

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

**INTERIM CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS
(UNAUDITED)**

30 JUNE 2008

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

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

I have reviewed the accompanying consolidated and separate balance sheets of Dusit Thani Public Company Limited and its subsidiaries and of Dusit Thani Public Company Limited as at 30 June 2008, and the related consolidated and separate statements of income for the three-month and six-month periods ended 30 June 2008 and 2007, and the related consolidated and company statements of changes in equity, and cash flows for the six-month periods ended 30 June 2008 and 2007. The Company's management is responsible for the correctness and completeness of information in these interim financial statements. My responsibility is to issue a report on these interim financial statements based on my reviews.

I conducted my review in accordance with the standard on auditing applicable to review engagements. This standard requires that I plan and perform a review to obtain moderate assurance as to whether the interim financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit, and accordingly, I do not express an audit opinion.

Based on my review, nothing has come to my attention that causes me to believe that the interim consolidated and separate financial statements referred to above are not presented fairly, in all materials respects, in accordance with generally accepted accounting principles.

I have audited the consolidated and separate financial statements for the year ended 31 December 2007 of Dusit Thani Public Company Limited and its subsidiaries and of Dusit Thani Public Company Limited in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements in my report dated 18 February 2008. The consolidated and separate balance sheets as at 31 December 2007, presented for comparative purposes, are part of the financial statements which I have audited and issued a report thereon as stated above, and I have not performed any other auditing procedures subsequent to the date of that report.

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

Bangkok
7 August 2008

Dusit Thani Public Company Limited and Subsidiaries

Balance sheets

As at 30 June 2008 and 31 December 2007

		Baht : '000				
		Consolidated		Separate		
		financial statements		financial statements		
		As at	As at	As at	As at	
		30 June	31 December	30 June	31 December	
		2008	2007	2008	2007	
Notes		(Unaudited)	(Audited)	(Unaudited)	(Audited)	
ASSETS						
Current Assets						
	Cash and cash equivalents	3.1	395,584	418,423	111,406	157,860
	Short-term investments		-	42,000	-	-
	Trade accounts receivable - net	4	173,204	201,198	93,037	134,830
	Inventories - net		64,747	66,799	33,369	36,725
	Short-term loans to related companies	16.2	15,000	20,001	112,000	41,000
	Prepaid rental of land and buildings	8	74,067	74,067	74,067	74,067
	Other current assets	5.1	151,622	184,454	114,251	160,421
	Total Current Assets		<u>874,224</u>	<u>1,006,942</u>	<u>538,130</u>	<u>604,903</u>
Non-Current Assets						
	Investment in subsidiaries, associate and a joint venture	16.1	-	-	875,073	865,862
	Investment in property		188,416	188,416	158,181	158,181
	Other long-term investments	6	446,524	436,656	71,220	62,470
	Property, premises and equipment - net	7	3,891,273	4,087,245	1,710,595	1,794,776
	Prepaid rental of land and buildings exceeding one year - net	8	648,083	685,116	648,083	685,116
	Other non-current assets - net		99,813	110,842	152,449	175,660
	Total Non-Current Assets		<u>5,274,109</u>	<u>5,508,275</u>	<u>3,615,601</u>	<u>3,742,065</u>
	Total Assets		<u><u>6,148,333</u></u>	<u><u>6,515,217</u></u>	<u><u>4,153,731</u></u>	<u><u>4,346,968</u></u>

See condensed notes to the interim financial statements.

Dusit Thani Public Company Limited and Subsidiaries

Balance sheets (Continued)

As at 30 June 2008 and 31 December 2007

		Baht : '000				
		Consolidated		Separate		
		financial statements		financial statements		
		As at	As at	As at	As at	
		30 June	31 December	30 June	31 December	
		2008	2007	2008	2007	
Notes		(Unaudited)	(Audited)	(Unaudited)	(Audited)	
LIABILITIES AND EQUITY						
Current Liabilities						
Bank overdrafts and short-term loans						
	from financial institutions	9	105,520	176,605	68,242	168,206
	Trade accounts payable		167,371	176,086	50,382	64,788
Current portion of long-term liabilities under						
	financial lease agreements	10	3,148	3,548	2,322	2,322
	Current portion of long-term loans	11	256,000	256,000	200,000	200,000
	Short-term loan from related company	16.2	19,999	19,999	-	-
Other current liabilities						
	Other payables		26,429	39,080	25,331	41,521
	Payables-Assets acquisition		62,078	153,213	25,209	61,489
	Accrued expenses		208,245	141,208	150,487	103,857
	Others		95,894	114,975	73,748	91,700
			<u>392,646</u>	<u>448,476</u>	<u>274,775</u>	<u>298,567</u>
	Total Current Liabilities		<u>944,684</u>	<u>1,080,714</u>	<u>595,721</u>	<u>733,883</u>
Non - Current Liabilities						
Long-term liabilities under financial lease						
	agreements	10	2,471	3,983	1,871	3,032
	Long-term loans	11	914,205	1,316,783	330,000	600,000
	Total Non-Current Liabilities		<u>916,676</u>	<u>1,320,766</u>	<u>331,871</u>	<u>603,032</u>
	Total Liabilities		<u>1,861,360</u>	<u>2,401,480</u>	<u>927,592</u>	<u>1,336,915</u>

See condensed notes to the interim financial statements.

Dusit Thani Public Company Limited and Subsidiaries

Balance sheets (Continued)

As at 30 June 2008 and 31 December 2007

		Baht : '000			
		Consolidated		Separate	
		financial statements		financial statements	
		As at	As at	As at	As at
		30 June	31 December	30 June	31 December
		2008	2007	2008	2007
Notes		(Unaudited)	(Audited)	(Unaudited)	(Audited)
LIABILITIES AND EQUITY (Continued)					
Equity					
Share capital					
Authorized share capital					
85,000,000 ordinary shares of					
Baht 10 each					
		850,000	850,000	850,000	850,000
Issued and paid-up share capital					
85,000,000 ordinary shares of					
Baht 10 each, fully paid					
		850,000	850,000	850,000	850,000
Additional paid-in capital					
Premium on ordinary shares					
		1,643,000	1,643,000	1,643,000	1,643,000
Paid-in surplus - treasury					
common shares					
12.1		18,365	18,365	16,950	16,950
Unrealized gain on securities					
available for sale					
6		165,522	155,654	53,719	44,969
Exchange differences on the					
translation of financial					
statements of subsidiaries					
		(118,919)	(96,708)	-	-
Retained earnings					
Appropriated					
Legal reserve					
		85,000	85,000	85,000	85,000
Other reserves					
12.1		15,740	15,740	-	-
Unappropriated					
		1,413,736	1,221,365	577,470	370,134
Treasury common shares					
12.1		(15,740)	(15,740)	-	-
Total attributable to					
owners of the parent					
		4,056,704	3,876,676	3,226,139	3,010,053
Minority interest					
		230,269	237,061	-	-
Total Equity					
		4,286,973	4,113,737	3,226,139	3,010,053
Total Liabilities and Equity					
		6,148,333	6,515,217	4,153,731	4,346,968

See condensed notes to the interim financial statements.

Dusit Thani Public Company Limited and Subsidiaries
Statements of Income (Unaudited)
For the three-month periods ended 30 June 2008 and 2007

		Baht : '000			
		Consolidated		Separate	
		financial statements		financial statements	
Notes		2008	2007	2008	2007
	Revenue from sales and services	735,950	601,960	396,066	344,406
	Cost of sales and services	(419,407)	(371,199)	(212,103)	(201,512)
	Gross profit	316,543	230,761	183,963	142,894
	Management service income	24,927	20,996	31,664	25,591
	Interest income	1,722	3,238	1,605	1,116
	Dividend income	8,334	5,744	45,619	161,812
	Gain on sale of property, premises and equipment	224,688	606	224,829	358
	Other income	36,725	42,572	39,925	27,841
	Selling and administrative expenses	(249,692)	(209,916)	(195,755)	(152,313)
	Loss on sale of property, premises and equipment	-	(1,237)	-	(1,332)
	Depreciation and amortization	(150,264)	(123,371)	(104,849)	(91,622)
	Directors' remuneration	(1,782)	(2,707)	(1,572)	(2,467)
	Interest expenses	(17,618)	(21,231)	(6,845)	(11,769)
	Profit (loss) before income tax	193,583	(54,545)	218,584	100,109
	Income tax	(62,034)	11,006	(54,181)	16,288
	Net profit (loss) for the period	131,549	(43,539)	164,403	116,397
Attributable net profit (loss) for the period to:					
	- Equity holders of the parent	128,707	(44,021)	164,403	116,397
	- Minority interest	2,842	482	-	-
		131,549	(43,539)	164,403	116,397
Basic earnings (loss) per share					
	- Attribute to equity holders Baht	1.52	(0.52)	1.93	1.37
Weighted average number of					
	ordinary shares	Shares			
		12.2	84,528,500	84,528,500	85,000,000
			84,528,500	85,000,000	85,000,000

See condensed notes to the interim financial statements.

Dusit Thani Public Company Limited and Subsidiaries
Statements of Income (Unaudited)
For the six-month periods ended 30 June 2008 and 2007

		Baht : '000			
		Consolidated		Separate	
		financial statements		financial statements	
Notes		2008	2007	2008	2007
	Revenue from sales and services	1,663,234	1,457,785	955,521	890,527
	Cost of sales and services	(847,539)	(763,112)	(436,961)	(420,828)
	Gross profit	815,695	694,673	518,560	469,699
	Management service income	67,752	61,609	82,954	25,591
	Interest income	3,056	7,745	2,412	2,745
	Dividend income	8,334	5,744	45,619	161,812
	Gain on sale of property, premises and equipment	224,974	1,041	224,829	497
	Other income	69,153	65,051	79,543	48,966
	Selling and administrative expenses	(493,916)	(414,524)	(382,268)	(270,246)
	Loss on sale of property, premises and equipment	(42)	(1,308)	-	(1,331)
	Depreciation and amortization	(298,926)	(242,477)	(209,971)	(178,922)
	Directors' remuneration	(2,702)	(3,579)	(2,442)	(3,239)
	Interest expenses	(37,273)	(46,129)	(15,454)	(26,971)
	Share of profits from investments using the equity method	-	1,666	-	-
	Profit before income tax	356,105	129,512	343,782	228,601
	Income tax	(113,593)	(32,932)	(93,946)	(13,357)
	Net profit for the period	242,512	96,580	249,836	215,244
	Attributable net profit for the period to:				
	- Equity holders of the parent	234,871	90,253	249,836	215,244
	- Minority interest	7,641	6,327	-	-
		242,512	96,580	249,836	215,244
	Basic earnings per share				
	- Attribute to equity holders Baht	2.78	1.07	2.94	2.53
	Weighted average number of ordinary shares				
	Shares	12.2	84,528,500	84,528,500	85,000,000
			84,528,500	85,000,000	85,000,000

See condensed notes to the interim financial statements.

Dusit Thani Public Company Limited and Subsidiaries
Statements of Changes in Equity (Unaudited)
For the six-month periods ended 30 June 2008 and 2007

Baht : '000

Consolidated financial statements											
Attributable to equity holders of the parent										Minority	Total
Note	Issued and Premium on treasury paid-up share capital	Paid-in surplus- ordinary common shares	Unrealised gain on securities available for sale	Exchange differences of financial statements of subsidiaries	Retained earnings			Treasury common shares	Minority interest	Total equity	
					Legal reserve	Appropriated Other reserves	nappropriated				
Beginning balance : 1 January 2007	850,000	1,643,000	18,365	119,393	(123,570)	85,000	325,740	916,925	(15,740)	263,163	4,082,276
Increase during the period	-	-	-	-	3,856	-	-	310,000	-	525	314,381
Decrease during the period	-	-	-	(26,045)	-	-	(310,000)	-	-	(98)	(336,143)
Dividend	14	-	-	-	-	-	-	(85,000)	-	(34,638)	(119,638)
Net profit	-	-	-	-	-	-	-	90,253	-	6,327	96,580
Ending balance : 30 June 2007	850,000	1,643,000	18,365	93,348	(119,714)	85,000	15,740	1,232,178	(15,740)	235,279	4,037,456
Beginning balance : 1 January 2008	850,000	1,643,000	18,365	155,654	(96,708)	85,000	15,740	1,221,365	(15,740)	237,061	4,113,737
Increase during the period	-	-	-	9,868	-	-	-	-	-	-	9,868
Decrease during the period	-	-	-	-	(22,211)	-	-	-	-	(3,895)	(26,106)
Dividend	14	-	-	-	-	-	-	(42,500)	-	(10,538)	(53,038)
Net profit	-	-	-	-	-	-	-	234,871	-	7,641	242,512
Ending balance : 30 June 2008	850,000	1,643,000	18,365	165,522	(118,919)	85,000	15,740	1,413,736	(15,740)	230,269	4,286,973

See condensed notes to the interim financial statements.

Dusit Thani Public Company Limited and Subsidiaries

Statements of Changes in Equity (Unaudited) (Continued)
For the six-month periods ended 30 June 2008 and 2007

Baht : '000

		Separate financial statements							
	Note	Issued and paid-up share capital	Premium on ordinary shares	Paid-in surplus- Treasury common shares	Unrealised gain on securities available for sale	Retained earnings		Total equity	
						Appropriated Legal reserve	Unappropriated Other reserves (Deficit)		
Beginning balance : 1 January 2007		850,000	1,643,000	16,950	36,649	85,000	310,000	(94,240)	2,847,359
Increase during the period		-	-	-	-	-	-	310,000	310,000
Decrease during the period		-	-	-	(14,869)	-	(310,000)	-	(324,869)
Dividend	14	-	-	-	-	-	-	(85,000)	(85,000)
Net profit		-	-	-	-	-	-	215,244	215,244
Ending balance : 30 June 2007		850,000	1,643,000	16,950	21,780	85,000	-	346,004	2,962,734
Beginning balance : 1 January 2008		850,000	1,643,000	16,950	44,969	85,000	-	370,134	3,010,053
Increase during the period		-	-	-	8,750	-	-	-	8,750
Dividend	14	-	-	-	-	-	-	(42,500)	(42,500)
Net profit		-	-	-	-	-	-	249,836	249,836
Ending balance : 30 June 2008		850,000	1,643,000	16,950	53,719	85,000	-	577,470	3,226,139

See condensed notes to the interim financial statements.

Dusit Thani Public Company Limited and Subsidiaries
Statements of Cash Flows (Unaudited)
For the six-month periods ended 30 June 2008 and 2007

	Notes	Baht : '000			
		Consolidated		Separate	
		financial statements		financial statements	
		2008	2007	2008	2007
Cash flows from operating activities					
Net profit before income tax		356,105	129,512	343,782	228,601
Items to reconcile:					
Interest income		(3,056)	(7,745)	(2,412)	(2,745)
Dividend income		(8,334)	(5,744)	(45,619)	(161,812)
Bad debts and doubtful accounts		2,295	768	3,192	-
Depreciation and amortisation of property, premises and equipment	7	293,816	238,686	182,315	156,905
Amortization of prepaid rental of land and buildings	8	37,033	37,033	37,033	37,033
Amortization of other non - current assets		5,110	3,791	27,656	22,017
Interest expenses		37,273	46,129	15,454	26,971
Loss on sale investment in subsidiary		-	-	77	-
(Gain) loss on sale of property, premises and equipment		(224,932)	267	(224,829)	834
Loss on property, premises and equipment written off	7	5,385	8,700	3,185	7,738
Share of profits from investments using the equity method		-	(1,666)	-	-
Income from operations before changes in assets and liabilities		500,695	449,731	339,834	315,542
(Increase) decrease in operating assets					
Trade accounts receivable		25,331	65,234	41,854	60,601
Inventories		1,127	4,087	3,356	3,859
Proceeds from refund of prepaid income tax		27,853	-	27,753	-
Other current assets		6,192	(16,044)	15,712	(75,125)
Other non-current assets		2,843	(24,535)	(4,445)	(8,782)
Increase (decrease) in operating liabilities					
Trade accounts payable		(372)	18,308	(14,406)	(16,365)
Other payables		(12,651)	(7,590)	(16,189)	(168,821)
Accrued expenses		(18,737)	(21,107)	(35,993)	(12,966)
Payment for income tax		(31,057)	(79,418)	(9,727)	(1,925)
Other current liabilities		(13,416)	(38,150)	(17,952)	726
Net cash provided by operating activities		487,808	350,516	329,797	96,744

See condensed notes to the interim financial statements.

Dusit Thani Public Company Limited and Subsidiaries

Statements of Cash Flows (Unaudited) (Continued)

For the six-month periods ended 30 June 2008 and 2007

	Notes	Baht : '000			
		Consolidated		Separate	
		financial statements		financial statements	
		2008	2007	2008	2007
Cash flows from investing activities					
Decrease in short-term investments		42,000	38,000	-	-
Interest income		2,475	8,903	2,063	3,066
Dividend from subsidiaries		8,334	5,744	45,619	161,812
Proceeds from repayment of loans to related companies		5,000	-	18,000	71,000
Payment for loans to related companies		-	(12,500)	(89,000)	(55,000)
Cash refunded from investment in subsidiaries		-	-	-	4,325
Proceeds from sales of investment in subsidiary		-	-	712	-
Payment for purchase of shares in subsidiaries		(869)	(275)	(10,000)	(177)
Proceeds from sales of property, premises and equipment		242,084	31,328	241,402	416
Payment for purchase of property, premises and equipment	3.2.1	(268,168)	(411,796)	(154,172)	(200,674)
Net cash provided by (used in) investing activities		<u>30,856</u>	<u>(340,596)</u>	<u>54,624</u>	<u>(15,232)</u>
Cash flows from financing activities					
Increase (decrease) in bank overdrafts		(17,360)	2,947	(8,964)	4,107
Proceeds from short-term loans from financial institutions		246,275	56,000	209,000	56,000
Repayment for short-term loans from financial institutions		(300,000)	(129,460)	(300,000)	(56,000)
Proceeds from short-term loan from related company		-	19,999	-	-
Payment for long-term liabilities under lease agreement	3.2.1	(1,912)	(2,022)	(1,161)	(4,567)
Proceeds from long-term loans	11	-	223,500	-	-
Repayment of long-term loans	11	(368,000)	(258,000)	(270,000)	(100,000)
Interest paid		(38,272)	(48,954)	(17,250)	(28,710)
Dividends paid		(53,038)	(119,638)	(42,500)	(85,000)
Net cash used in financing activities		<u>(532,307)</u>	<u>(255,628)</u>	<u>(430,875)</u>	<u>(214,170)</u>
Effect of exchange rate changes on cash		<u>(9,196)</u>	<u>(1,558)</u>	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents		(22,839)	(247,266)	(46,454)	(132,658)
Cash and cash equivalents as at 1 January		<u>418,423</u>	<u>740,272</u>	<u>157,860</u>	<u>296,862</u>
Cash and cash equivalents as at 30 June	3.1	<u><u>395,584</u></u>	<u><u>493,006</u></u>	<u><u>111,406</u></u>	<u><u>164,204</u></u>
See condensed notes to the interim financial statements.					

Dusit Thani Public Company Limited and Subsidiaries
Condensed Notes to the Interim Financial Statements (Unaudited)
For the three-month and six-month periods ended 30 June 2008 and 2007

1. Basis for preparation of the interim consolidated and separate financial statements

- 1.1 The interim consolidated and separate financial statements for the three-month and six-month periods ended 30 June 2008 and 2007 are prepared by the management of the Company and are unaudited. However, in the opinion of the Company, all adjustments necessary for a fair presentation have been reflected therein.

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

- 1.2 The consolidated and separate balance sheet as at 31 December 2007, presented herein for comparison, have been derived from the financial statements of the Company, subsidiaries and a joint venture for the year then ended which have been audited.
- 1.3 The results of operations for the three-month and six-month periods ended 30 June 2008 are not necessarily indicative of the operating results anticipated for the full year.
- 1.4 Certain financial information which is normally included in financial statements prepared in accordance with generally accepted accounting principles, but which is not required for interim reporting purposes, has been omitted. Accordingly, the aforementioned interim consolidated and separate financial statements should be read in conjunction with the consolidated and separate financial statements and notes thereto included in the audited financial statements for the year ended 31 December 2007.
- 1.5 The Company uses the same accounting policies and calculation method in the interim financial statements as compared with the financial statements for the year ended 31 December 2007.
- 1.6 An English version of the interim consolidated and separate financial statements have been prepared from the interim 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 interim financial statements shall prevail.
- 1.7 Comparative figures have been adjusted to conform with changes in presentation in the current period.

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

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

	% of shareholding		
	As at 30 June 2008	2007	As at 31 December 2007
Dusit Thani Properties Company Limited ⁽³⁾	99.99	99.99	99.99
Royal Princess Public Company Limited by the Company	2.65	2.65	2.65
by Dusit Thani Properties Company Limited ⁽³⁾	79.78	79.70	79.72
Dusit Hotels and Resorts Company Limited by the Company	0.81	0.81	0.81
by Dusit Thani Properties Company Limited ⁽³⁾	97.47	97.44	97.44
Philippine Hoteliers, Inc. by Dusit Thani Properties Company Limited ⁽³⁾	88.01	88.01	88.01
Dusit Enterprises Company Limited ⁽²⁾ by the Company	-	100.00	100.00
by Dusit Thani Properties Company Limited ⁽³⁾	100.00	-	-
Devarana Spa Company Limited	99.99	99.99	99.99
Dusit Executive Development Center Company Limited	99.99	99.99	99.99
Le Cordon Bleu Dusit Company Limited ⁽¹⁾	50.00	50.00	50.00
Dusit Worldwide Company Limited ⁽⁴⁾	99.99	-	-

⁽¹⁾ Le Cordon Bleu Dusit Company Limited is a joint venture between the Company and Le Cordon Bleu International BV.

⁽²⁾ The Company invested in Dusit Enterprises Company Limited on 6 March 2007. On 2 June 2008, the Company sold such investment of 22,060 ordinary shares at a price of Baht 0.71 million to Dusit Thani Properties Company Limited.

⁽³⁾ Dusit Thani International Company Limited registered to change its name to Dusit Thani Properties Company Limited on 7 August 2007.

⁽⁴⁾ The Company invested in Dusit Worldwide Company Limited on 14 January 2008.

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

1.9 Balance sheet and statement of income of foreign subsidiaries are translated into Baht at the exchange rates prevailing at the balance sheet date and the average exchange rates, respectively. The exchange differences on the translation is shown as a deduction of the equity.

1.10 Amendment to Thai Accounting Standards (TAS) effective in 2008

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

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

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

The Company's management assessed and determined that the revised Thai Accounting Standards do not impact significantly to the financial statements being presented, except TAS 35 "Presentation of financial statements" has affected the presentation of minority interest and other disclosures as discussed in Note 2.

2. Additional information

2.1 Critical accounting estimates, assumption and judgement

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

2.1.1 Impairment of receivable

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

2.1.2 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.

2.1.3 Depreciation and amortization

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

2.2 Capital risk management

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

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

3. Supplementary disclosures of cash flow information

3.1 Cash and cash equivalents as at 30 June are as follows:

	Baht : '000			
	Consolidated financial statements (Unaudited)		Separate financial statements (Unaudited)	
	2008	2007	2008	2007
Cash and deposits at bank	301,384	455,706	111,406	161,204
Deposits at financial institutions	94,200	37,300	-	3,000
Total	<u>395,584</u>	<u>493,006</u>	<u>111,406</u>	<u>164,204</u>

3. Supplementary disclosures of cash flow information (Continued)

3.2 Non cash transactions are as follows:

3.2.1 In the interim consolidated and separate financial statements for the six-month periods ended 30 June 2008 and 2007:

Purchases of property, premises and equipment

	Baht : '000			
	Consolidated financial statements (Unaudited) For the six-month periods ended 30 June		Separate financial statements (Unaudited) For the six-month periods ended 30 June	
	2008	2007	2008	2007
Payables-Assets acquisition				
Balance brought forward	153,213	110,637	61,489	71,354
<u>Add</u> Purchases of fixed assets	176,133	391,009	117,892	196,902
Exchange gain (loss) on translation	900	(1,838)	-	-
<u>Less</u> Cash payments	(268,168)	(411,796)	(154,172)	(200,674)
Balance carried forward	<u>62,078</u>	<u>88,012</u>	<u>25,209</u>	<u>67,582</u>

	Baht : '000			
	Consolidated financial statements (Unaudited) For the six-month periods ended 30 June		Separate financial statements (Unaudited) For the six-month periods ended 30 June	
	2008	2007	2008	2007
Long-term liabilities under finance lease agreements (including current portion)				
Balance brought forward	7,531	8,920	5,354	3,548
<u>Add</u> Purchases of fixed assets	-	1,214	-	6,216
<u>Less</u> Cash payments	(1,912)	(2,022)	(1,161)	(4,567)
Balance carried forward	<u>5,619</u>	<u>8,112</u>	<u>4,193</u>	<u>5,197</u>

3.2.2 In the consolidated financial statements for the six-month periods ended 30 June 2008 and 2007:

3.2.2.1 The recording of investments available for sale at fair value and recognizing unrealized gain (loss) on such investments of Baht 9.87 million and Baht (26.05) million, respectively, were included in equity.

3.2.2.2 The recording of exchange differences on the translation of the subsidiary's financial statements into Baht was presented as an addition (deduction) in the equity in the amount of Baht (22.21) million and Baht 3.86 million, respectively.

3.2.3 In the separate financial statements for the six-month periods ended 30 June 2008 and 2007:

- The recording of investments available for sale at fair value and recognizing unrealized gain (loss) on such investments of Baht 8.75 million and Baht (14.87) million, respectively, were included in equity.

4. Trade accounts receivable - net

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

	Consolidated financial statements		Separate financial statements	
	As at 30 June 2008 (Unaudited)	As at 31 December 2007 (Audited)	As at 30 June 2008 (Unaudited)	As at 31 December 2007 (Audited)
Number of accounts receivable	1,318	1,412	572	577
	Baht :’000	Baht :’000	Baht :’000	Baht :’000
Outstanding amount				
Less than 3 months	167,343	198,065	90,281	130,828
3-6 months	9,452	6,285	4,410	4,815
6-12 months	491	873	116	568
Over 12 months	3,781	3,887	2,871	3,321
	<u>181,067</u>	<u>209,110</u>	<u>97,678</u>	<u>139,532</u>
<u>Less</u> Allowance for doubtful accounts	<u>(7,863)</u>	<u>(7,912)</u>	<u>(4,641)</u>	<u>(4,702)</u>
Trade accounts receivable-net	<u>173,204</u>	<u>201,198</u>	<u>93,037</u>	<u>134,830</u>

5. Other current assets

5.1 Other current assets consisted of the following:

	Note	Consolidated financial statements		Separate financial statements	
		As at 30 June 2008 (Unaudited)	As at 31 December 2007 (Audited)	As at 30 June 2008 (Unaudited)	As at 31 December 2007 (Audited)
Accounts receivable					
- Management fee - net	5.2	45,947	52,758	54,176	68,335
Accounts receivable - World Intertrade Corporation Limited		40,879	40,879	40,879	40,879
<u>Less</u> Allowance for doubtful accounts		<u>(40,879)</u>	<u>(40,879)</u>	<u>(40,879)</u>	<u>(40,879)</u>
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other receivables		1,854	2,286	1,691	1,900
Accrued interest receivable		954	373	641	292
Prepaid income tax		41,784	64,052	16,852	44,406
VAT refundable		21,257	21,509	21,257	21,509
Prepaid expenses		29,592	27,004	15,111	13,315
Advances		4,318	5,392	1,530	2,191
Advances - related company		165	1,833	330	3,666
Others		5,751	9,247	2,663	4,807
		<u>151,622</u>	<u>184,454</u>	<u>114,251</u>	<u>160,421</u>

5. **Other current assets (Continued)**

5.2 Accounts receivable - Management fee - net are classified by aging as follows:

	Note	Consolidated financial statements		Separate financial statements	
		As at 30 June 2008 (Unaudited)	As at 31 December 2007 (Audited)	As at 30 June 2008 (Unaudited)	As at 31 December 2007 (Audited)
Number of accounts receivable		63	63	41	38
		Baht:'000	Baht:'000	Baht:'000	Baht:'000
Outstanding amount					
Less than 3 months		30,241	51,265	38,710	66,887
3-6 months		8,665	2,227	8,518	2,168
6-12 months		10,970	969	10,543	189
Over 12 months		2,360	2,578	591	535
		52,236	57,039	58,362	69,779
<u>Less</u> Allowance for doubtful accounts		(6,289)	(4,281)	(4,186)	(1,444)
Accounts receivable - Management fee - net	5.1	45,947	52,758	54,176	68,335

6. **Other long-term investments**

Other long-term investments consisted of the following:

	Consolidated financial statements		Separate financial statements	
	As at 30 June 2008 (Unaudited)	As at 31 December 2007 (Audited)	As at 30 June 2008 (Unaudited)	As at 31 December 2007 (Audited)
Available for sale				
Equity securities				
Cost	63,286	63,286	17,501	17,501
<u>Add</u> Net valuation adjustment for change in fair value	165,522	155,654	53,719	44,969
	228,808	218,940	71,220	62,470
General investments				
Equity securities	221,187	221,187	-	-
<u>Less</u> Allowance for impairment in value of securities	(3,471)	(3,471)	-	-
	217,716	217,716	-	-
Total	446,524	436,656	71,220	62,470

7. Property, premises and equipment - net

Movements in property, premises and equipment account for the six-month period ended 30 June 2008 are summarized as follows:

	Consolidated financial statements (Unaudited)	Baht : '000 Separate financial statements (Unaudited)
Net book value as at 1 January 2008	4,087,245	1,794,776
Acquisitions during period - at cost	176,133	117,892
Disposals during period - net book value	(17,152)	(16,573)
Written off during period - net book value	(5,385)	(3,185)
Exchange loss on translation	(55,752)	-
Depreciation and amortization for the period	(293,816)	(182,315)
Net book value as at 30 June 2008	<u>3,891,273</u>	<u>1,710,595</u>

Property, premises and equipment - net included building and building improvement on lease land of Dusit Resort Pattaya (currently, Dusit Thani Hotel, Pattaya), at a book value as at 30 June 2008 and 31 December 2007 of Baht 142.74 million and Baht 150.18 million, respectively. Even though the title to the building of Dusit Resort Pattaya (currently, Dusit Thani Hotel, Pattaya) has not been transferred to the Company, the management believes that by the fact and law, the Company has the right to use such building for its operations as the building is located on the land which the subsidiary is the lessee. On 21 January 2002, the Company has registered such right on land lease with the Department of Land, Pattaya. In addition, the Company has peacefully and openly possessed this property with intention to be its owner for more than 10 years, by virtue of the Civil and Commercial Code of Thailand, section 1382 (see Note 17.4).

8. Prepaid rental - land and buildings - net

Prepaid rental-land and buildings - net consisted of the following:

	Consolidated financial statements		Baht : '000 Separate financial statements	
	As at 30 June 2008 (Unaudited)	As at 31 December 2007 (Audited)	As at 30 June 2008 (Unaudited)	As at 31 December 2007 (Audited)
Prepaid rental amount	1,100,000	1,100,000	1,100,000	1,100,000
Other fees	11,000	11,000	11,000	11,000
	<u>1,111,000</u>	<u>1,111,000</u>	<u>1,111,000</u>	<u>1,111,000</u>
<u>Less</u> Accumulated amortization of prepaid rental	<u>(388,850)</u>	<u>(351,817)</u>	<u>(388,850)</u>	<u>(351,817)</u>
	722,150	759,183	722,150	759,183
<u>Less</u> Prepaid rental of land and buildings	<u>(74,067)</u>	<u>(74,067)</u>	<u>(74,067)</u>	<u>(74,067)</u>
Prepaid rental of land and buildings exceeding one year - net	<u>648,083</u>	<u>685,116</u>	<u>648,083</u>	<u>685,116</u>
Amortization for the period/year	<u>37,033</u>	<u>74,067</u>	<u>37,033</u>	<u>74,067</u>

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

Bank overdrafts and short-term loans from financial institutions consisted of the following:

	Baht :’000			
	Consolidated financial statements		Separate financial statements	
	As at 30 June 2008 (Unaudited)	As at 31 December 2007 (Audited)	As at 30 June 2008 (Unaudited)	As at 31 December 2007 (Audited)
Bank overdrafts	5,245	22,605	5,242	14,206
Short-term loans from financial institutions	100,275	154,000	63,000	154,000
	<u>105,520</u>	<u>176,605</u>	<u>68,242</u>	<u>168,206</u>

As at 30 June 2008 and 31 December 2007, the Company and subsidiaries have credit lines for bank overdrafts totalling Baht 248.00 million which is guaranteed by the Company totalling Baht 55.00 million (see Note 17.7).

As at 30 June 2008 and 31 December 2007, the Company has credit lines for bank overdrafts totalling Baht 193.00 million, with no guarantor.

On 17 September 2004, the Company has entered into short-term loan agreement with a financial institution for working capital in the limit of Baht 300.00 million, no guarantor. The agreement identified the terms of repayment of principal 1 year from the first draw down date. As at 31 December 2007, the Company had outstanding short-term loan of Baht 154.00 million, and interest rate at MMR (Money Market Rate). The Company has already repaid such short-term loan during the three-month period ended 31 March 2008.

On 17 December 2007, the Company has entered into short-term loan agreement with a financial institution for working capital in the limit of Baht 450.00 million, no guarantor. As at 30 June 2008, the Company has outstanding short-term loan of Baht 63.00 million, and interest rate at MMR (Money Market Rate).

On 7 January 2008, the Company has entered into short-term loan agreement with a financial institution for working capital in the limit of Baht 450.00 million, no guarantor. As at 30 June 2008, the Company has not withdrawn such loan.

As at 30 June 2008 and 31 December 2007, Royal Princess Public Company Limited, a subsidiary, has short-term loans from financial institutions in the credit limit of Baht 200.00 million for 2 years, which is guaranteed by the Company (see Note 17.7). As at 30 June 2008 and 31 December 2007, this subsidiary has not withdrawn such loan.

As at 11 April 2008, Philippine Hoteliers, Inc., a subsidiary, has short-term loans from financial institutions in amount of Peso 50.00 million for 6 months, interest rate 7.6135% p.a., and no guarantor.

10. Long-term liabilities under financial lease agreements

Long-term liabilities under financial lease agreements consisted of the following:

	Baht : '000			
	Consolidated		Separate	
	financial statements		financial statements	
	As at 30 June 2008 (Unaudited)	As at 31 December 2007 (Audited)	As at 30 June 2008 (Unaudited)	As at 31 December 2007 (Audited)
Long-term liabilities under financial lease agreements	6,265	8,368	4,657	5,948
<u>Less</u> Deferred interest	(646)	(837)	(464)	(594)
	<u>5,619</u>	<u>7,531</u>	<u>4,193</u>	<u>5,354</u>
<u>Less</u> Current portion	(3,148)	(3,548)	(2,322)	(2,322)
	<u>2,471</u>	<u>3,983</u>	<u>1,871</u>	<u>3,032</u>

11. Long-term loans

Long-term loans consisted of the following:

	Baht: '000					
	Interest rate % p.a.		Consolidated		Separate	
			financial statements		financial statements	
	As at 30 June 2008	As at 31 December 2007	(Unaudited) As at 30 June 2008	(Audited) As at 31 December 2007	(Unaudited) As at 30 June 2008	(Audited) As at 31 December 2007
Loans from financial institutions						
Repayable in semi-annual installments through 2011	3.815	3.75	530,000	800,000	530,000	800,000
Repayable in semi-annual installments through 2012 by Dusit Hotels and Resorts Company Limited	3.815	3.75	260,000	288,000	-	-
Repayable in semi-annual installments through 2015 by Dusit Hotels and Resorts Company Limited	-	6.25	-	70,000	-	-
Repayable in semi-annual installments through 2015 by Philippine Hoteliers, Inc.	6.7654	6.62 - 6.83	380,205	414,783	-	-
			<u>1,170,205</u>	<u>1,572,783</u>	<u>530,000</u>	<u>800,000</u>
<u>Less</u> Current portion			(256,000)	(256,000)	(200,000)	(200,000)
			<u>914,205</u>	<u>1,316,783</u>	<u>330,000</u>	<u>600,000</u>

11. Long-term loans (Continued)

Movements in the long-term loans account are summarized as follows:

	Consolidated		Baht : '000	
	financial statements		Separate	
	As at	As at	As at	As at
	30 June	31 December	30 June	31 December
	2008	2007	2008	2007
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Balance brought forward	1,572,783	1,544,000	800,000	1,000,000
<u>Add</u> Additional borrowings	-	414,783	-	-
<u>Less</u> Repayments	(368,000)	(386,000)	(270,000)	(200,000)
Exchange gain on translation	(34,578)	-	-	-
Balance carried forward	<u>1,170,205</u>	<u>1,572,783</u>	<u>530,000</u>	<u>800,000</u>

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

- On 17 September 2004, the Company has entered into loan agreement with a bank to renovate office building and hotels in the limit of Baht 1,000.00 million, no guarantor. The agreement identified the terms and conditions as follows:

- Interest For the 1st year period, 2.5% per annum, repayment every 3 months
For the 2nd - 7th years, 1 year fixed deposit rate plus 2% per annum, the interest rate will be considered every 6 months and repayment interest is every 3 months
- Repayment of principal in semi-annual installments through 2011 is for 10 installments. The first installment is from 30 months from the first draw down date which is 27 September 2004. The repayment is Baht 100.00 million each.

For the six-month period ended 30 June 2008, the Company has repaid its loans before its repayment date in amount of Baht 170.00 million.

Such loan agreement specifies to the Company not to provide loan, lending, guarantee, be responsible or enter to be responsible to others' liabilities, except for (a) in the normal course of business of the Company (b) such loan or lending provide aggregates not excess the amount of Baht 1,000.00 million, and when aggregate with guarantee, be responsible or enter to be responsible to others' liabilities, such amount shall not be over Baht 2,000.00 million. In addition, such loan agreement also carries certain restrictive covenants pertaining to the debt to equity ratio of the Company.

- On 25 December 2003, Dusit Hotels and Resorts Company Limited, a subsidiary, has entered into loan agreement with a bank to acquire and renovate a hotel of such subsidiary in Chiang Mai in the limit of Baht 400.00 million. Such agreement was guaranteed by the Company (see Note 17.7). The agreement identified the terms and conditions as follows:

- Interest For the 1st year period, 2.5% per annum, repayment every 3 months
For the 2nd - 8th years, 1 year fixed deposit rate plus 2% per annum, the interest rate will be considered every 6 months and repayment interest is every 3 months
- Repayment of principal in semi-annual installments through 2012 is for 14 installments. The first installment is from 24 months from the first draw down date which is 2 March 2004. The repayment of the 1st - 13th periods are Baht 28.00 million each and the 14th period is Baht 36.00 million.

11. Long-term loans (Continued)

Such loan agreement specifies to the subsidiary not to provide loan, lending, guarantee, be responsible or enter to be responsible to others' liabilities, except for in the normal course of business of the subsidiary. In other cases, the amount shall not be over Baht 200.00 million, except for receiving the written approval letter in advance from the lender. In addition, such loan agreement also carries certain restrictive covenants pertaining to the debt to equity ratio and not reduces its share capital of such subsidiary.

3. On 24 February 2006, Dusit Hotels and Resorts Company Limited, a subsidiary, has entered into loan agreement with a bank to acquire additional land and building for hotel of such subsidiary in Chiang Mai and renovate remaining parts in the limit of Baht 200.00 million. Such agreement was guaranteed by the Company (see Note 17.7). The agreement identified the terms and conditions as follows:
 - Interest For the 1st - 2nd years period, minimum loan rate less 0.5% per annum, repayment every 3 months
For the 3rd - 9th years, minimum loan rate and repayment interest is every 3 months
 - Repayment of principal in semi-annual installments through 2015 is for 12 installments. The first installment is from 42 months from the first draw down date which is 1 March 2006. The repayment of the 1st - 6th periods are Baht 6.50 million each, the 7th - 8th periods are Baht 10.00 million each, the 9th - 10th periods are Baht 33.50 million each and the 11th - 12th periods are Baht 37.00 million each.

For the year ended 31 December 2007, the subsidiary has repaid its loans before its repayment date in amount of Baht 130.00 million, and on 23 May 2008, the subsidiary has already repaid all such loan as such the Company has withdrawn the above guarantee.

Such loan agreement specifies to the subsidiary not to provide loan, lending, guarantee, be responsible or enter to be responsible to others' liabilities, except for in the normal course of business of the subsidiary. In other cases, the amount shall not be over Baht 200.00 million, except for receiving the written approval letter in advance from the lender. In addition, such loan agreement also carries certain restrictive covenants pertaining to the debt to equity ratio and not reduces its share capital of such subsidiary.

4. On 2 February 2007, Philippine Hoteliers, Inc., a subsidiary, has entered into loan agreement with a bank to renovate its hotel in the limit of Peso 510.00 million, guaranteed by mortgaged of its hotel building and equipment and rights on lease agreement. The agreement identified the terms and conditions as follows:
 - Interest First 6 months interest rate reference to corresponding promissory note, thereafter interest rate reference to 6-month MART1 in Philippines plus 1.70% per annum, repayment every 6 months.
 - Repayment of principal in semi-annual installments through 2015 is for 12 installments. The first installment is from 24 months from the first draw down date which is 9 February 2007.

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

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

12.1 Treasury common shares

12.1.1 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 115.82 million.

During 2006, the Company sold 2,760,500 treasury common shares and gain on sales in the amount of Baht 16.95 million has been presented as paid-in surplus - treasury common shares.

12.1.2 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 20.24 million. Such shares were presented as treasury common shares in the consolidated balance sheets.

During 2006, Dusit Thani Properties Company Limited sold 134,800 ordinary shares of the Company to third parties totalling Baht 5.92 million and gain on sales in the amount of Baht 1.42 million has been presented as paid-in surplus - treasury common shares. As at 30 June 2008 and 31 December 2007, Dusit Thani Properties Company Limited held 471,500 ordinary shares of the Company with the carrying value of Baht 15.74 million. Such shares were presented as treasury common shares in the consolidated balance sheets.

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 30 June 2008 and 31 December 2007, the Company has appropriated its retained earnings to treasury common shares reserve in the amount of Baht 15.74 million which has been included in other reserves.

12.2 Weighted average number ordinary shares

Weighted average number of ordinary shares calculated as follows:

	Consolidated financial statements (Unaudited) For the three-month and six-month periods ended 30 June		Separate financial statements (Unaudited) For the three-month and six-month periods ended 30 June	
	2008	2007	2008	2007
Number of issued and paid-up ordinary shares	85,000,000	85,000,000	85,000,000	85,000,000
<u>Less</u> Repurchased ordinary shares by Dusit Thani Properties Company Limited	<u>(471,500)</u>	<u>(471,500)</u>	<u>-</u>	<u>-</u>
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>

13. Income tax

For the three-month and six-month periods ended 30 June 2008 and 2007, income tax of the Company, subsidiaries and a joint venture have been calculated on the net profit after deduction of revenue which is not subjected to tax calculation and adding back certain expenses which are disallowance for tax computation purposes.

For the three-month period ended 30 June 2007, income tax of the Company, subsidiaries and a joint venture have negative balance because they have adjusted the effect of income tax for the three-month period ended 31 March 2007 which was more than the income tax for the six-month period ended 30 June 2007.

14. Dividend paid

On 29 April 2008, the shareholders' meeting of the Company passed a resolution to pay dividend for the fiscal year 2007 for 85,000,000 ordinary shares at Baht 1.00 per share, totalling Baht 85.00 million as follows:

- The interim dividend from the operation of the first half year of Baht 0.50 per share, totalling Baht 42.50 million was paid on 6 September 2007.
- The dividend from the operation of the second half year of Baht 0.50 per share, totalling Baht 42.50 million was paid on 22 May 2008.

On 27 April 2007, the shareholders' meeting of the Company passed a resolution to pay dividend for the fiscal year 2006 for ordinary shares outstanding at Baht 1.75 per share, totalling Baht 146.68 million as follows:

- The interim dividend from the operation of the first half year of Baht 0.75 per share for 82,239,500 shares, totalling Baht 61.68 million was paid on 7 September 2006.
- The dividend from the operation of the second half year of Baht 1.00 per share for 85,000,000 shares, totalling Baht 85.00 million was paid on 25 May 2007.

15. Revenues arising from exchanges of goods or services

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

Revenues arising from exchange of goods or services included in revenues from sales and services are as follows:

	Consolidated		Baht : '000	
	financial statements		Separate	
	(Unaudited)		financial statements	
	2008	2007	2008	2007
For the three-month periods ended 30 June				
Revenues arising from exchanges of goods or services	3,620	3,562	3,323	2,809
For the six-month periods ended 30 June				
Revenues arising from exchanges of goods or services	6,069	10,859	5,149	9,829

16. Transactions between related companies

Transactions between related companies are as follows:

16.1 Investment in subsidiaries, associated, a joint venture and related companies

As at 30 June 2008 (Unaudited)

Company's name	Country of incorporation	Type of Business	Relationship	Issued and paid-up (ordinary shares)	% of shareholding	Investment		Dividend
						Separate financial statements Cost	Consolidated financial statements Equity	
Subsidiaries								
1. Dusit Thani Properties Co., Ltd.	Thailand	Holding	Subsidiary	800,000	99.99	799,999	-	40,000
• Dusit Hotels and Resorts Co., Ltd.	Thailand	Hotel and Management	Subsidiary (Indirect holding)	225,000	97.46	-*	-	-
• Philippine Hoteliers, Inc.	Philippines	Hotel	Subsidiary (Indirect holding)	PESO 364,870	88.00	-*	-	-
• Royal Princess Public Co., Ltd.	Thailand	Hotel and Management	Subsidiary (Indirect holding)	600,000	79.77	-*	-	-
• Dusit Enterprises Co., Ltd.	Republic of Mauritius	Management	Subsidiary (Indirect holding)	USD 22	99.99	-*	-	-
						799,999	-	40,000
2. Landmark Hotel Co., Ltd.	Thailand	Hotel	Subsidiary	10,000	99.88	9,988	-	-
3. Devarana Spa Co., Ltd.	Thailand	Spa	Subsidiary	8,000	99.99	8,000	-	400
4. Dusit Executive Development Center Co., Ltd.	Thailand	Training	Subsidiary	5,000	99.99	5,000	-	-
5. Royal Princess Public Co., Ltd.	Thailand	Hotel and Management	Subsidiary	600,000	2.65	27,515	-	1,592
6. Dusit Hotels and Resorts Co., Ltd.	Thailand	Hotel and Management	Subsidiary	225,000	0.81	4,560	-	-
7. Dusit Worldwide Co., Ltd.	Thailand	Management	Subsidiary	10,000	99.99	10,000	-	-
Joint venture								
1. Le Cordon Bleu Dusit Co., Ltd.	Thailand	Cooking School	Joint venture	40,000	50.00	19,999	-	-
Associated company								
1. World Class Rent a Car Co., Ltd.	Thailand	Car rental	Associated	100,000	20.00	20,000	-	-

16. Transactions between related companies (Continued)

16.1 Investment in subsidiaries, associated, a joint venture and related companies

As at 30 June 2008 (Unaudited) (Continued)

Company's name	Country of incorporation	Type of Business	Relationship	Issued and paid-up (ordinary shares)	% of shareholding	Investment		Dividend
						Separate financial statements Cost	Consolidated financial statements Equity	
Related companies								
1. Acme Printing Co., Ltd.	Thailand	Printing house	Director holds the shares	40,000	-	-	-	-
2. The Peninsula Travel Service Co., Ltd.	Thailand	Sales air ticket	Director holds the shares	2,500	-	-	-	-
3. MBK Public Co., Ltd.	Thailand	Property development	Director holds the shares	1,886,921	-	-	-	-
4. Island Resort Hotel Co., Ltd.	Thailand	Hotel	Director is director	400,000	-	-	-	-
5. Laguna Resorts & Hotels Public Co., Ltd.	Thailand	Hotel	Director is director	1,666,827	-	-	-	-
6. Piyasiri Co., Ltd.	Thailand	Hospital	Director holds the shares	76,000	-	-	-	-
7. Bangkok Bank Public Co., Ltd.	Thailand	Bank	Director holds the shares	19,088,429	-	-	-	-
8. Thai Life Insurance Co., Ltd.	Thailand	Insurance	Director is director	500,000	-	-	-	-
9. The Navakij Insurance Public Co., Ltd.	Thailand	Insurance	Director is director	300,000	-	-	-	-
10. New Atlantic Co., Ltd.	Thailand	Department store	Director holds the shares	45,000	-	-	-	-
11. Thana-jirang Co., Ltd.	Thailand	Office rental	Director holds the shares	60,000	-	-	-	-
						905,061	-	41,992
						(29,988)	-	-
						875,073	-	41,992

Less Allowance for impairment in investments

* Dusit Thani Properties Company Limited holds 97.47% in Dusit Hotels and Resorts Company Limited, 88.01% in Philippine Hoteliers, Inc., 79.78% in Royal Princess Public Company Limited, and 100.00% in Dusit Enterprises Company Limited.

16. Transactions between related companies (Continued)

16.1 Investment in subsidiaries, associated, a joint venture and related companies (Continued)

As at 31 December 2007 (Audited)

Company's name	Country of incorporation	Type of Business	Relationship	Issued and paid-up (ordinary shares)	% of shareholding	Investment		Dividend
						Separate financial statements Cost	Consolidated financial statements Equity	
Subsidiaries								
1. Dusit Thani Properties Co., Ltd.	Thailand	Holding	Subsidiary	800,000	99.99	799,999	-	200,000
• Dusit Hotels and Resorts Co., Ltd.	Thailand	Hotel and Management	Subsidiary (Indirect holding)	225,000	97.43	-*	-	-
• Philippine Hoteliers, Inc.	Philippines	Hotel	Subsidiary (Indirect holding)	PESO 364,870	88.00	-*	-	-
• Royal Princess Public Co., Ltd.	Thailand	Hotel and Management	Subsidiary (Indirect holding)	600,000	79.70	-*	-	-
						799,999	-	200,000
2. Landmark Hotel Co., Ltd.	Thailand	Hotel	Subsidiary	10,000	99.88	9,988	-	-
3. Devarana Spa Co., Ltd.	Thailand	Spa	Subsidiary	8,000	99.99	8,000	-	-
4. Dusit Executive Development Center Co., Ltd.	Thailand	Training	Subsidiary	5,000	99.99	5,000	-	-
5. Royal Princess Public Co., Ltd.	Thailand	Hotel and Management	Subsidiary	600,000	2.65	27,515	-	5,572
6. Dusit Hotels and Resorts Co., Ltd.	Thailand	Hotel and Management	Subsidiary	225,000	0.81	4,560	-	-
7. Dusit Enterprises Co., Ltd.	Republic of Mauritius	Management	Subsidiary	USD 22	100.00	789	-	-
Joint venture								
1. Le Cordon Bleu Dusit Co., Ltd.	Thailand	Cooking School	Joint venture	40,000	50.00	19,999	-	-
Associated company								
1. World Class Rent a Car Co., Ltd.	Thailand	Car rental	Associated	100,000	20.00	20,000	-	-

16. Transactions between related companies (Continued)

16.1 Investment in subsidiaries, associated, a joint venture and related companies

As at 31 December 2007 (Audited) (Continued)

Company's name	Country of incorporation	Type of Business	Relationship	Issued and paid-up (ordinary shares)	% of shareholding	Investment		Dividend
						Separate financial statements Cost	Consolidated financial statements Equity	
Related companies								
1. Acme Printing Co., Ltd.	Thailand	Printing house	Director holds the shares	40,000	-	-	-	-
2. The Peninsula Travel Service Co., Ltd.	Thailand	Sales air ticket	Director holds the shares	2,500	-	-	-	-
3. MBK Public Co., Ltd.	Thailand	Property development	Director holds the shares	1,886,921	-	-	-	-
4. Island Resort Hotel Co., Ltd.	Thailand	Hotel	Director is director	400,000	-	-	-	-
5. Laguna Resorts & Hotels Public Co., Ltd.	Thailand	Hotel	Director is director	1,666,827	-	-	-	-
6. Piyasiri Co., Ltd.	Thailand	Hospital	Director holds the shares	76,000	-	-	-	-
7. Bangkok Bank Public Co., Ltd.	Thailand	Bank	Director holds the shares	19,088,429	-	-	-	-
8. Thai Life Insurance Co., Ltd.	Thailand	Insurance	Director is director	500,000	-	-	-	-
9. The Navakij Insurance Public Co., Ltd.	Thailand	Insurance	Director is director	300,000	-	-	-	-
10. New Atlantic Co., Ltd.	Thailand	Department store	Director holds the shares	45,000	-	-	-	-
11. Thana-jirang Co., Ltd.	Thailand	Office rental	Director holds the shares	60,000	-	-	-	-
						895,850	-	205,572
						(29,988)	-	-
						865,862	-	205,572

Less Allowance for impairment in investments

* Dusit Thani Properties Company Limited holds 97.44% in Dusit Hotels and Resorts Company Limited, 88.01% in Philippine Hoteliers, Inc., and 79.72% in Royal Princess Public Company Limited.

16. Transactions between related companies (Continued)

16.2 Short-term loans to and from related companies

Short-term loans to and from related companies consisted of the following:

	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	30 June	31 December	30 June	31 December
	2008	2007	2008	2007
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Loan to a joint venture				
Le Cordon Bleu Dusit Company Limited	15,000	20,001	30,000	40,000
	<u>15,000</u>	<u>20,001</u>	<u>30,000</u>	<u>40,000</u>
Loan to subsidiaries				
Dusit Hotels and Resorts Company Limited	-	-	81,000	-
Dusit Executive Development Center Company Limited	-	-	1,000	1,000
	<u>-</u>	<u>-</u>	<u>82,000</u>	<u>1,000</u>
Total	<u>15,000</u>	<u>20,001</u>	<u>112,000</u>	<u>41,000</u>
Loan from related company				
Le Cordon Bleu International BV	19,999	19,999	-	-
Total	<u>19,999</u>	<u>19,999</u>	<u>-</u>	<u>-</u>

The costs of borrowing are as follows:

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

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

	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	30 June	31 December	30 June	31 December
	2008	2007	2008	2007
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Loan to related companies				
Balance brought forward	20,001	-	41,000	42,000
Add Additional loans	-	20,001	89,000	40,000
Less Repayments	(5,001)	-	(18,000)	(41,000)
Balance carried forward	<u>15,000</u>	<u>20,001</u>	<u>112,000</u>	<u>41,000</u>
Loan from related companies				
Balance brought forward	19,999	-	-	-
Add Additional borrowings	-	19,999	-	-
Balance carried forward	<u>19,999</u>	<u>19,999</u>	<u>-</u>	<u>-</u>

16. Transactions between related companies (Continued)

16.3 Significant business transactions

Related balances

Separate financial statements

Company	As at 30 June 2008 (Unaudited)							As at 31 December 2007 (Audited)							Baht : '000
	Trade accounts receivable	Other current assets	Leasehold - net	Goodwill on the acquisition of hotel business from the subsidiary-net	Trade accounts payable	Accrued expenses	Other current liabilities	Trade accounts receivable	Other current assets	Leasehold - net	Goodwill on the acquisition of hotel business from the subsidiary-net	Trade accounts payable	Accrued expenses	Other current liabilities	
Royal Princess Public Co., Ltd.	29	2,776	-	-	-	-	26	128	5,297	-	-	-	-	1,467	
Dusit Hotels and Resorts Co., Ltd.	20	758	82,000	10,250	-	17	1,144	141	3,046	86,000	30,750	-	20,247	2,829	
Dusit Thani Properties Co., Ltd.	22	809	-	-	-	-	-	22	99	-	-	-	-	7	
Philippine Hoteliers, Inc.	-	6,004	-	-	-	-	-	-	9,555	-	-	-	-	-	
Devarana Spa Co., Ltd.	264	86	-	-	-	-	647	198	110	-	-	-	-	1,741	
Dusit Executive Development Center Co., Ltd.	520	303	-	-	-	-	1,030	91	130	-	-	-	20	4	
Dusit Worldwide Co., Ltd.	-	879	-	-	-	-	-	-	-	-	-	-	-	-	
Le Cordon Bleu Dusit Co., Ltd.	560	540	-	-	-	-	-	152	4,212	-	-	-	-	-	
Acme Printing Co., Ltd.	-	-	-	-	20	-	-	-	-	-	-	421	-	4,494	
The Peninsula Travel Service Co., Ltd.	-	-	-	-	-	-	198	-	-	-	-	-	-	-	
MBK Public Co., Ltd.	-	2,332	-	-	-	-	-	-	2,466	-	-	-	-	1	
Island Resort Hotel Co., Ltd.	13	3,616	-	-	-	-	8	14	2,215	-	-	-	-	58	
Laguna Resorts & Hotels Public Co., Ltd.	53	9,808	-	-	-	-	21	22	13,905	-	-	-	-	23	
The Navakij Insurance Public Co., Ltd.	-	-	-	-	22	-	-	-	-	-	-	-	-	-	
	1,481	27,911	82,000	10,250	42	17	3,074	768	41,035	86,000	30,750	421	20,267	10,624	

16. Transactions between related companies (Continued)

16.3 Significant related business transactions (Continued)

Related transactions

Separate financial statements

Company	For the three-month period ended 30 June 2008 (Unaudited)							For the three-month period ended 30 June 2007 (Unaudited)							Baht : '000
	Revenue from sales and services	Management service income	Interest income	Other income	Cost of sales	Selling and administrative expenses	Depreciation and amortization	Revenue from sales and services	Management service income	Interest income	Other income	Cost of sales	Selling and administrative expenses	Depreciation and amortization	
Royal Princess Public Co., Ltd.	196	-	-	6,682	-	-	-	149	-	-	5,782	-	-	-	
Dusit Hotels and Resorts Co., Ltd.	-	856	626	1,412	-	8,493	12,250	-	720	30	776	-	5,779	12,250	
Dusit Thani Properties Co., Ltd.	-	-	-	309	-	-	-	-	-	-	286	-	-	-	
Philippine Hoteliers, Inc.	-	7,904	-	746	-	-	-	-	5,250	-	401	-	-	-	
Devarana Spa Co., Ltd.	537	-	-	1,762	186	595	-	474	-	2	1,901	299	663	-	
Dusit Executive Development Center Co., Ltd.	960	-	10	104	-	3,447	-	964	-	13	251	-	2,202	-	
Dusit Worldwide Co., Ltd.	-	-	-	871	-	-	-	-	-	-	-	-	-	-	
Le Cordon Bleu Dusit Co., Ltd	2,246	-	636	6	-	-	-	18	-	530	1,385	-	-	-	
Acme Printing Co., Ltd.	-	-	-	-	-	581	-	-	-	-	-	-	847	-	
The Peninsula Travel Service Co., Ltd.	-	-	-	-	-	811	-	-	-	-	-	-	638	-	
MBK Public Co., Ltd.	-	-	-	567	-	13	-	-	-	-	395	-	-	-	
Island Resort Hotel Co., Ltd.	-	1,795	-	381	-	36	-	-	983	-	275	-	2	-	
Laguna Resorts & Hotels Public Co., Ltd.	-	4,117	-	770	-	82	-	-	4,208	-	459	-	-	-	
Piyasiri Co., Ltd.	-	-	-	-	-	32	-	-	-	-	-	-	33	-	
Bangkok Bank Public Co., Ltd	-	-	257	-	-	28	-	-	-	204	-	-	33	-	
Thai Life Insurance Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	12	-	
The Navakij Insurance Public Co., Ltd.	-	-	-	-	-	168	-	-	-	-	-	-	-	-	
Thana-jirang Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	10	-	
	3,939	14,672	1,529	13,610	186	14,286	12,250	1,605	11,161	779	11,911	299	10,219	12,250	

16. Transactions between related companies (Continued)

16.3 Significant related business transactions (Continued)

Related transactions

Separate financial statements

Company	For the six-month period ended 30 June 2008 (Unaudited)							For the six-month period ended 30 June 2007 (Unaudited)							Baht : '000
	Revenue from sales and services	Management service income	Interest income	Other income	Cost of sales	Selling and administrative expenses	Depreciation and amortization	Revenue from sales and services	Management service income	Interest income	Other income	Cost of sales	Selling and administrative expenses	Depreciation and amortization	
Royal Princess Public Co., Ltd.	393	-	-	14,305	-	-	-	299	-	-	6,408	-	-	-	
Dusit Hotels and Resorts Co., Ltd.	-	2,617	692	3,294	-	17,154	24,500	1,589	720	312	10,378	-	22,246	24,500	
Dusit Thani Properties Co., Ltd.	-	-	-	581	-	-	-	-	-	-	547	-	-	-	
Philippine Hoteliers, Inc.	-	15,642	-	2,673	-	-	-	-	5,250	-	401	-	-	-	
Devarana Spa Co., Ltd.	1,096	-	-	3,531	586	1,501	-	934	-	40	3,709	711	1,587	-	
Dusit Executive Development Center Co., Ltd.	1,758	-	19	192	-	4,580	-	1,699	-	28	335	-	3,328	-	
Dusit Worldwide Co., Ltd.	-	-	-	871	-	-	-	-	-	-	-	-	-	-	
Le Cordon Bleu Dusit Co., Ltd	4,567	-	1,367	197	-	-	-	41	-	576	1,577	-	-	-	
Acme Printing Co., Ltd.	-	-	-	-	-	1,572	-	-	-	-	-	-	1,270	-	
The Peninsula Travel Service Co., Ltd.	-	-	-	-	-	1,703	-	-	-	-	-	-	849	-	
MBK Public Co., Ltd.	-	-	-	1,019	-	16	-	-	-	-	395	-	-	-	
Island Resort Hotel Co., Ltd.	-	4,552	-	906	-	58	-	-	983	-	291	-	18	-	
Laguna Resorts & Hotels Public Co., Ltd.	-	17,003	-	4,465	-	93	-	-	4,208	-	481	-	-	-	
Piyasiri Co., Ltd.	-	-	-	-	-	132	-	-	-	-	-	-	81	-	
Bangkok Bank Public Co., Ltd	-	-	257	-	-	51	-	-	-	204	-	-	58	-	
Thai Life Insurance Co., Ltd.	-	-	-	-	-	11	-	-	-	-	-	-	43	-	
The Navakij Insurance Public Co., Ltd.	-	-	-	-	-	481	-	-	-	-	-	-	407	-	
Thana-jirang Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	40	-	
	<u>7,814</u>	<u>39,814</u>	<u>2,335</u>	<u>32,034</u>	<u>586</u>	<u>27,352</u>	<u>24,500</u>	<u>4,562</u>	<u>11,161</u>	<u>1,160</u>	<u>24,522</u>	<u>711</u>	<u>29,927</u>	<u>24,500</u>	

16. Transactions between related companies (Continued)

16.3 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.

The interest income see note 16.2.

Prepaid rental of land and buildings and goodwill on the acquisition of hotel business from the subsidiary is based on the price agreed upon by the Company and the subsidiary.

The remuneration received for transferring of rights and obligations of the Hotels Management Agreement to the subsidiary is equivalent to 1.5% 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.

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

17. Guarantees, commitments and contingent liabilities

17.1 As at 30 June 2008 and 31 December 2007, the Company and two subsidiaries, namely, Royal Princess Public Company Limited and Dusit Hotels and Resorts Company Limited had letter of guarantees issued by banks totalling Baht 22.16 million and Baht 21.20 million, respectively.

17.2 As at 30 June 2008 and 31 December 2007, the Company had letter of guarantees issued by banks totalling Baht 16.45 million and Baht 15.49 million, respectively.

17.3 On 3 November 1999, the Company submitted the dispute to the arbitration for claiming the management fee and incentive fee from a contracting company, totalling Baht 50.05 million, included claim for damage of failing to perform according to the agreement of Baht 27.57 million. On 28 December 1999, the contracting company rejected to all claims and filed a counter claim against the Company totalling Baht 42.22 million.

On 26 June 2003, the arbitrator had a verdict that the contracting company had to pay the Company Baht 2.74 million with 7.5% interest per annum as from the date of filing the dispute until tender complete performance. The Company had to pay the contracting company Baht 0.62 million together with 7.5% interest per annum as from the date of filing the challenge/cross-complaint until such amount has been paid. However, the Company disagrees with verdict of arbitrator. On 26 September 2003, the Company has laid request to arbitrator and has disputed verdict of arbitrator to the Civil Court. On 12 April 2005, the Court designed to dismiss the notion.

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

17. Guarantees, commitments and contingent liabilities (Continued)

17.4 On 26 June 2001, the Company paid Baht 44.25 million 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 45.78 million which the Company has a lawful right to claim.

On 7 December 2001, World Intertrade Corporation Limited filed a claim with The Southern Bangkok Civil Court against the Company. The claim demands the return of property (the Dusit Resort Pattaya Building currently, Dusit Thani Hotel, Pattaya) and damages. The amount claimed for damages is Baht 2,760.00 million. The Company has already filed an answer to the claim on such issue with The Southern Bangkok Civil Court on 16 January 2002 due to the reason that the Company has peacefully and openly possessed the property with intention to be its owner for more than 10 years and has obtained the Building by operation of law.

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

On 26 March 2004, the Court has declared the case filed by World Intertrade Corporation Limited has been dismissed with the verdict that the Company is the owner of the property, Dusit Resort Pattaya Building (currently, Dusit Thani Hotel, Pattaya), by virtue of the law found in the Civil and Commercial Code of Thailand, sections 1382 and 1385 without doubt and the Court has given the verdict that World Intertrade Corporation Limited must pay compensation amounting to Baht 45.78 million with 7.5% interest per annum of the principal amount of Baht 44.25 million 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. Currently, the case is under the consideration of the Appeal Court.

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

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

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

17. Guarantees, commitments and contingent liabilities (Continued)

17.5 For Philippine Hoteliers, Inc., an indirect subsidiary, as at 30 June 2008 and 31 December 2007, there are pending litigations, unasserted claims, and contingent liabilities that may arise in the normal course of operations of the subsidiary which are not reflected in the accompanying financial statements such as pending labor dispute cases filed with the NLRC-NCR. In addition, this subsidiary is currently contesting certain tax assessment amounting to PESO 21.82 million issued by the Bureau of Internal Revenue (BIR) against it for the calendar year ending 1998. The subsidiary's management is of the opinion that expenses, if any, from these contingencies, are not significant and will not have material adverse effects and no provision has been made on subsidiary's financial statements.

17.6 As at 30 June 2008 and 31 December 2007, the Company, subsidiaries and a joint venture have commitments for renovation contracts totalling Baht 90.00 million and Baht 252.11 million, respectively.

As at 30 June 2008 and 31 December 2007, the Company has commitments for renovation contracts totalling Baht 36.81 million and Baht 119.72 million, respectively.

17.7 The Company has contingent liabilities for the guarantee of credit facilities granted to the subsidiaries consisted of the following:

		Baht : '000	
		As at	As at
	Notes	30 June	31 December
		2008	2007
		(Unaudited)	(Audited)
Bank overdrafts	9	55,000	55,000
Short-term loans from financial institutions	9	200,000	200,000
Long-term loans	11	400,000	600,000
Total		<u>655,000</u>	<u>855,000</u>

18. Seasonality of operation

The main business of the Company is hotel operation. The main revenues of the Company are received seasonally within a financial year especially in the first and fourth three-month of each year. Such revenues are recognized when incurred. For supplementary financial information, revenue from sales and services, cost of sales and services and net profit for the twelve-month periods ended 30 June 2008 and 2007 were shown as below:

	Baht : '000			
	For the twelve-month periods ended 30 June		The Company only	
	Consolidated		The Company only	
	(Unaudited)		(Unaudited)	
	2008	2007	2008	2007
Revenue from sales and services	3,141,839	2,844,156	1,831,805	1,662,486
Cost of sales and services	1,633,812	1,487,934	861,262	800,961
Net profit	266,559	201,073	316,466	82,661

19. Revenues from promoted activities

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

	Baht : '000		
	Promoted activities	Non-promoted activities	Total amount
For the three-month period ended 30 June 2008			
Revenue from sales and services	10,294	-	10,294
Interest income	-	20	20
Total	<u>10,294</u>	<u>20</u>	<u>10,314</u>
For the six-month period ended 30 June 2008			
Revenue from sales and services	20,773	-	20,773
Interest income	-	20	20
Other income	-	139	139
Total	<u>20,773</u>	<u>159</u>	<u>20,932</u>

20. Business segment information

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

	Million Baht		
	Revenues	Net Profit (Loss)	Assets Employed
For the three-month period ended 30 June 2008			
Bangkok	729.93	204.02	4,184.99
Other provinces	249.61	(31.68)	2,157.81
Overseas	181.11	0.12	943.05
Total	<u>1,160.65</u>	<u>172.46</u>	<u>7,285.85</u>
<u>Add (Less) Inter-company transactions</u>	<u>(128.31)</u>	<u>(40.91)</u>	<u>(1,137.52)</u>
Total	<u>1,032.34</u>	<u>131.55</u>	<u>6,148.33</u>
<u>Less</u> Net profit of minority interest		<u>(2.84)</u>	
Consolidated net profit		<u>128.71</u>	
Consolidated assets			<u>6,148.33</u>
For the three-month period ended 30 June 2007			
Bangkok	559.00	168.62	4,256.65
Other provinces	226.23	(41.07)	2,169.71
Overseas	114.80	(19.43)	762.67
Total	<u>900.03</u>	<u>108.12</u>	<u>7,189.03</u>
<u>Add (Less) Inter-company transactions</u>	<u>(224.91)</u>	<u>(151.66)</u>	<u>(1,128.97)</u>
Total	<u>675.12</u>	<u>(43.54)</u>	<u>6,060.06</u>
<u>Less</u> Net profit of minority interest		<u>(0.48)</u>	
Consolidated net loss		<u>(44.02)</u>	
Consolidated assets			<u>6,060.06</u>

20. Business segment information (Continued)

	Million Baht		
	Revenues	Net Profit (Loss)	Assets Employed
For the six-month period ended 30 June 2008			
Bangkok	1,262.74	258.80	4,184.99
Other provinces	648.36	26.81	2,157.81
Overseas	353.80	(2.58)	943.05
Total	2,264.90	283.03	7,285.85
<u>Add (Less) Inter-company transactions</u>	<u>(228.40)</u>	<u>(40.52)</u>	<u>(1,137.52)</u>
Total	<u>2,036.50</u>	<u>242.51</u>	<u>6,148.33</u>
<u>Less Net profit of minority interest</u>		<u>(7.64)</u>	
Consolidated net profit		<u>234.87</u>	
Consolidated assets			<u>6,148.33</u>
	Million Baht		
	Revenues	Net Profit (Loss)	Assets Employed
For the six-month period ended 30 June 2007			
Bangkok	1,037.74	227.00	4,256.65
Other provinces	631.53	34.80	2,169.71
Overseas	242.71	(15.62)	762.67
Total	1,911.98	246.18	7,189.03
<u>Add (Less) Inter-company transactions</u>	<u>(311.34)</u>	<u>(149.60)</u>	<u>(1,128.97)</u>
Total	<u>1,600.64</u>	<u>96.58</u>	<u>6,060.06</u>
<u>Less Net profit of minority interest</u>		<u>(6.33)</u>	
Consolidated net profit		<u>90.25</u>	
Consolidated assets			<u>6,060.06</u>

21. Disclosure of financial instruments

Fair value of financial instruments

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

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.

As at 31 December 2007, fixed deposits with maturity of 1 year and short-term investments whose maturities are more than 90 days have carrying value of Baht 42.00 million and fair value of Baht 42.04 million. The fair value is estimated using the discounted cash flow analysis based on the interest rate currently offered for deposits with similar terms.

The determination of fair value of investments and the presentation of such items are described in Note 6 to the financial statements.

Bank overdrafts and short-term loans from financial institutions, carrying variable rates of interest and trade account payables; 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.

22. Others

22.1 The issue and offer of debentures

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

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

22.2 The merger

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

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

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

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

23. Events after the balance sheet date

According to the Royal Decree regarding the deduction of corporate income tax (No.475) dated 29 July 2008, it reduces the corporate income tax for a listed company on the Stock Exchange of Thailand under the Securities and Exchange law. Net profit which does not exceed Baht 300 million is subject to tax at the rate of 25%. The new tax rate is effective for three consecutive years for the accounting periods beginning on or after 1 January 2008.

The effect on the deduction of corporate income tax has not yet been reflected on the interim financial statements for the three-month and six-month periods ended 30 June 2008. An estimate of the financial effect on a new tax rate will be as follows:

	Consolidated financial statements (Unaudited)	Baht :’000 Separate financial statements (Unaudited)
Balance sheet as at 30 June 2008		
Decrease in accrued expenses	(15,000)	(15,000)
Increase in unappropriated retained earnings	15,000	15,000
Income statement		
For the three-month period ended 30 June 2008		
Decrease in income tax	(8,372)	(8,372)
Increase in net profit for the period	8,372	8,372
Increase in attributable net profit for the period		
- Equity holders of the parent	8,372	8,372
Increase in basic earnings per share		
- Attribute to equity holders	Baht 0.10	0.10
For the six-month period ended 30 June 2008		
Decrease in income tax	(15,000)	(15,000)
Increase in net profit for the period	15,000	15,000
Increase in attributable net profit for the period		
- Equity holders of the parent	15,000	15,000
Increase in basic earnings per share		
- Attribute to equity holders	Baht 0.18	0.18

24. Approval of financial statements

These interim financial statements were approved for issuing by the authorized directors of the Company on 7 August 2008.