

Contents

2008 Overall

- 1 Financial Highlights
- 2 Message from the Chairman
- 3 The Result of Operations and Profit Appropriation 2008
- 4 Management Structure
- 5 Shareholding Structure of Dusit International

Business Overall

- 6 Marketing and Competition
- 11 Product and Service Supplies
- 12 Nature of Business
- 18 Revenue Structure
- 22 Significant Changes During Year 2008
- 25 Risk Factors

Company Information

- 33 Subsidiary and Associated Companies
- 35 Shareholders Structure and Management
- 65 Internal Controls
- 67 Related Transactions
- 73 Audit Committee's Report

Financial Information

- 74 Analysis of Operations and Financial Position
- 88 Management Representation Letter
- 89 Auditor's Report
- 90 Financial Statements

General Information

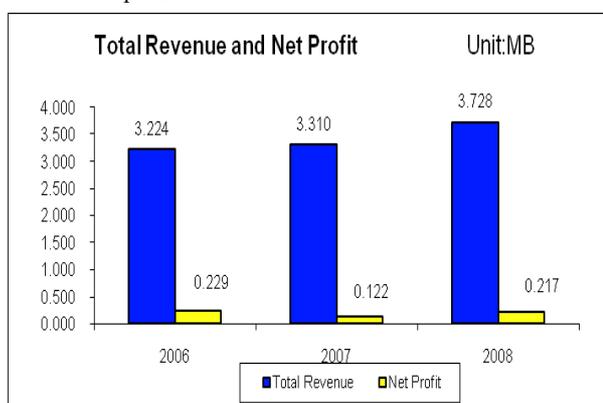
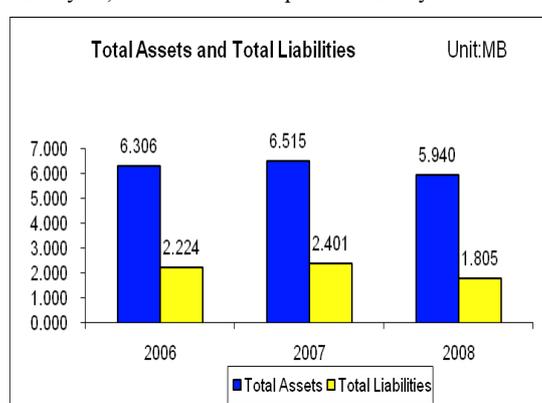
- 134 Board of Director and Management Team
- 138 General Information

Financial Highlights

Unit : Thousand Baht

	2006	Percentage	2007	Percentage	2008	Percentage
Financial Position and Operation Analysis						
Total Assets	6,305,949	100.00	6,515,218	100.00	5,940,195	100.00
Total Liabilities	2,223,673	35.26	2,401,481	36.86	1,804,656	30.39
Total Equity	3,819,114	60.56	3,876,677	59.50	3,908,275	65.79
Revenue from Sales and						
Services	2,848,724	88.37	3,026,374	91.42	3,197,118	85.76
Total Revenue	3,223,760	100.00	3,310,494	100.00	3,727,771	100.00
Cost of Sales and Services	2,268,819	70.38	2,530,369	76.43	2,730,207	73.24
Gross Profit	579,905	17.99	496,005	14.98	466,911	12.53
Net Profit	229,344	7.11	121,940	3.68	216,628	5.81
Ratio Per Share (Baht)						
Earnings	2.80		1.44		2.56	
Dividend	1.75		1.00		1.00	
Book Value	46.61		45.86		46.24	
Financial Ratio(%)						
Net Profit / Total Revenue	7.11		3.68		5.81	
Return on Equity	6.01		3.15		5.54	
Return on Assets	8.04		4.05		6.35	

* Board of Directors will propose to the 2009 Annual General Shareholders Meeting to approve the dividend payment of Baht 0.50 per share for the performance period of July – December 2008. Including with the interim dividend of Baht 0.50 per share for the first half of fiscal year, the total dividend paid for fiscal year 2008 will be Baht 1.00 per share.



Message From the Chairman

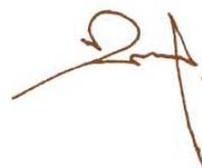
Dear shareholders,

During the course of last year, the US experienced an abrupt and unprecedented meltdown of the financial system, as a result of the bubble burst in the housing industry as well as the over-leveraging of financial operations. The adverse impacts of the American crisis soon spread over to most other countries all around the world through the process of globalization. It is generally believed that the impetus of the crisis this time, estimated to be the most severe since the Great Depression of 1929, will not likely die down until the end of 2009 or even longer. Thailand, as a member of the free world, could not escape the impact of the mishap unscathed. Coupled with the domestic political infighting between a few major parties and their supporters that manifested in a series of large public protests, which led to a closure of the international airports, and a change of two governments in a relatively short span of time. Although peaceful, these incidences had turned the already gloomy into a somewhat dire situation which saw the number of international tourists dwindle by an unexpectedly large percentage.

It is not to be a surprise that the annual closing book report of our Group of Companies last year would show certain decline in earnings on all fronts of our operation. In response to the new development, the management team of Dusit Thani has promptly adjusted its operational strategy into a 'consolidation' mode. From our own experience over a long period of successful player in the hotel industry, we recognized that this is the time for consolidation of all phases of our operations. It is the time to reexamine our past performances, to improve our quality of services and to plan for the next step forward. We are all hopeful when the recovery comes, we will be among the first group ready to ride along the wave of the country's new era of economic prosperity and growth.

On behalf of the Board of Directors of Dusit Thani Public Company Limited, I would like to sincerely thank all our valued customers for their continued supports ever since the beginning. My gratitude and appreciation go to all our shareholders for their trust and unrelenting supports to the company all along.

Finally, I would like to thank our Management team and all our staffs for their dedications, which undoubtedly, constitutes the major parts of the success of the company up to now.



Mr. Chatri Sophonpanich
Chairman

The Results of Operations and Profit Appropriation for Year 2008

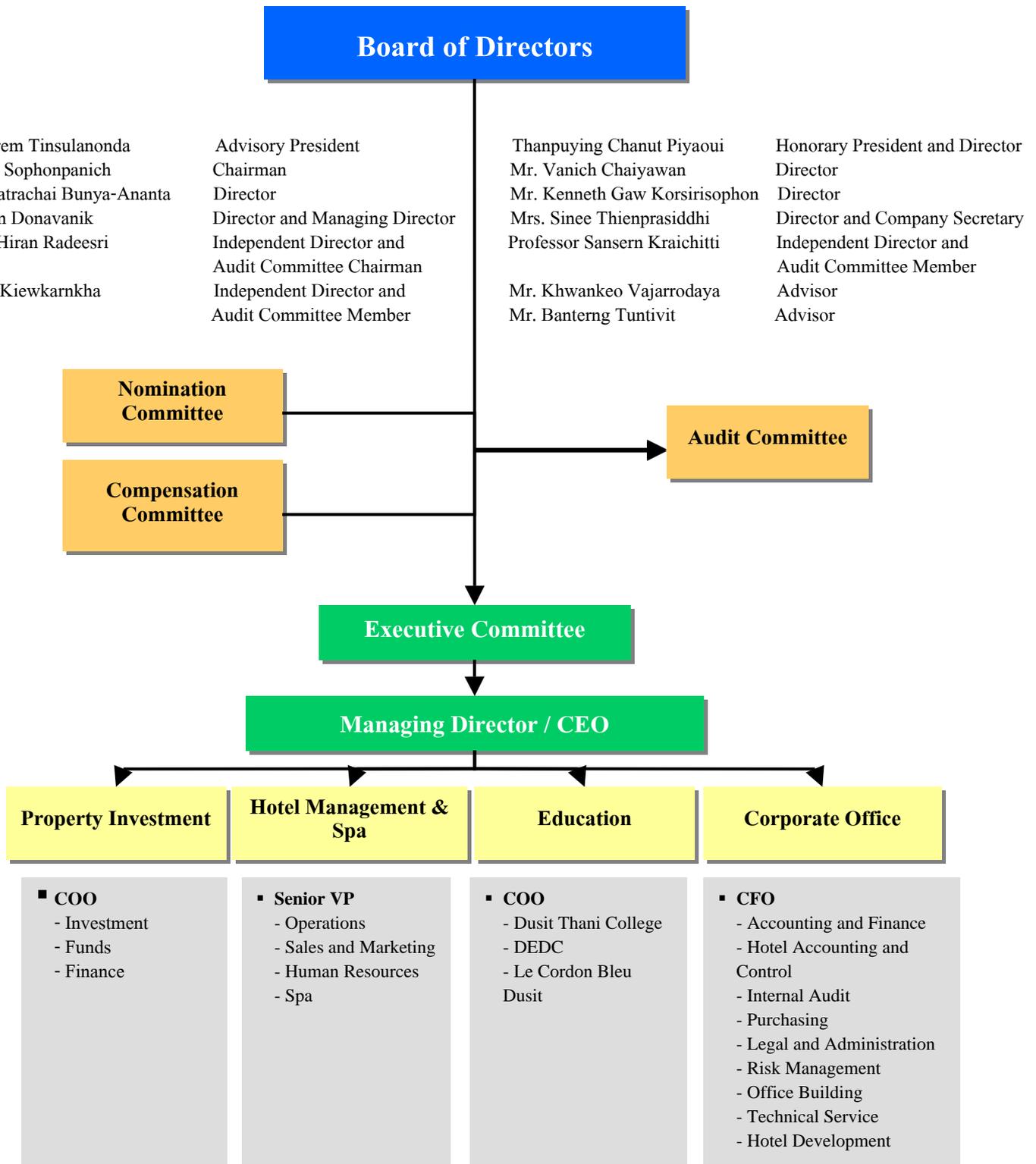
The Board of Directors present the results of operations of the Company presented in the financial statements for the year ended December 31, 2008, the net profit was Baht 216,627,998. After adding retained earnings at the beginning of period of Baht 1,221,365,016 the totalling retained earnings was Baht 1,437,993,014. After deduction the final dividend of 2007 paid on 85,000,000 shares at Baht 0.50 per share, totalling Baht 42,500,000, the balance of unappropriated retained earnings was Baht 1,395,493,014.

The Board of Directors proposes the appropriation as follows:

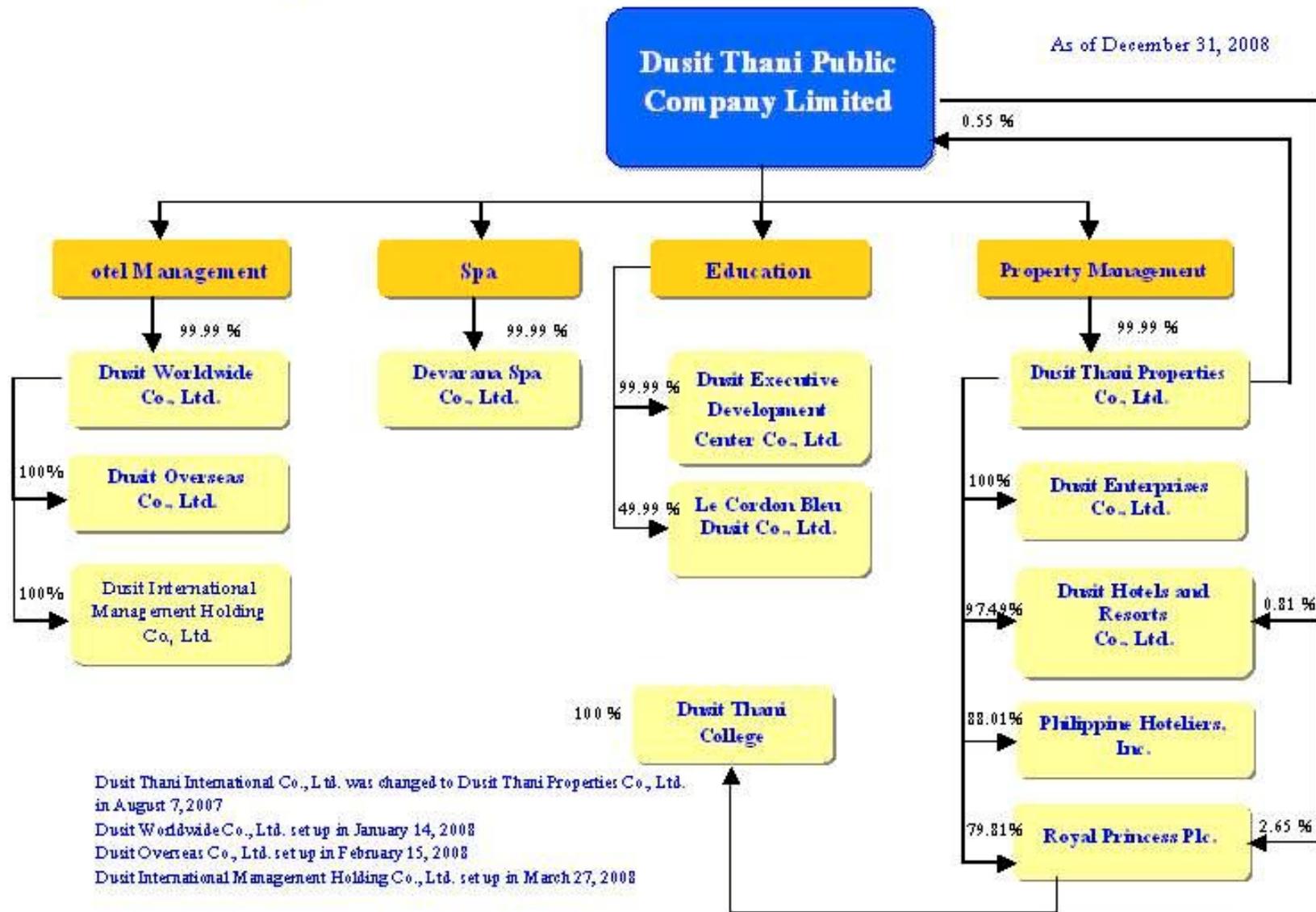
	Baht
Unappropriated retained earnings brought forward	1,395,493,014
Interim dividend paid on September 9, 2008 on 85,000,000 shares at Baht 0.50 per share, totalling	(42,000,000)
Final dividend on 85,000,000 shares at Baht 0.50 per share, totalling	(42,500,000)
Unappropriated retained earnings carried forward	<u>1,310,493,014</u>

* If the Annual General Shareholders Meeting approves the mentioned appropriation, the Company will pay the final dividend on May 21, 2009.

Management Structure



Shareholding Structure of Dusit International



Marketing and Competition

Marketing and Sales Strategies

Back to group's origin when Chairperson, Thanpuying Chanut Piyaoui, opened her first hotel, the "Princess" and continuing to her vision during the past 60 years, Dusit International began to explore business expansion opportunities in having its own hotels under the master brand; Dusit Thani Hotel, Royal Princess Hotel and dusitD2 including signing hotel management agreements with domestic and international hotels under such various hotel brands.

Dusit International commemorated Thanpuying's 60th anniversary of service to the Thai hospitality industry in 2008, whilst at the same time building the foundations for the future. In 2007, Dusit International had executed Re-Branding process to create the new trademark that would distinctively redefine each of the company's brand standard in order to enhance the competitiveness in the market and to precisely accommodate the needs of customers to ensure their ultimate satisfaction. Despite of the Re-Branding process, there also have the continuing development and expansion during this current year e.g. central reservation through website channel of www.dusit.com

We intend to further embrace our 2007 "One Brand One Voice" and 2008 "New Ways New Horizons" initiatives to instil a greater sense of collegiate participation by our hotels and will allow for new sales and marketing campaigns as a group, eg Triple Nights Delight campaign. Being in charged by Dusit International Sales & Marketing Division, the campaigns can support and direction for cost effective and profitable marketing initiatives for the group and for the individual property's Revenue Per Available Room (RevPAR) success.

The follow key markets were identified for intensive sales and marketing activities in 2008 and included:

- ✓ MICE
- ✓ Corporate RFPs
- ✓ E distribution
- ✓ With concentration in the short haul markets in Asia Pacific & the Middle East such as India, China and the Gulf Cooperation Council (GCC) as first priorities followed by Japan, Korea and other Asian nations, as well as the traditional secondary markets of United Kingdom and Europe.

The Mission of the Sales & Marketing Division of Corporate office is to *"provide Dusit International with dynamic, innovative, cost effective support and leadership in sales and marketing"*, through the following key areas:

The procedure that is in line with the mission can be categorized by each relevant department

Revenue Management & Pricing Department

- In August 2008, Dynamic Pricing models have been implemented through the Dusit Best Rate and is allowing the hotels to better manage their room revenue yield, hotel room revenues were 11% above the previous year (2007) for the same period. This could not be sustained after the State of Emergency and the following political instability and airport closure.
- Local currency was initiated at all hotels to better reduce the effects of the fluctuation of the USD on hotel's revenues.
- Implementation of additional revenue management practices to stimulate demand and increase Revenue Per Available Room (RevPAR), and ensure improved forecasting skills with a variance of 5% above and below as a minimum benchmark.
- Installation of the ACD (Automatic Call Direct) software to the Central Reservations Sales Office in late 2008 to monitor conversion rates between individual reservations sales agents and guest for the purpose of information management and marketing development.
- A new E-Business Manager role was appointed in mid 2008 with the key focus being on the improvement on database email systems and relevant information on www.dusit.com, including hotel packages. In addition, the cooperation with Global Sales Alliance which is direct sale was also established.
- Implementation of data cleanliness which is one of the company's highest priority Key Performance Indicators (KPIs).
- Improvement of Search Engine Optimization system in www.dusit.com so that the website has been enhanced for top ranking include the key words for optimal search results.
- TSA Front Desk Upselling programs were introduced to Dusit Thani Bangkok & Dusit Thani Pattaya, as well as reviewed and enhanced with Dusit Thani Dubai & Dusit Thani Manila. In 2008 achieved THB 36.4M in Front office upsells for the 4 participating hotels.
- Market Segmentation
 - A new market segmentation format was introduced with the key market segments under FIT and Group as follows:
 - FIT:
 - Corporate & Leisure Dusit Best Rate (unqualified markets)

- Corporate Negotiated Rates (qualified markets)
- Government
- Packages
- Wholesale
- Discount

GROUP:

- Business Groups
- Leisure Groups
- Contract (Airline Crew & Delayed Flights)

Sales & Marketing Department

- In 2008 Tradeshow representation has been enhanced with the new design and this has helped reinvigorate the Dusit brand internationally.
- Key Account Management has been trialled under Dusit Princess Global Sales Office (GSO) based in Bangkok for the key market segments, Wholesale, Corporate, Government & MICE.
- In 2008 Sales Force Automation (SFA) which is part of the Opera software was launched and helped to initiate a new efficient account management system. The RSO offices that participates including Hong Kong, Singapore, United Kingdom and Germany.
- The establishment of the Middle East Regional Sales and Marketing office for the purpose of providing regional support and providing a driving force for outbound travellers into Dusit properties in Asia and new properties nearby.
- Regional Sales Offices (RSOs) were set targets to increase their feeder markets to the hotels by 10% at the beginning of 2008.

Marketing & Communications Department

- Develop the brand architecture, the brand resources and provide brand guardianship
- In 2008 an advertising campaign was implemented as a follow on from October 2007 Re-Branding with a targeted media campaign in Quarter 1 to the corporate traveller segments, with the key feeder markets being Middle East, Hong Kong, Singapore, United Kingdom and Australia, Quarter 3 and 4's advertising plan was aimed more at the direct consumer.

- Dusit International recognition programmes and partnership opportunities have reduced Thai centricity from a domestic viewpoint and aimed at developing more international partnerships as a priority, e.g. VISA card and DBS bank.
- Dusit Wine & Dine has been re-engineered in 2008 and now recorded a membership of 4,960 members by year end 2008 (2007 was 1,434 members).
- The Public Relations Department was restructuring and separating into domestic and international section. This has made the publicity machine more focused and resulted in significant increases in media coverage.

Competition

Internal

Each hotel has determined a competitive set in order to monitor the Revenue Per Available Room performance (RevPAR) hotel based on the competitive set for their brand category in their local marketplace. One of the Key Performance Indicators (KPIs) for each hotel is their ranking in the competitive set and the improvement over previous periods. This is tracked both on a daily basis and on a monthly reporting level to corporate office. This has clearly allowed for better monitoring of a hotel's performance indicators.

External

Dusit International's main grouping of hotels is in Thailand. Thailand's economy in Quarter 1 and Quarter 2 of 2008 had shown reasonable growth after the relatively slow 2007. Destinations such as Phuket prospered from the LCC (low cost carrier airlines) and increased airlift and the charter flights from Europe. The fire haze from China over Northern Thailand in the first half of 2008 negatively impacted on the Chiang Mai and Chiang Rai provinces.

Quarter 3 and Quarter 4 political uncertainties and the airport closure allowed South East Asian destinations such as Bali and Vietnam to benefit from redirecting their bookings from Thailand.

Future Developments

In 2009 Dusit International will become a Member of Preferred Hotels Group, extending the sales network to an even greater geographical reach with a total of 29 Sales Offices globally, especially into the USA and European feeder markets as well as developing the key market segments of corporate FIT travellers and MICE target markets. The Preferred Hotel Group membership will also provide greater leverage for corporate RFP (Request for Proposal) and frequent flyer programmes adding to the increased visibility of the Dusit brand. Another milestone for Dusit International's expansion with the creation of a

joint venture sales and marketing programme with Bird group India will commence with a joint promotion with Amadeus India for all Dusit properties.

Product and Service Supplies

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

		No. of Rooms	Occupancy (%)		
			Yr 2006	Yr 2007	Yr 2008
Dusit Thani Plc.	Dusit Thani Bangkok	517	59.27	63.39	64.93
	Dusit Thani Pattaya	457	62.30	60.41	56.40
	Dusit Thani Hua Hin	296	70.74	66.99	57.69
Royal Princess Plc.	Royal Princess Larn Luang	167	73.86	74.07	68.00
	Royal Princess Chiang Mai	198	70.19	67.73	59.06
	Dusit Princess Srinakarin	198	75.26	70.81	73.10
	Dusit Princess Korat	186	58.03	64.08	55.95
Dusit Hotels and Resorts Co., Ltd.	dusitD2 Chiang Mai	131	35.24	47.91	50.95
Philippine Hoteliers, Inc.	Dusit Thani Manila	538	75.19	49.33	67.02

Nature of Business

The nature of business, hotel, hotel management and other related business of group companies of Dusit Thani Public Company Limited are as follows:

Company	Nature of Operations
Hotel and Hotel Management Business	
Dusit Thani Plc.	<ul style="list-style-type: none"> - Operates 3 hotels, namely Dusit Thani Bangkok, Dusit Thani Pattaya and Dusit Thani Hua Hin. - Owns the brands “Dusit Thani”, “Dusit Princess”, “dusitD2”, “Dusit Devarana”, “Dusit Residence” and “Devarana Spa” - Manages 4 hotels in Thailand, 1 franchised hotel and 7 hotels overseas.
Dusit Hotels and Resorts Co., Ltd.	<ul style="list-style-type: none"> - Owns and operates 1 hotel, namely dusitD2Chiang Mai - Owns the land and hotel building of Dusit Thani Hua Hin.
Philippine Hoteliers, Inc.	<ul style="list-style-type: none"> - Operates 1 hotel in Philippines, namely Dusit Thani Manila which is managed by Dusit Thani Plc.
Royal Princess Plc.	<ul style="list-style-type: none"> - Owns and operates 4 hotels, namely Royal Princess Larn Luang, Royal Princess Chiang Mai, Dusit Princess Srinakarin and Dusit Princess Korat. - Manages 1 hotel under the brand “Royal Princess” and 3 franchised hotels.

Company	Nature of Operations
Other Related Business	
Dusit Thani Plc.	- Operates office for rent named Dusit Thani Building
Dusit Thani Properties Co., Ltd. (formerly known as Dusit Thani International Co., Ltd.)	- Invests in holding company
Devarana Spa Co., Ltd.	- Operates spa business
Dusit Executive Development Center Co., Ltd.	- Operates training and developing courses for both personnel in Dusit Group and the public.
Dusit Thani College	- Be an educational institute in regard to hotel management and administration.
Le Cordon Bleu Dusit Co., Ltd.	- Be a culinary school in French style.
Dusit Enterprises Co., Ltd.	- Manages hotels. This company is located in Republic of Mauritius.
Dusit Worldwide Co., Ltd.	- Be a regional operating headquarters.
Dusit Overseas Co., Ltd.	- Manages hotels overseas.
Dusit International Management Holding Co., Ltd.	- Holds shares in fund management companies which will expectedly be set up overseas.

Operations of the Company

Hotel

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

- **Under Dusit Thani Plc.**

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

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

- Dusit Thani Hua Hin is located at Amphur Cha-am, Petchaburi. The resort-styled hotel with 296 guest rooms provides accommodation, food and beverage, meeting rooms and catering for hotel guests and general. The Company has entered into the land and hotel building lease agreement with Dusit Hotels and Resorts Co., Ltd., a subsidiary company, for a period of 20 years commencing in 1998 under the condition that the lease agreement can be renewed at 6 times for a period of 3 years each and 2 years for the last time.

- **Under Dusit Hotels and Resorts Co., Ltd.**

The hotel under Dusit Hotels and Resorts Co., Ltd. is dusitD2 Chiang Mai with 131 guest rooms. This is a modern and full service hotel, divisibly combined with Thai atmosphere to serve its customers' demands.

- **Under Royal Princess Plc.**

The four hotels under Royal Princess Plc. are as follows:

1. Royal Princess Larn Luang located on Larn Luang Road, Bangkok is a 4-star hotel with 167 guest rooms and provides accommodation, food and beverage, meeting rooms and catering.

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

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

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

Royal Princess Plc. owned the land and buildings of these 4 hotels.

- **Under Philippine Hoteliers, Inc.**

This company was set up in Philippines to operate hotel business in Philippines, namely Dusit Thani Manila, located in the middle of Manila, Makati City. This hotel has 538 guest rooms.

Office Rent Business

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

Hotel Management Business

Under the brands of the Company, there are 5 brands as follows:

1. **“Dusit Thani”** The Company operates the 5 star hotels under a name “Dusit Thani” which is the Company’s trademark. Such business includes the grant to use of trademark “Dusit Thani” under the standard of service provision controlled by the Company. All hotel management and franchised agreements are entered into by Dusit Thani Plc. However, the Company has re-structured the organization in order to make it more convenient in working, as such since year 2000, the Company had engaged Dusit Hotels and Resorts Co., Ltd. to manage 3 hotels of the Company, namely Dusit Thani Bangkok, Dusit Thani Pattaya and Dusit Thani Hua Hin under the management agreements and fix the remuneration to each other. In addition, the Company has assigned the rights and responsibilities of the Company in managing another 5 hotels to Dusit Hotels and Resorts Co., Ltd. (the 2 of those are located in Thailand, namely Dusit Island Resort Chiang Rai and Dusit Thani Laguna Phuket and another 3 of those are located overseas, namely Dusit Thani Manila (Philippines), Dusit Thani Dubai (United Arab Emirates) and Dusit Inya Lake (Myanmar)), adding

up the total of 8 hotels. After that, on December 30, 2006, the Company has terminated 3 hotels management agreements entered into by the Company and Dusit Hotels and Resorts Co., Ltd, namely Dusit Thani Bangkok, Dusit Thani Pattaya and Dusit Thani Hua Hin, with Dusit Hotels and Resorts Co., Ltd. prior to the expiry date. The Company agreed to pay the compensation for this termination to Dusit Hotels and Resorts Co., Ltd. in the amount of Baht 146.4 million. For other hotel management agreements which the Company has previously assigned the rights and responsibility to Dusit Hotels and Resorts Co., Ltd., the Company has cancelled such agreements, to be managed by the Company since April 1, 2007 onwards.

In year 2008, the Company has terminated the management agreement for Dusit Inya Lake (Myanmar) and entered into the franchise agreement for Chatrium Suites-Bangkok, A Dusit Thani Hotels Partner owned by Riverside Garden Marina Co., Ltd. In addition, the Company has entered into the management agreement for the following hotels:

- Dusit Thani, Abu Dhabi, the United Arab Emirates
- Dusit Thani Lake View, Cairo, Egypt
- Dusit Thani, Palm Jumeirah, the United Arab Emirates

2. “Dusit Princess” Previously, the management of 4-star hotel is under a brand “Royal Princess” of Royal Princess Plc. After Re-Branding, the brand to be used for management of these 4-star hotels is changed to “Dusit Princess”. Currently, there are 2 managed hotels under such brand namely Dusit Princess Koh Chang and Dusit Princess, Deira Dubai, the United Arab Emirates which will be opened in August of year 2009. The 4-star hotels, managed by Royal Princess Plc. under the previous brand include Charoen Thani Princess, Khonkaen and 3 franchised hotels which are Pathumwan Princess, Bel-Aire Princess and Grand China Princess, including the management of club-house of Navathanee Golf Course.

3. “dusitD2” Currently, there is 1 hotel under the brand “dusitD2” which is dusitD2 Chiang Mai and 2 hotels being managed under the brand “dusitD2” which are dusitD2 Baraquda, Pattaya and dusitD2 Samui (to be opened in October of year 2009).

4. “Dusit Devarana” There is 2 managed hotels under the brand “Dusit Devarana”, the Eight Heaven, Phang Nga which is in the process of developing the design and Dusit Devarana, Palm Jumeirah, the United Arab Emirates

5. “Dusit Residence” The Company has been engaged to manage 5 hotels under the brand “Dusit Residence”, which are Dusit Residence Dubai, Marina (the United Arab Emirates), Dusit Residence Lake View, Cairo (to be opened in June of year 2009), Dusit Residence Palm Jumeirah, Dusit Residence

Abu Dhabi, the United Arab Emirates (to be opened in year 2010), Pearl Coast Premier Hotel Apartments, Dubai, the United Arab Emirates.

Other Business

Spa Business

The spa business is operated by a subsidiary company, Devarana Spa Co., Ltd. Currently, there is 1 spa branch, which is Devarana Spa Bangkok located at Dusit Thani Bangkok. This company has also been engaged to manage another 4 spas, located at Dusit Thani Pattaya, Dusit Thani Hua Hin, DusitD2 Chiang Mai and Dusit Thani Manila in Philippines.

Training Business

The training business is operated by a subsidiary company, Dusit Executive Development Center Co., Ltd. since August 2004. The company's objective is to train, organize a seminar and develop the knowledge, in order to build potential and capacity of the work force for both Dusit Group and the public.

Education Business

1. Dusit Thani College, by Royal Princess Plc. as an authorized person. Dusit Thani College is set up to educate for bachelor's degree and master's degree in culinary arts, tourism, hotel management and other modules related to hotel business. In addition, Dusit Thani College had co-ordinated with Le Cordon Bleu Helvetia Sarl to bring the culinary course of Le Cordon Bleu to combine with the course of Dusit Thani College.

2. Cooking School in French Style under Le Cordon Bleu Dusit Co., Ltd., a joint venture company which is allowed to use the trademark of Le Cordon Bleu.

Revenue Structure

Classified by Products

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

Unit: Thousand Baht

Sales and Services	Company	% of shares holding (direct and indirect)	2006		2007		2008	
			Revenues	%	Revenues	%	Revenues	%
1. <u>Revenue from Hotel Business</u>								
1.1 Room	1. Dusit Thani Plc.	100.00	939,735	29.15	995,197	30.06	964,443	25.87
	2. Dusit Hotels and Resorts Co., Ltd.	98.29	59,306	1.84	82,205	2.48	77,836	2.09
	3. Philippine Hoteliers, Inc.	88.00	359,520	11.15	311,366	9.41	419,120	11.24
	4. Royal Princess Plc.	82.45	266,461	8.27	287,184	8.68	276,719	7.42
Total Room Revenue			1,625,022	50.41	1,675,952	50.63	1,738,118	46.62
1.2 Food and Beverage	1. Dusit Thani Plc.	100.00	623,222	19.33	696,692	21.04	702,246	18.84
	2. Dusit Hotels and Resorts Co., Ltd.	98.29	18,365	0.57	26,170	0.79	26,583	0.71
	3. Philippine Hoteliers, Inc.	88.00	167,611	5.20	173,355	5.24	226,461	6.08
	4. Royal Princess Plc.	82.45	228,776	7.10	237,894	7.19	237,311	6.37
Total Food and Beverage Revenue			1,037,974	32.20	1,134,111	34.26	1,192,601	32.00

Unit: Thousand Baht

Sales and Services	Company	% of shares holding (direct and indirect)	2006		2007		2008	
			Revenues	%	Revenues	%	Revenues	%
1.3 Others	1. Dusit Thani Plc.	100.00	65,567	2.03	81,578	2.46	75,676	2.03
	2. Dusit Hotels and Resorts Co., Ltd.	98.29	2,829	0.09	7,783	0.23	6,857	0.18
	3. Philippine Hoteliers, Inc.	88.00	14,488	0.45	13,619	0.41	20,928	0.56
	4. Royal Princess Plc.	82.45	29,874	0.93	29,466	0.89	27,645	0.74
	5. Devarana Spa Co., Ltd.	99.99	49,145	1.52	25,672	0.78	23,764	0.64
	6. Dusit Executive Development Center Co., Ltd.	99.99	1,906	0.06	2,253	0.07	2,982	0.08
	7. Le Cordon Bleu Dusit Co., Ltd.	49.99	-	-	15,237	0.46	44,482	1.19
Total Other Revenues			163,809	5.08	175,608	5.30	202,334	5.42
Total Revenue from Hotel Business			2,826,805	87.69	2,985,671	90.19	3,133,053	84.04
2. Revenue from Rental Business								
Rental and Services	1. Dusit Thani Plc.	100.00	21,919	0.68	40,703	1.23	64,065	1.72
Total Revenue from Rental Business			21,919	0.68	40,703	1.23	64,065	1.72
3. Revenue from Hotel Management Business	1. Dusit Thani Plc.	100.00	-	-	72,955	2.21	109,512	2.94
	2. Dusit Hotels and Resorts Co., Ltd.	98.29	98,704	3.06	39,117	1.18	-	-
	3. Royal Princess Plc.	82.45	31,982	0.99	6,697	0.20	6,067	0.16
Total Revenue from Hotel Management Business			130,686	4.05	118,769	3.59	115,579	3.10

Unit: Thousand Baht

Sales and Services	Company	% of shares holding (direct and indirect)	2006		2007		2008	
			Revenues	%	Revenues	%	Revenues	%
4. <u>Other Incomes</u>	1. Dusit Thani Plc.	100.00	51,886	1.60	91,285	2.76	** 365,986	9.82
	2. Dusit Hotels and Resorts Co., Ltd.	98.29	27,905	0.87	20,663	0.62	9,331	0.25
	3. Philippine Hoteliers, Inc.	88.00	14,203	0.44	13,448	0.41	17,683	0.47
	4. Royal Princess Plc.	82.45	* 146,535	4.55	32,423	0.98	13,735	0.37
	5. Dusit Thani Properties Co., Ltd.	99.99	2,235	0.07	3,402	0.10	612	0.02
	6. Devarana Spa Co., Ltd.	99.99	1,272	0.04	2,001	0.06	2,614	0.07
	7. Dusit Executive Development Center Co., Ltd.	99.99	1	0.00	2	0.00	2	0.00
	8. Le Cordon Bleu Dusit Co., Ltd.	49.99	313	0.01	2,118	0.06	1,904	0.05
	9. Dusit Enterprises Co., Ltd.	100.00	-	-	9	0.00	-	-
	10. Dusit Worldwide Co., Ltd.	99.99	-	-	-	-	1,060	0.03
	11. Dusit Overseas Co., Ltd.	99.99	-	-	-	-	2,147	0.06
Total Other Incomes			244,350	7.58	165,351	4.99	415,074	11.14
Total Revenues			3,223,760	100.00	3,310,494	100.00	3,727,771	100.00

* Included compensating income from terminating agreement of Baht 113.28 million.

** Included gain on sale of land of Baht 243.09 million.

Classified by Hotels

Revenue structure from hotel business which operated by Dusit Thani group in the past 3 years ended December 31,

Unit: Thousand Baht

Hotels	Owned by	% of shares holding (direct and indirect)	2006		2007		2008	
			Total revenues*	%	Total revenues*	%	Total revenues*	%
Dusit Thani Bangkok	Dusit Thani Plc.	100.00	814,766	28.54	905,977	30.14	922,892	29.46
Dusit Thani Pattaya	Dusit Thani Plc.	100.00	483,017	16.92	524,460	17.45	493,479	15.75
Dusit Thani Hua Hin	Dusit Thani Plc.	100.00	382,628	13.40	383,299	12.75	369,821	11.81
Dusit Thani Manila	Philippine Hoteliers, Inc.	88.00	555,823	19.47	511,788	17.03	684,193	21.84
DusitD2 Chiang Mai	Dusit Hotels and Resorts Co., Ltd.	98.29	83,019	2.91	117,671	3.92	112,745	3.60
Royal Princess Larn Laung	Royal Princess Plc.	82.45	144,768	5.07	156,062	5.19	154,261	4.92
Royal Princess Chiang Mai	Royal Princess Plc.	82.45	121,417	4.25	116,241	3.87	99,449	3.18
Dusit Thani Princess Srinakarin	Royal Princess Plc.	82.45	191,462	6.71	199,361	6.63	198,593	6.34
Dusit Thani Princess Korat	Royal Princess Plc.	82.45	77,955	2.73	90,774	3.02	97,147	3.10
Total revenues from hotels business which owned by Dusit Thani Group			2,854,885	100.00	3,005,633	100.00	3,132,580	100.00

* Total revenues of each hotel did not recognize by company investment proportion of investment by the Company. These revenues comprised of room, food and beverage and other hotel businesses.

Significant Changes During Year 2008

1. Investment Projects

1.1 Setup a Regional Operating Headquarters-ROH)

On February 26, 2007, the Board of Directors Meeting No. 1/2007 passed a resolution to set up Dusit Worldwide Co., Ltd in Thailand to support the affiliated enterprises overseas. Such company was set up on January 14, 2008 with the initial registered capital of 10 million Baht and 99.99% of total shares held by Dusit Thani Plc. On July 1, 2008, the Company sold assets in a book value of 17.02 million Baht and transferred the employees in charge of hotel management to Dusit Worldwide Co., Ltd. Since Dusit Worldwide Co., Ltd must purchase such assets for hotel management from Dusit Thani Plc., On August 11, 2008, the Board of Directors Meeting No. 4/2008 passed a resolution to increase the capital of Dusit Worldwide Co., Ltd. for another 40 million Baht to 50 million Baht.

1.2 Setup 4 subsidiary companies overseas

Dusit Worldwide Co., Ltd. will set up the subsidiary companies overseas which is in the process during year 2008 as follows:

- Dusit Overseas Co., Ltd in the Hong Kong Special Administrative Region of the People's Republic of China was set up as of February 15, 2008 with the registered capital of HK\$ 33,000 to be a center of Asia Region. Such company will set up the branch office in Cairo, Egypt to support the hotel management in this country.
- Dusit International Management Holding Co., Ltd was set up in the Republic of Mauritius to be a center and support investment of fund in overseas.
- A company in the People's Republic of China. The company's objective is to invest and manage the hotel in this country which is now in process.
- A joint venture company in India which is now in the process of negotiating on details in the contract. This company is expected to be registered by year 2009.

Furthermore, the Company will set up the branch office in the United Arab Emirates to be a center in approaching the owner for hotel management and providing technical services in Middle East. The Company is in the process of setting up the branch office and expects to get it registered by the first quarter of year 2009.

2. Educational Management Projects

On September 11, 2008, Dusit Thani Plc. has entered into the Memorandum of Understanding with Lyceum of the Philippines University to obtain academic cooperation and provide a course for bachelor's degree by using the courses of Dusit Thani College which include (i) hotel management (ii) cooking and restaurant management arts and (iii) tourism .

On December 3, 2008, Dusit Thani Plc. has entered into the Licensing and Consulting Agreement with Lyceum of the Philippines University.

3. Minority Shareholding Structure

On April 9, 2008, which was the book closing date to attend the Annual General Shareholders Meeting No. 15/2008 and receive the dividend, showed the minor shareholders of 15.11%.

4. The Appropriation and Dividend Payment for Year 2007 and Dividend Policy

On April 29, 2008, the Annual General Shareholders Meeting No. 15/2008 passed a resolution to appropriate retained earnings and pay dividend for the fiscal year 2007 as follows:

1. The approval of interim dividend of Baht 0.50 per share, totalling Baht 42,500,000 which already paid to the shareholders on September 6, 2007.
2. The approval of dividend for the second half year of Baht 0.50 per share, totalling Baht 42,500,000 which already paid to the shareholders on May 22, 2008.

On August 11, 2008, the Board of Directors Meeting No. 4/2008 passed a resolution to pay dividend for the operation during January 2008 to June 2008 of Baht 0.50 per share, totalling Baht 42,500,000 which already paid on September 9, 2008.

The Company has set the policy to pay dividend to the shareholders in not excess of net earnings per share and not less than 50% of net earnings in the Company's consolidated financial statements, by considering the result of operation from the consolidated financial statements together with the result of operation and retained earnings of the Company's financial statements to assure that the ability of paying such dividend is not opposed the Public Companies Act.

5. Others

On March 25, 2008, the Board of Directors Meeting No. 2/2008 passed a resolution to support the policy of amalgamation of Dusit Hotels and Resorts Co., Ltd. and Royal Princess Public Company Limited., subsidiary companies of the Company and approved Dusit Thani Properties Co., Ltd., which is one of subsidiary companies and major shareholder of the 2 companies, to purchase the shares from minor shareholders who opposed such amalgamation. The aim of amalgamation is to support and serve the governmental policy requiring amalgamation in the same industry, in order to expand the base of income, capital and various shareholdings. Furthermore, both amalgamated companies can save financial principal, increase effectiveness of administration and categorize the business structure of subsidiary and affiliated companies which will cause the flexibility in management in the future.

On August 11, 2008, the Board of Directors Meeting No. 4/2008 passed a resolution to appoint Mrs. Sinee Thienprasiddhi as the Company Secretary which became effective as of August 11, 2008.

On August 11, 2008, the Board of Directors Meeting No. 4/2008 passed a resolution to allow Dusit Hotels and Resorts Co., Ltd. to sell the shares of MBK Plc to Dusit Thani Plc., totaling 1,172,000 shares at the price shown in a main board of the Stock Exchange of Thailand on the date of sale, but must not less than Baht 69.50 per share, in order to make a repayment of loan and settle the outstanding interest to Dusit Thani Plc. Dusit Hotels and Resorts Co., Ltd. has sold the said shares on August 22, 2008 at the price of Baht 70 per share and repaid the loan to Dusit Thani Plc. accordingly.

Awards of Dusit International for year 2008

1. Dusit International Awarded “The Best Hotel Group in Asia”

This award was received from Travel Weekly (Asia) Industry Award 2008, voted by judges and readers of Travel Weekly, more than 2 million votes.

2. dusitD2 Chiang Mai “Asia’s Top 5 hotels”

This award was voted by www.expedia.com which is leading reservation company through internet. dusitD2 Chiang Mai has been voted to be “Asia’s Top hotels” from approximately 80,000 hotels in a network of www.expedia.com.

3. Dusit Thani Manila’s UMU Restaurant – Las Vegas Award

This award was received from Hotel World Global Hospitality and Design Awards, voted to be the restaurant in ideal and elegant design.

Risk Factors

The hotel industry has been known to be one of the most vulnerable businesses; a wide array of risk factors can undoubtedly cause adverse impacts to the industry. For a given hotel company, such risks can emerge internally by the company itself as a result of operating the business. In addition, to be very cautious are risks induced by external factors which are seemingly uncontrollable. Taken together, these risk factors directly affect, to the greatest extent, to the business operation, and eventually resulting in the failure to achieve the company's goals.

Given the fact that the impacts of these risks can be catastrophic, Dusit Thani has, therefore, initiated its risk management practices by studying, introducing and implementing enterprise risk management since 2005. Consequently, risk management policy has been determined, promulgated and applied throughout the organization with the supervision and responsibility of Risk Management Department and Risk Management Committee, established with an aim to ensure that risk prone incidences shall be systematically managed to avoid tackling them in an impromptu approach.

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

Internal Risk Factors

Strategic Risk

◆ Risk of Business Expansion Management

In subsequence determination to expand its business coverage in year of 2007, the company, in 2008, continues to strive towards such expansion plan in both domestic and overseas locations. This is to help enhance the company's competitiveness especially in overseas markets with the emphasis on the Middle East, India and East Asia. All of which are the target region with high potential purchasing power. Furthermore, the continuous expansion also aims to help reduce the risk caused by over reliance on the major source of revenue which comes only from domestic hotels. Nevertheless, as a result of the aggressive penetration into such emerging markets, the company's expenses have been dramatically increased, most of which are incurred from the investments in new information technologies and human resources, needless to say the cost of operation; whereas, the revenues generated from managing hotels have not yet achieved the

expected budget. Besides, such expansion also induces the huge amount of work to be handled and the inevitable complexity in work implementation. Without clear and aligned strategies, effective and efficient management including productive human resources management, the company and its subsidiaries are very likely to witness the negative impact to the company's financial performance.

Consequently, the company has readjusted its organizational structure and established new subsidiaries to ensure the utmost clearness in management. As for human resources management, experienced staff and executives with the expertise from international five-star hotels have been employed to properly accommodate the business expansion and uplift the hotel's service standard. In addition, the company has invested tremendously on IT systems that help support sales and marketing activities in order to enhance the ability to compete with our competitors worldwide.

Business Risks

◆ Risk from Hotel Management Service

In 2007 and 2008, the company and its subsidiaries earned 3.0 and 4.0 per cent of its gross revenues respectively from management service which is normally signed under the management agreement within the term of 2-15 years. Therefore, the company and its subsidiaries are inclined to face risks caused by the premature cancellation of the agreement or the denial to renew the contract which have the impact to gross revenues. The company and its subsidiaries have improved the terms and conditions of the management agreement in order to reduce the risks arisen from premature cancellation and to mitigate the risk for not obtaining the compensation.

By recognizing the fact that Dusit Brand, as owned by a Thai company, is not yet sufficiently strong to compete with global brands, the company has put enormous efforts to strengthened Dusit Brand by launching Re-Branding project to clearly distinguish its sub-brands and properly accommodate the needs of various customers. The company has also extensively launched public relations programs including marketing communication activities and joining forces with other business alliances to ensure the worldwide network coverage. Modern technologies such as Central Reservation System (CRS) and Customer Information System (CIS) have been employed in order to increase our customer's acceptance and build trust of the managed hotel owners.

Consequently, the company and its subsidiaries—in order to mitigate such risks—have ensured that all management agreements are made cautiously; in case of the premature cancellation, terms and conditions

for the reimbursement shall be clearly stipulated in the agreement. In addition, to increase the revenue base and decrease the revenue fluctuation simultaneously, the company plans to boost up its management services in domestic and overseas markets under the trademark of Dusit Thani, Dusit Princess, Dusit D2 and Dusit Devarana including serviced apartment management service under the trademark of Dusit Residence.

In 2008, the company has signed agreements to provide technical consultancy and management agreement, in five projects, three of which are spa project in overseas hotels and the rest two are overseas hotel. All of these projects will begin their operation within 2 years. To diminish the impact of risks caused by the premature cancellation of the agreement before opening, the company has clearly stipulated, in the mutually-signed agreement, that the party shall pay the compensation and reimburse incurred pre-operating expenses to the company.

◆ Risk from New Investment Project

In addition to the determination to expand the hotel management service, the company and its subsidiaries have also planned to open more hotels as part of the investment plan that would help ensure the company's growth in the future. In the past year, the company has been approved from the shareholders to issue the debentures worth in total of Baht 5 billion and has conducted in-depth studies for several investment projects both in domestic and overseas locations. Nevertheless, the risk factors together with the return of investment should be taken into consideration for maximizing the benefit of the company. Despite the fact that a considerable number of studies have been conducted cautiously, the company still certainly has potential risks from this business movement such as customer's acceptance, revenues fluctuation, changes in construction cost and pre-opening expenses.

To reduce the possible occurrence of such risks, the company and its subsidiaries have hired distinguished private companies to implement the feasibility study. The information obtained from such analysis shall be considered by experienced executive committees before reaching any decision related to the company's future investment to ensure the worthwhile returns of each project and the enhancement of the company's values.

◆ Risk from Renovation Project Management

For hotel business, it is necessary that a given hotel and its facilities be renovated as appropriate in order to ensure that the hotel always stays in good condition to attract and maintain the customers. By realizing this fact, the company and its subsidiaries have contrived the renovation plan for each hotel to

undergo major renovation once in every 5-7 years to meet the standard of five and four star hotels and to increase the company's competitiveness.

However, it was found that very often some hotels are unable to complete the renovation as scheduled due to the limitation in the former structure of the hotels. As a result, the renovation has to be done part by part, causing the delay in completion of renovation project. Eventually, such delay affects negatively to the service and reputation of the hotels. Furthermore, this also leads to risk of cost overrun which not only increases the expenses of the company and its subsidiaries, but also decreases the cash flow. Nevertheless, the standardized working procedures and workflow of the company and its subsidiaries were determined and implemented in 2007 as a corrective measure to reduce such risk; thus problems and impact have been rectified effectively—renovation projects are completed in accordance with the allocated budget and specified timeframe under the agreed quality.

In 2008, the majority of renovation projects—interior and exterior refurbishment, landscape improvement, infrastructure system and hazard protection system for inside building, for instance—have been completed as planned. Nevertheless, some hotels are still undergoing the renovation projects such room and restaurant in accordance with the budget approved by the company and its subsidiaries in 2009 and are expected to be finished as scheduled.

◆ **Financial Risk**

As of December 31, 2008, the company and its subsidiaries have long term loan with the financial institutions worth in total of Baht 1,038 millions, of which Baht 1,000 million belong to Dusit Thani Public Company Limited for hotel renovation projects—the repayment period is during February 2007 until August 2011 with quarterly interest payment. In addition, Dusit Hotel and Resorts Co., Ltd. has credit line of loan Baht 600 million which was spent over purchasing and renovating Dusit D2 Chiang Mai hotel—the repayment period starting from March 2006 until March 2015 with quarterly interest payment. Furthermore, Philippine Hotelier Inc also has Philippines Peso 510 million loans for Dusit Thani Manila major renovation project—the repayment period starting from February 2009 until February 2015 with interest payment every six month.

In long term loan agreement, there is the condition for the company to maintain Debt-to-Equity ratio not to exceed 2:1. If the company fails to comply with such obligation, it shall be deemed the company be in breach of loan agreement and the creditors may declare all or part of 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 operation can be affected. The company settled its loan by revenues generated from both owned and managed hotels; therefore, the occurrence of any event which affects the company's revenues can also cause problems in cash flow management.

However, as of December 31, 2008, the company's Debt-to-Equity ratio maintains at 0.46:1 in accordance to the company's Debt-to-Equity policy not to exceed 1:1. Currently, the company and its subsidiaries have outstanding loan worth Baht 1,805 million and still have sufficient cash flow to settle such loans under the determined time.

External Risk Factors

◆ Risk from High Competition and Rising Competitors

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

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

In order to cope with these situations, the company and its subsidiaries have made the continuous strides in capturing the new target customers and maintaining the existing ones by emphasizing on impressive service. Sensational room and restaurant promotions have been launched; including develop staff skill and providing training courses in service on a regular basis. This is a core area of business including rooms renovated and equipped with state-of-art facilities. All these are to ensure the ultimate convenience of customers. In addition, efforts have been put to effectively control operational cost to increase the company's competitiveness.

◆ Risk from Global Economic Crisis

The global financial meltdown has been apparent since the end of 2007, signaling by the sub-prime in the United States real estate sector which eventually affects the U.S. financial market nationwide. The World Bank has thus forecasted a recession in the world's economy in 2008. After the prediction, the U.S. contagious financial crisis has been intense and begun to spread out to Europe and Asian region, resulting finally in the global economic crisis which does not only affect to the financial sector but also mars the industrial business.

For Thailand, the country has visibly been inflicted by the global crisis in the fourth quarter of 2008 as can be seen in the slowdown of the production in many industries especially export section. Also, the country's consumption demand and investment have declined in close relations to the decreased confidence of consumer and business sector. For tourism and hospitality industry, the country has affected from the drops in tourist arrivals and frequency of visits.

◆ Risk from Domestic Political Situation and Country's Economy

In 2008, Thailand has been mired deeper in the political turmoil; the kingdom has witnessed changes of 4 Prime Ministers in only one year. The crisis was worsened by the ongoing anti-government protests which sparked off the political conflicts across the nation. A state of emergency was eventually declared. Nevertheless, the worst was not yet to come until the closure of Suvarnabhumi Airport and Don Muang Airport in late November. This situation which was broadcasted globally has badly affected the country image and shook tourist and investor confidence; countries around the globe issued warnings to their citizen about traveling to Thailand. Besides, political unrest in the south of Thailand still never seems to end.

Adding to the situations in 2008 is that Thailand has also been bombarded by the rise of oil price which hit its peak through out the beginning of the year to the third quarter. Undoubtedly, commodity price has been increased whereas travel expense has also soared up. This dilemma directly affects to the consumer's purchasing power in both individual and business level due to cost cutting and expense control.

All these have invisible impacts to hospitality and tourism industry. In attempt to mitigate these risks, the company and its subsidiaries have therefore adjusted marketing strategies and sought after a new source of revenues in new regions such Middle East, India and China in order to avoid over reliance on a few markets.

◆ Risk from Natural Disasters

Natural disasters such as storm, flood and earthquake can directly affect to hospitality and tourism industry. The company, in an attempt to reduce the impact caused by such disasters, has entered into agreement of insurances with solid and well-known insurance companies to cover all possible damages to the customers and third party. At present, the company has global liability insurance and business interruption insurance which ensures that the company will receive sufficient reimbursement. Moreover, the company has established Insurance Committee responsible for considering issues related to insurance policies such as, terms/conditions and premium on a yearly basis as well as for pondering insurance issues before proposing for further approval. The company has also set up risk mitigating measures, for instance, emergency drills and emergency policy, for all hotels.

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

◆ Risk from Interest Rate Fluctuation

As of 31 December 2008, the company and its subsidiaries have current liabilities with the financial institutions, worth of Baht 1,295 millions and are inclined to make further loan for renovation projects and new investment projects. This means that the company may have potential risks caused by the fluctuation of interest rate in the future. If so, it will subsequently have a direct impact upon the company's performance and cash flow.

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

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

◆ Risk from Exchange Rate Fluctuation

Since the company has generated part of its revenue from overseas hotels such as United Arab Emirate and Philippines, therefore, the company is prone to encounter exchange rate risk. This is because the company enters into management agreement and marketing agreement which stipulates that management fee shall be paid in US Dollar only; whereas, some room selling contracts, room payment and

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

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

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.	Dusit Enterprises Co., Ltd. is held by Dusit Thani Properties Co., Ltd.	100.00	Management	USD 27,500	Ordinary shares	27,500	USD 1	10, Frere Felix de Valois Street, Port Louis, Mauritius
3.	Dusit Hotels and Resorts Co., Ltd. is held by - Dusit Thani Plc. - Dusit Thani Properties Co.,Ltd.	0.81 97.49	Hotel	225	Ordinary shares	22,500,000	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.	Philippine Hoteliers, Inc. is held by Dusit Thani Properties Co.,Ltd. Remark * Excluding Treasury Preferred Shares	88.01*	Hotel	Peso 365*	Ordinary shares	3,648,701*	Peso 100	6 Floor., Dusit Thani Manila Ayala Center, Makati City 1223 Metro Manila, Philippines Tel. (632) 867-3333 Fax. (632) 867-3888
5.	Royal Princess Plc. is held by - Dusit Thani Plc. - Dusit Thani Properties Co.,Ltd.	2.65 79.81	Hotel and Management	600	Ordinary shares	60,000,000	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

No.	Name	Percentage of share holding	Nature of Business	Paid up Capital (Million Baht)	Shares			Address
					Category	Amount (Shares)	Par per share (Baht)	
6.	Dusit Worldwide Co., Ltd.	99.99	Management	50	Ordinary shares	5,000,000	10	946 Dusit Thani Building, 5 th Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel. +66 (0) 2200-9999 Fax. +66 (0) 2636-3630
7.	Dusit Overseas Co., Ltd. is held by Dusit Worldwide Co.,Ltd.	100.00	Management	HKD 33,000	Ordinary shares	33,000	HKD 1	RM 229 2/F Shui on CTR 6-8 Harbour Rd Wanchai, Hong Kong.
8.	Dusit International Management Holding Company Limited is held by Dusit Worldwide Co., Ltd.	100.00	Management	USD 10,000	Ordinary shares	10,000	USD 1	c/o AAA Global Services, #02-A8, Cybertower 1, Ebene Mauritius. Telephone (230) 454-3200
9.	Dusit Executive Development Center Co., Ltd.	99.99	Training	5	Ordinary shares	500,000	10	946 Dusit Thani Building,2 nd Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel. +66 (0) 2200-9111 Fax. +66 (0) 2200-9115
10.	Devarana Spa Co., Ltd.	99.99	Spa	8	Ordinary shares	800,000	10	946 Dusit Thani Building, 9 th Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel. +66 (0) 2200-9999 Fax. +66 (0) 2233-1655
11.	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

Shareholders Structure and Management

Structure and detail of major shareholders as of August 26, 2008 are as follows:

Name	No. of shares	%
1. Thanpuying Chanut Piyaoui and related persons	42,486,239	49.98
2. MBK Public Company Limited	9,920,500	11.67
3. PIONEER INETWORK LIMITED	8,765,072	10.31
4. Thai Life Insurance Company Limited and related persons	6,104,508	7.18
5. Mr. Chatri Sophonpanich	4,325,666	5.09
6. Thai NVDR Company Limited	2,843,733	3.34
7. Mr. WANG KONG-WEI	1,950,000	2.29
8. CHASE NOMINEES LIMITED 42	738,700	0.87
9. Prospack International Company Limited	619,800	0.73
10. Office of the Privy Purse	495,000	0.58
Total	78,249,218	92.04

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

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

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

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

1. Board of Directors

As of December 31, 2008 the company had General Prem Tinsulanonda as a Chairman Advisor, Mr. Kwankaew Watcharothai and Mr .Banterng Tantivit as Advisor to the Board of Directors.

The Board of Directors of the Company consists of 10 directors as follows:

No.	Name	Position	No. of meetings attended in 2008
1.	Thanpuying Chanut Piyaoui	Honorary Chairperson and Director	5/6
2.	Mr. Chatri Sophonpanich	Chairman	5/6
3.	Mr. Vanich Chaiyawan	Director	2/6
4.	Pol.Lt. Chatrachai Bunya-Ananta	Director	4/6
5.	Mr. Kenneth Gaw Korsirisophon	Director	4/6
6.	Mr. Chanin Donovanik	Director / Managing Director / CEO	5/6
7.	Mrs. Sinee Thienprasiddhi	Director / Company Secretary / Secretary to the Board of Director	6/6
8.	Professor Hiran Radeesri	Independent Director / Audit Committee Chairman / Nomination Committee Chairman / Compensation Committee Chairman	6/6
9.	Professor Sansern Kraichitti	Independent Director / Audit Committee Member / Nomination Committee Member / Compensation Committee Member	6/6
10.	Mr. Sakdi Kiewkarnkha	Independent Director / Audit Committee Member / Nomination Committee Member / Compensation Committee Member	6/6

Authorized Directors

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

Authorities and Responsibilities of Board of Directors

1. Approve the appointment and the remuneration of the Managing Director or CEO and the top executives of the Company and subsidiaries
2. Consider and approve the organizational structure and management of the Company and its subsidiaries
3. Determine the strategies, directions and objectives of the Company including its investment policies
4. Consider and approve the annual operating budget, capital expenditure budget and investment projects of the Company and its subsidiaries
5. Follow up the monthly and quarterly operating results and financial status of the Company and its subsidiaries
6. Consider and approve the related transactions and conflict of interest relating to the purchase or disposal of assets according to the regulation of the Stock Exchange of Thailand (SET)
7. Consider and approve the issues of contingent liabilities, commitments and guarantees of the Company and its subsidiaries
8. Consider any dispute and litigation of the Company and its subsidiaries
9. Consider and approve annual manpower plan, annual bonus payment and salary adjustment of the Company and its subsidiaries
10. Consider and approve the agreement on purchasing, hiring, servicing, renting, and leasing with exceeding value of Baht 5 million
11. Consider the purchase of the out-of budget items which value more than Baht 5 million, and the over-budget expenses exceeding 10% of approved value
12. Consider on renting and leasing assets for a period over 3 years
13. Consider and agree on Quarterly Financial Statements, Annual Financial Statements, Annual filing Forms 56-1 and 56-2, etc. according to the regulation of the SET and the Securities and Exchange Commission (SEC)

14. Consider and determine the responsibilities and authorities of Audit Committee and other committees
15. Propose the appointment of external auditors and audit fees in the Shareholders' Meeting in accordance with Audit Committee's recommendation
16. Propose the director whose tenure will end and the new director in the Shareholders' Meeting
17. In case where any position of the directors is vacant by any reasons, besides term expiration, the Board of Directors shall select eligible person who is well-qualified under the Public Company Limited Act (1992), section 68 to replace for next general meeting. Unless the term of such director is less than 2 months, the substituting person can hold the position as long as the remaining term of the previous member
18. Propose the meeting attendance remuneration, bonus for Board Members as well as dividend payment to shareholders
19. Consider on any matters presented by Executive Committee including legally-required matters to be presented to the Board
20. The Board meeting shall be held minimum 4 times a year with at least 50% of attendants
21. Board of Directors may assign a director or any other persons to take action or have authority for the Board within an acceptable period of time, under the Board's consideration. The Board may abrogate, change or revise the assigned person as appropriate, except for the acquisition and purchase of asset which shall follow the regulation of the Securities and Exchange Commission and the Stock Exchange of Thailand.

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

22. Any directors whose interest relating to the issue shall not be entitled to vote and shall leave the meeting.

The Appointment and Termination of the Company's Directors

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

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

- (a) By electing either individual vote or group vote up to the number of the directors to be elected.
- (b) Each shareholder shall receive the vote pursuant to the number of all shares of such shareholders and casting the vote as mentioned in (a), but cannot separate more or less for any candidates.
- (c) After the vote, the candidates shall be ranked in order descending from the highest number of votes received to the lowest until up to the number of directors to be elected.
- (d) In case that there is the same votes for the following candidates which over the number of directors to be elected, the Chairman in the Meeting is entitled to have the casting vote.

3. At every annual general meeting, one-third of directors shall retire. If the number of directors cannot be one-third, the number of director closest to one-third shall retire.

4. The Meeting of the Shareholders may resolve to vacate any director before the end of office term of such director by the vote of three-fourth of the number of the shareholders who attended the Meeting and is entitled to vote and all shares shall not be less than half of shares held by the shareholders who attended and be entitled to vote.

5. In case that any director want to resign, he should submit the resigning letter to the Company which will be effective from receiving date.

2. Audit Committee

The Audit Committee was formed on June 24, 1999 by 3 independent directors which has 3 years for each term and named as follows:

No.	Name	Position	No. of meetings attended
1.	Professor Hiran Radeesri	Chairman of the Audit Committee	11 / 11
2.	Professor Sansern Kraichitti	Audit Committee Member	10 / 11
3.	Mr. Sakdi Kiewkarnkha	Audit Committee Member	10 / 11

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

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

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

1. Composition and Qualification

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

2. Duties and Responsibilities

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

8.3) Comment on the compliance with the SEC Act, the SET's notifications or relevant laws related to the Company's businesses

8.4) Ground to believe that the Company's external auditor nominated by Audit Committee is suitable

8.5) Comment on transactions that may lead to conflict of interest

8.6) the frequency of Audit Committee meeting and the participation of each members

8.7) Overview comments and notices on the Company which Audit Committee obtains from the duties according to this charter

8.8) any other report which should be made to the shareholders and general investors within the scope of duties and responsibilities assigned by Board of Directors

9) To perform any other duties assigned by Board of Directors.

10) If Audit Committee finds any matter which has material impact on the financial status and the Company's performance, the committee shall report such finding to Board of Directors so that the Board can seek a solution within timely manner:

10.1) Report on conflict of interest

10.2) Suspected or presumed fraud or irregularity or material defect in the internal control system

10.3) Suspected infringement of the SEC Act, the SET notifications & regulations, or relevant laws related to the Company's business

If the audit committee finds that such finding has been unreasonably ignored, any member of the Audit Committee may report such finding to the Office of the SEC or the SET.

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

3. Authority

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

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

4. Term

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

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

Audit Committee regularly scheduled the meeting in the year 2008 which comprised of 11 meetings and the performance also occasionally report. Audit Committee provides the opinion to Director concerning the internal control inclusive of consideration of the auditor and fixes the remuneration for the year 2008.

The company specifies in appointment of Director whose tenure will end and new Director via the process of nomination of Nomination Committee with defines the Independent Director qualifications as follows:

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

4. Commercial relationship with the company

4.1 Nature of the relationship

4.1.1 Relationship in the nature of professional service

- Nature of relationship: auditor and other professional service e.g. legal consultant, financial advisor, and property appraiser.
- Significant level of non-independence
 - In case of auditor: prohibited in all case

- In case of other professionals: value of transaction more than Baht 2 million per annum
- 4.1.2 Commercial and business relationship (shall be applicable with the same rule of the Stock Exchange of Thailand in relation to connected transactions)
- Nature of relationship: include all business transactions i.e. normal transaction, lease/lease out of immovable property, asset/service related transactions and providing support or receiving the financial assistance transactions.
 - Significant level of non-independence: transaction value in equivalent to or more than THB 20 million or in equivalent to or more than 3% of NTA (Net Tangible Asset) of the company whichever the amount is lower provided that the consideration of transaction value shall include the transactions occurred during six (6) months prior to the date of transaction at this time.
- 4.2 In case of relationship in Clause 4.1 with a juristic person, the person who shall be deemed not independent is the major shareholders, director (except independent director and audit committee) and the executive or partner of such juristic person.
- 4.3 Prohibited duration of relationship under Clause 4.1 and 4.2: at present and 2 year prior to the appointment.
- 4.4 Exemption: In case of emergency and reasonable manner which is not regular and continual, the independent director / audit committee may have a relationship beyond the significant level prescribed during his position period. However, this exemption is required to be approved by the Board of Directors of the company with the unanimously resolution. Furthermore, the company is required to disclose the foregoing relationship of such director in the filing form for offering to sell the securities (Filing Form), Annual Disclosing Form (Form 56-1), and Annual Report (Form 56-2) of the company. Subsequently, if the company will nominate such independent director / audit committee to hold his post again, the company shall disclose details of the said relationship in the notice to convene the shareholders meeting in the agenda of appointing the director.
5. Shall not be a director who is appointed as a representative of the director of the company, major shareholders or the shareholders who are the connected person of the company's major shareholders.
 6. Shall have no other characteristic in which unable to provide the opinion independently.
 7. The independent director who has the qualifications under Clause 1-6 may be assigned by the Board of Directors to make a decision, in business of the company, parent company, subsidiary company,

associated company, subsidiary company in the same level or juristic person which may conflict, in terms of collective decision.

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

3. Nomination Committee

The Nomination Committee was set up on May 15, 2002 which is all independent directors and has 3 years for each term, listed as follows:

No.	Name	Position	No. of meetings attended
1.	Professor Hiran Radeesri	Chairman of Nomination Committee	1 / 1
2.	Professor Sansern Kraichitti	Nomination Committee Member	1 / 1
3.	Mr. Sakdi Kiewkarnkha	Nomination Committee Member	0 / 1

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

Authorities and Responsibilities of Nomination Committee

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

In 2008, the Nomination Committee held 1 meeting and submitted their report to the Board of Directors.

4. Compensation Committee

The Compensation Committee was set up on May 15, 2002 which is all independent directors and has 3 years for each term, listed as follows:

No.	Name	Position	No. of meetings attended
1.	Professor Hiran Radeesri	Chairman of Compensation Committee	7 / 7
2.	Professor Sansern Kraichitti	Compensation Committee Member	7 / 7
3.	Mr. Sakdi Kiewkarnkha	Compensation Committee Member	6 / 7

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

Authorities and Responsibilities of Compensation Committee

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

In 2008, the Compensation Committee held 7 meetings and submitted their report to the Board of Directors.

5. Executive Committee

Names and positions of Executive Committee as of December 31, 2008 are as follows:

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

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

Authorities and Responsibilities of Executive Committee

1. Issues required to be presented to the Board of Directors
 - Strategies, Goals and Policy of the Group
 - Investment Project, Operation Budget and Capital Expenditure
 - Annual workforce plan, Annual bonus and Annual Salary increase
 - Any legal implications including disputes, litigation and suggestions and procedures
 - Operating Results and Financial Status of the Group
 - Examine, Prepare and Conclude on important issues
2. Issues to be approved by the Executive Committees
 - Appointment, Termination and Consideration of remuneration of management executives in the Directorial Level (Corporate/Group Manager), Management Structure and framework under the Executive Level
 - Consideration and Supervision on operational management in accordance with the Strategies, Goals and Policy of the Company within the approved budget
 - Any purchasing, hiring, servicing, renting and leasing within Baht 5 million
 - Contract Signing for management contract
 - Asset Purchasing, excluding the budget with the value not exceeding Baht 5 million and the over-budget expense that is within 10% of the approved budget
 - Renting and Leasing of assets that is not over 3 years
 - All issues raised by management team
 - Submit details and principles of the Board Committee meeting attendance, remuneration and bonus as well as dividend payment to Shareholders to the Compensation Committee
 - Proceed on the assigned issues from the Board of Directors and the Audit Committee
 - Executive Committees' meeting shall be held at least 6 times a year. The quorum shall have Executive Committees at least 50% of the total number;

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

- Management Committee
- Risk Management Committee
- Spa Executive Committee

- Investment Committee
- Project Renovation Committee
- Employee Relation Committee

6. Company Secretary

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

1. Duties and responsibilities by the law

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

(a) Director Registration

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

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

1.2 File interest transaction report which reported by Director or Management

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

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

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

2. Duties and responsibilities to The Board of Directors

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

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

- 2.3 Monitor Directors to perform their duties and has the resolution to comply with the law, regulation and notification of the Securities and Exchange Commission and the Stock Exchange of Thailand.
- 2.4 To provide guidance and support in working performance to Directors as individual and group, especially Directors who are not executives for performing their appropriate duties inclusive of purpose the appropriate training and seminar to Directors.
- 2.5 Monitor and coordinate with Directors and Subcommittee to receive the information for their consideration and decision, gathering and screening the document of the Board of Directors Meeting in order to comply with the good governance and suggests the point which Directors need to propose to Chairman.
- 2.6 Coordinate with Chairman and Managing Director in order to provide the agenda for The Board of Directors Meeting.
- 2.7 To provide accuracy share or securities holding report of Directors according to the regulation of Securities and Exchange Commission and summarize to the Board of Directors in the agenda of the matter for acknowledgement.
- 2.8 To perform any other duties assigned by Board of Directors.

3. Duties and responsibilities to Management

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

4. Duties and responsibilities to Shareholder

- 4.1 To communicate and provide the appropriate information to shareholder of the company according to the regulation
- 4.2 To take care of shareholders to receive the equal performance from the company with convenience and fast.

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

5. Others

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

5.2 Coordinate with the Board of Directors and Management for the preparation of shareholders' meeting agenda.

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

Term

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

7. The Management Team

(Name and experience of each management referred in detail attached)

No.	Name	Position
1.	Mr. Chanin Donavanik	Managing Director / Chief Executive Officer
2.	Mrs. Sinee Thienprasiddhi	Executive Director / Company Secretary / Chief Financial Officer
3.	Mrs. Jongkonnee Chantavorakit	Vice President – Headquarter in Finance and Accounting
4.	Ms. Warunee Anekritmongkol	Vice President – Hotel Accounting
5.	Ms. Amara Kulworasreth	Vice President – Legal and Administration
6.	Mr. Danny McCafferty	General Manager – Dusit Thani Bangkok
7.	Mr. Chatchawal Supachayanont	General Manager – Dusit Thani Pattaya
8.	Mr. Vajaravuth Sukseree	General Manager – Dusit Thani Hua Hin

** On September 1, 2008, the Company had transferred 3 following managements from Dusit Thani Plc. to Dusit Worldwide Co., Ltd which is subsidiary company.*

1. Mr. Octavio Gamarra - Senior Vice President
2. Mrs. Jennifer Cronin - Vice President-Sales and Marketing
3. Mr. James Robert Wilson - Vice President Operations, Dusit Hotels and Resorts and
Vice President Operations, Royal Princess Hotels and Resorts

Authorities and Responsibilities of Managing Director

1. Management

- Set up Goal, Policy and Business Plan of the Company and propose to the Board of Directors to approve
- Supervise the corporate governance in accordance with the approved policy, business plan and budget to achieve the target and to increase shareholders' value by maximizing earning per share
- Authorized to take actions in following of objectives, regulations and procedure, policy, command, resolution of shareholders' meeting and/or resolution of the Board of Directors Meeting and/or of Executive Committee
- Meeting will be held at least once a month to follow up process

- Resolve the problems and provide suggestions to operation in case where monthly performance does not achieve the target
- Manage all operations under the Corporate Good Governance principles outlined by the Stock Exchange of Thailand

2. Accounting and Finance

- Set Policy and Financial Plan of the Company with CFO as appropriate. Also oversee operational plans to ensure properness
- Set up appropriate accounting system and provide accurate financial reports
- CFO shall engage in producing financial analysis to assess the company performance
- Set up internal audit and risk management to reduce potential risks
- Consider annual budget of revenue and expenses, hotel renovation budget with CFO to be presented to the Board
- Consider all details concerned and approve asset purchasing, renovation projects in accordance with the budget approved by the Board of Directors
- Consider the over-budget purchasing that is within 10% of the approved budget to receive additional approval from the Board
- Approve direct operating expenses exceeding Baht 1 million but not over Baht 10 million with CFO
- Approve other non-operating expenses exceeding a hundred thousand Baht but not over Baht 5 million with CFO
- Approve any emergency purchasing and maintenance expenses limited to Baht 10 million a year
- Consider investment projects, budget, rate of return, risk management with CFO to foresee project feasibility with substantial rate of return
- Control and follow the law relating Public Company Limited, the regulations of the Stock Exchange of Thailand and other related announcements
- Control revenue and expenses following the approved budget with CFO

3. Purchasing

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

4. Human Resources

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

5. Marketing Policy

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

6. Information Technologies

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

7. Others

- To consider in project investment and/or expand the company business and purpose to the Board of Directors for approval
- To perform the duties assigned by Board of Directors

However, authority and function of Managing Director will not include the item which can conflict or the item of Managing Director or connected person has an interest or other benefit which conflict to the

company or subsidiary company according to the regulation of the Stock Exchange of Thailand. The mentioned approval need to be purposed to the Board of Directors meeting and/or the Shareholders meeting for consideration and approval in order to comply with the company regulation and legal concern, except some approval for such transaction is to support the business with the normal course of business which clearly specified by Directors.

8. The Consideration of Directors and Management

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

9. Remuneration for Directors and Management

The Company has set up the fair and reasonable compensate to directors. The Compensation Committee will consider the remuneration by considering together with the appropriateness of work and responsibilities of each director, the Company's financial position and compare with other companies in the same level business. The remuneration for the year 2008 as follows:

1. Meeting Remuneration

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

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

Remuneration to the sub-committee which are:

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

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

In 2008, the summary of remuneration received by each director was as follows:

Director's names	Year 2008 (Baht)				
	Board of Directors			Other committees *	Total Remuneration
	Remuneration			Remuneration	
	Monthly	Timely	Yearly		
1. Thanpuying Chanut Piyaoui	120,000	100,000	77,200	-	297,200
2. Mr. Chatri Sophonpanich	180,000	100,000	154,400	-	434,400
3. Mr. Vanich Chaiyawan	120,000	45,000	77,200	-	242,200
4. Pol. Lt. Chatrachai Bunya-Ananta	120,000	60,000	77,200	-	257,200
5. Mr. Kenneth Gaw Korsirisophon	120,000	60,000	77,200	-	257,200
6. Mr. Chanin Donovanick	120,000	75,000	77,200	-	272,200
7. Mrs. Sinee Thienprasiddhi	120,000	90,000	77,200	-	287,200
8. Professor Hiran Radeesri	120,000	90,000	77,200	440,000	727,200
9. Professor Sansern Kraichitti	120,000	90,000	77,200	300,000	587,200
10. Mr. Sakdi Kiewkarnkha	120,000	90,000	77,200	277,500	564,700
Total	1,260,000	800,000	849,200	1,017,500	3,926,700

* Included Audit Committee, Nomination Committee, Compensation Committee and Executive Committee.

Comparison remuneration to the Company's Board of Directors and other Committees for years 2007 and 2008 are as follows:

Remuneration *	Amount (Baht)	
	Year 2007	Year 2008
Monthly and timely remuneration	3,192,500	3,077,500
Annual remuneration	1,466,795	849,200
Total	4,659,295	3,926,700

* Excluding remuneration to Advisory Directors.

In addition, the entertainment allowance is provided for each Director Baht 120,000 per year. In 2008, the actual entertainment spent by all directors was Baht 867,695.13.

(2) Remuneration for Executives for year 2008 presented as follows:

Remuneration	Amount (Million Baht)	
	Year 2007	Year 2008*
Salary and bonus	52.34	35.69
Other benefits	9.44	2.66
Total	61.78	38.35

* 3 Managements from Hotel Management Division of Dusit Thani Plc. had transferred to Dusit Worldwide Co., Ltd. and other 3 managements had resigned

Corporate Governance

The Board of Directors has performed their duties with the best practices according to the guidelines for listed company specified by SEC. The Company has established the written guideline of Good Corporate Governance.

1. Policy on Corporate Governance

The Board of Directors places a great importance on conducting corporate governance policies and recognizes their benefits to promote sustainable growth, increase business transparency and competitive capability, and build up confidence among shareholders, investors and all concerned parties. The Company is, therefore, promulgating the Good Corporate Governance Policy, covered key principles as follows:

- Equal treatment and fairness to all shareholders and other concerned
- Transparency and accountability in operation, and adequate disclosure of information to all concerned
- The Board of Directors should cautiously manage and be responsible with the best effort to maximize shareholders' value. They should handle all conflicts of interest among all parties and be responsible for any decision or action taken
- Always considering of relevant business risks by creating risk management assessment and continuous improvement process
- Announce Business Ethics into practice for Directors and Staff in 2003

2. Shareholders' Rights

In 2008, the Company had 1 annual general shareholders meeting. If any significant events occur during the year that needs to be informed and approved by the shareholders, the Company will hold an extraordinary shareholders meeting. However, any action or event is taken without requirement for holding the shareholders meeting, the Company will notify the news via the SET to all shareholders.

Company arrange shareholders meeting at Dusit Thani Bangkok where the Company located and send the invitation letter including meeting agenda to shareholders at least 14 days prior to the meeting date. The Board's comment should also be with each agenda. Besides, the Company will prepare the minute of shareholders meeting within two weeks which shareholders can examine. The Company has created channel for shareholders who cannot join the shareholders' meeting by delegating their rights to the independent director to attend the meeting and vote on their behalf.

3. Rights of Stakeholders

The Company has focused on the rights of every group of stakeholders, customers, shareholders and employee including sociality who receive benefits and interests either inside or outside the Company.

The details are as follows:

- **Employee:** The Company treats all employees equally and fairly with reasonable salaries and benefits. The Company also provides suggestion box to get employee's queries.
- **Creditor:** The Company adheres to contract and trade agreement accordingly.
- **Customer:** The Company well perceives that customers are our main source of income; we do care for our valued customers by providing the quality services, not taking advantage of customers, respecting confidentiality of clients and promptly responding to all complaints.
- **Competitor:** The Company complies with good competitive principles and avoids using dishonest means against competitors.
- **Community:** The Company contributes and shares in being responsible for the environment and community.
- **Shareholders:** The Company aware of the responsibility in transparency management to provide the highest value to shareholders.

The Company complies with all relevant regulations to maintain the rights of those receiving benefits and interests from the Company properly. The Company realizes all supports from stakeholders, which is the key force to strive for competitive advantage and maximum profit, the long-term goal of the Company.

4. Shareholders' Meeting

The Board of Directors emphasizes on Shareholders Meeting, more than 80% of the Board members attending the meeting. The duration of the meeting is scheduled according to the meeting's agenda. The Chairman of Audit Committee shall attend every meeting. Normally, the Chairman of the Board is the Chairman of the meeting. The Chairman will give shareholders detail of meeting, explain the method on voting, vote counting, vote card, and clearly declare the result of voting for each agenda. In addition, the Chairman also gives shareholders equal chance to examine, question, comment on the operating results and other suggestions. For 2008 annual general shareholders meeting, there was 7 directors and 2 executives attended the meeting. The Company had noted the matters of shareholders meeting by writing and recording

including questions and answers during the meeting and reported to SET with its due date and also posted in the Company's website: www.dusit.com.

5. Leadership and Vision

The Board will consider and approve the mission and vision statements, strategies, goals, objectives, investment plans and annual budget proposed by the management team. The Board also has to supervise management team on their operation to be effectively in line with the business plan and approved budget for profit maximization and the highest dividend gain.

The Board has set internal control system, internal audit, and risk management which are monitored by Audit Committee and reported to the Board of Directors.

The Board set up clear policies on duties and responsibilities of the Board members, sub-committees, Executive Committee and management team.

6. Conflict of Interests

To avoid any conflict of interests, the Board has issued the policies and procedures for approving connected transactions. Furthermore, the Board also set the policies to prevent the executives and related parties from using in-house information for their advantage as follows:

- Issues involved with the conflict of interest, the Board has set up measurement stating that connected transactions should be reported to the Board who will carefully consider the proper action. This should also follow with the SET's regulation, in regards to price and conditions, as dealing with the third party. All details such as value amount, counter parties, reason and need should be revealed in the Annual Report and Form 56-1.

- Monitoring the use of in-house information. All executives or any persons who know the inside information are prohibited disclosing such information to outsiders or anyone who is not involved in the matter. The purchase or sale of shares is not allowed one month prior to the disclosure of Company's financial statement to the public, otherwise, they offence the Company's policy.

- Requiring reporting any changes in share acquisition to the office of SEC and SET, according to Section 59 of Securities and Exchange Act B.E. 2535

7. Business Ethics

The Company has released the principles of Business Ethics of the Board, the management and staff for their practices. This ethic was approved by the Board and was effective in 2003. Major principles include:

1. General principles:

- Doing business based on the efficiency, effectiveness and transparency
- Continuously improve managerial process
- Complying with laws and regulations, standard and practice relative to business management and disclosure of financial information
- Involving and constantly supporting social and environment concerns

2. Management's responsibility to their shareholders

3. Management's responsibility to their clients

4. Management's responsibility to their staff

5. Management's responsibility to traders and payables

6. Management's responsibility to their competitors

7. Management's responsibility to social

8. Employees' responsibility to the Company

The Corporate Human Resource Department and its branches are responsible for communicating this matter to all concerned and regularly checking if the principles are being followed, including establishing rules of punishment.

8. Balance of Power for Non-Executive Directors

The Board of Directors currently consists of 10 members as reported in the management structure section.

The 4 Executive Directors are:

1. Thanpuying Chanut Piyaoui
2. Pol. Lt. Chatrachai Bunya-Ananta
3. Mr. Chanin Donovanik
4. Mrs. Sinee Thienprasiddhi

The 3 Non-Executive Directors are:

1. Mr. Chatri Sophonpanich
2. Mr. Vanich Chaiyawan
3. Mr. Kenneth Gaw Korsirisophon

The 3 Independent Directors are:

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

The Board realizes the importance and value of Independent Directors by having 3 Independent Directors. The number of Independent Directors will be increased to be 4 in the future.

9. Aggregation or Segregation of Positions

At present, the Chairman of the Board of Directors is Mr. Chatri Sophonpanich and Managing Director is Mr. Chanin Donavanik, which is not the same person.

10. Remuneration for Directors and the Management

Report in section of Remuneration for Directors and Management Team

11. Board of Directors' Meetings

In 2008, the Board held normally general meeting 6 times, of which 4 times are to certify the quarterly financial statements and year-end financial statements and another 2 times for other issues. The agendas and special meeting for particular issue will be notified in advance. The Secretary to the Board will distribute the notice of meeting, agenda, and related documents 7 days in advance to allow adequate time for the Directors to review the topics. Each meeting takes approximately 3 hours. The minute of meeting is recorded by writing and approved by the Board and ready to examine by the Board or other related persons.

In 2008, the attendance record of each Director can summarize as follows:

No.	Director's name	Term (years)	Shareholding (%) included connected person	No. of Meeting Attended
1.	Thanpuying Chanut Piyaoui	3	49.98	5 / 6
2.	Mr. Chatri Sophonpanich	3	5.09	5 / 6
3.	Mr. Vanich Chaiyawan	3	7.18	2 / 6
4.	Pol. Lt. Chatrachai Bunya-Ananta	3	-	4 / 6
5.	Mr. Kenneth Gaw Korsirisophon	3	10.31	4 / 6
6.	Mr. Chanin Donavanik	3	*	5 / 6
7.	Mrs. Sinee Thienprasiddhi	3	*	6 / 6
8.	Professor Hiran Radeesri	3	-	6 / 6
9.	Professor Sansern Kraichitti	3	0.08	6 / 6
10.	Mr. Sakdi Kiewkarnkha	3	-	6 / 6

* Including in Thanpuying Chanut Piyaoui group.

12. Sub-Committee

Report in section of Management Structure

13. Internal Control System and Internal Audit

The Company focuses its utmost attention on the internal control systems to ensure operational efficiency. Each duty, responsibility and authority of the Management is thoroughly defined. Precaution of the usage of assets in the most efficient way has also been implemented. Staff in the operation, supervision and performance evaluation has been clearly separated in order to cross-check and balance the process of staffs.

The Company has assigned the Internal Audit Department to examine and evaluate operations in order to ensure that major operations and significant financial activities of the Company are in line with the management direction. It also involves with management audit, the compliance with the law and regulations (Compliance Control). The internal auditors are required to submit audit report directly to Audit Committee. Furthermore, performance evaluation of internal audit head also is assessed by Audit Committee.

14. Risk Management

Realizing the significance and benefits of risk management for the organization, the Company has, therefore, put fort an effort in initiating Enterprise Risk Management. In so doing, an in-depth study on the conceptual frame work of risk management was conducted; related processes have been implemented accordingly since 2005. In addition, risk management policy was established and promulgated to all business units in the organization for further implementation.

Furthermore, Corporate Risk Management Department and Risk Management Committee were formed with an aim to ensure the maximum effectiveness of Enterprise Risk Management by overseeing the overall process of risk management and considering risk factors which include strategic risk, operational risk, financial risk and compliance risk. Risk management reports have now been developed by Risk Management Department and the progression of work is reported to Risk Management Committee on a quarterly basis.

In 2008, Risk Management Department has completed the risk management process with Devarana Spa Co., Ltd and Dusit International after the activities initiated at the end of 2007. The department has also performed risk management activities for Dusit Princess Korat and further conducted such activities with managed hotels and serviced apartment which are Dusit Island Resort Chiang Rai, Dusit Thani Dubai and Pearl Coast Premier Hotel Apartments, 3 in total. This also includes Risk Assessment for Regional Office Middle East.

Besides, Risk Management Department has also performed risk reassessment activities with the hotels that underwent this exercise in the previous year. The hotels, 8 in total, are: Dusit Thani Bangkok, Dusit Thani Pattaya, Dusit Thani Hua Hin, Dusit Thani Manila, DusitD2 Hotel Chiang Mai, Royal Princess Larn Luang, Royal Princess Chiang Mai and Dusit Princess Srinakarin.

During 2008 year end, Risk Management Department is in the process of reassessing Dusit Thani College Risk Management.

15. Directors' Report

The Board is responsible for the consolidated financial statements of the Company and subsidiary companies, as well as the financial information presented in the Annual Report. Such financial statements have been prepared in accordance with generally accepted accounting principles in Thailand. The financial statements have been produced with the conservative consideration and best estimation. The important details and information are being adequately disclosed in the notes to the financial statements. The Audit Committee was formed to overlook the quality of the financial reports, internal control system, and to present the opinions in the Annual Report.

The Board has put the efficient internal control system into practice to assure the accuracy of accounting record process, to secure assets from any losses, and to early detect the weakness in order to prevent any significant fraud and unusual transactions.

16. Relationship with Investors

The Company is aware that both financial and non-financial information could affect investors' decision making and stakeholders. Therefore, the management team strongly emphasizes on the disclosure of significant information that should be done completely, precisely, regularly and timely. For investor relations, the Company has not fully set up, but has assigned: Mr. Chanin Donavanik or Mr. Duke Vibhatakarasa or Mrs. Jongkonnee Chantavorakit to contact with all investors such as institution, shareholders, analysts, and government sectors. For more information, please contact SET's website: www.set.or.th and the Company's website: www.dusit.com.

In case that the investor and others have enquires, they can telephone to the Company at +66 (0) 2238-0032 or +66 (0) 2200-9999 Ext. 3900 or 3636 or e-mail: chanin@dusit.com or duke.vb@dusit.com or jongkonnee@dusit.com

17. Self-Assessment Performed by the Board of Directors and Audit Committee

The Board of Directors has performed self-assessment checklist to evaluate its performance. The assessment results were satisfactory. The Audit Committee has also performed self-assessment checklist. The assessment results were satisfactory.

Supervision on the Use of Inside Information

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

The Company has set 4 management levels, below the managing director. The managing director shall report any changes of his/her equity holding to The Securities and Exchange Commission in Thailand and The Stock Exchange of Thailand according to section 59 of Securities and Exchange Act B.E. 2535.

Human Resources

Number of employees

As of December 31, 2008, the total number of 9 hotel employees of the Company and subsidiaries is 3,569 persons, listed as follows:

No. of employees	2007 (persons)	2008 (persons)
1. Hotels' employees	3,499	3,280
2. Subsidiaries' employees	258	289
Total	3,757	3,569

Employees' benefits

Benefits	2007 (MB)	2008 (MB)
Salary	675.34	711.55
Bonus	60.23	33.81
Provident fund and other related expenses	148.43	184.10
Total	884.00	929.46

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

Employee Development Policy

The Company believes that the growth of the Company is depended on the quality of employees. As such, the employee development policy mainly focuses on knowledge and skill development of employees at all levels to strengthen the enterprises potentials together with the successfulness of the Company. This shall include:

Continuing Developing Employee's skills

Development employee's skill is the essential for Human Resource. The Company then focuses on every employee level to continue their training with at both Dusit Executive Development Center and outside entities in order that they will be the best specialist to serve the expanding of business in future. The Company set up the training budget and hours for each employee level as follows:

Level	Budget (Baht) / Employee / Year	Hours / Employee / Year
1. Executive	30,000	20
2. Department Head	26,000	30
3. Manager or equivalent	10,000	50
4. Officer	5,000	70
5. Agent	5,000	100

The Company assigns the development process by training, rotating the employee to challenge the employee's ability and experience in new position, such as Management Trainee Project to exchange employee among GHA group, appoint and promote employees to suit their responsibilities.

Development of organization by Dusit Daily News

In order to be ready for future growth of the Company, Dusit Daily News has been implemented every morning before working hours. This will communicate all employee to understand the Company's objective and direction to meet the objective in the same direction. Dusit Daily News is covered the day-to-day news, working thought and ideas including vision and direction. It also opens for employee to express their opinion in order to develop or improve the effectiveness of the Company's operation.

Improving performance by KPIs

The Company has intention to have all management and all employees set their working plan in accordance with the Company's direction and goal which can efficiently support the operation to the same direction. The company has set up the Vision and Direction every year. Each department then set up their business strategy and business plan, so their employee can set up their objective and individual KPIs (Key Performance Indicators) in order to support the Company's operation and their responsibilities. The KPIs will be used as a standard to evaluate employee performance.

Dividend Policy

The Company has a policy to pay dividends to its shareholders in the amount of not less than 50% of consolidated net income together with the result of operating in the consolidated financial statements including the result of operating and retained earning presented in the Company financial statements to assure that the ability of paying such dividend is not opposed the Public Limited Companies Act

The Company has paid dividend for the year of 2007 at Baht 1.00 per share, totally Baht 85.00 million or 69% of earnings per share. The dividend from the operation of the first half year of 2008 was Baht 0.50 per share, totally Baht 42.50 million or 17% of earnings per share for first half year of 2008.

Internal Controls

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

Internal Audit manned 8 persons with 1-18 years experience had a role and responsibility independently to review and evaluate the effectiveness of risk management, internal control, and governance processes including compliance with relevant regulations, especially the connected transactions.

In the Board of Directors Meeting No. 1/2009 on February 25, 2009, they assessed its internal control system following the guidelines of five components which are:

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

The Board of Directors also got the comments from the Audit Committee and made any queries to the Management. In summary of the Board of Directors' opinion, internal control system of the Company was fairly adequate. In part of Internal Audit report, there was no significant anomalies found affecting internal control. Besides, the external auditor of the Company for year 2008, PricewaterhouseCoopers ABAS, did not have any material notices concerning financial internal control.

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

Moreover, the Company's Internal Audit Department planned the schedule, policy and guideline for the year 2008 by auditing 2 times a year for each of all Dusit Thani hotels and 1 time a year for each of Dusit Princess hotels. Approximately 25-30% of each audit assignment focused on financial audit and 5% focused on the connected transactions and the relevant hotel business regulations. The other parts concerned with operational audit, conformance to Dusit Operating Standards and internal control system evaluation according to COSO Framework. The effectiveness of risk management process for each hotel was also evaluated. For auditing in the subsidiary companies, operational and financial audits were performed appropriately.

The Company had engaged PricewaterhouseCoopers FAS ("PWC") as a consultant to design and implement Enterprise Risk Management – ERM. Subsequently, PWC has submitted the Risk Assessment Report with recommendations in part of Risk Management Team, role and responsibility of Board of Directors, Chairman of Management Committee, Audit Committee and working team together with Risk Management manual. As such, the Management can implement and follow up continuingly in future. Therefore, since late 2006, the risk management team has been set up to study and implement ERM procedure according to the PWC's recommendations both at organization and hotel levels which will support the efficiency of the Company's internal control.

Related Transactions

1. The Company and subsidiaries has related transactions with the persons who may have the conflicts of interest during years 2007 and 2008 as follows:

Transactions with the Company/Subsidiaries	Types of transactions	Balances/Value of transaction (Baht million)		Details, conditions and their necessary
		Year 2007	Year 2008	
Dusit Thani Plc. and subsidiaries with Acme Printing Co., Ltd. which Mrs. Sinee Thienprasiddhi is a major shareholder.	Printed the calendar and annual report of the Company	4.98 / 0.21	0.08 / 2.00	The Company engaged Acme Printing Co., Ltd. by bidding process with other companies and comparing the offering price and conditions. The Company has selected the best company in order to meet the highest benefit to Company.
Dusit Thani Plc. and subsidiaries with Peninsula Travel Service Co., Ltd. which Thanpuying Chanut Piyaoui's Group held 20% of its ownership.	Buying air tickets for executives to travel for business expansion	- / 4.39	0.23 / 3.97	Such transaction is to support the business with the normal course of business.

Transactions with the Company/Subsidiaries	Types of transactions	Balances/Value of transaction (million Baht)		Details, conditions and their necessary
		Year 2007	Year 2008	
Dusit Thani Plc. and subsidiaries with MBK Plc. Which Thanpuying Chanut Piyaoui is a shareholder.	Management fee and other income	5.98 / 9.49	3.04 / 4.00	The conditions of price and services in sales and marketing are similar to those charged to other hotels.
	Selling and administrative expenses	- / 0.04	0.02 / 0.15	Prices and terms are in normal business transaction.
Dusit Thani Plc. and subsidiaries with Island Resort Hotel Co., Ltd. Which Thanpuying Chanut Piyaoui is a director.	Management fee and other income	3.22 / 9.97	4.99 / 10.63	Such transaction calculated based on the actual expenses, no margin added and similar charged to other hotels.
	Selling and administrative expenses	0.06 / 0.08	0.05 / 1.04	Such transaction is calculated based on prices and terms charged to the third parties.

Transactions with the Company/Subsidiaries	Types of transactions	Balances/Value of transaction (Baht million)		Details, conditions and their necessary
		Year 2007	Year 2008	
Dusit Thani Plc. and subsidiaries with Laguna Resorts and Hotels Plc.	Management fee and other income	13.93 / 35.25	8.32 / 37.06	Such transaction calculated based on the actual expenses, no margin added and similar charged to other hotels.
Which Thanpuying Chanut Piyaoui is a director.	Selling and administration expenses	-	0.07 / 0.38	Such transaction is calculated based on prices and terms charged to the third parties.
Dusit Thani Plc. and subsidiaries with Piyasiri Co., Ltd. Which Thanpuying Chanut Piyaoui and connected persons are major shareholders.	Annual staff's health checking	- / 0.19	- / 0.24	By bidding process with other companies before entering such transaction which is in the normal prices transacted with third parties and discount policies.

Transactions with the Company/Subsidiaries	Types of transactions	Balances/Value of transaction (million Baht)		Details, conditions and their necessary
		Year 2007	Year 2008	
Dusit Thani Plc. and subsidiaries with New Atlantic Co., Ltd. and Thana-jirang Co., Ltd. Which Thanpuying Chanut Piyaoui and connected persons are major shareholders.	Store renting (Thana-jirang Co., Ltd.)	- / 0.04	-	Such transaction is in the normal prices transacted with third parties and discount policies.

The Audit Committee Meeting No. 3/2009 had considered that the above related transactions are reasonable in pricing and condition at the normal course of business.

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

Besides of normal transactions in doing business which already disclosed in the notes to the financial statements, the Company has policies for related transactions with subsidiaries, such as assets acquisition and disposal and financial supporting according to SET. such transaction must be approved by the Audit Committee and Board of Directors.

In years 2007 and 2008, the Company had transactions of assets or services and financial supporting to subsidiaries which in the normal course of business. Such transactions had condition and benefit as fair market price. The summary of outstanding of loans are as follows:

Subsidiaries	Changing balances (million Baht)		Balances (million Baht)		Detail of transactions
	Year 2007	Year 2008	Year 2007	Year 2008	
1. Dusit Hotels and Resorts Co., Ltd.	(38.50)	32.00	-	32.00	The Company provided short-term loans.
	0.31	2.01	-	0.13	The Company's interest income.
2. Devarana Spa Co., Ltd.	(2.50)	-	-	-	The Company provided short-term loans.
	0.04	-	-	-	The Company's interest income.
3. Dusit Executive Development Center Co., Ltd.	-	(0.30)	1.00	0.70	The Company provided short-term loans.
	0.05	0.04	0.003	0.002	The Company's interest income.
4. Le Cordon Bleu Dusit Co., Ltd.	40.00	(10.00)	40.00	30.00	The Company provided short-term loans.
	2.26	2.25	0.29	0.22	The Company's interest income.

3. Standard of related transactions

For related transaction, the Company has set policies and conditions as follows:

1. Cost, retail price and value of the related transactions will follow normal practice.
2. The Company follows the Stock Exchange of Thailand's regulations by proposes to Audit Committee for consideration and including processes for a reasonable related transaction in the best interest of the Company. The Audit Committee has reviewed the price or the rate of such transaction with the officers and internal auditors of the Company that the price is reasonable and appropriate disclosed in financial statements.
3. The Company has set approval procedures for related transactions to follow the format applied to the Company's general procedures for purchasing and hiring of services. Neither the executive directors nor the shareholders are involved in the benefits or loss or approval of these related transactions.
4. Upon entering the related transactions, the Company has followed the conditions and regulations of the Stock Exchange of Thailand.

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

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

4. Policies or trend on future related transactions

The entering on future related transactions according to the standard mentioned above including related transactions with Acme Printing Co., Ltd., The Peninsula Travel Service Co., Ltd. and Royal Princess Plc. and/or other companies which may have conflict of interest.

Audit Committee's Report

To promote of good corporate governance, the Board of Directors has constituted the Audit Committee of Dusit Thani Public Company Limited. The Committee comprises three Non-Executive Directors: Prof. Hiran Radeesri Chairman of the Audit Committee, Prof. Sansern Kraichitti and Khun Sakdi Kiewkarnkha as Committee Members whose expiry term is reviewed every three year with the Vice President – HQT finance and Accounting functioning as the Secretary.

The Audit Committee is responsible for review the wholeness and reliability of financial statements before submitting to the Board of Directors; to ensure the maintenance of adequate and effective internal control systems and internal audit process; to ensure the compliance of all the relevant regulations and laws; to review the disclosure of information concerning the connected transactions and conflict of interest appropriately; to coordinate with external auditors and internal audits to ensure the reliability and integrity of financial statements and the effectiveness of internal control system; and to recommend to the Board of Directors the nomination of external auditors and audit fees.

In 2008 the Audit Committee reviewed the quarterly and annual financial statements together with external auditors and the management, considered the audit plan, objective and scope of work of internal and external auditors, and reviewed the summary reports of internal audit assignments and follow-up of audit recommendations to evaluate the sufficiency of internal control built in each property of the company and its subsidiaries. Besides, the committee supervised the company to conduct the corporate governance and appropriately implement the risk management process. In addition the committee reviewed the company compliance with relevant regulations and laws, and the disclosure of information concerning the connected transactions and conflict of interest, and discussed with external auditors, internal auditors and management on the results of their respective examinations and overall quality of company's financial reporting. In consideration of control evaluation results on the company and its subsidiaries with the reports of external and internal auditors, the internal control systems of the company and its subsidiaries was adequate.

The Audit Committee has full and free access to any information and is permitted to employ consulting firm to give an opinion, if necessary.

The Audit Committee also recommends to the Board of Directors the nomination of Mrs. Anothai Leekitwattana or Miss Nangnoi Charoenthaveesub or Mrs. Nattaporn Phan-Udom or Mrs. Unakorn Phruithithada of PricewaterhouseCoopers ABAS Limited as external auditors for the year 2009.



(Professor Hiran Radeesri)
Audit Committee Chairman

Analysis of Operations and Financial Position

Summary of Audit Report

Auditors: PricewaterhouseCoopers ABAS Limited by

Mrs. Anothai Leekitwattana, Certified Public Accountant (Thailand) No. 3442

According to Auditor's report, the consolidated and company financial statements for year ended December 31, 2008 of Dusit Thani Plc. and its subsidiaries were reported with unqualified opinion that the financial position as at December 31, 2007, and the results of operations and cash flows of the Company and its subsidiaries presented fairly in all material respects in accordance with generally accepted accounting principles.

Summary of Consolidated Financial Statements

Financial Position and Operating Results of Company and subsidiaries in the past three years (2006 – 2008) are summarized in the consolidated financial statements.

Operation analysis

The Company and subsidiaries generally had increase in operating income during years 2006 and 2007. In 2006 and 2007 total revenues were Baht 3,224 million and Baht 3,310 million, respectively, increased from year 2006 by 2.67%. Net income of the Company and subsidiaries for years 2006 and 2007 were Baht 229 million and Baht 122 million, respectively, decreased from year 2006 by 46.72%. In year 2008, the Company and subsidiaries has total revenues Baht 3,728 million, increased from year 2007 by 12.59% and net profit for year 2008 of Baht 217 million, increased from year 2007 by 78%.

Since years 2005, the Company and subsidiaries continued expanding and developing their business by renovating and maintaining their hotels under Dusit Thani and Dusit Princess in order to increase their service capability, such as partially renovated guest rooms which already completed in year 2007. In addition, the subsidiary has opened dusitD2 Chiang Mai, a new modern 5-star hotel with 130 guest rooms under new brand of Dusit, "dusitD2". This hotel had grand opening in November 2006.

Currently, the Company and subsidiaries operate hotel business which own hotels located in Thailand and overseas totalling 9 hotels and managed hotels under brands "Dusit Thani", "dusitD2" and "Dusit Princess" totalling 8 hotels. Besides of hotel business which is the main business, the Company and subsidiaries have operated other related business in order to consistent increase and/or support its revenues on hotel business as follows:

1. Spa business: the subsidiary has 5 spas located at Dusit Thani Bangkok, Dusit Thani Pattaya, Dusit Thani Hua Hin, DusitD2 Chiang Mai and Dusit Thani Manila. This subsidiary has received many awards from many institutions as to certify its quality services.
2. Other business, for example Dusit Thani College has master degree program for their students. Moreover, there are food-courses of Le Cordon Bleu from Le Cordon Bleu Helvetia Sarl, well-known French Cooking School also arrange courses with Dusit Thani College.
3. Office building: the Company had renovated and decorated its office building to increase its rental rate and resize renting space for each floor.
4. Training business: the subsidiary has training agreement with Hawaii University, Mamanua Campus to develop training courses to the Company and subsidiaries' workforce and publics.
5. Le Cordon Bleu Dusit Culinary School, a joint venture company between the Company and Le Cordon Bleu Helvetia Sarl. The school had grand opening in August 2007 with 75-90 students per semester. In year 2008, there were 125-130 students per semester.

Analysis of Operations and Financial Position

Operation analysis

Revenues

The Company and subsidiaries have main revenues from hotel business and management services which are main revenues. The other income consisted of interest income, rental shop in hotels, advertising-printed material, marketing fees from hotel management, etc. The proportion of company revenues and subsidiaries can summarize as follows:

Unit: Thousand Baht

Revenues Structure	Year 2007		Year 2008	
	Revenues	%	Revenues	%
1 . Revenue from sales and services				
a. From hotel business	2,985,671	90.19	3,133,053	84.04
b. From office building	40,703	1.23	64,065	1.72
Total	3,026,374	91.42	3,197,118	85.76
2 . Management income	118,769	3.59	115,579	3.10
3. Gain on sale of property, premises and equipment	1,768	0.05	244,532	6.56
4. Other incomes	163,582	4.94	170,542	4.58
Total Revenues	3,310,494	100.00	3,727,771	100.00

Starting from the late second quarter of this year, the Company and subsidiaries were affected by the economic recession occurred within the country, increasing of oil price, until the third quarter, the recession of world economic recession mainly from financial problems of United States of America also impacted to Europe and Asia. Moreover, the significant factor impacts to the hotel business and tourism is political crisis in Thailand started in the second quarter and more worse, especially the close of Phuket International Airport in late August 2008, Suvarnabhumi International Airport and Donmuang Airport in November 2008. These situations occurred during the peak travelling season for in-bound tourists. Therefore, the major revenues from sales and services and management income of the Company and subsidiaries were decreased.

1. Revenues from sales and services

1.1 Revenues from sales and services from Thai companies are mainly from hotel business: Dusit, Royal Princess and dusitD2 Groups, including other services which are office building, after the completed in renovation and increment of its lease price in late 2007, spa, training and cooking school which opened in August 2007. In 2008, such revenues increased from previous year, separating by quarter as follows:

For the first quarter ended March 31, 2008, revenues from sales and services increased from the same period of last year by Baht 31.65 million, or 4%. For the second quarter ended June 30, 2008, revenues from sales and services increased from the same period of last year by Baht 73.60 million, or 15%. After the effects mentioned above, for the third quarter ended September 30, 2008, the revenues from sales and services increased from the same period of last year by Baht 29.97 million, or 5%. The increment rate was reduced period by period. However, the high impacts was resulted from the close of the airports during the fourth quarter which caused the revenues from sales and services decreased from the same period of last year by Baht 129.64 million, or 17%. However, total revenues from sales and services in 2008 increased from the same period of last year by Baht 2.58 million.

1.2 Revenues from sales and services from overseas hotel in Philippines, Dusit Thani Manila, after its renovation started in mid 2006 and completed in late 2007, as such its revenues increased from the same period of last year by Baht 168.17 million, or 34%.

Reference to the above effects, hotels' revenues increased and decreased from last year as follows:

- **The revenues from hotels of the Company** decreased by Baht 31.10 million, consisted of the following:

Dusit Thani Bangkok: the revenues increased by Baht 15.27 million or 1.74%.

Dusit Thani Pattaya: the revenues decreased by Baht 33.20 million or 6.43%.

Dusit Thani Hua Hin: the revenues decreased by Baht 13.17 million or 3.47%.

- **The revenues from hotels of subsidiaries** increased by Baht 150.42 million, consisted of the following:

Dusit Thani Manila: In July 2006, the hotel started renovating and finished in late 2007, as such its revenues increased by Baht 168.17 million or 33.75%.

Hotels under Dusit Princess Group comprised Royal Princess Larn Luang, Dusit Princess Srinakarin, Royal Princess Chiang Mai and Dusit Princess Korat. In 2008, their revenues decreased by Baht 12.87 million or 2.32%.

dusitD2 Chiang Mai is under Dusit Hotels and Resorts Co., Ltd., which is a new brand of Dusit group, had grand opening in November 2006. Its revenues for year 2008 decreased by Baht 4.88 million or 4.20%.

- **Devarana Spa Co., Ltd.** operates spa services, namely Devarana Spa, the leading Spa which is very popular among Spa lovers from local and overseas. Currently, there are 5 branches located in Bangkok, Pattaya, Hua Hin/Cha-am, Chiang Mai and Manila. In year 2008, its revenues decreased by Baht 1.91 million or 7.43%.

- **Dusit Executive Development Center Co., Ltd.** operates the training business which is essential to service business. The Company set up this company in order to train and develop employees' skills of the Company, subsidiaries and public. Its revenues increased from year 2007 by Baht 0.73 million or 32.33%.

- **Le Cordon Bleu Dusit Co., Ltd.** is a joint venture company operates the culinary school in French style. The school was opened in August 2007. Its share revenues presented in financial statements for year 2008 was Baht 44.48 million, increased from last year by Baht 29.25 million, or 191.94%.

The revenue from sales and services can analyse by its category of revenues as follows:

a. Revenues from hotel business

The main revenues from hotel business are revenues from guest rooms, food and beverage. The Company and subsidiaries have room revenues for year 2008 totalling Baht 1,738.12 million, increased from year 2007 by Baht 62.17 million because the group hotels have increase in average occupancy rate and average room rate which resulted from the full year operation. In year 2008, the room revenues were from Dusit Thani Bangkok, Dusit Thani Pattaya, Dusit Thani Hua Hin, Dusit Thani Manila and Dusit Princess group hotels which more than 46% of total revenues.

In future, if there is no significant disaster which affects to tourism industry as in year 2008, in generally, the average occupancy rate and average room rate of each hotel of the Company and subsidiaries will increase, especially to the main hotels of the Company and subsidiaries which were mainly renovated their guest rooms and other facilities during past 2-3 years, included the opening of dusitD2hotel Chiang Mai.

Dusit Thani group had revenues from food and beverage 18.84% of total revenues. In year 2008, the Company and subsidiaries had revenues from food and beverage totalling Baht 1,192.60 million, continuing increased by Baht 58.49 million or 5.16%.

b. Revenues from office building

Revenues from office building for year 2008 were Baht 64.07 million or 1.72% of total revenues. It highly increased from year 2007 by Baht 23.36 million or 57.40%, because the renovation of building was completed since year 2007, as such the Company can increase its rental and service price per square meter and all rent areas were fully occupied. The Company has 2 office buildings: Dusit Thani Building located at the same area of Dusit Thani Bangkok and Rommanee Court located in Chiang Mai.

2. Management service income

The management service income of the Company represents revenues from hotels management under brands: Dusit Thani, Dusit Princess, dusitD2, Dusit Devarana and Dusit Residnece.

In year 2008, the Company has total management service income of Baht 115.58 million, decreased from year 2007 by Baht 3.19 million or 2.69%. The management income from 6 hotels under Dusit Thani brand was totalling Baht 109.51 million and 2 hotels under Dusit Princess brand was totalling Baht 6.07 million or 94.75% and 5.25% of total management service income. The management

service income decreased resulted from the effects of economic recession, the same factor of the own hotels of the Company.

3. Gain on sale of property, premises and equipment

In May and August 2008, the Company had sold land in Chiang Mai, and had gain on sale totalling Baht 243.09 million. After deducting expenses and taxes, net gain on this sale was Baht 170.16 million.

4. Other income

Other income of the Company and subsidiaries consisted of interest income, dividend, rental shop in hotels and others which relates to hotel management business, such as printing material, marketing fee and purchasing fee, etc. In year 2008, the Company and subsidiaries have other income toalling Baht 170.54 million, increased by Baht 6.96 million or 4.26%.

Expenses

1. Cost of sales and services

Cost of sales and services for hotel business and office building of the Company and subsidiaries consisted of direct cost related to rooms such as guest room supplies, maintenance of hotel assets, energy cost, salary and employee relation of each related department and food and beverage. For year 2007, cost of sales and services was Baht 1,698.69 million or 53.13% of revenues from sales and services which closed to cost of sales and services for year 2007, Baht 1,602.82 million or 52.96% of revenues from sales and services.

Gross operating profit

The Company and subsidiaries had gross operating profit for year 2007 of Baht 1,423.55 million or 47.04% of revenues from sales and services and year 2008 of Baht 1,498.43 million or 46.87% of revenues from sales and services.

2. Selling and administrative expenses

The Company and subsidiaries had selling and administrative expenses, such as salary and employee relations, advertising, marketing and promotion, property tax and insurance, etc. for year 2008 of Baht 1,027.20 million or 27.56% of total revenues and for year 2007 of Baht 922.35 million or 27.86 % of total revenues.

The major increase resulted from the continuing in advertising and promotion for Re-Branding brand from last year, implement and development of central reservation system, research and development expenses for investments and increase of employee both in Thailand and foreign representative office in

United Arab Emirates for new business expansion in future, including the expenses of Le Cordon Bleu Dusit Co., Ltd., culinary school, incorporated on August 11, 2006 and operated since August 2007.

3. Depreciation and amortization expenses

Depreciation and amortization expenses are main non-cash expenses of the Company and subsidiaries because fixed assets are major asset for hotels business. The Company and subsidiaries calculate depreciation for building and hotel equipment, interior and renovation on buildings and amortization of prepaid rental of land and buildings that Dusit Thani Bangkok is located. After the renovation for hotels under Dusit Thani Group both in Thailand and overseas and Dusit Princess Group were completed, the Company and subsidiaries had depreciation and amortization for year 2008 amounted to Baht 602.39 million, increased from year 2007 by Baht 82.16 million, or 15.79%.

4. Interest expenses

For year 2008, the Company and subsidiaries had interest expenses amounted to Baht 72.20 million, decreased from year 2007 by Baht 15.33 million. Such interest was paid to financial institutions for borrowing of the Company and subsidiaries for their hotel renovation and working capital. During the year, the Company and subsidiaries partially repaid their loan principals, as such, interest expenses decreased.

5. Income tax

The Company and subsidiaries calculates income tax from net profit after deduction of revenues which is not subjected to tax calculation and adding back certain expenses which are disallowable for tax computation expenses. For year 2008, the Company and subsidiaries had income tax totalling Baht 95.57 million, increased from year 2007 by Baht 55.53 million resulted from gain on sale of land in Chiang Mai.

Net Profit

In year 2008, the Company and subsidiaries had net profit totalling Baht 216.63 million, increased by Baht 94.69 million when compared with year 2007 which was Baht 121.94 million. The significant reasons are as follows:

1. Gain on sales of land, after deducting expenses and taxes, net gain on sale of land was Baht 170.16 million.
2. Selling and administrative expenses of Baht 1,027.20 million increased from last year Baht 104.85 million.

3. The increase of depreciation and amortization of the Company and subsidiaries from Baht 520.24 million in year 2007 to Baht 602.39 million in year 2008.
4. Interest expense decreased from Baht 87.53 million in year 2007 to Baht 72.20 million in year 2008.

Return on Equity

The return on equity of the Company and subsidiaries for years 2007 and 2008 were 3.15% and 5.54%, respectively.

The Company had continually paid dividend to its shareholders and had policy to pay dividend not less than 50% of basic earnings per share. The Company paid dividend for year 2007 totalling Baht 85.00 million and for the first half of year 2008 totalling Baht 42.50 million.

Financial Analysis

Total Assets

As at December 31, 2007 and 2008, the Company and subsidiaries had total assets amounted to Baht 6,515.22 million and Baht 5,940.20 million, respectively, decreased by Baht 575.02 million, or 8.83%. In part of current assets of Baht 837.53 million decreased from last year by 17%. The major decrement resulted from cash and deposit at banks and short-term investments repaid for borrowing and renovation work of hotels. In part of non-current assets of Baht 5,102.67 million decreased from last year by 7% resulting from sales of land in Chiang Mai, the increase of accumulated depreciation, the amortization of prepaid rental of land and buildings and the decrease in market price of investment in security in the Stock of Exchange in Thailand. The detail for each item can summarize as follows:

Cash and cash equivalent

As at December 31, 2007 and 2008, cash and cash equivalent were Baht 418.42 million and Baht 324.76 million, respectively, decreased from last year by Baht 93.66 million, resulted from the renovation of hotels in the group that need to borrow money from financial institutions during the year. However, the Company and subsidiaries had repaid their long-term loans before and according to terms and conditions as identified in the loan agreements.

Trade accounts receivable

As at December 31, 2007 and 2008, the Company and subsidiaries have trade accounts receivable - net totalling Baht 201.20 million and Baht 179.26 million, respectively. Trade accounts receivable decreased because the decrease in occupancy rate for the fourth quarter which high affected from the close of the

airport, as such revenues from sales and services was decreased. The trade accounts receivable are classified by aging as follows:

	Unit: Million Baht		
Outstanding amount	December 31, 2006	December 31, 2007	December 31, 2008
- Less than 3 months	188.56	198.06	172.91
- More than 3 months	11.51	11.05	17.06
Total trade accounts receivable	200.07	209.11	189.97
<u>Less</u> Allowance for doubtful accounts	(7.83)	(7.91)	(10.71)
Trade accounts receivable - net	192.24	201.20	179.26

The Company and subsidiaries has policy to set up the allowance for doubtful accounts by estimate from the collecting experience of prior years, including aging analysis and the percentage of collecting such receivable.

As at December 31, 2008, the Company and subsidiaries had receivables more than 3 months totalling Baht 17.06 million which mostly are agents. The Company and subsidiaries have set up the allowance for doubtful accounts totalling Baht 10.71 million, which are sufficient for their operations.

Inventories

As at December 31, 2007 and 2008, the Company and subsidiaries have inventories totalling Baht 66.80 million and Baht 69.08 million, respectively. Most inventories are food and beverage, engineering supplies and other supplies.

Property, premises and equipment – net and prepaid rental of land and buildings – net

As at December 31, 2007 and 2008, the Company and subsidiaries have property, premises and equipment – net of Baht 4,087.24 million and Baht 3,855.48 million, respectively and prepaid rental of land and buildings – net of Baht 685.12 million and Baht 759.18 million, respectively. The decrease resulted from the depreciation and amortization during the year.

Total Liabilities

As at December 31, 2007 and 2008, the Company and subsidiaries had total liabilities of Baht 2,401.48 million and Baht 1,804.66 million, respectively, decreased by Baht 596.82 million, resulted from the repayment of loans from financial institutions, hotel renovations and working capital.

As at December 31, 2008, the borrowings are as follows:

		Unit: Million Baht		
		Limitation	Balance	Interest rate
1.	Bank overdrafts	148.00	1.44	MOR
2.	Short-term loans			
-	Dusit Thani PCL.	300.00	-	-
-	Dusit Thani PCL.	450.00	237.00	MMR
-	Dusit Thani PCL.	450.00	-	-
-	Royal Princess PCL.	200.00	-	
-	Philippine Hoteliers, Inc. (1)	36.84	18.42	7.6135
3.	Long-term loans			
-	Dusit Thani PCL.	1,000.00	430.00	4.125%
-	Dusit Hotels and Resorts Co., Ltd.	400.00	232.00	4.125%
-	Philippine Hoteliers, Inc. (2)	375.74	375.74	6.7654%
Total		3,360.58	1,294.60	

(1) Limitation of short-term loans of Philippine Hoteliers, Inc. was Peso 50 million.

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

Shareholders' Equity

As at December 31, 2007 and 2008, shareholders' equity of the Company was Baht 3,876.68 million, and Baht 3,908.28 million, respectively. As at December 31, 2008, the unappropriated retained earnings of the Company was Baht 1,352.99 million.

As at December 31, 2008, the treasury common stocks in the balance sheet are treasury common stocks of Dusit Thani Properties Co., Ltd. (formerly Dusit Thani International Co., Ltd.) 471,500 shares which value of Baht 15.74 million.

Cash flows

The Company and subsidiaries have cash flow from operations in past 3 years as follows:

Unit: Million Baht

	2006	2007	2008
Net cash flow provided by operating activities	923.75	702.52	731.54
Net cash flow used in investment activities	(832.23)	(977.51)	(219.95)
Net cash flow provided by (used in) financing activities	250.06	(129.30)	(593.10)
Effect of exchange rate changes on cash	(6.85)	82.44	(12.15)
Net increase (decrease) in cash flow	334.73	(321.85)	(93.66)

The Company and subsidiaries have cash flows for year 2007 compared with year 2008 as follows:

Net cash flows from operating activities of Baht 731.54 million; increased by Baht 29.02 million.

Net cash flow used in investment activities of Baht 219.95 million decreased by Baht 757.56 million, resulted from cash received from sales of property, premises and equipment of Baht 263.56 million and decreased in hotel renovation from last year by Baht 475.50 million.

Net cash flows used in financing activities of Baht 593.10 million increased by Baht 463.80 million, due to during year 2008, the Company and subsidiaries had additional borrowings to renovate hotels and repayment their borrowing according to the agreement due in 2008 and before their repayment date. However, the Company had continuing paid dividend to its shareholders in the same period.

The Liquidity Ratios

		2006	2007	2008
Current Ratio	times	1.37	0.93	0.78
Quick Ratio	times	1.04	0.63	0.49

The Company's current ratio and quick ratio for year 2008 were decreased from year 2007 because cash from operations decreased more than liabilities resulted of repaying of loans. Even through the liquidity ratio of the Company decrease, the Company still has ability to pay its loans. However, if the Company has more investment in renovate of hotels, its cash flow may not be sufficient. If the Company needs to invest in such renovation, the Company can borrow more from financial institutions. This is because the debt to equity ratio of the Company is low.

Solvency Ratios

		2006	2007	2008
Debt to Equity Ratio	times	0.58	0.62	0.46
Time-Interest Earned Ratio	times	5.87	2.97	5.47

As at December 31, 2008, the Company and subsidiaries had debt to equity ratio equal to 0.46 times and as at December 31, 2007 equal to 0.62 times. The main reason of decreasing in such ratio was the repayment of borrowing of the Company and subsidiaries for their hotels renovation and working capital during the year. However, the above mentioned ratio was lower than the ratio specified in loan agreements which is to maintain the debt to equity ratio to not more than 2 :1. The time-interest earned ratio was 5.47 times, increased from year 2007 because the Company and subsidiaries had more liquidity in loan repayments.

Profitability Ratios

		2006	2007	2008
Net profit margin	%	7.11	3.68	5.81
Return on Equity (ROE)	%	6.01	3.15	5.54
Return on Assets (ROA)	%	8.04	4.05	6.35

In reference to the above ratios, in year 2008, the Company had net profit margin at 5.81% of total revenues, resulted from the net gain on sales of land of Baht 170.16 million or 0.05% of total revenues. Return on equity (ROE) was at 5.54%, and return on assets (ROA) at 6.35%. The increase resulted from the increase of investment in fixed assets such as renovation of hotels and restaurants since year 2006 which affects to receive of higher return in future.

Factors affects to the future operations or financial positions

1. Outside factor affects to the hotel business

The operation of hotel business is directly depended on the tourism environment which are affected by many outside and uncontrollable factors, such as tourism, disaster etc. In the past, such outside factors had directly affected to the operation of the Company, but only for a short period. In year 2008, the Company and subsidiaries were affected by the economic recession both in Thailand and overseas and by political crisis in Thailand. If these effects impact to tourism for a long period, they will be significant affected to the Company's operation. However, the Company has set up the policies to prevent those effects by insuring with the insurer for all risks and business interruption, and tourism in order to reduce the effect from such risk.

2. The operation of dusitD2 Chiang Mai

dusitD2 Chiang Mai is a new hotel under brand "dusitD2", a new brand of the Company and subsidiaries. The Company had high investment in this hotel and continued doing the advertising and public relation after its grand opening in late 2006. In case, if the operation of such hotel is not met the fesibility study of the Company and subsidiaries as expected at the beginning, it will be high affected to revenues in next 1-2 years.

3. Hotel management Business

The new hotel management projects of the Company and subsidiaries were poseponed. Additional with economic recession in year 2008, the revenue could not meet expectation. The company estimates that effect from economic recession will remain in 1-2 years later.

Remuneration for Auditors

In 2008, the Company paid audit fees to auditors as follows:

1. The audit fee of the Company and subsidiaries in Thailand paid to PricewaterhouseCoopers ABAS totalling Baht 3.78 million.
2. The audit fee of subsidiary in Philippines paid to Isla Lipana & Co. (a member of PricewaterhouseCoopers), Makati Cty, Philippines, totalling Peso 0.61 million.
3. The non-audit fee for other services, consulting work for centralization of accounting and purchasing by PricewaterhouseCoopers FAS, no payment during year 2008.

Management Representation Letter

Financial Statements of Dusit Thani Public Company Limited

For the year ended December 31, 2008

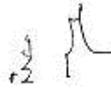
Auditor: Miss Anothai Leekitwattana, PricewaterhouseCoopers ABAS Limited

We have reviewed these financial statements, to the best of our knowledge and responsibilities as Executive of the Company and Management in Accounting. We confirm that:

(1) These financial statements present correctly and completely, in material respect the financial position, results of operations and cash flows of the Company and its subsidiaries.

(2) We are responsible for providing the adequate disclosure system to assure that the Company and its subsidiaries have correctly and completely disclosed and supervised such system.

(3) We are responsible for providing the adequate systems of internal control and supervise such system. In addition, we have already informed the results of internal control evaluation as of December 31, 2008 to the external auditor and audit committee of the Company, including the weakness control and significant changes of internal control and noncompliance, which may affect in preparing the financial report of the Company and its subsidiaries.

<u>Name</u>	<u>Position</u>	<u>Signature</u>
1. Mr. Chatri Sophonpanich	Chairman	
2. Mr. Chanin Donovanik	Managing Director	
3. Mrs. Sinee Thienprasiddhi	Executive Director in Finance	

AUDITOR'S REPORT

To the Shareholders of Dusit Thani Public Company Limited

I have audited the accompanying consolidated and separate balance sheets as at 31 December 2008 and 2007, and the related consolidated and separate statements of income, changes in equity, and cash flows for the years then ended of Dusit Thani Public Company Limited and its subsidiaries and of Dusit Thani Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and company financial position as at 31 December 2008 and 2007, and the consolidated and company results of operations, and its cash flows for the years then ended of Dusit Thani Public Company Limited and its subsidiaries and of Dusit Thani Public Company Limited in accordance with generally accepted accounting principles.



Anothai Leekitwattana
Certified Public Accountant (Thailand) No. 3442
PricewaterhouseCoopers ABAS Limited

Bangkok
16 February 2009

Dusit Thani Public Company Limited and Subsidiaries

Balance sheets

As at 31 December 2008 and 2007

				Baht		
		Consolidated		Separate		
		financial statements		financial statements		
Notes		2008	2007	2008	2007	
ASSETS						
Current Assets						
	Cash and cash equivalents	6.1	324,764,101	418,423,047	114,087,608	157,860,103
	Short-term investments		5,000,000	42,000,000	-	-
	Trade accounts receivable - net	7	179,258,761	201,198,585	101,431,134	134,829,423
	Inventories - net	8	69,075,893	66,799,378	35,548,591	36,725,233
	Short-term loans to related companies	24.3	15,000,450	20,000,600	62,700,000	41,000,000
	Prepaid rental of land and buildings	12	74,066,640	74,066,640	74,066,640	74,066,640
	Other current assets	9.1	170,358,359	184,454,193	152,642,123	160,421,164
	Total Current Assets		<u>837,524,204</u>	<u>1,006,942,443</u>	<u>540,476,096</u>	<u>604,902,563</u>
Non-Current Assets						
	Investment in subsidiaries, associate and a joint venture	24.1	-	-	915,073,474	865,862,244
	Investment property		188,415,853	188,415,853	158,181,293	158,181,293
	Other long-term investments	10	363,730,932	436,656,283	93,381,700	62,469,400
	Property, premises and equipment - net	11	3,855,478,283	4,087,245,115	1,677,870,952	1,794,776,299
	Prepaid rental of land and buildings exceeding one year - net	12	611,049,780	685,116,420	611,049,780	685,116,420
	Other non-current assets - net	13	83,996,433	110,842,341	124,867,397	175,659,504
	Total Non-Current Assets		<u>5,102,671,281</u>	<u>5,508,276,012</u>	<u>3,580,424,596</u>	<u>3,742,065,160</u>
	Total Assets		<u><u>5,940,195,485</u></u>	<u><u>6,515,218,455</u></u>	<u><u>4,120,900,692</u></u>	<u><u>4,346,967,723</u></u>

The accompanying notes are an integral part of these financial statements.

Dusit Thani Public Company Limited and Subsidiaries

Balance sheets (Continued)

As at 31 December 2008 and 2007

		Baht				
		Consolidated		Separate		
		financial statements		financial statements		
Notes		2008	2007	2008	2007	
LIABILITIES AND EQUITY						
Current Liabilities						
Bank overdrafts and short-term loans						
	from financial institutions	14	256,864,506	176,605,213	238,445,756	168,205,596
	Trade accounts payable		102,848,475	119,114,200	44,071,732	64,788,146
Current portion of long-term liabilities under						
	financial lease agreements	15	3,023,511	3,548,402	2,322,123	2,322,123
	Current portion of long-term loans	16	313,806,538	256,000,000	200,000,000	200,000,000
	Short-term loan from related company	24.3	19,999,400	19,999,400	-	-
Other current liabilities						
	Other payables		31,285,800	39,080,054	73,294,628	41,520,941
	Payables-Assets acquisition	6.2.1	64,824,664	153,213,385	38,915,216	61,489,178
	Accrued expenses		180,434,904	198,179,859	70,636,320	103,856,809
	Others		106,672,656	114,974,802	92,700,513	91,699,684
			<u>383,218,024</u>	<u>505,448,100</u>	<u>275,546,677</u>	<u>298,566,612</u>
	Total Current Liabilities		<u>1,079,760,454</u>	<u>1,080,715,315</u>	<u>760,386,288</u>	<u>733,882,477</u>
Non-Current Liabilities						
Long-term liabilities under financial lease						
	agreements	15	958,996	3,982,507	710,331	3,032,454
	Long-term loans	16	723,935,962	1,316,783,000	230,000,000	600,000,000
	Total Non-Current Liabilities		<u>724,894,958</u>	<u>1,320,765,507</u>	<u>230,710,331</u>	<u>603,032,454</u>
	Total Liabilities		<u>1,804,655,412</u>	<u>2,401,480,822</u>	<u>991,096,619</u>	<u>1,336,914,931</u>

The accompanying notes are an integral part of these financial statements.

Dusit Thani Public Company Limited and Subsidiaries
Balance sheets (Continued)
As at 31 December 2008 and 2007

	Notes	Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2008	2007	2008	2007
LIABILITIES AND EQUITY (Continued)					
Equity					
Share capital					
Authorized share capital					
85,000,000 ordinary shares of					
Baht 10 each					
		850,000,000	850,000,000	850,000,000	850,000,000
Issued and paid-up share capital					
85,000,000 ordinary shares of					
Baht 10 each, fully paid					
		850,000,000	850,000,000	850,000,000	850,000,000
Additional paid-in capital					
Premium on ordinary shares					
		1,643,000,000	1,643,000,000	1,643,000,000	1,643,000,000
Paid-in surplus - treasury					
common shares					
	19.1	18,365,540	18,365,540	16,950,268	16,950,268
Unrealized gain (loss) on securities					
available for sale					
	10	81,528,136	155,654,101	(6,364,100)	44,968,700
Exchange differences on the					
translation of financial					
statements of subsidiaries					
		(122,610,980)	(96,707,797)	-	-
Retained earnings					
Appropriated					
Legal reserve					
	17	85,000,000	85,000,000	85,000,000	85,000,000
Other reserves					
	18 and 19.1	15,740,202	15,740,202	-	-
Unappropriated					
		1,352,993,014	1,221,365,016	541,217,905	370,133,824
Treasury common shares					
	19.1	(15,740,202)	(15,740,202)	-	-
Total attributable to					
equity holders of the parent					
		3,908,275,710	3,876,676,860	3,129,804,073	3,010,052,792
Minority interest					
		227,264,363	237,060,773	-	-
Total Equity					
		<u>4,135,540,073</u>	<u>4,113,737,633</u>	<u>3,129,804,073</u>	<u>3,010,052,792</u>
Total Liabilities and Equity					
		<u>5,940,195,485</u>	<u>6,515,218,455</u>	<u>4,120,900,692</u>	<u>4,346,967,723</u>

The accompanying notes are an integral part of these financial statements.

Dusit Thani Public Company Limited and Subsidiaries
Statements of Income
For the years ended 31 December 2008 and 2007

				Baht	
		Consolidated		Separate	
		financial statements		financial statements	
Notes		2008	2007	2008	2007
	Revenue from sales and services	3,197,118,127	3,026,373,973	1,823,440,734	1,824,419,858
	Cost of sales and services	#####	#####	(871,704,514)	(869,151,271)
	Gross profit	1,498,427,862	1,423,552,063	951,736,220	955,268,587
	Management service income	115,579,322	118,769,572	145,048,180	94,145,542
	Interest income	5,518,602	10,712,964	5,501,140	4,814,886
	Dividend income	13,103,329	24,513,700	68,821,826	206,995,858
	Gain on sale of property, premises and equipment	244,531,810	1,768,814	244,289,721	1,065,269
	Other income	151,919,707	126,688,789	196,468,083	122,148,125
	Selling and administrative expenses	#####	(922,353,293)	(844,183,728)	(667,973,548)
	Loss on sale of property, premises and equipment	(31,483)	(4,463)	-	(28,892)
	Depreciation and amortization	(602,393,279)	(520,238,294)	(409,507,897)	(378,684,471)
	Directors' remuneration	(4,286,700)	(5,189,295)	(3,926,700)	(4,769,295)
	Interest expenses	(72,199,591)	(87,529,776)	(28,359,103)	(47,841,947)
	Share of profits from investments using the equity method	-	1,665,891	-	-
	Profit before income tax	322,971,202	172,356,672	325,887,742	285,140,114
	Income tax	(95,570,352)	(40,044,341)	(69,803,661)	(3,266,182)
	Net profit	<u>227,400,850</u>	<u>132,312,331</u>	<u>256,084,081</u>	<u>281,873,932</u>
	Attributable net profit for the period to:				
	- Equity holders of the parent	216,627,998	121,940,067	256,084,081	281,873,932
	- Minority interest	10,772,852	10,372,264	-	-
		<u>227,400,850</u>	<u>132,312,331</u>	<u>256,084,081</u>	<u>281,873,932</u>
	Basic earnings per share				
	- Equity holders of the parent	Baht 2.56	1.44	3.01	3.32
	Weighted average number of ordinary shares	Shares			
		19.2	84,528,500	84,528,500	85,000,000

The accompanying notes are an integral part of these financial statements.

Dusit Thani Public Company Limited and Subsidiaries
Statements of Changes in Equity
For the years ended 31 December 2008 and 2007

Baht											
Consolidated financial statements											
Equity holders of the parent										Minority interest	Total equity
Notes	Issued and paid-up share capital	Premium on ordinary shares	Paid-in surplus-treasury common shares	Unrealised gain on securities available for sale	Exchange differences on the translation of financial statements of subsidiaries	Retained earnings			Treasury common shares		
						Legal reserve	Other reserves	Unappropriated			
Beginning balance : 1 January 2007	850,000,000	1,643,000,000	18,365,540	119,393,150	(123,569,977)	85,000,000	325,740,202	916,924,949	(15,740,202)	263,162,989	4,082,276,651
Increase during the year	18	-	-	36,260,951	26,862,180	-	-	310,000,000	-	3,664,337	376,787,468
Decrease during the year	18	-	-	-	-	-	(310,000,000)	-	-	(208,502)	(310,208,502)
Dividend	21	-	-	-	-	-	-	(127,500,000)	-	(39,930,315)	(167,430,315)
Net profit		-	-	-	-	-	-	121,940,067	-	10,372,264	132,312,331
Ending balance : 31 December 2007	850,000,000	1,643,000,000	18,365,540	155,654,101	(96,707,797)	85,000,000	15,740,202	1,221,365,016	(15,740,202)	237,060,773	4,113,737,633
Beginning balance : 1 January 2008	850,000,000	1,643,000,000	18,365,540	155,654,101	(96,707,797)	85,000,000	15,740,202	1,221,365,016	(15,740,202)	237,060,773	4,113,737,633
Decrease during the year		-	-	(74,125,965)	(25,903,183)	-	-	-	-	(4,761,992)	(104,791,140)
Dividend	21	-	-	-	-	-	-	(85,000,000)	-	(15,807,270)	(100,807,270)
Net profit		-	-	-	-	-	-	216,627,998	-	10,772,852	227,400,850
Ending balance : 31 December 2008	850,000,000	1,643,000,000	18,365,540	81,528,136	(122,610,980)	85,000,000	15,740,202	1,352,993,014	(15,740,202)	227,264,363	4,135,540,073

The accompanying notes are an integral part of these financial statements.

Dusit Thani Public Company Limited and Subsidiaries
Statements of Changes in Equity (Continued)
For the years ended 31 December 2008 and 2007

	Separate financial statements							Baht	
	Notes	Issued and paid-up share capital	Premium on ordinary shares	Paid-in surplus- Treasury common shares	Unrealised gain (loss) on securities available for sale	Retained earnings		Total Total equity	
						Legal reserve	Appropriated Other reserves		Unappropriated (Deficit)
Beginning balance : 1 January 2007		850,000,000	1,643,000,000	16,950,268	36,649,000	85,000,000	310,000,000	(94,240,108)	2,847,359,160
Increase during the year	18	-	-	-	8,319,700	-	-	310,000,000	318,319,700
Decrease during the year	18	-	-	-	-	-	(310,000,000)	-	(310,000,000)
Dividend	21	-	-	-	-	-	-	(127,500,000)	(127,500,000)
Net profit		-	-	-	-	-	-	281,873,932	281,873,932
Ending balance : 31 December 2007		<u>850,000,000</u>	<u>1,643,000,000</u>	<u>16,950,268</u>	<u>44,968,700</u>	<u>85,000,000</u>	<u>-</u>	<u>370,133,824</u>	<u>3,010,052,792</u>
Beginning balance : 1 January 2008		850,000,000	1,643,000,000	16,950,268	44,968,700	85,000,000	-	370,133,824	3,010,052,792
Decrease during the year		-	-	-	(51,332,800)	-	-	-	(51,332,800)
Dividend	21	-	-	-	-	-	-	(85,000,000)	(85,000,000)
Net profit		-	-	-	-	-	-	256,084,081	256,084,081
Ending balance : 31 December 2008		<u>850,000,000</u>	<u>1,643,000,000</u>	<u>16,950,268</u>	<u>(6,364,100)</u>	<u>85,000,000</u>	<u>-</u>	<u>541,217,905</u>	<u>3,129,804,073</u>

The accompanying notes are an integral part of these financial statements.

Dusit Thani Public Company Limited and Subsidiaries
Statements of Cash Flows
For the years ended 31 December 2008 and 2007

		Consolidated		Separate		Baht
		financial statements		financial statements		
	Notes	2008	2007	2008	2007	
Cash flows from operating activities						
Profit before income tax		322,971,202	172,356,672	325,887,742	285,140,114	
Items to reconcile:						
Interest income		(5,518,602)	(10,712,964)	(5,501,140)	(4,814,886)	
Dividend income		(13,103,329)	(24,513,700)	(68,821,826)	(206,995,858)	
Bad debts and doubtful accounts (Reversed)		12,353,194	(975,656)	12,018,407	644,469	
Depreciation and amortisation of property, premises and equipment	11	592,543,750	509,607,545	364,649,786	323,697,156	
Amortization of prepaid rental of land and buildings	12	74,066,640	74,066,640	74,066,640	74,066,640	
Amortization of other non - current assets	13	9,849,529	10,630,749	44,858,111	54,987,315	
Interest expenses		72,199,591	87,529,776	28,359,103	47,841,947	
Loss on sale of investment in subsidiary		-	-	76,769	-	
Gain on sale of property, premises and equipment		(244,500,327)	(1,764,351)	(244,289,721)	(1,036,377)	
Loss on property, premises and equipment written off	11	10,085,035	16,360,974	5,154,848	14,501,101	
Share of profits from investments using the equity method		-	(1,665,891)	-	-	
Income from operations before changes in assets and liabilities		830,946,683	830,919,794	536,458,719	588,031,621	
(Increase) decrease in operating assets						
Trade accounts receivable		16,350,675	(11,477,878)	30,924,277	2,973,289	
Inventories		(3,335,708)	(5,945,649)	1,176,642	(1,263,915)	
Proceeds from refund of prepaid income tax		27,965,132	-	27,753,393	-	
Other current assets		(7,238,785)	4,166,215	(20,971,145)	(79,718,606)	
Other non-current assets		13,447,142	(74,295,869)	5,933,996	(43,288,303)	
Increase (decrease) in operating liabilities						
Trade accounts payable		(6,947,141)	54,917,728	(20,716,414)	7,657,513	
Other payables		(7,794,254)	11,651,420	31,773,687	(148,010,631)	
Accrued expenses		(6,902,322)	20,734,617	(31,224,536)	32,393,511	
Payment for income tax		(123,325,086)	(117,149,001)	(78,296,106)	(19,934,342)	
Other current liabilities		(1,622,108)	(11,004,600)	1,000,829	25,318,285	
Net cash provided by operating activities		731,544,228	702,516,777	483,813,342	364,158,422	

The accompanying notes are an integral part of these financial statements.

Dusit Thani Public Company Limited and Subsidiaries
Statements of Cash Flows (Continued)
For the years ended 31 December 2008 and 2007

		Baht			
		Consolidated		Separate	
		financial statements		financial statements	
	Notes	2008	2007	2008	2007
Cash flows from investing activities					
(Increase) decrease in short-term investments		37,000,000	(4,000,000)	-	-
Interest income		5,677,443	12,236,091	5,445,983	5,024,832
Dividend from subsidiaries		13,103,329	24,513,700	68,821,826	206,995,858
Proceeds for repayment of loans to related companies		5,000,150	-	115,300,000	76,500,000
Payment for loans to related companies		-	(20,000,600)	(137,000,000)	(75,500,000)
Cash refunded from investment in subsidiary		-	-	-	4,325,276
Proceeds from sales of investment in subsidiary		-	-	711,931	-
Payment for purchase of shares in subsidiaries		(1,228,491)	(208,502)	(49,999,930)	(788,700)
Payment for purchase of other long-term investment		(1,200,614)	(7,500,000)	(82,245,100)	(7,500,000)
Proceeds from sales of property, premises and equipment		263,559,526	34,818,373	279,735,176	3,702,426
Payment for purchase of property, premises and equipment	6.2.1	(541,863,644)	(1,017,364,947)	(310,918,704)	(488,469,514)
Net cash used in investing activities		<u>(219,952,301)</u>	<u>(977,505,885)</u>	<u>(110,148,818)</u>	<u>(275,709,822)</u>
Cash flows from financing activities					
Increase (decrease) in bank overdrafts		(21,159,457)	9,221,608	(12,759,840)	2,457,528
Proceeds from short-term loans from financial institutions		573,077,500	303,000,000	537,000,000	303,000,000
Repayment for short-term loans from financial institutions		(471,658,750)	(222,460,000)	(454,000,000)	(149,000,000)
Proceeds from short-term loan from related company		-	19,999,400	-	-
Payment for long-term liabilities under lease agreement	6.2.1	(3,548,402)	(9,269,697)	(2,322,123)	(6,074,473)
Proceeds from long-term loans	16	-	414,783,000	-	-
Repayment of long-term loans	16	(496,000,000)	(386,000,000)	(370,000,000)	(200,000,000)
Interest paid		(73,007,225)	(91,142,055)	(30,355,056)	(50,333,566)
Proceeds for common shares from minority interest		70	-	-	-
Dividends paid	21	(100,807,271)	(167,430,315)	(85,000,000)	(127,500,000)
Net cash used in financing activities		<u>(593,103,535)</u>	<u>(129,298,059)</u>	<u>(417,437,019)</u>	<u>(227,450,511)</u>
Effect of exchange rate changes on cash		(12,147,338)	82,438,255	-	-
Net decrease in cash and cash equivalents		(93,658,946)	(321,848,912)	(43,772,495)	(139,001,911)
Cash and cash equivalents as at 1 January		418,423,047	740,271,959	157,860,103	296,862,014
Cash and cash equivalents as at 31 December	6.1	<u><u>324,764,101</u></u>	<u><u>418,423,047</u></u>	<u><u>114,087,608</u></u>	<u><u>157,860,103</u></u>

The accompanying notes are an integral part of these financial statements.

Dusit Thani Public Company Limited and Subsidiaries
Notes to the Financial Statements
For the years ended 31 December 2008 and 2007

1. General information

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

2. Basis for preparation of the consolidated financial statements and separate financial statements

2.1 The accompanying consolidated and separate financial statements have been prepared in accordance with Thai Generally Accepted Accounting Principles in Thailand under the Accounting Act B.E. 2543 being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535.

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

2.3 The consolidated financial statements and separate financial statements have been prepared by cost in valuation of financial statements except point to explain in accounting policies.

2.4 The consolidated financial statements include all account balances of the Company, subsidiaries and the proportionate of investment in joint venture as follows:

	% of shareholding	
	2008	2007
Dusit Thani Properties Company Limited ⁽³⁾	99.99	99.99
Royal Princess Public Company Limited by the Company	2.65	2.65
by Dusit Thani Properties Company Limited ⁽³⁾	79.81	79.72
Dusit Hotels and Resorts Company Limited by the Company	0.81	0.81
by Dusit Thani Properties Company Limited ⁽³⁾	97.49	97.44
Philippine Hoteliers, Inc. by Dusit Thani Properties Company Limited ⁽³⁾	88.01	88.01
Dusit Enterprises Company Limited ⁽²⁾ by the Company	-	100.00
by Dusit Thani Properties Company Limited ⁽³⁾	100.00	-
Devarana Spa Company Limited	99.99	99.99
Dusit Executive Development Center Company Limited	99.99	99.99
Le Cordon Bleu Dusit Company Limited ⁽¹⁾	49.99	49.99
Dusit Worldwide Company Limited ⁽⁴⁾	99.99	-
Dusit Overseas Company Limited by Dusit Worldwide Company Limited ⁽⁵⁾	100.00	-
Dusit International Management Holding Company Limited by Dusit Worldwide Company Limited ⁽⁶⁾	100.00	-

2. Basis for preparation of the consolidated financial statements and separate financial statements (Continued)

2.4 The consolidated financial statements include all account balances of the Company and subsidiaries and the proportionate of investment in joint venture as follows: (Continued)

- (1) Le Cordon Bleu Dusit Company Limited is a joint venture between the Company and Le Cordon Bleu International BV.
- (2) The Company invested in Dusit Enterprises Company Limited on 6 March 2007. On 2 June 2008, the Company sold such investment of 22,060 ordinary shares at a price of Baht 711,931 to Dusit Thani Properties Company Limited.
- (3) Dusit Thani International Company Limited registered to change its name to Dusit Thani Properties Company Limited on 7 August 2007.
- (4) The Company invested in Dusit Worldwide Company Limited on 14 January 2008.
- (5) Dusit Worldwide Company Limited invested in Dusit Overseas Company Limited on 26 December 2008.
- (6) Dusit Worldwide Company Limited invested in Dusit International Management Holding Company Limited. As at 31 December 2008, such Company has not called its share subscription.

All material inter-company transactions and balances have been eliminated.

2.5 Comparative figures have been adjusted to conform with changes in presentation in the current period.

2.6 New Accounting Standard and Amendments to Accounting Standards

The following amendments to standards and new standard as published by the Federation of Accounting Professions are mandatory for the accounting periods beginning on or after 1 January 2008:

TAS 25 (Revised 2007)	“Cash flow statements”
TAS 29 (Revised 2007)	“Leases”
TAS 31 (Revised 2007)	“Inventories”
TAS 33 (Revised 2007)	“Borrowing costs”
TAS 35 (Revised 2007)	“Presentation of financial statements”
TAS 39 (Revised 2007)	“Accounting policies, changes in accounting estimates and errors”
TAS 41 (Revised 2007)	“Interim financial reporting”
TAS 43 (Revised 2007)	“Business combination”
TAS 49 (Revised 2007)	“Construction contracts”
TAS 51	“Intangible asset”

The Company’s management assessed and determined that the revised Thai Accounting Standards do not impact significantly to the financial statements being presented, except TAS 35 “Presentation of financial statements” has affected the presentation of minority interest and other disclosures.

The amendments to standards are mandatory for the accounting periods beginning on or after 1 January 2009 and the Company has not adopted in the present accounting period.

TAS 36 (Revised 2007)	“Impairment of assets”
TAS 54 (Revised 2007)	“Non-current assets for sale and discontinuing operation”

The above Accounting Standards do not impact significantly to the financial statements.

3. Significant accounting policies

3.1 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks and current investments which represent deposits with financial institutions with original maturities not more than of 3 months excluding cash at bank used as collateral.

3.2 Trade accounts receivable

Trade accounts receivable are carried at original invoice amount or services rendered amount and subsequent measure at the remaining amount less allowance for doubtful accounts.

Bad debts are occurred during the year in which they are identified and recognized in the statement of income as selling and administration expenses.

3.3 Inventories

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

3.4 Investments

3.4.1 Investments in subsidiaries, associates and joint venture

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies.

Associate is the entity over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Joint venture is jointly controlled entity.

The acquisition costs of investments in subsidiaries, associates and joint venture are initially recognized as the fair value of the assets given.

Investments in subsidiaries, associates and joint venture are presented by the cost method in the separate financial statements.

The Company recorded share of profit (loss) from investments using the equity method of associated companies to the extent of the proportion investment in the consolidated financial statements.

3.4.2 Other long-term investments

a) Investment in available for sale securities are carried at fair value. Gains or losses on the change in fair value are presented as an item in equity. The fair value is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand.

b) Investment in non-marketable equity securities, which classifies as other investments, are valued at cost.

3.4.3 Investment property

Investment property is carried at cost.

In case of impairment in value of investment has occurred, the resultant loss for all classification of investment is recognized in the statement of income.

3. Significant accounting policies (Continued)

3.5 Property, premises and equipment

Property is stated at cost. Premises and equipment are stated at cost, net of accumulated depreciation.

Depreciation is computed by the straight-line method. Estimated useful lives of the assets are as follows:

Premises on leased land	Per lease agreement
Premises	20 - 33 years
Interior and renovation of buildings on leased land	5 - 50 years
Interior and renovation of buildings and leased buildings	5 - 20 years
Furniture and equipment on leased land	3 - 20 years
Furniture and equipment	3 - 20 years
Chinaware, glassware, silverware and linen	5 - 10 years
Vehicles	5 - 10 years
Building and Land right	Per lease agreement

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

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

3.6 Borrowing cost

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

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

3.7 Other non-current assets

Other non-current assets included goodwill on the acquisition of hotel business from subsidiary which is amortized over 10 years and computer software which is amortized over 5 years.

In case of impairment in value of other non-current assets has occurred, the resultant loss for all classification of investment is recognized in the statement of income.

3.8 Impairment of assets

The Company, subsidiaries and joint venture assess whether there is an indication that an asset may be impaired. If any such indication exists, the companies make an estimate of the asset's recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the income statement. An asset's recoverable amount is the higher of fair value less costs to sell and value in use.

3. Significant accounting policies (Continued)

3.9 Long-term lease

a) Operating lease

Lease in which substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating lease. Rentals applicable to such operating leases are charged to the statement of income over the lease term.

b) Finance lease

Finance lease are the leases in which substantially all the risks and rewards of ownership other than legal title are transferred to the Company and subsidiaries. At inception, the fair value of the leased assets is recorded together with the obligations after netting deferred interest. The leased assets are depreciated using the straight-line method over their estimated useful lives. Interest, finance charge, or depreciation are recognized in the statement of income.

3.10 Treasury common shares

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

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

3.11 Translation of foreign currency transactions

3.11.1 Transactions denominated in foreign currencies are translated into Baht at the rates of exchange prevailing at the transaction dates. All monetary balances of assets and liabilities in foreign currencies at the end of the year are converted at the reference exchange rates established by The Bank of Thailand at the end of the year.

All foreign exchange gains or losses on exchange are recognized in the statement of income.

3.11.2 Balance sheet and statement of income of foreign subsidiaries are translated into Baht at the exchange rates prevailing at the balance sheet date and the average exchange rates, respectively. The exchange difference on the translation is presented in the equity.

3.12 Recognition of revenues and expenses

Revenues and expenses of the Company, subsidiaries and joint venture are recognized on an accrual basis.

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

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

Management fees are recognized on an accrual basis.

Interest income is recognized on a time proportion basis.

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

3.13 Income tax

The Company, subsidiaries and joint venture recognized income tax expense based on the tax paid and accrued for the year.

3. Significant accounting policies (Continued)

3.14 Provident fund

The Company, subsidiaries and joint venture totalling 7 companies, namely, Dusit Hotels and Resorts Company Limited, Royal Princess Public Company Limited, Devarana Spa Company Limited, Dusit Executive Development Center Company Limited, Dusit Thani Properties Company Limited, Le Cordon Bleu Dusit Company Limited and Dusit Worldwide Company Limited have set up a provident fund for their employees, for each company. Each fund has been registered in accordance with the Provident Fund Act B.E. 2530 (1987).

The Company, subsidiaries and joint venture recorded their contribution to provident fund for their employees as expenses when incurred.

3.15 Basic earnings per share - Equity holders of the parent

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

3.16 Use of accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

4. Critical accounting estimates, assumption and judgement

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

4.1 Impairment of receivable

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

4.2 Write-down of inventories

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

4.3 Depreciation and amortization

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

5. Capital risk management

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

5. Capital risk management (Continued)

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

6. Supplementary disclosures of cash flow information

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

	Consolidated financial statements		Separate financial statements		Baht
	2008	2007	2008	2007	
Cash and deposits at bank	285,964,101	357,823,047	114,087,608	157,860,103	
Deposits at financial institutions	38,800,000	60,600,000	-	-	
Total	<u>324,764,101</u>	<u>418,423,047</u>	<u>114,087,608</u>	<u>157,860,103</u>	

6.2 Non cash transactions are as follows:

6.2.1 In the consolidated financial statements and separate financial statements for the years ended 31 December 2008 and 2007:

Purchases of property, premises and equipment

	Consolidated financial statements		Separate financial statements		Baht
	2008	2007	2008	2007	
Payables-Assets acquisition					
Balance brought forward	153,213,385	110,637,306	61,489,178	71,354,254	
Add Purchases of fixed assets	452,707,631	971,426,246	288,344,742	478,604,438	
Exchange gain on translation	767,292	88,514,780	-	-	
Less Cash payments	<u>(541,863,644)</u>	<u>(1,017,364,947)</u>	<u>(310,918,704)</u>	<u>(488,469,514)</u>	
Balance carried forward	<u>64,824,664</u>	<u>153,213,385</u>	<u>38,915,216</u>	<u>61,489,178</u>	

	Consolidated financial statements		Separate financial statements		Baht
	2008	2007	2008	2007	
Long-term liabilities under finance lease agreements (including current portion)					
Balance brought forward	7,530,909	8,919,565	5,354,577	3,548,009	
Add Purchases of fixed assets	-	7,881,041	-	7,881,041	
Less Cash payments	<u>(3,548,402)</u>	<u>(9,269,697)</u>	<u>(2,322,123)</u>	<u>(6,074,473)</u>	
Balance carried forward	<u>3,982,507</u>	<u>7,530,909</u>	<u>3,032,454</u>	<u>5,354,577</u>	

6. Supplementary disclosures of cash flow information (Continued)

6.2 Non cash transactions are as follows: (Continued)

6.2.2 In the consolidated financial statements for the years ended 31 December 2008 and 2007:

6.2.2.1 The recording of investments available for sale at fair value and recognizing unrealized gain (loss) on such investments of Baht (74,125,965) and Baht 36,260,951, respectively, were included in equity.

6.2.2.2 The recording of exchange differences on the translation of the subsidiary's financial statements into Baht was presented as an addition (deduction) in the shareholders' equity in the amount of Baht (25,903,183) and Baht 26,862,180, respectively.

6.2.3 In the separate financial statements for the years ended 31 December 2008 and 2007:

- The recording of investments available for sale at fair value and recognizing unrealized gain (loss) on such investments of Baht (51,332,800) and Baht 8,319,700, respectively, were included in equity.

7. Trade accounts receivable - net

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

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Number of accounts receivable	1,476	1,412	538	577
	Baht	Baht	Baht	Baht
Outstanding amount				
Less than 3 months	172,916,605	198,064,878	97,727,172	130,828,033
3-6 months	7,386,544	6,285,164	3,621,301	4,814,988
6-12 months	3,290,346	873,159	1,791,539	568,285
Over 12 months	6,380,212	3,887,226	5,467,996	3,320,979
	189,973,707	209,110,427	108,608,008	139,532,285
<u>Less</u> Allowance for doubtful accounts	(10,714,946)	(7,911,842)	(7,176,874)	(4,702,862)
Trade accounts receivable-net	179,258,761	201,198,585	101,431,134	134,829,423

8. Inventories - net

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

	Consolidated financial statements		Separate financial statements		Baht
	2008	2007	2008	2007	
Food and beverage	32,938,960	33,303,638	16,942,150	18,906,650	
Chinaware, glassware, silverware and linen	1,331,832	2,381,081	-	-	
Mechanical supplies	2,231,951	2,645,069	1,414,255	1,484,085	
Other supplies	31,989,624	27,851,679	16,886,800	15,941,969	
Retail products	722,176	756,561	305,386	392,529	
	69,214,543	66,938,028	35,548,591	36,725,233	
<u>Less</u> Allowance for obsolete inventories	(138,650)	(138,650)	-	-	
Total	69,075,893	66,799,378	35,548,591	36,725,233	

9. Other current assets

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

		Consolidated financial statements		Separate financial statements	
	Note	2008	2007	2008	2007
Accounts receivable					
- Management fee - net	9.2	51,900,811	52,757,564	86,052,555	68,335,210
Accounts receivable - World Intertrade Corporation Limited		40,879,585	40,879,585	40,879,585	40,879,585
<u>Less</u> Allowance for doubtful accounts		<u>(40,879,585)</u>	<u>(40,879,585)</u>	<u>(40,879,585)</u>	<u>(40,879,585)</u>
		-	-	-	-
Other receivables		6,513,420	2,741,050	4,177,617	2,354,058
<u>Less</u> Allowance for doubtful accounts		<u>(809,220)</u>	<u>(454,452)</u>	<u>(809,220)</u>	<u>(454,452)</u>
		<u>5,704,200</u>	<u>2,286,598</u>	<u>3,368,397</u>	<u>1,899,606</u>
Accrued interest receivable		214,114	372,955	347,253	292,096
Prepaid income tax		55,556,391	64,051,667	25,144,781	44,405,729
VAT refundable		22,256,724	21,509,276	21,304,364	21,509,276
Prepaid expenses		20,385,212	27,004,206	8,629,061	13,315,202
Advances		4,423,132	5,391,868	2,422,637	2,191,298
Advances - related company		-	1,833,226	-	3,666,343
Others		9,917,775	9,246,833	5,373,075	4,806,404
		<u>170,358,359</u>	<u>184,454,193</u>	<u>152,642,123</u>	<u>160,421,164</u>

9.2 Accounts receivable - Management fee - net as at 31 December are classified by aging as follows:

		Consolidated financial statements		Separate financial statements	
	Note	2008	2007	2008	2007
Number of accounts receivable		<u>79</u>	<u>63</u>	<u>36</u>	<u>38</u>
		Baht	Baht	Baht	Baht
Outstanding amount					
Less than 3 months		46,928,533	51,265,400	81,436,231	66,887,660
3-6 months		4,581,907	2,226,500	4,020,104	2,167,701
6-12 months		5,193,613	968,898	5,088,613	188,911
Over 12 months		8,329,056	2,578,342	6,141,296	535,000
		<u>65,033,109</u>	<u>57,039,140</u>	<u>96,686,244</u>	<u>69,779,272</u>
<u>Less</u> Allowance for doubtful accounts		<u>(13,132,298)</u>	<u>(4,281,576)</u>	<u>(10,633,689)</u>	<u>(1,444,062)</u>
Accounts receivable - Management fee - net	9.1	<u>51,900,811</u>	<u>52,757,564</u>	<u>86,052,555</u>	<u>68,335,210</u>

10. Other long-term investments

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

	Consolidated financial statements		Separate financial statements		Baht
	2008	2007	2008	2007	
Available for sale					
Equity securities					
Cost	64,486,914	63,286,300	99,745,800	17,500,700	
<u>Add (less)</u> Net valuation adjustment for change in fair value	81,528,136	155,654,101	(6,364,100)	44,968,700	
	<u>146,015,050</u>	<u>218,940,401</u>	<u>93,381,700</u>	<u>62,469,400</u>	
General investments					
Equity securities	221,186,732	221,186,732	-	-	
<u>Less</u> Allowance for impairment in value of securities	(3,470,850)	(3,470,850)	-	-	
	<u>217,715,882</u>	<u>217,715,882</u>	<u>-</u>	<u>-</u>	
Total	<u>363,730,932</u>	<u>436,656,283</u>	<u>93,381,700</u>	<u>62,469,400</u>	

Movements in other long-term investments for the year ended 31 December 2008 are summarized as follows:

	Consolidated financial statements		Separate financial statements		Baht
	Available for sale	General investments	Available for sale	General investments	
Net book value at beginning	218,940,401	217,715,882	62,469,400	-	
Purchase securities	1,200,614	-	82,245,100	-	
Change in fair value of available for sale	(74,125,965)	-	(51,332,800)	-	
Net book value at ending	<u>146,015,050</u>	<u>217,715,882</u>	<u>93,381,700</u>	<u>-</u>	

11. Property, premises and equipment - net

Property, premises and equipment - net as at 31 December consisted of the following:

Consolidated financial statements

	Balance as at 31 December 2007 Baht	Additions Baht	Disposals Baht	Amortization Baht	Written off Baht	Transfers Baht	Exchange gain (loss) on translation Baht	Balance as at 31 December 2008 Baht
Cost								
Land	609,967,712	1,510,949	(17,151,875)	-	-	-	-	594,326,786
Land improvement	7,887,983	26,168	-	-	(56,500)	-	(152,163)	7,705,488
Buildings	948,177,167	17,774,278	-	-	(1,000,946)	-	-	964,950,499
Buildings on leased land	1,363,032,784	13,386,171	-	-	(1,013,675)	80,615,225	(98,416,132)	1,357,604,373
Sub-total	<u>2,311,209,951</u>	<u>31,160,449</u>	<u>-</u>	<u>-</u>	<u>(2,014,621)</u>	<u>80,615,225</u>	<u>(98,416,132)</u>	<u>2,322,554,872</u>
Furniture and equipment	766,574,192	24,455,944	(984,080)	-	(6,133,757)	14,493,282	-	798,405,581
Furniture and equipment on leased land	1,514,604,444	70,927,724	(16,864,707)	-	(1,968,284)	41,576,443	(31,719,049)	1,576,556,571
Sub-total	<u>2,281,178,636</u>	<u>95,383,668</u>	<u>(17,848,787)</u>	<u>-</u>	<u>(8,102,041)</u>	<u>56,069,725</u>	<u>(31,719,049)</u>	<u>2,374,962,152</u>
Interior and renovation	306,066,102	63,776,602	-	-	(1,531,593)	1,113,177	-	369,424,288
Interior and renovation on leased land	1,331,157,589	14,510,695	(221,029)	-	(15,223,819)	147,283,905	-	1,477,507,341
Sub-total	<u>1,637,223,691</u>	<u>78,287,297</u>	<u>(221,029)</u>	<u>-</u>	<u>(16,755,412)</u>	<u>148,397,082</u>	<u>-</u>	<u>1,846,931,629</u>
Vehicles	68,404,681	1,767,108	(3,164,235)	-	(406,500)	597,812	(289,042)	66,909,824
Chinaware, glassware, silverware and linen	118,394,063	19,752,375	(682,459)	-	(12,029,922)	2,536,279	-	127,970,336
Building and land rights - net	29,583,456	-	-	(14,876,136)	-	-	-	14,707,320
Total cost	<u>7,063,850,173</u>	<u>227,888,014</u>	<u>(39,068,385)</u>	<u>(14,876,136)</u>	<u>(39,364,996)</u>	<u>288,216,123</u>	<u>(130,576,386)</u>	<u>7,356,068,407</u>

11. Property, premises and equipment – net (Continued)

Consolidated financial statements

	Balance as at 31 December 2007 Baht	Additions Baht	Disposals Baht	Amortization Baht	Written off Baht	Transfers Baht	Exchange gain (loss) on translation Baht	Balance as at 31 December 2008 Baht
Accumulated Depreciation								
Land improvement	(6,765,621)	(131,220)	-	-	56,498	-	94,070	(6,746,273)
Buildings	(525,582,079)	(41,398,493)	-	-	854,889	-	-	(566,125,683)
Buildings on leased land	(698,684,378)	(59,893,567)	-	-	-	341,984	57,497,832	(700,738,129)
Sub-total	<u>(1,224,266,457)</u>	<u>(101,292,060)</u>	<u>-</u>	<u>-</u>	<u>854,889</u>	<u>341,984</u>	<u>57,497,832</u>	<u>(1,266,863,812)</u>
Furniture and equipment	(453,466,788)	(67,144,526)	622,450	-	5,988,121	-	-	(514,000,743)
Furniture and equipment on leased land	(652,264,796)	(195,580,493)	15,681,951	-	1,891,620	2,884,228	16,451,867	(810,935,623)
Sub-total	<u>(1,105,731,584)</u>	<u>(262,725,019)</u>	<u>16,304,401</u>	<u>-</u>	<u>7,879,741</u>	<u>2,884,228</u>	<u>16,451,867</u>	<u>(1,324,936,366)</u>
Interior and renovation	(110,990,230)	(19,619,464)	-	-	39,657	-	-	(130,570,037)
Interior and renovation on leased land	(536,656,843)	(159,030,843)	221,025	-	14,257,833	1,202,006	-	(680,006,822)
Sub-total	<u>(647,647,073)</u>	<u>(178,650,307)</u>	<u>221,025</u>	<u>-</u>	<u>14,297,490</u>	<u>1,202,006</u>	<u>-</u>	<u>(810,576,859)</u>
Vehicles	(37,519,072)	(10,583,598)	3,164,230	-	406,498	464,542	199,365	(43,868,035)
Chinaware, glassware, silverware and linen	(45,567,213)	(24,285,410)	319,530	-	5,863,880	-	-	(63,669,213)
Total accumulate depreciation	<u>(3,067,497,020)</u>	<u>(577,667,614)</u>	<u>20,009,186</u>	<u>-</u>	<u>29,358,996</u>	<u>4,892,760</u>	<u>74,243,134</u>	<u>(3,516,660,558)</u>
Construction in process	90,891,962	224,819,617	-	-	(79,035)	(293,108,883)	(6,453,227)	16,070,434
Property, premises and equipment - net	<u>4,087,245,115</u>	<u>(124,959,983)</u>	<u>(19,059,199)</u>	<u>(14,876,136)</u>	<u>(10,085,035)</u>	<u>-</u>	<u>(62,786,479)</u>	<u>3,855,478,283</u>
Depreciation	<u>494,731,409</u>							<u>577,667,614</u>
Amortization	<u>14,876,136</u>							<u>14,876,136</u>

11. Property, premises and equipment - net (Continued)

Separate financial statements

	Balance as at 31 December 2007 Baht	Additions Baht	Disposals Baht	Amortization Baht	Written off Baht	Transfers Baht	Balance as at 31 December 2008 Baht
Cost							
Land	20,399,540	-	(17,151,875)	-	-	-	3,247,665
Land improvement	614,635	26,168	-	-	-	-	640,803
Buildings	12,891,575	-	-	-	-	-	12,891,575
Buildings on leased land	133,614,775	718,262	-	-	-	2,707,598	137,040,635
Interior and renovation	4,915,608	-	-	-	-	-	4,915,608
Interior and renovation on leased land	1,380,336,783	14,510,695	(10,765,989)	-	(15,223,819)	157,828,865	1,526,686,535
Furniture and equipment	2,329,259	66,137	-	-	-	-	2,395,396
Furniture and equipment on leased land	1,300,992,531	52,383,718	(26,354,424)	-	(1,968,284)	49,439,246	1,374,492,787
Vehicles	46,082,976	1,222,607	(5,038,276)	-	-	1,062,354	43,329,661
Chinaware, glassware, silverware and linen	68,025,188	13,062,775	(141,009)	-	(8,683,460)	2,530,326	74,793,820
Building and Land rights - net	150,176,768	-	-	(14,876,136)	-	-	135,300,632
Total cost	3,120,379,638	81,990,362	(59,451,573)	(14,876,136)	(25,875,563)	213,568,389	3,315,735,117
Accumulated Depreciation							
Buildings	(9,240,541)	(516,251)	-	-	-	-	(9,756,792)
Buildings on leased land	(17,989,993)	(7,511,764)	-	-	-	341,984	(25,159,773)
Interior and renovation	(912,768)	(983,121)	-	-	-	-	(1,895,889)
Interior and renovation on leased land	(536,656,845)	(159,030,843)	1,423,032	-	14,257,833	-	(680,006,823)
Furniture and equipment	(1,490,702)	(137,630)	-	-	-	-	(1,628,332)
Furniture and equipment on leased land	(727,382,573)	(160,981,486)	18,908,359	-	1,891,620	(341,984)	(867,906,064)
Vehicles	(25,846,392)	(6,621,504)	3,628,772	-	-	-	(28,839,124)
Chinaware, glassware, silverware and linen	(27,463,242)	(13,991,051)	45,955	-	4,648,262	-	(36,760,076)
Total accumulated depreciation	(1,346,983,056)	(349,773,650)	24,006,118	-	20,797,715	-	(1,651,952,873)
Construction in process	21,379,717	206,354,380	-	-	(77,000)	(213,568,389)	14,088,708
Property, premises and equipment - net	1,794,776,299	(61,428,908)	(35,445,455)	(14,876,136)	(5,154,848)	-	1,677,870,952
Depreciation	308,821,020						349,773,650
Amortization	14,876,136						14,876,136

Property, premises and equipment - net included building and building improvement on lease land of Dusit Resort Pattaya (currently, Dusit Thani Hotel, Pattaya), at a book value as at 31 December 2008 and 2007 of Baht 135,300,632 and Baht 150,176,768, respectively. Even though the title to the building of Dusit Resort Pattaya (currently, Dusit Thani Hotel, Pattaya) has not been transferred to the Company, the management believes that by the fact and law, the Company has the right to use such building for its operations, as the building is located on the land which the subsidiary is the lessee. On 21 January 2002, the Company has registered such right on land lease with the Department of Land, Pattaya. In addition, the Company has peacefully and openly possessed this property with intention to be its owner for more than 10 years, by virtue of the Civil and Commercial Code of Thailand, section 1382 (see Note 25.4).

On 1 July 2008, the Company sold equipment to Dusit Worldwide Co., Ltd., a subsidiary, which have a book value of Baht 17,015,957.

11. Property, premises and equipment - net (Continued)

As at 31 December 2008 and 2007, hotel building and equipment and rights on lease agreement of the subsidiary in net book value of Peso 780,347,811 and Peso 743,867,161, respectively, or approximately Baht 574,921,250 and Baht 604,987,162, respectively, are used as collateral for long-term loan of this subsidiary in the amount of Peso 510.00 million (see Note 16).

As at 31 December 2008 and 2007, building and equipment on leased land of the Company and subsidiaries having a cost of Baht 1,471,186,620 and Baht 1,221,270,374, respectively, were fully depreciated but were still in use.

As at 31 December 2008 and 2007, building and equipment of the Company having a cost of Baht 682,254,338 and Baht 433,169,638, respectively, were fully depreciated but were still in use.

12. Prepaid rental - land and buildings - net

Prepaid rental-land and buildings - net as at 31 December consisted of the following:

	Consolidated financial statements		Separate financial statements		Baht
	2008	2007	2008	2007	2007
Prepaid rental amount	1,100,000,000	1,100,000,000	1,100,000,000	1,100,000,000	
Other fees	11,000,000	11,000,000	11,000,000	11,000,000	
	<u>1,111,000,000</u>	<u>1,111,000,000</u>	<u>1,111,000,000</u>	<u>1,111,000,000</u>	
<u>Less</u> Accumulated amortization of prepaid rental	(425,883,580)	(351,816,940)	(425,883,580)	(351,816,940)	
	<u>685,116,420</u>	<u>759,183,060</u>	<u>685,116,420</u>	<u>759,183,060</u>	
<u>Less</u> Prepaid rental of land and buildings	(74,066,640)	(74,066,640)	(74,066,640)	(74,066,640)	
Prepaid rental of land and buildings exceeding one year - net	<u>611,049,780</u>	<u>685,116,420</u>	<u>611,049,780</u>	<u>685,116,420</u>	
Amortization for the years	<u>74,066,640</u>	<u>74,066,640</u>	<u>74,066,640</u>	<u>74,066,640</u>	

13. Other non-current assets - net

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

Consolidated financial statements

	Balance as at 31 December 2007 Baht	Increase Baht	Decrease Baht	Balance as at 31 December 2008 Baht
Cost				
Leasehold rights	17,305,793	-	-	17,305,793
Computer software	69,545,136	9,101,893	-	78,647,029
Total cost	<u>86,850,929</u>	<u>9,101,893</u>	<u>-</u>	<u>95,952,822</u>
Accumulated amortization				
Leasehold rights	(13,813,875)	(865,289)	-	(14,679,164)
Computer software	(20,271,044)	(8,984,240)	-	(29,255,284)
Total accumulated amortization	<u>(34,084,919)</u>	<u>(9,849,529)</u>	<u>-</u>	<u>(43,934,448)</u>
Other project expenses	14,836,694	373,500	(15,210,194)	-
Deposits and others	43,239,637	495,464	(11,757,042)	31,978,059
Other non-current assets - net	<u>110,842,341</u>			<u>83,996,433</u>
Amortization for the years				
2008				<u>9,849,529</u>
2007				<u>10,630,749</u>

13. Other non-current assets - net (Continued)

Separate financial statements

	Balance as at 31 December 2007 Baht	Increase Baht	Decrease Baht	Balance as at 31 December 2008 Baht
Cost				
Goodwill on the acquisition of hotel business from subsidiary	410,000,000	-	-	410,000,000
Leasehold rights	160,000,000	-	-	160,000,000
Computer software	54,041,663	9,044,943	-	63,086,606
Total cost	<u>624,041,663</u>	<u>9,044,943</u>	<u>-</u>	<u>633,086,606</u>
Accumulated amortization				
Goodwill on the acquisition of hotel business from subsidiary	(379,250,000)	(30,750,000)	-	(410,000,000)
Leasehold rights	(74,000,000)	(8,000,000)	-	(82,000,000)
Computer software	(11,886,763)	(6,108,111)	-	(17,994,874)
Total accumulated amortization	<u>(465,136,763)</u>	<u>(44,858,111)</u>	<u>-</u>	<u>(509,994,874)</u>
Other project expenses	14,836,694	373,500	(15,210,194)	-
Deposits and others	1,917,910	6,600	(148,845)	1,775,665
Other non-current assets - net	<u>175,659,504</u>			<u>124,867,397</u>
Amortization for the years				
2008				44,858,111
2007				<u>54,987,315</u>

14. Bank overdrafts and short-term loans from financial institutions

Bank overdrafts and short-term loans from financial institutions as at 31 December consisted of the following:

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Bank overdrafts	1,445,756	22,605,213	1,445,756	14,205,596
Short-term loans from Financial institutions	255,418,750	154,000,000	237,000,000	154,000,000
	<u>256,864,506</u>	<u>176,605,213</u>	<u>238,445,756</u>	<u>168,205,596</u>

As at 31 December 2008 and 2007, the Company and subsidiaries have credit lines for bank overdrafts totalling Baht 148,000,000 and Baht 248,000,000, respectively, which is guaranteed by the Company totalling Baht 55,000,000 (see Note 25.7).

As at 31 December 2008 and 2007, the Company has credit lines for bank overdrafts totalling Baht 93,000,000 and Baht 193,000,000, respectively, with no guarantor.

On 17 September 2004, the Company has entered into short-term loan agreement with a bank for working capital in the limit of Baht 300,000,000, no guarantor. The agreement identified the terms of repayment of principal 1 year from the first draw down date. As at 31 December 2008, the Company has outstanding short-term loan of Baht 154,000,000, and interest rate at MMR (Money Market Rate). During 2008, the Company has already repaid such short-term loan.

On 17 December 2007, the Company has entered into short-term loan agreement with a bank for working capital in the limit of Baht 450,000,000, no guarantor. As at 31 December 2008, the Company has outstanding short-term loan of Baht 237,000,000, and interest rate at MMR (Money Market Rate).

14. Bank overdrafts and short-term loans from financial institutions (Continued)

On 7 January 2008, the Company has entered into short-term loan agreement with a financial institution for working capital in the limit of Baht 450,000,000, no guarantor. As at 31 December 2008, the Company has not withdrawn such loan.

As at 31 December 2008 and 2007, Royal Princess Public Company Limited, a subsidiary, has short-term loans from financial institutions in the credit limit of Baht 200,000,000 for 2 years, which is guaranteed by the Company (see Note 25.7). As at 31 December 2008, this subsidiary has not withdrawn such loan.

On 11 April 2008, Philippine Hoteliers, Inc., a subsidiary, has short-term loans from financial institutions in amount of Peso 50,000,000 for 1 year, interest rate 7.6135% p.a., no guarantor and repayment of principal in semi-annual installments. As at 31 December 2008, this subsidiary has outstanding short-term loan of Peso 25,000,000.

15. Long-term liabilities under financial lease agreements

Long-term liabilities under financial lease agreements as at 31 December consisted of the following:

	Consolidated financial statements		Separate financial statements		Baht
	2008	2007	2008	2007	2007
Long-term liabilities under financial lease agreements	4,448,875	8,367,912	3,366,460		5,948,601
<u>Less</u> Deferred interest	(466,368)	(837,003)	(334,006)		(594,024)
	<u>3,982,507</u>	<u>7,530,909</u>	<u>3,032,454</u>		<u>5,354,577</u>
<u>Less</u> Current portion	<u>(3,023,511)</u>	<u>(3,548,402)</u>	<u>(2,322,123)</u>		<u>(2,322,123)</u>
	<u>958,996</u>	<u>3,982,507</u>	<u>710,331</u>		<u>3,032,454</u>

16. Long-term loans

Long-term loans as at 31 December consisted of the following:

	Interest rate % p.a.		Consolidated financial statements		Separate financial statements		Baht
	2008	2007	2008	2007	2008	2007	2007
Loans from financial institutions							
Repayable in semi-annual installments through 2011	4.125	3.75	430,000,000	800,000,000	430,000,000		800,000,000
Repayable in semi-annual installments through 2012 by Dusit Hotels and Resorts Company Limited	4.125	3.75	232,000,000	288,000,000	-		-
Repayable in semi-annual installments through 2015 by Dusit Hotels and Resorts Company Limited	-	6.25	-	70,000,000	-		-
Repayable in semi-annual installments through 2015 by Philippine Hoteliers, Inc.	6.7654	6.62 - 6.83	375,742,500	414,783,000	-		-
			<u>1,037,742,500</u>	<u>1,572,783,000</u>	<u>430,000,000</u>		<u>800,000,000</u>
<u>Less</u> Current portion			<u>(313,806,538)</u>	<u>(256,000,000)</u>	<u>(200,000,000)</u>		<u>(200,000,000)</u>
			<u>723,935,962</u>	<u>1,316,783,000</u>	<u>230,000,000</u>		<u>600,000,000</u>

16. Long-term loans (Continued)

Movements in the long-term loans account for the years ended 31 December are summarized as follows:

	Consolidated		Separate		Baht
	financial statements		financial statements		
	2008	2007	2008	2007	
Balance brought forward	1,572,783,000	1,544,000,000	800,000,000	1,000,000,000	
<u>Add</u> Additional borrowings	-	414,783,000	-	-	
<u>Less</u> Repayments	(496,000,000)	(386,000,000)	(370,000,000)	(200,000,000)	
Exchange gain on translation	(39,040,500)	-	-	-	
Balance carried forward	<u>1,037,742,500</u>	<u>1,572,783,000</u>	<u>430,000,000</u>	<u>800,000,000</u>	

The Company and subsidiaries have long-term loan agreements as follows:

- On 17 September 2004, the Company has entered into loan agreement with a bank to renovate office building and hotels in the limit of Baht 1,000,000,000, no guarantor. The agreement identified the terms and conditions as follows:

- Interest For the 1st year period, 2.5% per annum, repayment every 3 months
For the 2nd - 7th years, 1 year fixed deposit rate plus 2% per annum, the interest rate will be considered every 6 months and repayment interest is every 3 months
- Repayment of principal in semi-annual installments through 2011 is for 10 installments. The first installment is from 30 months from the first draw down date which is 27 September 2004. The repayment is Baht 100,000,000 each.

During 2008, the Company has repaid its loans before its repayment date in amount of Baht 170,000,000.

Such loan agreement specifies to the Company not to provide loan, lending, guarantee, be responsible or enter to be responsible to others' liabilities, except for (a) in the normal course of business of the Company (b) such loan or lending provide aggregates not excess the amount of Baht 1,000,000,000, and when aggregate with guarantee, be responsible or enter to be responsible to others' liabilities, such amount shall not be over Baht 2,000,000,000. In addition, such loan agreement also carries certain restrictive covenants pertaining to the debt to equity ratio of the Company.

- On 25 December 2003, Dusit Hotels and Resorts Company Limited, a subsidiary, has entered into loan agreement with a bank to acquire and renovate a hotel of such subsidiary in Chiang Mai in the limit of Baht 400,000,000. Such agreement was guaranteed by the Company (see Note 25.7). The agreement identified the terms and conditions as follows:

- Interest For the 1st year period, 2.5% per annum, repayment every 3 months
For the 2nd - 8th years, 1 year fixed deposit rate plus 2% per annum, the interest rate will be considered every 6 months and repayment interest is every 3 months
- Repayment of principal in semi-annual installments through 2012 is for 14 installments. The first installment is from 24 months from the first draw down date which is 2 March 2004. The repayment of the 1st - 13th periods are Baht 28,000,000 each and the 14th period is Baht 36,000,000.

16. Long-term loans (Continued)

Such loan agreement specifies to the subsidiary not to provide loan, lending, guarantee, be responsible or enter to be responsible to others' liabilities, except for in the normal course of business of the subsidiary. In other cases, the amount shall not be over Baht 200,000,000, except for receiving the written approval letter in advance from the lender. In addition, such loan agreement also carries certain restrictive covenants pertaining to the debt to equity ratio and not reduces its share capital of such subsidiary.

3. On 24 February 2006, Dusit Hotels and Resorts Company Limited, a subsidiary, has entered into loan agreement with a bank to acquire additional land and building for hotel of such subsidiary in Chiang Mai and renovate remaining parts in the limit of Baht 200,000,000. Such agreement was guaranteed by the Company (see Note 25.7). The agreement identified the terms and conditions as follows:

- Interest For the 1st - 2nd years period, minimum loan rate less 0.5% per annum, repayment every 3 months
For the 3rd - 9th years, minimum loan rate and repayment interest is every 3 months
- Repayment of principal in semi-annual installments through 2015 is for 12 installments. The first installment is from 42 months from the first draw down date which is 1 March 2006. The repayment of the 1st - 6th periods are Baht 6,500,000 each, the 7th - 8th periods are Baht 10,000,000 each, the 9th - 10th periods are Baht 33,500,000 each and the 11th - 12th periods are Baht 37,000,000 each.

During 2007, the subsidiary has repaid its loans before its repayment date in amount of Baht 130,000,000, and on 23 May 2008, the subsidiary has already repaid all such loan as such the Company has withdrawn the above guarantee.

Such loan agreement specifies to the subsidiary not to provide loan, lending, guarantee, be responsible or enter to be responsible to others' liabilities, except for in the normal course of business of the subsidiary. In other cases, the amount shall not be over Baht 200,000,000, except for receiving the written approval letter in advance from the lender. In addition, such loan agreement also carries certain restrictive covenants pertaining to the debt to equity ratio and not reduces its share capital of such subsidiary.

4. On 2 February 2007, Philippine Hoteliers, Inc., a subsidiary, has entered into loan agreement with a bank to renovate its hotel in the limit of Peso 510,000,000, guaranteed by mortgaged of its hotel building and equipment and rights on lease agreement (see Note 11). The agreement identified the terms and conditions as follows:

- Interest First 6 months interest rate reference to corresponding promissory note, thereafter interest rate reference to 6-month MART1 in Philippines plus 1.70% per annum, repayment every 6 months.
- Repayment of principal in semi-annual installments through 2015 is for 13 installments. The first installment is from 24 months from the first draw down date which is 9 February 2007.

Such loan agreement specifies to declare dividends, carries certain restrictive covenants pertaining to the debt to equity ratio and current ratio of such subsidiary.

17. Legal reserve

Pursuant to the Public Companies Act B.E. 2535 (1992), the Company must allocate to a reserve fund not less than five percent of the annual net income, after deduction of the total accumulated loss brought forward (if any) until the reserve fund reaches an amount of not less than ten percent of the registered capital, unless the Company has a regulation or other law which prescribes for a higher amount of such reserve. Such reserve is not available for distribution as dividend.

18. Other reserves

Other reserves as at 31 December consisted of the following:

	Consolidated		Separate		Baht
	financial statements		financial statements		
	2008	2007	2008	2007	
Reserve for business expansion	-	277,000,000	-	277,000,000	
Reserve for dividend equalization	-	33,000,000	-	33,000,000	
Reserve for treasury common shares	15,740,202	15,740,202	-	-	
	<u>15,740,202</u>	<u>325,740,202</u>	<u>-</u>	<u>310,000,000</u>	
<u>Less</u> Transferred to retained earnings	-	(310,000,000)	-	(310,000,000)	
Total	<u>15,740,202</u>	<u>15,740,202</u>	<u>-</u>	<u>-</u>	

The Company has complied with the letter from The Securities and Exchange Commission No. Kor Lor Tor Chor Sor (Vor) 2/2548 dated 14 February 2005, regarding comment on information disclosure of appropriation of treasury common shares reserve. The Board of Directors appropriated its retained earnings to treasury common shares reserve (see Note 19.1).

On 27 April 2007, the shareholders' meeting of the Company passed a resolution to transfer other reserves consisted of reserve for dividend equalization of Baht 33,000,000 and reserve for business expansion of Baht 277,000,000, totalling Baht 310,000,000 to unappropriated retained earnings which effects from 1 January 2007.

19. Treasury common shares and weighted average number of ordinary shares

19.1 Treasury common shares

19.1.1 Dusit Thani Public Company Limited

On 13 November 2003, the Board of Directors of the Company passed a resolution to repurchase 2,779,500 ordinary shares or 3.27% of the Company's paid-up share capital. The purpose is for financial management because the Company has excess liquidity. The resale period of such repurchase share was from 1 July 2004 to 29 December 2006.

The 2,760,500 shares or 3.25% of the Company's paid-up capital has been repurchased, totalling Baht 115,818,208.

During 2006, the Company sold 2,760,500 treasury common shares and gain on sales in the amount of Baht 16,950,268 has been presented as paid-in surplus - treasury common shares.

19.1.2 Dusit Thani Properties Company Limited

Dusit Thani Properties Company Limited, a subsidiary, held 606,300 ordinary shares of the Company with the acquisition cost of Baht 20,240,264. Such shares were presented as treasury common shares in the consolidated balance sheets.

During 2006, Dusit Thani Properties Company Limited sold 134,800 ordinary shares of the Company to third parties totalling Baht 5,915,334 and gain on sales in the amount of Baht 1,415,272 has been presented as paid-in surplus - treasury common shares. As at 31 December 2008 and 2007, Dusit Thani Properties Company Limited held 471,500 ordinary shares of the Company with the carrying value of Baht 15,740,202. Such shares were presented as treasury common shares in the consolidated balance sheets.

19. Treasury common shares and weighted average number of ordinary shares (Continued)

19.1 Treasury common shares (Continued)

The Company has complied with the letter from The Securities and Exchange Commission No. Kor Lor Tor Chor Sor (Vor) 2/2548 dated 14 February 2005, regarding comment on information disclosure of appropriation of treasury common shares reserve. As at 31 December 2008 and 2007, the Company has appropriated its retained earnings to treasury common shares reserve in the amount of Baht 15,740,202 which has been included in other reserves (see Note 18).

19.2 Weighted average number ordinary shares

Weighted average number of ordinary shares for the years ended 31 December calculated as follows:

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Number of issued and paid-up ordinary shares	85,000,000	85,000,000	85,000,000	85,000,000
<u>Less</u> Repurchased ordinary shares by Dusit Thani Properties Company Limited	(471,500)	(471,500)	-	-
Weighted average number of ordinary shares	<u>84,528,500</u>	<u>84,528,500</u>	<u>85,000,000</u>	<u>85,000,000</u>

20. Income tax

For the years ended 31 December 2008 and 2007, income tax of the Company, subsidiaries and joint venture have been calculated on the net profit after deduction of revenue which is not subjected to tax calculation and adding back certain expenses which are disallowance for tax computation purposes.

Income tax for the years ended 31 December 2008 and 2007 can summarized as follows:

	Consolidated financial statements		Separate financial statements		Baht
	2008	2007	2008	2007	
Income tax of the Company	69,803,661	3,266,182	69,803,661	3,266,182	
<u>Add</u> Income tax of subsidiaries:					
Royal Princess Public Company Limited	23,997,235	36,778,159	-	-	
Philippine Hoteliers, Inc.	1,725,231	-	-	-	
Dusit Executive Development Center Company Limited	44,225	-	-	-	
	<u>95,570,352</u>	<u>40,044,341</u>	<u>69,803,661</u>	<u>3,266,182</u>	

21. Dividend paid

On 11 August 2008, the board of directors of the Company passed a resolution to pay interim dividend of Baht 0.50 per share on 85,000,000 ordinary shares, totalling Baht 42,500,000 as an appropriation of income for 2008. Such dividend was paid on 9 September 2008. The board of directors will report such dividend payment to the shareholders at the meeting.

21. Dividend paid (Continued)

On 29 April 2008, the shareholders' meeting of the Company passed a resolution to pay dividend for the fiscal year 2007 for 85,000,000 ordinary shares at Baht 1.00 per share, totalling Baht 85,000,000 as follows:

- The interim dividend from the operation of the first half year of Baht 0.50 per share, totalling Baht 42,500,000 was paid on 6 September 2007.
- The dividend from the operation of the second half year of Baht 0.50 per share, totalling Baht 42,500,000 was paid on 22 May 2008.

On 27 April 2007, the shareholders' meeting of the Company passed a resolution to pay dividend for the fiscal year 2006 for ordinary shares outstanding at Baht 1.75 per share, totalling Baht 146,679,625 as follows:

- The interim dividend from the operation of the first half year of Baht 0.75 per share for 82,239,500 shares, totalling Baht 61,679,625 was paid on 7 September 2006.
- The dividend from the operation of the second half year of Baht 1.00 per share for 85,000,000 shares, totalling Baht 85,000,000 was paid on 25 May 2007.

22. Revenues arising from exchanges of goods or services

The Company and subsidiaries have revenues arising from exchange of goods or services with the outside parties. The Company and subsidiaries recognized revenues from such parties when the goods or services are rendered from the Company and subsidiaries. Such revenues are charged at the arm-length prices that charged to the other customers or at the agreed price to exchange according to each agreement.

For the years ended 31 December 2008 and 2007, revenues arising from exchange of goods or services included in revenues from sales and services are as follows:

	Consolidated financial statements		Separate financial statements		Baht
	2008	2007	2008	2007	
Revenues arising from exchanges of goods or services	17,780,536	37,900,601	16,001,095	36,110,031	

23. Long-term leases

23.1 Dusit Thani Public Company Limited

- The land lease agreement of Dusit Thani Hotel and Dusit Thani Office Building dated 16 March 1966 between The Crown Property Bureau and the Company scheduled to expire on 31 March 2003 which the right on building transferred to the lessor since the date of construction completion. However, under the condition of the lease, the Company can extend the lease period twice for a period of 15 years each with related lease payments to be renegotiated by the parties.

On 26 August 2002, the Company signed the first extension of the above land lease agreements for period from 1 April 2003 to 31 March 2018. The prepaid rental for the period of 15 years is Baht 1,100,000,000, included monthly rental. The payment will be made in 3 installments as follows:

First,	within 1 April 2003	Baht 360,000,000
Second,	within 1 April 2004	Baht 360,000,000
Third,	within 1 April 2005	Baht 380,000,000

23. Long-term leases (Continued)

23.1 Dusit Thani Public Company Limited (Continued)

According to such agreement, when the Company has fully paid the rental to the Lessor, the Company then has full right to use the lease assets and the Lessor has no right to cancel such agreement before the expiry date specified in this agreement. If the Company does not comply with the agreement, the Lessor has the right to cancel the agreement. The Company paid all related lease payments as specified in the agreement.

- On 27 January 2006, the Company cancelled the land lease agreement for land on which Dusit Resort Pattaya (currently, Dusit Thani Hotel, Pattaya) is located dated 30 September 1987 with Siri Pattaya Company Limited. Such lease agreement is due to expire on 30 September 2017. Dusit Thani Public Company Limited has intention to extend the land lease agreement before its expiry date and Siri Pattaya Company Limited agreed to extend for another 10 years from 30 September 2017, by cancelling the previous land lease agreement and enter into the new land lease agreement for 22 years starting from 1 January 2006 to 31 December 2027 and specify the new rental rates. Total rental thorough the lease agreement is totalling of Baht 1,002,000,000. The rental payment may vary in accordance with fluctuation in the Swiss Franc exchange rate. During the lease period, if the Swiss Franc is cancelled, the exchange rate between Baht and US dollar will be used instead. In this case, the rate to be used is the average exchange rate for US dollars on the date of the original agreement, which is the commercial bank selling rate announced by The Bank of Thailand, one US dollar for Baht 39.14. When the lease agreement is expired, the Company can extend the lease period twice for a period of 10 years each with related lease payments to be renegotiated by the parties.
- On 1 October 1998, the Company entered into a land and hotel building lease agreement with one subsidiary, namely Dusit Hotels and Resorts Company Limited, for a period of 3 years commencing on 1 October 1998, with the condition that the lease can be extended for another 6 periods, consisting of 5 periods of 3 years each and the last period of 2 years. The rental payment is Baht 900,000 per month.

On 1 January 2008, the Company entered into a supplementary agreement with such subsidiary for the period from 1 January 2008 to 30 September 2010. The rental payment for such period is Baht 1,100,000 per month.

23.2 Royal Princess Public Company Limited

Type of lease	Remaining Period	Baht Rental Expenses for the Remaining Lease Period
2008 Building	2009 - 2011	<u>2,153,786</u> <u>2,153,786</u>
2007 Building	2008 - 2011	<u>2,804,970</u> <u>2,804,970</u>

23.3 Philippine Hoteliers, Inc.

Philippine Hoteliers, Inc., a subsidiary, has a lease agreement for the land on which the hotel building is situated with a specified rental payable quarterly at a rate of 5% of the annual gross income. The term of the lease is up to 31 December 2002 and is renewable for another period of 25 years at the option of the subsidiary. Upon termination of the lease, the subsidiary shall return and surrender to the lessor the leased property together with the building constructed thereon, and with all the permanent fixtures therein.

On 17 May 2001, the term of the lease was renewed for an additional period of 25 years from 1 January 2003 to 31 December 2027, under the same terms and conditions.

24. Transactions between related companies

Transactions between related companies are as follows:

24.1 Investment in subsidiary, joint venture and associate

As at 31 December 2008

Company's name	Country of incorporation	Type of Business	Relationship	Issued and paid-up (ordinary shares)	% of shareholding	Baht	
						Investment Separate financial statement Cost	Consolidated financial statement Equity
Subsidiaries							
1. Dusit Thani Properties Co., Ltd.	Thailand	Holding	Subsidiary	800,000,000	99.99	799,999,300	-
• Dusit Hotels and Resorts Co., Ltd.	Thailand	Hotel and Management	Subsidiary (Indirect holding)	225,000,000	97.48	-*	-
• Philippine Hoteliers, Inc.	Philippines	Hotel	Subsidiary (Indirect holding)	PESO 364,870,100	88.00	-*	-
• Royal Princess Public Co., Ltd.	Thailand	Hotel and Management	Subsidiary (Indirect holding)	600,000,000	79.80	-*	-
• Dusit Enterprises Co., Ltd.	Republic of Mauritius	Management	Subsidiary (Indirect holding)	USD 27,500	99.99	-*	-
						799,999,300	-
2. Landmark Hotel Co., Ltd.	Thailand	Hotel	Subsidiary	10,000,000	99.88	9,988,000	-
3. Devarana Spa Co., Ltd.	Thailand	Spa	Subsidiary	8,000,000	99.99	7,999,930	-
4. Dusit Executive Development Center Co., Ltd.	Thailand	Training	Subsidiary	5,000,000	99.99	4,999,940	-
5. Royal Princess Public Co., Ltd.	Thailand	Hotel and Management	Subsidiary	600,000,000	2.65	27,514,974	-
6. Dusit Hotels and Resorts Co., Ltd.	Thailand	Hotel and Management	Subsidiary	225,000,000	0.81	4,560,000	-
7. Dusit Worldwide Co., Ltd.	Thailand	Management	Subsidiary	50,000,000	99.99	49,999,930	-
• Dusit Overseas Co., Ltd.	Hong Kong	Management	Subsidiary (Indirect holding)	HKD 33,000	99.99	-**	-
• Dusit International Management Holding Co., Ltd.	Republic of Mauritius	Management	Subsidiary (Indirect holding)	USD 10,000	99.99	-**	-
						49,999,930	-
Joint venture							
1. Le Cordon Bleu Dusit Co., Ltd.	Thailand	Cooking School	Joint venture	40,000,000	49.99	19,999,400	-
Associated company							
1. World Class Rent a Car Co., Ltd.	Thailand	Car rental	Associated	100,000,000	20.00	20,000,000	-
						945,061,474	-
<u>Less Allowance for impairment in investments</u>						(29,988,000)	-
						915,073,474	-

24. Transactions between related companies (Continued)

24.1 Investment in subsidiary, joint venture and associate (Continued)

As at 31 December 2007

Company's name	Country of incorporation	Type of Business	Relationship	Issued and paid-up (ordinary shares)	% of shareholding	Baht	
						Investment Separate financial statement Cost	Consolidated financial statement Equity
Subsidiaries							
1. Dusit Thani Properties Co., Ltd.	Thailand	Holding	Subsidiary	800,000,000	99.99	799,999,300	-
• Dusit Hotels and Resorts Co., Ltd.	Thailand	Hotel and Management	Subsidiary (Indirect holding)	225,000,000	97.43	-*	-
• Philippine Hoteliers, Inc.	Philippines	Hotel	Subsidiary (Indirect holding)	PESO 364,870,100	88.00	-*	-
• Royal Princess Public Co., Ltd.	Thailand	Hotel and Management	Subsidiary (Indirect holding)	600,000,000	79.70	-*	-
						799,999,300	-
2. Landmark Hotel Co., Ltd.	Thailand	Hotel	Subsidiary	10,000,000	99.88	9,988,000	-
3. Devarana Spa Co., Ltd.	Thailand	Spa	Subsidiary	8,000,000	99.99	7,999,930	-
4. Dusit Executive Development Center Co., Ltd.	Thailand	Training	Subsidiary	5,000,000	99.99	4,999,940	-
5. Royal Princess Public Co., Ltd.	Thailand	Hotel and Management	Subsidiary	600,000,000	2.65	27,514,974	-
6. Dusit Hotels and Resorts Co., Ltd.	Thailand	Hotel and Management	Subsidiary	225,000,000	0.81	4,560,000	-
7. Dusit Enterprises Co., Ltd.	Republic of Mauritius	Management	Subsidiary	USD 22,060	100.00	788,700	-
Joint venture							
1. Le Cordon Bleu Dusit Co., Ltd.	Thailand	Cooking School	Joint venture	40,000,000	49.99	19,999,400	-
Associated company							
1. World Class Rent a Car Co., Ltd.	Thailand	Car rental	Associated	100,000,000	20.00	20,000,000	-
						895,850,244	-
<u>Less</u> Allowance for impairment in investments						(29,988,000)	-
						865,862,244	-

* Dusit Thani Properties Company Limited holds 97.49% in Dusit Hotels and Resorts Company Limited, 88.01% in Philippine Hoteliers, Inc., 79.81% in Royal Princess Public Company Limited and 100.00% in Dusit Enterprises Company Limited.

** Dusit Worldwide Company Limited holds 100.00% in Dusit Overseas Company Limited and 100.00% in Dusit International Management Holding Company Limited.

24. Transactions between related companies (Continued)24.2 Relationship with related companies
As at 31 December 2008

Company's name	Country of incorporation	Type of Business	Relationship
Related companies			
1. Acme Printing Co., Ltd.	Thailand	Printing house	Director holds the shares
2. The Peninsula Travel Service Co., Ltd.	Thailand	Sale air ticket	Director holds the shares
3. MBK Public Co., Ltd.	Thailand	Property development	Company and director holds the shares
4. Island Resort Hotel Co., Ltd.	Thailand	Hotel	Director is director
5. Laguna Resorts & Hotels Public Co., Ltd.	Thailand	Hotel	Company holds the shares and director is director
6. Piyasiri Co., Ltd.	Thailand	Hospital	Director holds the shares
7. Bangkok Bank Public Co., Ltd.	Thailand	Bank	Company and director holds the shares
8. Thai Life Insurance Co., Ltd.	Thailand	Life insurance	Director is director
9. The Navakij Insurance Public Co., Ltd.	Thailand	Non-life insurance	Director is director
10. New Atlantic Co., Ltd.	Thailand	Department store	Director holds the shares
11. Thana-jirang Co., Ltd.	Thailand	Office rental	Director holds the shares

24. Transactions between related companies (Continued)**24.2 Relationship with related companies (Continued)
As at 31 December 2007**

Company's name	Country of incorporation	Type of Business	Relationship
Related companies			
1. Acme Printing Co., Ltd.	Thailand	Printing house	Director holds the shares
2. The Peninsula Travel Service Co., Ltd.	Thailand	Sale air ticket	Director holds the shares
3. MBK Public Co., Ltd.	Thailand	Property development	Company and director holds the shares
4. Island Resort Hotel Co., Ltd.	Thailand	Hotel	Director is director
5. Laguna Resorts & Hotels Public Co., Ltd.	Thailand	Hotel	Company holds the shares and director is director
6. Piyasiri Co., Ltd.	Thailand	Hospital	Director holds the shares
7. Bangkok Bank Public Co., Ltd.	Thailand	Bank	Company and director holds the shares
8. Thai Life Insurance Co., Ltd.	Thailand	Life insurance	Director is director
9. The Navakij Insurance Public Co., Ltd.	Thailand	Non-life insurance	Director is director
10. New Atlantic Co., Ltd.	Thailand	Department store	Director holds the shares
11. Thana-jirang Co., Ltd.	Thailand	Office rental	Director holds the shares

24. Transactions between related companies (Continued)

24.3 Short-term loans to and from related companies

Short-term loans to and from related companies as at 31 December consisted of the following:

	Consolidated financial statements		Separate financial statements		Baht
	2008	2007	2008	2007	2007
Loan to joint venture					
Le Cordon Bleu Dusit Company Limited	15,000,450	20,000,600	30,000,000	40,000,000	
	<u>15,000,450</u>	<u>20,000,600</u>	<u>30,000,000</u>	<u>40,000,000</u>	
Loan to subsidiaries					
Dusit Hotels and Resorts Company Limited	-	-	32,000,000	-	
Dusit Executive Development Center Company Limited	-	-	700,000	1,000,000	
	<u>-</u>	<u>-</u>	<u>32,700,000</u>	<u>1,000,000</u>	
Total	<u>15,000,450</u>	<u>20,000,600</u>	<u>62,700,000</u>	<u>41,000,000</u>	
Loan from related company					
Le Cordon Bleu International BV	19,999,400	19,999,400	-	-	
Total	<u>19,999,400</u>	<u>19,999,400</u>	<u>-</u>	<u>-</u>	

The costs of borrowing are as follows:

- Loan to joint venture - minimum loan rate of commercial banks or not lower than 8.50%p.a.
- Loan to subsidiaries - not lower than interest loan rate or 3 - year fixed deposit rate of commercial bank plus 1.00 - 1.50% p.a.
- Loan from related company - minimum loan rate of commercial banks or not lower than 8.50% p.a.
- All inter - company borrowings are unsecured.

Movements in the short-term loans to and from related companies account are summarized as follows:

	Consolidated financial statements		Separate financial statements		Baht
	2008	2007	2008	2007	2007
Loan to related companies					
Balance brought forward	20,000,600	-	41,000,000	42,000,000	
<u>Add</u> Additional loans	-	20,000,600	137,000,000	75,500,000	
<u>Less</u> Repayments	(5,000,150)	-	(115,300,000)	(76,500,000)	
Balance carried forward	<u>15,000,450</u>	<u>20,000,600</u>	<u>62,700,000</u>	<u>41,000,000</u>	
Loan from a related company					
Balance brought forward	19,999,400	-	-	-	
<u>Add</u> Additional borrowings	-	19,999,400	-	-	
Balance carried forward	<u>19,999,400</u>	<u>19,999,400</u>	<u>-</u>	<u>-</u>	

24. Transactions between related companies (Continued)

24.4 Significant related business transactions

Related balances

Separate financial statements

Company	As at 31 December 2008						As at 31 December 2007							Baht
	Trade accounts receivable	Other current assets	Leasehold - net	Trade accounts payable	Accrued expenses	Other current liabilities	Trade accounts receivable	Other current assets	Leasehold - net	Goodwill on the acquisition of hotel business from the subsidiary-net	Trade accounts payable	Accrued expenses	Other current liabilities	
Royal Princess Public Co., Ltd.	35,487	7,345,305	-	-	43,841	31,708	128,312	5,296,566	-	-	-	-	1,466,950	
Dusit Hotels and Resorts Co., Ltd.	24,222	1,936,088	78,000,000	-	-	6,859,350	141,035	3,046,468	86,000,000	30,750,000	-	20,247,000	2,828,969	
Dusit Thani Properties Co., Ltd.	12,478	96,813	-	-	-	-	22,212	98,507	-	-	-	-	6,746	
Philippine Hoteliers, Inc.	6,800	5,716,834	-	-	-	-	-	9,555,397	-	-	-	-	-	
Devarana Spa Co., Ltd.	151,733	84,999	-	-	846,137	822,720	198,007	110,282	-	-	-	-	1,741,509	
Dusit Executive Development Center Co., Ltd.	625,954	162,962	-	6,420	8,894	441,696	90,914	130,466	-	-	-	20,330	4,066	
Dusit Worldwide Co., Ltd.	1,639,709	22,428,661	-	-	973,665	61,841,057	-	-	-	-	-	-	-	
Dusit Overseas Co., Ltd.	-	289,769	-	-	-	550,680	-	-	-	-	-	-	-	
Le Cordon Bleu Dusit Co., Ltd.	310,371	241,102	-	-	-	-	152,312	4,211,910	-	-	-	-	-	
Acme Printing Co., Ltd.	-	-	-	-	-	41,730	-	-	-	-	420,751	-	4,494,653	
The Peninsula Travel Service Co., Ltd.	-	-	-	-	-	24,600	-	-	-	-	-	-	-	
MBK Public Co., Ltd.	-	2,687,517	-	-	-	-	-	2,465,895	-	-	-	-	500	
Island Resort Hotel Co., Ltd.	-	4,985,229	-	-	-	2,000	13,982	2,214,940	-	-	-	-	57,700	
Laguna Resorts & Hotels Public Co., Ltd.	-	8,317,198	-	-	-	4,000	21,986	13,904,684	-	-	-	-	22,800	
Piyasiri Co., Ltd.	-	-	-	-	-	1,422	-	-	-	-	-	-	-	
	<u>2,806,754</u>	<u>54,292,477</u>	<u>78,000,000</u>	<u>6,420</u>	<u>1,872,537</u>	<u>70,620,963</u>	<u>768,760</u>	<u>41,035,115</u>	<u>86,000,000</u>	<u>30,750,000</u>	<u>420,751</u>	<u>20,267,330</u>	<u>10,623,893</u>	

24. Transactions between related companies (Continued)

24.4 Significant related business transactions (Continued)

Related transactions

Separate financial statements

Company	For the year ended 31 December 2008									For the year ended 31 December 2007							Baht
	Revenue from sales and services	Management service income	Interest income	Dividend income	Other income	Cost of sales	Selling and administrative expenses	Depreciation and amortization	Revenue from sales and services	Management service income	Interest income	Dividend income	Other income	Cost of sales	Selling and administrative expenses	Depreciation and amortization	
Royal Princess Public Co., Ltd.	797,680	-	-	2,387,982	32,802,521	-	-	-	739,108	-	-	5,571,958	24,127,576	-	-	-	
Dusit Hotels and Resorts Co., Ltd.	106,320	5,078,214	2,010,072	-	5,769,050	-	36,098,097	38,750,000	1,642,020	3,651,596	312,142	-	13,721,240	-	51,499,292	49,000,000	
Dusit Thani Properties Co., Ltd.	-	-	-	59,999,948	1,123,709	-	-	-	-	-	-	199,999,825	1,469,096	-	-	-	
Philippine Hoteliers, Inc.	-	30,458,163	-	-	5,487,924	-	-	-	-	17,538,646	-	-	7,318,673	-	-	-	
Devarana Spa Co., Ltd.	2,246,683	-	-	399,996	6,983,862	1,177,466	3,948,790	-	1,984,400	-	39,572	-	7,215,107	1,530,188	2,970,700	-	
Dusit Executive Development Center Co., Ltd.	5,415,178	-	38,631	-	369,423	-	11,499,447	-	3,562,243	-	50,973	-	466,857	-	8,043,764	-	
Dusit Worldwide Co., Ltd.	3,857,395	-	158,247	-	28,232,230	-	123,209,679	-	-	-	-	-	-	-	-	-	
Dusit Overseas Co., Ltd.	-	-	-	-	289,769	-	-	-	-	-	-	-	-	-	-	-	
Le Cordon Bleu Dusit Co., Ltd.	9,175,008	-	2,652,466	-	351,427	-	-	-	4,641,556	-	2,258,904	-	2,059,607	-	-	-	
Acme Printing Co., Ltd.	-	-	-	-	-	-	1,611,425	-	-	-	-	-	-	-	9,251,659	-	

24. Transactions between related companies (Continued)

24.4 Significant related business transactions (Continued)

Related transactions (Continued)

Separate financial statements

Company	For the year ended 31 December 2008								For the year ended 31 December 2007								Baht
	Revenue from sales and services	Management service income	Interest income	Dividend income	Other income	Cost of sales	Selling and administrative expenses	Depreciation and amortization	Revenue from sales and services	Management service income	Interest income	Dividend income	Other income	Cost of sales	Selling and administrative expenses	Depreciation and amortization	
The Peninsula Travel Service Co., Ltd.	-	-	-	-	-	-	2,774,595	-	-	-	-	-	-	-	2,848,530	-	
MBK Public Co., Ltd.	-	-	-	2,344,000	1,866,480	-	15,591	-	-	-	-	-	3,508,347	-	-	-	
Island Resort Hotel Co., Ltd.	-	8,508,574	-	-	1,743,757	-	86,542	-	-	4,699,139	-	-	2,232,527	-	17,517	-	
Laguna Resorts & Hotels Public Co., Ltd.	-	27,444,936	-	3,500,000	5,768,350	-	151,162	-	-	17,072,443	-	1,250,000	5,138,609	-	-	-	
Piyasiri Co., Ltd.	-	-	-	-	-	-	240,551	-	-	-	-	-	-	-	183,399	-	
Bangkok Bank Public Co., Ltd.	-	-	478,139	189,900	-	-	140,361	-	-	-	408,052	174,075	-	-	58,640	-	
Thai Life Insurance Co., Ltd.	-	-	-	-	-	-	13,140	-	-	-	-	-	-	-	82,000	-	
The Navakij Insurance Public Co., Ltd.	-	-	-	-	-	-	481,413	-	-	-	-	-	-	-	432,550	-	
Thana-jirang Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40,000	-	
	21,598,264	71,489,887	5,337,555	68,821,826	90,788,502	1,177,466	180,270,793	38,750,000	12,569,327	42,961,824	3,069,643	206,995,85	67,257,639	1,530,188	75,428,051	49,000,000	
												8					

24. Transactions between related companies (Continued)

24.4 Significant related business transactions (Continued)

Prices and terms are as follows:

Management fees are similar to the fee charged to other hotels which were managed by the Company.

Other income is calculated based on actual expenses incurred and the price agreed upon by the Company and the subsidiary according to the agreement.

The interest income see Note 24.3.

Prepaid rental of land and buildings, goodwill on the acquisition of hotel business from the subsidiary and other expense are based on the price agreed upon by the Company and the subsidiary according to the agreement.

The remuneration received for transferring of rights and obligations of the Hotels Management Agreement to the subsidiary is equivalent to 1.50% of total revenue or gross operation profit, depending on the condition of each contract which is used as the base for computation of management fee or licensing fee charged from each hotel.

Sale and purchase of equipment by the Company and the subsidiary are based on book value plus margin as agreed.

Other sale and purchase transactions are in the normal prices transacted with third parties and discount policies.

25. Guarantees, commitments and contingent liabilities

25.1 As at 31 December 2008 and 2007, the Company and two subsidiaries, namely, Royal Princess Public Company Limited and Dusit Hotels and Resorts Company Limited had letter of guarantees issued by banks totalling Baht 22,625,100 and Baht 21,197,000, respectively.

25.2 As at 31 December 2008 and 2007, the Company had letter of guarantees issued by banks totalling Baht 16,451,600 and Baht 15,486,600, respectively.

25.3 On 3 November 1999, the Company submitted the dispute to the arbitration for claiming the management fee and incentive fee from a contracting company, totalling Baht 50,049,539, included claim for damage of failing to perform according to the agreement of Baht 27,574,308. On 28 December 1999, the contracting company rejected to all claims and filed a counter claim against the Company totalling Baht 42,218,005.

On 26 June 2003, the arbitrator had a verdict that the contracting company had to pay the Company Baht 2,740,750 with 7.5% interest per annum as from the date of filing the dispute until tender complete performance. The Company had to pay the contracting company Baht 623,920 together with 7.5% interest per annum as from the date of filing the challenge/cross-complaint until such amount has been paid. However, the Company disagrees with verdict of arbitrator. On 26 September 2003, the Company has laid request to arbitrator and has disputed verdict of arbitrator to the Civil Court. On 12 April 2005, the Court designed to dismiss the notion.

On 10 June 2005, the Company has appealed the case to the Court. Currently, the case is under the consideration of the Appeal Court.

25. Guarantees, commitments and contingent liabilities (Continued)

25.4 On 26 June 2001, the Company paid Baht 44,246,000 to the Official Receiver on behalf of World Intertrade Corporation Limited. Subsequently, the Company submitted a notice to World Intertrade Corporation Limited requesting for the repayment of debt to the Company. However, the Company did not receive any repayment from World Intertrade Corporation Limited. Therefore, on 19 December 2001, the Company filed a claim with The Southern Bangkok Civil Court against World Intertrade Corporation Limited for demanding the repayment of Baht 45,782,488 which the Company has a lawful right to claim.

On 7 December 2001, World Intertrade Corporation Limited filed a claim with The Southern Bangkok Civil Court against the Company. The claim demands the return of property (the Dusit Resort Pattaya Building currently, Dusit Thani Hotel, Pattaya) and damages. The amount claimed for damages is Baht 2,760,000,000. The Company has already filed an answer to the claim on such issue with The Southern Bangkok Civil Court on 16 January 2002 due to the reason that the Company has peacefully and openly possessed the property with intention to be its owner for more than 10 years and has obtained the Building by operation of law.

On 29 July 2002, the Southern Bangkok Civil Court ordered to tie conjointly the following cases, the case under which World Intertrade Corporation Limited sue the Company calling for its assets (the Dusit Resort Pattaya Building currently, Dusit Thani Hotel, Pattaya) and claiming for compensation on ground of wrongful act of the Company and the case under which the Company sue World Intertrade Corporation Limited.

On 26 March 2004, the Court has declared the case filed by World Intertrade Corporation Limited has been dismissed with the verdict that the Company is the owner of the property, Dusit Resort Pattaya Building (currently, Dusit Thani Hotel, Pattaya), by virtue of the law found in the Civil and Commercial Code of Thailand, sections 1382 and 1385 without doubt and the Court has given the verdict that World Intertrade Corporation Limited must pay compensation amounting to Baht 45,782,488 with 7.5% interest per annum of the principal amount of Baht 44,246,000 starting from 20 December 2001 until the entire amount has been fully paid.

On 26 April 2004, World Intertrade Corporation Limited filed the appeal with the Appeal Court. On 7 July 2004, the Company then filed the appeal answer and filed the objection against petition requesting the Court to delay the execution.

On 31 January 2005, the Company filed a bankruptcy case against World Intertrade Corporation Limited with the Central Bankruptcy Court. Thereafter, on 11 July 2005, the Central Bankruptcy Court granted the receivership order. Then, on 9 August 2005, World Intertrade Corporation Limited filed the appeal against the receivership order and the Company then filed the appeal answer against the said appeal. On 21 October 2008, the Bankruptcy department of the Supreme Court has considered by sustaining result of the Court of First Instance to the receiving order of World Intertrade Corporation Limited.

On 30 January 2006, the Official Receiver of World Intertrade Corporation Limited carried out the case to the Southern Bangkok Civil Court against the Company to claim for returning of the assets (the Dusit Resort Pattaya Building currently, Dusit Thani Hotel, Pattaya).

On 3 April 2007, the Southern Bangkok Civil Court made an appointment with litigant the result of case of the Appeal Court of World Intertrade Corporation Limited filed the Company to the Southern Bangkok Civil Court to claim for returning of the assets (the Dusit Resort Pattaya Building currently, Dusit Thani Hotel, Pattaya) by standing the result of the Court of First Instance, to dispose such case of World Intertrade Corporation Limited out of the case list.

On 3 May 2007, World Intertrade Corporation Limited filed the Company to the supreme case with the Southern Bangkok Civil Court against the result of the Court of First Instance and Appeal Court. However, on 26 July 2007, the Company filed the case against such Supreme Court. Currently, the case is under the consideration of the Supreme Court.

25. Guarantees, commitments and contingent liabilities (Continued)

25.5 For Philippine Hoteliers, Inc., an indirect subsidiary, as at 31 December 2008 and 2007, there are pending litigations, unasserted claims, and contingent liabilities that may arise in the normal course of operations of the subsidiary which are not reflected in the accompanying financial statements such as pending labor dispute cases filed with the NLRC-NCR. In addition, this subsidiary is currently contesting certain tax assessment amounting to Peso 21,817,405 issued by the Bureau of Internal Revenue (BIR) against it for the calendar year ending 1998. 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.

25.6 As at 31 December 2008 and 2007, the Company, subsidiaries and joint venture have commitments for renovation contracts totalling Baht 63,432,291 and Baht 252,110,706, respectively.

As at 31 December 2008 and 2007, the Company has commitments for renovation contracts totalling Baht 33,322,787 and Baht 119,715,681, respectively.

25.7 The Company has contingent liabilities for the guarantee of credit facilities granted to the subsidiaries as at 31 December consisted of the following:

	Notes	2008	Baht 2007
Bank overdrafts	14	55,000,000	55,000,000
Short-term loans from financial institutions	14	200,000,000	200,000,000
Long-term loans	16	400,000,000	600,000,000
Total		<u>655,000,000</u>	<u>855,000,000</u>

26. Investment Promotion Privileges

On 28 February 2007, joint venture, namely, Le Cordon Bleu Dusit Company Limited was granted investment promotion privileges for human resources development activity by virtue of the provisions of the Investment Promotion Act B.E. 2520 (1977), amendment by the Investment Promotion Act (No. 3) B.E. 2544 (2001) such as exemption from payment of import duties on machinery, etc. The joint venture also obtained exemption from company income tax for human resources development activity for 8 years from the date of receiving income from such activity. Shareholders of this joint venture will also benefit from exemption of tax on dividends from human resources development activity during the period in which this joint venture receives exemption from company income tax.

The aforementioned joint venture thus has to comply with certain term and conditions required of promoted activities.

27. Revenues from promoted activities

Revenues from joint venture which is promoted activities included in the consolidated financial statements consist of the following:

	Promoted activities	Non-promoted activities	Baht Total amount
For the year ended 31 December 2008			
Revenue from sales and services	44,481,631	-	44,481,631
Interest income	-	47,868	47,868
Other income	-	1,855,686	1,855,686
Total	<u>44,481,631</u>	<u>1,903,554</u>	<u>46,385,185</u>
For the year ended 31 December 2007			
Revenue from sales and services	15,236,793	-	15,236,793
Interest income	-	89,175	89,175
Other income	52,833	1,976,408	2,029,241
Total	<u>15,289,626</u>	<u>2,065,583</u>	<u>17,355,209</u>

28. Provident fund

For the years ended 31 December 2008 and 2007, the contributions of the Company, subsidiaries and joint venture to the provident fund recorded as expenses were Baht 20,679,180 and Baht 19,253,425, respectively.

For the years ended 31 December 2008 and 2007, the contributions of the Company to the provident fund recorded as expenses were Baht 14,141,025 and Baht 13,171,073, respectively.

29. Business segment information

Business segment information of the Company subsidiaries and joint venture classified by geographical segment are as follows:

	Million Baht		
	Revenues	Net Profit (Loss)	Assets Employed
For the year ended 31 December 2008			
Bangkok	2,488.16	348.38	4,049.02
Other provinces	1,174.60	7.07	2,228.01
Overseas	722.11	(10.48)	906.82
Total	<u>4,384.87</u>	<u>344.97</u>	<u>7,183.85</u>
<u>Less</u> Inter-company transactions	<u>(657.10)</u>	<u>(117.57)</u>	<u>(1,243.66)</u>
Total	<u>3,727.77</u>	<u>227.40</u>	<u>5,940.19</u>
<u>Less</u> Net profit of minority interest		<u>(10.77)</u>	
Consolidated net profit - equity holders of the parent		<u>216.63</u>	
Consolidated assets			<u>5,940.19</u>

	Million Baht		
	Revenues	Net Profit (Loss)	Assets Employed
For the year ended 31 December 2007			
Bangkok	2,108.10	344.32	4,301.69
Other provinces	1,233.88	39.99	2,293.20
Overseas	532.12	(62.39)	1,026.46
Total	<u>3,874.10</u>	<u>321.92</u>	<u>7,621.35</u>
<u>Less</u> Inter-company transactions	<u>(563.61)</u>	<u>(189.61)</u>	<u>(1,106.13)</u>
Total	<u>3,310.49</u>	<u>132.31</u>	<u>6,515.22</u>
<u>Less</u> Net profit of minority interest		<u>(10.37)</u>	
Consolidated net profit - equity holders of the parent		<u>121.94</u>	
Consolidated assets			<u>6,515.22</u>

30. Disclosure of financial instruments

30.1 Accounting policies

Financial assets carried on the balance sheets include cash and cash equivalents, short-term investments, trade accounts receivable, accounts receivable - management fee, other receivables, short-term loans to related companies and other long-term investments. Financial liabilities carried on the balance sheets include bank overdrafts and short-term loans from financial institutions, trade accounts payable, short-term loan from related company, other payables, payables-asset acquisition, accrued expenses, long-term liabilities under financial lease agreements, and long-term loans.

Details of significant accounting policies are disclosed in Note 3 to the financial statements.

30.2 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Company, subsidiaries and joint venture.

30. Disclosure of financial instruments (Continued)

30.2 Credit risk (Continued)

Concentrations of the credit risk with respect to trade receivables are limited due to the large number of customers comprising the customer base, and dispersion across different geographic regions in Thailand and overseas.

In the case of recognized financial assets, the carrying amount of the assets recorded in the balance sheet, net of a portion of allowance for doubtful debts, represents the Company, subsidiaries and joint venture' maximum exposure to credit risk.

30.3 Foreign exchange risk

Foreign exchange risk arises from the change in foreign currency exchange rates to have an adverse effect on the Company, subsidiaries and joint venture in the current reporting period and in future years. The Company, subsidiaries and joint venture expect that there may be an effect from changes in exchange rates resulted from investment in foreign currencies which has not been hedged. The Company, subsidiaries and joint venture expect that the effect from foreign exchange risk on its financial statements will not be material.

30.4 Interest rate risk

Interest rate risk in the balance sheet arises from the potential for a change in interest rates to have an adverse effect on the Company, subsidiaries and joint venture in the current reporting period and in future years.

Information regarding interest rates and term of payments of loan are disclosed in Note 16 to the financial statements.

30.5 Fair value of financial instruments

The following methods and assumptions were used by the Company, subsidiaries and joint venture in estimating fair value of financial instruments as disclosed herein:

Cash in hand and at banks, and current investments whose maturity is less than 90 days, and trade accounts receivable; the carrying values approximate their fair values.

As at 31 December 2008 and 2007, fixed deposits with maturity of 1 year and current investments whose maturities is more than 90 days had carrying value of Baht 5,000,000 and Baht 42,000,000, respectively, and fair value of Baht 5,094,479 and Baht 42,039,984, respectively. The fair value was estimated using the discounted cash flow analysis based on the interest rate currently offered for deposits with similar terms.

The determination of fair value of investments and the presentation of such items are described in Note 10 to the financial statements.

As at 31 December 2008 and 2007, there is no information on fair value of investment in Dusit Thani College due to cost constraint.

Bank overdrafts and short-term loans from financial institutions, carrying variable rates of interest and trade accounts payable; the carrying amounts of these financial liabilities approximate their fair values.

Short-term and long-term loans carrying variable rates of interest; the carrying values approximate their fair values.

31. Others

31.1 The issue and offer of debentures

On 17 December 2007, the extraordinary shareholders meeting of the Company passed a resolution to issue and offer of debentures for the Company's business operation and expansion and/or for partial debt repayment. Such debenture is specific or non-specific name of holder, subordinated or unsubordinated, secured or unsecured, with or without debentureholders' representative, redeemable or non-redeemable prior to the term. The total debentures is not exceeding Baht 5,000 million with face value of Baht 1,000 per unit. The maturity of this debenture is not over 7 years from the issue date. The debenture's interest rate depends on the market situation at the time of debenture issue and offering. This debenture will domestically and/or internationally offer to public and/or institutional investor high net-worth investors, and/or specific investors. The Board of Directors of the Company or the person assigned by Board of Directors is authorized to determine conditions and other necessary details relating to the issuance and offering of debentures and other matters.

The Board of Directors of the Company will carry out this resolution later.

31.2 The merger

31.2.1 On 29 April 2008, the shareholders' meeting of Royal Princess Public Company Limited, a subsidiary, passed a resolution to approve the merger between this subsidiary and Dusit Hotels and Resorts Company Limited, another subsidiary and transfer all the operations licenses of this subsidiary to the new company from this merger. Furthermore, this subsidiary's directors are assigned to have necessary authorization to do such merger.

Such directors of this subsidiary will carry out this resolution later.

31.2.2 On 2 June 2008, the extraordinary shareholders' meeting of Dusit Hotels and Resorts Company Limited, a subsidiary, passed a special resolution to approve the merger between this subsidiary and Royal Princess Public Company Limited, another subsidiary and transfer all the operations licenses of this subsidiary to the new company from this merger. Furthermore, this subsidiary's directors are assigned to have necessary authorization to do such merger.

Such directors of this subsidiary will carry out this resolution later.

On 26 November 2008, Royal Princess Public Company Limited and Dusit Hotels and Resorts Company Limited had joint shareholders' meeting and passed a resolution to extend period for joint shareholders' meeting to decide resolution of new company from merger for another 6 months starting from 2 December 2008.

32. Approval of financial statements

These financial statements were approved for issuing by the authorized directors of the Company on 16 February 2009.

Board of Directors as of December 31, 2008

Name / Position	Age	Education	% of Share Holding	Working Experience		
				Period	Position	Company
<p>1. Thanpuying Chanut Piyauoi</p> <p>- Honorary Chairperson - Authorized Director entitled to sign to bind the Company</p> <p>Relationship Mother of Mr. Chanin Donavanik, Mrs. Sinee Thienprasiddhi</p>	84	<p>- Honorary Degree of Doctor in Business Administration NIDA</p> <p>- Honorary Degree of Doctor in Tourism and Hotel Sri Pathoom University</p> <p>- Honorary Degree of Doctor of Arts in Tourism Industrial Mahidol University.</p> <p>- Honorary Degree of Doctor of Business Administration in Hospitality Management Johnson & Wales University U.S.A.</p>	49.98	<p>Present</p> <p>1970- Sep 2006</p>	<p>- Honorary Chairperson / - Executive Committee Advisor</p> <p>- Chairperson</p> <p>- Director</p> <p>Director / Chairperson Executive Director / Managing Director</p>	<p>Dusit Thani Plc.</p> <p>Royal Princess Plc. Dusit Hotels and Resort Co., Ltd. Philippine Hoteliers, Inc. Piyachan Co., Ltd.</p> <p>The Statesman General Prem Tinsulanonda Foundation</p> <p>Dusit Thani Plc.</p>
<p>2. Mr. Chatri Sophonpaninch</p> <p>- Chairman</p> <p>Relationship - None</p>	75	<p>- Diploma in Accountancy, Kwang Tai High Accountancy College, Hong Kong</p> <p>- Certificate from London Regent Street Polytechnic, U.K.</p> <p>- Certificate of Banking from Institute of Bankers, U.K.</p> <p>- Honorary Degree of Doctor of Law Pepperdine University Malibu, California, U.S.A.</p> <p>- Honorary Degree of Doctor of Business Management De La Salle University, Philippines</p> <p>- Honorary Degree of Business Administration Thammasat University</p> <p>- Honorary Professor, Shan Tou University, People's Republic of China</p> <p>- Directors Accreditation Program (DAP)</p>	5.09	<p>2005 - Present</p> <p>1999 - Present</p>	<p>- Chairman - Executive Committee Advisor</p> <p>- Chairman</p>	<p>Dusit Thani Plc.</p> <p>Bangkok Bank Plc.</p>
<p>3. Mr. Vanich Chaiyawan</p> <p>- Director</p> <p>Relationship - None</p>	76	<p>- Honorary Doctor of Business Administration Srinakarinvirot University</p> <p>- Honorary Doctor of Business Administration (Management) Sripatum University</p>	7.18	<p>2007 - Present</p> <p>2005 - Present</p> <p>1997- Present</p> <p>1994- Present</p> <p>1994- Present</p> <p>1993 - Present</p> <p>1988 - Present</p>	<p>- Chairman</p> <p>- Vice Chairman</p> <p>- Director</p> <p>- Chairman</p> <p>- Vice Chairman</p> <p>- Chairman</p> <p>- Chairman</p>	<p>Thai Credit Retail Bank Plc.</p> <p>Thai San Miguel Liquor Co., Ltd.</p> <p>Dusit Thani Plc.</p> <p>Hotel & Resort Co., Ltd.</p> <p>Thai Asia Pacific Brewery Co., Ltd. (Heineken Beer)</p> <p>Thai life Insurance Co., Ltd</p> <p>Hotel Novotel Rim Pae Resort Rayong</p>

Name / Position	Age	Education	% of Share Holding	Working Experience		
				Period	Position	Company
<p>4. Pol. Lt. Chatrachai Bunya-Ananta</p> <p>- Director - Authorized Director entitled to sign to bind the Company</p> <p>Relationship - None</p>	76	<p>- Advanced Management Program Harvard University, U.S.A</p> <p>- Bachelor's degree in Economics Wale University</p> <p>- Directors Certification Program (66/2005)</p> <p>- Directors Accreditation Program (45/2005)</p>	-	<p>2006 - Present 1987 - Present</p> <p>Present</p>	<p>- Member - Director / Executive Director</p> <p>- Honorary Board Advisor</p> <p>- Chairman, Executive Board - Chairman, Board of Directors</p> <p>- Independent Director / - Chairman of Nomination and Compensation Committee - Chairman</p> <p>- Chairman</p> <p>- Director</p>	<p>National Legislative Assembly Dusit Thani Plc. Philippine Hoteliers, Inc.</p> <p>Dusit Thai College</p> <p>PB Air Co., Ltd. Bangkok Patana School Foundation</p> <p>MBK Plc.</p> <p>Royal Orchid Hotel (Thailand) Plc. Italian Thai Development Co., Ltd. The Statesman General Prem Tinsulanonda Foundation</p>
<p>5. Mr. Kenneth Gaw Korsirisophon</p> <p>- Director</p> <p>Relationship - None</p>	38	<p>- Bachelor of Science in Applied Mathematics and Economics Brown University, U.S.A. (Magna Cum Laude)</p>	10.31	<p>2005 - Present</p> <p>2006 - Present</p> <p>2003 - Present</p> <p>1998 - Present</p> <p>1994 - Present 2000 - 2006 1998 - 2000</p>	<p>- President and Managing Principal</p> <p>- Director</p> <p>- Director - Managing Director</p> <p>- Chairman - Managing Director</p> <p>- Executive Director - Director - Chairman, Executive Board</p>	<p>Gateway Capital Gateway China Fund I Gateway Capital Real Estate Fund II</p> <p>Home Inns & Hotel Management Inc. Dusit Thani Plc. Pioneer Hospitality Siam (GBR) Ltd. Mandalay Pioneer (Siam) Ltd. Pioneer Global Group Ltd. Strand Hotels International Ltd. Siam Food Products Plc. Wah Kwong Shipping Holdings Ltd. (Hong Kong)</p>
<p>6. Mr. Chanin Donovanik</p> <p>- Director - Authorized Director entitled to sign to bind The Company</p> <p>Relationship - Son of Thanpuying Chanut Piyauoi - Brother of Mrs. Sinee Thienprasiddhi</p>	51	<p>- MBA. Boston University, U.S.A.</p> <p>- Director Certification Program (72/2006)</p> <p>- Director Accreditation Program (10/2004)</p>	Included in the item of Than puying Chanut Piyauoi And Related persons	<p>Present</p> <p>2007 - Present 2007 -Present 2007- Present</p>	<p>- Director / Executive Director - Managing Director / - Chief Executive Director</p> <p>- Director / Executive Director</p> <p>- Chairman, Executive Board</p> <p>- Director</p> <p>- Member - Committee - President</p>	<p>Dusit Thani Plc.</p> <p>Dusit Hotels and Resorts Co., Ltd. Royal Princess Plc. Devarana Spa Co., Ltd. Dusit Executive Development Center Co., Ltd.</p> <p>Dusit Thani Properties Co., Ltd Philippine Hoteliers, Inc. Le Gordon Bleu Dusit Co., Ltd. Dusit Worldwide Co., Ltd. Worldclass Rent A Car Co., Ltd National Legislative Assembly</p> <p>Tourism and Industrial Committee of National Legislative Assembly Thai Hotels Association</p>

Name / Position	Age	Education	% of Share Holding	Working Experience		
				Period	Position	Company
<p>7. Mrs. Sinee Thienprasiddhi</p> <p>- Director and Secretary - Authorized Director entitled to sign to bind the Company</p> <p>Relationship - Daughter of Thanpuying Chanut Piyaoui - Sister of Mr. Chanin Donovanik</p>	50	<p>- Mac Duffies Springfield, MA., USA.</p> <p>- Directors Accreditation Program (9/2004)</p> <p>- Directors Certification Program (65/2005)</p> <p>- Finance for Non-Finance Director (22/2005)</p> <p>- Improving Quality of Financial Reporting (1/2006)</p>	Included in the item of Than Puying Chanut Piyaoui And Related persons	Present	<p>- Director/ Company Secretary</p> <p>- Director / Executive Director</p> <p>- Director</p> <p>- Director</p> <p>- Director</p> <p>- Director</p>	<p>Dusit Thani Plc.</p> <p>Dusit Hotels and Resorts Co., Ltd. Royal Princess Plc.</p> <p>Dusit Properties Co., Ltd. Le Gordon Bleu Dusit Co., Ltd.</p> <p>Devarana Spa Co., Ltd. Dusit Executive Development Center Co., Ltd.</p> <p>Dusit Worldwide Co., Ltd.</p> <p>Acme Printing Co., Ltd. Piyasiri Co., Ltd.</p>
<p>8. Professor Hiran Radeesri</p> <p>- Independent Director</p> <p>Relationship - None</p>	79	<p>- MBA Wharton School University of Pennsylvania</p> <p>- Honorary Doctor Degree (Accounting) Thammasart University</p> <p>- Certificate(High Level) of Accounting Thammasart University</p> <p>- Directors Certificate Program (0/2000)</p> <p>- Fellow Member A Thai Institute of Directors Association</p> <p>- Diploma, National Defense College, 1981</p> <p>- Director Training Certificate Yale University, USA.</p>	-	<p>2003 -Present</p> <p>2002 -Present</p> <p>2000-Present</p> <p>1999-Present</p> <p>1999 –Present</p>	<p>- Chairman Advisory Group Corporate Governance Center</p> <p>- Committee Chairman of Auditing Examiner</p> <p>- Honorable Committee of University Council</p> <p>- Director / Audit Committee Chairman</p> <p>- Chairman</p> <p>- Director / Audit Committee Chairman</p> <p>- Independent Director / Audit Committee Chairman</p>	<p>Stock Exchange of Thailand</p> <p>The Revenue Department Thammasart University</p> <p>Thaicom Plc.</p> <p>Thai Institute of Directors Association Navakij Insurance Plc.</p> <p>Dusit Thani Plc.</p>
<p>9. Professor Sansern Kraichitti</p> <p>- Independent Director</p> <p>Relationship - None</p>	82	<p>- LL.B., Thammasart University</p> <p>- Barrister - At - Law of Lincoln's Inn, London</p> <p>- Honorary Degree, Doctor of Law Chulalongkorn and Ramkhamhaeng University</p> <p>- Director Accreditation Program (5/2003)</p>	0.08	<p>1996-Present</p> <p>1987-Present</p> <p>1988 -Present</p>	<p>- Chairman of Juridical Council Group 7</p> <p>- Director</p> <p>- Independent Director / Audit Committee Member</p>	<p>Juridical Council</p> <p>Thai Red Cross Society</p> <p>Dusit Thani Plc.</p>
<p>10. Mr. Sakdi Kiewkarnkha</p> <p>- Independent Director</p> <p>Relationship - None</p>	73	<p>- Bachelor's degree in Accounting, Commerce and Law Thammasart University</p> <p>- Thai Institute of Directors</p> <p>- DCP</p> <p>- Chairman</p> <p>- ACP</p> <p>- DCP Refresher</p> <p>- Executive Program Stanford University and National University of Singapore</p> <p>- Senior Executive Program SASIN</p>	-	<p>2000 -Present 1985 – 2000</p> <p>2000 -Present</p> <p>1999 -Present</p> <p>2000 - 2005</p>	<p>- Director and Treasurer</p> <p>- Director / Assistant Treasurer</p> <p>- Independent Director / Audit Committee Chairman</p> <p>- Independent Director / Audit Committee Member</p> <p>- Independent Director / Audit Committee Chairman</p>	<p>The Princes Mothers' Medical Volunteer Foundation</p> <p>Thai Union Frozen Products Plc.</p> <p>Dusit Thani Plc.</p> <p>Book Club Finance Plc.</p>

Management Team as of December 31, 2008

Name / Position	Age	Education	% of Share Holding	Working Experience		
				Period	Position	Company
1. Thanpuying Chanut Piyaoi				Details are in the section of Board of Director		
2. Mr. Chatri Sophonpanich				Details are in the section of Board of Director		
3. Pol.Lt. Chatrachai Bunya-Ananta				Details are in the section of Board of Director		
4. Mr. Chanin Donavanik				Details are in the section of Board of Director		
5. Mrs. Sinee Thienprasiddhi				Details are in the section of Board of Director		
6. Mrs. Jongkonnee Chantavorakit Relationship - None	55	- Master's Degree of Business Administration Ramkhumhaeng University	-	Present 2004 - Present 1997 - 2004	- Vice President of Headquarter Finance and Accounting - Director / Executive Director - Advisor to Executive Director - Director of Finance and Accounting	Dusit Thani Plc. Devarana Spa Co., Ltd. Dusit Executive Development Center Co., Ltd. Dusit Thani College Dusit Thani Plc.
7. Ms. Warunee Anekritmongkol Relationship - None	52	- Master's Degree in Business Administration for Executive Thamasart University - Bachelor's Degree of Accounting Ramkhamhaeng University	-	2005 - Present 1995 - 2005 1993 - 1995	- Vice President of Hotel Accounting - Director of Accounting - Group Chief Accountant	Dusit Thani Plc. Dusit Hotels & Resorts Co., Ltd. Royal Princess Hotels & Resorts Co., Ltd.
8. Ms. Amara Kulworasreth Relationship - None	51	- Master of Accountancy Chulalongkorn University - Bachelor of Accountancy Bangkok College	-	2008-Present 2006-2008 1997-2006 1991-1996 1989-1991	Vice President – Legal & Administraton Assistant Vice President - Legal & Administration Group Director of Treasury Corporate Securities & Investment Manager Assistant Corporate Financial Controller	Dusit Thani Plc.
9. Mr. Danny McCafferty Relationship - None	62	- Baccalaureate Terenure College, Dublin - HND Diploma Westminster Hotel school - Post Graduate Certificates Cornell University	-	2007 - Present 1997 - 2007 1988 - 1997 1982 - 1988 1979 - 1981	General Manager General Manager / VP General Manager General Manager Resident Manager	Dusit Thani Hotel, Bangkok Audley / Dorchester Group - Singapore, Bali, Brunei Dusit Thani Hotel, Bangkok Mandarin Hotel, Jakarta Oriental Hotel, Bangkok
10. Mr. Chatchawal Suprachayanont Relationship - None	56	- Certificate Phanthasuksa, Commercial College	-	1993 - Present 1991 - 1993 1990 - 1991	General Manager General Manager General Manager	Dusit Thani Hotel, Pattaya Bel-Aire Princess Hotel, Bangkok Dusit Inn Hotel, Chiang Mai
11. Mr. Vajaravuth Sukseree Relationship - None	58	- Master Degree of Public Administration (Hon.) Ramkhumhaeng University - Master Degree of Arts Ratchaphat University, Phetchaburi	-	1990 - Present	General Manager	Dusit Thani Hotel, HuaHin

General Information

Company Name:	Dusit Thani Public Company Limited
Securities Symbol:	DTC
Head Office:	946 Dusit Thani Building, 5 th Floor, Rama 4 Road, Silom, Bangrak, Bangkok 10500
Type of Business:	Hotel
Registration No.:	0107536000617
Telephone No.:	+66 (0) 2200-9999
Facsimile No.:	+ 66 (0) 2636 3630 / +66 (0) 2636-3545
Website:	www.dusit.com
Authorized and paid-up Capital	Baht 850,000,000 Comprising 85 million ordinary shares at par 10 baht each

References

<i>Registrar</i>	Thailand Securities Depository Co., Ltd. 62 The Stock Exchange of Thailand Building, Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand Telephone No: + 66 (0) 2229 2800 Facsimile No.: + 66 (0) 2359 1259
Auditor	Mrs. Anothai Leekitwattana Certified Public Accountant No. 3442 PricewaterhouseCoopers ABAS Limited 15 th Floor Bangkok City Tower, 179/74-80 South Sathorn Road, Bangkok 10120 Telephone No.: + 66 (0) 2344 1000 Facsimile No.: + 66 (0) 2286 5050
Legal Counselor	Dherakupt Law Office Co., Ltd. 546 Uninvest Complex Building, 15 th Floor, Lardyao, Chatuchak, Bangkok 10900 Telephone No.: +66 (0) 2511 1512 / + 66 (0) 2513 1976 Facsimile No.: +66 (0) 2938 1247 / + 66 (0) 2938 1957