

Overview

Dusit has signed 8 hotel agreements in April to July 2017. Hotels under these agreements are located in Nepal, Thailand, Bahrain, China, Philippines, Vietnam and Bangladesh.

In addition, Dusit Group has signed a strategic partnership with Dossen International Group, one of the fastest growing hotel groups in China, to develop brand in China.

The 2nd quarter of 2017, net loss was THB 92 million, increased by 123% and net profit for the 1st half year of 2017 was THB 32 million, decreased by 72%

The 2nd quarter of 2017, the Company has total revenue in the amount of THB 1,084.1 million, decreased by 9.6% yoy. Earnings before interest, taxes and depreciation were THB 57.4 million, decreased by 59.5% yoy. The Company's net loss is THB 92.3 million or THB 0.109 per share. Net loss increased by 123.6% yoy.

The 1st half year of 2017, the Company has total revenue in the amount of THB 2,593.7 million, decreased by 8.5% yoy. Earnings before Interest, taxes and depreciation EBITDA were THB 386.2 million, decreased by 29.8% yoy. The Company's net profits is THB 31.5 million or THB 0.037 per share. Net profit decreased by 72.0%.

Cash and cash equivalents, ending the 2nd Quarter 2017 amounted to THB 647 million

At the end of 2nd Quarter 2017, the financial structure remained strong and stable with cash and cash equivalents, including short-term investments of THB 1,059.9 million, decreased from 2016 by THB 132.1 million because the expanding of the Company's business.

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Management Discussion and Analysis
For the 2nd Quarter 2017

	Baht (Million)							
	2Q17	+/-	%	2Q16	1H17	+/-	%	1H16
Hotel business	937.4	(69.5)	-6.9%	1,006.9	2,206.4	(198.7)	-8.3%	2,405.2
Hotel management business	27.6	(12.8)	-31.7%	40.4	68.2	(7.5)	-9.8%	75.7
Education business	75.8	(5.9)	-7.3%	81.7	195.3	(0.8)	-0.4%	196.1
Others	43.3	(27.4)	-38.8%	70.7	123.7	(34.1)	-21.6%	157.9
Total revenue	1,084.1	(115.7)	-9.6%	1,199.8	2,593.7	(241.1)	-8.5%	2,834.8
EBITDA	57.4	(84.3)	-59.5%	141.7	386.2	(163.6)	-29.8%	549.8
EBIT	(99.1)	(48.4)	-95.5%	(50.7)	66.7	(102.0)	-60.5%	168.7
Profit for the period	(88.1)	(39.2)	-80.1%	(48.9)	51.1	(85.0)	-62.5%	136.0
Net profit (Loss) attributable to owner of the	(92.3)	(51.0)	-123.6%	(41.3)	31.5	(81.0)	-72.0%	112.6
EPS (Baht)	(0.109)			(0.049)	0.037			0.133

The performance for the 2nd quarter 2017

The 2nd quarter of 2017, the Company has total revenue in the amount of THB 1,084.1 million, decreased by THB 115.7 million, or 9.6% yoy, consisted of the following:

Revenue from hotel business decreased according to industry in overall

Hotel Business

The Company's hotel business revenue was THB 950.2 million, decreased by THB 56.7 million, or 5.6% yoy, mainly from:

- Hotels in Thailand: the revenue decreased by THB 82.7 million, or 12% yoy, due to decreased Chinese tourists in Chiangmai, competition in market we operate and hotel renovation in Phuket.
- Overseas hotels: the revenue increased by THB 13.2 million, or 4% yoy, mostly due to the marketing strategy adjustment in Maldives, to increase occupancy and total income.

Hotel Management Business

The Company earned THB 27.6 million from hotel management service, decreased by THB 12.8 million or 31.7% yoy. Most of the decrease was due to hotel operations in the United Arab Emirates, but increased in performance in Guam.

Income from education business was THB 76 million, decreased by 7%

Education Business

The Company's income from education business was THB 75.8 million, decreased by THB 5.9 million, or 7.3% yoy. This is mainly due to a decrease in revenue from educational management as a result of the university's performance in the Philippines (Lyceum).

Other Business

Income from other businesses amounted to THB 43.3 million, decreased by THB 27.4 million or 38.8% yoy, resulted from the decreased in share of net profit from investment by equity method and gain from currency exchange.

The hotel business accounted for 86.5% of total revenue. Hotel management business accounted for 2.6%. Educational businesses accounted for 6.9% and other income accounted for 4.0%.

Total cost of sales and services decreased by 10.6% yoy, compared to total revenue decreased by 2.2% yoy

The Company reported the total cost of sales and services in the amount of THB 765.7 million, lowered by THB 91.0 million, or 10.6% yoy. Cost of sales and services consisted of:

- Cost of sales and services, comprised room service costs, cost of food and beverages, cost of teaching, salaries and employee benefits totaling THB 618.2 million, decreased by THB 57.1 million or 8.5% yoy, in line with lower revenue.
- Cost of services-depreciation and amortization was THB 147.5 million, decreased by THB 33.9 million, or 18.7% yoy, due to the change in useful lives of building and equipment of Dusit Thani Manila to reflect the real future economic benefits and to be in line with Group policy.

The Company's gross profit was THB 230.0 million, increased by THB 3.4 million, or 1.5% yoy. This year gross profit margin at 23.1% of revenues from sales and service is higher than the same quarter last year at 20.9%.

Selling and administrative expenses increased 6%, to support business expansion both in Thailand and overseas

The Company's expenses, excluding finance cost totalling THB 412.5 million, increased by THB 23.9 million, or 6.1% yoy, because of the business expansion, re-organization and marketing promotion to support the n order to support business expansion both in Thailand and overseas.

The Selling and administrative expenses accounted for 38.1% of total revenue, compared to last year was 32.4%.

Dusit Thani PCL Management Discussion and Analysis For the 2nd Quarter 2017

***Net loss for the Company
increased by 124%***

***Total revenue was THB 2,594
million, EBITDA THB 386
million.***

The Company has earnings before interest, income tax and depreciation (EBITDA) amounted to THB 57.4 million, decreased by THB 84.3 million, or 59.5% yoy. The Company's loss was THB 92.3 million, increased by THB 51.0 million, or 123.6% yoy.

The performance for the 1st half year 2017

For the 1st half year 2017, the Company has total revenue in the amount of THB 2,593.7 million, decreased by THB 241.1 million, or 8.5% yoy. Revenue from hotel business was THB 2,206.4 million, decreased by THB 198.7 million, or 8.3%. Revenue from management hotel business was THB 68.2 million, decreased by THB 7.5 million, or 9.8%. Revenue from education business was THB 195.3 million, decreased by 0.4% and other income was THB 123.7 million, decreased by THB 34.1 million, or 21.6%.

Cost of sales and services was THB 1,703.3 million, decreased by THB 170.0 million, or 9.1% yoy, in line with lower revenue which decreased by 7.8% yoy.

The Company's gross profit was THB 676.5 million, decreased by THB 30.8 million, or 4.4%, increase from the same period of last year which was 27.4%.

Total expenses excluding finance cost was THB 815.5 million, increased by THB 30.2 million, or 3.9% yoy and was 31.4% of total revenues, increased from the same period of last year which was 27.7%.

The Company has earnings before interest, income tax and depreciation (EBITDA) amounted to THB 386.2 million, decreased by THB 163.6 million, or 29.8% yoy. The Company's net profit was THB 31.5 million, decreased by THB 81.0 million, or 72.0% yoy.

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Management Discussion and Analysis
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Financial Position

The significant items in the consolidated statement of financial position

Baht (Million)	Baht (Million)		
	2Q17	31 December 2016	2Q16
Total assets	9,749.7	9,033.0	8,940.9
Cash and cash equivalents	646.8	870.3	663.1
Short-term investments	449.2	357.7	382.0
Trade and other receivables	429.6	462.6	428.0
Property, plant and equipment	4,417.8	4,689.6	4,800.8
Total liabilities	4,214.1	3,678.9	3,627.6
Bank overdrafts and loans	1,849.1	1,679.6	1,889.8
Trade and other payables	722.1	972.6	744.3
Total equity	5,535.6	5,354.1	5,313.3
Equity attributable to owners of the Company	4,503.5	4,589.0	4,570.2
Non-controlling interests	1,032.1	765.1	743.1

Total assets increased by THB 717 million, mainly from prepaid rental of land and buildings

Total assets were THB 9,749.7 million, increased by THB 716.7 million, or 7.9%. Significant changes were caused by:

- Prepaid rental of land and buildings increased by THB 900.17 million, resulted from prepaid the first 20% lease rental related to Mixed Use Project to The Crown Property Bureau.
- Investment in associates, joint ventures and others and loans to related parties increased by THB 113.5 million, mainly to Suanlum Property Co., Ltd. by THB 63.6 million and investment of subsidiary in overseas by THB 34.5 million.
- Deposit for hotel management right in Singapore increased by THB 74.8 million.
- Other non-current assets increased by THB 103.9 million, resulted from withholding tax refundable.
- Cash and cash equivalents including short-term investments decreased by THB 132.1 million, comprised

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net cash from operating activities THB 180.4 million, net cash used in investing activities THB 713.9 million, net cash from financing activities THB 409.4 million, and effect of exchange rate changes on cash and cash equivalents THB 8.1 million.

During the 1st half year 2017, the subsidiaries repaid long-term loans USD 2 million and PhP 3.5 million

Total liabilities were THB 4,214.1 million, increased by THB 535.3 million, or 14.6%. Significant changes were caused by:

- Trade and other payable decreased by THB 250.5 million, mainly from deferred revenue from education decreased by THB 72.9 million, deposit decreased by THB 35.5 million, trade accounts payable decreased by THB 10.9 million and accrued decreased by THB 18.3 million.
- Short-term loan from financial institutions increased by THB 172.6 million.
- Deposit received from building lease THB 492.4 million and deferred lease right assignment fee THB 100.0 million, related to Mixed Use Project.
- Other current liabilities increased by THB 53.0 million, mainly from income tax deduct at source related to Mixed Use Project.

Significant Financial Ratios

Description	Q2/2017	Q2/2016
Gross margin	28.43%	27.41%
EBITDA margin	16.23%	21.31%
Net profit margin	1.22%	3.97%
Return on equity	2.53%	3.96%
Return on asset	2.18%	3.39%
Current ratio (x)	1.04	1.02
Debt/Equity (x)	0.71	0.69
Interest-bearing debt/Equity (x)	0.34	0.36
Interest coverage (x)	6.91	13.61
Book value per share (Baht)	5.42	5.38