

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

**CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS**

31 DECEMBER 2008

AUDITOR'S REPORT

To the Shareholders of Dusit Thani Public Company Limited

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

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

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

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

Bangkok
16 February 2009

Dusit Thani Public Company Limited and Subsidiaries**Balance sheets****As at 31 December 2008 and 2007**

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

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

Dusit Thani Public Company Limited and Subsidiaries

Balance sheets (Continued)

As at 31 December 2008 and 2007

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

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

Dusit Thani Public Company Limited and Subsidiaries

Balance sheets (Continued)
As at 31 December 2008 and 2007

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

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

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

		Consolidated		Separate		Baht
		financial statements		financial statements		
Notes		2008	2007	2008	2007	
	Revenue from sales and services	3,197,118,127	3,026,373,973	1,823,440,734	1,824,419,858	
	Cost of sales and services	<u>(1,698,690,265)</u>	<u>(1,602,821,910)</u>	<u>(871,704,514)</u>	<u>(869,151,271)</u>	
	Gross profit	1,498,427,862	1,423,552,063	951,736,220	955,268,587	
	Management service income	115,579,322	118,769,572	145,048,180	94,145,542	
	Interest income	5,518,602	10,712,964	5,501,140	4,814,886	
	Dividend income	13,103,329	24,513,700	68,821,826	206,995,858	
	Gain on sale of property, premises and equipment	244,531,810	1,768,814	244,289,721	1,065,269	
	Other income	151,919,707	126,688,789	196,468,083	122,148,125	
	Selling and administrative expenses	(1,027,198,377)	(922,353,293)	(844,183,728)	(667,973,548)	
	Loss on sale of property, premises and equipment	(31,483)	(4,463)	-	(28,892)	
	Depreciation and amortization	(602,393,279)	(520,238,294)	(409,507,897)	(378,684,471)	
	Directors' remuneration	(4,286,700)	(5,189,295)	(3,926,700)	(4,769,295)	
	Interest expenses	(72,199,591)	(87,529,776)	(28,359,103)	(47,841,947)	
	Share of profits from investments using the equity method	-	1,665,891	-	-	
	Profit before income tax	322,971,202	172,356,672	325,887,742	285,140,114	
	Income tax	20 (95,570,352)	(40,044,341)	(69,803,661)	(3,266,182)	
	Net profit	<u>227,400,850</u>	<u>132,312,331</u>	<u>256,084,081</u>	<u>281,873,932</u>	
	Attributable net profit for the period to:					
	- Equity holders of the parent	216,627,998	121,940,067	256,084,081	281,873,932	
	- Minority interest	10,772,852	10,372,264	-	-	
		<u>227,400,850</u>	<u>132,312,331</u>	<u>256,084,081</u>	<u>281,873,932</u>	
	Basic earnings per share					
	- Equity holders of the parent	2.56	1.44	3.01	3.32	Baht
	Weighted average number of ordinary shares	Shares				
		19.2	84,528,500	84,528,500	85,000,000	85,000,000

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

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

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

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

Dusit Thani Public Company Limited and Subsidiaries

Statements of Changes in Equity (Continued)
For the years ended 31 December 2008 and 2007

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

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

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

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

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

Statements of Cash Flows (Continued)
For the years ended 31 December 2008 and 2007

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

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

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

1. General information

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

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

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

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

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

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

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

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

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

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

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

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

2.6 New Accounting Standard and Amendments to Accounting Standards

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

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

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

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

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

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

3. Significant accounting policies

3.1 Cash and cash equivalents

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

3.2 Trade accounts receivable

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

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

3.3 Inventories

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

3.4 Investments

3.4.1 Investments in subsidiaries, associates and joint venture

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

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

Joint venture is jointly controlled entity.

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

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

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

3.4.2 Other long-term investments

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

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

3.4.3 Investment property

Investment property is carried at cost.

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

3. Significant accounting policies (Continued)

3.5 Property, premises and equipment

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

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

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

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

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

3.6 Borrowing cost

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

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

3.7 Other non-current assets

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

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

3.8 Impairment of assets

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

3. Significant accounting policies (Continued)

3.9 Long-term lease

a) Operating lease

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

b) Finance lease

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

3.10 Treasury common shares

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

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

3.11 Translation of foreign currency transactions

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

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

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

3.12 Recognition of revenues and expenses

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

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

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

Management fees are recognized on an accrual basis.

Interest income is recognized on a time proportion basis.

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

3.13 Income tax

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

3. Significant accounting policies (Continued)

3.14 Provident fund

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

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

3.15 Basic earnings per share - Equity holders of the parent

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

3.16 Use of accounting estimates

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

4. Critical accounting estimates, assumption and judgement

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

4.1 Impairment of receivable

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

4.2 Write-down of inventories

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

4.3 Depreciation and amortization

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

5. Capital risk management

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

5. Capital risk management (Continued)

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

6. Supplementary disclosures of cash flow information

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

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

6.2 Non cash transactions are as follows:

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

Purchases of property, premises and equipment

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

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

6. Supplementary disclosures of cash flow information (Continued)

6.2 Non cash transactions are as follows: (Continued)

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

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

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

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

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

7. Trade accounts receivable - net

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

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

8. Inventories - net

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

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

9. Other current assets

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

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

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

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

10. Other long-term investments

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

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

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

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

11. Property, premises and equipment - net

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

Consolidated financial statements

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

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

Consolidated financial statements

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

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

Separate financial statements

	Balance as at 31 December 2007 Baht	Additions Baht	Disposals Baht	Amortization Baht	Written off Baht	Transfers Baht	Balance as at 31 December 2008 Baht
Cost							
Land	20,399,540	-	(17,151,875)	-	-	-	3,247,665
Land improvement	614,635	26,168	-	-	-	-	640,803
Buildings	12,891,575	-	-	-	-	-	12,891,575
Buildings on leased land	133,614,775	718,262	-	-	-	2,707,598	137,040,635
Interior and renovation	4,915,608	-	-	-	-	-	4,915,608
Interior and renovation on leased land	1,380,336,783	14,510,695	(10,765,989)	-	(15,223,819)	157,828,865	1,526,686,535
Furniture and equipment	2,329,259	66,137	-	-	-	-	2,395,396
Furniture and equipment on leased land	1,300,992,531	52,383,718	(26,354,424)	-	(1,968,284)	49,439,246	1,374,492,787
Vehicles	46,082,976	1,222,607	(5,038,276)	-	-	1,062,354	43,329,661
Chinaware, glassware, silverware and linen	68,025,188	13,062,775	(141,009)	-	(8,683,460)	2,530,326	74,793,820
Building and Land rights - net	150,176,768	-	-	(14,876,136)	-	-	135,300,632
Total cost	3,120,379,638	81,990,362	(59,451,573)	(14,876,136)	(25,875,563)	213,568,389	3,315,735,117
Accumulated Depreciation							
Buildings	(9,240,541)	(516,251)	-	-	-	-	(9,756,792)
Buildings on leased land	(17,989,993)	(7,511,764)	-	-	-	341,984	(25,159,773)
Interior and renovation	(912,768)	(983,121)	-	-	-	-	(1,895,889)
Interior and renovation on leased land	(536,656,845)	(159,030,843)	1,423,032	-	14,257,833	-	(680,006,823)
Furniture and equipment	(1,490,702)	(137,630)	-	-	-	-	(1,628,332)
Furniture and equipment on leased land	(727,382,573)	(160,981,486)	18,908,359	-	1,891,620	(341,984)	(867,906,064)
Vehicles	(25,846,392)	(6,621,504)	3,628,772	-	-	-	(28,839,124)
Chinaware, glassware, silverware and linen	(27,463,242)	(13,991,051)	45,955	-	4,648,262	-	(36,760,076)
Total accumulated depreciation	(1,346,983,056)	(349,773,650)	24,006,118	-	20,797,715	-	(1,651,952,873)
Construction in process	21,379,717	206,354,380	-	-	(77,000)	(213,568,389)	14,088,708
Property, premises and equipment - net	<u>1,794,776,299</u>	<u>(61,428,908)</u>	<u>(35,445,455)</u>	<u>(14,876,136)</u>	<u>(5,154,848)</u>	<u>-</u>	<u>1,677,870,952</u>
Depreciation	<u>308,821,020</u>						<u>349,773,650</u>
Amortization	<u>14,876,136</u>						<u>14,876,136</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 31 December 2008 and 2007 of Baht 135,300,632 and Baht 150,176,768, respectively. Even though the title to the building of Dusit Resort Pattaya (currently, Dusit Thani Hotel, Pattaya) has not been transferred to the Company, the management believes that by the fact and law, the Company has the right to use such building for its operations, as the building is located on the land which the subsidiary is the lessee. On 21 January 2002, the Company has registered such right on land lease with the Department of Land, Pattaya. In addition, the Company has peacefully and openly possessed this property with intention to be its owner for more than 10 years, by virtue of the Civil and Commercial Code of Thailand, section 1382 (see Note 25.4).

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

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

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

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

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

12. Prepaid rental - land and buildings - net

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

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

13. Other non-current assets - net

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

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

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

Separate financial statements

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

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

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

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

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

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

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

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

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

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

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

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

15. Long-term liabilities under financial lease agreements

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

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

16. Long-term loans

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

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

16. Long-term loans (Continued)

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

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

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

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

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

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

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

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

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

16. Long-term loans (Continued)

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

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

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

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

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

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

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

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

17. Legal reserve

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

18. Other reserves

Other reserves as at 31 December consisted of the following:

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

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

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

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

19.1 Treasury common shares

19.1.1 Dusit Thani Public Company Limited

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

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

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

19.1.2 Dusit Thani Properties Company Limited

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

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

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

19.1 Treasury common shares (Continued)

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

19.2 Weighted average number ordinary shares

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

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

20. Income tax

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

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

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

21. Dividend paid

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

21. Dividend paid (Continued)

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

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

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

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

22. Revenues arising from exchanges of goods or services

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

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

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

23. Long-term leases

23.1 Dusit Thani Public Company Limited

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

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

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

23. Long-term leases (Continued)

23.1 Dusit Thani Public Company Limited (Continued)

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

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

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

23.2 Royal Princess Public Company Limited

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

23.3 Philippine Hoteliers, Inc.

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

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

24. Transactions between related companies

Transactions between related companies are as follows:

24.1 Investment in subsidiary, joint venture and associate

As at 31 December 2008

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

24. Transactions between related companies (Continued)

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

As at 31 December 2007

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

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

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

24. Transactions between related companies (Continued)

24.2 Relationship with related companies
As at 31 December 2008

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

24. Transactions between related companies (Continued)

24.2 Relationship with related companies (Continued)
As at 31 December 2007

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

24. Transactions between related companies (Continued)

24.3 Short-term loans to and from related companies

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

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

The costs of borrowing are as follows:

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

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

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

24. Transactions between related companies (Continued)

24.4 Significant related business transactions

Related balances

Separate financial statements

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

24. Transactions between related companies (Continued)

24.4 Significant related business transactions (Continued)

Related transactions

Separate financial statements

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

24. Transactions between related companies (Continued)

24.4 Significant related business transactions (Continued)

Related transactions (Continued)

Separate financial statements

Company	For the year ended 31 December 2008								For the year ended 31 December 2007								Baht
	Revenue from sales and services	Management service income	Interest income	Dividend income	Other income	Cost of sales	Selling and administrative expenses	Depreciation and amortization	Revenue from sales and services	Management service income	Interest income	Dividend income	Other income	Cost of sales	Selling and administrative expenses	Depreciation and amortization	
The Peninsula Travel Service Co., Ltd.	-	-	-	-	-	-	2,774,595	-	-	-	-	-	-	-	2,848,530	-	
MBK Public Co., Ltd.	-	-	-	2,344,000	1,866,480	-	15,591	-	-	-	-	-	3,508,347	-	-	-	
Island Resort Hotel Co., Ltd.	-	8,508,574	-	-	1,743,757	-	86,542	-	-	4,699,139	-	-	2,232,527	-	17,517	-	
Laguna Resorts & Hotels Public Co., Ltd.	-	27,444,936	-	3,500,000	5,768,350	-	151,162	-	-	17,072,443	-	1,250,000	5,138,609	-	-	-	
Piyasiri Co., Ltd.	-	-	-	-	-	-	240,551	-	-	-	-	-	-	-	183,399	-	
Bangkok Bank Public Co., Ltd.	-	-	478,139	189,900	-	-	140,361	-	-	-	408,052	174,075	-	-	58,640	-	
Thai Life Insurance Co., Ltd.	-	-	-	-	-	-	13,140	-	-	-	-	-	-	-	82,000	-	
The Navakij Insurance Public Co., Ltd.	-	-	-	-	-	-	481,413	-	-	-	-	-	-	-	432,550	-	
Thana-jirang Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40,000	-	
	21,598,264	71,489,887	5,337,555	68,821,826	90,788,502	1,177,466	180,270,793	38,750,000	12,569,327	42,961,824	3,069,643	206,995,858	67,257,639	1,530,188	75,428,051	49,000,000	

24. Transactions between related companies (Continued)

24.4 Significant related business transactions (Continued)

Prices and terms are as follows:

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

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

The interest income see Note 24.3.

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

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

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

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

25. Guarantees, commitments and contingent liabilities

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

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

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

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

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

25. Guarantees, commitments and contingent liabilities (Continued)

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

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

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

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

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

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

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

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

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

25. Guarantees, commitments and contingent liabilities (Continued)

25.5 For Philippine Hoteliers, Inc., an indirect subsidiary, as at 31 December 2008 and 2007, there are pending litigations, unasserted claims, and contingent liabilities that may arise in the normal course of operations of the subsidiary which are not reflected in the accompanying financial statements such as pending labor dispute cases filed with the NLRC-NCR. In addition, this subsidiary is currently contesting certain tax assessment amounting to Peso 21,817,405 issued by the Bureau of Internal Revenue (BIR) against it for the calendar year ending 1998. The subsidiary's management is of the opinion that expenses, if any, from these contingencies, are not significant and will not have material adverse effects and no provision has been made on subsidiary's financial statements.

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

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

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

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

26. Investment Promotion Privileges

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

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

27. Revenues from promoted activities

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

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

28. Provident fund

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

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

29. Business segment information

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

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

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

30. Disclosure of financial instruments

30.1 Accounting policies

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

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

30.2 Credit risk

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

30. Disclosure of financial instruments (Continued)

30.2 Credit risk (Continued)

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

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

30.3 Foreign exchange risk

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

30.4 Interest rate risk

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

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

30.5 Fair value of financial instruments

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

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

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

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

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

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

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

31. Others

31.1 The issue and offer of debentures

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

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

31.2 The merger

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

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

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

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

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

32. Approval of financial statements

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