

**DUSIT THANI PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES**

**CONSOLIDATED AND COMPANY  
FINANCIAL STATEMENTS**

**31 DECEMBER 2012**

## **AUDITOR'S REPORT**

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

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

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

*Opinion*

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

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

Bangkok  
26 February 2013

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

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

The notes to the consolidated and company financial statements are an integral part of these financial statements.

Dusit Thani Public Company Limited and Subsidiaries

Statements of Financial Position (Continued)

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

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

The notes to the consolidated and company financial statements are an integral part of these financial statements.

Dusit Thani Public Company Limited and Subsidiaries

Statements of Financial Position (Continued)

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

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

The notes to the consolidated and company financial statements are an integral part of these financial statements.

**Dusit Thani Public Company Limited and Subsidiaries**

**Statements of Income**

**For the years ended 31 December 2012 and 2011**

				<b>Baht</b>	
		<b>Consolidated</b>		<b>Company</b>	
		<b>financial statements</b>		<b>financial statements</b>	
Notes		2012	2011	2012	2011
	Revenue from sales and services	4,257,442,247	3,492,412,640	1,513,599,631	1,333,443,724
	Cost of sales and services				
	Cost of sales and services	(2,805,974,670)	(2,358,218,729)	(910,326,459)	(836,607,531)
	Cost of services - depreciation and amortization	(440,844,111)	(352,455,996)	(188,556,548)	(194,521,000)
	Total cost of sales and services	<u>(3,246,818,781)</u>	<u>(2,710,674,725)</u>	<u>(1,098,883,007)</u>	<u>(1,031,128,531)</u>
	Gross profit	1,010,623,466	781,737,915	414,716,624	302,315,193
	Other incomes				
	Management service income	61,035,294	62,754,647	62,092,703	57,307,303
	Interest income	9,091,635	4,071,207	1,132,936	2,356,248
	Dividend income	12,115,125	24,260,400	147,382,008	313,162,851
	Realized income from deferred rental revenue	20 25,433,333	25,433,333	-	-
	Gain on sales of property, premises and equipment	-	39,552,622	1,744,816	39,361,957
	Gain on sales of investment properties	11 101,110,332	-	101,110,332	-
	Share of profit from investment in associate	26 106,926,093	111,813,445	-	-
	Other income	175,430,955	162,268,900	249,153,659	209,551,760
	Total other incomes	<u>491,142,767</u>	<u>430,154,554</u>	<u>562,616,454</u>	<u>621,740,119</u>
	Profit before expenses	1,501,766,233	1,211,892,469	977,333,078	924,055,312
	Expenses				
	Selling expenses	(364,212,645)	(342,212,584)	(201,432,794)	(209,200,896)
	Administrative expenses	(933,874,383)	(766,296,350)	(548,840,943)	(475,826,098)
	Depreciation and amortization	(52,177,399)	(37,064,036)	(34,567,335)	(18,980,405)
	Loss on sales of property, premises and equipment	(2,356,293)	-	-	-
	Loss on impairment of property, premises and equipment	12 -	(1,935,286)	-	-
	Financial expenses	(79,033,107)	(20,044,946)	(25,851,178)	(30,970,905)
	Total expenses	<u>(1,431,653,827)</u>	<u>(1,167,553,202)</u>	<u>(810,692,250)</u>	<u>(734,978,304)</u>
	Profit before income tax	70,112,406	44,339,267	166,640,828	189,077,008
	Income tax	27 (33,291,361)	(37,266,352)	-	-
	<b>Net profit</b>	<u><u>36,821,045</u></u>	<u><u>7,072,915</u></u>	<u><u>166,640,828</u></u>	<u><u>189,077,008</u></u>
	<b>Attributable net profit (loss) to:</b>				
	- Equity holders of the parent	149,415,655	31,042,398	166,640,828	189,077,008
	- Non-controlling interests	(112,594,610)	(23,969,483)	-	-
		<u><u>36,821,045</u></u>	<u><u>7,072,915</u></u>	<u><u>166,640,828</u></u>	<u><u>189,077,008</u></u>
	<b>Basic earnings per share</b>				
	- Equity holders of the parent	<b>Baht</b>	1.77	0.37	1.96
	<b>Weighted average number of ordinary shares</b>	<b>Shares</b>	23.2	84,528,500	85,000,000

The notes to the consolidated and company financial statements are an integral part of these financial statements.

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

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

The notes to the consolidated and company financial statements are an integral part of these financial statements.



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

	Consolidated financial statements													Baht
	Attributable to owners of the parent											Non-Controlling interests	Total shareholders' equity	
	Issued and paid-up share capital	Premium on common shares	Paid-in surplus-treasury common shares	Retained earnings			Treasury common shares	Other components of equity						Total owners of the parent
				Legal reserve	Other reserves	Unappropriated		Other comprehensive income			Total			
							Unrealized gain (loss)	Exchange differences on the translation of financial statements of subsidiaries	Actuarial losses on defined employee benefit plan					
<b>Beginning balance : 1 January 2011</b>	850,000,000	1,643,000,000	18,365,540	85,000,000	15,740,202	1,268,130,035	(15,740,202)	240,078,542	(142,294,117)	-	97,784,425	3,962,280,000	240,204,439	4,202,484,439
Adjustment from changes in accounting policy	-	-	-	-	-	(97,220,070)	-	-	-	-	-	(97,220,070)	(3,867,863)	(101,087,933)
Balance after adjustment	850,000,000	1,643,000,000	18,365,540	85,000,000	15,740,202	1,170,909,965	(15,740,202)	240,078,542	(142,294,117)	-	97,784,425	3,865,059,930	236,336,576	4,101,396,506
<b>Changes in shareholders' equity for the year</b>														
Dividend paid	28	-	-	-	-	(42,500,000)	-	-	-	-	-	(42,500,000)	(37,132,595)	(79,632,595)
Non-controlling interests - increase from investment		-	-	-	-	-	-	-	-	-	-	-	519,612,987	519,612,987
Total comprehensive income (losses) for the year		-	-	-	-	31,042,398	-	(38,776,925)	65,795,938	(4,017,900)	23,001,113	54,043,511	(22,668,500)	31,375,011
<b>Ending balance : 31 December 2011</b>	<u>850,000,000</u>	<u>1,643,000,000</u>	<u>18,365,540</u>	<u>85,000,000</u>	<u>15,740,202</u>	<u>1,159,452,363</u>	<u>(15,740,202)</u>	<u>201,301,617</u>	<u>(76,498,179)</u>	<u>(4,017,900)</u>	<u>120,785,538</u>	<u>3,876,603,441</u>	<u>696,148,468</u>	<u>4,572,751,909</u>
<b>Beginning balance : 1 January 2012</b>	850,000,000	1,643,000,000	18,365,540	85,000,000	15,740,202	1,159,452,363	(15,740,202)	201,301,617	(76,498,179)	(4,017,900)	120,785,538	3,876,603,441	696,148,468	4,572,751,909
<b>Changes in shareholders' equity for the year</b>														
Dividend paid	28	-	-	-	-	(42,500,000)	-	-	-	-	-	(42,500,000)	(5,958,296)	(48,458,296)
Total comprehensive income (losses) for the year		-	-	-	-	149,415,655	-	29,772,079	(29,071,718)	(27,238,429)	(26,538,068)	122,877,587	(94,033,697)	28,843,890
<b>Ending balance : 31 December 2012</b>	<u>850,000,000</u>	<u>1,643,000,000</u>	<u>18,365,540</u>	<u>85,000,000</u>	<u>15,740,202</u>	<u>1,266,368,018</u>	<u>(15,740,202)</u>	<u>231,073,696</u>	<u>(105,569,897)</u>	<u>(31,256,329)</u>	<u>94,247,470</u>	<u>3,956,981,028</u>	<u>596,156,475</u>	<u>4,553,137,503</u>

The notes to the consolidated and company financial statements 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 2012 and 2011**

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

The notes to the consolidated and company financial statements 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 2012 and 2011**

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

The notes to the consolidated and company financial statements 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 2012 and 2011**

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

The notes to the consolidated and company financial statements are an integral part of these financial statements.

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

**1. General information**

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

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

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

**2. Accounting policies**

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

**2.1 Basis for preparation**

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

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

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

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

## 2. Accounting policies (Continued)

### 2.1 Basis for preparation (Continued)

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

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

## 2. Accounting policies (Continued)

### 2.1 Basis for preparation (Continued)

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

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



## 2. Accounting policies (Continued)

### 2.1 Basis for preparation (Continued)

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

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

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

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

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

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

## 2. Accounting policies (Continued)

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

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

#### Effective for the periods beginning on or after 1 January 2013

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

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

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

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

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

## 2. Accounting policies (Continued)

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

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

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

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

#### Effective for the periods beginning on or after 1 January 2014

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

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

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

## 2. Accounting policies (Continued)

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

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

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

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

#### (a) Subsidiaries

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

Investments in subsidiaries are accounted for at cost less impairment.

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

#### (b) Transactions and non-controlling interests

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

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

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

## 2. Accounting policies (Continued)

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

#### (c) Associates

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

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

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

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

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

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

#### (d) Joint Ventures

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

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

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

## **2. Accounting policies (Continued)**

### **2.4 Foreign currency translation**

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

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

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

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

### **2.5 Cash and cash equivalents**

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

### **2.6 Trade accounts receivable**

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

### **2.7 Inventories**

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

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

## 2. Accounting policies (Continued)

### 2.8 Investments

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

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

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

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

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

(2) General investments are carried at cost less impairment loss.

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

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

### 2.9 Investment property

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

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

## 2. Accounting policies (Continued)

### 2.9 Investment property (Continued)

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

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

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

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

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

### 2.10 Property, premises and equipment

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

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

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

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



## **2. Accounting policies (Continued)**

### **2.10 Property, premises and equipment (Continued)**

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

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

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

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

### **2.11 Borrowing cost**

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

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

### **2.12 Non-current assets held for sale**

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

### **2.13 Intangible assets**

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

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

### **2.14 Impairment of assets**

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

## 2. Accounting policies (Continued)

### 2.15 Employee benefits

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

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

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

- Defined benefit plans

#### **Retirement benefit**

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

### 2.16 Long-term lease

- a) Operating lease

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

- b) Finance lease

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

## **2. Accounting policies (Continued)**

### **2.16 Long-term lease (Continued)**

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

### **2.17 Treasury common shares**

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

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

### **2.18 Recognition of revenues and expenses**

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

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

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

Management fees are recognized on an accrual basis.

Interest income is recognized on a time proportion basis.

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

### **2.19 Income tax**

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

### **2.20 Provident fund**

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

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

## **2. Accounting policies (Continued)**

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

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

## **3. Critical accounting estimates and judgement**

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

### **Critical accounting estimates and assumption**

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

#### **3.1 Impairment of receivable**

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

#### **3.2 Write-down of inventories**

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

#### **3.3 Depreciation and amortization**

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

#### **3.4 Retirement benefit obligation**

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

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

#### 3.4 Retirement benefit obligation (Continued)

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

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

### 4. Capital risk management

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

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

### 5. Supplementary disclosures of cash flow information

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

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

## 5. Supplementary disclosures of cash flow information (Continued)

### 5.2 Non-cash transactions are as follows:

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

##### Purchases of property, premises and equipment

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

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

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

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

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

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

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

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

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

## 6. Trade and other receivables - net

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

		<b>Consolidated</b>		<b>Company</b>	
		<b>financial statements</b>		<b>financial statements</b>	
	<b>Note</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Trade accounts receivable - net	6.1	275,110,196	262,622,280	82,379,687	107,813,759
Other receivables					
- Management fee and other service - net	6.2	47,629,596	48,275,003	71,794,294	58,406,672
Accounts receivable - World Intertrade Corporation Limited		40,879,585	40,879,585	40,879,585	40,879,585
<u>Less</u> Allowance for doubtful accounts		<u>(40,879,585)</u>	<u>(40,879,585)</u>	<u>(40,879,585)</u>	<u>(40,879,585)</u>
		-	-	-	-
Other receivables					
- Related companies		-	-	9,529,347	13,009,693
- Others companies		14,926,972	21,462,771	26,117,014	29,385,214
		<u>14,926,972</u>	<u>21,462,771</u>	<u>35,646,361</u>	<u>42,394,907</u>
<u>Less</u> Allowance for doubtful accounts		<u>(637,425)</u>	<u>(405,645)</u>	<u>(637,425)</u>	<u>(2,242,645)</u>
		<u>14,289,547</u>	<u>21,057,126</u>	<u>35,008,936</u>	<u>40,152,262</u>
Accrued interest receivable		391,381	2,328,901	-	1,452,211
Accrued income		192,749	152,900	53,200	-
Prepaid expenses		32,002,757	38,402,139	7,693,251	19,665,080
Prepaid income tax		18,770,503	29,534,800	9,302,094	16,542,533
Advances		9,525,264	9,270,613	363,233	576,930
Prepaid for assets		-	115,591,825	-	-
Deposits		9,126,736	-	-	-
Refundable deposits		495,144	538,008	-	-
Trade and other receivables - net		<u>407,533,873</u>	<u>527,773,595</u>	<u>206,594,695</u>	<u>244,609,447</u>

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

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

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

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

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

## 7. Inventories - net

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

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



## 8. Other current assets - net

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

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

## 9. Available-for-sale investments

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

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

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

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

## 10. Other long-term investments

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

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

## 11. Investment properties - net

Investment properties - net consisted of the following:

### Consolidated financial statements as at 31 December 2011

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

### Consolidated financial statements as at 31 December 2012

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

## 11. Investment properties - net (Continued)

### Company financial statements as at 31 December 2011

	Balance as at 31 December 2010	Additions	Transfer out	Baht Balance as at 31 December 2011
<b>Cost</b>				
Land	158,181,293	-	-	158,181,293
Buildings on leased land	4,258,205	-	(104,545)	4,153,660
Interior and renovation on leased land	161,217,084	-	(3,260,419)	157,956,665
Furniture and equipment on leased land	9,764,178	-	(239,723)	9,524,455
Total cost	<u>333,420,760</u>	<u>-</u>	<u>(3,604,687)</u>	<u>329,816,073</u>
<b>Accumulated Depreciation</b>				
Buildings on leased land	(3,442,023)	(445,884)	104,545	(3,783,362)
Interior and renovation on leased land	(49,756,620)	(17,144,281)	3,260,419	(63,640,482)
Furniture and equipment on leased land	(5,434,867)	(747,280)	239,723	(5,942,424)
Total accumulated depreciation	<u>(58,633,510)</u>	<u>(18,337,445)</u>	<u>3,604,687</u>	<u>(73,366,268)</u>
<b>Investment properties - net</b>	<u>274,787,250</u>	<u>(18,337,445)</u>	<u>-</u>	<u>256,449,805</u>
Depreciation				<u>18,337,445</u>

### Company financial statements as at 31 December 2012

	Balance as at 31 December 2011	Additions	Disposal	Transfer out	Baht Balance as at 31 December 2012
<b>Cost</b>					
Land	158,181,293	-	(13,609,668)	-	144,571,625
Buildings on leased land	4,153,660	-	-	(100,392)	4,053,268
Interior and renovation on leased land	157,956,665	2,099,581	-	(3,868,508)	156,187,738
Furniture and equipment on leased land	9,524,455	-	-	(230,203)	9,294,252
Total cost	<u>329,816,073</u>	<u>2,099,581</u>	<u>(13,609,668)</u>	<u>(4,199,103)</u>	<u>314,106,883</u>
<b>Accumulated Depreciation</b>					
Buildings on leased land	(3,783,362)	(271,502)	-	98,005	(3,956,859)
Interior and renovation on leased land	(63,640,482)	(15,383,087)	-	1,909,974	(77,113,595)
Furniture and equipment on leased land	(5,942,424)	(622,990)	-	158,684	(6,406,730)
Total accumulated depreciation	<u>(73,366,268)</u>	<u>(16,277,579)</u>	<u>-</u>	<u>2,166,663</u>	<u>(87,477,184)</u>
<b>Investment properties - net</b>	<u>256,449,805</u>	<u>(14,177,998)</u>	<u>(13,609,668)</u>	<u>(2,032,440)</u>	<u>226,629,699</u>
Depreciation					<u>16,277,579</u>

On 17 October 2012, the Company has sold partially investment properties (land) to the third party in the amount of Baht 114,720,000 and had gain on sales of Baht 101,110,332.

As at 31 December 2012, the fair value of investment property which presented in the consolidated and company financial statements were Baht 771.48 million and Baht 655.19 million, respectively.

The Group's investment properties were revalued as at 31 December 2011 by independent professionally qualified valuers who hold a recognized relevant professional qualification and have recent experience in the locations and categories of the investment properties valued.

## 12. Property, premises and equipment - net

Property, premises and equipment - net consisted of the following:

Consolidated financial statements as at 31 December 2011

	Balance as at 31 December 2010	Additions	Disposals	Amortization	Written off	Assets transfer to related	Transfers	Exchange gain (loss) on translation	Baht Balance as at 31 December 2011
<b>Cost</b>									
Land	264,805,841	-	(3,247,665)	-	-	-	-	-	261,558,176
Land improvement	9,448,193	-	(640,803)	-	-	-	-	49,694	8,857,084
Buildings	984,457,886	559,240	(13,341,424)	(3,109,872)	-	-	745,947	-	969,311,777
Buildings on leased land	1,128,326,079	3,631,157	-	-	-	-	304,145	35,853,661	1,168,115,042
Furniture and equipment	414,740,971	19,229,076	(2,892,163)	-	3,199,971	-	15,837,986	-	450,115,841
Furniture and equipment on leased land	1,265,528,104	56,727,336	(26,058,205)	-	(1,160,486)	-	40,551,270	10,296,587	1,345,884,606
Interior and renovation	330,035,649	7,008,126	(4,915,608)	-	540,902	-	43,076,578	-	375,745,647
Interior and renovation on leased land	1,058,954,994	13,125,690	-	(15,344,167)	-	-	68,407,813	-	1,125,144,330
Vehicles	66,655,027	6,177,306	(1,009,109)	-	-	-	-	93,540	71,916,764
Chinaware, glassware, silverware and linen	85,225,950	15,970,948	(11,340)	-	(10,488,171)	-	108,339	-	90,805,726
Building and land rights - net	71,153,789	-	-	(9,780,644)	-	-	-	-	61,373,145
Construction in process	95,622,424	2,077,378,758	(1,052,407)	-	(4,797,703)	-	(173,099,379)	14,670	1,994,066,363
Total cost	5,774,954,907	2,199,807,637	(53,168,724)	(28,234,683)	(12,705,487)	-	(4,067,301)	46,308,152	7,922,894,501

**12. Property, premises and equipment - net (Continued)**

Consolidated financial statements as at 31 December 2011 (Continued)

	Balance as at 31 December 2010	Additions	Disposals	Amortization	Written off	Assets transfer to related	Transfers	Exchange gain (loss) on translation	Baht Balance as at 31 December 2011
<b>Accumulated Depreciation</b>									
Land improvement	(7,042,204)	(219,212)	-	-	-	-	-	(33,937)	(7,295,353)
Buildings	(593,054,430)	(19,150,787)	10,434,777	-	570,526	-	52,658	-	(601,147,256)
Buildings on leased land	(699,453,654)	(47,364,678)	-	-	-	-	110,763	(23,797,982)	(770,505,551)
Furniture and equipment	(231,911,194)	(33,660,813)	2,351,573	-	871,264	-	(1,189,613)	-	(263,538,783)
Furniture and equipment on leased land	(936,821,603)	(96,352,886)	26,636,754	-	1,160,080	-	(743,198)	(8,336,012)	(1,014,456,865)
Interior and renovation	(50,082,525)	(27,735,214)	3,933,487	-	-	-	1,136,956	-	(72,747,296)
Interior and renovation on leased land	(579,485,919)	(98,776,542)	1,562,773	-	393,660	-	4,699,735	-	(671,606,293)
Vehicles	(58,152,603)	(4,607,764)	892,136	-	-	-	-	(86,087)	(61,954,318)
Chinaware, glassware, silverware and linen	(46,470,495)	(12,418,177)	10,686	-	6,199,711	-	-	-	(52,678,275)
Total accumulate depreciation	(3,202,474,627)	(340,286,073)	45,822,186	-	9,195,241	-	4,067,301	(32,254,018)	(3,515,929,990)
<b>Property, premises and equipment</b>	2,572,480,280	1,859,521,564	(7,346,538)	(28,234,683)	(3,510,246)	-	-	14,054,134	4,406,964,511
Less Allowance for impairment	(90,453,524)	(1,935,286)	-	-	-	-	-	-	(92,388,810)
<b>Property, premises and equipment - net</b>	<u>2,482,026,756</u>	<u>1,857,586,278</u>	<u>(7,346,538)</u>	<u>(28,234,683)</u>	<u>(3,510,246)</u>	<u>-</u>	<u>-</u>	<u>14,054,134</u>	<u>4,314,575,701</u>
Depreciation									<u>340,286,073</u>
Amortization									<u>28,234,683</u>

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

Consolidated financial statements as at 31 December 2012

	Balance as at 31 December 2011	Additions	Disposals	Amortization	Written off	Assets transfer to related	Exchange gain (loss) on translation	Baht Balance as at 31 December 2012
<b>Cost</b>								
Land	261,558,176	-	-	-	-	-	-	261,558,176
Land improvement	8,857,084	-	-	-	-	-	64,304	8,921,388
Buildings	969,311,777	-	(407,589)	-	-	800,000	-	969,704,188
Buildings on leased land	1,168,115,042	62,409,699	(30,107,333)	-	(206,049,530)	1,774,931,275	45,148,928	2,814,448,081
Furniture and equipment	450,115,841	53,075,753	(4,421,212)	-	(6,545,186)	379,642,951	(486,648)	871,381,499
Furniture and equipment on leased land	1,345,884,606	54,547,588	(49,570,922)	-	(14,203,080)	49,092,821	19,718,084	1,405,469,097
Interior and renovation	375,745,647	7,096,121	-	-	(481,224)	64,751,504	-	447,112,048
Interior and renovation on leased land	1,125,144,330	11,784,332	(18,000)	-	(5,066,428)	54,751,601	21,973,248	1,208,569,083
Vehicles	71,916,764	7,756,162	(9,079,344)	-	-	13,177,475	75,943	83,847,000
Chinaware, glassware, silverware and linen	90,805,726	26,932,757	(369,329)	-	(15,896,639)	41,313,490	-	142,786,005
Building and land rights - net	61,373,145	-	-	(14,876,136)	-	-	-	46,497,009
Construction in process	1,994,066,363	571,243,648	(2,097,050)	-	(2,352,297)	(2,376,477,154)	(80,107,679)	104,275,831
Total cost	<u>7,922,894,501</u>	<u>794,846,060</u>	<u>(96,070,779)</u>	<u>(14,876,136)</u>	<u>(250,594,384)</u>	<u>1,983,963</u>	<u>6,386,180</u>	<u>8,364,569,405</u>

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

Consolidated financial statements as at 31 December 2012 (Continued)

	Balance as at 31 December 2011	Additions	Disposals	Amortization	Written off	Assets transfer to related	Exchange gain (loss) on translation	Baht Balance as at 31 December 2012
<b>Accumulated Depreciation</b>								
Land improvement	(7,295,353)	(220,982)	-	-	-	-	(45,308)	(7,561,643)
Buildings	(601,147,256)	(14,721,156)	213,224	-	-	-	(586,066)	(616,241,254)
Buildings on leased land	(770,505,551)	(102,501,046)	15,761,268	-	206,219,990	(43,732)	(39,053,173)	(690,122,244)
Furniture and equipment	(263,538,783)	(38,552,208)	2,542,943	-	6,409,649	-	1,552,164	(291,586,235)
Furniture and equipment on leased land	(1,014,456,865)	(146,080,129)	49,399,627	-	9,894,074	(68,690)	(38,348,991)	(1,139,660,974)
Interior and renovation	(72,747,296)	(32,137,520)	-	-	26,497	-	1,564	(104,856,755)
Interior and renovation on leased land	(671,606,293)	(97,890,095)	17,998	-	4,045,249	(735,634)	3,332,557	(762,836,218)
Vehicles	(61,954,318)	(6,978,130)	9,079,335	-	-	-	(41,466)	(59,894,579)
Chinaware, glassware, silverware and linen	(52,678,275)	(20,766,695)	294,220	-	10,828,903	-	98,318	(62,223,529)
Total accumulate depreciation	(3,515,929,990)	(459,847,961)	77,308,615	-	237,424,362	(848,056)	(73,090,401)	(3,734,983,431)
<b>Property, premises and equipment</b>	4,406,964,511	334,998,099	(18,762,164)	(14,876,136)	(13,170,022)	1,135,907	(66,704,221)	4,629,585,974
<u>Less Allowance for impairment</u>	(92,388,810)	-	-	-	4,575,784	-	-	(87,813,026)
<b>Property, premises and equipment - net</b>	<u>4,314,575,701</u>	<u>334,998,099</u>	<u>(18,762,164)</u>	<u>(14,876,136)</u>	<u>(8,594,238)</u>	<u>1,135,907</u>	<u>(66,704,221)</u>	<u>4,541,772,948</u>
Depreciation								459,847,961
Amortization								14,876,136

## 12. Property, premises and equipment - net (Continued)

### Company financial statements as at 31 December 2011

	Balance as at 31 December 2010	Additions	Disposals	Amortization	Written off	Assets transfer to related	Baht Balance as at 31 December 2011
<b>Cost</b>							
Land	3,247,665	-	(3,247,665)	-	-	-	-
Land improvement	640,803	-	(640,803)	-	-	-	-
Buildings	12,891,575	-	(12,891,575)	-	-	-	-
Buildings on leased land	1,627,322	-	-	-	-	104,545	1,731,867
Interior and renovation	4,915,608	-	(4,915,608)	-	-	-	-
Interior and renovation on leased land	1,061,776,049	13,125,690	-	-	(468,023)	75,370,783	1,149,804,499
Furniture and equipment	2,427,187	-	(2,427,187)	-	-	-	-
Furniture and equipment on leased land	1,105,173,184	45,514,827	(22,629,224)	-	(1,160,487)	41,044,976	1,167,943,276
Vehicles	44,279,171	5,065,157	-	-	-	-	49,344,328
Chinaware, glassware, silverware and linen	50,896,961	7,684,998	-	-	(7,109,354)	65,135	51,537,740
Building and Land rights - net	105,548,360	-	-	(14,876,136)	-	-	90,672,224
Construction in process	48,127,177	92,662,589	(1,052,408)	-	-	(112,980,752)	26,756,606
Total cost	<u>2,441,551,062</u>	<u>164,053,261</u>	<u>(47,804,470)</u>	<u>(14,876,136)</u>	<u>(8,737,864)</u>	<u>3,604,687</u>	<u>2,537,790,540</u>
<b>Accumulated Depreciation</b>							
Buildings	(10,197,453)	(14,994)	10,212,447	-	-	-	-
Buildings on leased land	(1,315,410)	(157,517)	-	-	-	(104,545)	(1,577,472)
Interior and renovation	(3,862,131)	(71,356)	3,933,487	-	-	-	-
Interior and renovation on leased land	(614,357,548)	(82,192,234)	-	-	393,660	(2,263,238)	(698,419,360)
Furniture and equipment	(1,882,826)	(6,766)	1,889,592	-	-	-	-
Furniture and equipment on leased land	(840,688,498)	(82,421,764)	22,515,720	-	1,160,079	(1,236,904)	(900,671,367)
Vehicles	(39,487,870)	(3,148,482)	-	-	-	-	(42,636,352)
Chinaware, glassware, silverware and linen	(31,047,498)	(6,702,567)	-	-	4,400,220	-	(33,349,845)
Total accumulated depreciation	<u>(1,542,839,234)</u>	<u>(174,715,680)</u>	<u>38,551,246</u>	<u>-</u>	<u>5,953,959</u>	<u>(3,604,687)</u>	<u>(1,676,654,396)</u>
<b>Property, premises and equipment - net</b>	<u>898,711,828</u>	<u>(10,662,419)</u>	<u>(9,253,224)</u>	<u>(14,876,136)</u>	<u>(2,783,905)</u>	<u>-</u>	<u>861,136,144</u>
Depreciation							<u>174,715,680</u>
Amortization							<u>14,876,136</u>



## 12. Property, premises and equipment - net (Continued)

### Company financial statements as at 31 December 2012

	Balance as at 31 December 2011	Additions	Disposals	Amortization	Written off	Assets transfer to Related	Baht Balance as at 31 December 2012
<b>Cost</b>							
Buildings on leased land	1,731,867	-	-	-	-	100,392	1,832,259
Interior and renovation on leased land	1,149,804,499	10,837,699	(18,000)	-	(5,066,428)	56,433,897	1,211,991,667
Furniture and equipment on leased land	1,167,943,276	46,273,809	(38,775,608)	-	(6,403,325)	49,212,929	1,218,251,081
Vehicles	49,344,328	1,279,906	(7,340,650)	-	-	-	43,283,584
Chinaware, glassware, silverware and linen	51,537,740	13,406,888	(68,421)	-	(9,948,567)	-	54,927,640
Building and Land rights - net	90,672,224	-	-	(14,876,136)	-	-	75,796,088
Construction in process	26,756,606	117,486,740	-	-	(66,762)	(101,548,115)	42,628,469
Total cost	<u>2,537,790,540</u>	<u>189,285,042</u>	<u>(46,202,679)</u>	<u>(14,876,136)</u>	<u>(21,485,082)</u>	<u>4,199,103</u>	<u>2,648,710,788</u>
<b>Accumulated Depreciation</b>							
Buildings on leased land	(1,577,472)	(113,202)	-	-	-	(98,005)	(1,788,679)
Interior and renovation on leased land	(698,419,360)	(93,332,309)	17,998	-	4,045,249	(1,909,974)	(789,598,396)
Vehicles	(42,636,352)	(2,687,568)	7,340,643	-	-	-	(37,983,277)
Chinaware, glassware, silverware and linen	(33,349,845)	(6,711,237)	61,989	-	7,003,773	-	(32,995,320)
Total accumulated Depreciation	<u>(1,676,654,396)</u>	<u>(185,949,028)</u>	<u>46,051,110</u>	<u>-</u>	<u>17,435,853</u>	<u>(2,166,663)</u>	<u>(1,801,283,124)</u>
<b>Property, premises and equipment - net</b>	<u>861,136,144</u>	<u>3,336,014</u>	<u>(151,569)</u>	<u>(14,876,136)</u>	<u>(4,049,229)</u>	<u>2,032,440</u>	<u>847,427,664</u>
Depreciation							<u>185,949,028</u>
Amortization							<u>14,876,136</u>

## **12. Property, premises and equipment - net (Continued)**

### **12.1 Dusit Thani Public Company Limited**

12.1.1 Property, premises and equipment - net included building and building improvement on lease land of Dusit Thani Hotel, Pattaya at a book value as at 31 December 2012 and 2011 of Baht 75,796,088 and Baht 90,672,224, respectively. Even though the title to the building of Dusit Thani Hotel, Pattaya has not been transferred to the Company, the management believes that by the fact and law, the Company has the right to use such building for its operations, as the building is located on the land which the subsidiary is the lessee. On 21 January 2002, the Company has registered such right on land lease with the Department of Land, Pattaya. In addition, the Company has peacefully and openly possessed this property with intention to be its owner for more than 10 years, by virtue of the Civil and Commercial Code of Thailand, section 1382 (see Note 32.3).

12.1.2 On 28 January 2011, the Company sold its certain part of land and premises to the third party in the amount of Baht 47,300,000 and had gain on such sales in the amount of Baht 39,173,005.

### **12.2 Dusit Thai Properties Public Company Limited, a subsidiary**

As at 31 December 2012 and 2011, land, premises and equipment of Dusit Thani Hua Hin under Dusit Thai Properties Public Company Limited, as subsidiary in net book value of Baht 353,111,598 and Baht 363,674,731, respectively, are mortgaged as a guaranteed condition which specified in lease agreement for land and building with Dusit Thani Freehold and Leasehold Property Fund in the amount of Baht 1,300,000,000 (see Note 20).

### **12.3 Philippine Hoteliers, Inc., an indirect subsidiary**

As at 31 December 2012 and 2011, hotel building and equipment and rights on lease agreement of the subsidiary in net book value of Peso 438,262,604 and Peso 490,026,957, respectively, or approximately Baht 365,085,734 and Baht 346,498,062, respectively, are used as collateral for long-term loan of this subsidiary in the amount of Peso 510 million (see Note 19.1).

### **12.4 DMS Property Investment Private Limited, an indirect subsidiary**

12.4.1 On 13 July 2011, Dusit Thai Properties Public Company Limited has entered into resort sale and purchase agreement with Coastline Hotels and Resort Private Limited in order to purchase assets, composed of the leasehold right from the Government of Republic of Maldives, five-star resort and construction over Mudhdhoo Island in Baa Atoll, Republic of Maldives in the total value of USD 60 million. The subsidiary has operated to comply with the conditions in the agreement as follows;

1. Purchase deal of USD 0.5 million as specified in the Memorandum of Understanding
2. Deposit of USD 6 million
3. Purchase price installment of USD 9 million
4. First completion payment of USD 43 million
5. Second completion payment of USD 1.5 million

## 12. Property, premises and equipment - net (Continued)

### 12.4 DMS Property Investment Private Limited, an indirect subsidiary (Continued)

The leasehold right which Coastline Hotels and Resort Private Limited got from Government of Republic of Maldives is for 35 years, started from 8 September 2009 and included in the amount of USD 60 million was prepaid rental of USD 5 million which already paid to the Government of Republic of Maldives for the first 5 years period (see Note 13). In addition, such sale and purchase agreement had specific the annual rental for year one to ten from the date of commencement of operation of resort or 30 months from 8 September 2009, whichever happens earlier at USD 1 million. Such rental will be paid every 3 months by off-setting with the prepaid rental of USD 5 million.

However, the Government of Republic of Maldives issued the law to extend the leasehold right for a maximum period of 50 years which such subsidiary has to pay additional yearly rental of USD 100,000 from September 2044 onwards. As such the lease period will be due in September 2059.

- 12.4.2 On 7 August 2011, Dusit Thai Properties Public Company Limited and other 2 shareholders had established the Company, namely DMS Property Investment Private Limited, registered in Republic of Maldives with registered capital of USD 100,000, divided into 100,000 ordinary shares at USD 1 par value each. Dusit Thai Properties Public Company held at 60% of ownership. Subsequently, such company has increased its registered share capital to USD 38,500,000, divided into 38,500,000 shares at USD 1 par value each. Dusit Thai Properties Public Company held at 55% of ownership.
- 12.4.3 On 7 August 2011, Dusit Thai Properties Public Company Limited transferred right and obligation under sale and purchase agreement dated 13 July 2011 from Coastline Hotels and Resort Private Limited to DMS Property Investment Private Limited.
- 12.4.4 During the year 2011, Dusit Thai Properties Public Company Limited and DMS Property Investment Private Limited made the payment as the mentioned in sale and purchase agreement dated 13 July 2011 to Coastline Hotels and Resort Private Limited totalling USD 57 million.
- 12.4.5 As at 31 December 2011, DMS Property Investment Private Limited recorded payable for the second completion payment of USD 1.5 million and retention of USD 1.5 million which deposit at bank under Escrow account. (presented as deposit at bank with collateral). This retention was transferred to the seller, when the seller worked to comply with the conditions as specify in the agreement, on 30 November 2012.
- 12.4.6 As at 31 December 2012, premises and equipment and as at 31 December 2011, renovation and construction in progress in the consolidated financial statements, included interest expenses from loan of DMS Property Investment Private Limited, a subsidiary in Republic of Maldives, in the amount of USD 452,154 or Baht 13,827,954 and USD 315,260 or Baht 9,931,188, respectively.

## 12. Property, premises and equipment - net (Continued)

### 12.5 Fully depreciated building and equipment

As at 31 December 2012 and 2011, building and equipment of the Company and subsidiaries amounting to Baht 1,865,732,360 and Baht 2,027,342,391, respectively, were fully depreciated but still in use.

As at 31 December 2012 and 2011, building and equipment of the Company amounting to Baht 1,095,690,487 and Baht 886,892,075, respectively, were fully depreciated but were still in use.

### 12.6 Impairment of property, premises and equipment

During the year 2011, the impairment charged of Baht 1,935,286 for property, premises and equipment as a result of economic situation and hotels' performance. The Group considered recoverable amount at the cash-generating unit level considering operation of each hotel. The recoverable amount at the cash-generating unit is determined based on value in use calculations. This calculation is determined based on discounted projected-operation cash flows reference with hotel's past performance and expected growth of each hotel business. The growth and discounted rates are determined to be 3.50% and 13.50%, respectively, based on the appraisal report appraised by independent appraiser authorized by the Stock Exchange of Thailand.

## 13. Prepaid rental - land and buildings - net

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

	<b>Consolidated</b>		<b>Company</b>		<b>Baht</b>
	<b>financial statements</b>		<b>financial statements</b>		
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	
Prepaid rental amount	1,257,507,500	1,257,507,500	1,100,000,000	1,100,000,000	
Other fees	11,000,000	11,000,000	11,000,000	11,000,000	
	<u>1,268,507,500</u>	<u>1,268,507,500</u>	<u>1,111,000,000</u>	<u>1,111,000,000</u>	
<u>Less</u> Accumulated amortization of prepaid rental – due within one year	<u>(750,272,118)</u>	<u>(648,083,500)</u>	<u>(722,150,140)</u>	<u>(648,083,500)</u>	
	<u>518,235,382</u>	<u>620,424,000</u>	<u>388,849,860</u>	<u>462,916,500</u>	
<u>Less</u> Prepaid rental of land and buildings	<u>(103,519,347)</u>	<u>(89,817,390)</u>	<u>(74,066,640)</u>	<u>(74,066,640)</u>	
Loss on translation adjustment	(4,231,690)	-	-	-	
Prepaid rental of land and buildings exceeding one year - net	<u>410,484,345</u>	<u>530,606,610</u>	<u>314,783,220</u>	<u>388,849,860</u>	
Amortization	<u>102,188,618</u>	<u>74,066,640</u>	<u>74,066,640</u>	<u>74,066,640</u>	

As at 31 December 2012 and 2011, prepaid rental amount included lease rental of DMS Property Investment Private Limited in the amount of USD 5 million for the period of 5 years (see Note 12.4).

#### 14. Intangible assets - net

Intangible assets - net consisted of the following:

##### Consolidated financial statements as at 31 December 2011

	Balance as at 31 December 2010	Additions	Disposals	Written off	Baht Balance as at 31 December 2011
<b>Computer software</b>					
Cost	81,527,390	4,006,145	-	(82,619)	85,450,916
Accumulated amortization	(36,457,572)	(6,211,169)	-	82,617	(42,586,124)
<b>Intangible assets - net</b>	<u>45,069,818</u>	<u>(2,205,024)</u>	<u>-</u>	<u>(2)</u>	<u>42,864,792</u>

Amortization 6,211,169

##### Consolidated financial statements as at 31 December 2012

	Balance as at 31 December 2011	Additions	Written off	Loss on translation adjustment	Baht Balance as at 31 December 2012
<b>Computer software</b>					
Cost	85,450,916	10,191,055	(3,752,941)	-	91,889,030
Accumulated amortization	(42,586,124)	(7,000,048)	3,752,888	7,855	(45,825,429)
<b>Intangible assets - net</b>	<u>42,864,792</u>	<u>3,191,007</u>	<u>(53)</u>	<u>7,855</u>	<u>46,063,601</u>

Amortization 7,000,048

##### Company financial statements as at 31 December 2011

	Balance as at 31 December 2010	Additions	Written off	Baht Balance as at 31 December 2011
<b>Computer software</b>				
Cost	71,360,740	3,993,645	-	75,354,385
Accumulated amortization	(27,856,665)	(5,572,144)	-	(33,428,809)
<b>Intangible assets - net</b>	<u>43,504,075</u>	<u>(1,578,499)</u>	<u>-</u>	<u>41,925,576</u>

Amortization 5,572,144

##### Company financial statements as at 31 December 2012

	Balance as at 31 December 2011	Additions	Written off	Baht Balance as at 31 December 2012
<b>Computer software</b>				
Cost	75,354,385	5,993,354	(2,231,119)	79,116,620
Accumulated amortization	(33,428,809)	(6,021,140)	2,231,117	(37,218,832)
<b>Intangible assets - net</b>	<u>41,925,576</u>	<u>(27,786)</u>	<u>(2)</u>	<u>41,897,788</u>

Amortization 6,021,140

## 15. Other non-current assets - net

Other non-current assets - net consisted of the following:

### Consolidated financial statements as at 31 December 2011

	Balance as at 31 December 2010	Increase	Decrease	Baht Balance as at 31 December 2011
Leasehold rights				
Cost	17,305,793	-	-	17,305,793
Accumulated amortization	(16,409,742)	(865,298)	-	(17,275,040)
Leasehold rights - net	896,051	(865,298)	-	30,753
Deposits	4,078,893		(220,302)	3,858,591
Others	1,695,279	-	(344,370)	1,350,909
<b>Other non-current assets - net</b>	<b>6,670,223</b>	<b>(865,298)</b>	<b>(564,672)</b>	<b>5,240,253</b>
Amortization				<u>865,298</u>

### Consolidated financial statements as at 31 December 2012

	Balance as at 31 December 2011	Increase	Decrease	Baht Balance as at 31 December 2012
Leasehold rights				
Cost	17,305,793	-	-	17,305,793
Accumulated amortization	(17,275,040)	(30,753)	-	(17,305,793)
Leasehold rights - net	30,753	(30,753)	-	-
Deposits	3,858,591	3,243,938	-	7,102,529
Others	1,350,909	-	(1,350,909)	-
<b>Other non-current assets - net</b>	<b>5,240,253</b>	<b>3,213,185</b>	<b>(1,350,909)</b>	<b>7,102,529</b>
Amortization				<u>30,753</u>

**15. Other non-current assets - net (Continued)**

**Company financial statements as at 31 December 2011**

	<b>Balance as at 31 December 2010</b>	<b>Increase</b>	<b>Decrease</b>	<b>Baht Balance as at 31 December 2011</b>
Deposits	1,315,871	23,172	-	1,339,043
	<u>1,315,871</u>	<u>23,172</u>	<u>-</u>	<u>1,339,043</u>

**Company financial statements as at 31 December 2012**

	<b>Balance as at 31 December 2011</b>	<b>Increase</b>	<b>Decrease</b>	<b>Baht Balance as at 31 December 2012</b>
Deposits	1,339,043	2,033,591	(117,592)	3,255,042
	<u>1,339,043</u>	<u>2,033,591</u>	<u>(117,592)</u>	<u>3,255,042</u>

**16. Bank overdrafts and short-term loans from financial institutions**

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

	<b>Consolidated financial statements</b>		<b>Company financial statements</b>		<b>Baht</b>
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	
Bank overdrafts and short-term loans from Financial institutions	655,297,760	822,400,000	576,900,000	822,400,000	
	<u>655,297,760</u>	<u>822,400,000</u>	<u>576,900,000</u>	<u>822,400,000</u>	

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

The Group has entered into loan agreements with financial institutions for working capital of the following:

Agreement date	Limit		Interest rate	Short-term loans	
	2012	2011		31 December 2012	31 December 2011
<b>Dusit Thani Public Company Limited</b>					
17 September 2004	-	300,000,000	be specified by bank	-	-
17 December 2007	450,000,000	450,000,000	MMR	267,000,000	-
2 November 2010	150,000,000	150,000,000	MMR	-	-
8 December 2010	300,000,000	300,000,000	be specified by bank	-	116,000,000
15 December 2010	800,000,000	800,000,000	MMR	-	534,000,000
1 November 2011	350,000,000	350,000,000	MMR	309,900,000	172,400,000
Total <sup>(1)</sup>	<u>2,050,000,000</u>	<u>2,350,000,000</u>		<u>576,900,000</u>	<u>822,400,000</u>
<b>Dusit Thai Properties Public Company Limited</b>					
24 June 2009	50,000,000	200,000,000	MMR	5,000,000	-
15 October 2012	50,000,000	-	MMR	-	-
6 November 2012	50,000,000	-	MMR	-	-
Total <sup>(2)</sup>	<u>150,000,000</u>	<u>200,000,000</u>		<u>5,000,000</u>	<u>-</u>
<b>DMS Property Investment Private Limited</b>					
3 September 2011	76,950,000	47,252,000	LIBOR plus 3.425%	73,397,760	-
Total <sup>(3)</sup>	<u>76,950,000</u>	<u>47,252,000</u>		<u>73,397,760</u>	<u>-</u>
	<u>2,276,950,000</u>	<u>2,597,252,000</u>		<u>655,297,760</u>	<u>822,400,000</u>

- MMR : Money Market Rate

<sup>(1)</sup> Such short-term loans have no guarantor.

<sup>(2)</sup> On 31 December 2011, such short-term loans were guaranteed by the Company (see Note 32.6).

<sup>(3)</sup> As at 31 December 2012 and 2011, such short-term loans have facilities of USD 2.50 million and USD 1.50 million, respectively. As at 31 December 2012, such company withdrew such short-term loan totalling USD 2.40 million. Such loan was pledged by total securities - share certificates of such subsidiary of 38.50 million shares (see Note 31.1). As at 31 December 2012, such loan was guaranteed by the Company at 60% and other 2 shareholders of such subsidiary at 40% and as at 31 December 2011, was guaranteed by the Company at 55% and other 3 shareholders of such subsidiary at 45%.

As at 31 December 2012 and 2011, the Group have credit lines for bank overdrafts totalling Baht 89,000,000, which is guaranteed by the Company totalling Baht 1,000,000 and Baht 46,000,000, respectively (see Note 32.6).

As at 31 December 2012 and 2011, the Company has credit lines for bank overdrafts totalling Baht 43,000,000, with no guarantor.



## 17. Trade and other payables

Trade and other payables as at 31 December consisted of the following:

	<b>Consolidated</b>		<b>Company</b>		<b>Baht</b>
	<b>financial statements</b>		<b>financial statements</b>		
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	
Trade account payables	221,466,214	153,055,507	54,205,293	51,471,237	
Other payables	39,909,802	62,792,240	25,915,403	27,027,942	
Payables - Assets acquisition	75,688,618	166,758,240	42,545,076	27,639,038	
Payables - Shares	-	-	8,035,000	-	
Accrued expenses	297,895,581	286,049,293	83,454,020	78,764,209	
Deposit received	114,242,182	97,401,552	34,212,151	40,439,330	
Others	73,351,022	106,842,437	35,536,911	45,547,139	
Trade and others payables	<u>822,553,419</u>	<u>872,899,269</u>	<u>283,903,854</u>	<u>270,888,895</u>	

## 18. Long-term liabilities under finance lease agreements

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

	<b>Consolidated</b>		<b>Company</b>		<b>Baht</b>
	<b>financial statements</b>		<b>financial statements</b>		
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	
Long-term liabilities under finance lease agreements	1,396,943	1,980,028	1,100,569	1,461,374	
<u>Less</u> Deferred interest	<u>(131,309)</u>	<u>(258,134)</u>	<u>(117,060)</u>	<u>(216,559)</u>	
	1,265,634	1,721,894	983,509	1,244,815	
<u>Less</u> Current portion	<u>(488,219)</u>	<u>(449,295)</u>	<u>(279,115)</u>	<u>(254,341)</u>	
	<u>777,415</u>	<u>1,272,599</u>	<u>704,394</u>	<u>990,474</u>	

## 19. Long-term loans

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

	Interest rate % p.a.		Consolidated financial statements	
	2012	2011	2012	2011
	Baht			
Loans from financial institutions				
Repayable in semi-annual installments through 2015 by Philippine Hoteliers, Inc.	4.3865	4.1615	53,884,371	72,137,798
Repayable in every three months from September 2013 through 2018 by DMS Property Investment Private Limited	4.1240	4.0740	1,269,169,601	964,260,915
			<u>1,323,053,972</u>	<u>1,036,398,713</u>
<u>Less</u> Current portion			<u>(98,009,749)</u>	<u>(20,610,799)</u>
			<u>1,225,044,223</u>	<u>1,015,787,914</u>

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

	Consolidated financial statements	
	2012	2011
	Baht	
Balance brought forward	1,036,398,713	156,253,370
<u>Add</u> Additional loans	336,177,106	964,260,915
<u>Less</u> Repayments	(20,610,799)	(88,601,226)
Exchange (gain) loss on translation	(28,911,048)	4,485,654
Balance carried forward	<u>1,323,053,972</u>	<u>1,036,398,713</u>

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

19.1 On 2 February 2007, Philippine Hoteliers, Inc., an indirect subsidiary, has entered into loan agreement with a bank to renovate its hotel in the limit of Peso 510,000,000, guaranteed by mortgaged of its hotel building and equipment and rights on lease agreement (see Note 12.3). The agreement identified the terms and conditions as follows:

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

As at 31 December 2012 and 2011, this subsidiary had outstanding long-term loan of Peso 72,870,878 and Peso 102,019,231, respectively.

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

## 19. Long-term loans (Continued)

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

19.2 On 3 September 2011, DMS Property Investment Private Limited, an indirect subsidiary in Republic of Maldives has entered into a long-term loan agreement with a financial institution in Thailand for payment of operating assets and equipment, furniture, fixture and equipment installation, preopening expenses and others totalling USD 38.50 million. Such loan was pledged by total securities - share certificates of such subsidiary of 38.50 million shares (see Note 31.1) and guaranteed by the Company by 55% and other 3 shareholders of such subsidiary by 45%.

On 14 May 2012, such subsidiary had amended such agreement to borrow additional long-term loan amounting of USD 3 million, as such totalling long-term loan are USD 41.50 million. Such loan was pledged by total securities - share certificates of such subsidiary of 38.50 million shares (see Note 31.1) and guaranteed by the Company by 60% and other 2 shareholders of such subsidiary by 40%.

As at 31 December 2012 and 2011, the subsidiary has withdrawn such long-term loan in the amount of USD 41.50 million and USD 30.61 million, respectively.

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

## 20. Deferred rental revenue

On 24 December 2010, Dusit Thai Properties Public Company Limited, a subsidiary, entered into lease agreement for land, premises and utility systems of Dusit Thani Hua Hin with Dusit Thani Freehold and Leasehold Property Fund (DTCPPF) for a period of 30 years with rental of Baht 763,000,000, covered lease period. This subsidiary has committed itself to comply with lease condition as specified in lease agreement for land and building with DTCPPF by mortgaged such land and building with DTCPPF in the amount of Baht 1,300,000,000 (see Note 12.2).

Deferred rental revenue consisted of the following:

	<b>Baht</b>	
	<b>Consolidated financial statements</b>	
	<b>2012</b>	<b>2011</b>
Total deferred rental received	763,000,000	763,000,000
<u>Less</u> Accumulated realized income from deferred rental revenue	(51,424,111)	(25,990,778)
	<u>711,575,889</u>	<u>737,009,222</u>
<u>Less</u> Current portion	(25,433,333)	(25,433,333)
Deferred rental revenue	<u>686,142,556</u>	<u>711,575,889</u>
Realized income from deferred rental revenue	<u>25,433,333</u>	<u>25,433,333</u>

## 21. Legal reserve

	<b>Consolidated</b>		<b>Company</b>		<b>Baht</b>
	<b>financial statements</b>		<b>financial statements</b>		
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	
As at 1 January	85,000,000	85,000,000	85,000,000	85,000,000	
Appropriated during the year	-	-	-	-	
As at 31 December	<u>85,000,000</u>	<u>85,000,000</u>	<u>85,000,000</u>	<u>85,000,000</u>	

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

## 22. Other reserves

Other reserves as at 31 December consisted of the following:

	<b>Consolidated</b>		<b>Company</b>		<b>Baht</b>
	<b>financial statements</b>		<b>financial statements</b>		
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	
Reserve for treasury common shares	15,740,202	15,740,202	-	-	
Total	<u>15,740,202</u>	<u>15,740,202</u>	<u>-</u>	<u>-</u>	

The Company has complied with the letter from The Securities and Exchange Commission No. Kor Lor Tor Chor Sor (Vor) 2/2548 dated 14 February 2005, regarding comment on information disclosure of appropriation of treasury common shares reserve. The Board of Directors appropriated its retained earnings to treasury common shares reserve (see Note 23.1).

## 23. Treasury common shares and weighted average number of ordinary shares

### 23.1 Treasury common shares

#### 23.1.1 Dusit Thani Public Company Limited

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

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

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

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

### 23.1 Treasury common shares (Continued)

#### 23.1.2 Dusit Thani Properties Company Limited

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

During 2006, Dusit Thani Properties Company Limited sold 134,800 ordinary shares of the Company to third parties totalling Baht 5,915,334 and gain on sales in the amount of Baht 1,415,272 has been presented as paid-in surplus - treasury common shares. As at 31 December 2012 and 2011, Dusit Thani Properties Company Limited held 471,500 ordinary shares of the Company with the carrying value of Baht 15,740,202. Such shares were presented as treasury common shares in the consolidated statements of financial position.

The Company has complied with the letter from The Securities and Exchange Commission No. Kor Lor Tor Chor Sor (Vor) 2/2548 dated 14 February 2005, regarding comment on information disclosure of appropriation of treasury common shares reserve. As at 31 December 2012 and 2011, the Company has appropriately retained earnings to treasury common shares reserve in the amount of Baht 15,740,202 which has been included in other reserves (see Note 22).

### 23.2 Weighted average number ordinary shares

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

	Consolidated financial statements		Company financial statements	
	2012	2011	2012	2011
Number of issued and paid-up ordinary shares	85,000,000	85,000,000	85,000,000	85,000,000
<u>Less</u> Repurchased ordinary shares by Dusit Thani Properties Company Limited	(471,500)	(471,500)	-	-
Weighted average number of ordinary shares	<u>84,528,500</u>	<u>84,528,500</u>	<u>85,000,000</u>	<u>85,000,000</u>

## 24. Net revenue from assets held for sale and net revenue from assets held for sale

On 12 October 2010, the Company purchased operations assets of Dusit Thani Laguna Phuket from Laguna Resorts and Hotels Public Company Limited, Phuket Resort Development Limited and Laguna Grande Limited in amount of including inventories and operating equipment for hotel operation totalling Baht 2,620,000,000 (included VAT). On 24 December 2010, the Company sold these assets to Dusit Thani Freehold and Leasehold Property Fund (DTCPPF) in the amount of Baht 2,715,000,000 (included VAT) and had gain on sales of such assets, net of related transferring expenses, of Baht 6,904,215. This gain is separately presented as unrealized gain on sales of assets held for sale, under non-current liabilities because the Company provided a guarantee for lease and/or sublease payment (in a such case) that Dusit Management Company Limited, a subsidiary, has to pay to DTCPPF for a period of 4 years.

## 25. Retirement benefit obligation

	<b>Consolidated</b>		<b>Company</b>		<b>Baht</b>
	<b>financial statements</b>		<b>financial statements</b>		
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	
Present value of funded obligations	179,011,891	170,264,353	64,962,693	60,926,211	
Fair value of plan assets	(51,947,516)	(46,000,270)	-	-	
Present value of unfunded obligation	127,064,375	124,264,083	64,962,693	60,926,211	
Unrecognized past service cost	(73,537)	(140,853)	-	-	
Unrecognized actuarial loss	36,652,291	5,137,457	24,591,560	-	
Liability in the statement of financial position	163,643,129	129,260,687	89,554,253	60,926,211	

The movement in the defined benefit obligation over the year is as follows:

	<b>Consolidated</b>		<b>Company</b>		<b>Baht</b>
	<b>financial statements</b>		<b>financial statements</b>		
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	
At 1 January	170,264,354	173,972,235	60,926,211	67,123,831	
Current service cost	18,630,101	16,914,709	8,573,779	6,285,015	
Interest cost	7,204,535	8,374,080	2,143,399	2,241,954	
Actuarial losses	27,238,427	1,452,710	24,591,560	2,109,831	
Exchange differences	3,306,011	2,509,726	-	-	
Benefits paid	(20,393,108)	(32,959,106)	(6,680,696)	(16,834,420)	
At 31 December	206,250,320	170,264,354	89,554,253	60,926,211	

The movement in the fair value of plan assets over the year is as follows:

	<b>Consolidated</b>		<b>Company</b>		<b>Baht</b>
	<b>financial statements</b>		<b>financial statements</b>		
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	
At 1 January	46,000,270	55,225,257	-	-	
Expected return on plan assets	4,038,864	6,808,033	-	-	
Actuarial (gains) losses	3,039,354	(3,778,702)	-	-	
Exchange difference	2,151,554	1,922,751	-	-	
Expected return on plan assets	7,304,000	-	-	-	
Benefits paid	(10,586,526)	(14,177,069)	-	-	
At 31 December	51,947,516	46,000,270	-	-	

## 25. Retirement benefit obligation (Continued)

The amounts recognized in the income statement are as follows:

	<b>Consolidated</b>		<b>Company</b>		<b>Baht</b>
	<b>financial statements</b>		<b>financial statements</b>		
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	
Current service cost	18,630,101	16,914,709	8,573,778	6,285,015	
Interest cost	7,204,535	8,374,080	2,143,399	2,241,954	
Expected return on plan assets	(4,038,864)	(6,808,033)	-	-	
Past service cost	1,914,281	69,687	1,612,342	-	
Total, included in staff costs	<u>23,710,053</u>	<u>18,550,443</u>	<u>12,329,519</u>	<u>8,526,969</u>	

The principal actuarial assumptions used were as follows:

	<b>Consolidated</b>		<b>Company</b>		
	<b>financial statements</b>		<b>financial statements</b>		
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	
Discount rate	3.7%, 5.4%	3.7%, 5.4%	3.5%	3.5%	
Inflation rate	3.0%	3.0%	3.0%	3.0%	
Expected return on plan assets	8.5%	8.5%	-	-	
Future salary increases	4.0% - 9.0%	4.0% - 9.0%	4.0% - 9.0%	4.0% - 9.0%	

## 26. Share of profit from investment in associate

For the year ended 31 December 2012, share of profit from investment in associate is included unrealized gain from investment property revaluation of Dusit Thani Freehold and Leasehold Property Fund (DTCPPF) of Baht 8,718,373 (for the year ended 31 December 2011 of Baht 7,998,538), according to the investment percentage by the Company. The fair value of investments in properties has assessed by independent appraisers who are authorized by the Securities and Exchange Commission, by using the income approach per their reports dated 3 August 2012, 15 August 2012 and 6 September 2012 of Dusit Thani Laguna Phuket Hotel, Dusit Thani Hua Hin Hotel and dusitD2 Chiang Mai Hotel, respectively, with discount rates approximately 10% - 14%.

In addition, the management of the Company had received the confirmation letter from DTCPPF's manager that DTCPPF has already considered and agreed the reasonable of the assumption information, discounted rate and the revalued of assets, together with the actual performance and types of right on such assets of DTCPPF which also agreed by the management of the Company.

## 27. Income tax

For the years ended 31 December 2012 and 2011, income tax of the Group has been calculated on the net profit after deduction of revenue which is not subjected to tax calculation and adding back certain expenses which are disallowance for tax computation purposes.

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

	<b>Consolidated</b>		<b>Company</b>		<b>Baht</b>
	<b>financial statements</b>		<b>financial statements</b>		
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	
Income tax of the Company	-	-	-	-	
<u>Add</u> Income tax of subsidiaries:					
- Dusit Thai Properties Public Company Limited	5,711,516	10,527,806	-	-	
- Philippine Hoteliers, Inc.	26,266,127	26,698,469	-	-	
- Dusit Management Company Limited	1,313,718	40,077	-	-	
	<u>33,291,361</u>	<u>37,266,352</u>	<u>-</u>	<u>-</u>	

## 28. Dividend paid

On 27 April 2012, the shareholders' meeting of the Company passed a resolution to approve and appropriate profit as dividend payment for the year 2011 for 85,000,000 ordinary shares at Baht 0.50 per share, totalling Baht 42,500,000 was paid on 11 May 2012.

On 29 April 2011, the shareholders' meeting of the Company passed a resolution to approve and appropriate profit and retained earnings as dividend payment for the year 2010 for 85,000,000 ordinary shares at Baht 0.50 per share, totalling Baht 42,500,000 was paid on 13 May 2011.

## 29. Revenues arising from exchanges of goods or services

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

For the years ended 31 December 2012 and 2011, revenues arising from exchange of goods or services included in revenues from sales and services are as follows:

	<b>Consolidated</b>		<b>Company</b>		<b>Baht</b>
	<b>financial statements</b>		<b>financial statements</b>		
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	
Revenues arising from exchanges of goods or services	19,035,910	16,164,444	12,673,789	14,355,762	



### **30. Long-term leases**

#### **30.1 Dusit Thani Public Company Limited**

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

On 26 August 2002, the Company signed the first extension of the above land lease agreements for period from 1 April 2003 to 31 March 2018. The prepaid rental for the period of 15 years is Baht 1,100,000,000.

On 27 January 2006, the Company entered into the land lease agreement with Siri Pattaya Company Limited for rental period 22 years started from 1 January 2006 to 31 December 2027. Currently, Dusit Thani Hotel, Pattaya (formerly Dusit Resort Pattaya) is now located on such land. Total rental thorough the lease agreement is totalling of Baht 1,002,000,000. The rental payment may vary in accordance with fluctuation in the Swiss Franc exchange rate. During the lease period, if the Swiss Franc is cancelled, the exchange rate between Baht and US dollar will be used instead. In this case, the rate to be used is the average exchange rate for US dollars on the date of the original agreement, which is the commercial bank selling rate announced by The Bank of Thailand, one US dollar for Baht 39.14. When the lease agreement is expired, the Company can extend the lease period twice for a period of 10 years each with related lease payments to be renegotiated by the parties.

#### **30.2 Philippine Hoteliers, Inc.**

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

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

### 30. Long-term leases (Continued)

#### 30.3 Dusit Management Company Limited

On 24 December 2010, Dusit Management Company Limited, a subsidiary entered the lease agreements for operating assets of Dusit Thani Laguna Phuket, dusitD2 Chiang Mai and sublease agreement for operating assets of Dusit Thani Hua Hin from Dusit Thani Freehold and Leasehold Property Fund (DTCPF) for a period of 3 years and has rights to renew such lease and sublease agreements for 6 times with 3 years period each. The Company guaranteed the minimum lease and/or sublease payment by this subsidiary to DTCPF (see Note 32.7). The rental amount detailed as follows:

30.3.1 Fixed rental of Baht 205,000,000 per year, monthly payment amount was specified in the lease agreement.

Rental amount during 24 December 2010 to 31 December 2010 was calculated by days in proportion of such rental amount.

30.3.2 Variable rental is paid on a quarterly basis which is calculated based on percentage of hotel operating profit before interest, income tax and depreciation and amortization (EBITDA). Such percentage specified as follows:

Years 2011 - 2016	90%
Years 2017 - 2022	85%
Years 2023 onwards	80%

Rental amount during 24 December 2010 to 31 December 2010 was calculated by days, using 90%.

#### 30.4 DMS Property Investment Private Limited

Reference from Dusit Thai Properties Public Company Limited and/or DMS Property Investment Private Limited have right on leasehold land from the Government of Republic of Maldives, resort and construction on Mudhdhoo Island, Baa Atoll, Republic of Maldives as mentioned in Note 12.4, as of 31 December 2012, the rental for remaining lease period is as follows:

<b>Due period</b>		<b>Amount</b>
Not over 1 year	USD	1,000,000
Over 1 year but not over 5 years	USD	4,000,000
Over 5 years	USD	43,182,787

However, prepaid rental amounting to USD 5,000,000 of DMS Property Investment Private Limited is amortized as expense of USD 1,000,000 per year for the period of 5 years.

### 31. Transactions between related companies

Transactions between related companies are as follows:

#### 31.1 Investment in subsidiaries, associate and a joint venture

As at 31 December 2012

Company's name	Country of incorporation	Type of business	Relationship	Issued and paid-up (ordinary shares)	% of shareholding	Investment		Baht
						Company financial statement Cost	Consolidated financial statement Equity	
<b>Subsidiaries</b>								
1. Dusit Thani Properties Co., Ltd.	Thailand	Holding	Subsidiary	800,000,000	99.99	799,999,300	-	
- Dusit Thai Properties Public Co., Ltd.	Thailand	Hotel and Management	Subsidiary (Indirect holding)	825,000,000	83.93 <sup>(1)</sup>	-	-	
- Philippine Hoteliers, Inc.	Philippines	Hotel	Subsidiary (Indirect holding)	PESO 364,870,100	88.00 <sup>(1)</sup>	-	-	
						<u>799,999,300</u>	<u>-</u>	
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 <sup>(4)</sup>	4,999,940	-	
5. Dusit Thai Properties Public Co., Ltd.	Thailand	Hotel and Management	Subsidiary	825,000,000	2.86 <sup>(7)</sup>	40,109,974	-	
- DMS Property Investment Private Limited	Republic of Maldives	Hotel	Subsidiary (Indirect holding)	USD 38,500,000	47.72 <sup>(3)</sup>	-	-	
						<u>40,109,974</u>	<u>-</u>	
6. 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 <sup>(2)</sup>	-	-	
						<u>49,999,930</u>	<u>-</u>	
7. Dusit Management Co., Ltd.	Thailand	Hotel	Subsidiary	1,000,000	99.99	3,999,960	-	
8. Dusit USA Management Inc.	United State of America	Hotel management	Subsidiary	USD 40,000	100.00 <sup>(6)</sup>	-	-	
						<u>917,097,034</u>	<u>-</u>	
						<u>(9,988,000)</u>	<u>-</u>	
<u>Less</u> Allowance for impairment						<u>907,109,034</u>	<u>-</u>	

### 31. Transactions between related companies (Continued)

#### 31.1 Investment in subsidiaries, associate and a joint venture (Continued)

As at 31 December 2012

Company's name	Country of incorporation	Type of business	Relationship	Issued and paid-up (ordinary shares)	% of shareholding	Investment		Baht
						Company financial statement Cost	Consolidated financial statement Equity	
<b>Joint ventures</b>								
1. Le Cordon Bleu Dusit Co., Ltd.	Thailand	Cooking School	Joint venture	40,000,000	49.99	19,999,400		-
2. Dusit Bird Hotels Private Limited	India	Management	Joint venture	INR 5,000,000	50.00 <sup>(5)</sup>	6,080,545		-
						26,079,945		-
<b>Associate</b>								
1. Dusit Thani Freehold & Leasehold Property Fund	Thailand	Leasing	Associate	4,094,000,000	30.02	1,229,202,500	1,309,525,818	1,309,525,818
						1,229,202,500	1,309,525,818	1,309,525,818

(1) Dusit Thani Properties Company Limited holds 83.94% in Dusit Thai Properties Public Company Limited, 88.01% in Philippine Hoteliers, Inc.

(2) Dusit Worldwide Company Limited holds 100.00% in Dusit Overseas Company Limited.

(3) Dusit Thai Properties Public Company Limited holds 55.00% in DMS Property Investment Private Limited and share certificates of such company are pledged as collateral of loan from financial of such company (see Notes 16 and 19.2).

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

(5) Dusit Bird Hotels Private Limited passed a resolution to call the issued and paid-up share capital 900,000 shares, at par value 10.00 Indian Rupees each from existing shareholders. The Company paid such share subscription for the Company's proportion of 450,000 shares, totalling 4,500,000 Indian Rupees, equivalent to Baht 2.61 million on 30 October 2012.

(6) Dusit USA Management Inc. has registered on 14 August 2012 and as at 31 December 2012, has not called its share subscription.

(7) The Company had additional invested in Dusit Thai Properties Public Co., Ltd. from another related company.

### 31. Transactions between related companies (Continued)

#### 31.1 Investment in subsidiaries, associate and a joint venture (Continued)

As at 31 December 2011

Company's name	Country of incorporation	Type of business	Relationship	Issued and paid-up (ordinary shares)	% of shareholding	Investment		Baht
						Company financial statement Cost	Consolidated financial statement Equity	
<b>Subsidiaries</b>								
1. Dusit Thani Properties Co., Ltd.	Thailand	Holding	Subsidiary	800,000,000	99.99	799,999,300	-	
- Dusit Thai Properties Public Co., Ltd.	Thailand	Hotel and	Subsidiary					
		Management	(Indirect holding)	825,000,000	84.64 <sup>(1)</sup>	-	-	
- Philippine Hoteliers, Inc.	Philippines	Hotel	Subsidiary					
			(Indirect holding)	PESO 364,870,100	88.00 <sup>(1)</sup>	-	-	
- Dusit Enterprises Co., Ltd.	Republic of Mauritius	Management	Subsidiary					
			(Indirect holding)	USD 27,500	99.99 <sup>(1)</sup>	-	-	
						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. Dusit Thai Properties Public Co., Ltd.	Thailand	Hotel and						
		Management	Subsidiary	825,000,000	2.15	32,074,974	-	
- DMS Property Investment Private Limited	Republic of Maldives	Hotel	Subsidiary					
			(Indirect holding)	USD 38,500,000	47.72 <sup>(3)</sup>	-	-	
						32,074,974	-	
6. Dusit Worldwide Co., Ltd.	Thailand	Management	Subsidiary	50,000,000	99.99	49,999,930	-	
- Dusit Overseas Co., Ltd.	Hong Kong	Management	Subsidiary					
			(Indirect holding)	HKD 33,000	99.99 <sup>(2)</sup>	-	-	
						49,999,930	-	
7. Dusit Management Co., Ltd.	Thailand	Hotel	Subsidiary	1,000,000	99.99	3,999,960	-	
						909,062,034	-	
						(9,988,000)	-	
						899,074,034	-	
<u>Less</u> Allowance for impairment								
<b>Joint ventures</b>								
1. Le Cordon Bleu Dusit Co., Ltd.	Thailand	Cooking School	Joint venture	40,000,000	49.99	19,999,400	-	
2. Dusit Bird Hotels Private Limited	India	Management	Joint venture	INR 5,000,000	50.00	3,470,545	-	
						23,469,945	-	
<b>Associate</b>								
1. Dusit Thani Freehold & Leasehold Property Fund	Thailand	Leasing	Associate	4,094,000,000	30.02	1,229,202,500	1,302,779,562	
						1,229,202,500	1,302,779,562	

### 31. Transactions between related companies (Continued)

#### 31.1 Investment in subsidiaries, associate and a joint venture (Continued)

- (1) Dusit Thani Properties Company Limited holds 84.65% in Dusit Thai Properties Public Company Limited, 88.01% in Philippine Hoteliers, Inc. and 100.00% in Dusit Enterprises Company Limited and Dusit Enterprises Company Limited registered for liquidation with Companies Division, Government Office in Republic of Mauritius on 26 July 2012.
- (2) Dusit Worldwide Company Limited holds 100.00% in Dusit Overseas Company Limited.
- (3) Dusit Thai Properties Public Company Limited holds 55.00% in DMS Property Investment Private Limited and share certificates of such company are pledged as collateral of loan from financial of such company (see Notes 16 and 19.2).

#### 31.2 Relationship with related companies

As at 31 December 2012

	Country of incorporation	Type of business	Relationship
<b>Related companies</b>			
1. Acme Printing Co., Ltd.	Thailand	Printing house	Director holds the shares
2. The Peninsula Travel Service Co., Ltd.	Thailand	Sale air ticket	Director holds the shares
3. MBK Public Co., Ltd.	Thailand	Property development	Company and director hold the shares
4. Laguna Resorts & Hotels Public Co., Ltd.	Thailand	Hotel	Company holds the shares and director is director
5. Piyasiri Co., Ltd.	Thailand	Hospital	Director holds the shares
6. Bangkok Bank Public Co., Ltd.	Thailand	Bank	Company and director holds the shares
7. Thai Life Insurance Co., Ltd.	Thailand	Life insurance	Director is director
8. The Navakij Insurance Public Co., Ltd.	Thailand	Non-life insurance	Director is director
9. New Atlantic Co., Ltd.	Thailand	Department store	Director holds the shares
10. Thana-jirang Co., Ltd.	Thailand	Office rental	Director holds the shares
11. JTB (Thailand) Co., Ltd.	Thailand	Sale package tour and hotel reservation, air ticket	Director holds the shares

**31. Transactions between related companies (Continued)**

**31.2 Relationship with related companies**

**As at 31 December 2011**

	<b>Country of incorporation</b>	<b>Type of business</b>	<b>Relationship</b>
<b>Related companies</b>			
1. Acme Printing Co., Ltd.	Thailand	Printing house	Director holds the shares
2. The Peninsula Travel Service Co., Ltd.	Thailand	Sale air ticket	Director holds the shares
3. MBK Public Co., Ltd.	Thailand	Property development	Company and director hold the shares
4. Laguna Resorts & Hotels Public Co., Ltd.	Thailand	Hotel	Company holds the shares and director is director
5. Piyasiri Co., Ltd.	Thailand	Hospital	Director holds the shares
6. Bangkok Bank Public Co., Ltd.	Thailand	Bank	Company and director holds the shares
7. Thai Life Insurance Co., Ltd.	Thailand	Life insurance	Director is director
8. The Navakij Insurance Public Co., Ltd.	Thailand	Non-life insurance	Director is director
9. New Atlantic Co., Ltd.	Thailand	Department store	Director holds the shares
10. Thana-jirang Co., Ltd.	Thailand	Office rental	Director holds the shares
11. JTB (Thailand) Co., Ltd.	Thailand	Sale package tour and hotel reservation, air ticket	Director holds the shares

### 31. Transactions between related companies (Continued)

#### 31.3 Short-term loans to and from related companies

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

	<b>Consolidated</b>		<b>Company</b>		<b>Baht</b>
	<b>financial statements</b>		<b>financial statements</b>		
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	
Short-term loan to joint venture					
Le Cordon Bleu Dusit Company Limited	-	6,000,180	-	12,000,000	
Total	-	6,000,180	-	12,000,000	
Short-term loan from related company					
Le Cordon Bleu International BV	-	5,999,820	-	-	
MBK Hotels and Resort Co., Ltd.	12,232,960	-	-	-	
Total	12,232,960	5,999,820	-	-	

The costs of borrowing are as follows:

- Loan to joint venture - minimum loan rate of commercial banks or not lower than 8.50% p.a.
- Loans from related companies - minimum loan rate of commercial banks or not lower than 8.50% p.a. and interest rate LIBOR plus 3.425% per annum or not less than those pays to the financial institution.
- All inter - company borrowings are unsecured.

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

	<b>Consolidated</b>		<b>Company</b>		<b>Baht</b>
	<b>financial statements</b>		<b>financial statements</b>		
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	
Loan to related companies					
Balance brought forward	6,000,180	11,000,330	12,000,000	23,828,900	
<u>Add</u> Additional loans	-	-	-	46,600,000	
<u>Less</u> Repayments	(6,00,180)	(5,000,150)	(12,000,000)	(58,428,900)	
Balance carried forward	-	6,000,180	-	12,000,000	
Loan from related companies					
Balance brought forward	5,999,820	14,999,550	-	1,092,310,000	
<u>Add</u> Additional loans	12,232,960	-	-	-	
<u>Less</u> Repayments	(5,999,820)	(8,999,730)	-	(1,092,310,000)	
Balance carried forward	12,232,960	5,999,820	-	-	



31. Transactions between related companies (Continued)

31.4 Significant related business transactions

Related balances

Company financial statements

Company	As at 31 December 2012					As at 31 December 2011				Baht
	Trade accounts receivable	Other receivables	Accrued expenses	Payable - shares	Other payables	Trade accounts receivable	Other receivables	Accrued expenses	Other payables	
Dusit Thai Properties Public Co., Ltd.	63,908	1,901,976	-	-	248,317	35,297	8,589,401	-	132,002	
Dusit Thani Properties Co., Ltd.	-	101,650	-	8,035,000	-	-	101,650	-	-	
Philippine Hoteliers, Inc.	-	32,414	-	-	-	39,547	-	-	-	
Dusit Enterprises Co., Ltd.	-	-	-	-	-	-	1,381	-	-	
Devarana Spa Co., Ltd.	148,536	88,960	-	-	1,019,148	124,083	89,338	-	588,564	
Dusit Executive Development Center Co., Ltd.	-	-	-	-	-	174,106	125,217	-	427,395	
Dusit Worldwide Co., Ltd.	314,417	37,830,571	-	-	5,919,515	520,444	17,897,762	-	4,327,241	
Dusit Overseas Co., Ltd.	-	4,650,938	-	-	-	-	8,522,459	-	-	
Dusit Management Co., Ltd.	488,086	-	-	-	-	237,997	17,552,370	-	1,931,055	
Le Cordon Bleu Dusit Co., Ltd.	156,210	-	-	-	384,834	158,079	-	-	-	
Dusit Thani Freehold and Leasehold Property Fund	-	978,799	68,454,870	-	-	-	-	87,703,789	-	
Acme Printing Co., Ltd.	-	-	46,224	-	-	-	-	-	-	
Laguna Resorts & Hotels Public Co., Ltd.	-	1,565,573	-	-	-	33,752,739	-	2,470,317	-	
DMS Property Investment Private Limited	738,684	2,746,968	-	-	-	504,708	10,817,971	-	-	
JTB (Thailand) Co., Ltd.	1,710,820	-	-	-	-	-	-	-	-	
	<u>3,620,661</u>	<u>49,897,849</u>	<u>68,501,094</u>	<u>8,035,000</u>	<u>15,606,814</u>	<u>35,547,000</u>	<u>63,697,549</u>	<u>90,174,106</u>	<u>7,406,257</u>	

31. Transactions between related companies (Continued)

31.4 Significant related business transactions (Continued)

Related transactions

Company financial statements

Company	For the year ended 31 December 2012									Baht
	Revenue from sales and services	Management service income	Interest income	Dividend income	Other income	Cost of sales	Selling expenses	Administrative expenses	Financial expenses	
Dusit Thai Properties Public Co., Ltd.	231,660	12,327,027	-	443,189	16,861,126	-	-	28,561,912	-	
Dusit Thani Properties Co., Ltd.	96,570	-	-	35,999,969	2,105,839	-	-	-	-	
Philippine Hoteliers, Inc.	-	-	-	-	200,482	-	-	-	-	
Devarana Spa Co., Ltd.	2,525,436	-	-	-	6,523,563	346,350	-	1,228,590	-	
Dusit Executive Development Center Co., Ltd.	1,325,176	-	-	-	720,302	-	-	-	-	
Dusit Worldwide Co., Ltd.	5,896,799	-	-	-	22,793,239	-	68,334,438	8,234,320	-	
Dusit Overseas Co., Ltd.	-	-	-	-	7,760,613	-	-	23,635,229	-	
Dusit Management Co., Ltd.	1,027,875	41,661,127	-	-	17,263,383	-	-	-	-	
Le Cordon Bleu Dusit Co., Ltd.	7,592,241	-	213,774	-	360,370	-	-	-	-	
DMS Property Investment Private Limited	-	-	-	-	4,056,762	-	-	366,857	-	
Dusit Thani Freehold and Leasehold Property Fund	-	-	-	100,179,800	-	-	-	68,454,670	-	
Acme Printing Co., Ltd.	-	-	-	-	-	-	-	352,324	-	
MBK Public Co., Ltd.	-	-	-	10,379,250	-	-	-	-	-	
Piyasiri Co., Ltd.	-	-	-	-	-	-	-	284,734	-	
Bangkok Bank Public Co., Ltd.	-	-	-	379,800	-	-	-	566,994	9,197,351	
The Navakij Insurance Public Co., Ltd.	-	-	-	-	-	-	-	479,771	-	
JTB (Thailand) Co., Ltd.	7,303,801	-	-	-	-	-	-	-	-	
	<u>25,999,558</u>	<u>53,988,154</u>	<u>213,774</u>	<u>147,382,008</u>	<u>78,645,679</u>	<u>346,350</u>	<u>68,334,438</u>	<u>132,165,401</u>	<u>9,197,351</u>	

31. Transactions between related companies (Continued)

31.4 Significant related business transactions (Continued)

Related transactions (Continued)

Company financial statements

Baht

Company	For the year ended 31 December 2011								Financial expenses
	Revenue from sales and services	Management service income	Interest income	Dividend income	Other income	Cost of sales	Selling expenses	Administrative expenses	
Dusit Thai Properties Public Co., Ltd.	229,987	12,016,284	-	5,318,271	29,949,668	-	36,563	22,599,165	-
Dusit Thani Properties Co., Ltd.	64,380	-	-	239,999,790	1,146,250	-	-	-	16,263,226
Philippine Hoteliers, Inc.	-	-	-	-	362,184	-	-	-	-
Devarana Spa Co., Ltd.	2,322,135	-	1,986	-	6,507,026	359,938	-	1,774,699	-
Dusit Executive Development Center Co., Ltd.	1,358,556	-	-	-	1,736,628	-	-	4,511,725	-
Dusit Worldwide Co., Ltd.	4,024,462	-	-	-	21,234,857	-	63,934,703	10,110,673	-
Dusit Overseas Co., Ltd.	-	-	-	-	6,644,445	-	-	13,257,943	-
Dusit Management Co., Ltd.	822,300	38,457,430	129,024	-	30,050,768	-	824,365	989,823	-
Le Cordon Bleu Dusit Co., Ltd.	7,558,732	-	787,100	-	136,920	-	-	-	-
Dusit Thani Freehold and Leasehold Property Fund	-	-	-	45,111,640	-	-	-	-	-
Acme Printing Co., Ltd.	-	-	-	-	-	-	-	2,480,521	-
The Peninsula Travel Service Co., Ltd.	-	-	-	-	-	-	-	67,000	-
MBK Public Co., Ltd.	-	-	-	9,885,000	42,633	-	-	139,832	-
Laguna Resorts & Hotels Public Co., Ltd.	-	-	-	12,500,000	-	-	-	-	-
Piyasiri Co., Ltd.	-	-	-	-	-	-	-	230,503	-
Bangkok Bank Public Co., Ltd.	-	-	-	348,150	-	-	-	75,877	5,777,933
Thai Life Insurance Co., Ltd.	-	-	-	-	-	-	-	3,000	-
The Navakij Insurance Public Co., Ltd.	-	-	-	-	-	-	-	264,170	-
	<u>16,380,552</u>	<u>50,473,714</u>	<u>918,110</u>	<u>313,162,851</u>	<u>97,811,379</u>	<u>359,938</u>	<u>64,795,631</u>	<u>56,504,931</u>	<u>22,041,159</u>

### 31. Transactions between related companies (Continued)

#### 31.4 Significant related business transactions (Continued)

Prices and terms are as follows:

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

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

The interest income see Note 31.3.

Other expenses are based on the price agreed upon by the Company and the subsidiaries according to the agreement.

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

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

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

#### 31.5 Key management compensation

Key management includes directors (executive and non-executive), members of the Executive Committee, the Company Secretary and the Head of Internal Audit. The compensation paid or payable to key management for employee services is shown below:

	<b>Consolidated</b>		<b>Company</b>		<b>Baht</b>
	<b>financial statements</b>		<b>financial statements</b>		
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	
Salaries and other					
short-term employee benefits	86,219,757	78,915,948	55,679,824	46,736,171	
	<u>86,219,757</u>	<u>78,915,948</u>	<u>55,679,824</u>	<u>46,736,171</u>	

### 32. Commitments and contingent liabilities

32.1 As at 31 December 2012 and 2011, the Company and subsidiaries had letter of guarantees issued by banks totalling Baht 148,385,800 and Baht 148,097,100, respectively (see Note 32.7).

32.2 As at 31 December 2012 and 2011, the Company had letter of guarantees issued by banks totalling Baht 139,158,600 (see Note 32.7).

## 32. Commitments and contingent liabilities (Continued)

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

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

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

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

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

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

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

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

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

### 32. Commitments and contingent liabilities (Continued)

32.4 For Philippine Hoteliers, Inc., an indirect subsidiary, as at 31 December 2012 and 2011, there are pending litigations, unasserted claims, and contingent liabilities that may arise in the normal course of operations of the subsidiary which are not reflected in the accompanying financial statements such as pending labor dispute cases filed with the NLRC-NCR. The subsidiary's management is of the opinion that expenses, if any, from these contingencies, are not significant and will not have material adverse effects and no provision has been made on subsidiary's financial statements.

32.5 As at 31 December 2012 and 2011, the Group has commitments for renovation contracts totalling Baht 139,026,222 and Baht 62,612,572, respectively.

As at 31 December 2012 and 2011, the Company has commitments for renovation contracts totalling Baht 75,974,909 and Baht 45,932,077, respectively.

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

	Note	2012	Baht 2011
Bank overdrafts and short-term loans from financial institutions	16	1,000,000	246,000,000
Total		<u>1,000,000</u>	<u>246,000,000</u>

32.7 The Company has contingent liabilities, as guarantor, the minimum lease and/or sublease payment by Dusit Management Company Limited, a subsidiary, to Dusit Thani Freehold and Leasehold Property Fund (DTCPPF) for the lease period 1st - 4th years. The minimum lease and/or sublease payment are as follows:

1st year	Baht 381,342,000
2nd year	Baht 382,741,000
3rd year	Baht 384,649,000
4th year	Baht 386,144,000

The Company has pledged the 1 year bank guarantee in the amount of Baht 125,000,000 to DTCPPF (see Notes 30.3, 32.1 and 32.2) and will pledge new bank guarantee every year during such guarantee period.

32.8 As at 31 December 2012 and 2011, the Company has contingent liabilities from guarantee to DMS Property Investment Private Limited, an indirect subsidiary in Republic of Maldives at 60% and 55% for short-term and long-term loan not excess USD 24.40 million and USD 22.00 million, respectively.

### 33. Investment Promotion Privileges

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

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

### 34. Revenues from promoted activities

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

	<b>Promoted activities</b>	<b>Non-promoted activities</b>	<b>Baht Total amount</b>
<b>For the year ended 31 December 2012</b>			
Revenue from sales and services	96,833,099	-	96,833,099
Interest income	-	291,596	291,596
Other income	-	247,498	247,498
<b>Total</b>	<b>96,833,099</b>	<b>539,094</b>	<b>97,372,193</b>
<b>For the year ended 31 December 2011</b>			
Revenue from sales and services	93,708,719	-	93,708,719
Interest income	-	90,037	90,037
Other income	-	288,641	288,641
<b>Total</b>	<b>93,708,719</b>	<b>378,678</b>	<b>94,087,397</b>

### 35. Provident fund

For the years ended 31 December 2012 and 2011, the contributions of the Group to the provident fund recorded as expenses were Baht 25,357,856 and Baht 25,783,027, respectively.

For the years ended 31 December 2012 and 2011, the contributions of the Company to the provident fund recorded as expenses were Baht 13,833,235 and Baht 15,626,508, respectively.

### 36. Expense by nature

The following expenditure items, classified by nature, have been charged in arriving at the operating profit:

	<b>Consolidate Financial statement</b>		<b>Company Financial statement</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>For the year ended 31 December</b>				
Salary and other benefits	1,238,085,105	1,009,170,710	523,133,653	463,596,209
Rental expenses	222,479,724	158,799,450	129,056,849	110,066,640
Repair and maintenance expenses	143,622,147	93,814,232	38,869,642	33,277,062
Utility expenses	299,028,397	251,154,530	104,380,716	79,584,697

### 37. Business segment information

Business segment information of the Group classified by geographical segment are as follows:

	Million Baht		
	Revenues	Net Profit (Loss)	Assets Employed
<b>For the year ended 31 December 2012</b>			
Bangkok	2,219.30	128.95	5,612.62
Other provinces	1,841.07	46.91	1,232.72
Overseas	1,293.70	(146.78)	2,477.70
Total	<u>5,354.07</u>	<u>29.08</u>	<u>9,323.04</u>
<u>Less</u> Inter-company transactions	(605.49)	7.74	(920.97)
Total	<u>4,748.58</u>	<u>36.82</u>	<u>8,402.07</u>
<u>Add</u> Net loss of non-controlling interests		112.59	
Consolidated net profit - equity holders of the parent		<u>149.41</u>	
Consolidated assets			<u>8,402.07</u>

	Million Baht		
	Revenues	Net Profit (Loss)	Assets Employed
<b>For the year ended 31 December 2011</b>			
Bangkok	2,103.84	130.38	5,707.81
Other provinces	1,680.92	42.03	1,184.16
Overseas	825.43	8.77	2,374.36
Total	<u>4,610.19</u>	<u>181.18</u>	<u>9,266.33</u>
<u>Less</u> Inter-company transactions	(687.63)	(174.11)	(924.99)
Total	<u>3,922.56</u>	<u>7.07</u>	<u>8,341.34</u>
<u>Add</u> Net loss of non-controlling interests		23.97	
Consolidated net profit - equity holders of the parent		<u>31.04</u>	
Consolidated assets			<u>8,341.34</u>

### 38. Disclosure of financial instruments

#### 38.1 Accounting policies

Financial assets carried on the statements of financial position consisted of cash and cash equivalents, trade and other receivables, short-term loans to related companies and other long-term investments. Financial liabilities carried on the statements of financial position consisted of bank overdrafts and short-term loans from financial institutions, trade and other payables, short-term loans from related companies, long-term liabilities under financial lease agreements and long-term loans.

Details of significant accounting policies are disclosed in Note 2 to the financial statements.



## **38. Disclosure of financial instruments (Continued)**

### **38.2 Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Group.

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

In the case of recognized financial assets, the carrying amount of the assets recorded in the statements of financial position, net of a portion of allowance for doubtful debts, represents the Group's maximum exposure to credit risk.

### **38.3 Foreign exchange risk**

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

### **38.4 Interest rate risk**

Interest rate risk in the statements of financial position arises from the potential for a change in interest rates to have an adverse effect on the Group in the current reporting period and in future years.

Information regarding interest rates and term of payments of loan are disclosed in Note 19 to the financial statements.

### **38.5 Fair value of financial instruments**

The Group used the methods and assumptions to estimate fair value of financial instruments as follows:

- Cash in hand and at banks, current investments whose maturity is less than 90 days and trade accounts receivable; the carrying values approximate their fair values.
- The determination of fair value of investments and the presentation of such items are described in Note 9 to the financial statements.
- As at 31 December 2012 and 2011, there is no information on fair value of other long-term investments (investment in Dusit Thani College) due to cost constraint.
- Bank overdrafts and short-term loans from financial institutions, carrying variable rates of interest and trade accounts payable; the carrying amounts of these financial liabilities approximate their fair values.
- Short-term and long-term loans carrying variable rates of interest; the carrying values approximate their fair values.

### **39. Others**

#### **The issue and offer of debentures**

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

On 29 April 2011, the Shareholders' meeting of the Company passed a resolution to approve the extension the issuance and offering debentures of another 5 years commencing 29 April 2011.

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

### **40. Event occurring after the financial position date**

40.1 On 20 December 2012, the Board of Directors' meeting of the Company approved in principle to establish a new company for holding in joint venture company in People's Republic of China. On 18 January 2013, the Company has set up a new subsidiary, namely Dusit China Capital Company Limited with registered capital of Baht 68,000,000 and first paid-up capital is 30%. This new subsidiary is invested by the Company at 99.99% and its business objective is to invest in joint venture company, in proportion of 45%, namely Dusit Fudu International Hotel Management (Shanghai) Company Limited, will register in People's Republic of China. This new joint venture company will be set up within April 2013 with registered capital of Chinese Yuan 30,000,000 and first paid-up capital will be 30%, and its business objective is to manage hotel in People's Republic of China. On 18 January 2013, the Company has already invested in Dusit China Capital Company Limited in proportion of such called and paid-up.

40.2 On 26 February 2013, the Board of Directors' meeting of the Company considered to propose dividend payment for the year 2012 to shareholders for 85,000,000 ordinary shares at Baht 1.00 per share, totalling Baht 85,000,000. The Board of Directors will propose such dividend payment to the shareholders at the meeting.