors' meeting no. 2/2016, Professor Sansern Kraichitti resigned from Governance and Nomination Committee Member with effective date of 1 April 2016 onwards and the Board of Directors appointed Mrs. Varang Chaiyawan to replace his position with effective of 1 April 2016 onwards.

Composition and Qualification

Governance and Nomination Committee consists of at least three persons which are one Governance and Nomination Committee Chairman and Governance and Nomination Committee Members. Majority members of the Governance and Nomination Committee shall be Independent Director and appointed by the Board of Directors.

The Governance and Nomination Committee must have good knowledge and understanding on corporate governance, be able to independently perform the duties, express opinions, report on the performance of the assigned duties and be neutral in recruitment and selection of persons qualified for nomination to hold the position of the Company's Directors, replacing those whose terms of office expired or for other cases.

Duties and Responsibilities

1. Govern and monitor the Company's business operation, disclose information of Investor Relations and ensure the Board of Directors, Sub-Committees, management and employees strictly comply with good corporate governance, Company policies and related laws and regulations.
2. Determine the scope of and review the Company's operation policies, making recommendations concerning good corporate governance and keeping the policies up-to-date.
3. Consider CSR policy and operating plans to be submitted to the Board of Directors for approval.
4. Propose organizational structures of the Board of Directors of the Company and its subsidiaries.
5. Propose a list of qualified persons to be appointed as Director of the Company and its subsidiaries.

6. Consider and determine qualified persons to be appointed as Group Chief Executive officer and formulate the Succession Plan.
7. Recommend a process of performance evaluation of the Board of Directors and the Sub-Committees, and utilizing such information for improvement of work efficiency.
8. Perform other duties as assigned by the Board of Directors.

To fulfill the duties under scope of authority, the Governance and Nomination Committee is authorized to call and order the management, manager or any relevant employee to give opinions, attend meetings or submit necessary documents. In addition, the Governance and Nomination Committee may seek external consultation from independent consultants or experts in various fields, as deemed necessary and appropriate, at the Company's expense.

Term

Term of the Chairman of Governance and Nomination Committee and Governance and Nomination Committee Member is 3 years each. Each member shall be in the position no longer than 3 terms except getting a special approval by the Board of Directors.

Besides the tenure ending, the Governance and Nomination Committee will be terminated due to the reason as follows:

1. lack of qualification for the office of the Governance and Nomination Committee;
2. death;
3. resignation;
4. removal;
5. being imprisoned by a final judgment or by lawful order, except for offences committed through negligence or a minor offence;
6. being an incompetent or quasi-incompetent persons and;
7. being a bankrupt.

For resignation, the Governance and Nomination Committee Member has to submit the resignation letter to the Chairman of the Board of Directors. The resignation is effective since the date of resignation letter delivered to the Chairman of the Board of Directors.

In case of vacancies of all members in the Governance and Nomination Committee, the said Governance and Nomination Committee shall perform any act in the name of the Governance and Nomination Committee until new Governance and Nomination Committee shall be appointed.

In case of a vacancy in the Governance and Nomination Committee for reasons other than expiration of the term of office, the Board of Directors shall appoint a new qualified member to fill up the vacancy. The replaced member shall hold the position for remaining term of the former member.

Meetings and Quorum

Meetings of the Governance and Nomination Committee are to be called whenever the Governance and Nomination Committee or the Governance and Nomination Committee Chairman sees fit, as deemed necessary and appropriate. There shall be convened at least 2 meetings per year.

In calling a meeting of the Governance and Nomination Committee, the Governance and Nomination Committee Chairman or the Secretary to the Governance and Nomination Committee, by order of the Chairman of Governance and Nomination Committee, shall serve a written notice calling for such meeting to members of the Governance and Nomination Committee not less than 7 days prior to the date of the meeting. Where it is necessary or urgent, the meeting may be called by other methods or set an earlier meeting date.

The Governance and Nomination Committee should hold meetings to discuss matters within its scope of duties.

At a meeting of the Governance and Nomination Committee at least half the number of the members of the Governance and Nomination Committee appointed by the Board of Directors must be present to constitute a quorum. In case the Governance and Nomination Committee Chairman is absent or unable to perform the duty, the Governance and Nomination Committee shall appoint a member presents at the meeting to perform the duty on behalf of the Chairman of Governance and Nomination Committee.

Decision making in the meeting shall be made by a simple majority vote. Each member of the Governance and Nomination Committee is entitled to one vote, except the member of the Governance and Nomination Committee who has a conflict of interest in any matter shall not be entitled to vote on such matter. In the event of tie vote, the Chairman of the meeting shall have a casting vote.

In 2016, the Governance and Nomination Committee regularly held the meeting and submitted their report to the Board of Directors occasionally.

Government and Nomination Committee performed activities according to its Charter without any limitation and has full access to any information.

Executive Committee

At the Board of Directors' Meeting No. 8/2015 on 21 December 2015, the Board of Directors approved the appointment of the Executive Committee effective from 1 January 2016 and Mr. Chanin Donavanik is appointed as the Executive Committee Chairman as follows:

No.	Name	Position
1.	Mr. Chanin Donavanik	Executive Committee Chairman
2.	Mrs. Sinee Thienprasiddhi	Executive Director
3.	Mrs. Suphajee Suthumpun	Executive Director

In 2016, the Executive Committee held 13 meetings.

Composition and Qualification

The Board of Directors is responsible for the appointment of the Executive Committee by electing a number of qualified persons from the Board of Directors members and the executives of the Company.

Authorities and Duties of Executive Committee Chairman

1. Govern and monitor the performance of Executive Committee
2. Advise the management on business procedure
3. Govern and monitor Management to perform according to the resolution of the Board of Directors
4. Perform other duties as assigned by the Board of Directors

Authorities and Responsibilities of Executive Committee

1. Evaluate the vision, mission, policy, strategy, goal, business plan, investment and annual budget proposed by the Group Chief Executive Officer for the Board of Directors approval.
2. Approve the investment plan, workforce plan, bonus and salary increase under the annual budget approved by the Board of Directors.
3. Consider any dispute and litigation of the Group in which the capital claimed does not exceed Baht 5 million.
4. Approve the appointment, termination and remuneration of Management at one level down from Group Chief Executive Officer.
5. Approve management structures and frameworks below Executive Level.
6. Approve salary and remuneration structures of staff and executives.
7. Govern and monitor the operation to comply with policies, strategies and goals effectively, as well as comply with legal requirements and without any conflict of interest to maximize the benefits of the company.
8. Approve the payment of the Group which is not in the annual budget and exceed the authority of the Group Chief Executive Officer, not exceeding Baht 30 million per one round of the Board of Directors Meeting, in compliance with the announcement and regulations of SEC and SET.
9. Approve the payment of the Group when over budget by 5% but not exceeding 10% or Baht 30 million, whichever amount is higher, per one round of the Board of Directors Meeting in compliance with the announcement and regulations of SEC and SET.
10. Approve the rental and leasing of immovable property which falls outside of standard business practices for a period not exceeding 3 years.
11. Perform other duties as assigned by the Board of Directors.

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.

Apart from the Executive Committee, the Company also set up the special management committee to review and manage in particular matters in order to have the best appropriateness, efficiency and effectiveness to the Company. Such management committees are as follows:

- Management Committee
- Risk Management Committee
- Project Renovation Committee
- Legal Committee
- IT Committee
- Welfare Committee

➤ **Group Chief Executive Officer**

At the Board of Directors' Meeting No. 5/2015 on 8 September 2015, the Board of Directors approved the appointment of Mrs. Suphaje Suthumpun as Group Chief Executive Officer to replace Mr. Chanin Donavanik with effective date on 1 January 2016 onwards.

Authorities and Responsibilities of Group Chief Executive Officer

1. Set up vision, mission, policies, strategies, goals, business plan, investment and annual budget of the Group and submit to Executive Committee for consideration before proposing to Board of Directors for approval.
2. Govern and monitor business affairs in accordance with the approved policies, strategies, goals, business plan and annual budget of the Group to achieve the targets and to increase shareholder value by maximizing earnings per share.
3. Govern and monitor the management of the Group's business to comply with objectives, articles of association, policies, regulations, commands, resolutions of Shareholder meetings and/or resolution of Board of Directors meetings and/or Executive Committee, as well as follow up on the implementation of the management in order to regularly report progress and performance of the Group to the Board of Directors.
4. Set up the HR management policy of the Group and support the operation of all units of the Group to develop and utilize existing potential efficiently.
5. Approve promotions of executive level.
6. Create a vision of leadership for all management levels.
7. Advise and share the experience in business operation for management and staff to benefit the operation of the Group.
8. Provide internal control systems, financial and investment risk assessment of the Group to reduce the risks by setting the risk management policy, including the follow up and evaluation to report to the Board of Directors.
9. Approve the payment of the Group which is not in the annual budget, not exceeding Baht 10 million per one round of the Board of Directors Meeting and comply with the announcements and regulations of SEC and SET.
10. Approve the payment of the Group when over budget not exceeding 5% or Baht 10 million whichever amount is higher per one round of the Board of Directors Meeting and shall comply with the announcement and regulation of SEC and SET.



11. Manage the financial and budget expenditures of the Group to maximize benefits efficiently.
12. Perform other duties as assigned by the Board of Directors and/or Executive Committee.

Board Self-Assessment

The Board of Directors has an annual self-assessment according to the Stock Exchange of Thailand's guideline. The process and criterion of self-assessment are filling an assessment form by each director and summarizing the average score of each criteria average, the assessment results shall be informed and considered at the Board of Directors Meeting to improve their performance further.

The summary of the Board Self-Assessment 2016, the Board of Directors opines that all matters have Good implementation.

Sub-Committee Self-Assessment

1. According to SET's guideline, Audit Committee has annually performed self-assessment checklists to evaluate and increase their performance which an assessment results in 2016 was **Good**.

2. Compensation Committee has annually performed self-assessment checklists to evaluate and increase their performance which an assessment results in 2016 was **Good**.

3. Governance and Nomination Committee has annually performed self-assessment checklists to evaluate and increase their performance which an assessment results in 2016 was **Good**.

Group Chief Executive Officer's Performance Evaluation

The Board of Directors has annually evaluated Group Chief Executive Officer's performance according to performance evaluation criteria approved by the Board of Directors.

Board of Directors' Training

In 2016, the Directors who attended training courses were as follows.

Name	Course	Institute	Training Date
Professor Hiran Radeesri	- Thai Financial Reporting Standards (TFRSs)	- Federation of Accounting Professions	22 July 2016
	- Pack 5 & Fair Value 2/2016	- Federation of Accounting Professions	24 July 2016
	- Understanding Financial Reporting Standards	- Federation of Accounting Professions	25 November 2016
Mrs. Pranee Phasipol	- Risk Management Plan 11/2016	- Thai Institute of Directors	20 – 21 September 2016
	- Nomination and Role of the Governance Committee 8/2016	- Thai Institute of Directors	17 – 18 November 2016
	- Quality Development of Accountancy	- Securities and Exchange Commission, Thailand	25 July 2016
	- AC Forum by KPMG 2016	- KPMG Audit (Thailand) Co., Ltd.	10 March, 26 May, 25 August 2016
Mrs. Pratana Mongkolkul	- Advanced Audit Committee Program 22/2016	- Thai Institute of Directors	15 and 28 January 2016 4 and 11 February 2016
Mrs. Varang Chaiyawan	- DAP 131/2016	- Thai Institute of Directors	17 October 2016

• Criteria of Director and Top Executive Nomination and Appointment

(1) Independent Director

Independent Directors of the Company are as follows:

1. Mr. Arsa Sarasin
2. Professor Hiran Radeesri
3. Dr. Kittipong Kittayarak
4. Mrs. Pranee Phasipol

Criteria of Independent Director Selection

■ Qualifications of Independent Director

The number of Independent Directors must be not less than one-third of the total number of the Directors, and must not be less than three persons.

The Company set the definition of Independent Director that if Independent Director holds the Company's shares, he shall not hold more than 0.5% of total shares with voting rights of the Company, parent company, subsidiary company, associated company, major shareholder or controlling person, including shares held by related person of such Independent Director. Other qualifications of Independent Director shall be in line with the Notification of Capital Market Supervisory Board.

■ Procedure and Criteria of Independent Director Selection and Appointment

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

In addition, Independent Director of the Company does not or never had business relation or be a professional service provider to the Company.

(2) Director and Top Executive

The Board of Directors of the Company consists of 12 Directors and 8 Executives according to definition of the Securities and Exchange Commission Notification which the details appeared in the topics of the Board of Directors and Management Team.

Criteria of Director and Top Level Executive Selection

■ Qualification of Director and Executive

The qualification of Director and Executive shall comply with the Public Company Limited Act, the Securities and Exchange Act, the Article of Association of the Company and other regulations related to listed company.

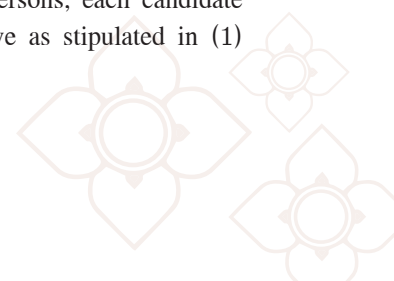
■ Procedure and Criteria of Director Selection and Appointment

In the appointment of the Company's Directors, the Governance and Nomination Committee which consist of majority of independent directors have responsibilities to select and nominate the qualified person according to the Public Company Limited Act, the Securities and Exchange Act, the Article of Association of the Company and other regulations related to listed company in order to acquire director with expertise and variety of experiences by considering the Board size and structure and propose to the Board of Directors Meeting for consideration and agreement. The Board of Directors resolution regarding the director nomination will be proposed to the Shareholders Meeting for approval according to relevant rules and regulations.

The Appointment of Director by Shareholders Meeting

The directors shall be elected in accordance with the following rules and procedures:

1. Each shareholder shall have one vote per one share;
2. When electing the Directors, the shareholders may exercise all the votes he/she has to elect one or several persons as a Director or Directors up to the number of the Directors to be elected by such meeting, as the shareholders may deem appropriate. In the voting process, either for one or several persons, each candidate whom being elected by the shareholders shall receive all the votes such shareholders have as stipulated in (1) and such shareholders shall not allot his/her votes to any person in any number;



3. 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 by such meeting. Where there is an equality of votes cast for candidates in descending order causing the number of Directors exceeding the number of Directors to be appointed or elected by such meeting, the Chairman shall have an additional right as a casting vote.

In case the vacancy in the Board of Directors resulting from the reason other than the expiration of the term of office, the Board of Directors shall elect a person who has the qualifications and is not being under any of the prohibitions under Section 68 of the Public Limited Companies Act B.E. 2535 as the substitute Director at the next meeting of the Board of Directors, unless the remaining term of office of the said Director is less than two months. The substitute director shall hold office only for the remaining term of office of the Director whom he/she replaces.

The resolution of the Board of Directors under paragraph one shall be passed by a vote of not less than three-fourths of the number of the remaining directors.

■ **Procedure and Criteria of Top Executive Selection and Appointment**

The Board of Directors shall approve the appointment and remuneration of Group Chief Executive Officer, considered by the Governance and Nomination Committee who seek for qualified person with capabilities, skills, experiences, understanding in the Company's business and able to manage the Company's to achieve goals set by the Board of Directors. Furthermore, the Executive Committee shall approve the appointment and remuneration of the Executive at one level down from Group Chief Executive Officer. The appointment and remuneration of the descending level shall be approved by Group Chief Executive Officer.

➤ **The Governance in Subsidiary and Associated Company**

● **Appointment of Representative Director According to Share Proportion**

Since the Company is responsible for any transactions of subsidiaries and associated company, the Company has appointed the Company's Director to be the representative director of subsidiary companies to oversee business operation in compliance with the Company's policy in the matters of operations including responsibility to propose the budgets of subsidiary company to the Board of Directors Meeting for acknowledgement or approval. The Company has determined that the representative director must propose the significant matters to the Board of Directors for approval before voting in the subsidiaries.

In addition, the representative director is responsible for monitoring the connected transaction or the acquisition or disposal of assets transaction which is under criteria of the Stock Exchange of Thailand or other transactions required to conduct in accordance with the Board of Directors policy and resolution, the representative Director shall gather information and inform the Company including oversee the subsidiary and associated company to conduct in accordance with the Stock Exchange of Thailand and the Securities and Exchange Commission rules and regulations either the transactions required to conduct in accordance with the Board of Directors policy and resolution.

The appointment of representative director shall be in line with share proportion and approved by the Board of Directors Meeting.

● **Governance of Information Disclosure and Transactions of Subsidiary**

1. Disclosure of financial position and performance of the Company

The Board of Directors has assigned the Audit Committee to have responsibilities for reviewing the reliability of the Company and subsidiary financial statements to be conform with general accounting standard; ensuring the accuracy, sufficiency, completeness and reliability of information disclosure in accordance with the Securities and Exchange Act, rules and regulations of the Stock Exchange of Thailand or other applicable laws related to the Company's business.

2. Connected Transaction

Connected transaction of the subsidiary must be approved by the Company and conduct in accordance with the Stock Exchange of Thailand and the Securities and Exchange Commission rules and regulations which the Audit Committee of the Company 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 disclosed in Financial Statements correctly.

3. The Acquisition or Disposal of Assets

The Company has determined the policy regarding the acquisition or disposal of assets between the Company or subsidiary and related person must be proposed to the Audit Committee for consideration then propose to the Board of Directors and must conduct in accordance with the Stock Exchange of Thailand and the Securities and Exchange Commission rules and regulations.

4. Other Significant Transaction

For other significant transaction, the subsidiary shall conduct in accordance with the laws, regulations or the Stock Exchange of Thailand and the Securities and Exchange Commission rules and regulations. Such transaction will be approved by the Board of Directors and/or the Shareholders' Meeting according to specified laws and regulations.

• Govern on Internal Control of Subsidiary

Internal Audit Department of the Company has a role and responsibility to independently review and evaluate the effectiveness of internal control, risk management, and governance processes including compliance with relevant regulations. For auditing the subsidiaries, financial audit was performed 1 time a year including appropriate connected transaction review and monitoring the operation to protect assets of the Company and subsidiaries, which may be abused by the Executives.

• Others

Other subsidiary's governance such as increase or decrease of the subsidiary's capital must be approved by the Board of Directors including the Board of Directors and Shareholders' meetings of the subsidiary and shall conduct in accordance with the Stock Exchange of Thailand and the Securities and Exchange Commission rules and regulations.

➤ 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 and the punishment shall be determined on a case-by-case basis. If there is non-transparent information out of the Company, employees can inform to Audit Committee, Group Chief Executive Officer, Company Secretary or Director of Internal Audits the address available on the Company's website www.dusit.com/investor subject Whistleblowing Notice Policy.

In addition, 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.

The Company has determined that the Group Chief Executive Officer and the next four executives succeeding the Group Chief Executive Officer shall report on shareholding and/or change in shareholding to the SEC under Section 59 of the Securities and Exchange Act B.E. 2535. In addition, report on shareholding of the Directors and related persons shall be informed to the Board of Directors Meeting in February annually.

➤ Compliance on the Code of best practices of the Stock Exchange of Thailand

In 2016, the Company followed Good Corporate Governance for the listed companies, according to Guideline of the Stock Exchange of Thailand's and the Corporate Governance Survey of Thai Listed Companies of Thai Institute of Directors Association (IOD) in other matters (except those mentioned above) which was the provision of auditor to monitor the vote in the Shareholders Meeting and disclosed in the minutes of the Shareholders Meeting.

For the terms specification of the Board of Directors and Sub-Committee, the Company has specified that at every Annual General Meeting, one-third of the Directors shall vacate in proportion. If the number of directors is not a multiple of three, the number of director closest to one-third shall vacate. The Director who vacated his/her office due to the expiration of the term of office may be re-elected. In addition, term of the Audit Committee member, Compensation Committee member and Governance and Nomination Committee member are 3 years. Each member shall be in the position no longer than 3 terms except getting a special approval by the Board of Directors.

The Board of Directors has opined that the condition of timing does not affect to Directors' performance whilst capability and suitability, including the requirements under relevant regulations or laws shall be the criteria to consider.

Corporate Social Responsibility (CSR)

Overall CSR Policy

As one of the leaders in hospitality and tourism business, Dusit Thani Public Company Limited aims to develop and expand our business to international; therefore, the Company committed to perform its duties of providing excellent services to serve the needs of both local and international travelers for developing the economic and social along with eco-friendly products and services. Moreover, the Company also has policies which promote social and community activities. With the confidence that the Company's growth by strictly concerning in every impact will lead to the sustainable development in the future. According to the CSR vision of the Company which aims ***to lead the hospitality service industry, using the ways of Thai culture to responsibly enhance the development of the surrounding communities, environments, and economies of the countries in which we serve.*** To achieve the said vision, it is the Company's mission ***to operate with a concern for our impact on the surrounding communities, environments, and economies of the countries in which we operate, whilst building the Company in a sustainable way*** which appears in the principles of business operation as follows;

- Perform business with adherence of the equality and non-discrimination principle including promote fair business operation to the employees, customers, competitors, trade partners, creditors including social, resources and environment for truly benefit to the economic and business sustainable
- Against for all kind of corruption.
- Strengthen competitive potential and improve the quality of work life to employees by emphasizing on the safety in workplace and personal sanitation and treat every employee fairly based on human rights and human equality
- Adhere to the promise of delivering quality products and services with reasonable prices, concerning on customers' health and satisfaction.
- The Company foresees that environment sustainable is a significant part for operating hotel business and reckon as our mission to operate with concerning on environmental impact and building good relationship with community for sustainability.
- Perform the business compliance with the Good Corporate Governance Principles and the Company has determined the Good Corporate Governance Policy and Business Ethic of the Company and scheduled to review and update regularly.

Report Process and Implementation

(1) Report Process

The Company has prepared the report by collecting related information from the policies, handbooks and actual normal practice with concerning on all interested person such as trade partners, employees, community, social, overall economic and environment. In addition, to emphasize on the social mission of the Company in year 2016, Dusit Thani Public Company Limited has prepared the Sustainability Reporting according to GRI reference for Report of the Global Reporting Initiative (GRI), Version 4 (G4), given details of management plan on Economics, Social and Environmental issues including the execution policies and activities along the year 2016. In order to disclose, not only the positive but also the negative effects and results together with the Company action plan on the matters. The sustainability report which summarized of operating information and

activities in year 2016 appears in the subject Sustainability Report and the Company's website www.dusit.com/investor subject Sustainability Report.

(2) CSR Implementation

(2.1) Fair Business

Dusit Thani Public Company Limited has emphasized on fair business practices with both government and private sectors and implemented the policy, work guidelines and promoted it through the campaigns communicating the fair business policies to employees, trade partners and related persons for acknowledgement and conduct in accordance with the policy. The Company business operation and decision-making will be done with concerning on social responsibility and fair treatment to all customers and trade partners according to the fair competition framework, shall not seek for confidential information of the competitors by dishonest or improper way and shall not attempt to destroy the trade competitor's reputation with the negative accusation. The Company operates with concerning on fair business practices in various aspects as follows:

- Purchasing activities of the Company shall be conducted under the same purchasing rules and processes which the Company has determined the monitor process for price comparison and implemented by related functions.

- The Company has determined the policy which stated that employees shall not request for gifts, money or benefits in any type from trade partners or business related parties unless such receipts are owing to traditional providing. The said receipts shall be reported to the superior and proceed complying with the Company's regulations.

- Promote the collaboration on developing the products, services and trainings included profit-making for mutual parties.

- The Company respects intellectual property, not support piracy in any kind and strictly perform in compliance with Intellectual Property Law. In addition, the Company shall not support any kind of piracy by employees.

The Company's fair business policies and practices were determined based on believing that to achieve sustainable growth and development of the Company required strong foundation with integrity, transparency and conform to related laws.

(2.2) Anti-Corruption

Corruption is one of the main obstacles of organization development in every level which will affect business operation, business performance, financial position of the Company and economic system of the country. Dusit Thani Public Company Limited aware of such problem and intends to prevent, adjust and not support or involve in any kind of corruption. On 9 August 2013, the Board of Directors Meeting No. 5/2013 has resolved to participate in the Declaration of Intent, In View of Establishing Thailand's Private Sector Collective Action Coalition Against Corruption. In year 2014, the Board of Directors Meeting No.6/2014 on 27 October 2014, resolved to approve Anti-Corruption policy of the Company. Additionally, the Board of Directors Meeting No. 4/2015 on 13 August 2015, resolved to approve the self-assessment of Anti-Corruption measures reviewed by the Audit Committee and submitted to Thai Institute of Directors (IOD) in order to entering into the certification process to be a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption. In October 2015, IOD on behalf of the Secretary to Thailand's Private Sector Collective Action Coalition resolved to certify Dusit Thani Public Company Limited to be a member of Thailand's Private Sector Collective Action Coalition Against Corruption with the 3-year-validity Certification since 16 October 2015.

• Implementation Process

The Company has performed in compliance with the Declaration of Intent, In View of Establishing Thailand's Private Sector Collective Action Coalition Against Corruption which the Company already signed as follows:

- Provide risk assessment related to corruption, set anti-corruption policies and compliance programs and provide business conduct guidance to executives and employees.

- Disclose and share the Company policies, experiences, best practices and success stories to support ethical, clean, and transparent business transactions in Thailand.

- Reach out to industry peers, suppliers and other stakeholders via the Coalition and participate in joint activities to fight corruption.

In 2016, employees of the Company, schools and hotels under the Dusit group attended trainings on Code of Conduct, Anti-Corruption and No Gift Policy during the orientation period. A letter of acknowledgement was signed by all employees and kept in employee's personal folder. For the No Gift Policy, this policy has been drawn up as a supporting document to the Thai Government's Anti-Corruption policy for all employees working in Thailand and oversea, with the view of preventing conflicts of interest and corruption. The principle of this policy indicates that Dusit International employees do not need to receive or offer gifts in the framework of their business relationship with Group's stakeholders. Apart from gifts, this policy also covers services and other benefits, including invitations made or received by employees. Dusit Thani Public Company Limited has publicized the information on Code of Conduct, Anti-Corruption and No Gift Policy through the Intranet/Internet – HR SharePoint under the topic, Business Ethics/CSR for employees' reference and also publicized externally. Moreover in 2016, the information has been revised to all employees during the Re-orientation Program. Additionally, the company has publicized the information in the Recruitment Brochure to attract talents and gain their reliability in Dusit Thani Public Company Limited.

In 2016, Dusit Thani Public Company Limited organized a committee to draw up the Anti-Corruption Policy and No Gift Policy with clear guidelines. Follow-ups and assessment were conducted by the Internal Audit. Corporate Human Resources also audit every Dusit property annually through the process of HR audit. Quizzes were organized to ensure that employees fully comprehend the mentioned topics. In addition, Dusit Thani Public Company Limited launched an online quiz campaign regarding the Code of Conduct regularly. Representatives from Human Resources Department, Legal and Internal Audit attended outside training regarding the Anti-Corruption and they also participated in the Anti-Corruption Day organized by the government sector at Sanam Luang, Bangkok.

(2.3) Human Rights

Dusit Thani Public Company Limited realizes and concerns for human rights as fundamental rights of human and recognizes that human rights is an important foundation of peaceful living of people and vital in developing human resources quality. Human rights is also the important factor to add value and create efficiency to the Company with equitable treatment, equality promoting, respective in personal political rights according to the democracy and against child labor, sexual discrimination and harassment by the practices as follows:

- Support and respect of human rights protection and shall not participate in human rights violation in any kind such as illegal migrant labor, child labor and forced labor.

- Deliver highest standard products and services to every person equally.

- Giving job opportunity to every person equally including handicapped people.

- Provide channels for the employees to submit complaints on human rights violation which the Managements commit to prevent and eliminate the violation of human rights.

- Provide training and promote human rights for employees.

- Moreover, the Company has provided the sexual harassment preventive measures which proved by the policy that any sexual harassment will not be accepted. The said policy was disclosed in HR Policy and Operation Manual which identified the behaviors of sexual harassment as follows:

- Improper verbal, non-verbal or physical conduct of a sexual nature, e.g. sexually derogatory or stereotypical remarks.
- Conduct of a sexual nature that creates a hostile or intimidating work environment, or otherwise deemed-to-be unappreciated sexual or obscene jokes around the workplace, displaying or circulating copies of pictures or content presenting sexual harassment.

The Company specified maximum punishment of the said actions which is termination of service. Whistleblower and complaints can be sent to HR department or Hotel General Manager which the information shall be kept as confidential.

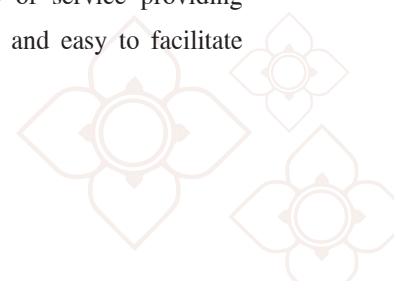
(2.4) Equitable Treatment to Employees

Dusit Thani Public Company Limited places great importance on human dignity and fundamental rights of human as a principle of treatment to employees and stakeholders. The Company realizes that employee welfare and safety are foundations of organization sustainability. Equitable treatment and respect will establish good conscious and cooperation in the workplace which will build up creative thinking on work and improve of services given to customers including stakeholders which the implementation are as follows:

- Provide appropriate sanitation and safety work system in the workplace such as pollution prevention system, clean workplace to avoid accident and diseases.
- Educate employees to enhance their skills by training classes and on-the-job training regularly. Giving equal opportunity to be promoted under the same standard and performance.
- Provide fair employment conditions and appropriate wages compare to rate in the same business.
- Provide appropriate complaint procedure for employee in case of unfair treatment.
- Provide suitable and sufficient welfare for employee such as annual leave, medical care, annual physical check-up, first aid, duty meals, staff room-rates and family and friends rates for booking the Company or subsidiary's hotels.
- Inform significant information to employees and representative employee to be acknowledged about the performance, status and future plan of the Company via various channels such as Morning Brief, Newsletters and Town Hall.
- Encourage work-life balance of employee by providing the Company's annual trip, New Year Party and activities between employees including making merit in Songkran Festival, making Krathongs in Loy Krathong Festival.
- Provide rewards and compliments to high performance employees or long-service employees such as Dusit Star Award, Green Employee Award and Long Service Award.
- Provide welfares with concerning of the variety of races, religions and cultures for equitable treatment to meet and cover all employees' needs.

(2.5) Responsibility to Customers

The Practices regarding responsibility to customers were based on customer's rights which the Companies in Dusit Thani Group places greatly importance and adheres on the publicized promise of service providing with responsibility and various channels to present the services information with adequacy and easy to facilitate



customers' decision-making. The customers can contact or compliant to the Company in convenience way which the complaint will be promptly responded. In addition, the Company has transparent and equitable management system which each committee has responsibilities to consider and manage for the Company's matters with correctness, appropriate manner, maximum effectiveness and efficiency for preserving services standard along with Dusit's service philosophy which is to be modest and sincere to its customers as always. Consequently, hotels of Dusit Group which are Thai hotels managed by Thai people and are recognized internationally.

As an organization that concerns about the Total Quality Management in order to commit Dusit's mission, exceeding customer's expectations with each and every experience, ISO 9001:2015 standard introduced by SGS Company was implemented in our owned and managed hotels both Thailand and overseas in 2016. There were five Thai hotels certified under ISO 9001 standard (Quality Management System) which were Dusit Thani Hua Hin, Dusit Thani Laguna Phuket, DusitD2 Chiangmai, Dusit Princess Chiang Mai and Dusit Princess Srinakarin Bangkok. For overseas properties consisted of Dusit Thani Lakeview Cairo, Dusit Thani Abu Dhabi and dusitD2 Nairobi. The rest properties including Dusit Thani Pattaya, Dusit Princess Korat, Dusit Thani Manila and Dusit Thani Maldives will be certified by 2017.

(2.6) Environmental Management

Environment is constantly changing with a substantial influx of natural disasters, warming and cooling periods and different types of weather patterns. The quality of the environment, both natural and man-made, affects human quality of life. We all are responsible to protect and concern environment.

Dusit Thani Public Company Limited as the leader hotel in Asia realizes that it is one of the top priorities to contribute to the well-being of the communities where the hotels of Dusit Group are located in areas of unique natural landscapes, pristine environments, and cultural heritage. Environmental conservation is the heart of the significant matter of Dusit Thani to operate the hotels and the Company has raised the higher standard of the environmental conservation. In this regards, the Company has marked a signification milestone in environmental under the EarthCheck programme organized by EC3 Global which is an international tourism and environmental management and advisory group. EarthCheck is the certification program by taking a scientific approach to measure the effectiveness of their sustainability practices and having already certified and benchmarked more than 1,300 organizations in over 70 countries and widely regarded as the world's most scientifically rigorous, that measures key environmental indicators such as energy and water consumption, and total waste production as well as community commitment. Using the EarthCheck tool, the hotels must commit to benchmarking local environmental and social issues, including bio diversity conservation, environmental investment and enhanced community socio-economic benefits. More information on the EarthCheck programme can be found on www.earthcheck.org

In 2009, the Company marked a signification milestone by carrying forward hotels of Dusit Thani Group both local and overseas to participate in the EarthCheck programme. All participating hotels in EarthCheck programme shall operate under the regulations for environmental preservation as defined by EarthCheck under support from our senior management and a group of dedicated Environmental Coordinator and passionate Green team members in each property. Throughout the year 2016, Dusit Group have received a certificate to ensure quality from EarthCheck. Currently 10 hotels have achieved the Gold Certification which are Dusit Thani Bangkok, Dusit Thani Dubai, Dusit Thani HuaHin, Dusit Thani Laguna Phuket, Dusit Thani Pattaya, Dusit Princess Korat, Dusit Princess Srinakarin, Dusit Princess Chiang Mai, dusitD2 Chiang Mai and Dusit Thani Manila, and with 2 Silver certified hotels, Dusit Thani Maldives and Dusit Thani Lakeview Cairo. Total 12 properties will be one of the leading hotel groups in environmental and energy management aspects to create positive environmental-friendly image.

(2.7) Community and Social Development by Human Resources Development

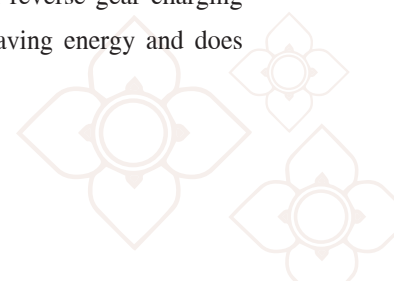
Management Trainee:

The Government spent a large budget to support Thailand tourism industry resulting in the significant expansion in tourism industry and expansion of Dusit International both domestic and overseas. The Company aims to serve its domestic and international hospitality services by starting the Management Trainee Programme as a fast-track career development for high-achieving graduates. The Management Trainee Programme will help to develop the future generation who will soon become the leaders of Dusit Thani. The candidates will be selected through a strict process to attend the programme, which comprises of 15 intensive training units such as Sales and Marketing, Public Relations, Food and Beverage, Reservations, Human Resources, Catering Management and others. The candidates will attend the seminar and study the hotel management for 3 months. After 9 months, the candidates shall actually practice with the Dusit's hotel chain to learn new experience from other departments. Then, the outstanding candidates shall be chosen to work with the Dusit's hotel chain in their expert fields.

(2.8) Innovation and Diffusion of Innovative

Innovation which emphasizes on social and environmental responsibility shall lift up and improve the quality of living and environment including create competitive advantage and value-added to the business together with social. In 2012, the Company has official opening of Dusit Thani Maldives which is located in the Republic of Maldives that be noted for the richness of beautiful natural and the first target destination of travelers. Natural environment has inspired and motivated the design of Dusit Thani Maldives to ensure that it co-exists in harmony with the magnificent Maldivian biodiversity and sustainable development. The entire operation is geared toward achieving a carbon-neutral programme using pioneering, green energy solutions and chosen of energy saving innovation through new technologies to apply in the operating process as follows:

- Install electrical metered (kilowatt and PEAK) and water metered in all operation areas such as kitchen and laundry areas which is highly safe and efficient system.
- Select the air condition systems which maximize energy saving as well as water saver toilets and faucets in all guest villas.
- Select the mini bar and wine cellars with Absorption Type system in all guest villas which is non-CFC replaced of Compressor system that cause pollution to the environment.
- Not use all type of plastic bags and plastic bottles but use in-house glass bottles instead.
- Install the desalination system for fresh water plant with effective and highest energy saving.
- All waste water is recycled for landscape, herb and vegetable garden watering. Waste raw material is collected for composting and fertilizing.
- Install LED light bulbs more than 80 % of all areas and save electric power by using the candles instead for dinner at restaurants and spa at night time.
- Install eco-friendly commercial garbage incinerator which is an oven that has been specially designed to match the characteristics of the waste which has high humidity rate and heating value is variable. Burning process must be strictly controlled in order to prevent pollution to the environment such as toxic gases, soot, and odor which the soot will be eliminated from the gas before releasing into the atmosphere.
- Using electric vehicles (Club Car) within the hotel that battery operated buggies with reverse gear charging system that maximize energy savings. Selected the speed boat with 4-stroke engines that saving energy and does not release toxins into the sea instead of 2-stroke engines which is cheaper.



- Set the system of heat recovery heat pumps that waste back into the boiling hot water in order to replace the power consumption.

Apart from energy saving innovation through new technologies as mentioned above, Dusit Thani Maldives is located on Mudhdhoo Island in Baa Atoll islands which is located in the adjoining areas with the World Biosphere Reserve which is declared by the United Nations Educational, Scientific and Cultural Organization or UNESCO.

In this regard, Dusit Thani Maldives has collaborated with the UNESCO in conservation activities and protect the biosphere reserve which coordinated by the local marine biologists of Dusit Thani Maldives. The activities are various such as Conservation of Sea Turtles, Manta Ray, Eagle Ray and Whale Sharks, Conservation breeding sharks by campaigning stop consuming shark fin, ban all type of plastic bags and plastic bottles which caused marine animal extinction and also have activities to educate and encourage tourists to conserve and protect the marine environment such as sightseeing of coral reef around the island and visit the Biosphere Reserve area of the UNESCO. The said collaboration and all activities have raised the conservation standard and protection of the Biosphere Reserve to other hotels and resorts which are located in the sea area and also create social and environmental sustainability as well as the collaboration to develop and contribute the success innovation to the public that can be the guideline for others.

CSR After Process

Corporate Social Responsibility (CSR) Activity (After Process) is social activities and environmental activities that affects social and environment which are not directly related to the Company's operations. As one of the business organizations, the Company realizes that we play a vital role in sharing and promoting the principles of CSR due to the social and economic issues that surround us including a part in contributing social responsibility to the well-being of the communities around the Company's business units. Dusit Thani Public Company Limited has embraced CSR charitable donation through extensive activities in our hotels, resorts and business units across the world.

CSR does not only consists of "doing the right thing," but also of behaving responsibly as an organization, encouraging our guests, business partners and employees to follow the same values. This ensures that the Company truly enlivens the individual spirits of all those whom we have the pleasure to meet and cooperate with. CSR After Process can be summarized into 2 main activities as follows:

- **Social Initiatives**

- **Dusit Smiles (Dusit Smiles for Operation Smile Thailand) Smile for Children**

Dusit Smiles is the global charity initiated by Dusit Thani Group as part of our CSR program. To heal children's smiles and make the world a better place, the Company has partnered with Operation Smile (www.operationsmile.org), a worldwide organization that mobilizes a force of medical professionals and caring hearts to provide safe, effective reconstructive surgery for children born with facial deformities such as cleft lip and cleft palate.

Through an extensive year-round activity under Dusit Smiles, not only helping to raise funds to support numbers of operations, but also uplifting awareness among our clients, partners, and employees via training, mission visits, government relations, marketing, public relations and others. The Dusit Smile program was initiated in 2010. Funds have been raised through different channels, such as donation envelopes in guest rooms, deductions from employee salaries who are willing to donate money, charity activities, donations from business partners inside and outside Thailand, etc.

Up until year 2016, program has collected Baht 8,302,142.38 in donations and has organized medical operations for 489 children with cleft lip.

Dusit International participated in the Surin Speech Camp (Post-Operative Program), a workshop organized by Operation Smile Thailand to provide a speech therapy to cleft palate children who had undergone medical operations. The workshop was taken place in Surin province on 20-21 October 2016. There were 35 families joined this workshop.

Other projects that were organized to support and enhance the Dusit Smiles (Dusit Smiles for Operation Smile Thailand)

- Garage Sales For Operation Smiles

Dusit Princess Srinakarin Bangkok organized the 2nd Garage Sales for Operation. There were many food & Beverage booths and second-hand items booths that were arranged by each department. Some of the guests joined this event as well. All donations after deduction, was donated to Dusit Smile for Operation Smile.

- Colour Miles for Smiles – 2016 Neon Edition

Dusit International joined the annual charity run: Colour Miles for Smiles – 2016 Neon Edition. This run was initiated to raise awareness and donations to fund more surgeries for children in need. Dusit Thani Pattaya, Dusit Thani Laguna Phuket, Dusit Thani Krabi Beach Resort, Dusit Princess Korat and Dusit Princess Srinakarin Bangkok contribute in-kind sponsor of complimentary vouchers for accommodation with breakfast as the prizes for winners and lucky runners.

- Bright Smiles & Happy Hearts Project

To further support Thai children suffering from cleft lips and/or cleft palates, Operation Smile with Dusit International and support from Dusit Thani Bangkok organized a GATHER to GIVE activity which is a part of the Bright Smiles & Happy Hearts project 2016. Staff were volunteered to create fantasy paper crowns and colorful paper fans to be given to young patients on the day that they meet doctors and during the recovery period to reduce their anxiety and pain.

- Garage Sales By dusitD2 Chiang Mai and Dusit Princess Chiang Mai

dusitD2 Chiang Mai and Dusit Princess Chiang Mai Hotel held an activities called "Garage Sale" at D' Square, dusitD2 Chiang Mai. The income of this event which was 3,000 Baht was donated to Dusit Smiles. Also, donated food, cleaning products, toys and clothes for dogs and cats was donated to "Care for Dogs" Foundation at Hangdong District, Chiang Mai.

- Free Haircut For Dusit Smiles

Dusit Princess Korat and Ma Cut Barber provided "free haircut for Dusit Smiles" charity at NBK Night Market. All donations without deduction, 10,960 Baht were donated to "Dusit Smiles" to help children suffering from cleft lips and/or cleft palates.

- Donation

Dusit Thani Maldives donated 170,000 Baht to Operation Smile Foundation.

- Charity Bowling for Dusit Smiles

Dusit Thani Laguna Phuket donated 23,024 Baht to Operation Smile Thailand from organizing a Charity Bowling among the staff.

- Share Loves Share Smiles

In the season of love and joyful, dusitD2 Chiang Mai organized an activity to share love, smiles and laugh to the society. dusitD2 Chiang Mai took Santa and Santarinas of love to deliver entertainment and gifts to children. Various activities were conducted at the school for the Northern Scholl for Blinded Children Chiang

Mai, Kingkaew Viboonsanti Orphanage House Chiang Mai and Ban Dekdee orphanage house.

- Children's Day 2016 by dusitD2 Chiang Mai

dusitD2 Chiang Mai hotel's Christmas tree was decorated with new and used dolls in good condition, candy and toys from customers and employees of the hotels in the "Dolls of smiles project". The hotel gave these toys and candies to the Chiang Mai Municipality and Provincial Public Library to deliver to children for Children's Day. Moreover, hotel also brought old calendars from year 2015 from hotel's room to give to the school of blind children to make into Braille books for visual impairments children.

- Buddhist Lent Festival 2016 by dusitD2 Chiang Mai and Dusit Princess Chiang Mai

dusitD2 Chiang Mai and Dusit Princess Chiang Mai gained merit for the Buddhist Lent day. The religious activity includes giving the candles, fluorescent tubes and some money as well as offering food to the monks at Sri - Khong Temple, Amphur Muang, Chiang Mai.

- Dusit Thani Hua Hin Offers Alms and Robes For Priests

Members of the hotel staff and management offered alms and robes to monks on a traditional and seasonal 'Pha Pa Samakhi' at Wat Sa-Kaeo-Buppharam Temple in Amphoe Kantharawichai Maha Sarakham Province. They also handed over donations, raised by the hotel personnel, to help build and restore facilities at the temple. The merit-making trip is one of Dusit Thani Hua Hin's annual activities under its Corporate Social Responsibility (CSR) programme.

- Feast of Food For Orphans

Dusit Thani Hua Hin recently joined other 5-star hotels in Hua Hin to host lunch and make donations to the orphans of Ban Nhong Ta Chow School for the Underprivileged in Tha Yang, Petchburi. As part of an ongoing support project under the banner "Chef's + F&B Get Together" chefs and F&B staff joined students for a fun-filled day of varied games and educational activities, as well as giving the children the rare opportunity to sample hotel delicacies and specialties from all the participating hotels.

- Children's Day 2016 by Dusit Thani Hua Hin

Management together with the resort's staff donated gifts and desserts to representatives of 5 municipal schools around Cha-am District for distribution amongst local children on Children Day 2016. It was Dusit Thani Hua Hin's aim that by actively integrating with the local children of today, they will grow into good hoteliers and pillars of society tomorrow.

- Dusit Princess Korat CSR Activity

Dusit Princess Korat Team, together with Piyyarat Construction Ltd., Chaiwara Pattana Limited Partnership and TAN Aircondition Limited Partnership cooperated to clean-up and fix the facilities of Baan Koh temple which were badly in need of repair as part of CSR activities. The team renovated toilets, replaced light bulbs, faucets, and door locks and changed some of the doors and ceiling boards.

- Garage Sales by Dusit Princess Korat

Dusit Princess Korat organized a Garage Sales where Lost & Found items were used as auction items. The activity had an aim to encourage a transparency in the workplace. Money from the auction which was 6,920 Baht was donated to children charity.

- Big Cleaning Day

Dusit Princess Korat Team cooperated with the public & private sectors and the Baan Plaina Samakkee residents for a big cleaning up in Baan Plaina Samakkee Village which is the hotel's neighbor community. The activity's purpose was to make a pleasant place for the village, while aligning with the Dusit Ways, "With respect to our community".

- Dusit Thani Pattaya leads Pattaya City in showing support to the World No-Tobacco Day 2016

Management, hotel staff, Sunday Bike Club, friends and associates including Thai Airways International Pattaya Office held a World No-Tobacco Day held on the resort grounds. The event started with the Pao Bun Jin show that illustrated the bad effects that smoking could do to one's health. The hotel's DFIT fitness team also performed an aerobic dance after which the certificates of commendation to the staff who have quitted smoking were handed. The final part of the programme was the Cycling for Health which covered 28 kilometers starting from Beach Road to Jomtien district in South Pattaya to raise awareness on the importance of physical exercise and workout while saying no to tobacco consumption. As the leading eco-conscious hotel in the Eastern Seaboard, Dusit Thani Pattaya maintains its efforts in supporting global health and other environmental campaigns in a bid to make a difference while encouraging its staff members and the community to join the fight in global warming and choosing to live a healthy lifestyle.

- Buddhist Lent Festival 2016 by Dusit Thani Laguna Phuket

Dusit Thani Laguna Phuket celebrated the Buddhist Lent Festival 2016. The processions included carved candles parade through Cherngtalay community on floats, collecting donation for the temple. Dusit Thani Laguna Phuket has supported this event for 17 years to promote a strong relationship with community members and continues to raise awareness on the importance of cultural preservation.

- DTMD's Fire and Rescue Team

Dusit Thani Maldives's Fire and Rescue Team assisted a sinking boat named Eydhafushi Niyaama Boat (80ft in size). The supply boat was used to carry goods from Male (Maldives Capital) to Eydhafushi Island (Baa Atoll Capital) for the last 8 Years. As always, the very first team to reach there to help among the surrounding islands and resorts was Dusit Thani Maldives. The staff shown great team work and with the help of local islanders and Police team at Eydhafushi, the dhoni was rescued after long hours of hard work.

- Dhonfanu Island Preschool Donation

Dusit Thani Maldives has been always one of leading resorts in Baa Atoll who goes that extra miles to serve the local community. The recent event they had for "Dhonfanu Island Preschool Donation" was one of many projects contributing towards the local community. The event was held with the support of the Executive Committee Members and Dusit Thani Maldives team members for the duration of 2 hrs. with several activities such as donating preschool sports equipment for kids and spending time playing some children's games and providing snacks.

- Kikuyu Centre For Children

One Horizon's Centre in Nairobi catered for 65 students from 2 years to 10 years of age and 25 grandparents. In the centre, many grandparents carried the burden of looking after their grandchildren because HIV left many of the children orphaned. DusitD2 Nairobi visited the centre and spent the day with the children. Activities included; Face painting, Painting Therapy, Health Checks & Cooking, Serving and feeding Children.

- Blood Donations

Blood donations with Thai Red Cross Society by Dusit Thani Bangkok's staff and Corporate staff including other company staff in Dusit Thani Building. In 2016, the event was organized on 12 October at Dusit Thani Building. 127 blood pouches were collected.

• Environmental Initiatives

- DIBK's CSR

Dusit International Corporate Office together with their Welfare Committee team organized the first Green trip on the occasion of the Earth Day (an annual event worldwide, celebrated every 22 April) at Klong Kone,

Samut Songkhram province. The team was educated on biodiversity with the plantation of young mangroves to help preserve the soil erosion of Samut Songkhram land. This DIBK's CSR action helps to drive the change towards positive hospitality: we care for social, environment and community.

- Her Majesty The Queen's Birthday (Mother's Day)

Dusit International Corporate Office celebrated Her Majesty the Queen's birthday by taking part in the "Plant for Mom" activity at the Lumpini Park. It was also organized to educate staff on "green" issues concerning our environment. Our Group CEO, Khun Suphatee Suthumpun, together with the staff planted rare trees and orchids at Lumpini Park adding more green space to the Silom community.

- Reforestation Activity

Staff of DusitD2 Chiang Mai & Dusit Princess Chiang Mai joined hands with the "Pong-Yang" Village to initiate the reforestation activity to plant 500 trees along the route to The Chiang Mai Mountain.

- Earth Hour Activity by Dusit Thani Hua Hin

The staff of Dusit Thani Hua Hin supported Earth Hour 2016. A full day of activities kicked off with the staff and management team planting Fiddlewood shrubs around the hotel's perimeter fences to further enhance the aesthetically pleasing feeling to the already plentiful greenery of the resort's landscape. Activities followed for those wishing to show support for Earth Hour, with guests invited to make gel candles which could be redeemed for generous THB 60 discounts on food items if presented to our staff between 8:30 P.M. to 9:30 P.M. local time.

- Earth Hour Activity by Dusit Thani Pattaya

The staff and management of Dusit Thani Pattaya and the Green Leaf Foundation Vice President Dr. Jirapol Sinthunava observed Earth Hour 2016 by switching off non-essential lights around the hotel for one hour from 8:30 - 9:30 p.m. A fitness lesson with the DFIT fitness centre team was also organized. The global lights off event was one of the environmental campaigns that the eco-friendly resort adheres to in support of the WWF led movement towards protecting the planet and maintaining a united stand against climate change.

- Dusit Thani Dubai

Dusit Thani Dubai celebrated Earth Hour by switching off all the lights in all the rooms and common areas in Baan Dusit Staff Accommodation to show commitment to the planet and in creating a sustainable world.

- The 22nd Laguna Phuket Sea Turtle Release

General Manager of Dusit Thani Laguna Phuket, joined The 22nd Laguna Phuket Sea Turtle Release event to raise awareness and funds for the on-going sea turtle conservation initiative of Phuket Marine Biological Centre (PMBC). Together with the animal philanthropists and hard-working volunteers, 50 sea turtles were released to the wild. To-date 2,020 turtles were set free since 1994. In this event all proceeds of ticket and merchandise sales go to PMBC by every hotels in Laguna Phuket were able to raise 609,726 Baht.

- Greening Community

Dusit Thani Laguna Phuket celebrated their 10th anniversary of "Greening Community" initiative by planting 2,400 mangrove saplings at Baan Paklog, Thalang, Phuket. To-date they have planted 25,000 trees together. For 2016, 200 associates from Dusit Thani Laguna Phuket teamed up with 50 community members in this fun-filled and meaningful activity. In addition to tree planting, they also organized community service by hosting lunch and bringing lots of joy to the seniors of Phuket Elderly Home.

- Back Into The Ocean

Dusit Thani Maldives successfully released a wild sea turtle back into the ocean. The turtle named 'Sa-wan' meaning 'heaven' in Thai, was an Olive Ridley sea turtle not commonly seen around the Maldives reefs. He was found washed up on a nearby sandbank tangled in a fishing net. Luckily he was not badly injured and,

after a few days rest and relaxation at a turtle hospital, he was fully recovered. A satellite tag donated by Dusit Thani Maldives was attached to his carapace so that his location could be tracked as he swam off on his new adventures.

Prevention of Participation in Corruption

(1) Policy

Dusit Thani Public Company Limited recognizes that corruption is an obstacle of business and country development and commits to Anti-Corruption in any type. Therefore, the Company and subsidiary's directors, executives and employees must be strictly performed in compliance with the Company's business ethics in anti-bribery and corruption including take precaution to prevent all corruption-related actions not only within the Company but also with other organizations. The Company has policy to support Anti-Corruption measure of the government and private sector. Therefore, in 2013, the Board of Directors Meeting resolved to participate in the Declaration of Intent, In View of Establishing Thailand's Private Sector Collective Action Coalition Against Corruption and in 2014 the Board of Directors Meeting No. 6/2014 on 27 October 2014 had approved the Company's Anti-Corruption Policy which based on principles as follows;

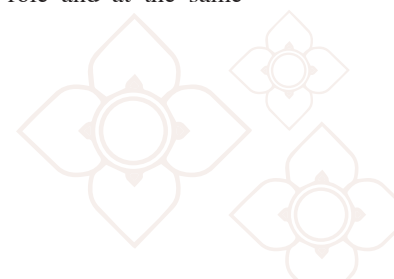
- Not offer, request, accept or giving any advantage or bribery both internally and externally, directly and indirectly with expecting for any type of return, personal advantage or the Company's business advantage.
 - Not do any unjust transaction with the government officer, other organization or person directly or indirectly.
 - Not donate, giving reward, benefit or any type of return for the purpose of business facilitation.
 - Provide controlling system of payments with clear objective including reliable information storage system.
 - Communicate about Anti-Corruption Policy of the Company and doing campaign to create awareness about the importance of Anti-Corruption via orientation, training and other PR channels such as the Company's website and Intranet.
 - Provide secure channels and processes for whistleblower to report the corruption via suggestion boxes.
- In addition, the report can be sent directly to the Audit Committee of the Company.

(2) Implementation Process

Details appeared in Corporate Social Responsibility page 91.

The Company Has Contributed to Society in the Context of Creating Shared Value. (CSV)

The Company has been operating business with concern about effects that may occur to Social and Environment. We try to less the negative effects with varies CSR-in-Process policies such as Environment impact control measures, Human rights policies, Anti-corruption procedures and Human resource development and welfare plan. In addition, we also keep running the Company CSR-after-Process activities in terms of promotion and cooperation with the government or other CSR entities and philanthropy in order to give back to social for mutual sustainability. However, the above activities are not the Company core businesses. In 2015, the company considered to expand to business that integrates its profit with benefit of social and serve the social needs while generating business income. Therefore, the Dusit Thani Hotel School project was established to develop knowledge in tourism business together with increasing opportunity to study in hotel and hospitality business in Thailand according to the demand which continually rises. Moreover, this project also aims to deliver high standard personnel into hotel industry both in Thailand and AEC countries. Educational business will be a business department of the Company that will drive the Company social responsibility role and at the same time generate financial benefit for mutual sustainability.



Corporate Sustainability Report

The Company has prepared CSR Report contains economic, social and environmental management and operations policies from January 1 to December 31, 2016, according to Dusit Thani's annual data updating cycles. Data was last updated on 31 December 2016. This report was compiled following the GRI reference for Report on the Global Reporting Initiative (GRI) Version 4 (G4) and the data was collected solely in 2016 and can see in the Company's website www.dusit.com

Scope of Content

This report covers policies and operating guidelines for sustainability of Dusit Thani Public Company Limited and 12 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, Dusit Princess Chiang Mai, Dusit Thani Dubai, Dusit Thani Manila, Dusit Thani Maldives and Dusit Lakeview Cairo. For more information apart from this report, please refer to the 2016 Annual Report.

The Company prepared CSR report by referring to the GRI reference for report according to the CSR Report of the Global Reporting Initiative (GRI), Version 4 (G4). 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.

Main points and procedures applied in this report are the same as using in Sustainability Report of year 2015.

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.

Company responsibilities to stakeholders

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, business people, 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 ➤ Keep business continuity in every situation ➤ Prompt execution after customer requests

Stakeholders	Responsibilities
3. Employees Executives, employees and workers	<ul style="list-style-type: none"> ➤ Good benefits and remuneration packages ➤ Security and employee career advancement ➤ Equal opportunities for skill development and training ➤ Promotional priorities for current employees ➤ Good working environment
4. Society Communities, people, youth, the needy and educational institution.	<ul style="list-style-type: none"> ➤ Participation in social activities ➤ Use of environmental friendly products and services ➤ Energy efficiency ➤ Efficient waste disposal ➤ Creative co-living in communities
5. Government agencies Government agencies and Policy-makers	<ul style="list-style-type: none"> ➤ Promote legal and regulation compliance ➤ Disseminate good identity and culture ➤ Support government activities

The Company has identified these stakeholders as one of the important elements in order to implement CSR policy. The company operates with responsibility, honesty and transparency keeps playing important role in social responsibility affairs and concerning for stakeholders rights not only the internal stakeholders such as directors, executives and employees but also the external stakeholders such as shareholders, customers, trade partners, creditors, business competitors, social and environment, government and related organizations including their rights given by law and agreement. The Company has set policies of directors, managements and employees conducts in Good Corporate Governance Policy, the Company Business Ethics and Code of Conduct for the Board of Directors, the Executives and the Employees in order to create fairness and transparency to all stakeholders. The said policies were disclosed on the Company's website.

Major issues and association of stakeholders

Importance for Dusit			
Importance for Stakeholders		Important	Very important
		<ul style="list-style-type: none"> ➤ Satisfying customers and making them feel safe while receiving services, and ensuring that the services and prices are reasonable. ➤ Giving returns appropriate for net profits. ➤ Disclosing accurate data and reports. ➤ Doing PR and advertising of products and services with responsibilities both before and after sell 	<ul style="list-style-type: none"> ➤ Standards of goods and services. ➤ Deliver full services before customer requests. ➤ Good governance. ➤ Procure environmentally friendly products and services.
Importance for Stakeholders		Important	Very important
		<ul style="list-style-type: none"> ➤ Being a good citizen by regulating and operating business with responsible to social and community nearby. ➤ Prevent accidents and disasters that might derive from Dusit businesses. ➤ Responding to customers complaints. 	<ul style="list-style-type: none"> ➤ Take care of employees and give career security and advancement. ➤ Use energy efficiently. ➤ Compliance with government laws and regulations.

Business Context

The Company and hotels under Dusit brands aim to run business proactively with effective cost management, focusing on increasing the number of managed hotels both in Thailand and abroad. Meanwhile, the Company has considered to invest in hotel, hospitality educational business with the goal of maintaining its long-term business values based on Thai cultural promotion and expanding to business in CSV (Creating Shared Value) context. The Company foresees that currently, hotel and hospitality business in Thailand are confronting the lack of experienced and knowledgeable personnel situation. Meanwhile, the hotel and hospitality business educational opportunity in Thailand is also not enough to serve the needs. Therefore, in August 2015 the Company started the Dusit Thani Hotel School project which will increase opportunity to study in hotel and hospitality business in Thailand including in ASEAN and lift up the standard of hotel and hospitality education in Thailand. Moreover, this project also aims to deliver high standard personnel into hotel industry. Therefore, we can recruit more efficient employees into the business. In addition, in order to regulate and monitor the business operation to perform effectively and efficiently in compliance with fair and transparent basis for the benefit of social sustainability, the Company has appointed committees which will be responsible to consider and monitor the matters.

The Company also emphasizes social sustainability through employee development and career security, which leads to family and community security regarding to the education business, the Company develops school curricula in order to produce the competent and ethical graduates in demand by employers. Additionally, the Company places great importance on the communities surrounding the hotels and contributes in social and government activities when given the chance. Environmental awareness is instilled in employees, customers and stakeholders. Eco- friendly and energy-efficient equipment and appliances are used widely in hotels so that future generations can continue to enjoy ample resources.

Economic Sustainability

To achieve the Company's goal to operate fair business with social awareness and maintain long-term business values based on business opportunity expansion and going toward to the business in CSV (Creating Shared Value) context as mentioned. Dusit Thani Hotel School project will promote and develop hospitality business standard of Thailand. Moreover, it will increase the educational opportunity in hotel business for students both in Thailand and in AEC countries. This will be a significant move for business of the Company and Economic of Thailand.

Wage, Salary and Benefit Management

The Company implemented wage policy of employees in short term and long term, abiding by the minimum wage laws of the countries where its hotels are located. Wages of our male and female employees are effectively higher than the minimum wage standards compared to wages offered by local hotels at the same level. In addition, gender is not an indicator of employee wages.

In short term, at the beginning of April every year, the Company reviews salaries of its employees based on their performance and the Company's performance. In long term, the Company evaluates employees' performance based on Balanced Score Card under KPI's system. Thus, employees of any gender or age receive fair and proper salaries. Moreover, the Company's salary structure is appropriate and comparable to other businesses in the same category.

The Company offers many benefits to employees, such as cost of living, annual bonus, two duty meals per day, annual leave, sick leave, provident fund, group life and medical insurance with benefits covering medical expenses of private and government hospitals, travel insurance in case of business trip, funeral allowance and

wreath in case of decease of employee's immediate family member, disaster relief funds, benefits of staying in affiliated hotels at employee prices and family and friends rate for employees related and friends, Dusit Thani College tuition fee discount for employees' children, laundry discount, discount on wedding reception of employees and their children in hotels in Dusit Thani Group, loans at lower interest rates from participating banks and compensation on retirement.

Annual physical check-up are also provided for employees by professional physicians from hospitals who will give health advice to employees. There are also training to employees on health care.

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

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. The Company 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.

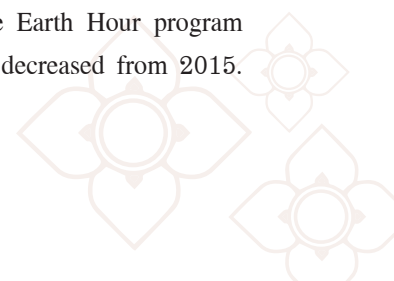
In addition, the Company places importance on selecting materials for equipment in hotels that are environmentally friendly and fresh clean food, quality assured by the procurement department, so that our customers can be sure of quality every time they stay at our hotels.

Note From 2017 onward, the Company decided to change from EarthCheck toward ISO 14001 Certification which is an internationally agreed standard that sets out the requirements for an environmental management system to help organizations improve their environmental performance through integration of with existing management systems i.e. ISO 9001. Considering all environmental issues relevant to operations, such as air pollution, water and sewage issues, waste management, soil contamination, climate change mitigation and adaptation, and resource use and efficiency, the Company strives for continual improvement in future

Electricity

In order to reduce electricity use while not compromising our international customer service standards, we are planning to replace incandescent light bulbs with LED light bulbs, in consideration of the environment, within five years from 2012 onwards, and install intelligent lighting control systems in all our hotels in Thailand including system set up of screw-type chillers with variable speed controls, heat-exchange 'heat – pumps', solar water heating systems, use LPG instead of diesel to heat water, and change motors and control systems or replace old appliances with new ones. Employees involved with laundry, kitchens and lifts are trained and educated on how to decrease electricity use in a practical way.

Furthermore, we run energy saving campaigns encouraging personnel to take the stairs instead of lifts, turn off computers during the lunch break while they are not using them, use natural light and set automatic shutdown times on air conditioners. We also invite customers and employees to join the Earth Hour program every year. In 2016, it was 53.24 Kilowatts-hour per guest stay overnight usage, 2.16% decreased from 2015.



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 Hotel Group has ongoing water efficiency plans and activities in order to continuously reduce water use. In 2016, it was 910.74 liters per guest stay overnight usage, 8.52% decreased from 2015.

Summary of Environmental Operations in 2016

Usage Processes in 2016 Compared to 2015

Percentage: Guest stay overnight

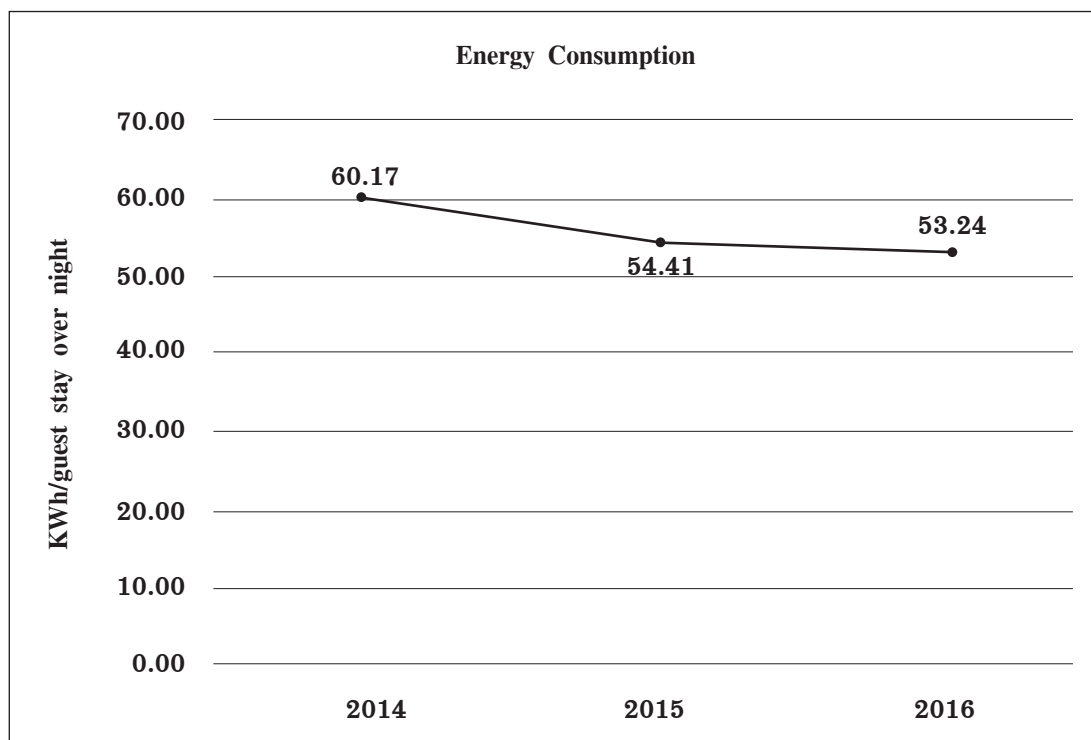
Electricity

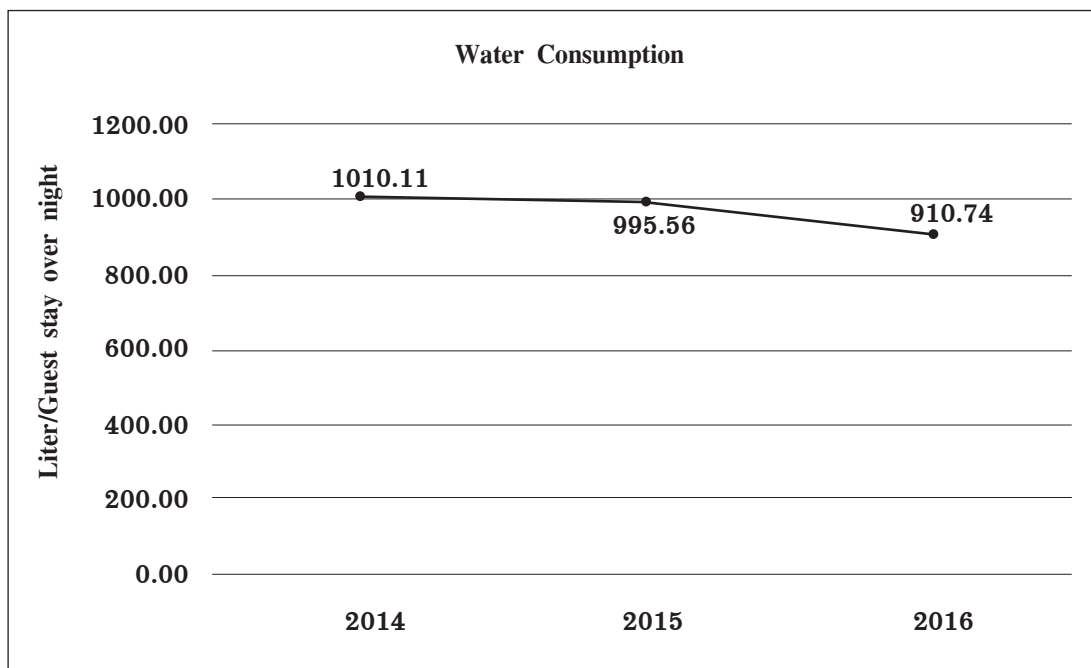
↓ 2.16 %

Water

↓ 8.52 %

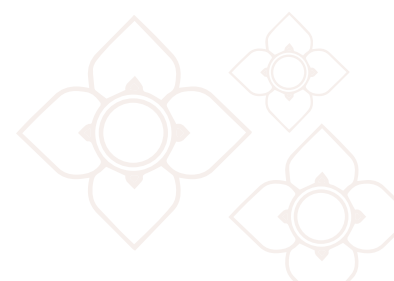
Number per guest stay overnight	2014	2015	2016	Yearly Goal
Electricity consumption (KWh)	60.17	54.41	53.24	to reduce 8 %
% Difference Compared to the Year Before	+5.0%	-7.73%	-2.16%	
Water (Liters)	1010.11	995.56	910.74	to reduce 8 %
% Difference Compared to the Year Before	-1.02%	-3.72%	-8.52%	





In 2016, 12 hotels performed the following environmental activities:

1. Installed LED light bulbs. At present, over 77% of the work is completed in all hotels in participated in the program.
2. Installed water saving equipment. At present, 60% of the work is completed in all hotels participated in the program with regular water system maintenance.
3. Maintained and installed heat-pump (hot water) heaters in hotels. At present, 90% of the work is completed in all 12 hotels participated in the program.
4. Maids set the temperature of hotel rooms at 26 degrees Celsius when there are no customers in the rooms and help save water included using heat-reduced curtain.
5. Laundry is done in a water efficient manner. Amounts of chemicals are reduced and ozone laundry systems are used. Water from washing machines is treated and then used to water landscape and garden.
6. Water chillers have been changed to Screw-type and combined with cross-flow cooling towers.
7. Installing equipment controlling electricity systems and replacing old motors with new ones for increased performance and/or being 'variable-speed' type. At present, over 70% of the work is completed in all 12 hotels participated in the program.
8. Selected "ECOLAB" chemical supplies for housekeeping, stewarding and laundry, being their eco-line and cold-wash product series.
9. Changed Swimming Pool Sanitizing system to salt chlorinated "Saline" type using no chemicals but salt for sanitizing. At present, over 80% of all 12 hotels practice this hygienic solution.



Social Sustainability

Thanpuying Chanut Piyaoui, founder of Dusit Thani and Dusit Thani College, realized the importance of sustainable social development through education. As a result, Dusit Thani is the only company managing hotel together with a college proudly delivers graduated quality people into the hospitality business. Dusit Thani also offers opportunities to students to experience in hotel works as trainees.

Since all employees are part of social sustainability, their work and English language skills are constantly developed and well prepared for the ASEAN Economic Community (AEC). In addition, the company organizes an Executive Trainee program which aims to develop and prepare potential employees for promotion and opportunity to be transferred to hotels under Dusit brand in foreign countries. The Company also offers a Management Trainee program to fresh graduates who are interested in the hotel business in order to gain experiences in every core department to learn about the Company's business as a whole and join the most suitable department after the program completed.

Contribution in social activities is another importance mission, as such, the Company organizes yearly activities such as

- Blood drives and donations in cooperation with the Thai Red Cross
- Children's Day activities which organized for children living near hotels under Dusit brands
- Campaigns to promote clean hotels and clean community
- Energy saving campaign

For the detail of other social activities are on the topic of Corporate Social Responsibility page 96

Personnel Development

Since all employees are part of social sustainability, their work and English language skills are constantly developed and well prepared for the ASEAN Economic Community (AEC). In addition, the company organizes an Executive Trainee program which aims to develop and prepare potential employees for promotion and opportunity to be transferred to hotels under Dusit brand in foreign countries. The Company also offers a Management Trainee program to fresh graduates who are interested in the hotel business in order to gain experiences in every core department to learn about the Company business as a whole and join the most suitable department after the program completed.

Yearly training plan for each employee level shows in the topic Management Structure on page 61

Sanitation and Safety in the Workplace

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

1. Safety officer curricula for supervisors.
2. Safety officer curricula for executives.
3. Safety committee curricula for committee members

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

Proportion of Employees to Workplace Safety Committee in year 2016

Hotel	Committee	Staff	Average (%)
1. Dusit Thani Bangkok	13	628	2.07
2. Dusit Thani Pattaya	25	489	5.11
3. Dusit Thani Hua Hin	7	374	1.87
4. Dusit Thani Laguna, Phuket	7	381	1.84
5. DusitD2 Chiang Mai	7	134	5.22
6. Dusit Princess Srinakarin	7	185	3.78
7. Dusit Princess Korat	7	145	4.83
8. Dusit Princess Chiang Mai	7	133	5.26

Health and Work Safety

For employees to work safely and in order to reduce possible loss, employees are trained about work safety on a regular basis. The workplace safety committee gathers information on the safety of employees, which can be divided into 3 groups: injury rate, lost day rate and absentee rate as follows:

No	Health and Work Safety Results	Year	
		2015	2016
1	Number of sickness case from work-related (Case)	0	0
2	Number of injury case from work-related (Case)	22	25
3	Number of fatalities from work-related (Person)	0	0
4	Injury rate from work-related (Injury case /200,000 Man-Hours)	0.73	0.89
5	Lost day rate (Days / 200,000 Man-Hours)	8.95	10.69
6	Absentee rate (Days / Total days scheduled to be worked by the workforce)	0.02	0.23
7	Number of Employees as of December 31 (Person)	2,465	2,469

Remark: 1. Injury: The number of injuries from work-related with at least one day's abstention from work which the data does not include accidents categorized at the first-aid level.

2. Lost Day: Time ("days") that an employee could not be worked (and is thus 'lost') because of injury or sickness from work-related. Record begins the next day.

3. Absentee: Time ("days") that an employee absent from work because of incapacity of any kind, not just as the result of work-related injury or disease. Permitted leave absences and compassionate leave are excluded.

Corruption and Human Rights

The Company and its subsidiaries support and encourage all employees to learn about human rights and anti-corruption. Each employee must receive training on human rights and anti-corruption. All executives and employees must abide to the local laws, customs, traditions and culture, which differ in each country where hotels under Dusit brands operate. Employees must strictly observe human rights according to the Universal Declaration of Human Rights. In year 2016, every employee of the hotels and schools under Dusit Group attended one-hour training session on anti-corruption and human rights achieving the goal set in the previous year.

Services and Customer Satisfaction

The details show in the topic Awards of Dusit International for year 2016 on page 16

Performance Indicators in the CSR Report which refer to the Global Reporting Initiative (GRI) Version G4

Indicator	Description	Page
Economics		
G4-EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant of operation	104-105
Environment		
G4-EN6	Energy saved due to conservation and efficiency improvements	105-106
G4-EN8	Total water withdrawal by source	106
Society		
G4-SO4	Percentage of employees trained in organization's anti-corruption policies and procedures	109
Labor Practices and Decent Work		
G4-LA5	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	108-109
G4-LA6	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities compared to previous year	109
G4-LA9	Average hours of training per year per employee by employee category	108
Human Rights		
G4-HR7	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	108-109
Product Responsibility		
G4-PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	110

Internal Controls and Risk Management

➤ Summary of the Board of Directors' Opinion

The Board of Directors realized the importance of the internal control system by overseeing and monitoring regularly in order to reasonably ensure the achievement of the Company's objectives, the effectiveness and efficiency of operations, the reliability of financial reporting, and the compliance with laws and regulations including safeguarding of the Company's assets and reputation. The Risk Management Committee is responsible for overseeing the Company's risk management, however, some areas need to be improved further and the Risk Management Sub-committees were setup in order to enhance all levels of management to participate in the risk management closely. The Audit Committee is responsible for overseeing the Internal Audit Department to ensure that internal control systems were assessed and improved for mitigating risks and preventing losses in operations by reporting to the Board of Directors regularly.

According to the Board of Directors' Meeting No. 2/2017 on February 28, 2017, the Board of Directors assessed the internal control system using the Internal Control and Risk Management Self-Assessment Form in accordance with Internal Control Framework of the Committee of Sponsoring Organizations of the Treadway Commission: COSO, which consists of the following five components: (1) Control Environment (2) Risk Assessment (3) Control Activities (4) Information & Communication and (5) Monitoring Activities including the opinion of the Audit Committee, the information from Management, and the internal audit reports. Thus, there was no significant weakness in the internal control system.

The Board of Directors expressed the opinion that the Company's internal control system was adequate and appropriate by providing enough manpower for efficient operations together with monitoring the subsidiaries' operations in order to prevent the possible assets misappropriation and the conflict of interest. Regarding other areas of internal controls, the Board of Directors also agreed to be sufficient and the Audit Committee had no any additional observations.

In addition, the external auditor of the Company is KPMG Phoomchai Audit Company Limited who audited the financial statements for quarter and year 2016 and expressed opinion in the audit reports that there were no any significant observations concerning the internal control system.

➤ Opinion of the Audit Committee Which Is Different from Those of the Board of Directors

- None -



Auditor's Fee

In 2016, the Company paid auditor's fees as follows:

■ Audit Fee

1. The audit fee of the Company and subsidiaries in Thailand paid to KPMG Phoomchai Audit Limited equaled to Baht 4.25 million.
2. The audit fee of subsidiaries, associated companies and joint ventures overseas:
 - R.G. Manabat & Co. (a member firm of KPMG), Makati City, Philippines in total of Peso 730,050.
 - KPMG, Male, Republic of Maldives in total of USD 10,750.
 - KPMG Huazhen (Special General Partnership), Shanghai, People's Republic of China in total of RMB 250,000.

■ Non-audit fees

● The Company

- In 2016, no consulting service fee paid to KPMG Phoomchai Tax Limited relating to income tax on investment overseas, but it will be paid at the amount of Baht 336,000 in 2017.

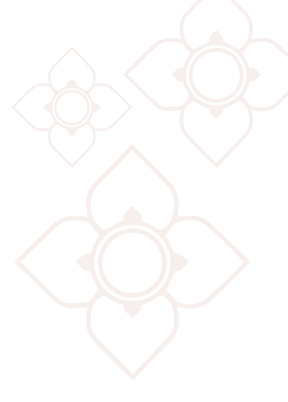
● Subsidiaries in overseas

- In 2016, the consulting service fee at the amount of USD 2,500 relating to filing income tax which was paid to KPMG, Male, Republic of Maldives and the amount of USD 4,800 will be paid in 2017.

Related Party Transactions

The Company and subsidiaries had related party transactions with the persons who may have the conflicts of interest in 2015 and 2016 as follows:

Transactions with the Company/ Subsidiaries	Types of Transactions	Balance/Value of Transaction (Million Baht)		Details, Conditions and Their Necessities
		2015	2016	
Dusit Thani PCL. and subsidiaries with Acme Printing Co., Ltd. by Mrs. Sinee Thienprasiddhi is the major shareholder.	Printed the calendar and Annual Report of the Company	1.36 / 1.63	1.23 / 1.16	The Company engaged Acme Printing Co., Ltd. by bidding process with other companies and comparing the offering price and conditions. The Company has selected the best company, in order to meet the highest benefit to the Company and without decision making by connected person.
Dusit Thani PCL. and subsidiaries with MBK PCL. by Mr. Chanin Donavanik and Mrs. Sinee Thienprasiddhi are the shareholders.	Management fee and other incomes	0.88 / 4.82	2.36 / 9.68	The conditions of pricing and services in sales and marketing are similar to those charged to other hotels in the Group.
Dusit Thani PCL. and subsidiaries with Piyasiri Co., Ltd. by Thanpuying Chanut Piyaoui's Group held majority of its ownership.	Dividend income	- / 13.41	- / 14.75	Per dividend declaration
	Medical expenses	- / 0.02	- / 0.01	Prices and terms are in the normal business transaction.
Dusit Thani PCL. and subsidiaries with JTB (Thailand) Co., Ltd. by Mr. Chanin Donavanik is the shareholder.	Revenue from sales and services and other income	5.35 / 62.38	3.80 / 38.16	The Company had travel-agent agreement with JTB (Thailand) Co., Ltd. to perform the guestroom sales, which generally support hotel business. Prices and terms are in the normal business transaction.



Transactions with the Company/ Subsidiaries	Types of Transactions	Balance/Value of Transaction (Million Baht)		Details, Conditions and Their Necessities
		2015	2016	
Dusit Thani PCL. and subsidiaries with New Atlantic Co., Ltd. by Thanpuying Chanut Piyaoui's Group held majority of its ownership.	Revenue from sales and services	- / 0.07	- / 0.01	Prices and terms are in the normal business transaction.
Dusit Thani PCL. and subsidiaries with The Navakij Insurance PCL. by Professor Hiran Radeesri is the Director	Insurance expenses	0.01 / 1.42	- / 0.56	Prices and terms are in the normal business transaction.

According to the Audit Committee meeting No. 3/2017, the Audit Committee had considered that the above related transactions were reasonable in price 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 party transactions with subsidiaries to acquire and dispose of assets and financial supporting transaction according to the Stock Exchange of Thailand's regulations. Even though the Company has related party transactions with subsidiaries, such transaction must be approved by the Audit Committee and The Board of Directors.

In 2015 and 2016, 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)		Details of Transactions
	2015	2016	2015	2016	
1. Dusit China Capital Co., Ltd.	36.70	37.50	38.50	76.00	The Company provided short-term loans.
	0.83	0.92	0.83	1.75	The Company's interest income.
2. Vimarn Suriya Co., Ltd.	-	47.11	-	47.11	The Company provided short-term loans.
	-	0.04	-	0.04	The Company's interest income.
3. Dusit Thani Properties Co., Ltd.	-	250.00	-	250.00	The Company provided short-term loans.
	-	1.10	-	0.17	The Company's interest income.

3. Standard or Policies Governing Related Party Transactions

Upon entering to related party transactions, 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 party transaction with 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 financial statements.
3. The Company sets the approval procedures for related party 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 party transactions.
4. Upon entering the related party 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 party transactions to get the best benefits for the Company.

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

4. Policies or Trend on Future Related Party Transactions

The entering on future related party transactions according to the standard mentioned above including related transactions with Acme Printing Co., Ltd. and Dusit Thai Properties PCL. and/or other companies may conflict.

5. The Reasons of Conflict by Persons Who Have Indirectly Held over 10% in Subsidiaries, Associates

The Company has no person who may have conflict directly held over 10% in subsidiaries and associates.

Management Discussion and Analysis

1. Analysis of Operations, Financial Position and Significant Changes

External Factors

Number of foreign tourists to Thailand increased since the beginning 2016 which equaled to 32.6 million, increased by 9% yoy. The number was increased during the first 3 quarters: 1Q16 increased by 15%, 2Q16 increased by 8% and 3Q16 increased by 13%. However, the number was significantly dropped in 4Q16 by 1% because of the announcement of the government that the public was urged not to hold any form of celebration for 30 days during October to November 2016 and suppression of zero-dollar Chinese tours.

By overall, there were expansion in number of tourists from China (+10.3% yoy), ASEAN (+9% yoy), Europe (+9.6%) who are from Russia, Spain, East Europe, Germany and France. However, those from East Asia such as Hong Kong, Japan, Taiwan and Korea increasingly came to Thailand with less proportion (+5% yoy). The hotel Occupancy Rate in Thailand was 65.8%, similar to 2015, while Average Room Rate (ARR) ramped up to Baht 1,343 per night, raising 11% yoy (source: Department of Tourism and Bank of Thailand). The government's suppression policy of zero-dollar Chinese tours had short-term impact causing reduction of Chinese tourists to Thailand during September to December 2016 approximately 475 thousand people, or 5% of total number of Chinese tourists, especially in Pattaya which is the major visiting area. These caused similar overall performance of the Company in 2016 to that of last year.

Internal Factors

Apart from aforementioned external factors, internal factors also caused the costs and expense depreciation. Every year, four-star and five-star hotels require renovation to maintain their standards, either major renovation or touchup renovation. This causes expense depreciation for more than Baht 600 million yearly. Additionally, expenses related to employees, maintainance, and development of information technology for all business areas are key concerning internal factors. Marketing expense is the most important part to generate the Company's revenue. In order to increase the sales channels, the Company has contacted many travel agents, attended sale trips and joined alliance program with Preferred Hotel Group (PHG), and set up the overseas representatives sale office and promote the business in Europe, Asia and China. Currently, the Company has sale office located in 6 countries.

Nowadays, customers change their booking behaviours by making reservation via online channels. The Company has entered the internet-sale contracts with various networks, so-called Online Travel Agent. Although the Company acquires many customers through this channel, the Company needs to pay high commission, too. The Company has developed sales channels via internet through our new website: Dusit.com and mobile application to make booking more convenient and faster. The room-booking transaction via Dusit.com website increased by 19%; whereas, reservation via mobile application increased three times to 298% compared to last year. Currently, Dusit.com website has been developed into 5 languages: Thai, English, Chinese, Japanese, and Arabic.

Moreover, the Company continues expanding its business in hotel management, education, as well as other new businesses to reach the planned target. The costs of development and study preparing for expansion are therefore required such as employees' related expenses. Such expenses are fixed though influentially impact to the performance.

Investments

For the year ended 31 December 2016, Dusit Thai Properties PCL additionally invested in DMS Property Investment Pvt. Ltd., a subsidiary in Republic of Maldives, for another 5% by acquiring the shares from the existing shareholder in total of 1,925,000 shares, worth USD 2,435,000. Thus, Dusit Thai Properties PCL has 65% share in DMS Property Investment Pvt. Ltd.

The Company has set up new subsidiaries throughout 2016 to support future business expansion as follows: Vimarn Suriya Co., Ltd., Suanlum Property Co., Ltd., Phraram 4 Development Co., Ltd., and Saladang Property Management Co., Ltd.

On 16 May 2016, the Company registered the reduction in par value of the Company from Baht 10 par value each to Baht 1 par value each. Therefore, the total number of ordinary shares of the Company increased from 85 million shares to 850 million shares.

Changes in Significant Accounting Policies

For the year ended 31 December 2016, no significant changes in accounting policies.

The Company has adopted Thai Financial Reporting Standards (TFRS) which were effective for annual financial periods beginning on or after 1 January 2016.

However, some TFRS have been revised and announced have not yet implemented and were not used for preparation of this financial statements. Those TFRS revisions may be relevant to the Group of Companies' operations, which become effective for annual financial periods beginning on or after 1 January 2017. The Company does not have plan to adopt these TFRS earlier than the said date. Nevertheless, the Company has made a preliminary assessment of the initial potential impact on the consolidated and separated financial statements from the new TFRS and expects that there will be no major impact on the financial statements in the period of application.

Analysis of Operation Performance

For the year ended 31 December 2016, the Company has net profit Baht 114.1 million and earnings per share Baht 0.135, compared to net profit Baht 199.2 million and earnings per share Baht 0.236 in 2015.

The performance of the year ended 31 December 2016 compared to the the year ended 31 December 2015 is as follows:

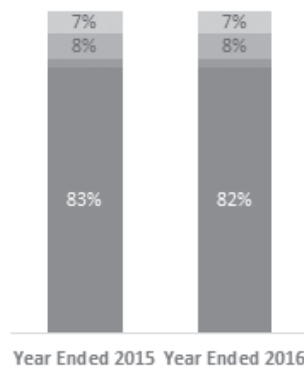
Summary of Operation Performance

Unit : Million Baht

Description	Year ended 31 December 2015	Year ended 31 December 2016	%
Hotel business	4,555.0	4,599.0	1.0%
Hotel management business	124.1	147.6	18.9%
Education business	406.8	401.6	-1.3%
Others	270.7	264.2	-2.4%
Total revenue	5,369.6	5,412.4	1.0%
EBITDA	1,018.0	906.2	-11.0%
Depreciation	689.0	704.7	2.3%
EBIT	328.9	201.5	-38.7%
Finance costs, net	36.4	60.1	65.0%
Income tax (income) expense	39.4	(11.6)	-129.3%
Profit for the period	253.1	152.9	-39.6%
Profit (Loss) attributable to non-controlling interests	53.9	38.8	-28.0%
Net profit (Loss) attributable to owner of the Company	199.2	114.1	-42.7%
EPS (Baht)	0.236	0.135	
Number of sharess (million)	845.3	845.3	

Revenues

The Company has total revenues for the year ended 31 December 2016 of Baht 5,425.1 million, increased from last year 1%, details are as follows:



Revenues Classified by Businesses

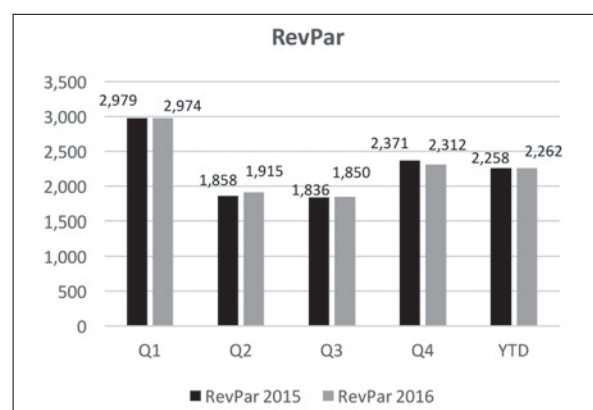
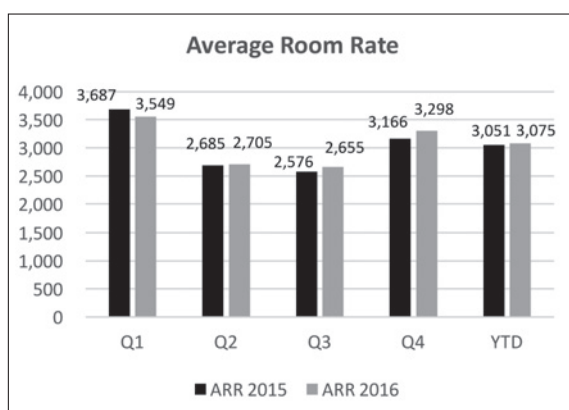
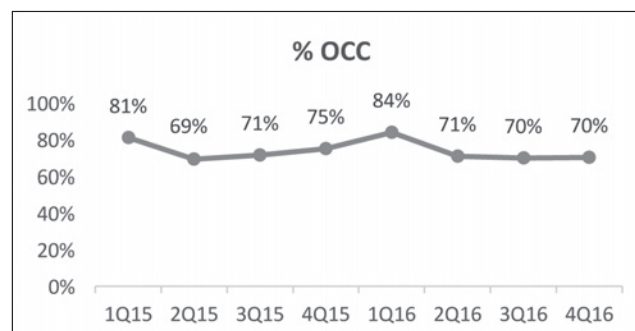
Hotel Business

Unit : Million Baht

Description	2015	2016	Variance %
Revenues:			
- Hotel business in Thailand	1,950.74	1,912.79	-1.95
- Hotel business under DTCPF	1,128.17	1,078.86	-4.37
- Overseas Hotel business	1,368.51	1,481.66	+8.27
รวม	4,447.42	4,473.31	+0.58

Performance of Hotel Business

Occupancy Rate, Average Room Rate and RevPAR (Hotels in Thailand)



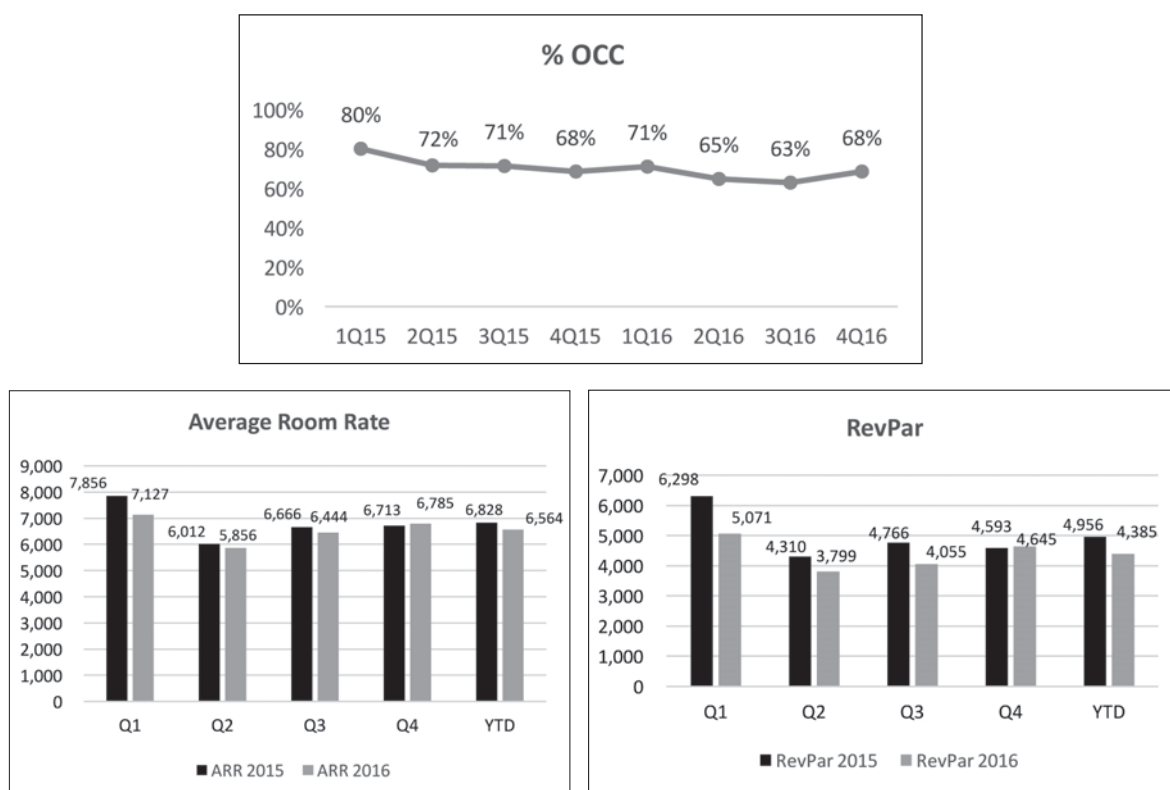
Major revenue of the Company comes from hotel business of 82% of total revenue. In 2016, the hotel revenue increased by 1% per the following details:

For hotels in Thailand, revenue compared to the same period of last year lower by 2.8% resulting from some decreases of average room rate and catering due to high competition at Dusit Thani Pattaya.

Regarding hotels under DTCPF, revenue decreased from last year by 4.4%, with major factor from Dusit Thani Hua Hin which had low occupancy rate dropping from 67.6% to 65.4% because of reducing number of Indian tourists and catering and from Dusit Thani Laguna Phuket which had decreasing occupancy rate and revenue from restaurant.

In 2016, Occupancy Rate was 73.6% which was slightly decreased from 2015. However, the Average Room Rate was Baht 3,075, slightly increased from last year, causing by competitive pricing strategy to attract long-stay tourists. The RevPar was Baht 2,262, slightly higher than 2015.

Occupancy Rate, Average Room Rate and RevPAR (Overseas Hotels)



Overseas hotels had increasing revenue compared to last year by 8.3% as a result of a completion of major renovation that caused some rooms and restaurants partially closed in Dusit Thani Manila earlier.

The occupancy rate was decreased in consequence of Dusit Thani Manila's major renovation causing not enough available rooms to respond to customers' demand. This affected to the average room rate and RevPar decreased from 2015.

Our hotel business had high expenses in salary of employees and depreciation. Therefore, the Company had gross profit of 28.1% of revenues from sales and services and profit before interest and income tax of hotel business in 2016 was 2.8% of revenues from sales and services which was lower than last year of 6% of revenues from sales and services.

However, hotel business is the major business of the Company so our management team has developed sales channels guideline to generate more revenues. Since service is the key for business, development plan for human resources and cost efficiency management are essential to the business.

Hotel Management Service

For the year ended 31 December 2016, income from hotel management service was Baht 147.6 million, increased 18.9% from last year because of newly-opened hotel, Dusit Thani Guam in late 2015. Income from hotel management service in 2016 increased by 2.7% of total revenues with positive future trend.

Education Business

The education business consisted of Dusit Thani College and a newly-opened school in late 2015; Dusit Thani Hotel School, with classes relate to hotel services. Moreover, there were education management revenue from Lycy in Philippines and licensing fee received from Yayasan, the education institute in Bali, Indonesia.

The education business is one of our strengths among all businesses of the Company that generated profit. Revenue incurred from this business decreased from last year by 1.3%, or 7.4% of total revenue of the Company. The education business can generate profit of Baht 35.5 million, or 22% of net profit. This outcome derived from the first year of learning semester change across Asean countries of Dusit Thani College, started from 2016.

For the performance of education business for the year ended 31 December 2016, revenue was Baht 442.0 million, increased from last year by Baht 5.4 million, or 1.2%, comprised of Dusit Thani College Baht 9.6 million, and Dusit Thani Hotel Studies Co., Ltd. Baht 6.2 million. However, licensing fee from Yayasan decreased Baht 21.1 million which was one-time service to Education Institution in Bali, Indonesia in 2015.

Other Businesses

For the year ended 31 December 2016, income from other businesses was Baht 362.2 million, increased from last year of Baht 0.7 million, consisting of:

- Realized deferred gain on sales of asset held for sale.
- Share profit from investment by the equity method from Dusit Fudu Hotel Management (Shanghai) Co., Ltd., Le Cordon Bleu Dusit Co., Ltd. and DTCPF.
- Gain from currency exchange, technical service fee for new projects and other income from hotels, which were decreased.

Costs of Sales and Services and Gross Profits

Costs of sales and services were Baht 3,576.9 million in 2016, increased from last year by 0.9%. The amount comprised of the following:

- Direct costs of sales and services, e.g. cost of room service, cost of food and beverages, salary and employee benefits, etc. of Baht 2,915.2 million. This was a decrease from last year by 0.5%.
- Cost of services – depreciation and amortization of Baht 661.7 million, increased from last year by 2.8%

Administrative Expenses and Net Profit

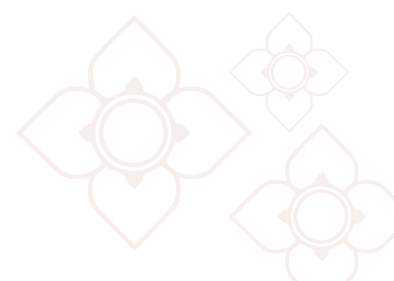
In 2016, selling expenses was Baht 404.6 million, increased from last year by 4.3%, mostly are from advertising and public relation expenses. Administrative expenses of Baht 1,186.4 million for 2016, increased by 13.1%, as the Company continued investment in resources to support future business expansion. The sales and administrative expenses represented 32% of revenue from sales and services in 2016, and 29.3% in 2015. Meanwhile, the hotel school under Dusit Thani Hotel Studies Co., Ltd. opened in late 2015 and was the second year of operation. It had total expenses of Baht 19.6 million and still does not cover its revenue. However, the Company has some strategies to get higher revenues.

Earnings before interest, income tax, depreciation and amortization (EBITDA) for the year ended 31 December 2016 was Baht 906.2 million, decreased from last year by 11.0%. The Company recorded income from income tax of Baht 11.6 million in 2016, compared to expense from tax income of Baht 39.4 million in 2015 due to the benefits from accumulated losses.

Net profit for the Company was Baht 114.1 million, decreased from net profit of Baht 199.2 million in 2015. This translated into earnings per share of Baht 0.135 in 2016. The net profit margin was 2.1% versus 3.71% in 2015. The summary details are as follows:

Unit: Million Baht

Description	Amount
Gross profit increased	48.2
Other income increased:	
- Management service income	23.5
- Dividend income	1.3
Other income decreased:	
- Realized deferred gain on sales of asset held for sale.	(6.9)
- Share profit from investment by the equity method	(18.5)
- Others	(22.8)
Expenses increased:	
- Sales and administrative expenses	(154.3)
- Interest paid, net	(23.7)
Expenses decreased:	
- Depreciation and amortization	2.0
Income tax expenses decreased from 2015	51.0
Net profit – Non-controlling interests decreased	15.1
Net profit decreased	(85.1)



Analysis of Financial Position

The consolidated statement of financial position of the Company and subsidiaries as of 31 December 2016 compared with the balance as of 31 December 2015 were as follows:

Unit: Million Baht

Description	31 December 2015	31 December 2016	Change
Cash and cash equivalents	714.2	870.3	22%
Short-term investments	380.2	357.7	-5.9%
Trade and other receivables	475.0	462.6	-3%
Inventories	79.6	77.0	-3%
Other current assets	168.1	145.3	-14%
Total current assets	1,817.1	1,912.9	5%
Investment in associates	1,404.7	1,370.3	-2%
Property, plant and equipment	5,107.9	4,689.6	-8%
Other non-current assets	1,058.8	1,060.2	0%
Total assets	9,388.5	9,033.0	-4%
Bank overdrafts and short-term loans	867.4	623.9	-28%
Trade and other payables	955.2	972.6	2%
Other current liabilities	90.0	97.8	9%
Total current liabilities	1,912.6	1,694.3	-11%
Long-term loans	1,177.1	1,052.6	-11%
Other non-current liabilities	894.3	932.0	4%
Total liabilities	3,984.0	3,678.9	-8%
Total equity	5,404.5	5,354.1	-1%
Total liabilities and equity	9,388.5	9,033.0	-4%

Net assets of the Company decreased from the end of 2015, from Baht 5,404.5 million to Baht 5,354.1 million.

As of 31 December 2016, the Company's **total assets** are Baht 9,033.0 million, with a decrease of Baht 355.5 million. Key movements are as follows:

- Property, plant and equipment decreased by Baht 418.3 million (net), since periodic depreciation was deducted according to charges offset per actual usage of equipments at various properties once renovation activities are completed.
- Pre-paid rental of land and buildings decreased by Baht 97.1 million, in accordance with amortization during the lease period.
- Cash and cash equivalent increased by Baht 156.1 million, per actual operation performance.

Total Liabilities at as of 31 December 2016 of Baht 3,678.9 million, decreased from Baht 3,984.0 million due to:

- Overdrafts and short-term loan was decreased by Baht 243.5 million.
- Long-term loans decreasing by Baht 124.5 million from repayment of loan principal according to the loan agreements of a subsidiary.

Equity shows a net downward movement of Baht 50.4 million, as a result of 2015 dividend payment to shareholders of the Company.

As of 31 December 2016, the financial ratio of debt to equity was 0.69 : 1 but if debt excluded deferred rental revenue of Baht 609.8 million to equity would be 0.57 : 1. Equity of the mother Company was Baht 4,589.0 million while book value was Baht 5.4 per share, compared to last year of Baht 5.4 per share.

Analysis of Cash Flows

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

Unit: Million Baht

Description	2014	2015	2016
Net cash flow provided by operating activities	863.17	863.24	1,020.43
Net cash flow provided by (used in) investing activities	(521.28)	(1,025.20)	(344.52)
Net cash flow provided by (used in) financing activities	(334.16)	15.18	(510.39)
Effect from exchange rate changes			
On balance held in foreign currencies	4.39	1.25	(9.41)
Net increase (decrease) in cash flows	12.12	(145.53)	156.11

The Company and subsidiaries had cash flows in 2016 compared to 2015 as follows:

Net cash flows provided by operating activities in 2016 of Baht 1,020.43 million, increased from last year Baht 157.19 million, consequently from working capital increased by Baht 236.16 million (from trade and other payables by Baht 137.96 million and liabilities under rental guarantee - DTCPPF by Baht 86.31 million), while income tax increased by Baht 12.14 million.

Net cash flows used in investing activities in 2016 was Baht 344.52 million, decreased from last year by Baht 680.68 million, mainly resulted from payment for short-term investment by Baht 252.05 million, cash paid for acquisition of equipment by Baht 329.51 million (mainly for renovation work of Dusit Thani Manila), cash paid for investment in associated companies: Philippine Hoteliers International Center for Hospitality Education, Inc. by Philippine Hoteliers, Inc. at 40% in 2015 or by Baht 122.77 million, prepaid rental of land and building of Dusit Thani Maldives by Baht 24.95 million, net cash paid for purchase of other intangible assets by Baht 3.7 million, dividend received from associate decreased by 25.81 million, and cash paid for investment in subsidiary increased by Baht 26.22 million.

Net cash flows provided by financing activities in 2016 of Baht 510.39 million, decreased from last year by Baht 525.57 million, mainly resulted from no additional long-term loans in 2016 by Baht 515.85 million, cash payment of short-term loans from financial institution by Baht 82.00 million, interest paid (by DMS) Baht 23.19 million, dividend paid by Baht 14.24 million, cash received from short-term loan from financial institutions increased by Baht 106.01 million, and cash paid for long-term loans by DMS Property Investment Private Limited (DMS) decreased by Baht 3.75 million.

2. Profitability

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

Profitability Ratios

		2014	2015	2016
Net profit margin	%	0.26	4.71	2.82
Return on Equity (ROE)	%	(0.46)	4.41	2.49

With reference to the above ratios, in 2016, the Company had net profit of 2.82% of total revenues, and return on equity (ROE) was at 2.49%, decreased from last year or net profit of Baht 114.1 million in 2016, decreased from last year by Baht 85.1 million. The profitability ratios of 2016 decreased from the announcement of the government that the public was urged not to hold any form of celebration for 30 days during October to November in 4Q16 combined with the economic slowdown of each country and slowly recovering global economy yet the Company still continued controlling cost and sales and administrative expenses. In order to achieve goals of the the Company with plans to expand hotel management business, it requires development and study costs, including personnel expenses that support expansion of the Company. Consequently, the net profit and profitability of the Company decreased with equity 2.49% compared to last year. The equity decreased by Baht 50.4 million was an outcome from 2015 dividend payment to shareholders.

Furthermore, the Company continually paid dividend to the shareholders with a policy to pay dividend no less than 50% of basic earnings per share. The Board of Directors meeting on 28 February 2017, had a resolution to announce the dividend payment for 2016 from retained earnings to shareholders at Baht 0.10 per share, in total of Baht 85.00 million.

3. Ability to Manage Assets

The ability to manage assets of Company and subsidiaries for the last 3 years were as follows:

The ability to manage asset ratios

		2014	2015	2016
Trade accounts receivable turnover	times	16.09	19.50	22.11
Inventory turnover	times	33.42	35.31	37.22

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

- Trade accounts receivable turnover in 2016 was 22.11 times of revenue from products and services sales, increased from the last 2 years mostly because of higher trade accounts receivable from hotels.

As of 31 December 2016, the Company and subsidiaries had more-than-3-month past due trade accounts receivable of Baht 13.11 million which mostly were travel agents. The Company and subsidiaries set up the allowance for doubtful accounts in total of Baht 9.28 million, which were sufficient for their operation.

- Inventory turnover in 2016 was 37.22 times from sales and services cost, increased from the last 2 years because inventories (from hotels) and cost of sales and services increased.

Effective Assets Management

		2014	2015	2016
Return on Assets (ROA)	%	1.00	3.58	2.19
Return on Fixed Assets	%	12.34	17.21	16.96
Assets turnover	times	0.57	0.58	0.59

Efficiency ratio for management of assets in 2016 had return on assets (ROA) of 2.19%, decreased from last year, return on fixed assets was 16.96% decreased from last year, whereas

assets turnover was 0.59% increased from last year because in 2016, the Company and subsidiaries had profit before interest (net) and income tax (EBIT) of Baht 201.49 million, decreased from last year by Baht 127.45 million. The 2016 total assets were Baht 9,032.98 million, decreased from last year by Baht 355.50 million, mainly caused by depreciation of property, plant and equipment of each hotel and addition of continuing rooms and restaurant renovation and decoration. These assets will be sufficient to generate revenues to receive higher return in the future years.

4. Capital Efficiency

The capital structure of the Company consisted of short-term loans, long-term loans and short-term loans from shareholders. As of 31 December 2016, details of borrowings were as follows:

Unit : Million Baht

Description	Limit	Balance	Interest rate per p.a.
1. Short-term from financial institutions			
- Dusit Thani PCL	1,850.00	287.00	MMR
- Dusit Thani PCL	300.00	-	Be specified by bank
- Dusit Thai Properties PCL	300.00	138.00	MMR
- DMS Property Investment Pvt. Ltd.	125.24	28.63	LIBOR + 2.925%
- Dusit Thani Hotel Studies Co., Ltd.	14.56	8.00	MMR
2. Long-term loans from financial institutions			
- Philippine Hoteliers, Inc.	716.39	429.83	Philippine Dealing System Treasury 6 month +1.50%
- DMS Property Investment Pvt. Ltd.	1,485.05	663.80	LIBOR 6 months + 2.925%
- Dusit Thani Hotel Studies Co., Ltd.	116.20	116.20	BIBOR 1 month + 2.20%
Total	4,907.44	1,671.46	

Liquidity Ratios

		2014	2015	2016
Current Ratio	times	0.82	0.95	1.13
Quick Ratio	times	0.70	0.82	1.00

The Company's current ratio and quick ratio in 2016 were increased from 2015 because current assets increased by Baht 95.88 million. However, cash from operation and short-term investment increased by Baht 133.65 million; current portion of prepaid rental of land and building decreased by Baht 18.29 million of DMS; trade and other receivables decreased by Baht 12.43 million, inventories decreased by Baht 2.58 million; and other current assets decreased by Baht 4.46 million. For current liabilities, it was decreased by Baht 218.27 million; bank overdraft and short-term loans from financial institutions by Baht 76.37 million; current portion of long-term loans by Baht 167.12 million; while trade and other payables, such as payable - assets acquisition to renovate and decorate, accrued expenses, deposit received increased by Baht 17.35 million; accrued income tax by Baht 6.17 million; and other current liabilities and others increased by Baht 1.70 million. Nevertheless, analysis of liquidity ratios of the Company's financial position was low, because the Company had higher short-term borrowings at lower of interest rate. Still, the Company has already considered the payment ability of such loans and will convert such short-term loan to long-term loans per appropriateness of each situation.

Ratios in Debt Management

		2014	2015	2016
Debt to Equity Ratio	times	0.60	0.62	0.57
(for liabilities - excluding deferred rental revenue)				
Debt to Equity Ratio	times	0.73	0.74	0.69
Time-Interest Earned Ratio	times	14.74	19.27	14.85

As of 31 December 2016, the Company and subsidiaries had debt to equity ratio equaled to 0.69 times, decreased from last year which equaled to 0.74 times and had debt to equity ratio (liabilities excluding deferred advance rental revenue) equaled to 0.57 times, decreased from last year which equaled to 0.62 times. The main reason of decreasing ratio was from liabilities of the Company and subsidiaries from the borrowings. The above-mentioned ratio was lower than the ratio specified in loan agreements which is to maintain the debt to equity ratio to be no more than 1.75: 1. The time-interest-earned ratio was 14.85 times, decreased from last year because in 2016, the Company and subsidiaries had cash flows from operations increased from last year, but the interest expenses increased by Baht 23.4 million. 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 to be not over 1 time.

5. Factors That May Affect to the Future Operations or Financial Positions**External Factors That Affect to the Hotel Business**

The hotel business is sensitive toward external factors, especially political crisis, terrorism, disaster, epidemic, both Thailand and overseas economic situations, and competition. However, the Company has set up the policies to prevent those effects by taking insurance for all risks, business interruption, and terrorism to reduce impact from any risks that may occur. In terms of marketing, the Company seeks for a new group customers to compensate losing customers from economic-problem region by setting up sales representative offices in Hong Kong, Shanghai and Beijing, etc.

In order to minimize the risk of concentration of revenues, the Company has policies and strategy to minimize it by expanding investment and hotel management into various regions overseas. For hotel management business, there might be risk to terminate the management agreement before its expiry date or not to renew such agreement after its expiry date. These incidents will unavoidably impact total revenues. Therefore, the Company and subsidiaries carefully set up terms and conditions before signing any agreements to reduce risk from termination of agreement before the expiry date. Moreover, the world's financial crisis of hotel business may impact our targeted revenues while the Company has set up the Development and Investment Office in Dubai to find more potential management hotels. In 2013, the Company had a new joint venture company, namely Dusit Fudu Hotel Management (Shanghai) Co., Ltd. in People's Republic of China under "Dusit Fudu" trademark to support hotel management business in China. From that investment, the Company will receive not only licensing fee, but also brand awareness and reputation of the Company to that region. Additionally, it helps expanding Dusit marketing network to generate more revenues in future.

Internal Factors That Affect to the Business

Manpowers are substantially significant to the operation of the Company. Currently, hotels are lack of manpowers, especially management level. When new hotels are firstly opened, current staffs will transfer from their hotels to these new hotels. The Company, therefore, take our first priority over developing these personnels by training them to support the expansion of our own and managed hotels in the future. Moreover, Dusit Thani College provides the bachelor and master degrees in hotel business where the Company can self-select those qualified manpowers from there. In addition, the Company also manages in Lyceum of Philippines University (LPU)

which can be another channel in recruiting qualified manpowers to support the expansion of hotel business in the future. The Company set up Dusit Thani Hotel Studies Co., Ltd. to operate “Dusit Thani Hotel School” which offers programs related to hotel industry to develop student’s skills required for the hotel industry itself to support hotel expansion. It was opened since September 2015.

Impairment of Property, Plant and Equipment

After economic downturn, even though some tourists, mostly are Chinese and Asian came back to Thailand, numbers of European and Russian tourists which are one of the main markets still decreased due to the slowdown in their local economy while the world’s economy recovers slowly. With the high competition, the Company, therefore considers impairment of some property, plant and equipment of each hotel by engaging the independent appraiser to assess values of all hotels owned by the Company and subsidiaries based on discounted cash flow method. In case that carrying value of such property, plant and equipment is less than evaluated values, based on mentioned discounted cash flows, the Company, hence recognizes loss on impairment of property, plant and equipment as an expense.

Business Development and Future Trend

Currently, 72 percent of revenues of the Company are from local market. Political crisis occurred in Thailand with influential economic conditions of both inside and outside Thailand affect the Company’s revenue over the years.

The Company has set up the growth strategy to expand the business since 2007 to target more revenues from overseas in line with revenues from Thailand in order to reduce impact from the risk that might occur here. Expansion of hotel management is our main objective because it does not require big investment while enable us to increasingly network marketing channels. However, the Company still considers investing in hotel business limiting inside the regions where there are potentials in tourism with high return and channels for business expansion. In addition, the Company studies possibility to expand education business since it is a high potential business with competitive strength of the Company.

In 2016, hotel management business was not successful per target due to unrecovered global recession as well as economic growth problem in China. Moreover, the owners of the management hotels could not complete the hotel construction within planned timeline. These various factors consequently affected to the Company’s targets. However, in expanding the business, the Company requires more human resources, working system in all areas, and costs of project’s studies. As a result, due to these external factors, the Company’s administrative expenses have increased, while revenues could not meet expectation. If there are none of these external factors, the operation of the hotel under the Company and subsidiaries, and hotels which already signed management contracts can be opened as planned, the Company expects to generate increasing profits from operations in the future.

The expansion during last 3-5 years

- **Hotel Business**

Since 2011, the Company has invested in hotel business in Maldives, a 5-stars hotel with 100 villas located on Mudhdhoo Island, Republic of Maldives, under DMS Property Investment Pvt. Ltd. (DMS), with investment amount of USD 60 million and registered capital was USD 38.5 million under the name Dusit Thani Maldives. The Company has invested through Dusit Thai Properties Plc. with investment proportion of 55%. This hotel was opened on 8 September, 2012. In the 3rd quarter 2015, the investment was 5% increased, and in 2016, increased another 5%. The total investment was in total 65% holding. In 2014, the revenues from sales and services increased from 2013 by 16%. However, from the beginning of 2015, Russia’s economic crisis resulted in dropping numbers of major Russian tourists suddenly. Even though hotel management team changed its strategy to convert to different target customers in order to increase the occupancy rate, income of the hotels still dropped by 2%.

Apart from the above, the Company invested in hotel and education business in Philippines by Philippine Hoteliers, Inc. had 40% invested in Philippine Hoteliers International Center for Hospitality Education, Inc., registered in Philippines on 15 July 2015 and the Company recorded this investment by the equity method which has loss in 2015 of Baht 1.35 million and in 2016 of Baht 5.50 million.

- **Hotel Management Business**

In February 2013, the Company had 45% holding of CNY 30.00 million in a joint venture in People's Republic of China, namely Dusit Fudu Hotel Management (Shanghai) Co., Ltd. During the start-up period, the Company had to form the executive and management teams in China with high administrative expenses while the number of signed hotel management contracts were low. The performance of this joint venture was inevitably loss.

With expansion of hotel management business, the Company has set up the Development and Investment Office in Hong Kong, Dubai, and Delaware, USA to support the hotel management business. In 2016, there were signed management contracts and opened for operations as follows: Dusit Thani Guam had soft opening in June 2015, Dusit Thani Krabi Resort opened in July 2015, and dusitD2 Nairobi opened in June 2015. In 2015, the Company and subsidiaries signed 9-hotel-management contracts, and a joint venture in China signed 9-hotel-management contracts located in China. However, the Company will follow the long-term plan, to increase number of management hotels both in Thailand and overseas, especially in the Middle East, such as United Arab Emirates, or in East Asia, such as People's Republic of China.

On 6 February 2017, the Board of Directors of the Company approved to establish a new subsidiary, namely Dusit Colours Company Limited in Japan in order to provide management and technical consultancy services related to hotels, service apartments, real estate, restaurant, spa and others in the form of lease operation, franchising, and /or partially own in Japan.

In 2016, the Company has income from management service of Baht 147.62 million, increased from 2015 by Baht 23.50 million, mainly from management hotel of Dusit Thani Guam.

- **Education Business**

The Company was a pioneer of hotel education related to hotel and kitchen managements, by establishing Dusit Thani College since 1996 and expanded branch to Pattaya campus in December 2012. With locally and worldwide acceptable experience and success in education business, the Company has an opportunity to expand the business by engaging in investment and management of other education businesses both in Thailand and overseas. In 2016, the management service income by education division to Lyceum of Philippines University (LPU) was Baht 21.35 million.

In 2015, Dusit Thani Hotel Studies Co., Ltd. was established with registered capital of Baht 120 million to operate "Dusit Thani Hotel School". The school offered programs related to hotel industry to develop student's skills required by hotel industry to support the expansion of Company's hotels. Moreover, there are more demands in manpower of hotel business domestically and internationally, therefore the Company agreed to sign a lease land and building agreement with third party for 1 year from 1 January 2015 to 31 December 2015 and a sub-lease land and school building agreement from Bangkok Business College to renovate the building as a vocational school for a period of 30 years from 1 January 2016 to 31 December 2045. After signing and registering the lease agreement, the Company started renovating and decorating the building and nearby areas with investment fund approximately Baht 236.20 million. The school was opened on 14 September 2015. As the 2nd year of operation in 2016, its revenues still does not yet cover expenses, and caused operating loss of Baht 57.63 million.

Philippine Hoteliers, Inc. (an indirect subsidiary, 88.00% own) holds 40% in Philippine Hoteliers International Center for Hospitality Education, Inc., registered in Philippines on 15 July 2015. Its objective is to operate education business there.

Furthermore, the Company has a policy to renovate existing hotels every year and plan to have big renovation every 5-7 years in order to maintain hotel's standard and to increase competitive capability with rivals in the same business level. The Company spent renovation budget for more than Baht 512 million in 2014, Baht 578 million in 2015 and Baht 346 million in 2016.

Future Trend

In 2017, The Company has set up a core business plan by focusing on strengthening all main businesses which are hotel, hotel management, education and finding new business channels that can be developed into core business of the Company, as follows:

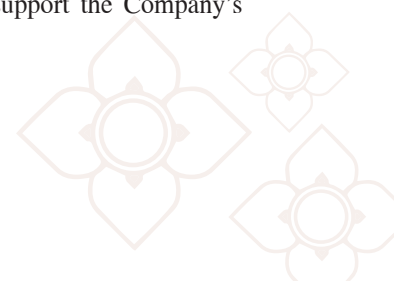
1. Hotel business: recently, the Company has cooperated with Central Pattana PCL to invest in the Mixed-Use Property Development Project, consists of new Dusit Thani Hotel, residence, retail shopping center and office building. The total investment value is no more than Baht 36,700 million. This project is located on the land with areas of 23 Rai 2 Ngan 2.72 square wah, at the corner of Silom Road and Rama IV Road. The Company has been entrusted by the Crown Property Bureau to renew the land lease agreement, where current Dusit Thani Bangkok and the Dusit Thani Building are located with additional land of 5 Rai for another 30 years. After the end of the lease term, the Company will have the right to continue to lease for another 30 years in accordance with the same initial terms and conditions (this lease period excludes the construction period of 7 years from 1 July 2017).

This new project is to expand the hotel business, which is our core business, diversify risks, increase competitiveness, and strengthen the "Dusit Thani" brand. The highlights of this project are maintaining the identity of Thai culture and takes full advantage of space to support tourists and public use because this area is located at the middle of the city, served as a business center and a hub that connects Bangkok's main mass transit system, both BTS and MRT as well as being an area of high-end residential. In addition, it locates on the opposite side of Lumpini Park, the Bangkok's largest green space. The Company is confident that this Project will become the new symbol of Bangkok, like our historical building of Dusit Thani Hotel which was built 47 years ago.

2. Hotel management business: the Company aims to double number of rooms within 5 years. In 2016, the Company has signed both domestic and international hotel management agreement for 8 hotels and plan to open 34 hotels within 5 years. The Company focuses on expanding its hospitality business by engaging in more hotel management overseas, mitigating risks and strengthening brand awareness of "Dusit Thani" trademark, to be widely known around the world. This will also promote our competitiveness. The Company aims to be an enterprise in the hospitality industry where employees work with hearts and focuses on applying new technology to support the service.

3. Education business: this is another business that the Company focuses on and finds opportunities to expand to international market, due to the shortage of skilled, knowledgeable and qualified manpowers to meet market requirements, which tends to be increased in future. The Company has experiences from operating Dusit Thani College and Le Cordon Bleu Dusit Culinary School with great success accompanied by trust and cooperation from the world's leading educational institutions, in order to open new hotel schools in foreign market in the future.

4. New Business: The Company is looking for new channels to generate more revenue from new businesses related to core businesses, such as wellness business or other businesses, to promote and support the Company's core businesses and provide a full range of effective service.



The Audit Committee Report For Year 2016

To The Board of Directors and Shareholders

The Audit Committee of Dusit Thani Public Company Limited (“Company”) is made up of 3 Independent Directors who are knowledgeable in accounting, finance and legal and are qualified in accordance with the regulations of Securities and Exchange Commission (“SEC”) by not holding any positions of management, employee, or consultant in the Company.

In 2016, the Audit Committee had 10 meetings as follows:

		Attendance / Total Meeting (time)
1)	Prof. Hiran Radeesri Chairman of the Audit Committee	10/10
2)	Prof. Sansern Kraichitti Audit Committee Member (Period 1 January – 31 March 2016)	3/3
3)	Dr. Kittipong Kittayarak Audit Committee Member (Period 1 April – 31 December 2016)	6/7
4)	Khun Pranee Phasiphol Audit Committee Member	10/10

The Audit Committee carried out their duties within the scope of its charter and as assigned by the Board of Directors, in alignment with the regulations of the SEC. The Audit Committee was able to work without being restricted and able to obtain the information without limitation. This year, the Audit Committee already performed self-assessment and concluded with the satisfactory result. The significant duties of the Audit Committee are summarized as follows:

Review of the Financial Statements

The Audit Committee reviewed the financial statements for quarter and year 2016 of the Company and its subsidiaries, which were prepared in accordance with the Thai Financial Reporting Standards (“TFRS”), by reviewing on the significant matters and extraordinary items. The Audit Committee was reported by the external auditor, Management, and Director of Internal Audit to ensure that the financial statements were presented and its notes to financial statements were disclosed in accordance with the regulation of laws and TFRS. The Audit Committee considered and agreed the aforesaid financial statements according to the unqualified audit report of the external auditor. In addition, the Audit Committee had a session with the external auditor without management presence to ensure that external auditors were able to perform their engagement objectively and independently with kind cooperation from the management and employees.

Review of the Interconnected Transactions or Transactions that May Lead to Conflicts of Interest

The Audit Committee in collaboration with responsible management and internal audit, reviewed inter-company transactions between the Company and its subsidiaries including the interconnected transactions or transactions that may lead to conflict of interest to ensure the compliance with normal condition of business and the information were disclosed correctly in accordance with the relevant laws and regulations.

Review of the Effectiveness of Internal Control and Risk Management Systems

The Audit Committee reviewed internal control system according to the internal audit reports of the Internal Audit Department regularly and the reports of external auditor concerning finance and accounting, operations, resources utilization, safeguarding of assets, prevention or reduction of errors, loss, leak, waste, and fraud along with the reliability of financial reporting as well as compliance with relevant laws and regulations. Accordingly, the external auditor was of the opinion that there was no significant control issues or weaknesses.

According to SEC's internal control self-assessment report, the Audit Committee agreed that the internal control of the Company and its subsidiaries was adequate and appropriate. In regard to the risk management, the Company appointed the Risk Management Committee for the specific duties. The Audit Committee also considered the risk management plans and periodically monitored the performance, however, it was found that some areas need to be improved further and the Management should monitor and enhance all levels of management to closely participate in the risk management activities.

Monitoring of the Internal Audit Operations

The Audit Committee reviewed the appropriateness of responsibility, scope of work, performance, independence, strategy, annual audit plan of the Internal Audit Department, including headcount, the assessment of resource adequacy and people development. The Audit Committee monitored the internal audit operations according to the approved audit plan as well as provided the advisory for more efficiency and effectiveness. The Audit Committee was responsible for the evaluation, appointment, termination, and transfer of the Internal Audit Director.

Nomination of the External Auditor and Its Audit Fee for the Year 2017

The Audit Committee evaluated the performance of external auditor with satisfactory result and also considered the qualification and independence of the external auditor which were agreed that they were complied with the SEC's regulations. Therefore, the Audit Committee presented to the Board of Directors for considering to propose to the shareholders meeting the nomination of Ms. Vannaporn Jongperadechanon or Ms. Vipavan Pattavanvivek or Ms. Patamavan Vadhanakul of KPMG Phoomchai Audit Company Limited to be the auditors of the Company and its subsidiaries and proposed the audit fees for the year 2017, amounting to 4,205,000 baht in total.

According to the aforesaid above reports, the Audit Committee was confident that the internal controls of the Company and its subsidiaries were sufficient, effective and efficient as well as the financial statements of the company and its subsidiaries present fairly, in all material respects, in conformity with the TFRS.

HIRAN RADEESRI

Professor Hiran Radeesri
Audit Committee Chairman





The Board of Directors' Responsibilities 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 2016 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 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. Arsa Sarasin	Chairman	
2. Ms. Suphajee Suthumpun	Group Chief Executive Officer	



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Independent Auditor's Report

To the Shareholders of Dusit Thani Public Company Limited

Opinion

I have audited the accompanying consolidated and separate financial statements of Dusit Thani Public Company Limited and its subsidiaries (the "Group") and of Dusit Thani Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2016, the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2016 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



Valuation of property, plant and equipment	
Refer to the notes 3, 12 and 15 to the financial statements	
The key audit matter	How the matter was addressed in our audit Our audit procedures included
<p>The Group had significant property, plant and equipment and investments in subsidiaries in the financial statements. Economic benefits of the assets depend on future profitable operations which impact property, plant and equipment of the Group and investments in subsidiaries in the separate financial statements. Each hotel business unit is determined as separate cash generating units. Management performed an impairment indicator assessment over property, plant and equipment and investments in subsidiaries based upon the performance of each hotel and review recoverable amount by using projection of future cash flows.</p> <p>The projection of future cash flows requires significant judgment. The effect to the change in estimate is uncertain. As a result, this is a focus area for my audit.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • Understanding and evaluating management's process in assessing the impairment indicators and determining the recoverable amount of property, plant and equipment and investments in subsidiaries. • Testing mathematical accuracy of the discounted future cash flow model used. • Considering the key assumptions underlying the estimate of the value from using discounted cash flows by taking into account historical data of the Group, operational plan and industry data. • Assessing the adequacy of disclosures in accordance with the related Thai Financial Reporting Standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

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



In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.





I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A handwritten signature in blue ink, appearing to be 'V' followed by a stylized flourish.

(Vannaporn Jongperadechanon)
Certified Public Accountant
Registration No. 4098

KPMG Phoomchai Audit Ltd.
Bangkok
28 February 2017

Dusit Thani Public Company Limited and its Subsidiaries
Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Assets	Note	2016	2015	2016	2015
		(in Baht)			
<i>Current assets</i>					
Cash and cash equivalents	4	870,334,699	714,227,528	160,984,291	189,995,121
Short-term investments		357,726,220	380,180,104	-	-
Trade and other receivables	5	462,592,301	475,026,279	197,993,001	219,593,613
Inventories	6	77,035,675	79,617,899	20,170,932	22,342,014
Short-term loans to related parties	28	-	-	326,000,000	38,500,000
Current portion of prepaid rental of land and buildings	16	90,778,652	109,073,479	74,066,640	74,066,640
Other current assets	7	54,475,432	58,935,841	2,350,747	1,767,051
Total current assets		1,912,942,979	1,817,061,130	781,565,611	546,264,439
<i>Non-current assets</i>					
Restricted bank deposits	8	2,196,375	2,176,362	-	-
Available-for-sale investments	9	364,964,850	356,440,850	40,846,350	241,662,250
Other long-term investments	10	-	-	-	-
Investments in associates	11	1,370,323,421	1,404,715,110	1,229,202,500	1,229,202,500
Investments in subsidiaries	12	-	-	1,037,751,164	1,091,352,364
Investments in joint ventures	13	54,033,633	52,517,563	20,292,449	29,830,302
Long-term loans to related parties	28	75,416,578	39,553,081	47,110,000	-
Investment properties	14	232,878,615	246,499,598	164,669,864	179,837,710
Property, plant and equipment	15	4,689,585,706	5,107,900,224	461,171,451	577,022,240
Prepaid rental of land and buildings	16	75,462,571	154,276,498	18,516,660	92,583,300
Other intangible assets	17	60,358,619	61,765,812	45,095,022	43,171,820
Deferred tax assets	18	150,744,644	100,951,867	80,003,577	32,613,836
Deposit for hotel management right	19	25,270,104	25,270,104	25,270,104	25,270,104
Other non-current assets		18,798,916	19,347,870	3,076,815	3,400,632
Total non-current assets		7,120,034,032	7,571,414,939	3,173,005,956	3,545,947,058
Total assets		9,032,977,011	9,388,476,069	3,954,571,567	4,092,211,497

The accompanying notes are an integral part of these financial statements.



Dusit Thani Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements 31 December		Separate financial statements 31 December	
		2016	2015	2016	2015
		(in Baht)			
<i>Current liabilities</i>					
Bank overdrafts and short-term loans					
from financial institutions	20	461,627,400	538,000,000	287,000,000	390,000,000
Short-term loans from related party	28	5,009,795	5,045,831	-	-
Trade and other payables	21	972,578,195	955,229,440	235,716,558	245,785,246
Current portion of long-term loans	22	157,251,400	324,374,850	-	-
Current portion of finance lease liabilities		1,236,756	1,151,484	-	-
Current portion of deferred rental revenue	23	25,433,333	25,433,333	-	-
Income tax payable		8,431,846	2,261,852	-	-
Others current liabilities		62,774,674	61,114,572	22,913,343	22,743,374
Total current liabilities		1,694,343,399	1,912,611,362	545,629,901	658,528,620
<i>Non-current liabilities</i>					
Long-term loans	22	1,052,574,438	1,177,112,720	-	-
Finance lease liabilities		1,870,710	3,107,467	-	-
Deferred rental revenue	23	584,409,224	609,842,557	-	-
Deferred tax liabilities	18	42,758,211	20,054,530	-	-
Employee benefit obligations	24	221,303,861	205,751,959	121,463,881	112,931,822
Liabilities from investment in joint venture		62,249,982	36,108,769	-	-
Other non-current liabilities		19,378,324	19,421,296	19,378,333	19,337,304
Total non-current liabilities		1,984,544,750	2,071,399,298	140,842,214	132,269,126
Total liabilities		3,678,888,149	3,984,010,660	686,472,115	790,797,746

The accompanying notes are an integral part of these financial statements.

Dusit Thani Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity (Continued)	Note	Consolidated financial statements 31 December		Separate financial statements 31 December	
		2016	2015	2016	2015
		(in Baht)			
<i>Equity</i>					
Share capital	25				
Authorised share capital		850,000,000	850,000,000	850,000,000	850,000,000
Issued and paid-up share capital		850,000,000	850,000,000	850,000,000	850,000,000
Treasury shares	26	(15,740,202)	(15,740,202)	-	-
Additional paid in capital					
Premium on ordinary shares	25	1,643,000,000	1,643,000,000	1,643,000,000	1,643,000,000
Surplus on treasury shares	26	18,365,540	18,365,540	16,950,268	16,950,268
Retained earnings					
Appropriated	27				
Legal reserve		85,000,000	85,000,000	85,000,000	85,000,000
Dusit Thani College funds		414,947,279	366,375,697	-	-
Treasury share reserve	26	15,740,202	15,740,202	-	-
Unappropriated		1,341,997,268	1,394,120,463	654,472,664	598,158,988
Other components of equity		235,671,044	236,341,239	18,676,520	108,304,495
Equity attributable to owners of the Company		4,588,981,131	4,593,202,939	3,268,099,452	3,301,413,751
Non-controlling interests	12	765,107,731	811,262,470	-	-
Total equity		5,354,088,862	5,404,465,409	3,268,099,452	3,301,413,751
Total liabilities and equity		9,032,977,011	9,388,476,069	3,954,571,567	4,092,211,497

The accompanying notes are an integral part of these financial statements.



Dusit Thani Public Company Limited and its Subsidiaries

Statement of Income

	Note	Consolidated financial statements For the year ended 31 December		Separate financial statements For the year ended 31 December	
		2016	2015	2016	2015
		(in Baht)			
Revenue from sales and services	28	4,974,351,891	4,895,149,503	1,552,728,034	1,573,012,309
Cost of sales and services					
Cost of sales and services	28	(2,915,208,576)	(2,901,950,884)	(906,372,800)	(924,207,851)
Cost of services - depreciation and amortisation		(661,689,152)	(643,922,090)	(221,410,618)	(229,203,492)
Total cost of sales and services		(3,576,897,728)	(3,545,872,974)	(1,127,783,418)	(1,153,411,343)
Gross profit		1,397,454,163	1,349,276,529	424,944,616	419,600,966
Other income					
Management service income	28	147,618,378	124,119,256	63,946,113	64,093,528
Interest income		12,697,349	12,961,419	3,704,588	1,707,996
Dividend income	28	15,764,430	14,451,000	120,768,022	160,353,388
Realised income from deferred rental revenue	23	25,433,333	25,433,333	-	-
Gain on sales of equipment		932,210	2,652,878	374,002	1,682,933
Realised deferred gain on sales of asset held for sale		-	6,904,215	-	6,904,215
Share of net profit from investments by the equity method	11, 13	22,079,994	40,625,045	-	-
Other income	28	226,253,966	247,293,336	379,309,388	334,788,562
Total other income		450,779,660	474,440,482	568,102,113	569,530,622
Profit before expenses		1,848,233,823	1,823,717,011	993,046,729	989,131,588
Expenses					
Selling expenses	28, 30	(404,604,507)	(387,965,855)	(194,424,906)	(229,039,133)
Administrative expenses	28, 31	(1,186,379,645)	(1,048,736,368)	(634,873,552)	(485,873,744)
Depreciation and amortisation		(43,059,678)	(45,111,644)	(22,049,883)	(23,238,460)
Finance costs	34	(72,826,354)	(49,395,223)	(8,367,460)	(14,433,987)
Total expenses		(1,706,870,184)	(1,531,209,090)	(859,715,801)	(752,585,324)
Profit before income tax		141,363,639	292,507,921	133,330,928	236,546,264
Income tax income (expense)	33	11,551,319	(39,407,065)	24,982,748	(15,022,881)
Profit for the year		152,914,958	253,100,856	158,313,676	221,523,383
Profit attributable to:					
Owners of the Company		114,121,274	199,188,627	158,313,676	221,523,383
Non-controlling interests	12	38,793,684	53,912,229	-	-
Profit for the year		152,914,958	253,100,856	158,313,676	221,523,383
Earnings per share (in Baht)	36				
Basic earnings per share		0.135	0.236	0.186	0.261

The accompanying notes are an integral part of these financial statements.

Dusit Thani Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated financial statements For the year ended 31 December		Separate financial statements For the year ended 31 December	
	Note	2016	2015	2016	2015
		(in Baht)			
Profit for the year		152,914,958	253,100,856	158,313,676	221,523,383
Other comprehensive income					
Items that are not or may not be reclassified to profit or loss					
Defined benefit plan actuarial gains (losses)	24	6,176,914	(16,414,816)	-	(10,639,170)
Income tax on other comprehensive income		(1,853,074)	3,565,792	-	2,127,834
		<u>4,323,840</u>	<u>(12,849,024)</u>	<u>-</u>	<u>(8,511,336)</u>
Items that are or may be reclassified to profit or loss					
Foreign currency translation differences for foreign operations		(22,138,397)	118,940,312	-	-
Net change in fair value of available-for-sale investments	9	8,524,000	(18,755,650)	(112,034,968)	(61,604,150)
Income tax on other comprehensive income		(1,704,800)	3,751,130	22,406,993	12,320,830
		<u>(15,319,197)</u>	<u>103,935,792</u>	<u>(89,627,975)</u>	<u>(49,283,320)</u>
Other comprehensive income for the year, net of income tax		<u>(10,995,357)</u>	<u>91,086,768</u>	<u>(89,627,975)</u>	<u>(57,794,656)</u>
Total comprehensive income for the year		<u>141,919,601</u>	<u>344,187,624</u>	<u>68,685,701</u>	<u>163,728,727</u>
Total comprehensive income attributable to:					
Owners of the Company		117,256,491	234,298,085	68,685,701	163,728,727
Non-controlling interests		24,663,110	109,889,539	-	-
Total comprehensive income for the year		<u>141,919,601</u>	<u>344,187,624</u>	<u>68,685,701</u>	<u>163,728,727</u>

The accompanying notes are an integral part of these financial statements.

Debt: Third Public Company Limited and its Subsidiaries
 Investment of Income is regular[illegible]

The accompanying table sets an example of these financial statements.

Dusit Thani Public Company Limited and its Subsidiaries
Statement of changes in equity

	Separate financial statements					
	Issued and paid-up share capital	Premium on ordinary shares	Surplus on treasury shares	Retained earnings		Other component of equity
				Legal reserve (in Baht)	Unappropriated	Net change in fair value of available-for-sale investments
Year ended 31 December 2015						
Balance at 1 January 2015	850,000,000	1,643,000,000	16,950,268	85,000,000	470,146,941	157,587,815
Transactions with owners, recorded directly in equity						
Distributions to owners of the Company	-	-	-	-	-	-
Dividends paid	-	-	-	-	(85,000,000)	-
Total distributions to owners of the Company	-	-	-	-	(85,000,000)	-
Comprehensive income for the year						
Profit	-	-	-	-	221,523,383	-
Other comprehensive income	-	-	-	-	(49,283,320)	(49,283,320)
Total comprehensive income for the year	-	-	-	-	213,012,947	(49,283,320)
Balance at 31 December 2015	850,000,000	1,643,000,000	16,950,268	85,000,000	598,159,988	108,304,495
Year ended 31 December 2016						
Balance at 1 January 2016	850,000,000	1,643,000,000	16,950,268	85,000,000	598,159,988	108,304,495
Transactions with owners, recorded directly in equity						
Distributions to owners of the Company	-	-	-	-	-	-
Dividends paid	-	-	-	-	(102,000,000)	-
Total distributions to owners of the Company	-	-	-	-	(102,000,000)	-
Comprehensive income for the year						
Profit	-	-	-	-	158,313,676	-
Other comprehensive income	-	-	-	-	-	(89,627,975)
Total comprehensive income for the year	-	-	-	-	158,313,676	(89,627,975)
Balance at 31 December 2016	850,000,000	1,643,000,000	16,950,268	85,000,000	654,472,664	18,676,520

The accompanying notes are an integral part of these financial statements.

Dusit Thani Public Company Limited and its Subsidiaries

Statement of cash flows

		Consolidated financial statements		Separate financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
	Note	2016	2015	2016	2015
		(in Baht)			
Cash flows from operating activities					
Profit for the year		152,914,958	253,100,856	158,313,676	221,523,383
Adjustments for					
Realised income from deferred rental revenue	23	(25,433,333)	(25,433,333)	-	-
Interest income		(12,697,349)	(12,961,419)	(3,704,588)	(1,707,996)
Dividend income	28	(15,764,430)	(14,451,000)	(120,768,022)	(160,353,388)
Bad debts and doubtful accounts (reversal)	5	945,473	8,803,205	(1,809,774)	1,234,024
Depreciation of plant and equipment	15	678,116,663	659,854,259	219,946,446	226,022,155
Depreciation of investment properties	14	10,674,037	13,901,347	12,327,794	15,536,761
Amortisation of other intangible assets	17	15,958,130	15,278,128	11,186,261	10,883,035
Loss on written off withholding tax		19,385,704	16,610,640	6,975,674	-
Amortisation of prepaid rental of land and buildings	16	102,810,457	106,470,694	74,066,640	74,066,640
Employee benefit obligations	24	48,934,902	28,825,599	24,482,719	13,141,225
Share of profits from investments by the equity method		(22,079,994)	(40,625,045)	-	-
Gain on sales of available-for-sale investment		-	-	(119,561,068)	(43,881,700)
Loss on impairment of investment	12, 13	-	-	63,537,853	-
Gain on sales of equipment		(932,300)	(2,653,927)	(374,002)	(1,683,982)
Loss on equipment written off	15	12,024,637	4,345,216	1,341,031	1,676,684
Realised deferred gain on sales of assets held for sale		-	(6,904,215)	-	(6,904,215)
Loss on sales of other intangible assets	17	90	1,049	-	1,049
Finance costs		72,826,354	49,395,223	8,367,460	14,433,987
Income tax expense (income)		(11,551,319)	39,407,065	(24,982,748)	15,022,881
		1,026,132,680	1,092,964,342	309,345,352	379,010,543
Changes in operating assets and liabilities					
Operating assets (increase) decrease					
Trade and other receivables		6,322,848	(31,786,108)	25,493,068	(12,537,295)
Inventories		1,334,773	7,346,687	2,171,082	1,556,122
Other current assets		(1,783,663)	(936,343)	(583,696)	(178,422)
Other non-current assets		370,738	(1,610,276)	323,817	(338,443)
Operating liabilities increase (decrease)					
Trade and other payables		50,979,615	(86,983,454)	(10,925,047)	9,516,952
Liabilities under rental guarantee		-	(86,308,379)	-	(86,308,379)
Other current liabilities		(1,624,272)	12,117,930	169,969	688,599
Other non-current liabilities		(42,969)	(2,939,008)	41,029	2,028,995
Payment for employee benefit obligations		(26,393,189)	(15,895,677)	(15,950,660)	(10,560,924)
Cash generated from operating activities		1,055,296,561	885,969,714	310,084,914	282,877,748
Proceeds from refund of prepaid income tax		11,063,571	12,539,788	9,759,406	10,114,863
Income tax paid		(45,933,287)	(35,272,150)	(17,352,261)	(10,034,366)
Net cash from operating activities		1,020,426,845	863,237,352	302,492,059	282,958,245

The accompanying notes are an integral part of these financial statements.

Dusit Thani Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements For the year ended 31 December		Separate financial statements For the year ended 31 December	
Note	2016	2015	2016	2015
	(in Baht)			
Cash flows from investing activities				
Interest income	10,072,523	8,183,265	2,239,087	1,228,068
Proceeds (payments) for short-term investments	22,453,884	(229,601,318)	-	-
Payments for short-term loans to related parties	-	-	(287,500,000)	(36,700,000)
Payments for long-term loans to related parties	(35,990,385)	(36,362,432)	(47,110,000)	-
Increase in restricted bank deposits	(20,013)	(220,577)	-	-
Dividend received from joint venture	27,999,720	28,999,855	27,999,720	28,999,855
Dividend received from associate	56,543,200	82,356,400	56,543,200	82,356,400
Dividend received	15,764,430	14,451,000	36,225,102	48,997,133
Payments for shares in subsidiaries	(87,051,550)	(60,830,000)	(398,800)	(89,999,775)
Proceeds from sales of available-for-sale investment	-	-	208,342,000	78,100,000
Payments of share subscription to associate	-	(122,768,000)	-	-
Purchase of investment properties	(734,823)	(544,546)	(841,717)	(608,283)
Proceeds from sales of equipment	1,047,050	3,903,401	532,240	2,275,188
Purchases of equipment	(345,784,508)	(675,295,417)	(113,615,248)	(83,807,664)
Purchases of other intangible assets	(2,179,348)	(5,883,808)	(548,000)	(1,132,874)
Payment for prepaid rental of land and buildings	(6,639,731)	(31,589,170)	-	-
Net cash provided by (used in) investing activities	(344,519,551)	(1,025,201,347)	(118,132,416)	29,708,048
Cash flows from financing activities				
Proceeds from short-term loans from financial institutions	527,013,360	421,000,000	418,000,000	258,000,000
Repayments of short-term loans from financial institutions	(604,000,000)	(522,000,000)	(521,000,000)	(461,000,000)
Repayments of finance lease liabilities	(1,151,484)	(1,090,107)	-	-
Proceeds from long-term loans	-	515,847,100	-	-
Repayments of long-term loans	(254,244,175)	(258,001,034)	-	-
Interest paid	(72,760,752)	(49,572,359)	(8,370,473)	(14,541,482)
Dividend paid	(105,245,798)	(91,001,929)	(102,000,000)	(85,000,000)
Net cash provided by (used in) financing activities	(510,388,849)	15,181,671	(213,370,473)	(302,541,482)
Net increase (decrease) in cash and cash equivalents	165,518,445	(146,782,324)	(29,010,830)	10,124,811
Cash and cash equivalents as at 1 January	714,227,528	859,759,510	189,995,121	179,870,310
Effect of exchange rate changes on balances held in foreign currencies	(9,411,274)	1,250,342	-	-
Cash and cash equivalents as at 31 December	4	870,334,699	160,984,291	189,995,121
Supplementary disclosure of cash flows information				
Non-cash transaction				
Payables from acquisition of assets	29,793,476	37,694,387	10,675,483	9,816,111

The accompanying notes are an integral part of these financial statements.

Dusit Thani Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

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Dusit Thani Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 28 February 2017.

1 General information

Dusit Thani Public Company Limited, the "Company", is incorporated in Thailand and has its registered head office at 946 Dusit Thani Office Building, 5th floor, Rama IV Road, Silom, Bangrak, Bangkok.

The Company was listed on the Stock Exchange of Thailand in April 1975.

The Company's major shareholders during the financial year were Thanpuying Chanut Piyavong and related persons (49.94% shareholding).

The principal activities of the Company and the Group are to operate hotel business, hotel management and education. Details of the Company's subsidiaries as at 31 December 2016 and 2015 are given in note 12.

2 Basis of preparation of the financial statements

2.1 Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions ("FAP"); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2016. The initial application of these new and revised TFRS has resulted in changes in certain of the Group's accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2017 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 44.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items,

<i>Items</i>	<i>Measurement bases</i>
Available-for-sale financial assets	Fair value
Net defined benefit liabilities	Present value of the defined benefit obligation, as explained in note 24

2.3 Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to Baht unless otherwise stated.

Dusit Thani Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

2 Basis of preparation of the financial statements (Continued)

2.4 Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 12	Testing of Impairment about utilisation of key assumption for valuing recoverable amount
Note 18	Utilisation of tax losses
Note 24	Measurement of defined benefit obligations
Note 39	The revaluation of financial instruments

Measurement of fair value

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Dusit Thani Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

2 Basis of preparation of the financial statements (Continued)

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 12	Subsidiaries
Note 14	Investment properties
Note 39	Financial instruments

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and joint ventures.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Dusit Thani Public Company Limited and its Subsidiaries**Notes to the financial statements****For the year ended 31 December 2016****3 Significant accounting policies (Continued)**

Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Foreign currencies***Foreign currency transactions***

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign operations

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve in equity until disposal of the investment, except to the extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

Dusit Thani Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

3 Significant accounting policies (Continued)

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

3.3 Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

3.4 Trade and other receivables

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

3.5 Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

3.6 Investments

Investments in associates, subsidiaries and joint ventures

Investments in associates, subsidiaries and joint ventures in the separate financial statements of the Company are accounted for using the cost method. Investments in associates and joint ventures in the consolidated financial statements are accounted for using the equity method.

Investments in other debt and equity securities

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

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Dusit Thani Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

3 Significant accounting policies (Continued)

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

3.7 Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Building on leased land	Lease terms
Interior and renovation on leased land	5 - 30 years
Furniture and equipment on leased land	3 - 20 years

No depreciation is provided on freehold land or assets under construction.

Dusit Thani Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

3 Significant accounting policies (Continued)

3.8 Property, plant and equipment

Recognition and measurement

Owned assets

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net in profit or loss.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Subsequent costs

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

Depreciation

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

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



Dusit Thani Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

3 Significant accounting policies (Continued)

Land improvement	5-10 years
Buildings on leased land	Lease terms
Buildings	20 - 50 years
Interior and renovation on leased land	5 - 20 years
Interior and renovation	5 - 20 years
Furniture and equipment on leased land	3 - 20 years
Furniture and equipment	3 - 20 years
Chinaaware, glassware, silverware and linen	1 - 10 years
Vehicles	5 - 10 years

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.9 Prepaid rental of land and buildings

Prepaid rental of land and buildings are stated at cost less accumulated amortisation and impairment losses.

Amortisation

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

3.10 Other intangible assets

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

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value and recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Computer software	10 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.11 Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. Intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

Dusit Thani Public Company Limited and its Subsidiaries
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For the year ended 31 December 2016

3 Significant accounting policies (Continued)

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.12 Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

3.13 Trade and other payables

Trade and other payables are stated at cost.

Dusit Thani Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

3 Significant accounting policies (Continued)

3.14 Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed in profit or loss as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

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

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

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

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.15 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.16 Treasury shares

When share capital recognised as equity is repurchased, the amount of consideration paid, including directly attributable costs, is classified as treasury shares and recognised as a deduction from equity. An equal amount is appropriated from retained earnings and taken to a reserve for treasury shares within equity.

Dusit Thani Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

3 Significant accounting policies (Continued)

When treasury shares are sold, the amount received is recognised as an increase in equity by crediting the cost of the treasury shares sold, calculated using the weighted average method, to the treasury shares account and transferring the equivalent amount back from reserve for treasury shares to retained earnings. Surpluses on the sale of treasury shares are taken directly to a separate category within equity, 'Surplus on treasury shares'. Net deficits on sale or cancellation of treasury shares are debited to retained earnings after setting off against any remaining balance of surplus on treasury shares.

3.17 Revenue

Revenue excludes value added tax and is arrived at after deduction of trade discounts.

Revenue from hotel business

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

Management fees

Management fees are recognised in profit or loss as they accrue.

Tuition and education fees

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

Rental income

Rental income from investment properties is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

Dividend income

Dividends are recognised in profit or loss on the date the Group's right to receive payments is established.

Interest income

Interest income is recognised in profit or loss as it accrues.

3.18 Finance costs

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial year of time to be prepared for its intended use or sale.

Dusit Thani Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

3 Significant accounting policies (Continued)

3.19 Lease payment

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

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

3.20 Income tax

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

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

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

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

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

Dusit Thani Public Company Limited and its Subsidiaries
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3 Significant accounting policies (Continued)

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

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.21 Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

3.22 Segment reporting

Segment results that are reported to the Group's chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
Cash on hand	20,547,841	16,100,632	9,112,774	7,524,097
Cash at banks	776,737,574	697,647,704	151,871,517	182,471,024
Highly liquid short-term investments	73,049,284	479,192	-	-
Cash and cash equivalents in the statement of financial position and statement of cash flow	870,334,699	714,227,528	160,984,291	189,995,121

Dusit Thani Public Company Limited and its Subsidiaries
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4 Cash and cash equivalents (Continued)

The currency denomination of cash and cash equivalents as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
Thai Baht (THB)	622,615,460	552,411,102	160,564,886	189,575,716
United States Dollars (USD)	103,473,662	76,920,230	-	-
Philippines Peso (PESO)	142,151,271	75,045,016	-	-
Others	2,094,306	9,851,180	419,405	419,405
Total	870,334,699	714,227,528	160,984,291	189,995,121

5 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
Trade accounts receivable - net	200,437,252	229,475,461	56,307,767	67,360,043
Other receivables - management fee and other services - net	46,873,205	53,500,210	42,135,397	46,750,798
Other receivables - others	93,856,319	46,238,284	56,319,173	47,422,141
Less allowance for doubtful accounts	(8,652,184)	(9,387,296)	(8,652,184)	(9,764,310)
	<u>85,204,135</u>	<u>36,850,988</u>	<u>47,666,989</u>	<u>37,657,831</u>
Other receivable - World Intertrade Corporation Limited (see note 41)	40,879,585	40,879,585	40,879,585	40,879,585
Less allowance for doubtful account	(40,879,585)	(40,879,585)	(40,879,585)	(40,879,585)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Accrued interest receivables	10,078,495	7,453,669	1,957,352	491,851
Accrued income	3,463,302	2,698,747	26,047	104,000
Prepaid expenses	54,467,375	62,274,436	14,523,678	16,089,545
Prepaid income tax	29,772,830	27,844,277	20,435,899	19,818,718
Advances	23,535,262	39,873,522	14,939,872	31,320,827
Deposits	8,462,196	14,738,967	-	-
Insurance claim	298,249	316,002	-	-
Total	462,592,301	475,026,279	197,993,001	219,593,613

Dusit Thani Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

5 Trade and other receivables (Continued)

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
Related parties				
Outstanding amount				
Not due and less than 3 months	4,304,783	6,203,331	4,985,066	6,077,064
	<u>4,304,783</u>	<u>6,203,331</u>	<u>4,985,066</u>	<u>6,077,064</u>
<i>Less</i> allowance for doubtful accounts	-	-	-	-
Net	<u>4,304,783</u>	<u>6,203,331</u>	<u>4,985,066</u>	<u>6,077,064</u>
Other parties				
Outstanding amount				
Not due and less than 3 months	192,305,741	224,555,038	48,569,901	61,183,875
3 - 6 months	4,253,086	8,130,016	885,860	1,464,684
6 - 12 months	1,894,348	191,210	1,892,559	191,210
Over 12 months	6,962,275	1,243,526	420,183	19,920
	<u>205,415,450</u>	<u>234,119,790</u>	<u>51,768,503</u>	<u>62,859,689</u>
<i>Less</i> allowance for doubtful accounts	(9,282,981)	(10,847,660)	(445,802)	(1,576,710)
Net	<u>196,132,469</u>	<u>223,272,130</u>	<u>51,322,701</u>	<u>61,282,979</u>
Trade accounts receivable - net	<u>200,437,252</u>	<u>229,475,461</u>	<u>56,307,767</u>	<u>67,360,043</u>
 Bad and doubtful debts expense for the year (reversal)	 <u>(1,564,679)</u>	 <u>2,160,327</u>	 <u>(1,130,908)</u>	 <u>(232,994)</u>

The normal credit term granted by the Group due within 30 days.

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5 Trade and other receivables (Continued)

Aging analyses for other receivables - management fee and other services were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
Related parties				
Outstanding amount				
Not due and less than 3 months	1,944,383	2,460,082	33,496,528	38,459,105
3 - 6 months	352,573	403,407	7,434	1,700,684
6 - 12 months	734,358	762,023	-	38,520
Over 12 months	2,455,270	888,837	128,444	35,845
	<u>5,486,584</u>	<u>4,514,349</u>	<u>33,632,406</u>	<u>40,234,154</u>
Less allowance for doubtful accounts	<u>(3,731,637)</u>	<u>(1,700,422)</u>	<u>(299,821)</u>	<u>(128,444)</u>
Net	<u>1,754,947</u>	<u>2,813,927</u>	<u>33,332,585</u>	<u>40,105,710</u>
Other parties				
Outstanding amount				
Not due and less than 3 months	44,231,944	46,856,818	7,966,005	3,662,534
3 - 6 months	748,965	1,293,357	461,449	425,997
6 - 12 months	1,482,482	586,176	-	-
Over 12 months	5,164,043	7,245,059	5,164,043	7,083,359
	<u>51,627,434</u>	<u>55,981,410</u>	<u>13,591,497</u>	<u>11,171,890</u>
Less allowance for doubtful accounts	<u>(6,509,176)</u>	<u>(5,295,127)</u>	<u>(4,788,685)</u>	<u>(4,526,802)</u>
Net	<u>45,118,258</u>	<u>50,686,283</u>	<u>8,802,812</u>	<u>6,645,088</u>
Other receivables-management fee and other services - net	<u>46,873,205</u>	<u>53,500,210</u>	<u>42,135,397</u>	<u>46,750,798</u>
Bad and doubtful debts expense for the year (reversal)	<u>3,245,264</u>	<u>(4,198)</u>	<u>433,260</u>	<u>(3,601,039)</u>

The currency denomination of trade and other receivables as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
Thai Baht (THB)	235,200,471	246,117,200	155,824,882	183,106,119
United States Dollars (USD)	151,789,232	146,910,868	27,156,066	18,371,818
Others	75,602,598	81,998,211	15,012,053	18,115,676
Total	<u>462,592,301</u>	<u>475,026,279</u>	<u>197,993,001</u>	<u>219,593,613</u>

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6 Inventories

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
Food and beverage	46,522,047	42,436,059	12,071,685	13,583,637
Mechanical supplies	3,799,790	4,904,828	323,698	672,503
Other supplies	22,709,161	24,110,306	5,732,192	6,103,723
Retail products	4,004,677	8,166,706	2,043,357	1,982,151
Total	77,035,675	79,617,899	20,170,932	22,342,014

7 Other current assets

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
Value added tax receivable	54,475,432	58,935,841	2,350,747	1,767,051
Total	54,475,432	58,935,841	2,350,747	1,767,051

8 Restricted bank deposits

As at 31 December 2016 and 2015, cash at bank of a subsidiary amounting to Baht 2,196,375 and Baht 2,176,362, respectively, were pledged as collateral to letter of guarantee issued by the bank (see note 40.3).

9 Available-for-sale-investments

Available-for-sale-investments as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
Equity securities available-for-sale				
At cost	64,991,858	64,991,858	17,500,700	106,281,632
Net changes in fair value of available-for-sale investments	299,972,992	291,448,992	23,345,650	135,380,618
Total	364,964,850	356,440,850	40,846,350	241,662,250



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9 Available-for-sale-investments (Continued)

Movements during the years ended 31 December of available-for-sale investments were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
Available-for-sale investments				
At 1 January	356,440,850	375,196,500	241,662,250	337,484,700
Disposal of available-for-sale investments	-	-	(88,780,932)	(34,218,300)
Net changes in fair value of available-for-sale investments	8,524,000	(18,755,650)	(112,034,968)	(61,604,150)
At 31 December	364,964,850	356,440,850	40,846,350	241,662,250

10 Other long-term investments

Other long-term investments as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
Other investments				
Other non-marketable equity securities	23,470,850	23,470,850	20,000,000	20,000,000
Less allowance for impairment	(23,470,850)	(23,470,850)	(20,000,000)	(20,000,000)
Total	-	-	-	-

Other long-term investments of the Group and the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

During the years ended 31 December 2016 and 2015, there were no acquisition and disposal of other long-term investments.

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11 Investments in associates

Investments in associates as at 31 December 2016 and 2015, and dividend income from those investments for the years ended 31 December 2016 and 2015 were as follows:

	Ownership Interest		Paid-up capital		Consolidated financial statements		Separate financial statements		Dividend income	
	2016	2015	2016	2015	2016	2015	Cost	2015	2016	2015
	(in Baht)									
Associates										
Dusit Thani Freehold and Leasehold Property Fund ⁽¹⁾	30.02	Baht	4,094,000,000	Baht	4,094,000,000	1,254,411,642	1,205,300,202	1,229,202,500	96,543,208	87,356,408
Philippine Hoteliers International Center for Hospitality Education, Inc. ⁽²⁾	31.20	PHP	430,000,000	PHP	430,000,000	135,990,779	121,413,828	-	-	-
Total						1,378,293,421	1,404,715,138	1,229,202,500	96,543,208	87,356,408

⁽¹⁾ Dusit Thani Freehold and Leasehold Property Fund is listed on Stock Exchange of Thailand. As at 31 December 2016, the fair value of the Company's investment in Dusit Thani Freehold and Leasehold Property Fund was Baht 1,008 million, which fair value has been categorised as Level 2 hierarchy (31 December 2015: Baht 1,100 million).

⁽²⁾ Philippine Hoteliers, Inc. (indirect subsidiary, holding 88%) holds 40% interest in Philippine Hoteliers International Center for Hospitality Education, Inc. which was incorporated in the Philippines on 15 July 2015.



Dusit Thani Public Company Limited and its Subsidiaries
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11 Investments in associates (Continued)

Movements in investments in associates during the years ended 31 December are summarised as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
Associates				
At 1 January	1,404,715,110	1,311,945,283	1,229,202,500	1,229,202,500
Addition	-	122,768,000	-	-
Share of profits from investments by the equity method	22,151,511	52,358,227	-	-
Dividend income	(56,543,200)	(82,356,400)	-	-
At 31 December	1,370,323,421	1,404,715,110	1,229,202,500	1,229,202,500

The following table summarises the financial information of the associates as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these companies.

	Dusit Thani Freehold and Leasehold Property Fund	
	2016	2015
	<i>(in million Baht)</i>	
Revenue	248	267
Net investment income	210	236
Net loss from investments	(118)	(57)
Increase in net assets from operations	92	179
Attributable to the Company	28	54
Current assets	89	73
Non-current assets	4,150	4,224
Current liabilities	(59)	(23)
Net assets (100%)	4,180	4,274
Group's share of net assets (30.02% hold)	1,254	1,283
Company's interest in net assets at 1 January	1,311	1,365
Dividends received during the year	(57)	(82)
Carrying amount of investment in associate at 31 December	1,254	1,283

Dusit Thani Public Company Limited and its Subsidiaries
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11 Investments in associates (Continued)

The following is summarised financial information for the Group's interest in immaterial associate based on the amounts reported in the Group's consolidated financial statements:

	Immaterial Associate	
	2016	2015
	<i>(in million Baht)</i>	
Carrying amount of the Group's interest in immaterial associate	<u>116</u>	<u>122</u>
Group's share of		
- Loss from continuing operations	<u>(6)</u>	<u>(2)</u>
- Total comprehensive income	<u>(6)</u>	<u>(2)</u>



Dusit Thani Public Company Limited and its Subsidiaries
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12 Investments in subsidiaries

Investments in subsidiaries as at 31 December 2016 and 2015 and dividend income for the years ended 31 December 2016 and 2015 were as follows:

	Separate financial statements									
	Ownership interest		Paid-up capital		Cost		Dividend income			
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	(in Baht)									
Subsidiaries										
Dusit Thani Properties Co., Ltd.	99.99	99.99	Baht	800,000,000	Baht	800,000,000	799,999,300	799,999,300	19,999,990	31,999,968
Dusit Thani Properties Public Company Limited ^(a)	84.84	84.84	Baht	825,000,000	Baht	825,000,000	-	-	-	-
Philippine Hoteliers, Inc. ^(b)	88.88	88.88	PHP	564,879,100	PHP	564,879,100	-	-	-	-
Landmark Hotel Co., Ltd.	99.88	99.88	Baht	10,000,000	Baht	10,000,000	9,988,000	9,988,000	-	-
Devarana Spa Co., Ltd.	99.99	99.99	Baht	8,000,000	Baht	8,000,000	7,999,930	7,999,930	-	-
Dusit Thani Properties Public Company Limited	2.75	2.75	Baht	825,000,000	Baht	825,000,000	40,105,978	40,105,978	799,485	568,189
DMS Property Investment Pte. Ltd. ^(c)	56.41	52.87	USD	38,500,000	USD	38,500,000	-	-	-	-
Dusit Thani College ^(d)	86.79	86.79	Baht	217,715,882	Baht	217,715,882	-	-	-	-
Dusit Worldwide Co., Ltd.	99.99	99.99	Baht	50,000,000	Baht	50,000,000	49,999,930	49,999,930	4,999,997	-
Dusit Overseas Co., Ltd. ^(e)	99.99	99.99	USD	33,000	USD	33,000	-	-	-	-
Dusit Management Co., Ltd.	99.99	99.99	Baht	4,000,000	Baht	4,000,000	3,999,960	3,999,960	-	-
Dusit USA Management Inc.	100.00	100.00	USD	40,000	USD	40,000	1,243,900	1,243,900	-	-
Dusit China Capital Co., Ltd.	99.99	99.99	Baht	68,000,000	Baht	68,000,000	67,999,970	67,999,970	-	-
Dusit Thani Hotel Studios Co., Ltd.	99.99	99.99	Baht	120,000,000	Baht	120,000,000	119,999,700	119,999,700	-	-
Vinnarn Satriya Co., Ltd. ^(f)	99.78	-	Baht	100,000	Baht	-	99,700	99,700	-	-
Siamlam Property Co., Ltd. ^(g)	99.78	-	Baht	100,000	Baht	-	99,700	99,700	-	-
Phrasim 4 Development Co., Ltd. ^(h)	99.78	-	Baht	100,000	Baht	-	99,700	99,700	-	-
Siddhasing Property Management Co., Ltd. ⁽ⁱ⁾	99.78	-	Baht	100,000	Baht	-	99,700	99,700	-	-
Total							1,181,340,364	1,181,340,364	25,795,452	36,568,157
Less allowance for impairment							(83,988,000)	(83,988,000)		
Net							1,097,352,364	1,097,352,364		

Dusit Thani Public Company Limited and its Subsidiaries

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12 Investments in subsidiaries (Continued)

(1) Dusit Thani Properties Co., Ltd. holds 84.05% interest in Dusit Thai Properties Public Company Limited and 88.61% interest in Philippine Hoteliers, Inc.

(2) Dusit Worldwide Co., Ltd. holds 100.00% interest in Dusit Overseas Co., Ltd.

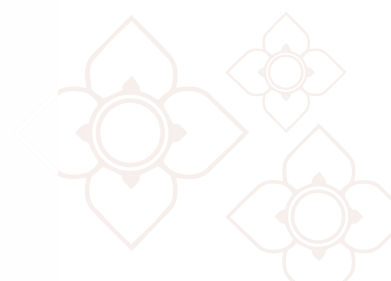
(3) During the year ended 31 December 2016, Dusit Thai Properties Public Company Limited additionally invested in DMS Property Investment Pvt. Ltd., a subsidiary in Republic of Maldives, for another 5% by acquiring the shares from the existing shareholder totaling 1,925,000 shares of USD 2,435,000. As of 31 December 2016 and 31 December 2015, Dusit Thai Properties Public Company Limited holds 65.00% and 60.00% in DMS Property Investment Pvt. Ltd. and share certificates of the subsidiary are pledged as collateral of loan from financial institution of the subsidiary (see note 20 and 22) and holds 100.00% in Dusit Thani College.

(4) Winara Siriya Co., Ltd. was registered on 23 August 2016.

(5) Suanlum Property Co., Ltd. was registered on 23 August 2016.

(6) Phranam 4 Development Co., Ltd was registered on 5 October 2016.

(7) Saladang Property Management Co., Ltd was registered on 16 December 2016.



Dusit Thani Public Company Limited and its Subsidiaries
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12 Investments in subsidiaries (Continued)

Movements in investments in subsidiaries during the years ended 31 December were as follows:

	Separate financial statements	
	2016	2015
	(in Baht)	
Subsidiaries		
At 1 January	1,091,352,364	1,001,352,589
Additional investment	398,800	-
Increase from share subscription paid	-	89,999,775
Allowance for impairment ⁽¹⁾	(54,000,000)	-
At 31 December	1,037,751,164	1,091,352,364

⁽¹⁾ Key assumptions for valuing recoverable amount is presented as follows. The values assigned to the key assumptions by management's assessment based on future trends in the relevant industries and on historical data from both external and internal sources.

	Separate financial statements	
	2016	2015
	(%)	
Discount rate	10.0	-

Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	31 December 2016				
	DMS Property Investment Pvt. Ltd.	Dusit Thani College	Other individually immaterial subsidiaries (in million Baht)	Intra-group eliminations	Total
Non-controlling interest percentage	43.59	13.21			
Current assets	145	663			
Non-current assets	1,983	493			
Current liabilities	(320)	(202)			
Non-current liabilities	(521)	(9)			
Net assets	1,287	945			
Carrying amount of non- controlling interest	561	125	79	-	765

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12 Investments in subsidiaries (Continued)

	31 December 2016				
	DMS Property Investment Pvt. Ltd.	Dusit Thani College	Other individually immaterial subsidiaries (in million Baht)	Intra-group eliminations	Total
Revenue	738	413			
Profit	46	90			
Other comprehensive income	-	-			
Total comprehensive income	46	90			
Profit allocated to non- controlling interest	22	12	5	-	39
Other comprehensive income allocated to non-controlling interest	-	-			
Cash flows from operating activities	185	128			
Cash flows from investing activities	(29)	22			
Cash flows from financing activities ⁽¹⁾	(201)	-			
Net increase (decrease) in cash and cash equivalents	(45)	150			

⁽¹⁾ Dividends to non-controlling interest: nil

Dusit Thani Public Company Limited and its Subsidiaries
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12 Investments in subsidiaries (Continued)

	31 December 2015				
	DMS Property Investment Pvt. Ltd.	Dusit Thani College	Other individually immaterial subsidiaries (in million Baht)	Intra-group eliminations	Total
Non-controlling interest percentage	47.93	13.21			
Current assets	169	531			
Non-current assets	2,142	526			
Current liabilities	(456)	(194)			
Non-current liabilities	(605)	(7)			
Net assets	1,250	856			
Carrying amount of non-controlling interest	599	113	100	(1)	811
Revenue	740	406			
Profit	76	114			
Other comprehensive income	-	-			
Total comprehensive income	76	114			
Profit allocated to non-controlling interest	39	15	-	-	54
Other comprehensive income allocated to non-controlling interest	-	-			
Cash flows from operating activities	281	147			
Cash flows from investing activities	(33)	(255)			
Cash flows from financing activities ⁽¹⁾	(283)	-			
Net decrease in cash and cash equivalents	(35)	(108)			

⁽¹⁾ Dividends to non-controlling interest: nil

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13 Investments in joint ventures

Investments in joint ventures as at 31 December 2016 and 2015 and dividend income for the years ended 31 December 2016 and 2015 were as follows:

	Ownership interest		Paid-up capital		Consolidated financial statements		Separate financial statements		Dividend income	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	(%)				Equity		Cost			
Joint ventures										
Le Corbusier River Dusit Co., Ltd.	49.99	49.99	Baht	40,000,000	Baht	40,000,000	19,999,400	19,999,400	27,999,720	28,999,855
Dusit Bird Hotels Pvt. Ltd. ⁽¹⁾	50.00	50.00	INR	28,600,000	INR	28,600,000	9,830,902	9,830,902	-	-
Dusit Fudu Hotel Management (Shanghai) Co., Ltd. ⁽²⁾	44.99	44.99	CNY	50,000,000	CNY	50,000,000	-	-	-	-
Total					54,633,633	52,517,563	29,830,302	29,830,302	27,999,720	28,999,855
Less allowance for impairment							(9,531,853)	-		
Net					54,633,633	52,517,563	20,298,449	29,830,302		

⁽¹⁾ Dusit Fudu Hotel Management (Shanghai) Co., Ltd. was held by Dusit China Capital Co., Ltd. which is a subsidiary at 45.00%.

⁽²⁾ Dusit Bird Hotels Pvt. Ltd. will be liquidated later on according to Indian law.



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13 Investments in joint ventures (Continued)

Movements in investments in joint ventures during the year ended 31 December are summarised as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
Joint ventures				
At 1 January	52,517,563	56,720,332	29,830,302	29,830,302
Dividend income	(27,999,720)	(28,999,855)	-	-
Share of profits from investments by the equity method	29,532,782	24,375,587	-	-
Exchange gain (loss) on translation of foreign operations	(16,992)	421,499	-	-
Allowance for impairment	-	-	(9,537,853)	-
At 31 December	54,033,633	52,517,563	20,292,449	29,830,302

The following table summarises the financial information of the joint ventures as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these companies.

	Le Cordon Bleu Dusit Co., Ltd.	
	2016	2015
	<i>(in million Baht)</i>	
Revenue	254	252
Profit from continuing operations	62 ^a	59 ^a
Other comprehensive income	3	3
Total comprehensive income	65	62
Attributable to the joint venturer	32	31
Attributable to the Company	33	31
Current assets	196 ^b	179 ^b
Non-current assets	19	32
Current liabilities	(98)	(101)
Non-current liabilities	(10)	(8)
Net assets (100%)	107	102
Attributable to the joint venture of net asset (49.99% hold)	54	51
Attributable to the Company of net asset	54	51
Company's interest in net assets at 1 January	53	52
Total comprehensive income attributable to the Company	29	30
Dividends received during the year	(28)	(29)
Carrying amount of interest in investee at 31 December	54	53

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13 Investments in joint ventures (Continued)

	Le Cordon Bleu Dusit Co., Ltd.	
	2016	2015
	<i>(in million Baht)</i>	
Remark:		
a. Includes:		
- depreciation and amortisation	13	13
b. Includes cash and cash equivalents	59	60

The following is summarised financial information for the Group's interest in immaterial joint ventures based on the amounts reported in the Group's consolidated financial statements:

	Immaterial joint ventures	
	2016	2015
	<i>(in million Baht)</i>	
Carrying amount of interest in immaterial joint ventures	-	-
Group's share of		
- Loss from continuing operations	(29)	(41)
- Other comprehensive income	(5)	(2)
- Total comprehensive income	<u>(34)</u>	<u>(43)</u>

14 Investment properties

Movements in investment properties during the years ended 31 December were as follows:

	Consolidated financial statements		
	At 1 January 2015	Additions (in Baht)	At 31 December 2015
Cost			
Land	214,945,361	-	214,945,361
Buildings on leased land	3,565,678	517,284	4,082,962
Interior and renovation on leased land	137,574,004	27,262	137,601,266
Furniture and equipment on leased land	8,406,708	-	8,406,708
Total	<u>364,491,751</u>	<u>544,546</u>	<u>365,036,297</u>
Accumulated depreciation			
Buildings on leased land	(3,565,608)	(64,145)	(3,629,753)
Interior and renovation on leased land	(94,408,190)	(13,307,243)	(107,715,433)
Furniture and equipment on leased land	(6,661,554)	(529,959)	(7,191,513)
Total	<u>(104,635,352)</u>	<u>(13,901,347)</u>	<u>(118,536,699)</u>
Investment properties - net	<u>259,856,399</u>	<u>(13,356,801)</u>	<u>246,499,598</u>
Depreciation for the year			<u>13,901,347</u>

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14 Investment properties (Continued)

	At 1 January 2016	Consolidated financial statements		At 31 December 2016
		Additions (Disposals)	Reclassification to plant and equipment	
		(in Baht)		
<i>Cost</i>				
Land	214,945,361	-	-	214,945,361
Buildings on leased land	4,082,962	739,533	-	4,822,495
Interior and renovation on leased land	137,601,266	(4,240)	(3,471,632)	134,125,394
Furniture and equipment on leased land	8,406,708	(470)	(210,137)	8,196,101
Total	365,036,297	734,823	(3,681,769)	362,089,351
<i>Accumulated depreciation</i>				
Buildings on leased land	(3,629,753)	(77,274)	-	(3,707,027)
Interior and renovation on leased land	(107,715,433)	(10,261,802)	-	(117,977,235)
Furniture and equipment on leased land	(7,191,513)	(334,961)	-	(7,526,474)
Total	(118,536,699)	(10,674,037)	-	(129,210,736)
Investment properties - net	246,499,598	(9,939,214)	(3,681,769)	232,878,615
Depreciation for the year				10,674,037
	At 1 January 2015	Separate financial statements		At 31 December 2015
		Additions		
<i>Cost</i>				
Land	144,571,625	-		144,571,625
Building on leased land	3,985,159	577,813		4,562,972
Interior and renovation on leased land	153,758,798	30,470		153,789,268
Furniture and equipment on leased land	9,395,708	-		9,395,708
Total	311,711,290	608,283		312,319,573
<i>Accumulated depreciation</i>				
Building on leased land	(3,985,081)	(71,691)		(4,056,772)
Interior and renovation on leased land	(105,514,774)	(14,872,764)		(120,387,538)
Furniture and equipment on leased land	(7,445,247)	(592,306)		(8,037,553)
Total	(116,945,102)	(15,536,761)		(132,481,863)
Investment properties - net	194,766,188	(14,928,478)		179,837,710
Depreciation for the year				15,536,761

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14 Investment properties (Continued)

	At 1 January 2016	Separate financial statements Additions (in Baht)	Reclassification to plant and equipment	At 31 December 2016
<i>Cost</i>				
Land	144,571,625	-	-	144,571,625
Building on leased land	4,562,972	841,717	-	5,404,689
Interior and renovation on leased land	153,789,268	-	(3,471,632)	150,317,636
Furniture and equipment on leased land	9,395,708	-	(210,137)	9,185,571
Total	312,319,573	841,717	(3,681,769)	309,479,521
<i>Accumulated depreciation</i>				
Building on leased land	(4,056,772)	(97,783)	-	(4,154,555)
Interior and renovation on leased land	(120,387,538)	(11,832,459)	-	(132,219,997)
Furniture and equipment on leased land	(8,037,553)	(397,552)	-	(8,435,105)
Total	(132,481,863)	(12,327,794)	-	(144,809,657)
Investment properties - net	179,837,710	(11,486,077)	(3,681,769)	164,669,864
Depreciation for the year				12,327,794

Investment properties as at 31 December 2016 and 2015 were valued by a firm of independent professional valuers, at open market values on an existing use basis.

As at 31 December 2016, the fair value of investment properties presented in the consolidated and separate financial statements were Baht 1,443,508,876 and Baht 1,349,556,254, respectively.

Measurement of fair value

Fair value hierarchy

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment property portfolio on a regular basis.

The fair value measurement for investment property of Baht 1,443,508,876 has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

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Notes to the financial statements
For the year ended 31 December 2016

15 Property, plant and equipment

Property, plant and equipment as at 31 December 2016 and 2015 consisted of the following:

Cost	At 1 January 2015	Consolidated financial statements					At 31 December 2015
		Additions	Disposals	Write-offs (in Baht)	Transfers	Exchange gain (loss) on translation of foreign operations	
Land	481,558,176	-	-	-	-	-	481,558,176
Land improvement	8,902,306	-	-	-	-	70,665	8,972,971
Buildings	1,291,990,355	12,822,892	(50,212)	-	122,599,927	-	1,427,362,962
Buildings on leased land	3,288,489,857	13,926,302	-	-	35,067,317	229,914,451	3,567,397,927
Furniture and equipment	1,122,968,420	48,808,177	(25,474,964)	(3,103,753)	64,231,941	16,336,738	1,223,766,559
Furniture and equipment on leased land	1,489,244,493	32,903,254	(59,240,407)	(3,954,730)	51,417,603	35,762,837	1,546,133,050
Interior and renovation	490,935,258	3,978,035	(3,522,614)	-	7,991,583	-	499,382,262
Interior and renovation on leased land	1,240,004,263	1,513,397	(105,956,335)	-	21,399,322	30,680	1,156,991,327
Vehicles	92,756,498	3,274,567	(21,422,391)	(438,276)	540,551	2,023,631	76,734,580
China ware, glassware, silverware and linen	137,668,806	17,518,892	-	(19,507,588)	5,573,887	3,271,687	144,525,684
Construction in process	174,537,968	548,436,673	-	-	(308,988,983)	13,301,546	427,287,204
Total	9,819,056,400	683,182,189	(215,666,923)	(27,004,347)	(166,852)	300,712,235	10,560,112,702

Dusit Thani Public Company Limited and its Subsidiaries
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15 Property, plant and equipment (Continued)

Consolidated financial statements

<i>Cost</i>	At 1 January 2016	Additions	Disposals	Write-offs (in Baht)	Transfers	Exchange gain (loss) on translation of foreign operations	At 31 December 2016
Land	481,558,176	-	-	-	-	-	481,558,176
Land improvement	8,972,971	-	-	-	-	(85,474)	8,887,497
Buildings	1,427,362,962	2,080,751	(364)	-	21,962,157	-	1,451,405,506
Buildings on leased land	3,567,397,927	22,250,269	-	(8,234,763)	312,854,644	(77,210,247)	3,817,057,830
Furniture and equipment	1,223,766,559	25,820,064	(12,383,075)	-	91,739,135	(23,259,045)	1,305,683,638
Furniture and equipment on leased land	1,546,133,050	35,810,805	(28,489,579)	(1,731,589)	14,829,571	(2,807,631)	1,563,744,627
Interior and renovation	499,382,262	1,595,466	(495,009)	-	4,183,154	-	504,665,873
Interior and renovation on leased land	1,156,991,327	830,580	(1,800,170)	(345,884)	58,226,081	(8,020)	1,213,893,914
Vehicles	76,734,580	2,749,662	(6,718,783)	(596,434)	-	(278,865)	71,890,160
Chinaware, glassware, silverware and linen	144,525,684	18,710,503	(2,664,036)	(17,516,847)	39,861	(319,930)	142,775,235
Construction in process	427,287,204	228,035,216	-	-	(512,714,297)	(13,796,114)	128,812,009
Total	10,560,112,702	337,883,316	(52,551,016)	(28,425,517)	(8,879,694)	(117,765,326)	10,690,374,465

Dusit Thani Public Company Limited and its Subsidiaries
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15 Property, plant and equipment (Continued)

	At 1 January 2015	Additions	Disposals (in Baht)	Write-offs	Transfers	At 31 December 2015
<i>Cost</i>						
Buildings on leased land	353,133,079	275,536	-	-	-	353,408,615
Furniture and equipment on leased land	1,280,916,463	26,443,530	(59,218,186)	(3,954,731)	17,187,820	1,261,374,896
Interior and renovation on leased land	1,272,676,952	1,510,190	(105,956,335)	-	17,955,845	1,186,186,652
Vehicles	43,658,969	145,794	(12,562,994)	-	-	31,241,769
China ware, glassware, silverware and linen	55,329,215	6,219,403	-	(9,219,719)	-	52,328,899
Construction in process	21,808,415	48,659,470	-	-	(35,143,665)	35,324,220
Total	3,027,523,093	83,253,923	(177,737,515)	(13,174,450)	-	2,919,865,051
<i>Accumulated depreciation</i>						
Buildings on leased land	(307,089,228)	(14,910,323)	-	-	-	(321,999,551)
Furniture and equipment on leased land	(1,006,812,074)	(99,148,651)	59,064,693	3,932,650	-	(1,042,963,382)
Interior and renovation on leased land	(915,778,880)	(103,444,684)	105,518,640	-	-	(913,704,924)
Vehicles	(41,255,456)	(1,563,485)	12,562,976	-	-	(30,255,965)
China ware, glassware, silverware and linen	(34,529,093)	(6,955,012)	-	7,565,116	-	(33,918,989)
Total	(2,305,464,731)	(226,022,155)	177,146,309	11,497,766	-	(2,342,842,811)
Property, plant and equipment - net	722,058,362	(142,768,232)	(591,206)	(1,676,684)	-	577,022,240
Depreciation for the year						226,022,155

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15 Property, plant and equipment (Continued)

	At 1 January 2016	Separate financial statements				At 31 December 2016
		Additions	Disposals (see Note 6)	Write-offs	Transfers	
Cost						
Buildings on leased land	353,408,615	587,868	-	-	-	353,996,483
Furniture and equipment on leased land	1,261,374,896	21,669,680	(28,475,669)	-	14,829,571	1,269,398,478
Interior and renovation on leased land	1,186,186,652	826,339	(1,800,170)	-	58,226,081	1,243,438,902
Vehicles	31,241,769	2,370,000	(6,019,783)	-	-	27,591,986
Chinaware, glassware, silverware and linen	52,328,899	7,065,394	(2,664,034)	(7,148,419)	39,861	49,621,301
Construction in process	35,324,220	81,955,339	-	-	(81,975,207)	35,304,352
Total	2,919,865,051	114,474,620	(38,959,656)	(7,148,419)	(8,879,694)	2,979,351,902
Accumulated depreciation						
Buildings on leased land	(321,999,551)	(15,066,116)	-	-	-	(337,065,667)
Furniture and equipment on leased land	(1,042,963,382)	(91,865,349)	28,533,914	-	-	(1,106,294,817)
Interior and renovation on leased land	(913,704,924)	(105,174,989)	1,663,175	-	-	(1,017,216,738)
Vehicles	(30,255,965)	(952,647)	6,019,779	-	-	(25,188,833)
Chinaware, glassware, silverware and linen	(33,918,985)	(6,887,345)	2,584,550	5,807,388	-	(32,414,396)
Total	(2,342,842,811)	(219,946,446)	38,801,418	5,807,388	-	(2,518,180,451)
Property, plant and equipment - net	577,022,240	(105,471,826)	(158,238)	(1,341,031)	(8,879,694)	463,171,451
Depreciation for the year						219,946,446

Dusit Thani Public Company Limited and its Subsidiaries
Notes to the financial statements
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15 Property, plant and equipment (Continued)

Dusit Thani Public Company Limited

Property, plant and equipment - net included building and building improvement on lease land of Dusit Thani Hotel, Pattaya at a net book value as at 31 December 2016 and 2015 of Baht 16,291,544 and Baht 31,167,680, 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 the building for its operations, as the building is located on the land which the subsidiary is the lessee. On 21 January 2002, the Company has registered the leasehold right on land with the Department of Land, Pattaya. In addition, the Company has peacefully and openly possessed this property with intention to be its owner for more than 10 years, by virtue of the Civil and Commercial Code of Thailand, section 1382 (see note 41).

Dusit Thai Properties Public Company Limited, a subsidiary

As at 31 December 2016 and 2015, property, plant and equipment of Dusit Thani Hua Hin under Dusit Thai Properties Public Company Limited at a net book value of Baht 307,965,312 and Baht 318,723,390, respectively, are mortgaged as a guarantee condition which is specified in a 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 23).

Philippine Hoteliers, Inc., an indirect subsidiary

As at 31 December 2016, and 2015 building and equipment in the consolidated financial statement included interest expense from loan of Philippine Hoteliers, Inc. in the amount of Peso 14,341,675 or Baht 10,663,155. The capitalised interest rate was 4.125% - 4.617%.

Fully depreciated plant and equipment

As at 31 December 2016 and 2015, plant and equipment of the Group amounted to Baht 2,349,943,296 and Baht 2,073,032,467, respectively, were fully depreciated but still in use.

As at 31 December 2016 and 2015 plant and equipment of the Company amounted to Baht 1,154,266,084 and Baht 984,068,438, respectively, were fully depreciated but still in use.

Dusit Thani Public Company Limited and its Subsidiaries
Notes to the financial statements
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16 Prepaid rental of land and buildings

Movements in prepaid rental of land and buildings during the years ended 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
Net book value				
At 1 January	263,349,977	330,542,583	166,649,940	240,716,580
Additional payments	6,639,731	31,589,170	-	-
Amortisation	(102,810,457)	(106,470,694)	(74,066,640)	(74,066,640)
Exchange gain (loss) on translation of foreign operations	(938,028)	7,688,918	-	-
At 31 December	166,241,223	263,349,977	92,583,300	166,649,940
<i>Less current portion of prepaid rental of land and buildings</i>	<i>(90,778,652)</i>	<i>(109,073,479)</i>	<i>(74,066,640)</i>	<i>(74,066,640)</i>
Prepaid rental of land and buildings	75,462,571	154,276,498	18,516,660	92,583,300

DMS Property Investment Pvt. Ltd. has leasehold right from the Government of Republic of Maldives, for five-star resort and construction over Mudhdhoo Island in Baa Atoll, Republic of Maldives for 35 years with prepaid rental of USD 5,000,000 for the first 5 years in the amount of USD 1,000,000 per year, starting from 23 January 2012. The Government of Republic of Maldives passed the law to extend the leasehold right to a maximum period of 50 years which the subsidiary has to pay additional annual rental of USD 100,000 from September 2044 onwards. As such, the lease period will be due in September 2059. Consequently, the Government of Republic of Maldives issued a letter to the subsidiary to prepay the additional annual rental for the last 15 years. As of 31 December 2016 and 2015, the subsidiary prepaid the rental of USD 1,500,000 and USD 1,312,500, respectively.

The prepaid rental of USD 1,500,000 has amortised for remaining leasehold period.



Amortisation for the year

Dusit Thani Public Company Limited and its Subsidiaries
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17 Other intangible assets (Continued)

	Separate financial statements		
	At 1 January 2015	Additions	Write-offs
Computer softwares			
Cost	109,779,760	1,132,874	(530,495)
Accumulated amortisation	(56,856,730)	(10,883,035)	529,446
Intangible asset - net	52,923,030	(9,750,161)	(1,049)
Amortisation for the year			10,883,035

	Separate financial statements		
	At 1 January 2016	Additions	Transfers
Computer softwares			
Cost	110,382,139	548,000	12,561,463
Accumulated amortisation	(67,210,319)	(11,186,261)	-
Intangible asset - net	43,171,820	(10,638,261)	12,561,463
Amortisation for the year			11,186,261



Dusit Thani Public Company Limited and its Subsidiaries
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18 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
Deferred tax assets	162,021,919	135,270,755	84,750,947	60,557,799
Set off of tax	(11,277,275)	(34,318,888)	(4,747,370)	(27,943,963)
Net deferred tax assets	150,744,644	100,951,867	80,003,577	32,613,836
Deferred tax liabilities	(54,035,486)	(54,373,418)	(4,747,370)	(27,943,963)
Set off of tax	11,277,275	34,318,888	4,747,370	27,943,963
Net deferred tax liabilities	(42,758,211)	(20,054,530)	-	-
Net	107,986,433	80,897,337	80,003,577	32,613,836

Movements in total deferred tax assets and liabilities during the years were as follows:

	Consolidated financial statements (Charged) / credited to:			
	At 1 January 2016	Profit or loss	Other comprehensive income	At 31 December 2016
	<i>(in Baht)</i>			
Deferred tax assets				
Tax losses carried forward	44,515,658	15,135,846	-	59,651,504
Employee benefit obligations	41,723,616	(3,603,997)	(1,853,074)	36,266,545
Others	49,031,481	17,072,389	-	66,103,870
Total	135,270,755	28,604,238	(1,853,074)	162,021,919
Deferred tax liabilities				
Unrealised gain	33,451,049	(23,912,213)	1,704,800	11,243,636
Others	20,922,369	21,869,481	-	42,791,850
Total	54,373,418	(2,042,732)	1,704,800	54,035,486
Net	80,897,337	30,646,970	(3,557,874)	107,986,433

Dusit Thani Public Company Limited and its Subsidiaries
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18 Deferred tax (Continued)

	At 1 January 2015	Consolidated financial statements (Charged) / credited to:		At 31 December 2015
		Profit or loss	Other comprehensive income	
		(in Baht)		
<i>Deferred tax assets</i>				
Tax losses carried forward	78,418,590	(33,902,932)	-	44,515,658
Employee benefit obligations	35,270,809	2,887,015	3,565,792	41,723,616
Others	43,447,491	5,583,990	-	49,031,481
Total	157,136,890	(25,431,927)	3,565,792	135,270,755
<i>Deferred tax liabilities</i>				
Unrealised gain	45,978,519	(8,776,340)	(3,751,130)	33,451,049
Others	13,583,715	7,338,654	-	20,922,369
Total	59,562,234	(1,437,686)	(3,751,130)	54,373,418
Net	97,574,656	(23,994,241)	7,316,922	80,897,337
		Separate financial statements (Charged) / credited to:		
	At 1 January 2016	Profit or loss	Other comprehensive income	At 31 December 2016
		(in Baht)		
<i>Deferred tax assets</i>				
Tax losses carried forward	22,588,305	24,706,399	-	47,294,704
Employee benefit obligations	22,586,365	1,706,411	-	24,292,776
Others	15,383,130	(2,219,663)	-	13,163,467
Total	60,557,800	24,193,147	-	84,750,947
<i>Deferred tax liabilities</i>				
Unrealised gain	27,076,124	-	(22,406,994)	4,669,130
Others	867,840	(789,600)	-	78,240
Total	27,943,964	(789,600)	(22,406,994)	4,747,370
Net	32,613,836	24,982,747	22,406,994	80,003,577



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18 Deferred tax (Continued)

	At 1 January 2015	Separate financial statements (Charged) / credited to:		At 31 December 2015
		Profit or loss	Other comprehensive income	
		(in Baht)		
<i>Deferred tax assets</i>				
Tax losses carried forward	39,252,097	(16,663,792)	-	22,588,305
Employee benefit obligations	20,122,290	336,241	2,127,834	22,586,365
Others	14,336,830	1,046,300	-	15,383,130
Total	73,711,217	(15,281,251)	2,127,834	60,557,800
<i>Deferred tax liabilities</i>				
Unrealised gain	39,396,954	-	(12,320,830)	27,076,124
Others	1,126,210	(258,370)	-	867,840
Total	40,523,164	(258,370)	(12,320,830)	27,943,964
Net	33,188,053	(15,022,881)	14,448,664	32,613,836

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in Baht)			
Deductible temporary differences	17,905,752	5,646,615	17,725,271	5,374,464
Tax losses	11,875,561	58,282,494	8,600,000	55,665,019
Net	29,781,313	63,929,109	26,325,271	61,039,483

The Company consider to have new projects in future, therefore, management consider it probable for future taxable profits would be available to cover tax losses.

19 Deposit for hotel management right

On 13 August 2014, the Board of Directors of the Company had passed a resolution to terminate the joint venture agreement in Dusit Thani Laguna Singapore Pte. Ltd., an associate. The Company shall instead conduct hotel management for the hotel. The Company's investment in shares of the joint venture shall be transferred to Laguna Hotel Holdings Pte. Ltd. or another company or person assigned by Laguna Hotel Holdings Pte. Ltd. The joint venture shall no longer use the word "Dusit Thani" in its name.

The Company has terminated the joint venture agreement in Dusit Thani Laguna Singapore Pte. Ltd. on 21 August 2014.

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19 Deposit for hotel management right (Continued)

On 21 August 2014, the Company has entered into a memorandum with Laguna Hotel Holdings Pte. Ltd., in order to provide the deposit for hotel management right totaling SGD 4,000,000 to Laguna Hotel Holdings Pte. Ltd. or its affiliate to be assigned by Laguna Hotel Holdings Pte. Ltd. which benefits to the Company to manage hotels of such company, and also agreed to transfer the advance payment to Dusit Thani Laguna Singapore Pte. Ltd. of SGD 1,000,400 (or Baht 25,270,104) as partial payment of the deposit. The remaining amount of SGD 2,999,600 will be paid in two installments according to the progress of the construction of the hotel. The deposit will be refunded to the Company under conditions as specified in the memorandum.

20 Bank overdrafts and short-term loans from financial institutions

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in Baht)			
Short-term loans from financial institutions	461,627,400	538,000,000	287,000,000	390,000,000
Total	461,627,400	538,000,000	287,000,000	390,000,000

The Group entered into loan agreements with local financial institutions for working capital as follows:

Agreement date	Limit		Interest rate	Short-term loans	
	2016	2015		31 December 2016	31 December 2015
	(in Baht)			(in Baht)	
Dusit Thani Public Company Limited					
17 December 2007	450,000,000	450,000,000	MMR	240,000,000	390,000,000
2 November 2010	150,000,000	150,000,000	MMR	-	-
			As specified		
8 December 2010	300,000,000	300,000,000	by bank	-	-
15 December 2010	800,000,000	800,000,000	MMR	-	-
1 November 2011	450,000,000	450,000,000	MMR	47,000,000	-
Total ⁽¹⁾	2,150,000,000	2,150,000,000		287,000,000	390,000,000
Dusit Thai Properties Public Company Limited					
24 June 2009	50,000,000	50,000,000	MMR	-	-
15 October 2012	200,000,000	200,000,000	MMR	-	148,000,000
6 November 2012	50,000,000	50,000,000	MMR	138,000,000	-
Total ⁽¹⁾	300,000,000	300,000,000		138,000,000	148,000,000
DMS Property Investment Pvt. Ltd.					
			LIBOR +		
3 September 2011	125,244,875	126,145,775	2.925%	28,627,400	-
Total ⁽²⁾	125,244,875	126,145,775		28,627,400	-
Dusit Thani Hotel Studies Co., Ltd.					
13 July 2015	14,560,000	14,560,000	MMR	8,000,000	-
Total ⁽³⁾	14,560,000	14,560,000		8,000,000	-
Total	2,589,804,875	2,590,705,775		461,627,400	538,000,000

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20 Bank overdrafts and short-term loans from financial institutions (Continued)

• MMR : Money Market Rate

⁽¹⁾ The short-term loans have no collateral.

⁽²⁾ The short-term loans have facilities of USD 3,500,000. The loans were pledged by all share certificates of the subsidiary of 38,500,000 shares (see note 12). As at 31 December 2016, the loan facility of USD 3,500,000 was guaranteed by the Company at 65% and another shareholder of the subsidiary at 35% and as at 31 December 2015, the loan facility of USD 1,500,000 was guaranteed by the Company at 60% and the other 2 shareholders of the subsidiary at 40% and the loan facility of USD 2,000,000 was guaranteed by the Company at 65% and another shareholder of the subsidiary at 35%.

⁽³⁾ The short-term loan has drawdown period within 10 years and is guaranteed by the Company in the amount of Baht 14,560,000.

As at 31 December 2016 and 2015, the Group had credit lines for bank overdrafts totaling Baht 85,000,000 with no collateral.

As at 31 December 2016 and 2015, the Company had credit lines for bank overdrafts totaling Baht 40,000,000 with no collateral.

21 Trade and other payables

Trade and other payables as at 31 December consisted of the following:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
Trade accounts payable	141,722,673	151,314,965	40,873,962	48,290,116
Other payables	49,971,821	12,637,818	31,849,934	27,137,315
Payables from acquisition of assets	29,793,476	37,694,387	10,675,483	9,816,111
Accrued expenses	396,714,168	400,207,518	89,595,205	94,493,199
Deposit received	150,343,925	156,521,956	39,220,657	25,658,294
Unearned revenue of Dusit Thani College	156,282,784	148,768,434	-	-
Others	47,749,348	48,084,362	23,501,317	40,390,211
Total	972,578,195	955,229,440	235,716,558	245,785,246

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21 Trade and other payables (Continued)

The currency denomination of trade and other payables as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
Thai Baht (THB)	729,920,373	618,879,201	234,531,328	238,609,776
US Dollar (USD)	48,714,464	144,949,510	518,756	6,999,619
Philippines Peso (PESO)	180,189,995	177,764,650	582,371	-
Others	13,753,363	13,636,079	84,103	175,851
Total	972,578,195	955,229,440	235,716,558	245,785,246

22 Long-term loans

Long-term loans consisted of the following:

	Interest rate		Consolidated financial statements	
	2016	2015	2016	2015
	<i>(% per annum)</i>		<i>(in Baht)</i>	
Loans from financial institutions				
By Philippine Hoteliers, Inc.				
- Repayable in semi-annual installments from December 2016 through 2024	3.1250 - 4.6167	4.1250 - 4.3703	429,828,000	455,413,000
By DMS Property Investment Pvt. Ltd.				
- Repayable every 3 months from September 2013 through 2018	-	3.3079 - 3.4600	-	929,874,570
- Repayable installments from December 2016 through 2020 ⁽¹⁾	3.8055 - 4.1565	-	663,797,838	-
By Dusit Thani Hotel Studies Co., Ltd.				
- Repayable every 3 months from October 2017 through 2022	3.7335 - 3.7465	3.7550 - 3.7590	116,200,000	116,200,000
			1,209,825,838	1,501,487,570
Less current portion			(157,251,400)	(324,374,850)
Total			1,052,574,438	1,177,112,720

⁽¹⁾ Extend the payment period



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22 Long-term loans (Continued)

Movements in the long-term loans are summarised as follows:

	Consolidated financial statements	
	2016	2015
	(in Baht)	
Net book value		
At 1 January	1,501,487,570	1,141,458,182
Additions	-	515,847,100
Repayments	(254,244,175)	(258,001,034)
Exchange (profit) loss on translation of foreign operations	(37,417,557)	102,183,322
At 31 December	1,209,825,838	1,501,487,570

Philippine Hoteliers, Inc.

- a) On 2 February 2007, Philippine Hoteliers, Inc., a subsidiary (indirect holding), entered into loan agreement with a bank to renovate its hotel in the limit of Peso 510.00 million, guaranteed by mortgage of its hotel building and equipment and leasehold rights on land. The agreement specified the terms and conditions as follows:

Interest rate for the first 6 months refers to corresponding promissory note, thereafter interest rate refers to 6-month MART1 in the Philippines plus 1.70% per annum, repayment every 6 months.

Repayment of principal in semi-annual installments through 2015 was for 13 installments. The first installment was from 24 months from the first draw down date which was 9 February 2007.

The loan agreement restricts the declaration of dividends and carries certain restrictive covenants pertaining to the debt to equity ratio and current ratio of the subsidiary.

During 2015, the subsidiary fully paid the outstanding balances of the loan.

- b) On 3 June 2014, the subsidiary had entered into another loan agreement with another bank to finance the renovation of its hotel in the limit of Peso 991.68 million with maturity date of 10 years with a 24-month grace period from the initial borrowing (19 September 2014). The agreement specified the terms and conditions as follows:

(1) The interest payment is on a quarterly basis with interest rate options as follows:

- Quarterly repricing at 3-months Philippine Dealing System Treasury - Fixing plus 1.50% spread or BSP* Overnight Borrowing rate plus 0.125% spread, whichever is higher at the time of interest setting and repricing;
- Semi-annual repricing at 6-month Philippine Dealing System Treasury - Fixing plus 1.50% spread or BSP* Overnight Borrowing rate plus 0.25% spread, whichever is higher at the time of interest setting and repricing;
- Yearly repricing at 1-year Philippine Dealing System Treasury - Fixing plus 1.50% spread or BSP* Overnight Borrowing rate plus 0.475% spread, whichever is higher at the time of interest setting and repricing;

The subsidiary has to choose 1 option to set the interest rate.

* BSP or Bangko Sentral ng Pilipinas

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22 Long-term loans (Continued)

- (2) Repayment of principal shall be semi-annually after a 2-year grace period from each drawdown date and subject to the following conditions:
- 10% of the principal to be repaid semi-annually in the third year.
 - The remaining 90% of the principal shall be repaid semi-annually within the remaining 7 years, from the date of borrowing until the maturity date, with the remaining principal to be fully repaid in last installment.

The loan agreement restricts the declaration of dividends and carries certain restrictive covenants pertaining to the debt to equity ratio and current ratio of the subsidiary.

The subsidiary selected interest rate option (1) a) quarterly repricing at 3-month Philippines Dealing System Treasury - Fixing plus 1.50% spread or BSP* Overnight Borrowing rate plus 0.125% spread, whichever is higher at the time of interest setting and repricing.

As at 31 December 2016 and 2015, the subsidiary had outstanding long-term loan in the amount of Peso 595,000,000 (Baht 429,828,000) and Peso 595,000,000 (Baht 455,413,000), respectively.

DMS Property Investment Pvt. Ltd.

DMS Property Investment Pvt. Ltd., a subsidiary (indirect holding) in Republic of Maldives, entered into a long-term loan agreement with a financial institution in Thailand totaling USD 41,500,000 shares. The loan was pledged by all share certificates of the subsidiary of 38,500,000 shares (see note 12) and as at 31 December 2016, the loan facility of USD 41,500,000 was guaranteed by the Company at 65% and another shareholder of the subsidiary at 35% and as at 31 December 2015, the loan facility of USD 38,500,000 was guaranteed by the Company at 60% and the other 2 shareholders of the subsidiary at 40% and the loan facility of USD 3,000,000 was guaranteed by the Company at 65% and another shareholder of the subsidiary at 35%.

The interest rate refers to the 6 months LIBOR, plus margin as agreed. The repayment of principal is every 3 months starting from September 2013 and the amount of each repayment are as follows:

- 1 st - 8 th installment	USD 1,250,000 each
- 9 th - 19 th installments	USD 2,250,000 each
- Final repayment	USD 6,750,000 or the remaining balance

The loan agreement restricts the declaration of dividends and carries certain restrictive covenants pertaining to the debt to equity ratio and current ratio of the subsidiary.

On 23 November 2016, such financial institution agreed to revise the subsidiary's loan conditions of each repayment principal loan amount from the 14th installment and extend the repayment period started from December 2016 onwards, as follows:

- 14 th installment	USD 500,000 each
- 15 th - 18 th installments	USD 1,000,000 each
- 19 th - 22 nd installments	USD 1,250,000 each
- 23 rd - 26 th installments	USD 1,300,000 each
- 27 th - 29 th installments	USD 1,450,000 each

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22 Long-term loans (Continued)

The revising loan condition mentioned above is already signed on 23 February 2017.

As at 31 December 2016 and 2015, the subsidiary has outstanding long-term loan in the amount of USD 18,550,000 (or Baht 663,797,838) and USD 25,800,000 (or Baht 929,874,570), respectively.

Dusit Thani Hotel Studies Co., Ltd.

On 13 July 2015, Dusit Thani Hotel Studies Co., Ltd., a subsidiary, entered into a long-term loan agreement with a bank of Baht 116.20 million for its business support, building renovation, acquiring new equipment and computer system which guaranteed by the Company. The loan has a term of 7 years after the first drawdown date (24 August 2015), bears interest rate at 1-month BIBOR* plus 2.20% per annum and repayable every 3 months. The first repayment is within the 27th month from the first drawdown date. The repayment date is the last working day of the month and the repayment amounts are as follows:

- 1 st - 4 th installment	Baht 750,000 each
- 5 th - 8 th installment	Baht 4,500,000 each
- 9 th - 19 th installment	Baht 8,250,000 each
- Final repayment	Baht 4,450,000 or the remaining balance

* BIBOR (Bangkok Interbank Offered Rate) represents the average borrowing interest rates among banks in money market in Bangkok.

The loan agreement carries certain restrictive covenants pertaining to the debt service coverage ratio (DSCR), not less than 1.1 of the subsidiary from 2017 onwards.

As at 31 December 2016 and 2015, the subsidiary has outstanding long-term loan in the amount of Baht 116,200,000.

23 Deferred rental revenue

On 24 December 2010, Dusit Thai Properties Public Company Limited, a subsidiary, entered into lease agreement for land, building and utility systems of Dusit Thani Hua Hin with Dusit Thani Freehold and Leasehold Property Fund ("DTCPF") for a period of 30 years with rental of Baht 763,000,000, covering the lease period. This subsidiary has committed to comply with lease conditions as specified in lease agreement for land and building with DTCPF by mortgage of the land and building with DTCPF in the amount of Baht 1,300,000,000 (see note 15).

Deferred rental revenue as at 31 December consisted of the following:

	Consolidated financial statement	
	2016	2015
	<i>(in Baht)</i>	
Deferred rental revenue	763,000,000	763,000,000
Less realised income from deferred rental revenue	(153,157,443)	(127,724,110)
	<u>609,842,557</u>	<u>635,275,890</u>
Less current portion of deferred rental revenue	(25,433,333)	(25,433,333)
Deferred rental revenue	<u>584,409,224</u>	<u>609,842,557</u>

Dusit Thani Public Company Limited and its Subsidiaries
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24 Employee benefit obligations

	Consolidated financial statement		Separate financial statements	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
Present value of unfunded obligations	214,430,198	190,897,540	121,463,881	112,931,822
Present value of funded obligations	43,927,995	57,333,550	-	-
Fair value of plan assets	(37,054,332)	(42,479,131)	-	-
Statement of financial position obligation	221,303,861	205,751,959	121,463,881	112,931,822
<i>For the year ended 31 December</i>				
<i>Statement of Income</i>				
Recognised in profit or loss:				
Post-employment benefits	48,934,902	28,825,599	24,482,719	13,141,225
<i>Statement of comprehensive income</i>				
Recognised in comprehensive income				
Actuarial (gains) losses	(6,176,914)	16,414,816	-	10,639,170

Movements in the present value of the defined benefit obligations

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
Defined benefit obligations at 1 January	248,231,090	225,974,594	112,931,822	99,712,351
Benefits paid by the plan	(28,400,791)	(25,818,575)	(15,950,660)	(10,560,924)
Current service costs and interest	50,680,649	31,084,032	24,482,719	13,141,225
Actuarial (gains) losses in other comprehensive income	(8,959,102)	13,214,269	-	10,639,170
Exchange (gain) loss on translation of foreign operations	(3,193,653)	3,776,770	-	-
Defined benefit obligations at 31 December	258,358,193	248,231,090	121,463,881	112,931,822



Dusit Thani Public Company Limited and its Subsidiaries
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24 Employee benefit obligations (Continued)

Movements in the present value of plan assets during the years were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
At 1 January	42,479,131	51,081,694	-	-
Expected return on plan asset	1,745,747	2,258,433	-	-
Actuarial losses	(2,782,189)	(3,200,547)	-	-
Exchange gain (loss) on translation of foreign operations	(2,380,755)	2,262,449	-	-
Actual contributions	7,690,165	-	-	-
Benefit paid	(9,697,767)	(9,922,898)	-	-
At 31 December	37,054,332	42,479,131	-	-

Expenses recognised in profit or loss:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
Current service costs	41,183,469	21,555,904	21,386,214	10,339,659
Interest on obligation	7,751,433	7,269,695	3,096,505	2,801,566
Total	48,934,902	28,825,599	24,482,719	13,141,225

Actuarial gains and losses recognised in other comprehensive income:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
Demographic assumptions	-	1,013,030	-	540,362
Financial assumptions	-	7,652,936	-	5,184,862
Improve the experience	(6,176,914)	7,748,850	-	4,913,946
Total	(6,176,914)	16,414,816	-	10,639,170

Actuarial gains and losses recognised in other comprehensive income:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
Included in retained earnings:				
At 1 January	35,447,218	19,032,402	37,340,561	26,701,391
Recognised during the year	(6,176,914)	16,414,816	-	10,639,170
At 31 December	29,270,304	35,447,218	37,340,561	37,340,561

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24 Employee benefit obligations (Continued)

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
		%		
Discount rate	2.8 - 4.86	2.8 - 4.79	2.8	2.8
Inflation rate	3.0	3.0	3.0	3.0
Future salary increases	3.0 - 9.0	4.0 - 9.0	4.0 - 9.0	4.0 - 9.0

Assumptions regarding future mortality have been based on published statistics and mortality tables.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Consolidated financial statement		Separate financial statement	
	(in Baht)			
Defined benefit obligation				
31 December 2016				
Discount rate (1% movement)	Increase (9,442,611)	Decrease 10,750,815	Increase (5,828,658)	Decrease 6,550,745
Future salary growth (1% movement)	11,696,231	(10,471,771)	7,217,269	(6,546,191)
Turnover rate (20% movement)	(12,496,960)	15,740,446	(6,501,428)	8,166,356
Defined benefit obligation				
31 December 2015				
Discount rate (1% movement)	(14,643,235)	15,711,886	(5,729,677)	6,420,437
Future salary growth (1% movement)	14,901,694	(14,075,946)	6,102,274	(5,569,560)
Turnover rate (20% movement)	(10,187,481)	12,623,234	(5,293,358)	6,571,280

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25 Share capital

	Par value per share (in Baht)	Consolidated financial statements			
		2016		2015	
		Number	Amount (shares/ in Baht)	Number	Amount
<i>Authorised</i>					
At 1 January					
- ordinary shares	10	85,000,000	850,000,000	85,000,000	850,000,000
At 31 December					
- ordinary shares	10			85,000,000	850,000,000
- ordinary shares	1	850,000,000	850,000,000		
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	10	85,000,000	850,000,000	85,000,000	850,000,000
At 31 December					
- ordinary shares	10			85,000,000	850,000,000
- ordinary shares	1	850,000,000	850,000,000		
Less treasury shares					
by Dusit Thani Properties Co., Ltd.		(4,715,000)	(15,740,202)	(471,500)	(15,740,202)
Total		845,285,000	834,259,798	84,528,500	834,259,798

	Par value per share (in Baht)	Separate financial statement			
		2016		2015	
		Number	Amount (shares/ in Baht)	Number	Amount
<i>Authorised</i>					
At 1 January					
- ordinary shares	10	85,000,000	850,000,000	85,000,000	850,000,000
At 31 December					
- ordinary shares	10			85,000,000	850,000,000
- ordinary shares	1	850,000,000	850,000,000		
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	10	85,000,000	850,000,000	85,000,000	850,000,000
At 31 December					
- ordinary shares	10			85,000,000	850,000,000
- ordinary shares	1	850,000,000	850,000,000		

On 28 April 2016, the general shareholders' meeting of the Company passed a resolution to approve the reduction in par value of the Company from Baht 10 par value each, totalling 85,000,000 shares to Baht 1 par value each, totalling 850,000,000 shares. Therefore, the Company has authorised share capital of Baht 850,000,000, issued and called up share capital of Baht 850,000,000 and paid-up share capital of 850,000,000 ordinary shares. The Company registered the reduction in par value of the Company with the Ministry of Commerce on 16 May 2016.

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25 Share capital (Continued)

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

26 Treasury shares

Dusit Thani Public Company Limited

On 13 November 2003, the Board of Directors of the Company passed a resolution to repurchase 2,779,500 ordinary shares or 3.27% of the Company's paid-up share capital. The purpose was for financial management because the Company had excess liquidity. The resale period of such repurchase share was from 1 July 2004 to 29 December 2006.

2,760,500 shares or 3.25% of the Company's paid-up capital had been repurchased, totaling Baht 115,818,208.

During 2006, the Company sold 2,760,500 treasury shares and had gain on sales in the amount of Baht 16,950,268 and was presented as surplus on treasury shares.

Dusit Thani Properties Company Limited

Dusit Thani Properties Company Limited, a subsidiary, held 606,300 ordinary shares of the Company with the acquisition cost of Baht 20,240,264. The shares were presented as treasury shares in the consolidated statements of financial position.

During 2006, Dusit Thani Properties Company Limited sold 134,800 ordinary shares of the Company to third parties totalling Baht 5,915,334 and had gain on sale in the amount of Baht 1,415,272 which was presented as surplus on treasury shares. As at 31 December 2016 and 2015, Dusit Thani Properties Company Limited held 471,500 ordinary shares of the Company with the carrying value of Baht 15,740,202. The shares were presented as treasury shares in the consolidated statements of financial position.

During 2016, a change in shares is disclosed in notes 25 which the balance of treasury shares are 4,715,0000 ordinary shares in both 2016 and 2015.

The Company has complied with the letter from The Securities and Exchange Commission No. Kor Lor Tor Chor Sor (Vor) 2/2548 dated 14 February 2005, regarding comment on information disclosure of appropriation of treasury shares reserve. As at 31 December 2016 and 2015, the Company has appropriated retained earnings to treasury shares reserve in the amount of Baht 15,740,202 which has been included in treasury share reserve (see note 27).



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27 Reserves

Reserves comprise of:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the authorised share capital. The legal reserve is not available for dividend distribution.

Treasury share reserve

The treasury share reserve represents the amount appropriated from retained earnings equal to the cost of the Company's own shares held by the Group. The treasury share reserve is not available for dividend distribution.

Dusit Thani College funds

Dusit Thani College funds are cumulative fund balances of Dusit Thani College in accordance with Private Higher Education Institutions Act B.E. 2546 Amendment (No. 2) B.E. 2550.

The Private Higher Education Institutions Act B.E. 2546 Amendment (No.2) B.E. 2550 requires that a private higher education institution shall firstly allocate its annual excess revenues over expenses in general fund to compensate other negative balance funds. Then, at least 60% of the remaining excess revenues over expenses shall be allocated to other funds, not over 30% shall be allocated as benefit to the licensor and not less than 10% shall be kept as working capital in the general fund.

Other components of equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Fair value changes

The fair value changes within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

Dusit Thani Public Company Limited and its Subsidiaries

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28 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Type of business	Nature of relationships
Key management personnel	Thailand	-	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.
Dusit Thani Properties Co., Ltd.	Thailand	Holding	Subsidiary
Dusit Thai Properties Public Company Limited	Thailand	Hotel and hotel management	Subsidiary (indirect holding)
Philippine Hoteliers, Inc.	Philippines	Hotel	Subsidiary (indirect holding)
Dusit Thani College	Thailand	Education	Subsidiary (indirect holding)
Dusit Thani Hotel Studies Co., Ltd.	Thailand	Education	Subsidiary
Landmark Hotel Co., Ltd.	Thailand	Hotel	Subsidiary
Devarana Spa Co., Ltd.	Thailand	Spa	Subsidiary
DMS Property Investment Pvt. Ltd.	Republic of Maldives	Hotel	Subsidiary (indirect holding)
Dusit Worldwide Co., Ltd.	Thailand	Management	Subsidiary
Dusit Overseas Co., Ltd.	Hong Kong	Management	Subsidiary (indirect holding)
Dusit Management Co., Ltd.	Thailand	Hotel	Subsidiary
Dusit USA Management Inc.	United States of America	Hotel management	Subsidiary
Dusit China Capital Co., Ltd.	Thailand	Holding	Subsidiary
Vimarn Suriya Co., Ltd.	Thailand	Hotel, resorts and residence	Subsidiary
Suanlum Property Co., Ltd.	Thailand	Department store, plaza and cinema	Subsidiary
Pharam 4 development Co., Ltd.	Thailand	Office construction	Subsidiary
Saladang Property Management Co., Ltd.	Thailand	Office management	Subsidiary
Le Cordon Bleu Dusit Co., Ltd.	Thailand	Cooking school	Joint venture
Dusit Bird Hotels Pvt. Ltd.	India	Hotel management	Joint venture
Dusit Fudu Hotel Management (Shanghai) Co., Ltd.	People's Republic of China	Hotel management	Joint venture

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28 Related parties (Continued)

Name of entities	Country of incorporation/ nationality	Type of business	Nature of relationships
Dusit Thani Freehold and Leasehold Property Fund ("DTCPF")	Thailand	Leasing	Associate
Philippine Hoteliers International Center for Hospitality Education, Inc.	Philippines	Education	Associate
Acme Printing Co., Ltd.	Thailand	Printing house	Director holds the shares
MBK Public Company Limited	Thailand	Property development	The Group and director hold the shares
Piyasiri Co., Ltd.	Thailand	Hospital	Director holds the shares
Bangkok Bank Public Company Limited	Thailand	Bank	The Company and director hold the shares
Thai Life Insurance Public Company Limited	Thailand	Life insurance	Common director
The Navakij Insurance Public Company Limited	Thailand	Non-life insurance	Common director
New Atlantic Co., Ltd.	Thailand	Department store	Director holds the shares
Thana-jirang Co., Ltd.	Thailand	Office rental	Director holds the shares
JTB (Thailand) Co., Ltd.	Thailand	Sale tour package, hotel reservation and air ticket	Director holds the shares
Siam Makro Public Company Limited	Thailand	Distributor	Common director
The Siam Cement Public Company Limited	Thailand	Cement-building materials	Common director
Thainamthip Co., Ltd.	Thailand	Brewer and distributor of beverage	Common director
Government Savings Bank	Thailand	Bank	Common director

Dusit Thani Public Company Limited and its Subsidiaries
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28 Related parties (Continued)

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
The remuneration received for transferring of rights and obligations of the Hotels Management Agreement	Based on percentage of total revenue or gross operating profit, depending on the condition of each agreement which is fee or licensing fee charged from each hotel.
Hotel management fees	Based on the similar fees charged to other hotels which were managed by the Company.
Sales and purchase of equipment	Based on book value plus margin as agreed.
Other sales and purchase transactions	Based on the normal prices transacted with third parties and discount policies.
Sales of investments	Based on fair value.
Interest income	
- Loan to related parties	- Minimum loan rate of commercial banks plus 0.5% per annum - Rate of 7.50% per annum - Rate of MLR% - 1 per annum
Other income	Based on actual expenses incurred and the contractually agreed prices.
Interest expense	
- Loan from related party	Based on LIBOR plus 2.925% per annum or not less than those pays to the financial institution.
Other expenses	Based on the contractually agreed prices.



Dusit Thani Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

28 Related parties (Continued)

Significant transactions for the years ended 31 December 2016 and 2015 with related parties were as follows:

For the year ended 31 December 2016

	Consolidated financial statements					
	Revenue from sales and services	Management service income	Dividend income	Other income (in Baht)	Cost of sales and services	Selling expenses Administrative expenses
Joint ventures	17,977,960	-	-	5,772,390	636,000	272,978
Associate	-	-	-	26,224,805	238,219,268	-
Other related parties	38,163,827	6,465,923	14,752,980	3,246,676	95,771	14,244
						1,314,403
						1,874,678

For the year ended 31 December 2015

Joint ventures	17,623,710	-	-	477,224	252,200	65,059
Associate	-	-	-	26,834,321	262,363,422	-
Other related parties	77,674,970	2,548,374	13,823,050	2,170,783	-	37,804
						1,559,463
						6,403,850

Dusit Thani Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

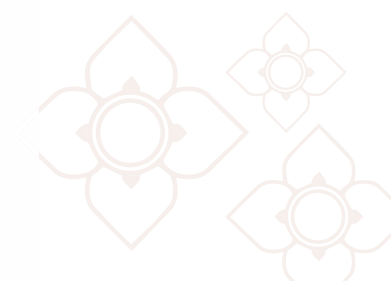
28 Related parties (Continued)

For the year ended 31 December 2016

	Separate financial statements				
	Revenue from sales and services	Management service income	Dividend income	Other income (in Baht)	Cost of sales and services
Subsidiaries					
Joint ventures	14,838,129	83,440,905	25,795,452	135,842,579	158,248
Associate	17,977,960	-	27,989,720	462,195	636,000
Other related parties	37,712,047	6,465,923	56,543,200	791,472	-
			9,438,200	1,751,458	-
					1,481,245

For the year ended 31 December 2015

Subsidiaries					
Joint ventures	10,304,636	58,379,682	36,508,758	155,955,852	137,911
Associate	17,673,718	-	28,989,835	464,542	257,200
Other related parties	67,080,826	2,648,774	82,356,400	1,408,988	-
			431,450	682,664	-
					37,804
					8,626,482
					1,539,483
					5,489,932



Dusit Thani Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

28 Related parties (Continued)

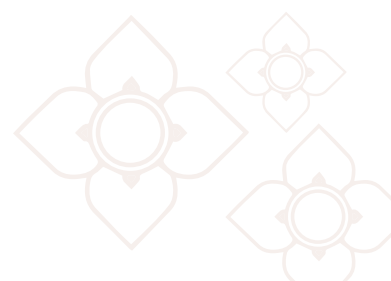
	Consolidated financial statements For the year ended 31 December		Separate financial statements For the year ended 31 December	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
Key management personnel compensation				
Salaries and other short-term employee benefits	141,034,772	113,394,186	85,854,658	64,358,781
Post-employment benefits	11,565,363	836,399	7,384,503	195,969
Total key management personnel compensation	152,600,135	114,230,585	93,239,161	64,554,750

Dusit Thani Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

28 Related parties (Continued)

Balances as at 31 December 2016 and 2015 with related parties were as follows:

	Consolidated financial statements							
	31 December 2016			31 December 2015				
	Trade accounts receivable	Other receivables	Accrued expenses	Other payables (in Baht)	Trade accounts receivable	Other receivables	Accrued expenses	Other payables
Joint ventures	325,055	13,603,309	-	-	754,649	9,930,912	-	-
Associate	-	-	-	-	-	11,961,140	-	-
Other related parties	3,979,728	2,356,353	-	1,426,284	5,443,682	883,841	-	1,375,164



28 Related parties (Continued)

Balances as at 31 December 2016 and 2015 with related parties were as follows:

	Separate financial statements						
	31 December 2016			31 December 2015			
	Trade accounts receivable	Other receivables	Accrued expenses	Trade accounts receivable	Other receivables	Accrued expenses	Other payables
	(in Rands)						
Subsidiaries	746,794	48,225,660	-	533,702	51,021,212	394,948	21,081,127
Joint ventures	325,055	3,460,860	-	754,649	7,416,304	-	-
Associate	-	70,573	-	-	125,546	-	-
Other related parties	3,913,217	2,322,588	-	4,788,712	861,503	-	1,363,030

Dusit Thani Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

28 Related parties (Continued)

	Interest rate		Consolidated financial statements		Separate financial statements	
	2016	2015	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	<i>(% per annum)</i>		<i>(in Baht)</i>			
<i>Short-term loans to related parties</i>						
Dusit China Capital Co., Ltd.	2.80 - 3.14	2.95 - 3.14	-	-	76,000,000	38,500,000
Dusit Thani Properties Co., Ltd.	2.90	-	-	-	250,000,000	-
			<u>-</u>	<u>-</u>	<u>326,000,000</u>	<u>38,500,000</u>
<i>Long-term loans to related parties</i>						
Vimarn Suriya Co., Ltd.	5.26	-	-	-	47,110,000	-
Dusit Fudu Hotel Management (Shanghai) Co., Ltd.	7.50	7.50	75,416,578	39,553,081	-	-
Total			<u>75,416,578</u>	<u>39,553,081</u>	<u>47,110,000</u>	<u>-</u>

Movements in the loans to related parties were summarised as follows:

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
<i>Short-term loans to related parties</i>				
At 1 January	-	-	38,500,000	1,800,000
Addition	-	-	287,500,000	36,700,000
At 31 December	<u>-</u>	<u>-</u>	<u>326,000,000</u>	<u>38,500,000</u>
<i>Long-term loans to related parties</i>				
At 1 January	39,553,081	-	-	-
Addition	35,990,385	36,362,432	47,110,000	-
Exchange gain (loss) on translation of foreign operations	(126,888)	3,190,649	-	-
At 31 December	<u>75,416,578</u>	<u>39,553,081</u>	<u>47,110,000</u>	<u>-</u>



Dusit Thani Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

28 Related parties (Continued)

On 12 January 2015, Dusit China Capital Co., Ltd., a subsidiary, has entered to a shareholder loan agreement with Dusit Fudu Hotel Management (Shanghai) Co., Ltd., a joint venture in People's Republic of China in order to lend to the joint venture totaling Chinese Yuan Renminbi 13,500,000 for its working capital for a period of 5 years. Interest rate shall be floated on the benchmark lending rate (BLR) for 1 - 5 year loan of the People's Bank of China. As at 31 December 2016 and 2015, the joint venture had outstanding long-term loan in the amount of Chinese Yuan Renminbi 13,500,000 (or Baht 75,416,578) and Chinese Yuan Renminbi 6,750,000 (or Baht 39,553,081), respectively.

	Interest rate		Consolidated financial statements		Separate financial statements	
	2016	2015	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	(in Baht)		(in Baht)		(in Baht)	
<i>Short-term loan from related party</i>						
MBK Hotels and Resorts Co., Ltd.*	3.4600 - 4.1565	3.2569 - 3.4600	<u>5,009,795</u>	<u>5,045,831</u>	-	-

* MBK Hotels and Resorts Co., Ltd. is a subsidiary of MBK Public Company Limited.

Movements in the short-term loan from related party were summarised as follows:

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2016	For the year ended 31 December 2015	For the year ended 31 December 2016	For the year ended 31 December 2015
	(in Baht)		(in Baht)	
<i>Short-term loan from related party</i>				
At 1 January	5,045,831	4,608,611	-	-
Exchange (gain) loss on translation of foreign operations	<u>(36,036)</u>	<u>437,220</u>	-	-
At 31 December	<u>5,009,795</u>	<u>5,045,831</u>	-	-

29 Segment information

The Group has four reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different services, and are managed separately because they require different marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis.

Information regarding the results of each reportable segment is included below as included in the internal management reports that are reviewed by the Group's CODM. Management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Dusit Thani Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

29 Segment information (Continued)

<i>For the year ended 31 December 2016</i>	Revenues	Net profit (in thousand Baht)	Assets employed
Hotels business	3,494,026	194,703	7,566,325
Hotels business under DTCPF	1,104,957	5,705	322,449
Education business	401,630	18,595	1,338,676
Other businesses	1,329,445	72,141	3,445,066
Total	6,330,058	291,144	12,672,516
Less inter-company transactions	(904,926)	(138,229)	(3,639,539)
Total	5,425,132	152,915	9,032,977
Less net profit of non-controlling interests		(38,794)	
Consolidated net profit - owners of the Company		114,121	
Consolidated assets			9,032,977

<i>For the year ended 31 December 2015</i>	Revenues	Net profit (in thousand Baht)	Assets employed
Hotels business	3,409,883	189,742	7,664,869
Hotels business under DTCPF	1,145,121	9,368	320,039
Education business	406,760	91,486	1,285,498
Other businesses	1,231,706	112,372	3,433,640
Total	6,193,470	402,968	12,704,046
Less inter-company transactions	(823,880)	(149,867)	(3,315,570)
Total	5,369,590	253,101	9,388,476
Less net profit of non-controlling interests		(53,912)	
Consolidated net profit - owners of the Company		199,189	
Consolidated assets			9,388,476

30 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in Baht)			
Marketing expenses	189,044,032	160,780,480	107,858,272	112,054,210
Employee benefit expenses	160,875,335	156,452,805	70,114,162	69,460,498
Others	54,685,140	70,732,570	16,452,472	47,524,425
Total	404,604,507	387,965,855	194,424,906	229,039,133

31 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in Baht)			
Consulting expenses	117,633,232	83,350,804	86,399,464	68,431,612
Employee benefit expenses	723,845,518	646,620,462	344,634,896	292,021,997
Others	344,900,895	318,765,102	203,839,192	125,420,135
Total	1,186,379,645	1,048,736,368	634,873,552	485,873,744

Dusit Thani Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

32 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in Baht)			
Salaries and employee benefits	1,695,969,912	1,656,016,874	668,925,899	619,323,242
Contributions to social security fund	27,316,845	15,983,666	10,060,598	9,937,098
Contributions to defined contribution plans	38,295,311	42,527,309	18,364,382	16,648,280
Total	1,761,582,068	1,714,527,849	697,350,879	645,908,620

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at the rate of 5% of their basic salaries and by the Group at the rate of 5% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed fund managers.

33 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in Baht)			
Employee benefit expenses	1,761,582,068	1,714,527,849	697,350,879	645,908,620
Land and building rental expenses	476,168,615	510,010,982	125,400,387	121,950,724
Maintenance expenses	115,120,459	123,477,938	37,817,687	38,276,585
Utilities expenses	275,505,308	348,189,046	89,159,328	102,439,026

34 Finance costs

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in Baht)			
<i>Interest expenses</i>				
Finance leases	267,909	311,849	-	-
Related parties	84,454	162,348	-	-
Bank loans and overdrafts	72,473,991	48,921,026	8,367,460	14,433,987
Total	72,826,354	49,395,223	8,367,460	14,433,987

Dusit Thani Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

35 Income tax

Income tax recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in Baht)			
Current tax expense				
Current year	16,741,690	15,412,824	-	-
	<u>16,741,690</u>	<u>15,412,824</u>	<u>-</u>	<u>-</u>
Deferred tax expense				
Movements in temporary differences	(28,293,009)	23,994,241	(24,982,748)	15,022,881
Total income tax (income) expense	<u>(11,551,319)</u>	<u>39,407,065</u>	<u>(24,982,748)</u>	<u>15,022,881</u>

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	Before tax	2016 Tax benefit	Net of tax	Before tax	2015 Tax expense	Net of tax
	(in Baht)					
Foreign currency translation differences for foreign operations	(22,138,397)	-	(22,138,397)	118,940,312	-	118,940,312
Net change in fair value of available-for-sale investments	8,524,000	(1,704,800)	6,819,200	(18,755,650)	3,751,130	(15,004,520)
Defined benefit plan actuarial gains (losses)	6,176,914	(1,833,074)	4,323,840	(16,414,816)	3,565,792	(12,849,024)
Total	<u>(7,437,483)</u>	<u>(3,587,874)</u>	<u>(10,995,357)</u>	<u>83,769,846</u>	<u>7,316,922</u>	<u>91,086,768</u>

	Separate financial statements					
	Before tax	2016 Tax expense	Net of tax	Before tax	2015 Tax expense	Net of tax
	(in Baht)					
Net change in fair value of available-for-sale investments	(112,034,968)	22,406,993	(89,627,975)	(61,604,150)	12,320,830	(49,283,320)
Defined benefit plan actuarial gains (losses)	-	-	-	(10,639,170)	2,127,834	(8,511,336)
Total	<u>(112,034,968)</u>	<u>22,406,993</u>	<u>(89,627,975)</u>	<u>(72,243,320)</u>	<u>14,448,664</u>	<u>(57,794,656)</u>

Dusit Thani Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

35 Income tax expense (Continued)

Reconciliation of effective tax rate

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
Profit before income tax	141,363,639	292,507,921	133,330,928	236,546,264
Income tax using tax rates	48,431,057	68,399,691	26,666,185	47,309,253
Income/expenses not subject to tax	(63,454,250)	(31,586,809)	(51,648,933)	(32,286,372)
Current year losses for which no deferred tax asset was recognised	2,926,258	981,983	-	-
Foreign currency translation differences for foreign operations	545,616	1,612,200	-	-
Total	(11,551,319)	39,407,065	(24,982,748)	15,022,881

Income tax reduction

Decree issued under the Revenue Code Amendment, regarding the reduction of income tax rate and exemptions act No. 577 B.E. 2557 dated 10 November 2014 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2015. Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

Dusit Thani Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

36 Earnings per share

The calculations of basic earnings per share for the years ended 31 December 2016 and 2015 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in Baht / share)</i>			
Profit for the year attributable to ordinary shareholders of the Company (basic)				
Profit excluding Dusit Thani College	35,979,574	99,937,522	158,313,676	221,523,383
Profit Dusit Thani College	78,141,700	99,251,105	-	-
Total	114,121,274	199,188,627	158,313,676	221,523,383
Weighted average number of ordinary shares outstanding (basic)				
Number of ordinary shares outstanding				
At 1 January	850,000,000	850,000,000	850,000,000	850,000,000
At 31 December	850,000,000	850,000,000	850,000,000	850,000,000
Less: treasury shares by Dusit Thani Properties Company Limited	(4,715,000)	(4,715,000)	-	-
Weighted average number of ordinary shares outstanding (basic)	845,285,000	845,285,000	850,000,000	850,000,000
Earnings per share (basic)				
Earnings per share excluding Dusit Thani College	0.043	0.118	0.186	0.261
Earnings per share Dusit Thani College	0.092	0.118	-	-
Total	0.135	0.236	0.186	0.261

Changes in par value, disclosed in notes 25, results in a change in weighted average of number of ordinary shares and basic earnings per share in the consolidated and separate financial statement for the year ended 31 December 2015. The retrospective adjustment of number of shares in the calculation of basic earning per shares is required, in order to present fairly as if a change in par value has been made since the beginning of the earliest period presented.



Dusit Thani Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

37 Dividends

On 28 April 2016, the general shareholders' meeting of the Company passed a resolution to approve and appropriate retained earnings as dividend payment for the year 2015 for 85,000,000 ordinary shares at Baht 1.20 per share, totaling Baht 102,000,000 which was paid on 12 May 2016.

On 28 April 2015, the general shareholders' meeting of the Company passed a resolution to approve and appropriate retained earnings as dividend payment for the year 2014 for 85,000,000 ordinary shares at Baht 1.00 per share, totaling Baht 85,000,000 which was paid on 12 May 2015.

38 Revenues arising from exchanges of goods or services

The Group has revenues arising from exchange of goods or services with outside parties. The Company and subsidiaries recognised revenues from such parties when the goods or services are rendered from the Company and subsidiaries. Such revenues are charged at the arm-length prices that would be charged to the other customers or at the agreed price to exchange according to each agreement.

For the years ended 31 December 2016 and 2015, revenues arising from exchange of goods or services included in revenues from sales and services are as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
Revenues arising from exchanges of goods or services	<u>35,909,668</u>	<u>38,713,214</u>	<u>33,268,809</u>	<u>33,580,597</u>

39 Financial instruments

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 recognised financial assets, the carrying amount of the assets recorded in the statements of financial position, net of a portion of allowance for doubtful debts, represents the Group's maximum exposure to credit risk.

Foreign currency 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 resulting 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.

Dusit Thani Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

39 Financial instruments (Continued)

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 notes 20 and 22 to the financial statements.

Carrying amount and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Consolidated financial statements		
	Carrying amount	Fair value		
		Level 1	Level 2	Total
31 December 2016		(in Baht)		
Financial assets/financial liabilities measured at fair value				
Available-for-sale investments	364,964,850	10,096,350	354,868,500	364,964,850
Long-term loans from financial institutions	1,209,825,838	-	1,209,825,838	1,209,825,838

		Consolidated financial statements		
	Carrying amount	Fair value		
		Level 1	Level 2	Total
31 December 2015		(in Baht)		
Financial assets/financial liabilities measured at fair value				
Available-for-sale investments	356,440,850	9,653,250	346,787,600	356,440,850
Long-term loans from financial institutions	1,501,487,570	-	1,501,487,570	1,501,487,570

		Separate financial statements		
	Carrying amount	Fair value		
		Level 1	Level 2	Total
31 December 2016		(in Baht)		
Financial assets/financial liabilities measured at fair value				
Available-for-sale investments	40,846,350	10,096,350	30,750,000	40,846,350

Dusit Thani Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

39 Financial instruments (Continued)

	Carrying amount	Separate financial statements Fair value		
		Level 1	Level 2	Total
		(in Baht)		
<i>31 December 2015</i>				
<i>Financial assets/financial liabilities measured at fair value</i>				
Available-for-sale investments	241,662,250	9,653,250	232,009,000	241,662,250

40 Commitments

40.1 Capital commitments

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in Baht)			
<i>Capital commitments</i>				
Contracted but not provided for	<u>70,429,352</u>	<u>232,636,480</u>	<u>20,555,559</u>	<u>24,281,829</u>

40.2 Service agreement commitments

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in Baht)			
Within one year	109,480,903	94,347,576	77,144,805	42,022,601
After one year but within five years	21,443,142	19,586,801	7,748,776	9,418,284
After five years	-	726,708	-	-
Total	<u>130,924,045</u>	<u>114,661,085</u>	<u>84,893,581</u>	<u>51,440,885</u>

Dusit Thani Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

40 Commitments (Continued)

40.3 Other commitments

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in Baht)</i>			
Bank guarantee	23,568,500	23,568,500	15,611,800	15,611,800
Total	23,568,500	23,568,500	15,611,800	15,611,800

As at 31 December 2016 and 2015, the above bank guarantee include bank guarantee of a subsidiary of Baht 2,028,500 and Baht 2,028,500, respectively, which were pledged by cash at bank of the subsidiary (see note 8).

40.4 Contractual commitments

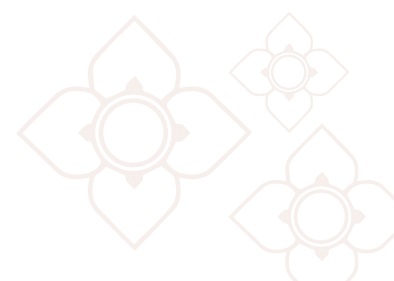
Dusit Thani College

Dusit Thani College has entered into agreements with institutions in order to provide international courses as follows:

- 1) Le Cordon Bleu, Switzerland for a period of 10 years, starting June 2006. Dusit Thani College has to pay royalty fee to Le Cordon Bleu as specified in the agreement. Dusit Thani College renewed the engagement for another 5 years, starting May 2016.
- 2) Ecole Hotelier de Lausanne, Switzerland for a period of 3 years, starting February 2013. Dusit Thani College has to pay royalty fee to Ecole Hotelier de Lausanne as specified in the agreement. During 2015, Dusit Thani College renewed the agreement for another 3 years, starting February 2016.

Dusit Overseas Co., Ltd.

On 9 October 2014, the Company guaranteed to an overseas hotel owner for technical, management and other services as specified in the hotel management agreement entered into by Dusit Overseas Co., Ltd., a subsidiary in Hong Kong. Term and conditions are as specified in the hotel management agreement.



Dusit Thani Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

40 Commitments (Continued)

40.5 Long-term operating leases

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in Baht)			
Within one year	108,512,245	108,819,680	48,000,000	48,000,000
After one year but within five years	450,899,013	445,928,613	208,800,000	202,800,000
After five years	2,244,814,742	2,374,273,260	343,200,000	397,200,000
Total	2,804,226,000	2,929,021,553	600,000,000	648,000,000

Long-term operating leases were as follows:

Dusit Thani Public Company Limited

The land lease agreement of Dusit Thani Hotel, Bangkok and Dusit Thani Office Building dated 16 March 1966 between The Crown Property Bureau and the Company scheduled to expire on 31 March 2003 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 both 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.

In December 2016, the Company entered into a land lease agreement to develop a Mixed Use Property Development Project with the Crown Property Bureau for a period of 30 years from 1 July 2024 with the right to renew for another 30 years. The construction in grace period is 7 years from 1 July 2017. The Company will dispose the current leasehold right on the land which will expire in March 2018 and the right to renew the land lease agreement for another 15 years in order to validate the new land lease agreement. Total rental fee is Baht 7,334,121,600 of which Baht 1,466,824,320 will be paid in 2017. The remaining amount will be gradually paid from 2024 onward. The Company has to comply with conditions as specified in the agreement. However, the transaction will be proposed to the shareholders for approval accordingly.

On 27 January 2006, the Company entered into a 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 the land. Total rent through the lease agreement is 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 USD will be used instead. In this case, the rate to be used is the average exchange rate for USD on the date of the original agreement, which is a commercial bank's selling rate announced by The Bank of Thailand, one USD for Baht 39.14. When the lease agreement is expired, the Company can extend the lease twice for a period of 10 years each with related lease payments to be renegotiated by both parties.

Dusit Thani Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

40 Commitments (Continued)

Philippine Hoteliers, Inc.

Philippine Hoteliers, Inc., an indirect 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.

Dusit Management Co., Ltd.

On 24 December 2010, Dusit Management Co., Ltd., a subsidiary entered into lease agreements for operating assets of Dusit Thani Laguna Phuket, DusitD2 Chiang Mai and sublease agreement for operating assets of Dusit Thani Hua Hin from Dusit Thani Freehold and Leasehold Property Fund (DTCPPF) for a period of 3 years and has rights to renew such lease and sublease agreements for 6 times with a 3-year period each. The Company guaranteed the minimum lease and/or sublease payment by these subsidiaries to DTCPPF (see note 41). The rental amount detailed as follows:

- 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.
- 2) Variable rental is paid on a quarterly basis which is calculated based on percentage of hotel operating profit before interest, income tax and depreciation and amortisation (EBITDA). The percentages specified as follows:

Years 2011 - 2016	90%
Years 2017 - 2022	85%
Years 2023 onwards	80%

Rental amount during 24 December 2010 to 31 December 2010 was calculated by days, using 90%.

DMS Property Investment Pvt. Ltd.

DMS Property Investment Pvt. Ltd. have right on leasehold land from the Government of Republic of Maldives, resort and construction on Mudhdhoo Island, Baa Atoll, Republic of Maldives for 50 years, due within September 2059 (see note 16).

As at 31 December 2016, the rental for remaining lease periods are as follows:

Due period		Amount
Less than 1 year	USD	1,000,000
After 1 year but less than 5 years	USD	4,000,000
After 5 years	USD	39,182,787

Dusit Thani Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

40 Commitments (Continued)

However, DMS Property Investment Pvt. Ltd. can amortise prepaid rental amounting to USD 5,000,000 as rental expense of USD 1,000,000 per year for a period of 5 years from 23 January 2012 and the prepaid of additional yearly rental of USD 100,000 for last 15 years can partially be yearly rental of such last 15 years.

Dusit Thani College

On 23 June 2010, Dusit Thani College, an indirect subsidiary entered into a sublease agreement for land where Dusit Thani College (Pattaya Campus) with a school for a period of 21 years starting from 23 June 2010 to 22 June 2031. Total rental through the lease agreement is Baht 129,303,750.

Dusit Thani College has pledged a rental deposit of Baht 12,000,000 which is included in other non-current assets. Dusit Thani College has rights to renew the lease under new terms and conditions.

Dusit Thani Hotel Studies Co., Ltd.

On 19 December 2014, Dusit Thani Hotel Studies Co., Ltd., a subsidiary has entered into a lease land and building agreement with a third party for 1 year from 1 January 2015 to 31 December 2015 and a sublease land and building agreement from an education institution to renovate the building for a vocational school for a period of 30 years from 1 January 2016 to 31 December 2045. Total rental through the lease period is Baht 566,547,300. This subsidiary has sole right to extend the lease agreement for another 10 years from the expiry date of the sublease agreement.

41 Contingent liabilities

Dusit Thani Public Company Limited

On 26 June 2001, the Company paid Baht 44,246,000 to the Official Receiver on behalf of World Intertrade Corporation Co., Ltd. The Company thereafter submitted a notice to World Intertrade Corporation Co., Ltd. requesting for the repayment of debt to the Company. However, the Company did not receive any repayment from World Intertrade Corporation Co., Ltd. Therefore, on 19 December 2001, the Company filed a claim in the Southern Bangkok Civil Court against World Intertrade Corporation Co., Ltd. for demanding the repayment of Baht 45,782,488 which the Company has a lawful right to claim.

On 7 December 2001, World Intertrade Corporation Co., Ltd. filed a claim in the Southern Bangkok Civil Court against the Company. The claim demanded the return of property (Dusit Thani Hotel, Pattaya) and damages. The amount claimed for damages is Baht 2,760,000,000. 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 Co., Ltd. sued the Company calling for its assets (Dusit Thani Hotel, Pattaya) and claiming for compensation on ground of wrongful act of the Company and the case under which the Company sued World Intertrade Corporation Co., Ltd.

Dusit Thani Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

41 Contingent liabilities (Continued)

On 26 March 2004, the Court has declared the case filed by World Intertrade Corporation Co., Ltd. had been dismissed with the verdict that the Company is the owner of the property (Dusit Thani Hotel, Pattaya) by virtue of the law found in the Civil and Commercial Code of Thailand, sections 1382 and 1385 without doubt and the Court has given the verdict that World Intertrade Corporation Co., Ltd. must pay compensation amounting to Baht 45,782,488 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 Co., Ltd. appealed to the Appeal Court. On 7 July 2004, the Company then filed the appeal answer and filed the objection against petition requesting the Court to delay the execution.

On 31 January 2005, the Company filed a bankruptcy case against World Intertrade Corporation Co., Ltd. with the Central Bankruptcy Court. Thereafter, on 11 July 2005, the Central Bankruptcy Court granted the receivership order. Then, on 9 August 2005, World Intertrade Corporation Co., Ltd. filed the appeal against the receivership order and the Company then filed the appeal answer against the said appeal. On 21 October 2008, the Bankruptcy department of the Supreme Court has considered by sustaining result of the Court of First Instance to the receiving order of World Intertrade Corporation Co., Ltd.

On 30 January 2006, the Official Receiver of World Intertrade Corporation Co., Ltd. carried out the case to the Southern Bangkok Civil Court against the Company to claim for returning of the assets (Dusit Thani Hotel, Pattaya).

On 3 April 2007, the Southern Bangkok Civil Court made an appointment with litigant the result of case of the Appeal Court of World Intertrade Corporation Co., Ltd. filed the Company to the Southern Bangkok Civil Court to claim for returning of the assets (Dusit Thani Hotel, Pattaya) by standing the result of the Court of First Instance to dispose such case of World Intertrade Corporation Co., Ltd. out of the case list.

On 3 May 2007, World Intertrade Corporation Co., Ltd. made Dika appeal to the Supreme Court with the Southern Bangkok Civil Court against the decision of the Court of First Instance and Appeal Court. However, on 26 July 2007, the Company appealed against such Dika appeal.

On 31 July 2013, the Supreme Court confirmed the decision of the Court of First Instance and Appeal Court. The civil case was absolute. Also, World Intertrade Corporation Co., Ltd., shall be responsible for lawyer fees in amount of Baht 200,000 on behalf of the Company.

However, World Intertrade Corporation Co., Ltd., was unable to pay such lawyer fees to the Company, which this was on the ground that World Intertrade Corporation Co., Ltd. was granted the receivership order by the Bankruptcy Division of the Supreme Court. The official receiver later sent the Company a notice dated 16 September 2013 to inform that the official receiver could not collect any possessions of World Intertrade Corporation Co., Ltd. which the same was reported to all of its creditors also. The case will be closed after all creditors acknowledged such report back to the official receiver. Recently, a precise period to close this case cannot be predicted.



Dusit Thani Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

41 Contingent liabilities (Continued)

Philippine Hoteller, Inc.

For Philippine Hoteliers, Inc., an indirect subsidiary, as at 31 December 2016 and 2015, 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 National Labour Relations Commission - National Capital Region. The subsidiary's management is of the opinion that expenses, if any, from these contingencies, are not significant and will not have material adverse effects and no provision has been made on subsidiary's financial statements.

Dusit Thani Public Company Limited and Dusit Management Co., Ltd.

The Company has contingent liabilities, as a guarantor, regarding the minimum lease and/or sublease payment of Dusit Management Co., Ltd., a subsidiary, to Dusit Thani Freehold and Leasehold Property Fund (DTCPF) for the 1st - 4th years of the lease period. 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 1st year bank guarantee of Baht 125,000,000 to DTCPF (see note 40.3) and will pledge new bank guarantee every year during such guarantee period.

During the year ended 31 December 2015, the Company has already terminated such bank guarantee.

Dusit Thani Public Company Limited and DMS Property Investment Pvt. Ltd.

As at 31 December 2016 and 2015, the Company has contingent liabilities from guarantee to DMS Property Investment Pvt. Ltd., an indirect subsidiary in Republic of Maldives for short-term and long-term loans not exceeding USD 27,250,000.

Dusit Thani Public Company Limited and Dusit Thani Hotel Studies Co., Ltd.

As at 31 December 2016 and 2015, the Company has contingent liabilities from guarantee to Dusit Thani Hotel Studies Co., Ltd, a subsidiary for short-term and long-term loans not exceeding Baht 131,200,000.

Dusit Thani Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

42 Others

42.1 Issuance and offering 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. The debenture is specific or non-specific name of holder, subordinated or unsubordinated, secured or unsecured, with or without debenture holders' representative, redeemable or non-redeemable prior to the term. The total debentures will not exceed Baht 5,000,000,000 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 authorised 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 of issuance and offering debentures for another 5 years commencing 29 April 2011. The Company has not issued and offered of debentures.

42.2 Investment in overseas

On 24 March 2015, the Board of Directors of the Company approved the establishment of a joint venture in Saudi Arabia, namely Dusit Saudi LLC, which invested by Dusit Overseas Co., Ltd., an indirect subsidiary, in order to provide hotel management and technical consultancy services with an authorised share capital of USD 0.13 million (approximately Baht 4.38 million). The subsidiary will invest at 51%. On 2 April 2015, Dusit Overseas Co., Ltd. has signed the joint venture agreement.

As of 31 December 2016, the subsidiary has not called its share subscription.

42.3 Dusit Bird Hotels Pvt. Ltd.

On 9 August 2016, the Board of Directors of the Company approved to close the joint venture in India, namely Dusit Bird Hotels Pvt. Ltd. which was invested by the Company at 50%, because of the difference in management strategies. The joint venture will be liquidated later on according to Indian law.

43 Events after the reporting period

- 43.1 On 6 February 2017, the Board of Directors of the Company approved to establish a new subsidiary, namely Dusit Colours Company Limited, in Japan in order to provide management and technical consultancy services related to hotels and others in the form of lease operate, franchising, and /or partially own in Japan. This company will have an authorised share capital of Yen 10,000,000 (approximately Baht 3,117,000). The Company will invest in this joint venture at 49.00%.



Dusit Thani Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2016

43 Events after the reporting period (Continued)

43.2 On 28 February 2017, the Board of Directors of the Company considered the following matters to propose to the annual general shareholders' meeting for approval ;

- a) Dividend payment for the year 2016 to shareholders by appropriation from the retained earnings for 850,000,000 ordinary shares at Baht 0.10 per share, totaling Baht 85,000,000.
- b) The investment in a Mixed Use Property Development Project which consists of hotel, residence, retail shopping center and office building.

44 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January 2017, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events After the Reporting Period
TAS 11 (revised 2016)	Construction Contracts
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 20 (revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 29 (revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2016)	Earnings Per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 40 (revised 2016)	Investment Property
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities

Dusit Thani Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

44 Thai Financial Reporting Standards (TFRS) not yet adopted (Continued)

TFRS	Topic
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 15 (revised 2016)	Operating Leases – Incentives
TSIC 25 (revised 2016)	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (revised 2016)	Disclosure – Service Concession Arrangements
TSIC 31 (revised 2016)	Revenue – Barter Transactions Involving Advertising Services
TSIC 32 (revised 2016)	Intangible Assets – Web Site Costs
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining Whether an Arrangement Contains a Lease
TFRIC 5 (revised 2016)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 13 (revised 2016)	Customer Loyalty Programmes
TFRIC 14 (revised 2016)	TAS 19 (revised 2016) <i>Employee Benefits</i> – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 17 (revised 2016)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2016)	Transfers of Assets from Customers
TFRIC 21 (revised 2016)	Levies
FAP Announcement no. 5/2559	Accounting guidance for derecognition of financial assets and financial liabilities

The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

45 Reclassification of accounts

Certain accounts in the 2015 financial statements have been reclassified to conform with the presentation in the 2016 financial statements as follows:

	2015		
	Before reclassification	Reclassification (in Baht)	After reclassification
<i>Statement of financial position</i>			
Other non-current assets	26,547,870	(7,200,000)	19,347,870
Trade and other payables	(962,429,440)	7,200,000	(955,229,440)
Total		<u>-</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Company's business.

Board of Directors, Executives, Authorized Persons and Company Secretary

Board of Directors

As of 31 December 2016

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience	
				Period	Position Company
1. Mr. Arsa Sarasin - Independent Director / Chairman Director Appointing Date 24 March 2015 Relationship - None	80	- Bachelor of Business, Boston University, USA - Director Accreditation Program (DAP) 5/2003 - Audit Committee Program (ACP) 19/2007 - Finance for Non-Finance Directors 39/2008 - Role of Chairman Program 32/2013 Thai Institute of Directors Association	None	Present	Independent Director / Chairman Position in Other Listed Companies
				Present	Chairman Chairman / Independent Director Director / Corporate Social Responsibility Committee for Sustainable Development Chairman / Governance and Nomination Committee Member Position in other Businesses Chairman Chairman Chairman Chairman Director Experience His Majesty's Office of H.M. Principal Private Secretary Vice Chairman President of the Association Minister Ambassador Permanent Secretary Ambassador
				2000–2012	Office of H.M. Principal Private Secretary Bangkok Bank Plc. Thai-Laos Association Ministry of Foreign Affairs Royal Thai Embassy, USA Ministry of Foreign Affairs Royal Thai Embassy, Belgium
				1995–1999	
				1994–2004	
				1991–1992	
				1986–1988	
				1982–1986	
				1977–1980	

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
2. Professor Hiran Radeesri - Independent Director/ Audit Committee Chairman Director Appointing Date 30 April 1999 Relationship - None	87	- 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 (DCP) 0/2000 Thai Institute of Directors - Fellow Member, Thai Institute of Directors Association - Diploma, National Defense College, 1981 - Director Training Certificate, School of Management, Yale University, USA - Thai Financial Reporting Standards (TFRSS) - Pack 5 & Fair Value 2/2016 - Understanding Financial Reporting Standards Federation of Accounting Professions Under the Royal Patronage of His Majesty the King	None	Present	Independent Director / Compensation Committee Chairman / Governance and Nomination Committee Chairman Audit Committee Chairman	Dusit Thani Plc.
				2015-Present	Position in Other Listed Companies Director / Audit Committee Chairman Director / Audit Committee Chairman	Thaicom Plc. Navakij Insurance Plc.
				Present	Position in Other Businesses Academic Qualified Member of Accountancy	Thammasat University
				2015-Present	Honorable Committee of University Council Chairman	The Stock Exchange of Thailand
					Governance and Social Responsibility Specialist	The Stock Exchange of Thailand
				2003-Present	President of Working Group for Sustainable Investment	The Stock Exchange of Thailand
				2002-Present	Chairman of Tax Auditors Examination Committee	The Revenue Department
				2002-Present	Qualified Council Member	University Council, Thammasat University
				1999-2014 2000-2008 1990-1994	Experience Audit Committee Chairman Chairman Chairman	Dusit Thani Plc. Thai Institute of Directors Metropolitan Rapid Transit Authority
				1986-1988	Governor	State Railway of Thailand

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
3. Mrs. Pranee Phasipol - Independent Director/ Audit Committee Member Director Appointing Date 29 April 2013 Relationship - None	67	- Master of Science in Accounting, Thammasat University - Bachelor of Business Administration, Major: Accounting (Second Class Honors), Thammasat University - Diploma, National Defence College, The Joint State - Private Sector Course, Class 2003-2004 - Diploma in Public Law, Batch 9, Thammasat University and The Office of the Council of State - Top Executive Program in Commerce and Trade (TEPCoT), Batch 2, Commerce Academy - Certificate of Civil Service Executive Development Program, Course 1, Batch 30, Office of the Civil Service Commission - Certificate of Change Management, Ripa International, UK - Certified Public Accountant Federation of Accounting Professions Under the Royal Patronage of His Majesty the King - Director Certification Program (DCP) 10/2001 - Director Certification Program Update (DCP) 3/2015	None	2013–Present	Independent Director / Audit Committee Member	Dusit Thani Plc.
				2015–Present	Compensation Committee Member / Governance and Nomination Committee Member Position in Other Listed Companies Independent Director / Audit Committee Member Independent Director / Audit Committee Member / Nomination and Remuneration Committee Member Position in Other Businesses Commissioner Chairperson	Thaivivat Insurance Plc. SCI Electric Plc. The Securities Exchange Commission Sub-Committee on Ethical Standard setting, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King The Support Arts and Crafts International Center of Thailand (Public Organization) CPA Examination Management Sub-Committee, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King
				Present	Audit Sub-Committee Member Executive Committee Member and Sub- Committee Member	

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
		<div>- Anti-Corruption for Executive Program</div> <div>- Role of Compensation Committee 20/2015</div> <div>- Risk Management Program for Corporate Leaders Class 1/2015</div> <div>- Advance Audit Committee Programs (AAP)</div> <div>- Risk Management Plan 11/2016</div> <div>- Nomination and Role of the Governance Committee 8/2016</div> <div>Thai Institute of Directors Association</div> <div>- Quality Development of Accountancy by Securities and Exchange Commission, Thailand</div> <div>- AC Forum by KPMG Phoomchai Audit Co., Ltd.</div>		<div>2007-2010</div> <div>2006</div> <div>2004</div> <div>2000</div>	<div>A Qualified Committee Member of Finance and Accounting section Director</div> <div>Experience</div> <div>Chief of Inspector General</div> <div>Commercial Advisor</div> <div>Deputy Director General, Business Development</div> <div>Deputy Director General, Insurance</div>	<div>Office of the Civil Service Commission</div> <div>The Life Insurance Fund Management</div> <div>Ministry of Commerce</div> <div>Ministry of Commerce</div> <div>Ministry of Commerce</div> <div>Ministry of Commerce</div>
<div>4. Dr. Kittipong Kittayarak</div> <div>- Independent Director/ Audit Committee</div> <div>Director Appointing Date 1 April 2016</div> <div>Relationship</div> <div>- None</div>	58	<div>- Doctor of the Science of Law (JSD) Stanford University, USA (Fulbright Scholar Program)</div> <div>Master of Laws (LL.M.), Harvard University, USA (Fulbright Scholar Program)</div> <div>- Master of Laws (LL.M.), Cornell University, USA</div> <div>- Bachelor of Laws (Honor), Chulalongkorn University</div> <div>- Barrister-at-Law, Institute of Legal Education Thai Bar Association</div> <div>- Director Accreditation Program (DAP) 112/2014</div>	None	<div>2016-Present</div> <div>2014-Present</div> <div>2014-Present</div> <div>2016-Present</div> <div>2015-Present</div> <div>2015-Present</div>	<div>Independent Director / Audit Committee Member</div> <div>Position in Other Listed Companies</div> <div>Independent Director and Chairman of the Audit Committee</div> <div>Independent Director, Chairman of the Audit Committee / Member of the Compliance Committee</div> <div>Position in Other Businesses</div> <div>Honorary Director</div> <div>Executive Director</div> <div>Honorary Director</div>	<div>Dusit Thani Plc.</div> <div>PTT Plc.</div> <div>Krung Thai Bank Plc.</div> <div>National Commission for Justice Administration Development</div> <div>Thailand Institute of Justice Office of the Narcotics Control Board</div>

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including person related person (%)	Working Experience		
				Period	Position	Company
		- Advanced Audit Committee Program (AACP) 18/2015, Thai Institute of Directors Association		2014-Present 2011-Present 2010-Present 2009-Present 2014-2015 2008-2014 2005-2008	Chairman, University Council Executive Director and Chairman (Thailand Branch) Committee Director, University Council Experience Advisor to the Prime Minister Permanent Secretary Deputy Permanent Secretary	Bangkok University Asia Crime Prevention Foundation - ACPF Thai Bar Association Mahidol University Council The Secretariat of the Cabinet Ministry of Justice Ministry of Justice
5. Mr. Banterng Tantivit - Director Director Appointing Date 28 April 2015 Relationship - None	72	- Master of Science (Finance) in Management, Massachusetts Institute of Technology, USA - Bachelor of Science in Electrical Engineering, Massachusetts Institute of Technology, USA - Director Accreditation Program (DAP) 25/2004, Thai Institute of Directors Association	11.67	2015-Feb 2017 1994-Present 2006-Present 2003-Present 2002-Present 2016-Present 2006-Present 2003-Present 2003-Present 1987-Present 1987-Present	Director Position in Other Listed Companies Chairman / Executive Committee Chairman Chairman Position in Other Businesses Chairman Chairman Director Director Director Director Director Director Director	Dusit Thani Plc. MBK Plc. Thanachart Capital Plc. MBK Resort Plc. Thanachart.Bank Plc. Lamsai Village Co., Ltd. Siam Piwat Holding Co., Ltd. Siam Piwat Co., Ltd. B.V. Holding Co., Ltd. Deebuk Co., Ltd. Thai Farming Co., Ltd.

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
Remark *Mr. Banterng Tantivit resigned from Director of Dusit Thani Plc. with effective date of 28 February 2017 onwards.				2012-2014 2010-2011 2005-2013 1997-2006	<u>Experiences</u> Chairman Chairman Chairman Chairman	Thanachart Insurance Plc. Siam City Bank Thanachart Life Insurance Plc. Thanachart Capital Securities
6. Mr. Vichit Chinwongvorakul - Director	57	- Elementary School, Wat Nak Nimit - Director Certification Program (DCP) September, 2015 Thai Institute of Directors Association	6.12	Present	Director Director <u>Position in Other Listed Companies</u> - None - <u>Position in Other Businesses</u> Chairman / Managing Director	Dusit Thani Plc. Dusit Thai Properties Plc.
Director Appointing Date 28 April 2015				Present	President of the Association Secretary of the Association Executive Director Vice President of the Association	Chinwong Food Co., Ltd. Unity Food Co., Ltd. C-PEX Co., Ltd.
Relationship - None					President of the Association Secretary of the Association Executive Director Vice President of the Association Director Vice President <u>Experience</u> Chairman Chairman Chairman	Rao Ping Association of Thailand Tio Chew Association of Thailand Thai-Chinese Chamber of Thailand The Thai Chinese Exim Association Xu Association of Thailand National Defence Volunteer Thailand Moral Welfare Foundation Chinwong Food Co., Ltd. Unity Food Co., Ltd. C-PEX Co., Ltd.

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
7. Mrs. Pratana Mongkolkul - Director	52	- Master Degree in Business Administration, Thammasat University - Bachelor Degree in Accounting, Thammasat University - Advanced Management Program 180, Harvard Business School - Thai Intelligent Investor 1/2012, Thai Investor Association - Capital Market Academy Leader Program 6/2008, Capital Market Academy - Chief Financial Officer Certificate Program 1, the Institute of Certified Accounting and Auditors of Thailand - Director Diploma Examination 2003, the Australian Institute of Directors Association - Director Certification Program (DCP) 34/2003 Thai Institute of Directors Association - Director Accreditation Program (DAP) 2/2003 Thai Institute of Directors Association - Corporate Governance for Directors and Senior Executives of State Enterprises and Public Organizations 13/2015 Public Director Institute - Advanced Audit Committee Program (AACP) 22/2016, Thai Institute of Directors Association	None	2014-Jan 2017 2013-Present Present	Director <u>Position in Other Listed Companies</u> Director / Audit Committee Member Director/ Risk Management Committee Chairman / Nomination Committee Member / Chairman of Corporate Governance and Corporate Social Responsibility Committee Member <u>Position in Other Businesses</u> Director / Executive Committee Member / Risk Management Committee Member / Corporate Governance and Corporate Social Responsibility Committee Member Director / Audit Committee Member/ Risk Management Sub-Committee / Strategic and IT Sub-Committee Director/Audit Committee Member/ Chairman of Corporate Governance and Corporate Social Responsibility Committee Member Associate Judge Director / Secretary and Treasury Chairman Director	Dusit Thani Plc. T.K.S. Technologies Plc. FN Factory Outlet Plc.
Relationship - None Remark:* Mrs. Pratana Mongkolkul resigned from Director of Dusit Thani Plc. with effective date of 31 January 2017 onwards.						The Central Intellectual Property and International Trade Court (Thailand) Dr.Kanchad - Pranee Mongkolkul Foundation Boutique Consulting Group Limited Boutique Property Management Co., Ltd.

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
					Director	Boutique Trading Group Co., Ltd.
					Director	Boutique International Group
					Councilor	Thailand Management Association
					Member	Thai Institute of Director Association
					<u>Experience</u>	
				2012-2015	Director/ Executive Committee Chairman	MC Group Plc.
				2008-2011	Director	Rajdamri Hotel Plc.
				2007-2011	Chairman of Audit Committee /Independent Director	Thoresen Thai Agencies Plc.
				2007-2011	Director	S&P Syndicate Plc
				1998-2011	Director and Group Chief Financial Officer	Minor International Plc. Minor Corporation Plc. Minor Food Group Plc.
8. Mrs. Varang Chaiyawan - Director - Authorized Director entitled to sign to bind the Company Director Appointing Date 11 August 2009 Relationship - None	49	- MBA Finance and Investment, George Washington University, Washington D.C., USA - Bachelor of Accountancy, Thammasat University (First class honors) - Director Accreditation Program 60/2006 Thai Institute of Directors Association - Certified Financial Planner Batch 1, Thai Financial Planners Association - The Invitation Life Insurance Top Executives Seminar 2008, FALIA, JAPAN	2.57	1992-1998	Senior Vice President of Finance & Accounting Department	Central Pattana Public Company Limited
				Present	Director	Dusit Thani Plc.
				Apr 2016-Present	Governance and Nomination Committee and Compensation Committee	Dusit Thani Plc.
				Present	Director	Dusit Thai Properties Plc.
				Present	<u>Position in Other Listed Companies</u> - None - <u>Position in Other Businesses</u> Director / Senior Deputy Managing Director	Thai Life Insurance Plc.

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
		- The student of Capital Market Academy (CMA), The Stock Exchange of Thailand, Batch 5 - Director Accreditation Program 131/2016 Thai Institute of Directors Association			Managing Director	Thai Health Insurance Plc. Sangsom Co., Ltd. Kanchana Singkhorn Co., Ltd. Fuengfuanant Co., Ltd. Thanapakdi Co., Ltd. Mongkolsamai Co., Ltd. V.C. Sombat Co., Ltd. Thai Ginebra Trading Co., Ltd. Petch Kamka Co., Ltd.
				2009-2012	<u>Experience</u> Director	Fitch Ratings (Thailand) Ltd.
				2007-2009	Director	Thai Asia Pacific Brewery Co., Ltd.
				2001-2006	Vice President	Thai Life Insurance Co., Ltd.
	9. Mr. Kenneth Korsirisophon - Director	- Bachelor of Science in Applied Mathematics and Economics (Magna Cum Laude), Brown University, U.S.A.	10.23	2003-Present	Director	Dusit Thani Plc.
				1994-Present	<u>Position in Other Listed Companies</u> Director / Managing Director	Pioneer Global Group Ltd. (Listed Company in the Stock Exchange of Hong Kong)
Director Appointing Date 30 April 2003 Relationship - None				Present	<u>Position in Other Businesses</u> Director	Pioneer iNetwork Limited
				2008-Present	Director	Cape Nga Development Ltd.
				2005-Present	Director	Gaw Capital Partners
				2003-Present	Director	Pioneer Hospitality Siam (GBR) Ltd.
				1994-Present	Director	Strand Hotels International Ltd.
					Director	Myanmar Hotel International Pte. Ltd.
				2000-2006	<u>Experience</u> Director	Siam Food Products Plc.

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
10. Mr. Chanin Donavanik - Vice Chairman and Executive Committee Chairman - Authorized Director entitled to sign to bind the Company Director Appointing Date 28 February 1980 Relationship - Brother of Mrs. Since Thienprasiddhi	59	- Master of Business Administration (MBA), Boston University, U.S.A. - Director Certification Program 72/2006 - Director Accreditation Program 10/2004 Thai Institute of Directors Association	49.94 Included in the group of Thanpuying Chanut Piyaoui	Jan 2016-Present 2006-2015	Vice Chairman and Executive Committee Chairman Managing Director/ Chief Executive Officer Chairman Chairman Vice Chairman Director	Dusit Thani Plc. Dusit Thani Plc. Philippine Hoteliers, Inc. Philippine Hoteliers International Center for Hospitality Education, Inc. Dusit Thani College Dusit Thai Properties Plc. Dusit Thani Properties Co., Ltd Devarana Spa Co., Ltd Le Cordon Bleu Dusit Co., Ltd. Dusit Worldwide Co., Ltd. Dusit Management Co., Ltd. Dusit China Capital Co., Ltd. Dusit Thani Hotel Studies Co., Ltd. Suanlum Property Co., Ltd. Vimarn Suriya Co., Ltd. Phraram 4 Development Co., Ltd. Saladang Property Management Co., Ltd./ Dusit Overseas Co., Ltd. Dusit Bird Hotels Pvt. Ltd. DMS Property Investment Pvt. Ltd. Dusit USA Management Inc. Dusit Fudu Hotel Management (Shanghai) Co., Ltd.

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
				Present	<u>Position in Other Listed Companies</u> - None - <u>Position in Other Businesses</u> Chairman of Tourism and Service Business Committee Head of Private Sector Director	Thai Chamber of Commerce Public-Private Steering Committee, D6 MICE and tourism promotion Chanut and Children Co., Ltd. Phyasiri Co., Ltd./ Thana Jirang Co.,Ltd./ JTB (Thailand) Co., Ltd. Thai-Japan Gas Co., Ltd.
				2010-2016	<u>Experience</u> Director of Investment Committee	Dusit Thani Freehold and Leasehold Property Fund
				2010-2016	Board Member	The Emirates Academy of Hospitality Management
				2006-2008	Member	National Legislative Assembly
				2006-2008	Committee	Tourism and Industrial Committee
				2006-2008 & 1999-2000	President	of National Legislative Assembly
				2004-2008 & 1998-2002	President	Asean Hotels and Restaurants Association
				2001-2003	Chairman Committee on Tourism and Hotel Industries	Thai Hotels Association
						The Thai Chamber of Commerce

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
11. Mrs. Sinee Thiensiddhi - Director and Executive Director - Authorized Director entitled to sign to bind the Company Director Appointing Date 26 April 1979 Relationship - Sister of Mr. Chanin Donovanik	58	- Mac Duffies Springfield, MA., USA. - Fundamental Practice for Corporate Secretary Batch 29 - Fundamental Legal and Regulations on the Listed Company 8/2012 - Director Certification Program Refresher Course 2/2009 - Improving Quality of Financial Reporting 1/2006 - Finance for Non-Finance Director 22/2005 - Director Certification Program 65/2005 - Director Accreditation Program 9/2004 Thai Institute of Directors Association	49.94 Included in the group of Thanpying Chanut Piyaoui	Present	Director and Executive Director Director	Dusit Thani Plc. Dusit Thai Properties Plc. Dusit Thani Properties Co., Ltd Devarana Spa Co., Ltd. Le Cordon Bleu Dusit Co., Ltd. Dusit Worldwide Co., Ltd. Dusit Management Co., Ltd. Dusit China Capital Co., Ltd. Dusit Thani Hotel Studies Co., Ltd. Philippine Hoteliers, Inc. Philippine Hoteliers International Center for Hospitality Education, Inc. Dusit Overseas Co., Ltd. Dusit Bird Hotels Pvt. Ltd. DMS Property Investment Pvt. Ltd. Dusit USA Management Inc. Dusit Fudu Hotel Management (Shanghai) Co., Ltd. Dusit Thani Plc. Dusit Thani Plc.
				2008-Sep 2016 1980-Sep 2016 Present	Company Secretary Secretary to the Board of Directors Position in Other Listed Companies - None - Position in Other Businesses Director Director and Audit Committee Member	Acme Printing Co., Ltd. Chanut and Children Co., Ltd. Piyasiri Co., Ltd. Thana Jirang Co., Ltd. Osotsa Co., Ltd.

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
12. Mrs. Suphaje Suthumpun - Director, Group Chief Executive Officer and Executive Director - Authorized Director entitled to sign to bind the Company	52	- MBA, International Finance and International Accounting, Northrop University, California, USA. - BS, Sociology and Anthropology, Thammasat University - The Programme of Senior Executives of Justice, Office of the Judicial Training Institute - Director Certification Program Batch 89/2007 - Advanced Audit Committee Program Batch 23/2016 Thai Institute of Directors Association	None	Jan 16-Present 2015-Present Present Present	Group Chief Executive Officer Director Executive Director Director	Dusit Thani Plc. Dusit Thani Plc. Dusit Thani Plc. Dusit Thai Properties Plc. Dusit Thai Properties Plc. Dusit Worldwide Co., Ltd. / Dusit China Capital Co., Ltd. / Dusit Thani College Dusit Thani Hotel Studies Co., Ltd. Dusit Management Co., Ltd. Suanlum Property Co., Ltd. Vimarn Suriya Co., Ltd. Phraram 4 Development Co., Ltd. Saladang Property Management Co., Ltd./ Dusit Overseas Co., Ltd./ DMS Property Investment Pvt. Ltd./ Le Cordon Bleu Dusit Co., Ltd. / Philippine Hoteliers, Inc. / Philippine Hoteliers International Center for Hospitality Education, Inc. Dusit Thani Freehold and Leasehold Property Fund
Director Appointing Date 1 October 2015 Relationship - None				2016-Present Present	Director of Investment Committee Position in Other Listed Companies Independent Director Independent Director and Audit Committee Member	Kasikornbank Plc. Nok Airlines Plc.

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
				Present	Position in Other Businesses Sub-committee member	Sub-committee preparing the establishment of the National State Enterprise Corporation by State Enterprise Policy Committee
					Advisory Director to Youth Prosperity Council Committee	Judicial Training Institute
					Sub-committee member	Navamindradhiraj University
						Thailand Management Association
					Steering Committee Member for Management Advisor to the Committee of Project Establishment of Education Faculty International Advisory Board	College of Management Mahidol University Thammasat University
				2011-2015	Experience Chief Executive Officer	Ecole Hôtelière de Lausanne
					Executive Committee Chairperson-Media and New Business	Thaicom Plc. Intouch Plc.
					Executive Committee Chairperson	CS LoxInfo Plc.
					Chairperson and Executive Committee Chairperson	Shenington Investment Pte Ltd.
					Director	Office of the Public Sector Development Committee
				2010-2011	General Manager, Global Technology Services	IBM ASEAN
				2009-2010	Client Advocacy Executive, Chairman's Office	IBM Headquarter, New York, U.S.A.
				2007-2009	General Manager and Vice President, General Business	IBM ASEAN
				2003-2007	Country General Manager and Managing Director	IBM Thailand Co., Ltd.

Management Team

As of December 31, 2016

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
Details are in the section of Board of Directors						
1. Mrs. Suphajee Suthumpun						
2. Mr. Lars Eltvik	49	- Master Degree (MSc) in Tourism Planning and Development, University of Surrey, United Kingdom - Degree in Hotel Administration, Norwegian School of Hotel Management (Now Stavanger University) - Diploma, Export Marketing, Norwegian School of Marketing, Oslo, Norway	None	2015-Present 2011-2015 2009-2015 2005-2009	Managing Director – Education Managing Director Director of Marketing for International Markets Director of Sales and Marketing	Dusit Thani Plc. HAAAGA-HELIA Global Education Services Ltd., Helsinki, Finland HAAAGA-HELIA University of Applied Science, Helsinki, Finland The Emirates Academy of Hospitality Management, Dubai, UAE
Relationship - None						
3. Miss Surang Jirattigalachote	56	- Master Degree of Computer Sciences, Montclair State College	None	2016-Present 2013-2015 2012-2013 2010-2012 2005-2010 2002-2005	Managing Director – Property Development Deputy Managing Director – Property Development Business Development Consultant Vice President and Chief Operation Officer Vice President, Development & Construction Vice President, Development & Construction	Dusit Thani Plc. Dusit Thani Plc. Nantawan Co., Ltd. Phuket Square Co., Ltd. Minor International Pel. Central Retail Corporation Co., Ltd.
Relationship - None						
4. Miss Wipawadee Sirimongkolkasem	50	- Master of Business Administration (Special Program), Sasin of Chulalongkorn University	None	2016-Present 2015-Present 2015-Present	Managing Director – Wellness Living Deputy Managing Director, Business Development Director	Dusit Thani Plc. GFPT Plc. Minimax Venture Co., Ltd.
Relationship - None						

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
5. Ms. La-ead Kovavisaruch Relationship - None	54	- Executive MBA – SASIN, Chulalongkorn University - Master of Engineering, Asian Institute of Technology (AIT) - Bachelor of Engineering, Chulalongkorn University - Director Certification Program, IOD 2015, Thai Institute of Directors Association	None	2016-Present	Chief Investment Officer	Dusit Thani Plc.
				2013-2016	Vice President – New Business Development	Intouch Holding Company
				2003-2013	Managing Consultant, Project Executive	IBM Thailand Co., Ltd., IBM AP HQ (Shanghai)
				1990-2001	Vice President – New Product Development	TelecomAsia Corporation
				1987-1989	Business Executive	Charoen Pokphan PCL.
6. Mr. Akamon Prasoppolsujarit Relationship - None	49	- Bachelor of Accounting, Thammasat University - Master of Finance, Chulalongkorn University - Director Certification Program (DCP) 2009, Thai Institute of Directors Association	None	1985-1986	System Analyst	Siam Cement Group Co., Ltd.
				2016-Present	Chief Financial Officer – Special Project Director	Dusit Thani Plc. Dusit Thai Properties Plc. Dusit Thani Properties Co., Ltd. Dusit China Capital Co., Ltd. / Dusit Worldwide Co., Ltd./ Dusit Management Co., Ltd./ Dusit Overseas Co., Ltd./ Dusit Fudu Hotel Management (Shanghai) Co., Ltd.
					Supervisor	OCS Facilities Management Singapore Pte. Ltd.
				2015-Present	Director	Property Care Services (Cambodia) Co., Ltd.
				2015-Present	Director	Property Care Services (Thailand) Co., Ltd.
				2008-2016	Finance Director	The Minor Food Group Plc.
				2005-2008	Finance Director	(The Pizza Company)
				2004-2005	AVP – Finance Planning	Hutchison CAT Wireless Multimedia Company Limited
				1995-2004	General and Managerial Accounting Manager General Accounting Manager CFO/Senior Finance & Accounting Manager	Advance Info Service Plc. Shineedotcom/Adventure/ArchCyber (Under Shin Corporation Plc.)

Name / Position	Age (Year)	Education/Training	Shareholding in the Company including related person (%)	Working Experience		
				Period	Position	Company
7. Mrs. Jongkoonnee Chantavorakit Relationship - None	63	- Master's Degree of Business Administration, Ramkhamhaeng University	None	Present 2008-2015 2010-2015 1997-2004	Vice President - Headquarter Finance and Accounting Director Director Director Director Finance and Accounting	Dusit Thani Plc. Devarana Spa Co., Ltd. Dusit Worldwide Co., Ltd. Dusit Management Co., Ltd. Dusit Thani Plc.
8. Miss Mantanee Surakarnkul Relationship - None	51	- Master of Management, Sasin of Chulalongkorn University - Bachelor of Arts, Chulalongkorn University - Company Secretary Program (CSP) from IOD 15/2006 - Director Certification Program (DCP) from IOD 1/2000 - Effective Minutes taking (EMT) from IOD 2/2006 - Improving the Quality of Financial Reporting (QFR) from IOD 2/2006 - Understanding the fundamental of financial statements (UFS) from IOD 1/2006 Thai Institute of Directors Association	None	Oct 2016-Present Sep 2016-Present 1990-2016 1988-1990	Company Secretary Vice President – Company Secretary Office Director of Corporate Affairs Department and Company Secretary Executive Secretary	Dusit Thani Plc. Dusit Thani Plc. Thoresen Thai Agencies Plc. (TTA) Mitsui-Soko (Thailand) Ltd.

Remark: In the past 5 years, there was no Director, Executive and Authorized Person which has penalty record on the Securities and Exchange Act B.E. 2535 or the Derivatives Act B.E. 2546.

Subsidiary and Associated Companies

Subsidiary and associated companies of which the Company 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 And Management	Peso 365 mn.*	Ordinary shares	3,648,701*	Peso 100	3 rd Flr., Dusit Thani Manila Ayala Center, 1223 Makati City, Philippines Tel. (632) 867-3333 Fax. (632) 867-3888
3	Dusit Thai Properties Plc. Held by - Dusit Thani Plc. - Dusit Thani Properties Co., Ltd.	2.75 84.05	Hotel	825	Ordinary shares	82,500,000	10	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. 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 Road, Hong Kong
6	Devarana Spa Co., Ltd.	99.99	Spa	8	Ordinary shares	800,000	10	946 Dusit Thani Building, 5 th Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel. +66 (0) 2200-9999 Fax. +66 (0) 2233-1655
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

No.	Name	Percentage of share holding	Nature of Business	Paid up Capital (Million Baht)	Shares			Address
					Category	Amount (Shares)	Par per share (Baht)	
8	Dusit Bird Hotels Pvt. Ltd.	50.00	Management	Rs. 28.6 mn.	Ordinary shares	2,860,000	Rs.10	E-9, Connaught House, Connaught Place, New Delhi – 110001, Delhi, INDIA
9	Dusit Management Co., Ltd.	99.99	Hotel Operation	4	Ordinary shares	400,000	10	946 Dusit Thani Building, 5 th Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel. +66 (0) 2200-9999
10	Dusit Thani Freehold and Leasehold Property Fund	30.02	Property Fund	4,094	Unit Trust	409.40	10	1 Empire Tower, 32 nd Fl., South Sathorn Rd., Yannawa, Sathorn, Bangkok, 10120 Tel. +66 2686 6100 Fax. +66 2670 0430
11	DMS Property Investment Private Limited Held by Dusit Thai Property Plc.	65.00	Hotel Operation	USD 38.5 mn.	Ordinary shares	38,500,000	USD 1	Level 2, Orchid Maage', Ameer Ahmed Magu, Male', Maldives
12	Dusit USA Management Inc.	100.00	Management	USD 40,000	Ordinary shares	40,000	USD 1	2711 Centerville Road, Suite 400, in the City of Wilmington, Country of New Castle, 19808, State of Delaware, U.S.A.
13	Dusit China Capital Co., Ltd.	99.99	Holding Company	68	Ordinary shares	6,800,000	10	946 Dusit Thani Building, 5 th Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel. +66 (0) 2200-9999 Fax. +66 (0) 2636-3545
14	Dusit Fudu Hotel Management (Shanghai) Co., Ltd.* Held by Dusit China Capital Co., Ltd. Remark * a limited liability company under the Republic of China's law which the registered capital is not specified as a share	45.00	Management	RMB 30 mn.	-	-	-	305A at 2 nd – 3 rd Floors, Tower One, No. 1287 Shang Cheng Road, Pudong New District, Shanghai, People's Republic of China

No.	Name	Percentage of share holding	Nature of Business	Paid up Capital (Million Baht)	Shares			Address
					Category	Amount (Shares)	Par per share (Baht)	
15	Dusit Thani Hotel Studies Co., Ltd.	99.99	Education	120	Ordinary shares	1,200,000	100	946 Dusit Thani Building, 5 th Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel. +66 (0) 2200-9999 Fax. +66 (0) 2636-3545
16	Dusit Thani College Held by Dusit Thai Property Plc.	100.00	Education Institute	Capital Investment 217.72	-	-	-	1 Soi Kaentong, Nongbon, Praves, Bangkok. 10250 Tel. +66 (0) 2361-7811-3 Fax. +66 (0) 2361-7806
17	Philippine Hoteliers International Center for Hospitality Education, Inc. Held by Philippine Hoteliers, Inc.	40.00	Education Institute	Peso 430 mn	Ordinary shares	1,719,997	Peso 100	Block 2 and 4, Lots 15222 C, D and F of Mini Park, Mackinley Parkway, Bonifacio, Global City, Taguig City, Philippines
18	Vimarn Suriya Co.,Ltd.	99.70	Asset Management	1,000	Ordinary shares	1,000	100	946 Dusit Thani Building, 5 th Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel. +66 (0) 2200-9999 Fax. +66 (0) 2636-3545
19	Suanlum Property Co.,Ltd.	99.70	Asset Management	1,000	Ordinary shares	1,000	100	946 Dusit Thani Building, 5 th Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel. +66 (0) 2200-9999 Fax. +66 (0) 2636-3545
20	Pharam 4 Development Co.,Ltd.	99.70	Asset Management	1,000	Ordinary shares	1,000	100	946 Dusit Thani Building, 5 th Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel. +66 (0) 2200-9999 Fax. +66 (0) 2636-3545
21	Saladang Property Management Co.,Ltd.	99.70	Asset Management	1,000	Ordinary shares	1,000	100	946 Dusit Thani Building, 5 th Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel. +66 (0) 2200-9999 Fax. +66 (0) 2636-3545

No.	Name	Percentage of share holding	Nature of Business	Paid up Capital (Million Baht)	Shares			Address
					Category	Amount (Shares)	Par per share (Baht)	
22	Dusit Saudi* Held by Dusit Overseas Co.,Ltd.** Remark *Currently established as a corporate company but has not started business. **Held by Dusit Worldwide Co., Ltd.	51.00	Management &Technical Consultant	Registered Capital SAR ¹ 100,000	Ordinary shares	100	SAR 1,000	P.O. Box 48144 Jeddah 21572 Prince Mohammed Bin Abdulaziz St. Bin Homran Center Office 901A Kingdom of Saudi Arabia

¹ Currently, the Company has not called for payment of shares due to under process of opening the company bank account. However, the Company must increase its registered capital later to comply with the joint venture agreement.

General Information and Other Significant Information

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 (as core business)
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 850 million ordinary shares at par Baht 1 each

References Information

Registrar	Thailand Securities Depository Co., Ltd. 93 The Stock Exchange of Thailand Building, Ratchadapisek Road, Din Daeng, Bangkok 10400, Thailand Telephone No : + 66 (0) 2009 9380 Facsimile No. : + 66 (0) 2009 9001 extension 9380
Auditor	Miss Vannaporn Jongperadechanon Certified Public Accountant No. 4098 KPMG Phoomchai Audit Limited 50-51th Floor, Empire Tower, 1 South Sathorn Road, Bangkok 10120 Telephone No.: + 66 (0) 2677 2000 Facsimile No.: + 66 (0) 2677 2222
Legal Counselor	Dherakupt Law Office Co., Ltd. 546 Uninvest Complex Building, 15th Floor, Ratchadaphisek Road, Chankasem, Jatujak, Bangkok 1090 Telephone No. : +66 (0) 2511 1512 / + 66 (0) 2513 1976 Facsimile No. : +66 (0) 2938 1247 / + 66 (0) 2938 1957

Other Significant Information

No other significant information that could affect investors' decision making

*** Investor can acquire more information of the Company from the Annual Registration Statement (Form 56-1) which publicized on www.sec.or.th or the Company's website www.dusit.com/investor**



Dusit Thani Public Company Limited

Registration No. : 0107536000617

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