

Translation

February 29, 2016

Subject: Clarification for the operating results exceeding 20% from last year

Attention: Managing Director
The Stock Exchange of Thailand

The Company hereby reports the performance of the consolidated financial statements for the year ended December 31, 2015 compared with the year ended December 31, 2014. These financial statements have complied with the effective Accounting Standards for the periods beginning on or after January 1, 2015.

For the year ended December 31, 2015, the first quarter, the Company has adjusted the financial information to comply with TFRS 11 by reclassifying the investment in jointly controlled entities to joint ventures. As a consequence, the Group has changed the accounting policy for the investment in joint venture from proportionate consolidation to the equity method. The effects of such changes impacted the recognition of assets, liabilities and comprehensive income of the Group. During the third quarter, one subsidiary had increased its investment in DMS Property Investment Pvt. Ltd. by 1,925,000 shares, or 5%, bringing its total investment increased from 55% to 60%.

Overview – Market

For 2015, the tourism industry in Thailand bounced back, mainly due to strong demand from Asian tourists, with the Chinese being the main source market. However, tourists from Europe and Russia declined due to the negative impacts and uncertainty in their economies. This shift in the tourist profiles has resulted in downward pressure on average room rate and revenues as Asian tourists generally have a shorter length of stay and less spending. Solid occupancy levels during the high season mitigated the lower rates and this resulted in the revenues from sales and services of hotel business for the fourth quarter to increase from the same period of last year 3.81%.

Financial Performance

The performance for the three-month period ended December 31, 2015 compared to the same period of 2014:

The Company has total revenues of Baht 1,503.07 million, increased from the same period of 2014 by Baht 55.14 million, or 3.81%, mainly from the hotel business. Hotel and its related revenues of Baht 1,303.53 million, increased by Baht 31.48 million, or 2.48%, majority was from Dusit Thani Manila after the first phase renovation were 90% completed. However, revenues from Dusit Thani Laguna Phuket was significant decreased resulted from the impact from the decrease of Russian guests. The management service income increased by Baht 1.53 million from management hotels in Middle East. The

revenues from education business increased by Baht 22.13 million, majority from Dusit Thani College and management service to Lyceum of the Philippines University.

The gross profit for the three-month period ended December 31, 2015 was Baht 409.87 million, or 30.11%. The growth of gross profit similar to the same period of 2014 was 29.15% of total revenue from sales and services.

The total expenses was Baht 387.43 million, decreased from the same period of 2014 by Baht 31.32 million. In 2014, the Company had obligation from rental guarantee paid to Dusit Thani Freehold and Leasehold Property Fund (DTCPF) of Baht 21.41 million, while in 2015 no such obligation was due. After deduction all expenses and share profit to non-controlling interest, net profit was Baht 107.75 million, or Baht 1.27 per share.

The performance for the year ended December 31, 2015 compared to the same period of 2014:

1. Revenues

The Company has total revenues of Baht 5,369.59 million, increased from last year by Baht 194.89 million, or 3.77%, consisted of the following:

Hotel business

The Company's revenues from the hotel of Baht 4,498.97 million, increased from last year by Baht 198.78 million or 4.62%, mainly increased from Dusit Thani Bangkok reflecting higher occupancy following a recovery in tourism in Thailand following last year's political unrest and increase in room inventory at the Dusit Thani Manila following the completion of a major phase renovations.

Hotel management business

The Company had management service income from other hotels in Thailand and overseas of Baht 124.12 million, increasing by Baht 8.01 million, attributable mainly from managed hotels based in the Middle East.

Education business

The Company had revenue from education business of Baht 462.92 million, increased from last year 6.78%, comprised revenues from Dusit Thani College, management service in education to Lyceum of the Philippines University and share of profit from Le Cordon Bleu Dusit Co., Ltd., joint arrangement by recognition of share of net profit from investments by the equity method, and from Dusit Thani Hotel School opened classes on September 14, 2015.

Other business

Other business revenues of Baht 243.70 million, decreased from last year by Baht 41.04 million, as follows:

- The share of net profit from investments by the equity method – DTCPF of Baht 53.71 million, decreased from the same period of last year by Baht 38.48 million.
- For the same period in 2014, the Company received a one off compensation from an insurance claim of Baht 35.35 million.
- Gain on foreign exchange and other income of hotels decreased, as well as the changes of sharing expenses and marketing expenses to management hotels to directly deal with their parties.
- In addition, the Company had realized the deferred gain on the sale of a hotel held for sale to DTCPF in late 2010 of Baht 6.90 million since the Company were provided the minimum rental guarantee for 4 years and such guarantee was due in this year.

2. Cost of sales and services and gross profit

The Company had cost of sales and services of Baht 2,901.95 million, 59.28% of revenues from sales and services, comparison to the same period of last year, was 62.09%, due to a focus on cost management. Cost of services – depreciation and amortization was Baht 643.92 million, increased from last year by Baht 25.54 million, mainly from completed renovation works in several hotels, especially Dusit Thani Manila, Philippines.

After deducting cost of sales and services, gross profit was Baht 1,349.28 million by 27.56% of revenues from sales and services. The growth of gross profit improved from last year which was 24.69%.

3. Selling and administrative expenses

The Company had selling expenses of Baht 387.97 million, increased from last year by Baht 6.81 million and administrative expenses of Baht 1,048.74 million, decreased from last year by Baht 61.53 million, mainly from employee relations expenses and other administrative expenses where several cost initiatives were in place. . In addition, in 2014 the Company had rental guarantee expenses with DTCPF of Baht 86.31 million and such obligation has now finished. However, the new hotel school under Dusit Thani Hotel Studies Co., Ltd. is now operational, which has contributed to the increase in expenses for the current period by Baht 25.39 million.

After deducting cost of sales and selling and administrative expenses, interest, income tax, depreciation and amortization and profit of non-controlling interest, net profit of the Company was Baht 199.19 million, compared to last year's loss of Baht 20.64 million. The earnings per share was Baht 2.36.

Financial Position

The consolidated statement of financial position of the Company and subsidiaries as of December 31, 2015 compared with the balances as of December 31, 2014 is as follows:

Total Assets were Baht 9,395.68 million, increased by Baht 383.28 million, as a result of the following key movements:

The increase of assets amount of Baht 496.66 million, the majorities were from:

- The increase of cash and cash equivalents and short-term investments by Baht 84.07 million resulted from the rebound in the Group's operations.
- The increase of trade and other receivables by Baht 48.57 million, from other receivables - management fee and other services - net by Baht 15.39 million, other receivables by Baht 3.10 million, prepaid expenses by Baht 12.80 million, advances by Baht 25.59 million, deposit by Baht 8.23 million, accrued interest receivables and others by Baht 7.10 million. While trade accounts receivable - net decreased by Baht 23.64 million.
- The increase of other current assets by Baht 4.99 million, from value added tax receivable.
- The increase of investments in associates by Baht 92.77 million, due to an additional investment by a subsidiary in the Philippines of Baht 122.77 million, the recognition of share of net profits from investments in associates during the year of Baht 52.36 million and dividend received of Baht 82.36 million.
- The increase of long-term loan to related party by Baht 39.55 million, in which Dusit China Capital Co., Ltd. provided loan to Dusit Fudu Hotel Management (Shanghai) Co., Ltd.
- The increase of property, plant and equipment and investment property by Baht 217.56 million, the attributable to the renovation of several hotels by Baht 891.32 million (especially of Dusit Thani Manila by Baht 319.56 million and Dusit Thani Hotel Studies Co., Ltd. by Baht 176.61 million which already opened the study class in September 2015) and depreciation during the year of Baht 673.76 million.
- The increase of non-other current assets by Baht 9.15 million, from deposit of rental of land and building of Dusit Thani Hotel Studies Co., Ltd. Baht 7.20 million and others Baht 1.95 million.

The decrease of assets amount of Baht 113.38 million, the majorities were from:

- The decrease of inventories by Baht 5.13 million, since the Company reserved as its necessary.
- The decrease of available-for-sale investments by Baht 18.76 million, resulted from the decrease in fair value of available-for-sale investments.
- The decrease of investments in joint ventures by Baht 4.20 million, resulted from share of net profits from investments by the equity method by Baht 24.38 million, exchange gain on translation of foreign operations by Baht 0.42 million and dividend received of Baht 29.00 million.
- The decrease of prepaid rental of land and buildings by Baht 67.19 million, resulted from the amortization according to the agreement of Baht 106.47 million. In addition,

the prepaid rental paid during the year of Baht 31.59 million and exchange gain on translation of foreign operations of Baht 7.69 million.

- The decrease of other non-current assets by Baht 8.94 million, from the additional investment in software of Baht 6.34 million and amortization of Baht 15.28 million.
- The decrease of deferred tax assets by Baht 9.16 million, resulted from the decrease of tax loss carried forward.

Total Liabilities were Baht 3,991.21 million, increased by Baht 190.93 million, as a result of the following key movements:

The increase of liabilities amount of Baht 446.33 million, the majorities were from:

- The increase of current portion of long-term loans and long-term loans by Baht 360.03 million from the additional borrowing of subsidiaries to renovate the hotels and school buildings.
- The increase of employee benefit obligations by Baht 30.86 million, which was in accordance with the principal actuarial assumptions.
- The increase in liabilities from investment in joint venture by Baht 36.11 million, resulting from the recognition of share of capital deficiency of Dusit Fudu Hotel Management (Shanghai) Co., Ltd.
- The increase in deferred tax liabilities of Baht 7.52 million.
- The increased in other current liabilities and non-current liabilities of Baht 11.81 million.

The decrease of liabilities amounting to Baht 255.40 million, were mainly due to

- The decrease of bank overdraft and short-term loans from financial institutions by Baht 100.56 million, as working capital facilities were paid down due to surplus cash from the strong trading..
- The decrease of trade and other payables by Baht 36.22 million, consisted of decreases in trade accounts payable by Baht 11.19 million, other payables by Baht 44.56 million, unearned revenue of Dusit Thani College by Baht 5.29 million and others by Baht 17.11 million, while payables from acquisition of assets increased by Baht 7.08 million, accrued expenses increased by Baht 25.48 million and deposits received increased by Baht 9.35 million.
- The decrease of liabilities under rental guarantee by Baht 86.31 million, resulted from the expiration of guarantee period to DTCPF in year 2015.
- The decrease of deferred gain on sales of assets held for sale by Baht 6.90 million, resulted from the realized of gain after withdrawal rental guarantee to DTCPF.
- The decrease of deferred rental revenue by Baht 25.43 million resulted from the recognition as revenue during the rental period.

The Equity attributable to owners of the Company was Baht 4,593.20 million, increased by Baht 149.92 million, resulted from the operations profit of Baht 199.19 million, the measurement loss on available-for-sale investments (fair value) of Baht 14.90 million, the exchange rate translation differences in respect to foreign operations of Baht 62.90 million, loss on defined benefit plan actuarial (net of income tax) of Baht 12.89 million, the acquisition of non-controlling interests without a change in control of Baht 0.62 million and

dividends payment of the Company by Baht 85.00 million. The non-controlling interest was Baht 811.26 million, increased by Baht 42.44 million.

Financial ratios

- Debt (excluding deferred rental revenue) to Equity was 0.62 : 1
- Debt (interest bearing debt) to Equity was 0.38 : 1
- Return on Assets (ROA) was 3.57%
- Return on Equity (ROE) was 4.41%
- Book value was Baht 54.35 per share