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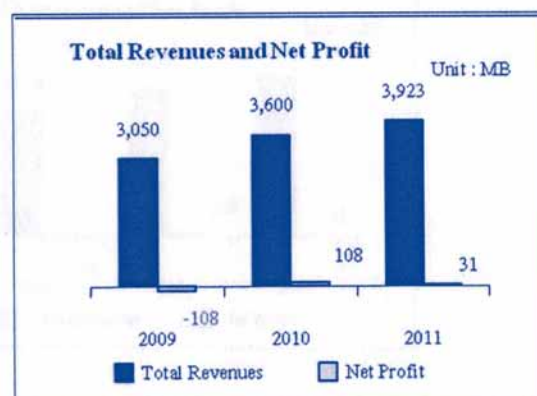
Financial Highlights

Unit: Thousand Baht

	2009	Percentage	2010	Percentage	2011	Percentage
Financial Position and Operation Analysis						
Total Assets	5,607,048	100.00	6,095,481	100.00	8,341,343	100.00
Total Liabilities	1,584,858	28.26	1,892,996	31.06	3,768,591	45.18
Total Equity of the Parent	3,807,771	67.92	3,962,280	65.00	3,876,603	46.47
Revenue from Sales and Services	2,777,382	91.05	2,797,305	77.70	3,492,413	89.03
Total Revenues	3,050,208	100.00	3,600,313	100.00	3,922,567	100.00
Cost of Sales and Services	1,628,626	53.39	1,755,454	48.76	2,358,219	60.12
Depreciation and Amortization	574,488	18.83	521,508	14.49	389,520	9.93
Total Expenses *	900,709	29.53	1,115,450	30.98	1,130,489	28.82
Net Profit (Loss)	(107,967)	(3.54)	108,104	3.00	31,042	0.79
Ratio Per Share (Baht)						
Earnings (Loss)	(1.28)		1.28		0.37	
Dividend	0.50		0.50		0.50	
Book Value	45.05		46.88		45.86	
Financial Ratio (%)						
Net Profit / Total Revenue	(3.54)		3.00		0.79	
Return on Equity	(2.80)		2.78		0.79	
Return on Assets	(0.93)		4.35		0.89	

* Total Expenses for 2009, 2010 and 2011 included loss on impairment of property, premises and equipment of Baht 61.60 million, Baht 86.28 million and Baht 1.94 million, respectively.

Dividend for year 2011, Board of Directors will propose to the 2011 Annual General Meeting of Shareholders to approve unappropriated retained earnings as dividend payment of Baht 0.50 per share.



MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

In 2011, Thailand's tourism industry has shown a positive sign of recovery from the continuous downfall triggered by the country's political instability in the past few years. From January to August 2011, the number of tourist arrival increased by 28 percent. However, what appears to be a promising rebounding has unfortunately become transitory when one of the biggest floods ever in the nation's history took place in the last quarter of the year. Consequently, the average annual growth of tourist arrival in 2011 has dropped to 20 percent. Thai tourism industry once again encountered an unprecedented recession. Therefore, the company has inevitably been affected by this incident.

Nevertheless, the management team has never ceased to strive for business expansion; continuous efforts are put forth to increase more managed hotels and simultaneously, with full caution and due consideration, hotel investment in various prime locations with least possibility of risk. Following the acquisition of Dusit Thani Laguna Phuket through Dusit Thani Freehold and Leasehold Property Fund in year 2010, the Company has further jointly invested in Dusit Thani Maldives, the 5-star hotel with 100 villas, located on Mudhdhoo, Maldives.

Furthermore, the Company has also seen potential and opportunity to expand its educational business with the objectives to support the Company's core business and diversify risks. Therefore, business strategies for educational expansion have been developed in alignment with the hotel business expansion direction to ensure an increase of the Company's future income and profits.

For the first three quarters of 2011, the Company's performance increased in comparison to those of 2010. However, when the Company was affected by the flooding crisis in the last quarter of the year, the Company has witnessed its revenue loss for approximately Baht 200 million. Meanwhile, the Company still had an incurring fixed cost and depreciation. This eventually resulted in the Company's operating loss in the last quarter of the year; profits generated from the previous quarters were, therefore, offset. Moreover, the aftermath of the devastating floods has led to the delay in completion of Dusit Thani Maldives, resulting in an increase of pre-opening expenses due to the considerable number of domestic manufacturers were unable to produce their products as planned. As a result, the Company had to order the replacement products from other countries. Despite such challenge and difficulty, the Company had a net profit of Baht 31 million or Baht 0.37 per share.

With our recognition of the significance of environment and social responsibility, the Board of Directors has continued to embark on corporate social responsibility activities that support the sustainable development of Thailand by continuously participating in philanthropic activities e.g. Operation Smile Foundation under the name of Dusit Smile and EarthCheck program.

On behalf the Company's Board of Directors, I would like to express my sincere appreciation to all shareholders for their trust and continuous supports to the Company. I would, also, like to take this opportunity to thank our staffs for their dedication, contributions and loyalty to the company.



Mr. Chatri Sophonpanich
Chairman

The Results of Operations and Profit Appropriation for Year 2011

The Board of Directors present the results of operations of the Company presented in the financial statements for the year ended December 31, 2011, unappropriated retained earnings at the beginning was Baht 1,268,130,035. After deducting final dividend of 2010 paid on 85,000,000 shares at Baht 0.50 per share, totaling Baht 42,500,000, the balance of unappropriated retained earnings was Baht 1,225,630,035.

The Board of Directors proposes the appropriation as follows:

	Baht
Unappropriated retained earnings brought forward	1,225,630,035
Less The effects of changes in account policy	(97,220,070)
Add Net profit of 2011	31,042,398
Less Dividend of 2011 on 85,000,000 shares at Baht 0.50 per share, totalling	(42,500,000)
Unappropriated retained earnings carried forward	<u><u>1,116,952,363</u></u>

If the Annual General Meeting of Shareholders approves the mentioned appropriation, the Company will pay such dividend on May 11, 2012.

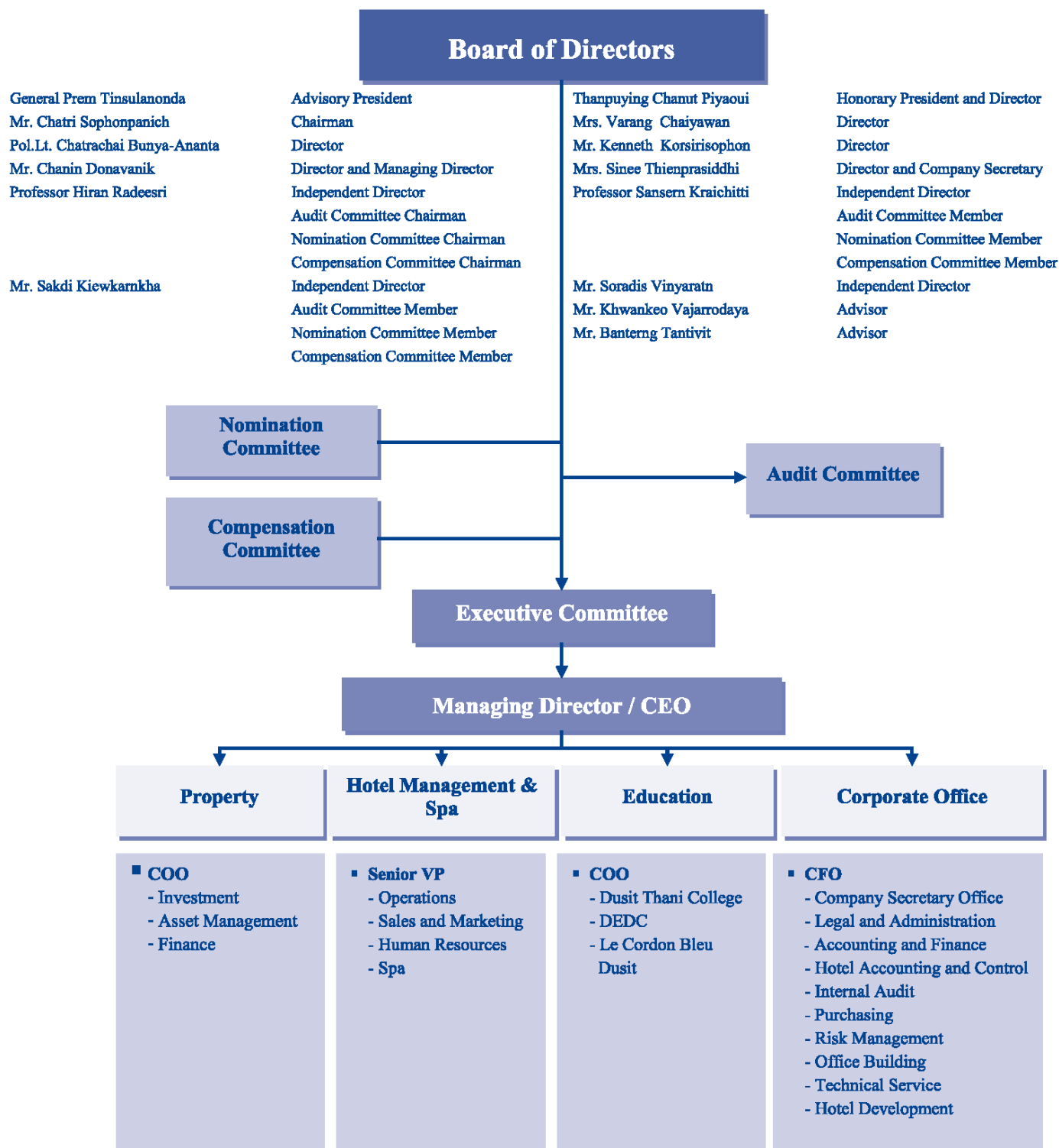
Vision

“To deliver to the world an exceptional hospitality experience that reflects the unique artistry and culture of Thailand and delivers the standards of perfection, innovation and excellence.”

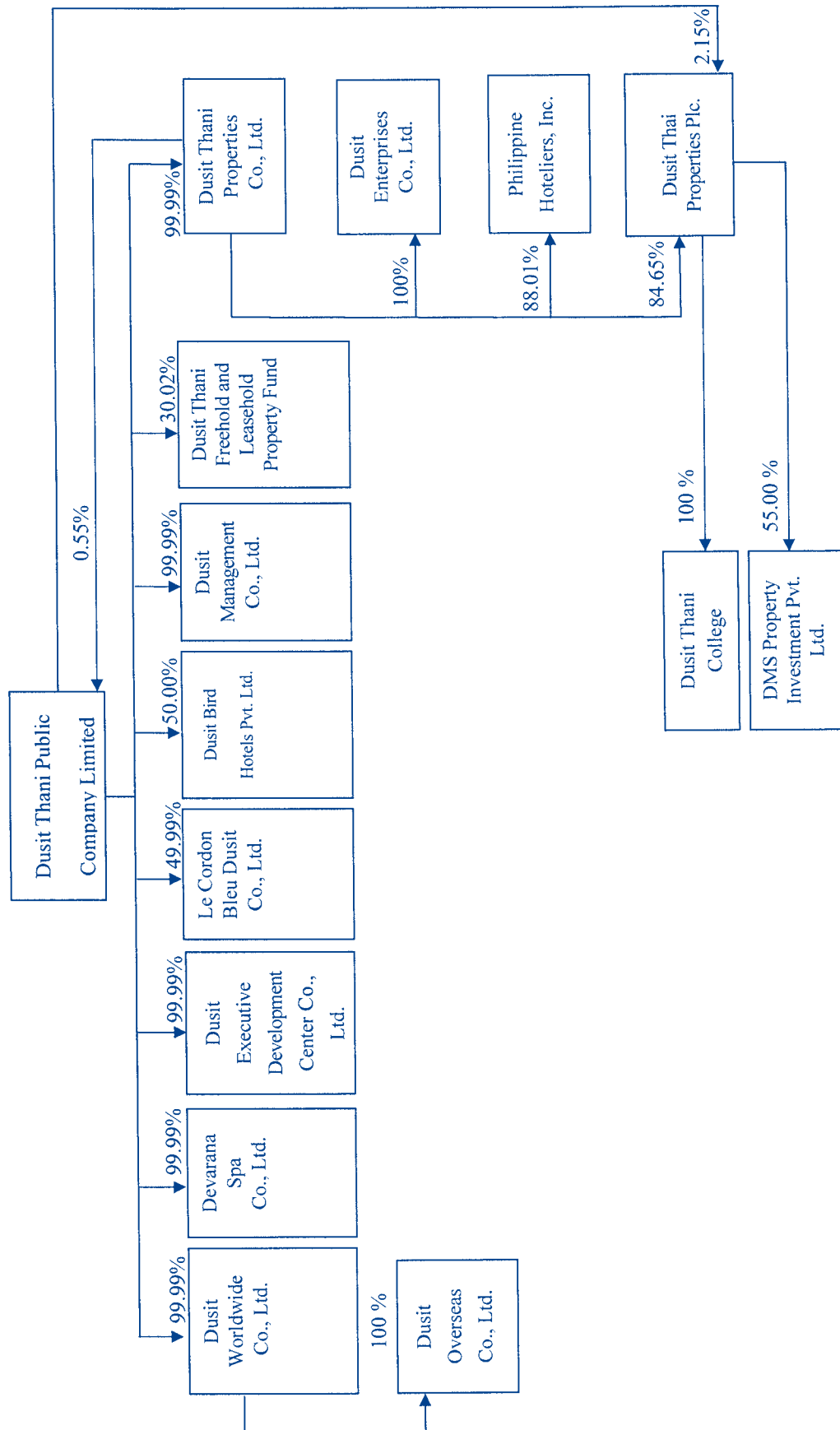
Mission

“To make Dusit one of the world’s most valued hospitality brands in preference and loyalty across everyone of its competitive segment.”

Management Structure as of December 31, 2011



Shareholding Structure of Dusit International as of December 31, 2011



Marketing and Competition

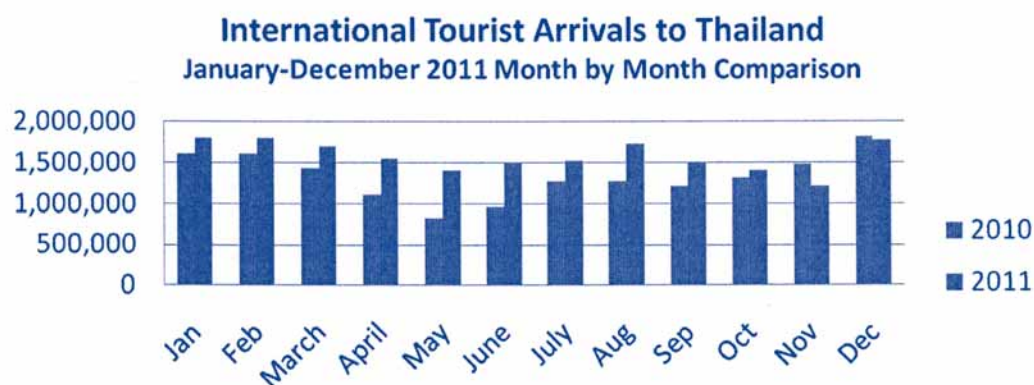
Marketing & Sales Strategies

Thailand

Visitor arrivals to Thailand grew nearly 28% year on year from January to August 2011, a dramatic increase and signaling a very positive upward trend following the political uncertainty of the past few years. This trend unfortunately came to an abrupt end once the international media cast a spotlight on the devastation and destruction caused by Thailand's worst flood in decades. The overall (Jan-Dec 2011) growth fell down to 19.84% year on year growth in arrivals.

The floods no doubt had a significant impact on tourism in 4Q/11', even in markets not directly impacted by the crisis as the perceptions resulting from the ubiquitous media coverage took its toll. The expected pent up demand for December, as the flooding situation had stabilized, was dampened as the business pick up remained slower than anticipated. It appears that leisure travelers had made alternate plans for December and many MICE and business travelers postponed their visits until 2012 resulting from misinformation and conflicting reports of the situation in Thailand.

In short, while the unexpected downturn (resulting from the floods) had a major impact on the Thailand hotels revenue in 2011, the outlook in 2012 is positive in terms of visitor arrival projections – some 22 million are expected to visit Thailand in 2012 -- and as Asia continues to show record outbound growth, Thailand is well poised to capture significant market share.



Source: website of the Department of Tourism (www.tourism.go.th)

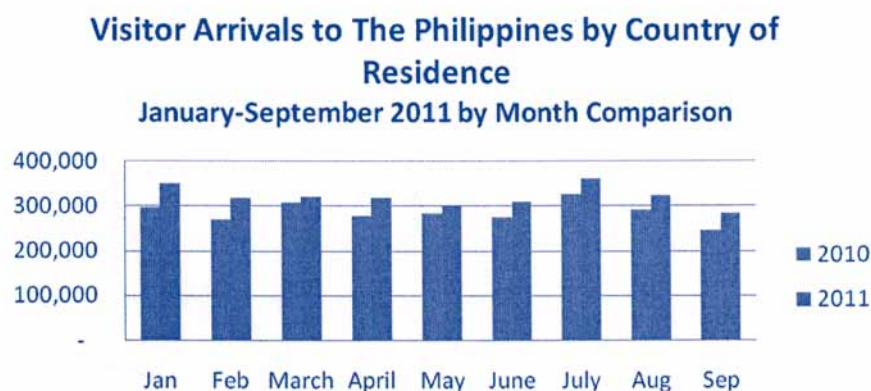
United Arab Emirates and Egypt

The UAE, while rebounding from the serious downturn from 2008 onwards, only grew by an estimated 3.3 % year on year in 2011. Having said that, Dubai attracted 8 million international tourists in 2011, ranking the emirate at number 9 in terms of visitor arrivals out of 132 cities tracked across the world, (according to new research released by MasterCard).

Egypt has struggled to revive tourism since the uprisings in Q1/11' which erupted again in late 2011 and resulted in a high double digit percentage drop in year on year arrivals. The advantage of the location of Dusit Thani Lakeview Cairo, quite a distance from Tahrir Square and the centre of most protests, affords some advantages over properties located in the city centre.

Philippines

The Philippines is also trending upwards as arrivals in 2011 registered double digit growth. The adverse impact of the Hong Kong boycott of the Philippines, following the bus hijacking in 2010 resulting in 8 Hong Kong tourists deaths, had an impact on arrivals from Hong Kong but this appears to have dissipated and the situation is more or less back to normal. Metro Manila continues as the leading destination with some 37% of visitors from international destinations.



Source: website of the Department of Tourism of Philippines (www.tourism.go.th)

Overall while external factors have adversely impacted the Groups performance the outlook for 2012, in spite of a worsening global economy, is positive. The Asian region is still buoyant and tourism is growing exponentially as emerging markets continue to generate double digit growth in outbound travel. Dusit International is poised to expand in 2012 with several hotels opening in key markets including the Maldives, New Delhi and Abu Dhabi. And, a strong and diverse pipeline of new properties in the US; China; Middle East and India reflect a very encouraging trend in terms of overall growth for the brand.

Marketing

- In Q1/11' Dusit International re-launched the corporate website, primarily to strengthen the search engine optimization (SEO) capabilities and to update the look and feel of the website and in turn drive traffic to Dusit.com. The Dusit Website has been translated into multiple languages including Arabic; Chinese; Japanese and Thai.
- Overall there has been a greater emphasis placed on cost effective marketing solutions in order to allow for the investment in fundamentals including standardization of all photography and a brand refresher to ensure that all guest touch points accurately reflect the value of the brand and to ensure that the sub brands augment the big picture with their individual identities.
- The development of a corporate brand manual is a key priority and will be completed in 1Q/12'. This important exercise will provide all hotels with clear guidelines to ensure consistent applications of the brand across all guest touch points throughout the Group.
- A closer alignment between marketing and revenue has been established with a goal of developing cost effective on line strategies and business to consumer campaigns utilizing new media platforms, which are increasingly replacing traditional marketing solutions. In addition, monitoring tools for on-line activities are sophisticated and ROI easily measured. In line with this new focus, the appointment of a Corporate Director of New Media and Communications has replaced the former Corporate Public Relations Director position. This appointment will allow DI to focus on maximizing business performance and extend the global reach. Another marketing initiative includes the refinement of the Dusit Devarana brand concept and production of marketing materials as we prepare to roll out the first Devarana property opening in late 3Q/12'. And, the d2 brand will undergo necessary tweaking to better reflect the brand essence.
- The Dusit loyalty marketing programmes, including Dusit Executive Club and Dusit Gold Card, have been in existence for over twenty years and require a major overhaul. The Dusit Executive Club is in the process of a re-launch with the objective of utilizing this tool to achieve significant revenue gains through a more user-friendly automated plan featuring attractive offerings and more tactical engagement of key corporate bookers. Clear KPI's will be given to the loyalty marketing team to ensure maximum returns from this important sales tool. The model below illustrates the strategy being put in place.

ACQUISITION	ACTIVATION	PENETRATION	RETENTION
Drive high value member and prospect acquisition	Drive the activation of members across the programme base	Increase # of member bookings and grow Dusit revenue	Lower Executive Club member attrition and retain margin
<ul style="list-style-type: none"> • Migrate existing members from the Executive Club • Acquire new members and prospects across all properties – not just Bangkok • Convert prospects into members quickly and effectively • Switch prospects from competition 	<ul style="list-style-type: none"> • Development of offers and programs to drive non active members to book and activate • Increase booking activity amongst active members • Increase the level & effectiveness of communications • Increase and drive members online – cost effectiveness 	<ul style="list-style-type: none"> • Increase bookers depth of involvement with the brand • Cross sell hotels across the Dusit portfolio • Increase the level of frequency across the member base • Engage each of the hotels to ensure they are supportive of the bookers programme 	<ul style="list-style-type: none"> • Increase emotional loyalty to Dusit • Improve member satisfaction levels • Manage members more effectively from joining through each stage of their relationship with Dusit • Increase the existing retention rate from the Exec Club programme

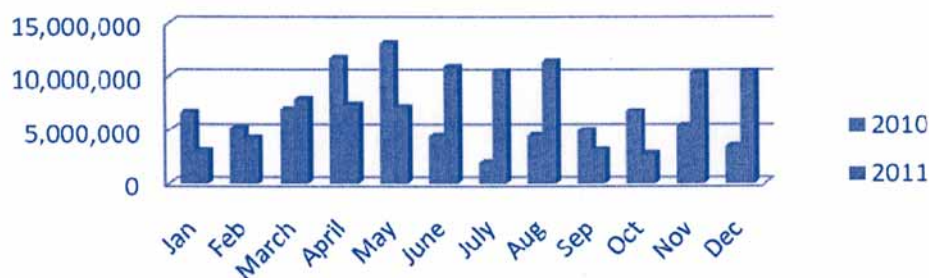
The Gold Card will also be re-launched following a competitive analysis of effective loyalty programmes with a view of qualifying and expanding the membership base and the introduction of measurable revenue and marketing objectives.

The Dusit Wine and Dine programme has experienced a decline in revenues, in part due to the competitive landscape and also a degree of “staleness” as we enter the 6th year since its launch. A new strategy to capture food and beverage market share is under review with a planned re-launch in Q1/13’.

Communications

International media has become increasingly important as the brand continues to grow in new markets. While we have increased unpaid media coverage by 19% year on year, in terms of value, there is a great deal to be done in terms of a more holistic and pro-active media strategy for Dusit International. Increased efforts to build and diversify the media database are well underway and the use of e-business to disseminate and conduct post-release analysis on media blasts has facilitated a more effective understanding of the gaps in the database.

Total Publicity Value for DI News Coverage
Value Comparison month to month for 2010-2011



Revenue Optimization

The key focus in 2011 was the introduction of a revenue-centric culture at Dusit International. In order to compete more effectively and maximize revenue opportunities a range of new initiatives were introduced by the corporate office. Some of these include:

- Rolling Forecasting
- Revenue and Sales management training modules at all properties for GM's and sales teams
- Sales and Marketing Manual for implementation of standards and reports at property level
- Quarterly Sales and Marketing audits at all properties to ensure that the revenue strategies are fully implemented and all targets are on track
- Aggressive Revenue Targets for the Regional Sales Offices
- Guidelines and thresholds for guest room and function space
- Reorganization of sales teams and processes
- Revenue and profitability reports monthly in budgeting format
- Interface of channel management (On-line Travel Agents) with Ideas forecasting
- Dedicated landing pages for weddings (a high revenue segment) for each property on Dusit.com.
- Complete redesign of hotel packages
- Introduction of various web analytics tools to gain critical insights and in turn increase revenue opportunities

In short, there are significantly greater levels of accountability; discipline and consistency at property level resulting from the implementation of a broad range of revenue management solutions.

Sales

In line with revenue optimization there has been a restructuring and expansion of the Regional Sales Offices with the introduction of a China Regional Sales Office based in Shanghai and a Middle East Regional Sales Office in Dubai. The Hong Kong and Singapore regional sales offices, which were formally represented by an independent sales agent, have been replaced by a director of sales employed directly by Dusit International.

The National Sales office was closed in 2011 due to overall weak productivity and the sales officers were re-assigned to various properties. A newly established China Centre, similar to the current Japanese Centre, will be established under the Corporate Sales office to address the untapped potential of the PRC as a key feeder of corporate; leisure and MICE business.

Increased levels of sales training is underway and will continue through 2012. Many of the sales teams underwent a reorganization to streamline responsibilities – in terms of reactive and proactive sales teams and more quantifiable KPI's were introduced.

The Preferred Hotel Group (PHG) partnership was renewed for an additional two years and a range of sales and marketing activities will be undertaken in conjunction with PHG in 2012.

An overwhelming increase in on-line travel agent bookings were recorded among the top producing supporters with some 93% year on year increase. While this reflects a very positive trend at the same time it indicates an increasing level of dependency on this low yield segment. This segment needs to be managed effectively to optimize yield, particularly during high demand periods.

Competition

Internal

Each hotel has determined a competitive set with similar property products, brand positioning and location in order to measure performance on the Revenue Per Available Room performance (RevPAR), market penetration and average rate.

The Key Performance Indicators (KPIs) for each hotel is their ranking in the competitive set within these 3 indices percent changes over previous periods. This is tracked both on a daily basis and on a monthly reporting level to corporate office. This has clearly allowed for better monitoring of a hotel's performance indicators and is also substantiated by STR Global, the industry respected benchmark.

External

There is an oversupply of rooms in all our Thailand locations with Bangkok being the most affected. Over 5,000 new rooms are due to enter the Bangkok market in 2012 on the back of 3,000+ new rooms in 2010 and again in 2011. New hotels are equipped with the latest designs and technologies and very competitively priced.

Emerging destinations in South East Asia, including Vietnam and now Myanmar continue to generate increasing interest for FIT leisure business which will ultimately impact Thailand's market share. High ARR's in Singapore and Hong Kong will provide an opportunity for Thailand in the MICE market.

Future Developments

The launch of three new properties will further cement the reputation of Dusit International as an international hotel chain but also as a luxury segment operator. Dusit Thani Maldives opened in February 2012 and Dusit Devarana New Delhi and Dusit Thani Abu Dhabi are both slated to open in the 3rd quarter 2012. Each hotel enjoys a primary location within their destination and each property adds its own unique characteristics to the portfolio which enhances the perception of the quality of the brand.

The opening of the Regional Sales Office in China and Hong Kong is a major step towards securing increased business from the fastest growing source market. The new office carries aggressive sales targets and the team will need to attract the growing FIT leisure market and maximize opportunities from the corporate and MICE segments. The Regional Sales Office in the Middle East which opened in 2011 is now established and regularly producing business for the Middle East based properties. The opportunity exists to generate further business for our hotels outside the region.

Product and Service Supplies

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

Hotel	Company	No. of Rooms	Occupancy (%)			
			Yr 2008	Yr 2009	Yr 2010	Yr 2011
Dusit Thani Bangkok	Dusit Thani Plc.	517	64.93	60.87	53.37	62.82
Dusit Thani Pattaya	Dusit Thani Plc.	457	56.40	51.79	58.34	61.05
Dusit Thani Manila	Philippine Hoteliers, Inc.	538	67.02	66.43	78.14	76.40
Royal Princess Larn Luang	Dusit Thai Properties Plc.	167	68.00	53.01	-	-
Royal Princess Chiang Mai	Dusit Thai Properties Plc.	198	59.06	49.79	46.95	58.34
Dusit Princess Srinakarin	Dusit Thai Properties Plc.	198	73.10	57.58	68.93	63.30
Dusit Princess Korat	Dusit Thai Properties Plc.	186	55.95	54.03	51.87	62.59
Dusit Thani Hua Hin	Dusit Management Co., Ltd.	296	57.69	54.40	56.47	64.23
dusitD2 Chiang Mai	Dusit Management Co., Ltd.	131	50.95	40.04	37.43	54.53
Dusit Thani Laguna	Dusit Management Co., Ltd.	254	-	-	60.03	75.08

Nature of Business

Dusit Thani Public Company Limited, the “Company,” is engaged in hospitality services which include the operations of owned hotels, providing hotel management services, and franchise services. Related business services are provided by other companies within the group as follows:

Company	Nature of Operations
Hotel and Hotel Management Business	
Dusit Thani Public Company Limited	<ul style="list-style-type: none"> - Owns and Operates 2 hotels, namely Dusit Thani Bangkok, and Dusit Thani Pattaya. - Owns the hotel brands “Dusit Thani”, “Dusit Princess”, “dusitD2”, “Dusit Devarana” and “Dusit Residence” - Owns the spa brands “Devarana Spa”, “Namm Spa”, “DVN Spa”, “d v n urban” and “dvn” - Manages 6 hotels under its subsidiaries in Thailand; Dusit Thani Laguna Phuket, dusitD2 Chiang Mai and Dusit Thani Hua Hin are under Dusit Management Co., Ltd., and Dusit Princess Srinakarin, and Royal Princess Chiang Mai, Dusit Princess Korat are under Dusit Thai Properties Public Company - Manage 2 hotels Dusit Island Resort Chiang Rai, and dusitD2 baraquda Pattaya and will manage 2 hotels in Thailand; Dusit Samui and Dusit Devarana Eight Heaven Resort Phang Nga - Manages 1 hotel overseas; Dusit Thani Abu Dhabi
Philippine Hoteliers, Inc.	<ul style="list-style-type: none"> - Operates 1 hotel in Philippines, namely Dusit Thani Manila which is managed by Dusit Worldwide Co., Ltd.
Dusit Thai Properties Public Company Limited	<ul style="list-style-type: none"> - On April 1, 2009, Royal Princess Public Company Limited and Dusit Hotels and Resorts Public Company Limited were merged as Dusit Thai

Company	Nature of Operations
	<p>Properties Public Company Limited</p> <ul style="list-style-type: none"> - Owns the hotel brand “Royal Princess” - Owns the land and hotel building of Dusit Thani Hua Hin - Owns Royal Princess Chiang Mai, Dusit Princess Srinakarin and Dusit Princess Korat - Franchises 4 hotels Pathumwan Princess Hotel, Bel-Aire Princess Hotel, Grand China Princess Hotel and Royal Princess Larn Luang
Dusit Enterprises Co., Ltd.	<ul style="list-style-type: none"> - Hotel management company - The Company registered in the Republic of Mauritius
Dusit Overseas Co., Ltd.	<ul style="list-style-type: none"> - Manages 3 overseas hotels which are under development stage, Dusit Thani Jeddah, Dusit Thani Hainan and Dusit Devarana Hainan - Manages overseas hotels which are Dusit Thani Dubai, unfurnished Apartment at Dusit Thani Dubai, Pearl Coast Premier Hotel Apartments and Dusit Thani LeakView Cairo, Egypt - Franchise Dusit Residence Dubai Marina
Dusit Bird Hotels Private Limited	<ul style="list-style-type: none"> - A Joint Venture company between Dusit Thani Public Company Limited and Bird Hospitality Services Private Limited (India) for hotel management in India - Will manages Dusit Thani Goa, dusitD2 Goa, dusitD2 New Delhi, Dusit Devarana New Delhi, Dusit Devarana Jaipur and Dusit Devarana Rishikesh which are under development stage
Dusit Management Co., Ltd.	<ul style="list-style-type: none"> - An established juristic person for hotel operation for Dusit Thani Laguna Phuket, dusitD2 Chiang Mai and Dusit Thani Hua Hin to support the

Company	Nature of Operations
	property management of Dusit Thani Freehold and Leasehold Property Fund
Dusit Thani Freehold and Leasehold Property Fund	<ul style="list-style-type: none"> - Owns 2 hotels, namely Dusit Thani Laguna Phuket and dusitD2 Chiang Mai - Owns a leasehold at Dusit Thani Hua Hin
DMS Property Investment Private Limited	- Owns the Dusit Thani Maldives which is under management agreement with Dusit Worldwide Co., Ltd.
Other Related Business	
Dusit Thani Public Company Limited	- Owns and operates the office building for rent named Dusit Thani Building
Dusit Thani Properties Co., Ltd. (formerly known as Dusit Thani International Co., Ltd.)	- Invests in other companies
Devarana Spa Co., Ltd.	- Operates spa business
Dusit Executive Development Center Co., Ltd.	- Operates training and personal development courses for both employees and personnel of the Dusit Group and the general public
Dusit Thani College	- An educational institution offering courses in hotel management and administration.
Le Cordon Bleu Dusit Co., Ltd.	- A French style culinary school
Dusit Worldwide Co., Ltd.	<ul style="list-style-type: none"> - The group's regional operating headquarters provide hotel management services to the foreign company such as Dusit Thani Manila and Dusit Thani Maldives and the hotels under the management of Dusit Oversea Co., Ltd. - Provides the marketing services to the hotels in the Kingdom or overseas for the affiliated companies.

Company's Operation

Hotel

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

Under Dusit Thani Plc.

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

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

Under Dusit Thai Properties Plc.

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

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

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

Under Dusit Management Co., Ltd.

Dusit Management Co., Ltd. is a subsidiary of the Company, the Company holds shares 99.99 percent. The purpose of incorporation is hotel operations, asset management of Dusit Thani Freehold and Leasehold Property Fund. The company leased the 3 hotels namely Dusit Thani Laguna Phuket, dusitD2 Chiang Mai and Dusit Thani Hua Hin from Dusit Thani Freehold and Leasehold Property Fund, ownership (freehold) of Dusit Thani Laguna Phuket and dusitD2 Chiang Mai and leasehold, period of 30 years of Dusit Thani Hua Hin to perform.

Under Dusit Thani Freehold and Leasehold Property Fund (“Property Fund”)

On December 21, 2010, the Company has established Dusit Thani Freehold and Leasehold Property Fund which has fund size Baht 4,094 million. The Company has invested in Property Fund by holding unit trust at 30.02 per cent. On December 24, 2010 the Company transferred the business of Dusit Thani Laguna Phuket, dusitD2 Chiang Mai and Registered leasehold of Dusit Thani Hua Hin to property fund.

- Dusit Thani Laguna Phuket located at Talang Phuket, The hotel is decorated in a contemporary Thai style with 226 guests room and 28 villas, provides accommodation, food and beverage, meeting rooms and caters to hotel guests and the general public. The Company acquired Dusit Thani Laguna Phuket via a formal tender process from Laguna Resorts and Hotels Public Company Limited, In total, this investment transaction is worth Baht 2,715 and transferred such business to property fund on December 24, 2010.

- dusitD2 Chiang Mai located at Chang Klan Road Chiang Mai is a 131 guest room full service hotel, combining modern amenities with Thai hospitality and atmosphere to serve the needs of its guests.

- Dusit Thani Hua Hin (leasehold) is located at Amphur Cha-am, Petchaburi. The resort-style hotel with 296 guest rooms provides accommodation, food and beverage, meeting rooms and caters to hotel guests and the general public.

Under Philippine Hoteliers, Inc.

This company was set up in the Philippines to operate and own the Dusit Thani Manila, located in Makati City. This hotel has 538 guest rooms.

Under DMS Property Investment Private Limited

This company was set up in Republic of Maldives to operate and own the Dusit Thani Maldives, located Republic of Maldives, Mudhdoo Island. This hotel has 100 villas.

Office Rent Business

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

Hotel Management Business

There are 5 brands as follows:

1. “Dusit Thani”

The Company operates the 5-star hotels under the brand “Dusit Thani” which is a company trademark. Such business includes the grant to use the trademark “Dusit Thani” under the standard of service provision controlled by the Company. All hotel management and franchised agreements are entered into by Dusit Thani Plc. Following the organizational restructuring, The Company, since 2000 had engaged Dusit Hotels and Resorts Co. Ltd., to manage 3 hotels namely Dusit Thani Bangkok, Dusit Thani Pattaya and Dusit Thani Hua Hin under management agreements and a fix remuneration. In addition, the Company has assigned rights and responsibilities to manage 5 other hotels to Dusit Hotels and Resorts Co. Ltd., Two of these hotels are located in Thailand, namely Dusit Island Resort Chiang Rai and Dusit Thani Laguna Phuket while 3 are located overseas, namely Dusit Thani Manila (Philippines), Dusit Thani Dubai (United Arab Emirates) and Dusit Inya Lake (Myanmar), adding up to a total of 8 hotels. On December 30, 2006, prior to the expiration date, the Company terminated 3 hotel management agreements with Dusit Hotels and Resorts Co. Ltd., namely Dusit Thani Bangkok, Dusit Thani Pattaya and Dusit Thani Hua Hin. The Company agreed to pay a total of Baht 146.4 million to Dusit Hotels and Resorts Co. Ltd., as a result of the termination. Other hotel management agreements with rights and responsibilities assigned to Dusit Hotels and Resorts Co. Ltd., by the Company have been cancelled. From April 1, 2007, the Company has assumed management.

In 2007, the Company has entered into the management agreement for Dusit Thani Lake View, Cairo (Egypt)

In 2008, the Company has terminated the management agreement for Dusit Inya Lake (Myanmar) and transferred the management agreement of Dusit Thani Lake View, Cairo (Egypt) to Dusit Overseas Co., Ltd. and entered into a franchise agreement for Chatrium Suites – Bangkok, A Dusit Thani Hotels Partner. In addition, the Company has entered into the management agreement for the following hotels:

- Dusit Thani, Abu Dhabi (United Arab Emirates)
- Dusit Thani, Palm Jumeirah (United Arab Emirates)

In 2009, the Company transferred management agreements of Dusit Thani Manila (Philippines) to Dusit Worldwide Co., Ltd and Dusit Overseas Co., Ltd. has entered into a management agreement for Dusit Thani Sanya (now, Dusit Thani Hainan) in China and Dusit Thani Jeddah in Saudi Arabia. In addition, the Company terminated the management agreement for Dusit Thani, Palm Jumeirah in United Arab Emirates.

The Company in a joint venture with Bird Hospitality Services Private Limited in India has formed the management company Dusit Bird Hotels Private Limited which will manage Dusit Thani Goa (2014).

In 2010, Dusit Thani Public Company Limited entered into management agreement for Dusit Thani Hua Hin and Dusit Thani Laguna Phuket and transferred management agreements of “Dusit Thani Dubai” to Dusit Oversea Co., Ltd.

In 2011, Dusit Worldwide Co., Ltd. signed management agreement for Dusit Thani Maldives and the Company terminated the franchise agreement for Chatrium Suites – Bangkok.

2. “Dusit Princess”

Subsequent to a rebranding exercise, the brand “Royal Princess” of Royal Princess Plc. was changed to “Dusit Princess”. The “Dusit Princess” brand will be used in management of 4-star hotels and operated under Dusit Thai Properties Plc.

Now, there are 2 owned and operated properties under the “Dusit Princess” trademark namely Dusit Princess Srinakarin and Dusit Princess Korat,

In 2011, the Company terminated the management agreement for Dusit Princess Koh Chang and Dusit Overseas Co., Ltd. also terminated the management agreement for Dusit Princess City Centre Dubai (United Arab Emirates.).

The owned and operated 4-star hotel, under the “Royal Princess” trademark is Royal Princess Chiang Mai.

There are 4 hotels under franchise agreements namely “Pathumwan Princess”, “Bel-Aire Princess”, “Grand China Princess” and “Royal Princess Larn Luang”.

3. “dusitD2”

Dusit Thani Plc. manages 4 hotels under the brand “dusitD2” namely the dusitD2 Chiang Mai, dusitD2 Baraquda Pattaya. With the same brand name, Dusit Bird Hotels Private Limited will manage dusitD2 New Delhi and DusitD2 Goa which will open in 2013.

In 2011, the Company signed the technical service agreement for dusitD2 Pasadena in U.S.A.

4. “Dusit Devarana”

The Company in a joint venture with Bird Hospitality Services Private Limited has formed the management company Dusit Bird Hotels Private Limited which will manage 3 Dusit Devarana hotels namely Dusit Devarana New Delhi opening in 2012, Dusit Devarana Jaipur opening in 2014 and Dusit Devarana Rishikesh opening in 2014.

In addition, the Company, using the same brand trademark Dusit Devarana will manage the Dusit Devarana Eight Heaven Resort Phang Nga opening in 2013.

In 2011, Dusit Overseas Co., Ltd. signed the Technical Consultancy Services Agreement and Management Agreement for Dusit Devarana Hainan Hotel in China.

5. “Dusit Residence”

In 2010, Dusit Overseas Co., Ltd. has been engaged to manage 2 hotels under the brand “Dusit Residence”, which is Pearl Coast Premier Hotel Apartments, Dubai (United Arab Emirates) and Unfurnished Apartment at Dusit Thani Dubai (United Arab Emirates). The management agreement with the Company for Dusit Residence Dubai Marina, United Arab Emirate was terminated but instead in 2011, Franchise Agreement was signed.

Other Business

Spa Business

The spa business is operated by a subsidiary company, Devarana Spa Co., Ltd. Currently, there is 1 spa branch, which is Devarana Spa Bangkok located at Dusit Thani Bangkok. This company has also been engaged to manage another 5 spas, located at Dusit Thani Pattaya, Dusit Thani Hua Hin, dusitD2 Chiang Mai, Dusit Thani Manila in Philippines and Dusit Thani Maldives.

Training Business

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

Education Business

1. Dusit Thani College, by Dusit Thai Properties Public Company Limited as an authorized person. Dusit Thani College is set up to educate for bachelor’s degree and master’s degree in culinary arts, tourism, hotel management and other modules related to hotel business. In addition, Dusit Thani College had co-ordinated with Le Cordon Bleu Helvetia Sarl to bring the culinary course of Le Cordon Bleu to combine with the course of Dusit Thani College.
2. Le Cordon Bleu Dusit Co., Ltd. is a joint venture between Dusit Thani PCL and Le Cordon Bleu International B.V. The Company was established with the purpose of founding Le Cordon Bleu Dusit Culinary School. The School has been accredited by the Ministry of Education and became operational in July 2007. All the courses are accredited by the Ministry of Education.

3. Dusit Thani College has launched 3 BBA programs, Hotel and Resort Management, Culinary Arts and Kitchen Management and MICE and Events Management, including other subjects.
4. In December 2008 Dusit Thani PCL entered into a Licensing and Consulting Agreement to provide 3 undergraduate courses for hotel, travel and kitchen administrative education, including short courses for cooking, front office, housekeeping and beverage management at four campuses of Lyceum of the Philippines University (LPU), in Manila, Batangas, Laguna and Cavite. This year we have reported of over 10,000 students enrolled on this program.

Business' Goal

The group of the Company is using the Growth Strategy's policy, together with Cost Efficiency's policy aiming for expansion of management business by increasing the numbers of the hotels managed in the Kingdom and overseas. Presently, the Company is tending to expand the management business to diversify the risks in case there is an event affecting business. At the same time, the Company still consider on the hotel investment and its related business together with expansion of management business by focusing on generation of the income from investment both management business and hotel investment when time is appropriate and has an opportunity for an investment.

Revenue Structure

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

Unit: Thousand Baht

Sales and Services	Company	% of shares holding (direct and indirect)	2009		2010		2011	
			Revenues	%	Revenues	%	Revenues	%
1. Revenue from Hotel Business								
1.1 Room								
	1. Dusit Thani Plc.	100.00	782,460	25.65	732,214	20.34	668,551	17.05
	2. Dusit Hotels and Resorts Co., Ltd.	98.30	13,656	0.45	-	-	-	-
	3. Philippine Hoteliers, Inc.	88.00	395,599	12.97	454,562	12.62	481,997	12.29
	4. Royal Princess Plc.	82.46	64,178	2.10	-	-	-	-
	5. Dusit Thai Properties Plc. *	86.79	192,669	6.32	247,447	6.87	184,543	4.70
	6. Dusit Management Co., Ltd.	99.99	-	-	36,283	1.01	625,364	15.94
	Total Room Revenue		1,448,562	47.49	1,470,506	40.84	1,960,455	49.98
1.2 Food and Beverage								
	1. Dusit Thani Plc.	100.00	630,035	20.65	606,151	16.84	547,295	13.95
	2. Dusit Hotels and Resorts Co., Ltd.	98.30	4,737	0.15	-	-	-	-
	3. Philippine Hoteliers, Inc.	88.00	226,003	7.41	239,511	6.65	232,834	5.94
	4. Royal Princess Plc.	82.46	55,305	1.81	-	-	-	-
	5. Dusit Thai Properties Plc. *	86.79	166,421	5.46	208,036	5.78	136,142	3.47
	6. Dusit Management Co., Ltd.	99.99	-	-	18,083	0.50	332,316	8.47
	Total Food and Beverage Revenue		1,082,501	35.48	1,071,781	29.77	1,248,587	31.83

Sales and Services	Company	% of shares holding (direct and indirect)	2009		2010		2011	
			Revenues	%	Revenues	%	Revenues	%
1.3 Others	1. Dusit Thani Plc.	100.00	62,622	2.06	55,674	1.55	41,837	1.07
	2. Dusit Hotels and Resorts Co., Ltd.	98.30	1,292	0.04	-	-	-	-
	3. Philippine Hoteliers, Inc.	88.00	20,767	0.68	25,410	0.71	24,220	0.62
	4. Royal Princess Plc.	82.46	6,540	0.21	-	-	-	-
	5. Dusit Thai Properties Plc. *	86.79	19,389	0.64	20,585	0.57	13,942	0.36
	6. Devarana Spa Co., Ltd.	99.99	19,525	0.64	15,161	0.42	21,785	0.55
	7. Dusit Executive Development Center Co., Ltd.	99.99	563	0.02	2,641	0.07	2,515	0.06
	8. Le Cordon Bleu Dusit Co., Ltd.	49.99	57,964	1.90	74,331	2.06	93,708	2.39
	9. Dusit Management Co., Ltd.	99.99	-	-	1,042	0.03	27,573	0.70
Total Other Revenues			188,662	6.19	194,844	5.41	225,580	5.75
Total Revenue from Hotel Business			2,719,725	89.16	2,737,131	76.02	3,434,622	87.56
2. Revenue from Rental Business								
Rental and Services	1. Dusit Thani Plc.	100.00	57,657	1.89	60,174	1.67	57,791	1.47
Total Revenue from Rental Business			57,657	1.89	60,174	1.67	57,791	1.47
3. Revenue from Hotel Management Contracts								
	1. Dusit Thani Plc.	100.00	83,059	2.72	44,145	1.22	10,294	0.26
	2. Royal Princess Plc.	82.46	1,246	0.04	-	-	-	-
	3. Dusit Thai Properties Plc. *	86.79	2,815	0.10	3,500	0.10	4,600	0.12
	4. Devarana Spa Co., Ltd.	99.99	-	-	671	0.02	1,022	0.03
	5. Dusit Worldwide Co., Ltd.	99.99	-	-	10,365	0.29	1,236	0.03
	6. Dusit Overseas Company Limited	-	-	-	23,352	0.65	45,602	1.16
Total Revenue from Hotel Management Contracts			87,120	2.86	82,033	2.28	62,754	1.60

Sales and Services	Company	% of shares holding (direct and indirect)	2009		2010		2011	
			Revenues	%	Revenues	%	Revenues	%
4. <u>Other Incomes</u>	1. Dusit Thani Plc.	100.00	135,841	4.45	**171,863	4.77	**297,504	7.59
	2. Dusit Hotels and Resorts Co., Ltd.	98.30	647	0.02	-	-	-	-
	3. Philippine Hoteliers, Inc.	88.00	19,442	0.64	23,098	0.64	15,591	0.40
	4. Royal Princess Plc.	82.46	2,560	0.08	-	-	-	-
	5. Dusit Thai Properties Plc *	86.79	8,029	0.26	* 509,683	14.16	37,511	0.96
	6. Dusit Thani Properties Co., Ltd.	99.99	557	0.02	276	0.01	256	0.01
	7. Devarana Spa Co., Ltd.	99.99	1,279	0.04	1,610	0.05	949	0.02
	8. Dusit Executive Development Center Co., Ltd.	99.99	6	0.00	1	0.00	31	0.00
	9. Le Cordon Bleu Dusit Co., Ltd.	49.99	183	0.01	252	0.01	379	0.01
	10. Dusit Worldwide Co., Ltd.	99.99	16,664	0.55	13,831	0.38	4,094	0.10
	11. Dusit Overseas Co., Ltd.	99.99	499	0.02	-	-	-	-
	12. Dusit Bird Hotels Private Limited	50.00	-	-	134	0.00	91	0.00
	13. Dusit Management Co., Ltd.	99.99	-	-	227	0.01	10,994	0.28
Total Other Incomes			185,707	6.09	720,975	20.03	367,400	9.37
Total Revenues			3,050,209	100.00	3,600,313	100.00	3,922,567	100.00

* Dusit Thai Properties Plc. was set up from amalgamation of Royal Princess Plc. and Dusit Hotels and Resorts Co., Ltd. and registered under Public Company Act on April 1, 2009. Other incomes of year 2010 were Baht 509.68 million, mostly from the gain on sales of Royal Princess Lam Luang of Baht 467.47 million, the gain on sales of furniture and equipment of Dusit Thani Hua Hin to Dusit Thani Freehold and Leasehold Property Fund (DTCPPF) of Baht 53.56 million, the loss on sales of DusitD2 Hotel, Chiang Mai to DTCPPF of Baht 22.41 million and others of Baht 11.06 million.

** In 2010, other income of Baht 171.86 million included the net revenue from assets held for sale of Baht 34.80 million (revenues after deducting expenses of Dusit Thani Laguna, Phuket during the acquisition period from October 12, 2010 to the transfer date to DTCPPF on December 23, 2010 and the share profit from investment, 30% in DTCPPF of Baht 6.88 million). In 2011, the share profit from investment, 30% in DTCPPF was Baht 111.81 million and the gain on sales of property, premises and equipment of Rommance Court, Chiang Mai and the equipment of other hotels totaling Baht 39.55 million.

Classified by Hotels

Revenues structure from hotels under Dusit Thani Group owned by the Company and subsidiaries for 3 year periods ended December 31. Total revenues of each hotel were not recognized by the Company investment proportion, and comprised revenues from room, food and beverage and other from hotel businesses.

Hotels	Owned by	% of shares holding (direct and indirect)	2009		2010		2011	
			Total revenues	%	Total revenues	%	Total revenues	%
Dusit Thani Bangkok	Dusit Thani Plc.	100.00	784,714	28.96	683,031	25.17	799,053	23.61
Dusit Thani Pattaya	Dusit Thani Plc.	100.00	408,873	15.09	441,856	16.28	493,863	14.59
Dusit Thani Hua Hin	Dusit Thani Plc.	100.00	322,167	11.89	307,249	11.32	295	0.01
Dusit Thani Manila	Philippine Hoteliers, Inc.	88.00	661,811	24.42	742,582	27.36	754,643	22.30
DusitD2 Chiang Mai	Dusit Thai Properties Plc. *	98.29/86.79	72,204	2.66	57,857	2.13	134	0
Royal Princess Larn Laung	Dusit Thai Properties Plc. *	98.29/86.79	135,964	5.02	96,027	3.54	791	0.02
Royal Princess Chiang Mai	Dusit Thai Properties Plc. *	98.29/86.79	72,439	2.67	63,372	2.34	78,849	2.33
Dusit Princess Srinakarin	Dusit Thai Properties Plc. *	98.29/86.79	161,279	5.95	179,284	6.61	164,347	4.85
Dusit Princess Korat	Dusit Thai Properties Plc. *	98.29/86.79	90,480	3.34	86,843	3.20	96,749	2.86
Dusit Thani Hua Hin	Dusit Management Co., Ltd.	99.99	-	-	14,190	0.52	354,479	10.47
Dusit Thani Laguna, Phuket	Dusit Management Co., Ltd.	99.99	-	-	37,657	1.39	549,844	16.25
DusitD2 Chiang Mai	Dusit Management Co., Ltd.	99.99	-	-	3,788	0.14	91,608	2.71
Total revenues from hotels under Dusit Thani Group owned by the Company and subsidiaries			2,709,931	100.00	2,713,736	100.00	3,384,655	100.00

* Dusit Thai Properties Plc. was set up from amalgamation of Royal Princess Plc. and Dusit Hotels and Resorts Co., Ltd. and registered under Public Company Act on April 1, 2009

Significant Changes and Development

During Year 2011, the Company had significant changes and development as follows:

- Krung Thai Asset Management Plc. brought Dusit Thani Freehold and Leasehold Property Fund to be registered in the Stock Exchange of Thailand and started trading in the SET on January 13, 2011.
- On January 27, 2011, the Company sold property and premises of Rommanee Court to Chiangmai University, gaining the profit of Baht 36 million.
- On April 29, 2011, the Annual General Meeting of Shareholders approved the extension of the issuance and offering debentures not exceeding Baht 5,000 million for another 5 years commencing April 29, 2011 by unanimously vote, according to the resolution of the EGM No.1/2007 to approve the Issue and Offer Debentures however until now, the Company has not yet issued and offered the debentures.
- The Board of Directors' Meeting No.6/2011 on June 28, 2011 has resolved the following.
 1. Dusit Thai Properties Public Company Limited, which is a subsidiary of the Company, invested in Maldives Project.
 2. The establishment of the new Joint Venture Company, registered in Republic of Maldives with registered capital of US 38.5 million. Dusit Thai Properties Public Company Limited holds 55 percent of total shares. The Joint Venture Company purchases the assets as follows.
 - The leasehold rights in five-star resort under Dusit Thani trademark over Mudhdhoo Island, Republic of Maldives for the period of 33 years commencing from year 2011 to year 2044. The resort composes of 100 villas, Spa building, Restaurant and Bar building, Back of the House, Leisure area: swimming pool and tennis court, public areas and Mechanical Electrical Plumbing at the total price of USD 55 million (approximately Baht 1,650 million)
 - In year 2012 to 2021, the Joint Venture Company has to pay advance lease rent at USD 5 million (approximately Baht 150 million) which can be amortized for the period of 10 years equals to USD 500,000 per year. And the Joint Venture Company has to pay the lease rent at USD 500,000 per year. Therefore, the total amount of lease rent for the period of 10 years is USD 10 million. From 2022 to

2044, the Joint Venture Company has to pay lease rent at USD 1 million per year equivalents to USD 23 million. Therefore the total amount of lease rent is USD 33 million.

- The Joint Venture Company invests in operating equipment: furniture, fixtures, installation equipment and pre-opening expense, consulting fee and others at approximately USD 17 million (approximately Baht 510 million).

The calculation of exchange rate is USD 1 = Baht 30

- The lease agreement valid from 2009 to 2044 totaling 35 years. Presently, the period has passed for 2 years; the remaining of lease period is 33 years. Therefore, the Joint Venture Company receives the transfer leasehold rights at Mudhdhoo Island, Republic of Maldives for the period of 33 years.
 - Additional extension of lease period to the maximum of 50 years. In this regards, if the extension of lease period for 15 more years, The Joint Venture Company has to pay for extension of lease period agreement at USD 1.5 million (USD 100,000 yearly for the period of 15 years).
- The Board of Directors' Meeting No.7/2011 on August 11, 2011 has resolved the following.
 1. Dusit Thai Properties Public Company Limited signed the Shareholder Agreement with MBK Public Company Limited and Mr. Charti Sophonpanich to establish the new Joint Venture Company named DMS Property Investment Private Limited registered in Republic of Maldives with details of structure of shareholding as follows:

No.	The Joint Venture Company	Shareholding (%)	Registered Capital USD (million)	Relationship with the Company
1.	Dusit Thai Properties Public Company Limited	55	21.18	The subsidiary of the Company by holding directly and through Dusit Thani Properties Company Limited at the total of 86.80 percent.
2.	MBK Public Company Limited	30	11.55	As of April 1, 2011, MBK Hotels and Resorts Company Limited which is a subsidiary of MBK Public Company Limited held the share of Dusit Thani Public Company Limited at 11.67 percent.

No.	The Joint Venture Company	Shareholding (%)	Registered Capital USD (million)	Relationship with the Company
3.	Mr. Charti Sophonpanich	10	3.85	As of April 1, 2011, Sophonpanich Group held the share of Dusit Thani Public Company Limited at 5.14 percent.
4.	Coastline Hotels and Resorts Private Limited	5	1.92	-
Total		100	38.50	-

2. Approved long-term loan guarantee at the limitation of USD 21.18 million and short-term loan guarantee at the limitation of USD 0.82 million for DMS Property Investment Private Limited by charging guarantee fee of 0.50 percent per annual of the total loan amount.

This transaction is considered as a listed company or a subsidiary and connected persons jointly offer financial assistance to a juristic entity of which the shares are held by such listed company or subsidiary and connected persons based on the ratio they have an interest therein based on general trading conditions or even with better conditions, the listed company will be exempted from requesting for an approval from the Shareholders' Meeting for this transaction. However, the listed company needs an approval from the Board of Directors meeting and reports to the Stock Exchange of Thailand together with discloses information pertaining to entering into such transaction which already was disclosed on August 11, 2011.

Awards of Dusit International for year 2011

1. dusitD2 and Royal Princess in Chiang Mai recognized by EarthCheck

dusitD2 Chiang Mai and Royal Princess Chiang Mai hotels have achieved Silver benchmark status from the world's leading sustainable travel and tourism certification organization for their strong commitment to conserve the environment sustainably.

2. Dusit Thani Laguna Phuket received "The Smoke-Free and Health Promotions Hotel Golden Star Award 2011-2013"

Dusit Thani Laguna Phuket received the Smoke-Free and Health Promotions Hotel Golden Star Award 2011-2013, which was initiated by the Green Leaf Foundation in cooperation with the

Thai Health Promotion Foundation for a strong commitment towards environmental awareness and health promotion.

3. Dusit Princess Korat received the “Thailand Tourism Standard 2011 Trophy”

Dusit Princess Korat received the “Thailand Tourism Standard 2011 Trophy – 4 Star Hotel Standard” from the Ministry of Tourism and Sports of Thailand.

4. Dusit Thani Pattaya receives “World No Tobacco Day Award 2011”

Dusit Thani Pattaya achieved the World No Tobacco Day Award 2011 from the World Health Organisation (WHO) during a ceremony to mark World No Tobacco Day 2011 for its staunch support towards policies aimed at reducing tobacco consumption.

5. Dusit International’s Founder receives SENSES Lifetime Award 2011

Dusit International celebrates the achievement of its founder, Thanpuying Chanut Piyaoui, who has recently been awarded the “SENSES LIFETIME AWARD” at the SENSES WELLNESS AWARDS held in Berlin Germany as she played a key role in the enhancement of Thai hospitality for over 60 years.

6. Dusit Thani Dubai achieved a Number of Awards from Salon Culinaire 2011

Dusit Thani Dubai’s chefs presented the unique Thai cuisine and hospitality at the Emirates International Salon Culinaire 2011 during this year’s Gulfood, the Middle East’s largest trade exhibition for dining service and hospitality equipment industry and brought home a total of ten medals and diplomas from eight category classes.

7. dusitD2 Chiang Mai listed in Top 10 Trendiest Hotels in Asia by TripAdvisor

dusitD2 Chiang Mai celebrates its fifth year anniversary by being awarded as one of TripAdvisor's Top 10 Trendiest Hotels in Asia.

8. dusitD2 Baraquda Pattaya wins ASEANTA Awards of Excellence at ASEAN Tourism Forum 2011

dusitD2 Baraquda Pattaya has been awarded Best ASEAN Conservation Effort at the ASEANTA Awards of Excellence 2011 which held at the ASEAN Tourism Forum 2011 in Phnom Penh, Cambodia.

Risk Factors

Hotel industry has been known as one of the most vulnerable businesses where a wide array of risks can adversely impact the industry. For a given hotel company, such risks can be triggered by both internal and external factors; while the first are variable mainly to the company's operational strength, the latter are driven by seemingly-uncontrollable events. Taken together, these risk factors directly impact, to the greatest extent, upon the business operation, eventually resulting in the failure to achieve the company's goals.

Given the fact that the impacts of these risks can be catastrophic, Dusit Thani has, therefore, initiated its risk management practices by studying, introducing and implementing enterprise risk management since 2005. Consequently, risk management policy has been determined, promulgated and applied throughout the organization with the supervision and responsibility of Risk Management Department and Risk Management Committee, established with an aim to ensure that the effectiveness of enterprise risk management is maximized.

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

Internal Risk Factors

Strategic Risk

◆ Risk of Business Expansion Management

In 2011, the company has still continued to embark on its long-term business expansion strategy aiming simultaneously at domestic and overseas markets in order to help enhance our competitiveness in a wider market range as well as to mitigate risks of revenue loss triggered by overreliance on domestic market. Nevertheless, the company has put a greater emphasis on increasing its hotel management services overseas especially in those promising regions, Middle East—United Arab Emirate, Eastern Asia—China, and South Asia—India, for instance, all of which are deemed major emerging markets with high purchasing power and potentials to grow. In addition, the company has geared up towards European market. Several feasibility studies have seriously been conducted to examine a possibility to expand our brand reach and trademark.

In so doing, the company has seen its associated expenses increase dramatically; the investment goes primarily to IT and related technological systems, marketing activities, feasibility study as well as human resources management. However, in terms of financial returns, the company may have not yet reached its expected revenues—a certain return on investment period is expected. In addition, such expansion also induces the huge amount of work to be handled and the inevitable complexity in work implementation. Without clear and aligned strategies, effective and efficient management including productive human resources management, the company and its subsidiaries are likely to witness the negative impact to the company's financial performance.

Consequently, the company has reviewed and pondered its strategy, ensuring that they are in accordance with the ever-changing market conditions, and are suitable to maximize the efficiency of operational process. The company's structure was also adjusted to avoid the ambiguity and to properly accommodate the ongoing expansion of business. In terms of human resources management, experienced staff and executives with the expertise from international five-star hotels have been employed to elevate the working standards of corporate office and hotels. In addition, the company has invested tremendously on IT systems that help support sales and marketing activities in order to enhance the ability to compete with our competitors worldwide.

Business Risks

◆ Risk from Hotel Management Service

In 2010 and 2011, the Company and its subsidiaries earned 2.28 and 1.60 percent of its total revenues respectively from hotel management service which is normally signed under the management agreement within the terms of 2-15 years. Therefore, the Company and its subsidiaries are inclined to encounter with risks caused by the premature cancellation of the agreement or the denial to renew the contract which will have the impact to the Company's gross revenues. In response to this, the Company and its subsidiaries have improved the terms and conditions of the management agreement in order to reduce the risks arisen from premature cancellation and to mitigate the risk for not obtaining the compensation.

In addition, since the Company is well aware that our trademark as a Thai brand is less competitive in comparison to those international brands with worldwide network converge; efforts have been put to strengthen our brand by launching re-branding project in 2008.

In 2010 and 2011, the Company has increased its marketing activities after the adjournment in previous year due to political and economic situations. The Company has extensively publicized its brand via different channels such as publishing, radio broadcast, online channel and e-communications. The company has also taken a step beyond by initiating and implementing Corporate Social Responsibility (CSR) to ensure positive image of the company. After having participated with Preferred Hotel Group (PHG) in 2009, the Company has fully utilized the network of PHG that has 29 sales offices worldwide and several key market segments in Europe and America, of which all are Company's target markets. In 2010, the Company continuously received positive feedback from its target customers via the utilization of PHG. Furthermore, to maximize our revenue generation, the Company has developed its revenue management by implementing Channel Management System which facilitates our sales channel via online travel agencies and E-distribution via dusit.com website.

◆ **Risk from New Investment Projects**

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

To reduce the possible occurrence of such risks, the Company and its subsidiaries have employed distinguished private companies with expertise to conduct feasibility studies. The obtained-information from such analysis shall be considered by experienced executive committees before making any decision pertinent to the Company's future investment to ensure the worthwhile returns of each project and the enhancement of the Company's value.

◆ **Risk from Renovation Project Management**

For hotel business, it is greatly significant that a given hotel and its facilities be renovated as appropriate in order to ensure that the hotel always stays in good condition to attract customers and maintain their satisfaction. By realizing this fact, the Company and its subsidiaries have contrived the renovation plan for each hotel to undergo major renovation once for every 5-7

years to meet the standard of five- and four-star hotels and to increase the company's competitiveness.

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

After the postponement of several renovation projects caused by the economic and political crisis leading to a sharp drop in 2009 and 2010 revenues, the Company, in 2011, has spent over Bath 100 million at renovation projects as well as safety and security systems. Renovation budgets have been approved to improve safety standard to ensure that appropriate hazard protection system for the building is in place including necessary electricity system and water supply system. As for other renovation projects, the majority of such projects—interior and exterior refurbishment, landscape improvement, infrastructure system, for instance—have been completed as planned. Nevertheless, some hotels are still undergoing the renovation projects for room and restaurant in accordance with the 2012 approved budget. Prior to the approval of every renovation project, the Company will take into accounts the worthiness and appropriateness of such project simultaneously.

◆ Financial Risk

As of December 31, 2011, the Company and its subsidiaries have long-term loan with financial institutions worth in total of Bath 1,015.79 million, of which is in 510 million peso credit line of Philippine Hotelier, Inc. for the renovation project of Dusit Thani Manila—the repayment period starting from February 2009 until February 2015. Besides, a subsidiary of the Company also has a long-term loan caused by the investment in Dusit Thani Maldives, worth in total of USD 38.50 million with the repayment period starting from September 2013 to June 2018.

For both long-term loans which are made under Peso and US Dollar, the company has made an agreement with the creditors that throughout the loan period, the company shall maintain its debt-to-equity ratio not to exceed 2:1 and 1.75:1 respectively. If the Company fails to abide with such obligation, it shall be deemed the Company in breach of loan agreement and the creditors may declare the loans to be canceled and any outstanding amounts under the agreement are immediately due and payable. If so, the Company and its subsidiaries cash flow and, ultimately, operation can be affected.

However, as of December 31, 2011, the Company's debt-to-equity ratio is at 0.82:1 in accordance with the company's debt-to-equity policy not to exceed 1:1.

External Risk Factors

◆ Risk from High Competition and Increase of Competitors

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

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

In order to cope with these situations, the company and its subsidiaries have made the continuous strives in capturing the new target customers and maintaining the existing ones by emphasizing on impressive service. Sensational room and restaurant promotions have been launched; staff's skills, continuously developed via training courses provided. All these are considered key successful factors apart from newly renovated rooms with state-of-art facilities. In addition, efforts have been put to effectively control operational cost to increase the company's competitiveness.

◆ Risk from Global Economic Crisis

World's economy 2010 was still watched over attentively. Considering the fact that several countries in European Union (EU) have still been suffering from their public debt which is expected to ramify to other countries—needless to say, the inflation and unemployment rate

which almost remain unchanged, the global economy may not fully rebound. Likewise, a slight growth of U.S. economy and its unemployment rate may also reconfirm that the situation has not yet dwindled. Nevertheless, a vigorous economic growth in developing countries plays a significant role in driving the world's economic recovery.

Despite positive signs of world's economic recovery, the resilience is gradual and vulnerable due to several associated factors—inflation, rise of oil price, fluctuation of consumer goods, and unemployment rate, for instance.

For Thailand, the country's tourism and hospitality industry have apparently been affected by the global economic crisis as can be seen in the descending number of international tourist and investor arrival. In addition, a considerable number of tourism service providers have encountered financial crisis which also affects Thailand's tourism and hospitality industry outlook. Nevertheless, the gradual recovery of global economy should contribute to the country's economic resuscitation as it helps boost the consumption demand of products and services which will stimulate export sector and tourism industry eventually.

♦ Risk from Natural Disasters

Natural disasters such as storm, flood and earthquake can directly affect to hospitality and tourism industry. The Company, in an attempt to reduce the impact caused by such disasters, has entered into global liability insurance policy with solid and well-known insurance companies to cover all possible damages to the customers worldwide (Third Party Liability). In addition, the company has also been covered by business interruption insurance which ensures that the company will receive sufficient compensation once the business is interrupted. Moreover, the Company has established Insurance Committee responsible for considering issues related to insurance policies such as, terms/conditions and premium on a yearly basis as well as for pondering insurance issues before proposing for further approval. The Company has also set up risk mitigating measures, for instance, emergency drills and emergency policy, for all hotels.

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

♦ Risk from Thailand's Economy

In 2011, even though Thailand's political tension has eventually settled down—as a result, the country's economy including tourism industry saw a rapid and continuous rebound since the beginning of the year, one of the worst flooding crisis that took place have unfortunately led to

another unprecedented drawback. The crisis that began in August, and later intensified in October, has devastated several provinces in the north part of the country, including those in the central part and a number of areas in Bangkok. A number of industrial states in central Thailand and Bangkok were severely affected, resulting in damage beyond expectation.

The repercussion of the crisis has caused a sudden impact to Thailand's tourism industry; several countries issued a warning to their citizen to avoid travelling to Bangkok and other parts of Thailand. Meanwhile, international media has widely broadcasted this severe flooding; the number of tourists thus cancelled their trip to Thailand.

Not surprisingly, therefore, tourism and hospitality industry has reported the dramatic loss of revenues in the last quarter of the year which is high season period due to the drop in tourist arrivals and room cancellation.

The Company and its subsidiaries are well aware of this risk and have consequently adjusted marketing strategies and diversified risk by seeking of new revenue resources in different regions such as United Arab Emirate, India and China to ensure that our business expansion is not clustered in the same areas.

♦ Interest Rate Risk

As of 31 December 2011, the Company and its subsidiaries have current liabilities with financial institutions, worth of Bath 1,858.80 million and are inclined to make further loan for renovation projects and new investment projects. This means that the Company may have potential risks caused by the fluctuation of interest rate in the future. If so, it will subsequently have a direct impact upon the company's performance and cash flow.

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

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

♦ Exchange Rate Risk

Since the company has generated part of its revenue from overseas properties such as United Arab Emirate and Philippines, therefore, the company is prone to encounter exchange rate risk.

This is because the company enters into management agreement and marketing agreement which stipulates that management fee shall be paid in US Dollar only; whereas, some room selling contracts, room payment and package payment can be paid in other currencies such as Pound, Yen and Euro etc. Also, rooms sold via website are quoted in US Dollar. Consequently, in a case where Thai currency is appreciated, it will result in the decrease of the company's revenues.

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

Furthermore, the fluctuation in exchange rate has, to a certain degree, affected international tourists as Thai Baht became stronger, and their travelling expenses to the country have increased accordingly. Nevertheless, this may have only a slight impact to the Company as our target customers are high-end customers.

Subsidiary and Associated Companies

Subsidiary and associated companies of which the Company held direct and indirect more than 10% of total paid-up shares.

No.	Name	Percentage of share holding	Nature of Business	Paid up Capital (Million Baht)	Shares			Address
					Category	Amount (Shares)	Par per share (Baht)	
1.	Dusit Thani Properties Co.,Ltd. (Formerly Dusit Thani International Co., Ltd.)	99.99	Holding Company	800	Ordinary shares	80,000,000	10	946 Dusit Thani Building, 5 th Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel. +66 (0) 2200-9999 Fax. +66 (0) 2636-3545
2.	Dusit Enterprises Co., Ltd. is held by Dusit Thani Properties Co., Ltd.	100.00	Management	USD 27,500	Ordinary shares	27,500	USD 1	10, Frere Felix de Valois Street, Port Louis, Mauritius
3.	Philippine Hoteliers, Inc. is held by Dusit Thani Properties Co.,Ltd. Remark * Excluding Treasury Preferred Shares	88.01	Hotel	Peso 365 mn.*	Ordinary shares	3,648,701*	Peso 100	3 th Floor., Dusit Thani Manila , Ayala Center, Makati City 1223 Metro Manila, Philippines Tel. (632) 867-3333 Fax. (632) 867-3888
4.	Dusit Thai Properties Plc. is held by - Dusit Thani Plc. - Dusit Thani Properties Co., Ltd.	2.15 84.65	Hotel and Management	825	Ordinary shares	82,500,000	10	946 Dusit Thani Building, 5 th Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel. +66 (0) 2200-9999 Fax. +66 (0) 2636-3545
5.	Dusit Worldwide Co., Ltd.	99.99	Management	50	Ordinary shares	5,000,000	10	946 Dusit Thani Building, 3 rd Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel. +66 (0) 2200-9999 Fax. +66 (0) 2636-3630
6.	Dusit Overseas Co., Ltd. is held by Dusit Worldwide Co., Ltd.	100.00	Management	HKD 33,000	Ordinary shares	33,000	HKD 1	Suite 3001-022,30/F, Great Eagle Center, 23 Harbour Rd Wanchai, Hong Kong.
7.	Devarana Spa Co., Ltd.	99.99	Spa	8	Ordinary shares	800,000	10	946 Dusit Thani Building, 9 th Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel. +66 (0) 2200-9999 Fax. +66 (0) 2233-1655

No.	Name	Percentage of share holding	Nature of Business	Paid up Capital (Million Baht)	Shares			Address
					Category	Amount (Shares)	Par per share (Baht)	
8.	Dusit Executive Development Center Co., Ltd.	99.99	Training	5	Ordinary shares	500,000	10	946 Dusit Thani Building, 5 th Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel. +66 (0) 2200-9111 Fax. +66 (0) 2200-9115
9.	Le Cordon Bleu Dusit Co., Ltd.	49.99	Cooking School	40	Ordinary shares	399,999	100	946 Dusit Thani Building, 1 st Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel. +66 (0) 2237-8877 Fax. +66 (0) 2237-8878
					Preferred Shares	1	100	
10.	Dusit Bird Hotels Pvt. Ltd. by - Dusit Thani t Plc. - Bird Hospitality Services Pvt. Ltd.	50.00 50.00	Management	Rs. 5 mn.	Ordinary shares	500,000	Rs 10	E-9, Connaught House, Connaught Place, New Delhi – 110001, Delhi, INDIA
11.	Dusit Management Co., Ltd.	99.99	Hotel Operation	4	Ordinary shares	400,000	10	946 Dusit Thani Building, 5 th Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500 Tel. +66 (0) 2200-9999 Fax. +66 (0) 2636-3545
12.	Dusit Thani Freehold and Leasehold Property Fund	30.02	Property Fund	4,094	Unit Trust	409.40	10	M, G and 10 th Floor, Q House Sathorn Building, 11 South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120
13.	DMS Property Investment Private Limited held By Dusit Thai Property Plc.	55.00	Hotel Operation	USD 38.5 mn.	Ordinary shares	38,500,000	USD 1	Level 2, Orchid Maage', Ameer Ahmed Magu, Male', Maldives

Shareholders and Management's Structures

Shareholders' Structure

Structure and detail of major shareholders as of April 1, 2011 are as follows:

Name	No. of shares	%
1. Thanpuying Chanut Piyaoui and related persons	42,439,833	49.93
2. MBK Hotels and Resorts Company	9,920,500	11.67
3. PIONEER INETWORK LIMITED	8,765,072	10.31
4. Thai Life Insurance Company Limited and related persons	5,029,508	5.92
5. Mr. Chatri Sophonpanich and related person	4,372,939	5.14
6. Thai NVDR Company Limited	2,571,933	3.03
7. Mr. WANG KONG-WEI	1,950,000	2.29
8. Mrs. Jarunee Chinwongworakul	1,385,000	1.63
9. Prospack International Company Limited	834,900	0.98
10. CHASE NOMINEES LIMITED 42	634,300	0.75
Total	77,903,985	91.65

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

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

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

Mr. Chatri Sophonpanich and related person consist of Mrs. Sawitree Romyarub

Management's Structure

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

1. Board of Directors

As of December 31, 2011 the Company had General Prem Tinsulanonda as a Chairman Advisor, Mr. Kwankaew Watcharothai and Mr. Banterng Tantivit as Advisor to the Board of Directors.

The Board of Directors of the Company consists of 11 directors as follows:

No.	Name	Position	No. of meetings attended in 2011
1.	Thanpuying Chanut Piyaoui	Honorary Chairperson and Director	6/9
2.	Mr. Chatri Sophonpanich	Chairman	8/9
3.	Pol.Lt. Chatrachai Bunya-Ananta	Director	8/9
4.	Mrs. Varang Chaiyawan	Director	8/9
5.	Mr. Kenneth Korsirisophon	Director	3/9
6.	Mr. Chanin Donavanik	Director / Managing Director / CEO	9/9
7.	Mrs. Sinee Thienprasiddhi	Director / Secretary to the Board of Director / Company Secretary	9/9
8.	Professor Hiran Radeesri	Independent Director / Audit Committee Chairman / Nomination Committee Chairman / Compensation Committee Chairman	9/9
9.	Professor Sansern Kraichitti	Independent Director / Audit Committee Member / Nomination Committee Member/ Compensation Committee Member	6/9

10.	Mr. Sakdi Kiewkarnkha	Independent Director / Audit Committee Member / Nomination Committee Member/ Compensation Committee Member	8/9
11.	Mr. Soradis Vinyaratn	Independent Director	8/9

Authorized Directors

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

Authorities and Responsibilities of Board of Directors

1. Approve the appointment and the remuneration of the Managing Director or CEO and the top executives of the Company and subsidiaries 4 level counted from Managing Director or CEO.
2. Annual evaluation of the CEO
3. Consider and approve the organizational structure and management of the Company and its subsidiaries
4. Determine the strategies, directions and objectives of the Company including its investment policies
5. Consider and approve the annual operating budget, capital expenditure budget and investment projects of the Company and its subsidiaries
6. Follow up the operating results and financial status of the Company and its subsidiaries
7. Consider and approve the related transactions and conflict of interest relating to the purchase or disposal of assets according to the regulation of the Stock Exchange of Thailand (SET)
8. Consider and approve the issues of contingent liabilities, commitments and guarantees of the Company and its subsidiaries
9. Consider any dispute and litigation of the Company and its subsidiaries
10. Consider and approve annual manpower plan, annual bonus payment and salary adjustment of the Company and its subsidiaries

11. Consider and approve the agreement on purchasing, hiring, servicing, renting, and leasing which is not included in the annual budget with exceeding value of Baht 5 million
 12. Consider the purchase of the out-of budget items which value more than Baht 5 million, and the over budget expenses exceeding 10% of approved value
 13. Consider on renting and leasing assets for a period over 3 years
 14. Consider and approve on Quarterly Financial Statements, Annual Financial Statements, Annual filing Forms 56-1 and 56-2, etc. according to the regulation of the SET and the Securities and Exchange Commission (SEC)
 15. Consider and determine the responsibilities and authorities of Audit Committee and other committees
 16. Propose the appointment of external auditors and audit fees in the Shareholders' Meeting in accordance with Audit Committee's recommendation
 17. Propose the director whose tenure will end and the new director in the Shareholders' Meeting
 18. Propose the meeting attendance remuneration, bonus for Board Members as well as dividend payment to shareholders
 19. Consider and approve on any matters presented by Executive Committee including all matters required by law to present to the Board
 20. The Board meeting shall be held minimum 4 times a year with at least 50% of attendants
 21. Board of Directors may assign a director or any other persons to take action or have authority for the Board within an acceptable period of time, under the Board's consideration. The Board may abrogate, change or revise the assigned person as appropriate, except for the acquisition and purchase of asset which shall follow the regulation of the Securities and Exchange Commission and the Stock Exchange of Thailand
- However, the Board may authorize the Executive Committee to process other assignments within their scope of responsibilities. The authorization shall not involve with any personal issues, interests or other benefits relating to the Company or subsidiary companies, unless the issues reviewed and approved under the objectives and principles of the Board

22. Any directors whose interest relating to the issue shall not be entitled to vote and shall leave the meeting
23. Director shall perform their duties with responsibility, cautious and honesty inclusive of conforming to the law, Company's Objectives, Company's Articles of Association, The Board of Directors Resolution and Shareholders Resolution
24. Director shall perform their duties with responsibility, cautious as an responsible man who are the same kind of business operator will perform under the same situation
25. Director shall report to the Company regarding their interest or concerned person which related to Company business or subsidiary according to regulation, condition and method that announced and specified by the Capital Market Supervisory Board
26. Director shall provide Company Secretary to be responsible and perform as follows:
 - (1) Provide and document storage
 - (a) Director Registration
 - (b) Invitation for The Board of Directors Meeting, Minutes of the Board of Directors Meeting and Company's Annual Report
 - (c) Invitation for The Annual General Meeting of Shareholders and Minutes of The Annual General Meeting of Shareholders
 - (2) Storage of interest report which reported by Director or Management
 - (3) To perform any other duties according to the Capital Market Supervisory Board Notification
 - (4) Any other responsibilities other than the responsibility according to the law, conforming with Chairman Statement

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

Chairman shall inform the name of Company Secretary to the office within 14 days from the date that provide responsible person of that position inclusive of informing the document storage place according to Section (1) and (2)

The Appointment and Termination of the Company's Directors

1. The Board shall be appointed in the annual general shareholders meeting which consist of at least 6 members, but not more than 19 members. At least 50% of the total must have residency in the Kingdom of Thailand.
2. The shareholders will elect the candidate directors who has the appropriate qualification which already selected by the Nomination Committee. The process of election is as follows:
 - (a) By electing either individual vote or group vote up to the number of the directors to be elected.
 - (b) Each shareholder shall receive the vote pursuant to the number of all shares of such shareholders and casting the vote as mentioned in (a), but cannot separate more or less for any candidates.
 - (c) After the vote, the candidates shall be ranked in order descending from the highest number of votes received to the lowest until up to the number of directors to be elected.
 - (d) In case that there is the same votes for the following candidates which over the number of directors to be elected, the Chairman in the Meeting is entitled to have the casting vote.
3. At every annual general meeting, one-third of directors shall retire. If the number of directors cannot be one-third, the number of director closest to one-third shall retire.
4. The Meeting of the Shareholders may resolve to vacate any director before the end of office term of such director by the vote of three-fourth of the number of the shareholders who attended the Meeting and is entitled to vote and all shares shall not be less than half of shares held by the shareholders who attended and be entitled to vote.
5. In case that any director want to resign, he should submit the resigning letter to the Company which will be effective from receiving date.

Independent Director

Independent Directors consists of the following persons.

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

Qualifications of Independent Director are as follows:

1. Shall not hold more than 1% of total shares with voting rights of the company, parent company, subsidiary company, associated company or juristic person that may conflict, including shares held by the connected person.
2. Shall neither be the director involving in the management, staff, employee, consultant who receive regular salary, nor a person having control power over the company, parent company, subsidiary company, associated company, subsidiary company in the same level or a juristic person that may conflict (at present and two years prior to the appointment).
3. Shall neither be a blood relationship nor relationship from registration in the nature of parent, spouse, brother/sister, child including child's spouse with the executives, major shareholders or controlling person or a person who will be nominated to be the executive or the controlling person of the company or subsidiary company.
4. Commercial relationship with the company
 - (a) Nature of the relationship
 - Relationship in the nature of professional service
 - Nature of relationship: auditor and other professional service e.g. legal consultant, financial advisor, and property appraiser.
 - Significant level of non-independence
 - In case of auditor: prohibited in all case
 - In case of other professionals: value of transaction more than Baht 2 million per annum
 - Commercial and business relationship (shall be applicable with the same rule of the Stock Exchange of Thailand in relation to connected transactions)
 - Nature of relationship: include all business transactions i.e. normal transaction, lease/lease out of immovable property, asset/service related transactions and providing support or receiving the financial assistance transactions.
 - Significant level of non-independence: transaction value in equivalent to or more than THB 20 million or in equivalent to or more than 3% of NTA (Net Tangible Asset) of the company whichever the amount is lower provided that the consideration of transaction value shall include the transactions occurred during six (6) months prior to the date of transaction at this time.

- (b) In case of relationship in Clause (a) with a juristic person, the person who shall be deemed not independent is the major shareholders, director (except independent director and audit committee) and the executive or partner of such juristic person.
 - (c) Prohibited duration of relationship under Clause (a) and (b): at present and 2 year prior to the appointment.
 - (d) Exemption: In case of emergency and reasonable manner which is not regular and continual, the independent director / audit committee may have a relationship beyond the significant level prescribed during his position period. However, this exemption is required to be approved by the Board of Directors of the company with the unanimously resolution. Furthermore, the company is required to disclose the foregoing relationship of such director in the filing form for offering to sell the securities (Filing Form), Annual Disclosing Form (Form 56-1), and Annual Report (Form 56-2) of the company. Subsequently, if the company will nominate such independent director / audit committee to hold his post again, the company shall disclose details of the said relationship in the notice to convene the shareholders meeting in the agenda of appointing the director.
5. Shall not be a director who is appointed as a representative of the director of the company, major shareholders or the shareholders who are the connected person of the company's major shareholders.
 6. Shall have no other characteristic in which unable to provide the opinion independently.
 7. The independent director who has the qualifications under Clause 1-6 may be assigned by the Board of Directors to make a decision, in business of the company, parent company, subsidiary company, associated company, subsidiary company in the same level or juristic person which may conflict, in terms of collective decision.

In case of independent director also be independent director in the parent company, subsidiary and company in the same level. The Company shall disclose the information of such holding position and total compensation which independent director received by filing in form of 56-1 and 56-2.

Criteria of Independent Director Selection

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

Committee, it will be proposed to the Board of Directors to agree and proposed for shareholders approval.

2. Audit Committee

The Audit Committee was formed on June 24, 1999 by 3 independent directors which each person has 3 years term.

The names and details of Audit Committee's members in year 2011 are as follows:

No.	Name	Position	Meetings attendance (No.)
1.	Professor Hiran Radeesri	Chairman of the Audit Committee	12 / 12
2.	Professor Sansern Kraichitti	Audit Committee Member	11 / 12
3.	Mr. Sakdi Kiewkarnkha	Audit Committee Member	12 / 12

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

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

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

1. Composition and Qualification

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

2. Duties and Responsibilities

1. To review the accuracy and adequacy of the Company's financial reporting.
2. To ensure that the Company has an effective internal control system and internal auditing in place and also ensure the independency of the Internal Audit Department and to approve the appointment, transfer, termination or promotion of the head of Internal Audit Department or other relating Internal Auditing.
3. To review the Company's compliance with the Securities and Exchange Commission Act, the SET notifications & regulations, and the relevant laws relating to the Company's business.

4. To consider, select, nominate, and recommend the Company's external auditor and its remuneration and to participate in the meeting with the external auditor without the Company's management at least once a year.
5. To ensure that the related transactions or transactions that may lead to conflict of interest has been done in compliance with the laws and the SET notifications & regulations so as to ensure that they are justified and contribute to the best interest of the Company.
6. To review an adequacy of the Company's Risk Management processes.
7. To report the Audit Committee's performance to Board of Directors at least quarterly.
8. To prepare the Audit Committee's report and disclose it in the annual report of the Company and signed by the Chairman of the Audit Committee in such a report. Such report should contain at least the following details:
 - 8.1 Comment on the accuracy, adequacy and reliability of the Company's financial report.
 - 8.2 Comment on the adequacy of the Company's internal control system.
 - 8.3 Comment on the compliance with the SEC Act, the SET's notifications or relevant laws related to the Company's businesses
 - 8.4 Ground to believe that the Company's external auditor nominated by the Audit Committee is suitable
 - 8.5 Comment on transactions that may lead to conflict of interest
 - 8.6 The frequency of Audit Committee meeting and the participation of each members
 - 8.7 Overview comments and notices on the Company which the Audit Committee obtains from the duties according to this charter
 - 8.8 Any other report which should be made to the shareholders and general investors within the scope of duties and responsibilities assigned by Board of Directors
9. To perform any other duties assigned by Board of Directors.
10. If Audit Committee finds any matter which has material impact on the financial status and the Company's performance, the committee shall report such finding to Board of Directors so that the Board can seek a solution within timely manner:
 - 10.1 Report on conflict of interest
 - 10.2 Suspected or presumed fraud or irregularity or material defect in the internal control system

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

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

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

3. Authority

1. The Audit Committee can invite the Board member, management, manager or any relevant employee to discuss or answer the matter being audited.
2. The Audit Committee is also authorized to hire or bring in specialists to assist with their mission, as, it deemed appropriate.

4. Term

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

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

The Audit Committee regularly scheduled the meeting in the year 2011 and the performance also occasionally report. Audit Committee provides the opinion to Director concerning the internal control inclusive of consideration of the auditor and fixes the remuneration for the year 2011.

3. Nomination Committee

The Nomination Committee was set up on May 15, 2002 which all members are independent directors and each person has 3 years term.

The names and details of Nomination Committee's members in year 2011 are as follows:

No.	Name	Position	Meetings attendance (No.)
1.	Professor Hiran Radeesri	Nomination Committee Chairman	1/ 1
2.	Professor Sansern Kraichitti	Nomination Committee Member	1/ 1
3.	Mr. Sakdi Kiewkarnkha	Nomination Committee Member	1/ 1

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

Authorities and Responsibilities of Nomination Committee

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

In 2011, the Nomination Committee held the meeting and submitted their report to the Board of Directors.

4. Compensation Committee

The Compensation Committee was set up on May 15, 2002 which is all independent directors and has 3 years term for each person.

The names and details of Compensation Committee's members in year 2011 are as follows:

No.	Name	Position	Meetings attendance (No.)
1.	Professor Hiran Radeesri	Compensation Committee Chairman	9/ 9
2.	Professor Sansern Kraichitti	Compensation Committee Member	8 / 9
3.	Mr. Sakdi Kiewkarnkha	Compensation Committee Member	9 / 9

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

Authorities and Responsibilities of Compensation Committee

1. Consider remuneration for the Board of Directors and Sub-Committees of the Company and subsidiary companies, both in the form of cash and non-cash

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

In 2011, the Compensation Committee held the meetings and submitted their report to the Board of Directors.

5. Executive Committee

Names and positions of Executive Committee as of December 31, 2011 are as follows:

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

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

Authorities and Responsibilities of Executive Committee

1. Issues required to be presented to the Board of Directors
 - 1.1 Executive Committee shall consider the following items in order to propose to Board of Director for approval
 - 1.1.1 Strategies, Goals and Policy of the Group
 - 1.1.2 Investment Project, Operation Budget and Capital Expenditure
 - 1.1.3 Annual workforce plan,
 - 1.1.4 Annual bonus and Annual Salary increase
 - 1.1.5 Any legal implications including disputes, litigation and suggestions and procedures
 - 1.2 The Executive Committee shall report the following items inclusive providing advice in order to inform Board of Director
 - 1.2.1 Operating Results and Financial Status of the Group
 - 1.2.2 Examine, Prepare and Conclude on important issues
2. Issues to be approved by the Executive Committees

The Executive Director shall has authorize in consideration the following items:

- 2.1 Appointment, Termination and Consideration of remuneration of management executives in the Directorial Level (Corporate/Group Manager)
- 2.2 Management Structure and framework under the Executive Level
- 2.3 Consideration and Supervision on operational management in accordance with the Strategies, Goals and Policy of the Company within the approved budget
- 2.4 Any purchasing, hiring, servicing which is not included in the annual budget with the value not exceed Baht 5 million per one time of the Board of Directors Meeting
- 2.5 Contract Signing for management agreement
- 2.6 Asset Purchasing, excluding the budget with the value not exceeding Baht 5 million and the over budget expense that is within 10% of the approved budget per one time of the Board of Directors Meeting
- 2.7 Renting or Letting of assets which is land, building, office and store that is not operating normally and not included in the annual budget that is not over 3 years and has the value of the renting or letting within the limit not exceed of Baht 15 million per year per person.
- 2.8 All issues raised by management team
3. Submit details and principles of the Board Committee meeting attendance, remuneration and bonus as well as dividend payment to Shareholders to the Compensation Committee
4. Proceed on the assigned issues from the Board of Directors and the Audit Committee
5. Executive Committees' meeting shall be held at least 6 times a year. The quorum shall have Executive Committees at least 50% of the total number;

Term

Executive Committee will be removed from the position according to following condition

1. Remove from Director or Management of the Company
2. Submit a letter of resignation
3. The Board of Directors passes the resolution to discharge

If any committee member is unable to hold office, the Board of Directors should appoint a new qualified member to fill up the vacancy.

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

- Management Committee
- Risk Management Committee

- Spa Executive Committee
- Project Renovation Committee
- Legal Committee
- IT Committee
- Accounting and Finance Committee
- TS/Design Committee
- Marketing Committee
- HR Committee
- Investment and Development Committee

6. Company Secretary

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

1. Duties and responsibilities by the law

- 1.1 To provide and file the document as following to comply with the law
 - (a) Director Registration
 - (b) Invitation for the Board of Directors Meeting, Minute of the Board of Directors Meeting and Company's Annual Report
 - (c) Invitation for The Annual General Shareholders Meeting and Minutes of The Annual General Meeting of Shareholders
- 1.2 File interest transaction report which reported by Director or Management
- 1.3 To perform any other duties according to the Capital Market Supervisory Board Notification
- 1.4 To perform any other duties according to Public Limited Companies Act and Securities and Exchange Act
- 1.5 To perform the duties with responsibility, cautious and honesty inclusive of performing according to the law, Company Objective, Company's Articles of Association, The Board of Directors Resolution and the Shareholders Resolution.

2. Duties and responsibilities to The Board of Directors

- 2.1 To provide report of interest which report by the Director or Management and propose to Chairman and the Board of Directors according to the regulation of the Securities and Exchange Commission and the Stock Exchange of Thailand.
- 2.2 Report to the Board of Directors regarding new law which concerns the company business including additional item, regulation and notification of the Securities and Exchange Commission and the Stock Exchange of Thailand and report to the

Chairman of Audit Committee within 7 days from document receiving date and file that document as evidence.

2.3 Monitor Directors to perform their duties and has the resolution to comply with the law, regulation and notification of the Securities and Exchange Commission and the Stock Exchange of Thailand.

2.4 To provide guidance and support in working performance to Directors as individual and group, especially Directors who are not executives for performing their appropriate duties inclusive of purpose the appropriate training and seminar to Directors.

2.5 Monitor and coordinate with Directors and Subcommittee to receive the information for their consideration and decision, gathering and screening the document of the Board of Directors Meeting in order to comply with the good governance and suggests the point which Directors need to propose to Chairman.

2.6 Coordinate with Chairman and Managing Director in order to provide the agenda for the Board of Directors Meeting.

2.7 To provide accuracy share or securities holding report of Directors according to the regulation of Securities and Exchange Commission and summarize to the Board of Directors in the agenda of the matter for acknowledgement.

2.8 To perform any other duties assigned by the Board of Directors.

3. Duties and responsibilities to Management

3.1 Follow up with the Management performing the resolution and suggestion of the Board of Directors.

3.2 Monitor and follow up with the Management performing according to the law and regulation concerning company business.

3.3 Monitor and follow up with the Management performing with business morality or ethics and good governance policy.

3.4 To provide share or securities holding report of the Executive according to the regulation of Securities and Exchange Commission and the Stock Exchange of Thailand.

4. Duties and responsibilities to Shareholder

4.1 To communicate and provide the appropriate information to shareholder of the company according to the regulation

4.2 To take care of shareholders to receive the equal performance from the company with convenience and fast.

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

5. Others

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

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

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

Term

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

7. Management Team

(Name and experience of each management referred in General Information)

No.	Name	Position
1.	Thanpuying Chanut Piyaoui	Honorary Chairperson and Director
2	Mr. Chanin Donovanik	Managing Director / Chief Executive Officer
3	Mrs. Sinee Thienprasiddhi	Executive Director / Company Secretary / Acting Chief Financial Officer
4	Mr. Khampi Suwanarat	Chief Operating Officer – Education
5	Mrs. Jongkonnee Chantavorakit	Vice President - Headquarter in Finance and Accounting
6	Miss Warunee Anekritmongkol	Vice President - Hotel Accounting
7	Miss Amara Kulworasreth	Vice President – Company Secretary Office
8	Mr. Alex Colin Willats	General Manager - Dusit Thani Bangkok

No.	Name	Position
9	Mr. Chatchawal Supachayanont	General Manager - Dusit Thani Pattaya
10	Mr. Awmsin Manchakra	Vice President -Legal and Administration

Remark: Mr. Alex Colin Willats was appointed as General Manager - Dusit Thani Bangkok on November 11, 2011 to replace Mr. Danny McCafferty whose employment contracted was due on May 1, 2011.

Authorities and Responsibilities of Managing Director

1. Management

- 1.1 Set up Goal, Policy and Business Plan of the Company and propose to the Board of Directors to approve.
- 1.2 Supervise the corporate governance in accordance with the approved policy, business plan and budget to achieve the target and to increase shareholders' value by maximizing earning per share.
- 1.3 Authorized to take actions in following of objectives, regulations and procedure, policy, command, resolution of shareholders' meeting and/or resolution of the Board of Directors Meeting and/or of Executive Committee.
- 1.4 Meeting will be held at least once a month to follow up process.
- 1.5 Resolve the problems and provide suggestions to operation in case where monthly performance does not achieve the target.
- 1.6 Manage all operations under the Corporate Good Governance principles outlined by the Stock Exchange of Thailand

2. Accounting and Finance

- 2.1 Set Policy and Financial Plan of the Company with CFO as appropriate. Also oversee operational plans to ensure properness.
- 2.2 Set up appropriate accounting system and provide accurate financial reports.
- 2.3 CFO shall engage in producing financial analysis to assess the company performance.
- 2.4 Set up internal audit and risk management to reduce potential risks.
- 2.5 Consider annual budget of revenue and expenses, hotel renovation budget with CFO to be presented to the Board.
- 2.6 Consider all details concerned and approve asset purchasing, renovation projects in accordance with the budget approved by the Board of Directors.

- 2.7 Consider the over-budget purchasing that is within 10% of the approved budget to receive additional approval from the Board.
- 2.8 Approve direct operating expenses exceeding Baht 1 million but not over Baht 10 million with CFO.
- 2.9 Approve other non-operating expenses exceeding a hundred thousand Baht but not over Baht 5 million with CFO.
- 2.10 Approve any emergency purchasing and maintenance expenses limited to Baht 10 million a year.
- 2.11 Consider investment projects, budget, rate of return, risk management with CFO to foresee project feasibility with substantial rate of return.
- 2.12 Control and follow Public Company Limited Act, the regulations of the Stock Exchange of Thailand and other related announcements
- 2.13 Control revenue and expenses following the approved budget with CFO

3. Purchasing

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

4. Human Resources

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

5. Marketing Policy

- 5.1 Plan in advance for policy and marketing strategy.
- 5.2 Set revenue target of the Company annually.
- 5.3 Set marketing scheme for sale promotions, advertising and public relations with private sector and government unit both domestically and internationally.

- 5.4 Set the competitive analysis for market share possibility.
- 5.5 Define new market channels for increasing market expansion.
- 5.6 Conduct marketing research on consumer behavior for the evaluation on weakness to satisfy customer's needs properly and correctly.
- 5.7 Coordinate with government sectors in terms of social contribution for promoting company's image.

6. Information Technologies

- 6.1 Conduct a study on integrated technology to improve the existing technology for the better customer service efficiency and further increased revenue.
- 6.2 To provide an internal proper use of Information Technology as specified by laws

7. Others

- 7.1 Consider in project investment and/or expand the company business and purpose to the Board of Directors for approval
- 7.2 Perform the duties assigned by Board of Directors

However, authority and function of Managing Director will not include the item which can conflict or the item of Managing Director or connected person has an interest or other benefit which conflict to the company or subsidiary company according to the regulation of the Stock Exchange of Thailand. The mentioned approval need to be purposed to the Board of Directors meeting and/or the Shareholders meeting for consideration and approval in order to comply with the company regulation and legal concern, except some approval for such transaction is to support the business with the normal course of business which clearly specified by Directors.

8. The Consideration of Directors and Management

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

9. Remuneration for Directors and Management

The Company has set up the fair and reasonable compensate to directors. The Compensation Committee will consider the remuneration by considering together with the appropriateness of work and responsibilities of each director, the Company's financial position and compare with other companies in the same level business. The remuneration for the year 2011 as follows:

1. Meeting Remuneration:

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

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

Remuneration to the sub-committee which are:

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

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

In 2011, the summary of remuneration received by each director was as follows:

Director's names	Year 2011 (Baht)				
	Board of Directors			Other committees *	Total Remuneration
	Remuneration				
	Monthly	Timely	Yearly		
1. Thanpuying Chanut Piyaoui	120,000	120,000	35,400	-	275,400
2. Mr. Chatri Sophonpanich	180,000	160,000	70,800	-	410,800
3. Pol. Lt. Chatrachai Bunya-Ananta	120,000	120,000	35,400	-	275,400
4. Mrs. Varang Chaiyawan	120,000	120,000	35,400	-	275,400
5. Mr. Kenneth Korsirisophon	120,000	45,000	35,400	-	200,400
6. Mr. Chanin Donavanick	120,000	135,000	35,400	-	290,400
7. Mrs. Sinee Thienprasiddhi	120,000	135,000	35,400	-	290,400
8. Professor Hiran Radeesri	120,000	135,000	35,400	460,000	750,400
9. Professor Sansern Kraichitti	120,000	90,000	35,400	307,500	552,900
10. Mr. Sakdi Kiewkarnkha	120,000	120,000	35,400	315,000	590,400
11. Mr. Soradis Vinyaratn	120,000	120,000	35,400	-	275,400
Total	1,380,000	1,300,000	424,800	1,082,500	4,187,300

Remark: Including Audit Committee, Nomination Committee, Compensation Committee and Executive Committee

(1) Remuneration for Board of Directors

Remuneration	Amount (Baht)	
	Year 2010	Year 2011
Monthly and timely remuneration	3,952,500	3,762,500
Annual remuneration	-	424,800
Total	3,952,500	4,187,300

Remark: Excluding remuneration to Advisor to Board of Directors

In addition, the entertainment allowance is provided for each Director Baht 120,000 per year. In 2011, the actual entertainment spent by all directors was Baht 975,334.

(2) Remuneration for Executives

Remuneration	Amount (Million Baht)	
	Year 2010	Year 2011
Salary and bonus	40.00	35.37
Other benefits	2.30	7.18
Total	42.30	42.55

Corporate Governance

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

1. Policy on Corporate Governance

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

- Equal treatment and fairness to all shareholders and other concerned
- Transparency and accountability in operation, and adequate disclosure of information to all concerned
- The Board of Directors should cautiously manage and be responsible with the best effort to maximize shareholders' value. They should handle all conflicts of interest among all parties and be responsible for any decision or action taken

- Always considering of relevant business risks by creating risk management assessment and continuous improvement process
- Announce Business Ethics into practice for Directors and Staff in 2004

2. Shareholders' Rights

In 2011, the Company had 1 annual general meeting of shareholders and if it have significant events during the year that needs to be informed and approved by the shareholders, the Company shall hold an extraordinary general meeting of the shareholders. However, any action or event is taken without requirement for holding the shareholders meeting, the Company will notify the news via the SET to all shareholders.

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

The Company gave an opportunity to shareholders to propose agenda (s), to nominate candidates for company directorship or to submit question(s) regarding agenda(s) for shareholders' meeting in advance. After receiving the shareholder's letter, the Company Secretary shall preliminary examine and, if appropriated, it shall be proposed to the Board for further consideration. Then, if the Board agrees, it shall be included in agendas with indication that it is agenda from shareholder. However, if the Board consider and opine that the proposed agenda should not be included, the Company shall inform shareholders in the meeting with its reason for refusal.

For 2012 AGM, the shareholders could submit the written letter to the Company Secretary from October 1, 2011 to December 31, 2011. It was already announced in the Company' and SET's websites but no letter was submitted.

3. Rights of Stakeholders

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

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

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

4. Shareholders' Meeting

The Board of Directors emphasizes on Shareholders Meeting, usually more than 80 percent of the Board members attending the meeting. The duration of the meeting is scheduled according to the meeting's agenda. The Chairman of Audit Committee shall attend every meeting. Normally, the Chairman of the Board is the Chairman of the meeting. The Chairman will give shareholders detail of meeting, the method on voting, vote counting, vote card, and clearly declare the result of voting for each agenda. In addition, the Chairman also gives shareholders equal chance to examine, question, comment on the operating results and other suggestions.

For 2011 AGM, 8 directors out of 11 directors attended the meeting because 3 directors were on important businesses. The Company had noted the matters of shareholders meeting by writing and recording including questions and answers during the meeting and reported to SET with its due date and also posted in the Company's website: www.dusit.com.

5. Leadership and Vision

The Board will consider and approve the mission and vision statements, strategies, goals, objectives, investment plans and annual budget proposed by the management team. The Board

also has to supervise management team on their operation to be effectively in line with the business plan and approved budget for profit maximization and the highest dividend gain.

The Board has set internal control system, internal audit, and risk management which are monitored by Audit Committee and reported to the Board of Directors. The Board set up clear policies on duties and responsibilities of the Board members, Sub-committees, Executive Committee and Management team.

6. Conflict of Interests

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

- Issues involved with the conflict of interest, the Board has set up measurement stating that connected transactions should be reported to the Board who will carefully consider the proper action. This should also follow with the SET's regulation, in regards to price and conditions, as dealing with the third party. All details such as value amount, counter parties, reason and need should be revealed in the Annual Report and Form 56-1.
- Monitoring the use of in-house information. All executives or any persons who know the inside information are prohibited disclosing such information to outsiders or anyone who is not involved in the matter. The purchase or sale of shares is not allowed one month prior to the disclosure of Company's financial statement to the public, otherwise, they offence the Company's policy.
- Requiring reporting any changes in share acquisition to the office of SEC and SET, according to Section 59 of Securities and Exchange Act B.E. 2535

7. Business Ethics

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

1. General principles

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

2. Management's responsibility to their shareholders
3. Management's responsibility to their clients
4. Management's responsibility to their staff
5. Management's responsibility to traders and payables
6. Management's responsibility to their competitors
7. Management's responsibility to social
8. Employees' responsibility to the Company

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

8. Balance of Power for Non-Executive Directors

The Board of Directors currently consists of 11 members as reported in the management structure section.

The 3 Executive Directors are:

1. Thanpuying Chanut Piyaoui
2. Mr. Chanin Donavanik
3. Mrs. Sinee Thienprasiddhi

The 4 Non-Executive Directors are:

1. Mr. Chatri Sophonpanich
2. Pol. Lt. Chatrachai Bunya-Ananta
3. Mrs. Varang Chaityawan
4. Mr. Kenneth Korsirisopho

The 4 Independent Directors are:

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

The Board realizes the importance and value of Independent Directors by having 4 Independent Directors. (not less than one-third)

9. Aggregation or Segregation of Positions

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

10. Remuneration for Directors and the Management

Report in section of Remuneration for Directors and Management Team

11. Board of Directors' Meetings

In 2011, the Board of Directors held normally general meeting 9 times, of which 4 times are to certify the quarterly financial statements and year-end financial statements and another 5 times for other issues. The agendas and special meeting for particular issue will be notified in advance. The Secretary to the Board will distribute the notice of meeting, agenda, and related documents 7 days in advance to allow adequate time for the directors to review the topics. Each meeting takes approximately 3 hours. The minutes of meeting is recorded in writing, approved by the Board and ready to examine by the Board or other related persons.

In 2011, the attendance record of each Director can summarize as follows:

No.	Director's name	Term (years)	No. of Meeting Attendance
1.	Thanpuying Chanut Piyaoui	3	6 / 9
2.	Mr. Chatri Sophonpanich	3	8 / 9
3.	Pol. Lt. Chatrachai Bunya-Ananta	3	8 / 9
4.	Mrs. Varang Chaiyawan	3	8 / 9
5.	Mr. Kenneth Korsirisophon	3	3/ 9
6.	Mr. Chanin Donavanik	3	9/ 9
7.	Mrs. Sinee Thienprasiddhi	3	9/ 9
8.	Professor Hiran Radeesri	3	9/ 9
9.	Professor Sansern Kraichitti	3	6/ 9
10.	Mr. Sakdi Kiewkarnkha	3	8/ 9
11.	Mr. Soradis Vinyaratn*	3	8 / 9

12. Sub-Committee

Report in section of Management Structure

13. Internal Control System and Internal Audit

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

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

14. Risk Management

With our realization of the significance of risk management, the Company has, therefore, initiated its risk management practices by studying, introducing and implementing enterprise risk management in the Company since 2005. Consequently, risk management policy has been elaborated, solidified, promulgated and applied throughout the organization for further implementations.

Furthermore, the Company's Risk Management Department and Risk Management Committee were established in 2006 to ensure the maximum effectiveness of risk management within the organization by considering a wide range of risk which can be divided into four major categories: strategic risk, operational risk, financial risk and compliance risk. Risk Management Department is also responsible for reporting identified risks and progress in risk implementations to Risk Management Committee.

In 2011, Risk Management Department has completed the implementations of risk management practice among owned and managed hotels in Thailand.

Subsequent to the implementation of risk management practices for hotel properties, Company's subsidiaries and Dusit Thani College, Risk Management Department has embarked on following up and measuring of the efficiency of risk management activities at hotel level and Company's subsidiary level on a regular basis.

In addition, Risk Management Department also provided risk management training for staff in unit manager level for each hotel so as to ensure that risk management activities shall be implemented throughout the organization.

15. Directors' Report

The Board is responsible for the consolidated financial statements of the Company and subsidiary companies, as well as the financial information presented in the Annual Report. Such financial statements have been prepared in accordance with generally accepted accounting principles in Thailand. The financial statements have been produced with the conservative consideration and best estimation. The important details and information are being adequately

disclosed in the notes to the financial statements. The Audit Committee was formed to overlook the quality of the financial reports, internal control system, and to present the opinions in the Annual Report.

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

The Company determined that the director shall report on their buying and selling and/or securities holding of the Company every time that has changed to the Board of Directors Meeting. However, since the securities holding of director was not frequently changed, therefore, the annually summary will be reported to the Board of Directors by reporting in February of each year which is the first meeting of the Board of Directors of the year.

The Company has determined the Board of Directors shall report their interest on December 31 of each year. A copy of report on interest shall submit to the Chairman and the Chairman of audit committee within seven business days from the date on which the Company has received such report.

16. Relationship with Investors

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

In case that the investor and others have enquires, they can telephone to the Company at +662 238 0032 or +662 200 9999 Ext. 3636 or e-mail: chanin@dusit.com or Jongkonnee@dusit.com

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

According to SET's guideline, the Board of Directors and Audit Committee have performed self-assessment checklists to evaluate and increase their performance.

18. Chief Executive Officer's Performance Evaluation

The Board of Directors has evaluated CEO's performance according to SET's Guideline.

19. Corporate Social Responsibility Information

The Board of Directors values the sustainable quality of social development; therefore, the company takes Corporate Social Responsibility (CSR) as one of the top priorities, and embrace this philanthropy as part of the company's DNA. Additionally, the company also encourages its guests, business partners, and employees to follow the same value. As a result, Dusit International has launched and participated in many CSR activities such as joining the EarthCheck programme in order to support company's vision and value in environmental conservation. In addition, Dusit International initiates several human resources development activities to provide and improve skills for Dusit's employees as well as many young talents who want to enhance their skills for working in the industry. For examples, the Mini MBA programme and the Management Trainee programme have been designed to provide the fast-track career developments in order to improve the skills of its employees. Furthermore, Dusit International enhances its CSR philanthropy by consigning a partnership with Operation Smile to improve the quality of lives of children born with facial deformities.

19.1 Corporate Social Responsibility on Environmental Management

EarthCheck Programme

Rationale

Globally, corporations are playing an increasingly important role in sharing and promoting the principles of sustainability both within their organisations and throughout the broader community. The tourism industry is particularly vulnerable to the environmental and social issues that face our planet today with the impacts of climate change and growing populations threatening the very resources on which the industry depends. With consumers now having to adapt their lifestyles in response to growing pressures on the environment, their expectations and choices of travel destinations and experiences are also evolving. It will be important for the future viability of corporations to ensure they are prepared and able to respond to consumers' environmental choices and changing expectations on responsible tourism. In this regards, Dusit International advances its commitment to protecting the environment by undertaking benchmarking under EarthCheck programme in order to receive independent and comprehensive proof of its environmental commitment.

Background

The EarthCheck programme is widely regarded as the world's most scientifically rigorous, that measures key environmental indicators such as energy and water consumption, and total waste production as well as community commitment. Using the

EarthCheck tool, the hotels commit to benchmarking local environmental and social issues, including biodiversity conservation, environmental investment and enhanced community socio-economic benefits. More information on the EarthCheck programme can be found on www.earthcheck.org

Objective

Dusit International realises that it is one of the top priorities to contribute to the well-being of the communities within which it operates. Additionally, the group also encourages the green tourism as many Dusit International's hotels and resorts are located in areas of unique natural landscapes, pristine environments, and cultural heritage.

Target Group

Dusit International's hotels and resorts in Thailand and overseas

Implementation

In 2009, Dusit International marked a significant milestone for the company in environmental conservation by undertaking benchmark under the EarthCheck programme. The Dusit International's hotels and resorts that participate in the EarthCheck programme include:

Hotels and resorts in Thailand:

- Dusit Thani Bangkok
- Dusit Thani Hua Hin
- Dusit Thani Pattaya
- Dusit Thani Laguna Phuket
- DusitD2 Chiang Mai
- Dusit Princess Srinakarin, Bangkok
- Dusit Princess Korat
- Royal Princess Chiang Mai

Hotels and Resorts outside Thailand:

- Dusit Thani Manila
- Dusit Thani Dubai
- Dusit Thani Maldives (newly registered in 2011)

All participating hotels in EarthCheck Programme shall operate under the regulations for environmental preservation as defined by EarthCheck in order to reduce pollution caused by operation according to the criteria specified as defined by EarthCheck. If the hotel was certified that it can provide a pollution control plan and

proper energy management. It will be allowed to be named as EarthCheck's member. However, if there is good energy management and pollution control. It will receive a certificate to ensure quality from EarthCheck which consisting of 3 levels; bronze, silver and gold level respectively.

Achievement

- Dusit Thani Dubai receives Silver Certification by EarthCheck in 2010
- Dusit Thani Bangkok receives Silver Certification by EarthCheck in 2011
- Dusit Thani Pattaya receives Silver Certification by EarthCheck in 2011
- Dusit Thani Manila receives Silver Certification by EarthCheck in 2011
- DusitD2 Chiang Mai receives Silver Certification by EarthCheck in 2011
- Dusit Princess Korat receives Silver Certification by EarthCheck in 2011
- Royal Princess Chiang Mai receives Silver Certification by EarthCheck in 2011
- Dusit Princess Srinakarin, Bangkok receives Silver Certification by EarthCheck in 2011
- Dusit Thani Hua Hin receives Silver Certification by EarthCheck in 2011
- Dusit Thani Laguna Phuket receives Silver Certification by EarthCheck in 2011

Expected Outcome

- To be a one of the leading hotel groups in Corporate Social Responsibility on environmental management
- To create positive awareness for Dusit International as environmental-friendly hotels
- To be able to support the national and international policies on sustainable tourism

19.2 Corporate Social Responsibility on Children's Health and Wellness

Dusit Smiles Programme

Rationale

Dusit International recognises the important role that corporations play in sharing and promoting the principles of Corporate Social Responsibility due to the growing concerns of today's social and economic issues. The company then takes a further step by consigning a partnership with Operation Smile, which is a non-profit organisation that has dedicated itself to transform the lives of children born with facial deformities.

Background

Many children are born with a severe cleft condition each year — often unable to eat, speak, socialise or smile. In some places these children are shunned and rejected. And in too many cases, their parents could not afford to give them the surgeries they need to live a normal life. This is how Operation Smile comes in as an international charity providing much needed surgical services. Since 1982, Operation Smile — through the help of dedicated medical volunteers — has provided free surgeries to children around the world. As one of the most prominent children’s charities in the world and with a presence in over 60 countries, we are able to heal children’s smiles and bring hope for a better future. For more information, visit www.operationsmile.com

Objective

Dusit International launches Dusit Smiles programme in order to raise fund for Operation Smile foundation. Through this programme, Dusit will involve and encourage its guests as well as employees and business partners to raise charities for the children and young adults who are in need of surgery via training, operation missions, government relations, marketing and public relations, and others.

Target Group

Dusit International’s hotels and resorts in Thailand and overseas

Implementation

- Guest Initiatives
- Staff Initiatives

Guest Initiatives

A. Donation Envelope (in-room)

Objective: To create awareness and raise fund for Dusit Smiles programme

Target Group: Guests of Dusit International’s hotels and resorts in Thailand and overseas

Timeline: Ongoing

B. Donation Box (hotel’s restaurant and public area)

Objective: To create awareness and raise fund for Dusit Smiles programme

Target Group: Guests of Dusit International’s hotels and resorts in Thailand and overseas

Timeline: Ongoing

C. Public Relations

Objective: To promote and increase awareness about Dusit Smiles programme through press release, Dusit News, Corporate e-newsletter, Dusit Magazine, and Dusit's official CSR website www.dusit.com/dusitsmiles

Target Group: Hotel guests, media, general public

Timeline: Ongoing

D. Fundraising Events for Dusit Smiles

Objective: To promote and increase awareness about Dusit Smiles programme through fundraising events and activities

Target Group: Hotel guests, media, business partners and clients

Timeline: Ongoing

Staff Initiatives

E. Dusit Weekly News

Objective: To provide and update information of Dusit Smiles programme and the donation report as an internal communication within the company

Target group: Dusit International's employees

Implementation: Present the update information of Dusit Smiles programme on Dusit Weekly News

Timeline: Every Monday Started from January 2010

F. Operation Mission

Objective: To encourage Dusit's management team and staff to take part in the Operation Mission

Target group: Dusit International's employees

Implementation: Select Dusit Volunteers to be part of the Operation Mission

Timeline: October 2010 and to be held in April 2012

G. Wall of Smiles Activity

Objective: To inform staff about Dusit Smiles programme and activities through HR board

Target group: Dusit International's employees

Implementation: Update HR board with Dusit Smiles information

Timeline: Ongoing

H. First Mile Activity

Objective: To raise charities for Dusit Smiles programme by encouraging staff to invite their friends and family to donate with the target of THB 5,000

Target group: Dusit International's employees

Implementation: Created First Mile worksheet with the target of THB 5,000

Timeline: Ongoing

I. Final Mile Activity

Objective: To raise charities for Dusit Smiles by encouraging staff to invite their friends and family to donate with the target of THB 15,000

Target group: Dusit International's employees

Implementation: Created Final Mile worksheet with the target of THB 15,000

Timeline: Ongoing

J. Auction Activity

Objective: To raise fund for Dusit Smiles via Auction activity

Target group: Dusit International's employees

Implementation: To raise fund for Dusit Smiles through selling unwanted items from home among colleagues

Timeline: Ongoing

K. Dusit's First Child

Objective: To create awareness among Dusit staff with the Dusit's First Child, the child who receive the first donation from Dusit Smiles

Target group: Dusit International's employees

Implementation: Select the first child for the surgery operations and keep monitoring and supporting the child until the surgery process is completed

Timeline: Starts from January 2010, ongoing

L. Salary Donation

Objective: To encourage staff to make donation via salary donation

Target group: Dusit International's employees

Implementation: Staff can deduct the salary in order to make donation for Dusit Smiles with two options given, which are one-time donation, and monthly donation for 1 year

Timeline: Starts in May 2010, ongoing

Achievement

In October 2010, Dusit International donated Baht 1 million to provide surgery for children with facial deformities under Dusit Smiles for Operation Smile Thailand. The company's first operation mission, which was held in Si Sa Ket, northeast of Thailand, was a successful event with the support from Dusit International's hotels and resorts as well as its business units that have helped to raise donation from organising many charity activities throughout the year.

As at October 2011, Dusit International has donated over Baht 1.6 million to Operation Smile foundation.

19.3 Corporate Social Responsibility on Education and Talent Development

a) Dusit and DSD (Department of Skill Development) Internship in Hospitality Study

Rationale

Tourism and hospitality industry has been a major source of income for Thailand, however, an inadequacy of skilled work forces to supply the industry has been one of the challenges. Dusit International, a Thailand's leading hotel group, is also aware of its roles and responsibility in the development of hospitality industry standard as well as contribution to social and citizen development. Thus, Dusit International and the Department of Skill Development (DSD) under Thailand's Ministry of Labor have found a common goal in developing skills of Thai youths to help strengthen hotel and hospitality industry as well as the community of the nation.

Objective

To offer opportunity to those high school or diploma graduates who lack of opportunity to develop themselves as valued citizen as well as to support the government policy in expanding and strengthening the tourism industry in Thailand. The Dusit and DSD Internship in Hospitality Study will also help to develop a new group of skilled-manpower to support the hotel and hospitality industry.

Target Group

- New graduate with unemployment status
- Students who completed High school or with Diploma qualification, age between 18 – 29 years old

Implementation

The Dusit and DSD Internship in Hospitality Study consists of:

Concentration of the programme

Housekeeping Operations, Food & Beverage - Service Operations, and Food & Beverage - Kitchen Operations

Duration

The programme is set to be completed in 12 months by dividing the training period into 2 sessions which are Classroom Training for 3 months, and on-the-job training for 9 months

Venue for training

Classroom Training session will be organised by the Department of Skill Development, and on-the-job training will be organised and held by Dusit International's hotels and resorts

Achievement

Since the Dusit and DSD Internship in Hospitality Study started in 2007, there are altogether 88 graduates from this programme in 3 years

Expected Outcome

- To develop and improve skills of human resources in tourism and hospitality industry for both domestic and international markets
- To increase quantity and quality of human resources in tourism and hospitality in order to support the government's policy for the competitive tourism market
- To provide job opportunity and reduce unemployment rate
- To support the government's policy for Thailand to be one of the most competitive tourism markets

b) Mini MBA Programme**Rationale**

With Dusit's global expansion, the company needs to prepare their staff for challenges ahead. Human talents are the fundamental elements of hospitality services, and it is one of the top priorities to develop their talents to help the company strive for excellence. As a company, Dusit values education, and have always been committed to providing the best to its employees – this is yet another step towards this vision.

Objective

To provide participants of Mini MBA programme with the knowledge to keep themselves and the company competitive. This course will enrich them a fresh insight on management, broaden their vision and the hospitality best practices. The courses are

not only informative but applicable to their work which will support them to progress in their profession.

Target Group

Dusit's executives who have the potential to take on future senior leadership roles in order to assist Dusit International's global expansion. This new established programme is exclusively designed to refine the skills of Dusit International's executives based in Thailand.

Implementation

Started in September 2009, the Mini MBA programme was developed by one of Asia's finest hospitality institutions, Dusit Thani College, in cooperation with Dusit's distinguished training centre, Dusit Executive Development Center, which was established to provide top-level executive training courses and customised programmes to individuals and various organisations specialising in, or dealing with, the hospitality industry.

This new established programme is exclusively designed to refine the skills of Dusit International's executives based in Thailand. The participants will be selected based on a strict criteria and come from all disciplines and levels throughout the company including Rooms Division, Food & Beverage, Sales & Marketing, Human Resources, Design, Legal, Education, and Development.

Expected Outcome

- The students from Mini MBA will receive the opportunity to study the course combines core subject in hospitality management, including Business Economics in Hospitality Industry, Managing Human Resources and Leadership, Managerial Accounting and Corporate Finance, Marketing Management and Hotel Management. The course is conducted in Thai and English
- The credits from this course will be able to transfer to MBA in Hotel and Restaurant Management Programme according to rules and regulations of transfer experiences of College

c) Management Trainee

Rationale

In line with Dusit International's expansion into overseas market, Dusit International aims to serve its domestic and international hospitality services by starting the Management Trainee programme as a fast-track career development for high-achieving

graduates. This programme takes goal-oriented and ambitious graduates to a management role through intensive sessions, field practices, and industrial placement within Dusit International's hotels and resorts across the region.

Objective

To provide the fast-track career development for high-achieving graduates. The Management Trainee programme will help to develop the future generation who will soon become the leaders of Dusit International.

Target Group

Young generation with strong service mind and passion to work in hospitality industry.

Implementation

The candidates will be selected through a strict process to attend the programme, which comprises of 15 intensive training units such as Sales and Marketing, Public Relations, Food and Beverage, Reservations, Human Resources, Catering Management and others. The candidates will attend the seminar and study the hotel management for 3 months. After 9 months, the candidates shall actually practice with the Dusit's hotel chain to learn new experience from other departments. Then, the outstanding candidates shall be chosen to work with the Dusit's hotel chain in his expert field.

Expected Outcome

- The successful candidates will have the opportunity to have on-the-job training with Dusit International for 1 year
- The successful trainees from the Management Trainee Programme will receive the placement within Dusit International's hotels and resorts

19.4 Conclusion of Corporate Social Responsibility Report by Dusit International

Dusit International, one of Asia's leading hotel groups, values the sustainable quality of social development; therefore, the company takes Corporate Social Responsibility (CSR) as one of the top priorities, and embrace this philanthropy as part of the company's DNA. Additionally, the company also encourages its guests, business partners, and employees to follow the same value.

As a result, Dusit International has launched and participated in many CSR activities such as joining the EarthCheck programme in order to support company's vision and value in environmental conservation. In addition, Dusit International initiates several human resources development activities to provide and improve skills for Dusit's employees as well as many young talents who want to enhance their skills for working

in the industry. For examples, the Mini MBA programme and the Management Trainee programme have been designed to provide the fast-track career developments in order to improve the skills of its employees. Furthermore, Dusit International enhances its CSR philanthropy by consigning a partnership with Operation Smile to improve the quality of lives of children born with facial deformities. In conclusion, Dusit International has strived to become one of the most successful hotel groups with a firm commitment in CSR throughout its 60 years of operation

8.5 Supervision on the Use of Inside Information

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

The Company has set 4 management levels, below the managing director. The managing director shall report any changes of his/her equity holding to The Securities and Exchange Commission in Thailand and The Stock Exchange of Thailand according to section 59 of Securities and Exchange Act B.E. 2535. In addition, the report of shareholding of directors and related person are informed to the Company's Board of Directors in February every year.

8.6 Human Resources

Number of employees

As of December 31, 2011, the total number of 9 hotel employees of the Company and subsidiaries is 3,190 persons, listed as follows:

No. of employees	Year 2010 (persons)	Year 2011 (persons)
1. Hotels' employees	3,011	2,888
2. Subsidiaries' employees	288	302
Total	3,299	3,190

Employees' remuneration

Benefits	Year 2010 (MB)	Year 2011 (MB)
Salary	670.00	773.45
Bonus	48.67	58.84
Provident fund and other related expenses	188.92	189.13
Total	907.59	1,021.43

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

Employee Development Policy

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

Continuing Developing Employee's skills

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

Level	Budget (Baht) / Employee / Year	Hours / Employee / Year
1. Executive	30,000	30
2. Department Head	26,000	40
3. Manager or equivalent	10,000	50
4. Officer	5,000	70
5. Agent	5,000	100

The Company assigns the development process by training, rotating the employee to challenge the employee's ability and experience in new position, such as Mini-MBA in Hospitality Management for Dusit International Executives to increase knowledge and ability to senior staff level of Dusit Thani Group in Hotel Administration section by covering subjects related to business management in the future as well as appoint and promote employees to suit their responsibilities.

Development of organization by Dusit Weekly News

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

Improving performance by KPIs

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

Dividend Policy

The Company has a policy to pay dividends to its shareholders in the amount of not less than 50 percent of consolidated net income by consideration the result of operating in the consolidated financial statements including the result of operating and retained earnings presented in the Company financial statements to assure that the ability of paying such dividend is not opposed the Public Limited Companies Act. In addition, on August 11, 2011, the Board of Directors' meeting no. 7/2011 resolved to change the policy for allocation of dividend payment by not paying interim dividend.

The Company paid dividend for the year of 2010 by profit appropriation at Baht 0.50 per share, totally Baht 42.50 million which was 39 percent of the net profit.

Internal Controls

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

The Company has a policy to arrange and maintain an efficient internal control system which provides a reasonable assurance that the following objectives and goals can be achieved:

- Reliability and integrity of information and financial reports.
- Compliance with regulations, policies, procedures and related laws.
- Safeguarding of the Company's assets.
- Efficiency, effectiveness of operations and economy of resources.

In the Board of Directors Meeting No. 9/2011 on December 15, 2011, they assessed its internal control system following the guidelines of five components which are:

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

The Board of Directors also got the comments from the Audit Committee and made any queries to the Management. In summary of the Board of Directors' opinion, internal control system of the Company was fairly adequate. In part of Internal Audit report, there were no significant control weaknesses affecting internal control system. Besides, the external auditor of the Company for year 2011, PricewaterhouseCoopers ABAS, did not have any material notices concerning internal control over financial reporting.

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

In addition, Internal Audit Department manned 7 persons with 1-25 years experience had a role and responsibility independently to review and evaluate the effectiveness of internal control, risk management, and governance processes including compliance with relevant regulations, especially the connected transactions. The Company's Internal Audit planned the schedule, policy and guideline for the year 2011 by auditing 2 times a year for each of all Dusit Thani hotels and 1 time a year for each of Dusit Princess hotels. Approximately over 60% of each audit assignment focused on financial audit and the rest concerned review on connected transactions and the relevant laws of hotel business, operational audit and the effectiveness of risk management process. For auditing at corporate office of the Company and its major subsidiaries, financial audit including the connected transactions review were performed about 1 time a year appropriately.

Since late 2006, the risk management team has been set up to study and implement ERM procedure according to the PWC's recommendations both at organization and hotel levels which will support the efficiency of the Company's internal control accordingly.

Related Transactions

1. The Company and subsidiaries have related transactions with the persons who may have the conflicts of interest during 2010 and 2011 as follows:

Transactions with the Company/Subsidiaries	Types of transactions	Balances/Value of transaction (Million Baht)		Details, conditions and their necessary
		2010	2011	
Dusit Thani Plc. and subsidiaries with Acme Printing Co., Ltd. by Mrs. Since Thienprasiddhi, the major shareholder.	Printed the calendar and annual report of the Company	1.93 / 2.26	1.93 / 2.54	The Company engaged Acme Printing Co., Ltd. by bidding process with other companies and comparing the offering price and conditions. The Company has selected the best company in order to meet the highest benefit to Company and without decision making by connected person.
Dusit Thani Plc. and subsidiaries with Peninsula Travel Service Co., Ltd. by Thanpuying Chanut Piyaoui's Group holding 20%	Buying air tickets for executives to travel for business expansion	- / 0.48	- / 0.07	Such transaction is to support the business with the normal course of business.

Transactions with the Company/Subsidiaries	Types of transactions	Balances/Value of transaction (Million Baht)		Details, conditions and their necessary
		2010	2011	
Dusit Thani Plc. and subsidiaries with MBK Plc. by Mr. Chanin Donavanik and Mrs. Sinee Thienprasiddhi, the shareholders	Management fee and other incomes	0.07 / 12.43	0.07 / 11.76	The conditions of pricing and services in sales and marketing are similar to those charged to other hotels in the group.
	Selling and administration expenses	0.06 / 0.42	- / 0.14	Prices and terms are in the normal business transaction.
	Medical expenses	- / 0.73	- / 0.23	Prices and terms are in the normal business transaction.
Dusit Thani Plc. and subsidiaries with Piyasiri Co., Ltd. by Thanpuying Chanut Piyaoui's Group, the major shareholder	Dividend and interest income	- / 0.45	- / 0.35	Prices and terms are in the normal business transaction.
	Selling and administrative expenses	- / 0.75	- / 5.85	Prices and terms are in the normal business transaction.

Transactions with the Company/Subsidiaries	Types of transactions	Balances/Value of transaction (Million Baht)		Details, conditions and their necessary
		2010	2011	
Dusit Thani Plc. and subsidiaries with Laguna Resorts and Hotels Plc. by the Company owning 0.74%	Management fee and other income	1.45 / 28.59	33.75 / -	Such transaction is calculated based on similar amount shared to other hotels and based on proportion of actual expenses, no margin added.
	Selling and administration expenses	- / 1.22	2.48 / -	Such transaction is calculated based on prices and terms charged to the third parties.
Dusit Thani Plc. and subsidiaries with JTB (Thailand) Co., Ltd by Mr. Chanin Donavanik, the shareholder.	Management fee and other income	- / -	0.50 / 4.31	The Company had travel-agent agreement with JTB (Thailand) to perform the guestroom sales, which generally support hotel business. Prices and terms are in the normal business transaction.
	Insurance expenses	- / 0.55	- / 0.33	Prices and terms are in the normal business transaction.
Dusit Thani Plc. and subsidiaries with The Navakij Insurance Plc. Co., Ltd by Professor Hiran Radeesri, the director				

The Audit Committee meeting No. 2/2012 had considered that the above related transactions are reasonable in pricing and conditions at the normal course of business.

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

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

In 2010 and 2011, the Company had transactions related to assets or services and financial supporting to subsidiaries which was in the normal course of business. The summary of conditions and compensations of market and fair values from financial supporting transactions to subsidiaries by changing in balances and outstanding of loans were as follows:

Subsidiaries	Changing balances (Million Baht)		Balances (Million Baht)		Detail of transactions
	2010	2011	2010	2011	
1. Devarana Spa Co., Ltd.	(1.30)	-	0.50	-	The Company provided short-term loans.
	0.01	-	0.001	-	The Company's interest income.
2. Le Cordon Bleu Dusit Co., Ltd.	(8.00)	(10.00)	22.00	12.00	The Company provided short-term loans.
	2.49	(0.61)	0.18	0.79	The Company's interest income.
3. Dusit Management Co., Ltd.	1.33	-	1.33	-	The Company provided short-term loans.
	0.001	-	0.001	-	The Company's interest income.

3. Standard or policies governing related transactions

The Company has set policies and conditions for related transaction as follows:

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

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

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

4. Policies or trend on future related transactions

The entering on future related transactions according to the standard mentioned above including related transactions with Acme Printing Co., Ltd., The Peninsula Travel Service Co., Ltd. and Dusit Thai Properties Plc. (formerly, Royal Princess Plc. / Dusit Hotels and Resorts Co., Ltd.) and/or other companies may conflict.

Audit Committee's Report

The Audit Committee comprises three Independent Directors: Prof. Hiran Radeesri as Chairman of the Audit Committee, Prof. Sansern Kraichitti and Khun Sakdi Kiewkarnkha as Committee Members.

During the year 2011, the Audit Committee met for 12 times. Each of Committee members attended the meeting as follows:

1) Prof. Hiran Radeesri	Chairman of the Audit Committee	12 times of attendance
2) Prof. Sansern Kraichitti	Committee Member	11 times of attendance
3) Khun Sakdi Kiewkarnkha	Committee Member	12 times of attendance

Audit Committee carried out their duties within the scope of its Charter as assigned by the Board of Directors. Audit Committee reported the performance for the year 2011 as follows:

1. Reviewing the quarterly and annual financial statements: Audit Committee invited external auditors and the management to attend the meetings considering financial reporting in conformity with the auditing standards and the general accepted accounting principles to ensure all financial reports presented fairly in all material respects and their relevant information and footnotes were disclosed adequately and reliably. The external auditors' observations and advices reported have been considered and led to improvement for the accounting controls. Audit Committee meets separately with the external auditors once a year. The external auditors confirmed that they performed the engagements objectively and independently and obtained a kind cooperation with the management. Vice President Finance & Accounting confirmed that the company's accounting systems were effective to ensure that collecting and recording data were complete and accurate according to the current accounting standard. As a result of such review and confirmation of external auditors and the management, Audit Committee agreed that the annual financial statements were presented in conformity with the general accepted accounting principles and disclosed adequately and reliably.
2. Reviewing internal control system: Audit Committee reviewed and evaluated the plan and the reports from internal audit department which there was no significant control weakness. Director of internal audit informed that internal control system was adequate to prevent and detect frauds. Furthermore, the external auditors reported that financial internal control of the company was adequate and appropriate. Audit Committee, therefore, agreed that internal control system was adequate and appropriate. Besides, Audit Committee also reviewed the plan and the report from the management regarding risk management activity. Audit Committee acknowledged that risk management system was under process.
3. Reviewing the disclosure of related transactions and compliance with SEC acts, SET rules & notifications and relevant laws: In 2011, Audit Committee was confirmed by the management that the company and management complied with relevant laws and regulations. Considering on the reports and confirmations from the responsible management as well as reviewing results, Audit Committee agreed to declare that the company complied with relevant laws and regulations and disclosed the related transactions correctly and accordingly.
4. Audit Committee performed activities according to its Charter without any limitation. Audit Committee has full and free access to any information. Audit Committee conducted the performance self-assessment with a good result. Audit Committee can also approve on the appointment, transfer and make the performance evaluation of Director of internal audit.
5. Nominating external auditors for the year 2012: Audit Committee evaluated the performance of external auditors and their independency last year with satisfactory result. Audit Committee found that all qualifications were met the SEC office requirements. Therefore, Audit Committee proposed the Board of Directors to recommend the shareholders meeting the nomination of Mrs. Nattaporn Phan-Udom or Mrs. Anothai Leekitwattana or Mrs. Unakorn Phruithithada of PricewaterhouseCoopers ABAS Limited as external auditors for the year 2012.



Professor Hiran Radeesri
Audit Committee Chairman

The Board of Directors' Responsibility for Financial Reports

The Board of Directors gives priority to and takes responsibility for the consolidated financial statements of the Company and its subsidiaries, as well as the financial information presented in the 2011 annual report. Hence, such financial statements has been prepared in accordance with the generally accepted accounting principles and standards under appropriate accounting policy and regular adherence with prudence, accuracy and completeness to reflect the true operating performance of the Company. In this regard, the Company has continuously reported the operating results and disclosed adequately key information with transparency to the Stock Exchange of Thailand for the benefit of the shareholders and general investors.

The Board of Directors has provided and maintained appropriate and efficient risk management, internal control, internal audit and supervision to ensure accurate, complete and adequate financial information for retention of assets and prevention of frauds or significant irregularities.

The Board of Directors has appointed the Audit Committee comprising three of Independent Directors to oversee and review the reliability and accuracy of the financial reports, including the internal control system that must be adequate and appropriate to ensure true reliability of such financial statements.

Name	Position	Signature
1. Mr. Chatri Sophonpanich	Chairman	
2. Mr. Chanin Donovanik	Managing Director	
3. Mrs. Sinee Thienprasiddhi	Executive Director of Finance	

Analysis of Operations and Financial Position

a. Summary of Audit Report

Auditors: PricewaterhouseCoopers ABAS Limited by

Mrs. Nattaporn Phan-Udom, Certified Public Accountant (Thailand) No. 3430

According to Auditor's report, the consolidated and separate financial statements for the year ended December 31, 2011 of Dusit Thani Plc. and its subsidiaries were reported with unqualified opinion that the financial position as at December 31, 2011, and the results of operations and cash flows for the year then ended of the Company and its subsidiaries presented fairly in all material respects in accordance with generally accepted accounting principles.

b. Summary of Consolidated Financial Statement

Summary of financial position and operating results of Company and subsidiaries for year ended December 31, 2011, comparing with those of year ended December 31, 2010.

Operation analysis

During 2010 - 2011, the Company had entered into many transactions which put impact on the financial statements for the years ended December 31, 2011 and 2010. Therefore, financial statements of both years may be based on different basis. In 2010, the Company has acquired Dusit Thani Laguna Phuket and later set up the Dusit Thani Freehold and Leasehold Property Fund (DTCPF) and transferred such purchased hotel to DTCPF, together with selling DusitD2 Hotel Chiangmai and leasing the land and building of Dusit Thani Hotel Hua Hin for 30 years as well as selling its furniture to DTCPF on December 24, 2010. DTCPF has the size of Baht 4,094 million, invested by the Company 30%. DTCPF was registered in The Stock Exchange of Thailand on January 13, 2011. From these transactions, the Company had the loss on sales of DusitD2 Hotel Chiangmai for Baht 22.41 million and the gain on sales of furniture of Dusit Thani Hotel Hua Hin for Baht 53.56 million. In addition, the Company sold Royal Princess Larn Luang in Q4, 2010, had gain on such selling of Baht 467.47 million. However, there was an impairment loss of property, premises and equipment of Dusit Princess Korat and the land in Chiangmai of Dusit Thai Properties Public Company Limited totaling Baht 86.29 million.

In 2011, the Company sold property, premises and equipment of Rommanee Court in Chiangmai, and gained on such selling of Baht 39 million. Also Dusit Thai Properties Public Company Limited has set up the new company, DMS Property Investment Private Limited

(DMS) to invest in the five-star resort, with 100 villas, in Mudhdhoo Island, Maldives. DMS has the registered capital of USD 38.50 million, of which Dusit Thai Properties Public Company Limited holds 55%, a subsidiary of MBK Public Company Limited holds 30%, Khun Chatri Sophonpanich holds 10%, and Coastline Investment Private limited holds the rest 5%. In addition, DMS has borrowed the money from a financial institution in the amount of USD 40 million, proportionately guaranteed by its shareholders. Currently, hotel is in the process of finishing and decorating. Thirty villas are now fully operated in February 2012, while the whole project is expected to inaugurate by March 2012. These consolidated financial statements included the financial statements of DMS including pre-opening expenses of Baht 65 million.

Summary of Operating Performance in 2011

For the 9-month period of 2011, total revenue was Baht 2,966.21 million, increased by 37.53% from the same period of 2010. The net profit was Baht 95.19 million, increased by 145.58%.

In the last quarter of 2011, the high season, which the Company normally gains highest income compared to other quarters. Unfortunately, the hotel business was badly affected by the heavy floods, causing lose in revenue by over Baht 200 million, while the Company had to bare all fixed costs. Because of the long period of flooding, the shipment of equipments and supplies which are purchased from Thailand for finishing and decorating the hotel in Maldives then delayed. Some items had to buy from other countries instead. These factors caused this hotel not to be able to open in time, resulting to the rising pre-opening expenses and creating the performance of Q4, 2011 to net loss at the end.

Therefore, in 2011 the Company's result of operation presented net profit of Baht 31.04 million, representing Baht 0.37 per share.

Currently, the Company and subsidiaries operate hotel business which own hotels located in Thailand and overseas 9 hotels and manage hotels under brands "Dusit Thani", "dusitD2" and "Dusit Princess" 5 hotels. Besides hotel business and manage hotel business which are the main objectives, the Company and subsidiaries have operated other related business in order to consistently increase and/or support its revenues and hotel business as follows:

1. Office Building: the Company had renovated and decorated its office building to increase its rental rate and resize renting space for each room.
2. Spa Business: the subsidiary has 5 spas located at Dusit Thani Bangkok, Dusit Thani Pattaya, Dusit Thani Hua Hin, dusitD2 Chiang Mai, Dusit Thani Manila and Il Salviatino Hotel in Florence, Italy. This subsidiary has been rewarded from many leading institutions with its certified services quality.

3. Education: Dusit Thani College, Bangkok campus and Chonburi campus
Dusit Thani College has registered under Private Higher Educational Institutions Act B.E. 2522, its financial statements, is therefore not included in the consolidated financial statements of the Company. Currently, Dusit Thani College has potential growth rate in its performance.
4. Training Business for Company's entities and public: Dusit Executive Development Center Company Limited.
5. Culinary School: Le Cordon Bleu Dusit Company Limited.

Analysis of Operations and Financial Position

Operation analysis

The performance of the Company for the year ended December 31, 2011 compared with the year ended December 31, 2010 was summarized in table below:

Descriptions	Unit : Million Baht			
	2011	2010	Changes	%
Revenue from sales and services	3,492.41	2,797.30	695.11	24.85
Cost of sales and services	(2,358.22)	(1,755.45)	(602.77)	34.34
%	67.52	62.76		
Depreciation and amortization	(352.45)	(476.61)	124.16	26.05
Gross profit	781.74	565.24	216.50	38.30
%	22.38	20.21		
Other incomes	225.02	240.67	(15.65)	6.50
Total expenses	(1,167.55)	(1,160.35)	(7.20)	0.62
Operating profit (loss)	(160.79)	(354.44)	193.65	54.64
Interest income	4.07	2.06	2.01	97.57
Dividend income	24.26	13.89	10.37	74.66
Deferred rental income	25.44	0.56	24.88	-
Gain on sales of property, premises and equipment	39.55	504.15	(464.60)	-
Net revenue from assets hold for sale	-	34.80	(34.80)	-
Share of profit from investment in associate	111.81	6.88	104.93	-
Profit (loss) before income tax	44.34	207.90	(163.56)	-
Income tax expenses	(37.27)	(72.28)	35.01	-
Net profit (loss) before minority interests	7.07	135.62	(128.55)	-
Minority interests	23.97	(27.52)	51.49	-
Net profit (loss)	31.04	108.10	(77.06)	-

The Company and subsidiaries have main revenues from hotel business and management services which are the key revenues. The other incomes consist of shop rental in hotels, advertising-printed material, marketing fees from managed hotels, etc. The proportion of revenues of the Company and subsidiaries can summarize as follows:

Unit: Million Baht

Revenues Structure	2011		2010	
	Revenues	%	Revenues	%
1. Revenue from sales and services				
a. Hotel Business	3,432.53	87.51	2,737.13	76.03
b. Office Building	59.88	1.52	60.17	1.67
Total	3,492.41	89.03	2,797.30	77.70
2. Management service income	62.75	1.60	82.03	2.28
3. Gain on sale of property, premises and equipment	39.55	1.01	504.15	14.00
4. Net revenue from assets held for sale	-	-	34.80	0.96
5. Share of profit from investment in associate	111.81	2.85	6.88	0.19
6. Deferred rental revenue	25.44	0.65	0.56	0.02
7. Interest income	4.07	0.10	2.06	0.06
8. Dividend income	24.26	0.62	13.89	0.39
9. Other income	162.27	4.14	158.64	4.40
Total Revenues	3,922.56	100.00	3,600.31	100.00

Total revenue for year 2011 increased from year 2010 by Baht 322.25 million, or 8.95%

Operation analysis for each business

1. Revenues from sales and services

1.1 Hotel Business

- Dusit Thani Hotels Group increased by Baht 184.72 million, or 10%, consisting of revenues from Dusit Thani Hotel Bangkok increased by Baht 112.12 million, or 17%, Dusit Thani Pattaya increased by Baht 53.08 million, or 12%, Dusit Thani Manila increased by Baht 19.57 million, or 3%.

- Dusit Princess Hotels Group decreased by Baht 84.60 million, or 20%, resulting from Dusit Thai Properties Plc. sold Royal Princess Larn Luang Hotel. Moreover, Dusit Princess Srinakarin Hotel had revenues decreased by Baht 14.37 million, or 8%, while Royal Princess Chiang Mai increased by Baht 15.15 million, or 25% and Dusit Princess Korat Hotel increased by Baht 10.53 million, or 12%.

- Hotels under Dusit Thani Freehold and Leasehold Property Fund (DTCPF), their revenues increased by Baht 570.22 million, or 137%. Major revenues came from Dusit Thani Laguna, Phuket which is the first year including the amount of Baht 505.41 million. In addition, revenues from Dusit Thani Hua Hin increased by Baht 35.40 million, or 11% and DusitD2 Hotel, Chiang Mai increased by Baht 29.41 million, or 48%.

1.2 Other Businesses

- Revenues from office building business, spa, education, training and others increased by Baht 24.77 million, or 16%.

2. Other income

The Company had other income decreased from 2010 by Baht 15.65 million, or 6.50%, major decreased resulting from management service income since 2010, the Company had management service income from Dusit Thani Laguna Phuket, but in 2012, such hotel is owned by the subsidiary, therefore, such revenues is eliminated. Moreover, one managed hotel in Middle East terminated its management agreement and changed to franchise agreement. The management agreement of Dusit Princess Koh Chang is also terminated. Because of these reasons, in 2011, management service income of the Company decreased.

3. Cost of sales and services

Cost of sales and services of the Company was 67.52 % of total revenue from sales and services, increased when compared with 2010 of 62.76% of total revenue from sales and services. Cost of sales for 2011 included rental of land and building of 3 hotels from DTCPF and the guaranteed rental to DTCPF by the Company in the amount of Baht 87 million.

Revenues from sales and services after deducting cost of sales and services, depreciation and amortization, the Company had gross operating profit of Baht 781.74 million increased from 2010 by 38.30%.

4. Expenses

The Company had the total expenses increased by Baht 7.20 million, or 0.62% comprised the following:

- Selling expenses, in 2011 the Company had marketing, promotion and advertising expenses increased from Dusit Thani Laguna Phuket by Baht 16.16 million and from other hotels and other business by Baht 7.76 million. Where the decreased selling expense came from selling

of Royal Princess Larn Luang in 2010 by Baht 5.70 million. Therefore, total selling expenses increased by Baht 18.22 million.

- Administrative expense in 2011 increased by Baht 107.49 million, major resulting from the administrative expenses of Dusit Thani Laguna Phuket by Baht 73.63 million, the pre-opening expenses of Dusit Thani Maldives of Baht 64.52 million and the administrative expenses of other hotels and other businesses decreased by Baht 33.16 million.

- Loss on impairment of property, premises and equipment decreased by Baht 84.35million because in 2010, the Company had already reserved such impairment for their assets.

- Depreciation and amortization expenses decreased by Baht 7.84 million as assets used in management departments are already fully depreciated but still in used.

- Financial expenses decreased by Baht 26.32 million because of repayment of loan principals during the year.

5. Profit or loss from operating

The Company had loss from operation for 2011 in the amount of Baht 160.79 million, while in 2010 was Baht 354.44 million, loss from operating decreased by Baht 193.65 million, or 54.64%.

6. Other incomes and gains

The Company had other incomes and gains in the amount of Baht 205.13million, consisting of interest income of Baht 4.07 million, dividend income of Baht 24.26 million, deferred rental revenue of Baht 25.44 million, gain on sale of property, premises and equipment – Rommanee Court in Chiang Mai and equipments of other hotels of Baht 39.55 million, and share of profit from investment in DTCPF of Baht 111.80 million.

7. Income tax

The Company had income tax of Baht 32.27 million, decreased from 2010 by Baht 35.01 million.

8. Net profit

The Company had net profit of Baht 31.04 million, decreased from 2010 by Baht 77.06 million as follows:

Unit: Million Baht

Transactions	Amount
Gross profit increased	216.50
Revenue increased:	
- Deferred rental revenue	24.88
- Share of profit from investment in associate (from invested 30% in DTCPF)	104.93
- Other income; interest income and dividend	16.01
Revenue decreased:	
- Management service income (in 2010, related party transactions of Dusit Thani Laguna, Phuket was eliminated of Baht 28.43 million)	(19.28)
- Gain on sales of property, premises and equipment (in 2011 from sales of Rommanee Court, in 2010 from Royal Princess Larn Luang, Dusit Thani Hua Hin and Dusit D2 Chiang Mai)	(464.60)
- Net revenue from assets held for sale (from Dusit Thani Laguna, Phuket during October 12, 2010 to December 23, 2010)	(34.80)
Expenses increased:	
- Selling and administrative expenses	(125.70)
Expenses decreased:	
- Loss on impairment of property, premises and equipment	84.35
- Depreciation and amortization	7.83
- Interest expenses	26.32
Income tax expenses decreased from 2010	35.01
Non-Controlling interest decreased	51.49
Net profit decreased	(77.06)

Return on Equity

The return on equity of the Company and subsidiaries for 2010 and 2011 were 2.78% and 0.79%, respectively. The Company had continually paid dividend to the shareholders and had policy to pay dividend not less than 50% of basic earnings per share. Even though, in 2011, the Company had net profit less than 2010, the Company continually considered paying dividend to the shareholders from the retained earnings totaling Baht 42.50 million.

Financial Analysis

Total Assets

As at December 31, 2010 and 2011, the Company and subsidiaries had total assets amounted to Baht 6,095.48 million and Baht 8,341.34 million, respectively, increased by Baht 2,245.86 million, or 36.84%, consisting of the following:

Current assets increased from 2010 by Baht 334.25 million as follows:

Cash and cash equivalent

As at December 31, 2010 and 2011, cash and cash equivalent were Baht 377.42 million and Baht 590.23 million, respectively, increased from 2010 by Baht 212.81 million, resulting from cash and cash at banks increased by Baht 86.81 million and short-term investment increased Baht 126 million.

Trade accounts receivable

As at December 31, 2010 and 2011, the Company and subsidiaries had trade accounts receivable - net of Baht 255.39 million and Baht 262.62 million, respectively. Trade accounts receivable increased by Baht 7.23 million.

Trade accounts receivable are classified by aging as follows:

Outstanding amount	Unit: Million Baht		
	December 31, 2009	December 31, 2010	December 31, 2011
- Less than 3 months	157.01	251.00	256.71
- More than 3 months	20.36	19.15	20.14
Total trade accounts receivable	177.37	270.15	276.85
<u>Less:</u> Allowance for doubtful accounts	(9.44)	(14.76)	(14.23)
Trade accounts receivable - net	167.93	255.39	262.62

The Company and subsidiaries have policy to set up the allowance for doubtful accounts based on the actual of non - collection amount and estimated from the collecting experience of prior years, including aging analysis and the percentage of collecting such receivable.

As at December 31, 2011, the Company and subsidiaries had receivables more than 3 months of Baht 20.14 million which mostly were agents. The Company and subsidiaries had set up the allowance for doubtful accounts totaling Baht 14.23 million, which were sufficient for their operations.

Inventories

As at December 31, 2010 and 2011, the Company and subsidiaries had inventories of Baht 69.68 million and Baht 73.12 million, respectively, increased by Baht 3.44 million. Most inventories are food and beverage, engineering supplies and other supplies.

Short-term loans to related companies

As at December 31, 2010 and 2011, the Company and subsidiaries had short-term loans to related companies of Baht 11.00 million and Baht 6.00 million, respectively, decreased by Baht 5.00 million because of loan settlement from related companies in 2011.

Prepaid rental of land and buildings

As at December 31, 2010 and 2011, the Company and subsidiaries had prepaid rental of land and buildings of Baht 74.07 million and Baht 89.82 million, respectively. The increase was Baht 15.75 million. This prepaid rental of land and buildings of the Company paid to The Crown Property Bureau of Baht 74.07 million and of DMS Property Investment Private Limited of Baht 15.75 million.

Deposit at bank with collateral

As at December 31, 2011, the Company and subsidiaries had deposit at bank with collateral of Baht 47.25 million from DMS Property Investment Private Limited.

Other current assets – net

As at December 31, 2010 and 2011, the Company and subsidiaries had other current assets – net of Baht 241.75 million and Baht 294.52 million, respectively, increased by Baht 52.77 million, consisting of the advances for asset before opening Dusit Maldives Hotel.

Other-Non Current Assets increased from year 2010 by Bath 1,911.61 million, consisted of the following:

Available-for-sale investments

As at December 31, 2010 and 2011, the Company and subsidiaries had available-for-sales investment of Baht 305.07 million and Baht 266.29 million, decreased by Baht 38.78 million, as the decreased of fair value of such investment at year end.

Investment in associate

As at December 31, 2010 and 2011, the Company and subsidiaries had invested in associate of Baht 1,235.08 million and Baht 1,302.78 million, respectively, increased by Bath 67.70 million from additional investment and share of profit from investment in DTCPPF of Baht 67.70 million.

The Company had invested in Dusit Thani Freehold and Leasehold Property Fund (DTCPF) of 30% in December 2010.

Investment property

As at December 31, 2010 and 2011, the Company and subsidiaries had investment property of Baht 311.63 million and Baht 297.71 million, respectively, decreased by Baht 13.92 million, resulting from depreciation of rental - office buildings.

Property, premises and equipment – net

As at December 31, 2010 and 2011, the Company and subsidiaries had property, premises and equipment – net of Baht 2,482.03 million and Baht 4,314.58 million, respectively, increased by Baht 1,832.55 million. Major increases resulted from the leased land of 5-star resort and equipment which are under construction before its opening of Dusit Thani Maldives of Baht 1,924.67 million, depreciation of Baht 196.14 million. In 2011, the hotel renovation of the Company and subsidiaries of Baht 104.02 million which was amortized according to its leased agreement.

Prepaid rental of land and buildings – net

As at December 31, 2010 and 2011, the Company and subsidiaries had prepaid rental of land and building – net of Baht 462.92 million and Baht 530.61 million, respectively, increased by Baht 67.69 million resulted from the prepaid for leased land of DMS Property Investment Private Limited of Baht 157.51 million, net from amortization according to leased period of land and buildings of the Company paid to The Crown Property Bureau of Baht 74.07 million and of DMS Property Investment Private Limited of Baht 15.75 million.

Intangible assets – net

As at December 31, 2010 and 2011, the Company and subsidiaries had intangible assets – net in the amount of Baht 45.07 million and Baht 42.86 million, respectively, decreased by Baht 2.21 million, resulting from the amortization according to the useful lives of computer software.

Other non-current assets – net

As at December 31, 2010 and 2011, the Company and subsidiaries had other non-current assets – net in the amount of Baht 6.67 million and Baht 5.24 million, respectively, decreased by Baht 1.42 million, resulting from the amortization according to the leasehold rights, deposit and others.

Total Liabilities

As at December 31, 2010 and 2011, the Company and subsidiaries had total liabilities of Baht 1,893.00 million and Baht 3,768.59 million, respectively, increased by Baht 1,875.59 million, or 99.08%, as follows:

Bank overdrafts and short-term loans from financial institutions

As at December 31, 2010 and 2011, the Company and subsidiaries had bank overdrafts and short-term loans from financial institutions of Baht 197.00 million and Baht 822.40 million, respectively, increased by Baht 625.40 million, from additional borrowing by the Company of Baht 639.40 million and repayment by subsidiaries of Baht 14.00 million.

Trade accounts payable

As at December 31, 2010 and 2011, the Company and subsidiaries had accounts payable of Baht 151.51 million, and Baht 153.06 million, increased by Baht 1.55 million.

Current portion of long-term loans

As at December 31, 2010 and 2011, the Company and subsidiaries had current portion of long-term loans of Baht 36.52 million and Baht 20.61 million, respectively. The decrease of Baht 15.91 million resulted from repayment by subsidiaries.

Short – term loan from related companies

As at December 31, 2010 and 2011, the Company and subsidiaries had short – term loan from related companies of Baht 15.00 million, and Baht 6.00 million, respectively, decreased by Baht 9.00 million which repaid principal by subsidiaries.

Other current liabilities

As at December 31, 2010 and 2011, the Company and subsidiaries had other current liabilities totaling Baht 613.61 million and Baht 887.80 million, respectively, increased by Baht 274.19 million, comprised the following:

Payables-assets acquisition for renovation work and other payables increased by Baht 92.47 million, accrued expenses increased by Baht 32.61million, deposit and other current liabilities increased by Baht 65.20 million. The Company had the 1st year - liabilities under rental guaranteed to DTCPP of Baht 87.70 million and accrued income tax decreased by Baht 3.79 million.

Other non-current liabilities increased from year 2010 by Baht 999.36 million.

Long-term liabilities under financial lease agreements and long-term loans

As at December 31, 2010 and 2011, the Company and subsidiaries had long-term liabilities under financial lease agreements and long-term loans of Baht 120.21 million and Baht 1,017.61 million, respectively, increased by Baht 896.85 million. The increase resulted from long-term under financial lease agreement of subsidiaries increased by Baht 0.79 million and long-term loans of DMS Property Investment Private Limited by Baht 964.26 million and Philippine Hoteliers, Inc. repaid its borrowing of Baht 68.20 million.

Deferred rental revenue

As at December 31, 2010 and 2011, the Company and subsidiaries had deferred rental revenue of Baht 737.01 million and Baht 711.58 million, respectively, decreased by Baht 25.43 million because of the deferred rental revenue received from DTCPP during the year.

Retirement benefit obligation

As at December 31, 2011, the Company and subsidiaries started recording retirement benefit obligation which was Baht 129.26 million.

Other non-current liabilities

As at December 31, 2010 and 2011, the Company and subsidiaries had non-current liabilities of Baht 15.23 million and Baht 13.92 million, respectively, decreased by Baht 1.32 million.

As at December 31, 2010, the borrowings are as follows:

		Unit: Million Baht	
	Limitation	Balance	Interest rate
1. Bank overdrafts	89.00	-	MOR
2. Short-term loans			
- Dusit Thani Plc.	300.00	-	Be specified by Bank
- Dusit Thani Plc.	450.00	-	MMR
- Dusit Thani Plc.	150.00	-	MMR
- Dusit Thani Plc.	300.00	116.00	Be specified by Bank
- Dusit Thani Plc.	800.00	534.00	MMR
- Dusit Thani Plc.	350.00	172.40	MMR
- Dusit Thai Properties Plc.	200.00	-	MMR
- DMS Property Investment Pvt Ltd. (1)	47.25	-	LIBOR 6 months + 3.425%
3. Long-term loans			
- Philippine Hoteliers, Inc. (2)	364.32	51.50	4.1615%
- DMS Property Investment Pvt Ltd. (1)	1,212.75	964.26	LIBOR 6 months + 3.425%
Total	4,174.32	1,838.16	

- (1) DMS Property Investment Private Limited had short-term and long-term loans of USD 1.50 million and USD 38.50 million, respectively by contracting short-term loans with a financial institution in Thailand for working capital and contracting long-term loans with a financial institution in Thailand for repayment according to sale and purchase agreement and for acquiring operating assets, furniture, installation of fixture and equipment and pre-opening expenses and others. Such loan limitation was pledged by total securities – share certificate of DMS Property Investment Private Limited totaling 38.50 million shares and guaranteed by the Company and other 3 shareholders of this company. The short-term loan has not been withdrawn, while long-term loan has already been withdrawn of USD 30.61 million.
- (2) Limitation of long-term loans of Philippine Hoteliers, Inc. was Peso 510 million.

Equity

As at December 31, 2010 and 2011, total equity was Baht 4,202.48 million and Baht 4,572.75 million, respectively. As at December 31, 2011, the unappropriated retained earnings of the Company was Baht 1,159.45 million and debt to equity ratio was 0.82:1. Total equity attributable to owners of the parent was Baht 3,876.60 million and book value was Baht 45.86 per share.

As at December 31, 2011, the treasury common stocks in the statements of financial position were 471,500 treasury common stocks of Dusit Thani Properties Co., Ltd. which had a carrying value of Baht 15.74 million.

Cash flows

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

	Unit: Million Baht		
	2009	2010	2011
Net cash flow provided by operating activities	654.09	463.43	402.77
Net cash flow provided by (used in) investing activities	(279.65)	342.62	(2,058.99)
Net cash flow used in financing activities	(301.10)	(820.51)	1,864.80
Effect of exchange rate changes on cash	(1.93)	(4.30)	4.24
Net increase (decrease) in cash flow	71.41	(18.76)	212.82

The Company and subsidiaries have cash flows for 2010 compared with 2011 as follows:

Net cash flows from operating activities of Baht 402.77 million; decreased by Baht 60.66 million resulted from decreased in operating profit of Baht 109.03 million, prepaid rental by DMS Property Investment Private Limited of Baht 47.25 million, renovation of Dusit Thani Maldives of Baht 115.59 million, cash received from trade accounts receivable increased by Baht 89.05 million, cash received from receivable from sales of Royal Princess Larn Luang of Baht 30.00 million, liabilities under rental guaranteed to DTCPPF of Baht 87.70 million and other current liabilities increased by Baht 4.46 million.

Net cash flow used in investing of Baht 2,058.99 million, increased by Baht 2,401.61 million, resulted from investing in acquiring assets to renovate and decorate Dusit Thani Maldives and other hotels of Baht 1,717.58 million, cash payment for prepaid rental by DMS Property Investment Private Limited of Baht 149.96 million, dividend received from DTCPPF of Baht 45.11 million, cash received from selling of property, premises and equipment of Rommanee Court in Chiang Mai of Baht 48.46 million, and cash received from others of Baht 3.33 million. While in 2010, there were cash receive for deferred rental revenue from DTCPPF of Baht 763.00 million, cash received from the following 3 transactions: sales of dusitD2 Hotel in Chiang Mai, sales furniture of Dusit Thani Hua Hin to DTCPPF on December 24, 2010 and sales of Royal Princess Larn Luang, totaling Baht 1,095.17 million and cash payment for acquiring investment unites in associate of Bath 1,227.20 million.

Net cash flows used in financing activities of Baht 1,864.80 million, increased by Baht 2,685.31 million, due to during 2011, cash received from loans of DMS Property Investment Private Limited of Baht 918.06 million, share subscription received from non-controlling interest in DMS Property Investment Private Limited of Baht 519.61 million, short-term loan from financial institution increased by Baht 675.40 million, and repayment of long-term loan of the Company and subsidiaries by Baht 588.55 million, payment for interest decreased by Baht 25.97 million, while dividend paid increased by Baht 37.13 million and repayment of loan to related company and others of Baht 5.15 million.

The Liquidity Ratios

		2009	2010	2011
Current Ratio	times	1.16	1.02	0.72
Quick Ratio	times	0.71	0.64	0.45

The Company's current ratio and quick ratio for 2011 were decreased from 2010 because cash from operations increased by Baht 212.82 million, trade accounts receivable increased by Baht 7.23 million, deposit at bank with collateral of DMS Baht 47.25 million, while current liabilities increased because in 2011, the Company had short-term loan increased by Baht 625.40 million, liabilities under rental guaranteed to DTCPF of Baht 87.70 million, payables-assets acquisition to renovate and decorate Dusit Thani Maldives and other hotels of the Company and subsidiaries of Baht 88.29 million. Even though the liquidity ratios of the Company decreased, and if the Company needs more investment, the Company can borrow more from financial institutions. This is because the debt to equity ratio of the Company is low.

Solvency Ratios

		2009	2010	2011
Debt to Equity Ratio	times	0.39	0.27	0.66
Time-Interest Earned Ratio	times	(1.04)	5.48	3.21

As at December 31, 2011, the Company and subsidiaries had debt to equity ratio equal to 0.66 times and as at December 31, 2010 equaled to 0.27 times (such liabilities excluded deferred rental revenue). The main reason for increasing in such ratio were part of liabilities of the Company and subsidiaries, there were additional borrowing for hotel renovation and decoration – Dusit Thani Maldives and hotels of the Company and subsidiaries, and for working capital totaling Baht 1,858.80 million which partially paid during the year. Moreover, there were payable – asset acquisition for renovation and decoration – Dusit Thani Maldives and hotels of the Company and subsidiaries increased by Baht 88.29 million, liabilities under rental guaranteed to DTCPF of Baht 87.70 million, and retirement benefit obligation of Baht 129.26 million. However, the above mentioned ratio was lower than the ratio specified in loan agreements which is to maintain the debt to equity ratio to not more than 1.75:1. The time-interest earned ratio was 3.21 times, decreased from 2010 because the Company and subsidiaries had decreased in operating profit. However, the Company still has ability to pay interest when it dues.

Profitability Ratios

		2009	2010	2011
Net profit margin	%	(3.54)	3.00	0.79
Return on Equity (ROE)	%	(2.80)	2.78	0.79

In reference to the above ratios, the Company had net profit margin at 0.79% of total revenues, and return on equity (ROE) was at 0.79%, decreased from 2010. In 2011, the Company and subsidiaries had decreased in operating profit because of including of preopening expenses of Dusit Thani Maldives, while in 2010, there was gain on sales of assets to DTCPF and gain on sales of Royal Princess Larn Luang. Therefore the profitability ratios were decreased when compared with 2010.

Efficiency ratio for the operations

		2009	2010	2011
Return on Assets (ROA)	%	(0.93)	4.35	0.89
Return on Fixed Assets	%	12.51	20.91	12.17
Assets turnover	%	0.53	0.62	0.54

Efficiency ratio for the operations for 2011: return on assets was 0.89%, decreased from 2010, because in 2011, the Company and subsidiaries had net profit decreased. However, the Company still has to continually invest in fixed assets, for instance decoration of Dusit Thani Maldives, renovation hotels and their restaurants. These assets will be sufficient in generate revenues to receive higher return in future years.

Factors affects to the future operations or financial positions

a. Outside factor affects to the hotel business

The operations of hotel business of the Company and subsidiaries directly depended on the tourism environment which are affected by many outside and uncontrollable factors, such as terrorism, political crisis, disaster or decease, etc. In the past, such outside factors had directly affected to the operation of the Company only for a short period. Since 2008 continuing to 2010, the Company and subsidiaries were affected by political crisis in Thailand. In September 2011, the hotel business was badly affected by the heavy floods. These factors impacted on operation of hotels in Thailand and are difficult to recover. The major business of the Company is hotel

operations and 79% of total revenues were from hotels operated in Thailand, so it significantly impacted on the operation of the Company. However, the Company has set up the policies to prevent those effects by insuring with the insurer for all risks and business interruption, and terrorism in order to reduce the effect from such risk and expands investment and management hotels in overseas and in many regions.

b. Management business

The management of new hotels by the Company and subsidiaries has delayed the operating from the projected date plus the effect of economic environment to hotel business in United Arab Emirates in late 2009 that caused the missing expected revenues. The Company expects that the impact of such economic will continue to the next few years.

c. Impairment of property, premises and equipment

With the high competitive and regression of tourism industry, while the number of tourists are continually decreased, the Company, therefore considers about its hotel impairment of property, premises and equipment by engaging the independent appraiser to appraise, based on discounted cash flows of all hotel owned by the Company and subsidiaries. In case the carrying value of such property, premises and equipment is less than such appraised, based on discounted cash flows, the Company, therefore, recognizes loss on impairment of property, premises and equipment as an expense.

Remuneration for Auditors

In 2011, the Company paid audit fees to auditors as follows:

1. The audit fee of the Company and subsidiaries in Thailand paid to PricewaterhouseCoopers ABAS totaling Baht 3.51 million.
2. The audit fee of subsidiary in Philippines paid to Isla Lipana & Co. (a member firm of PricewaterhouseCoopers), Makati Cty, Philippines, totalling Peso 0.67 million.
3. The non-audit fee for other services: consulting fee for due diligence before investing in overseas projects, totaling GBP 32,300.

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 2011 and 2010, and the related consolidated and separate statements of income, comprehensive 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 2011 and 2010, 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.



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

Bangkok
27 February 2012

Dusit Thani Public Company Limited and Subsidiaries
Statements of Financial Position
As at 31 December 2011 and 2010

		Consolidated		Company		Baht
		financial statements		financial statements		
	Notes	2011	2010	2011	2010	
			(Restated)		(Restated)	
ASSETS						
Current Assets						
Cash and cash equivalents	6.1	590,233,725	377,415,418	126,179,211	180,844,300	
Trade accounts receivable - net	7	262,622,280	255,388,882	107,813,759	148,002,491	
Inventories - net	8	73,116,136	69,683,855	25,792,807	25,162,132	
Short-term loans to related companies	30.3	6,000,180	11,000,330	12,000,000	23,828,900	
Prepaid rental of land and buildings	14	89,817,390	74,066,640	74,066,640	74,066,640	
Deposit at bank with collateral	13	47,252,250	-	-	-	
Other current assets - net	9.1	294,516,551	241,749,892	148,202,099	288,179,987	
Total Current Assets		1,363,558,512	1,029,305,017	494,054,516	740,084,450	
Non-Current Assets						
Available-for-sale investments	10	266,293,475	305,070,400	243,498,500	278,982,100	
Investment in associate	30.1	1,302,779,562	1,235,075,256	1,229,202,500	1,228,200,000	
Investment in subsidiaries	30.1	-	-	899,074,034	896,074,066	
Investment in joint ventures	30.1	-	-	23,469,945	23,469,945	
Other long-term investments	11	217,715,882	217,715,882	-	-	
Investment property - net	12	297,708,004	311,630,822	256,449,805	274,787,250	
Property, premises and equipment - net	13	4,314,575,701	2,482,026,756	861,136,144	898,711,828	
Prepaid rental of land and buildings exceeding one year - net	14	530,606,610	462,916,500	388,849,860	462,916,500	
Intangible assets - net	15	42,864,792	45,069,818	41,925,576	43,504,075	
Other non-current assets - net	16	5,240,253	6,670,223	1,339,043	1,315,871	
Total Non-Current Assets		6,977,784,279	5,066,175,657	3,944,945,407	4,107,961,635	
Total Assets		8,341,342,791	6,095,480,674	4,438,999,923	4,848,046,085	

Dusit Thani Public Company Limited and Subsidiaries

Statements of Financial Position (Continued)

As at 31 December 2011 and 2010

		Consolidated		Company		Baht
		financial statements		financial statements		
	Notes	2011	2010	2011	2010	
			(Restated)		(Restated)	
LIABILITIES AND EQUITY						
Current Liabilities						
Bank overdrafts and short-term loans						
from financial institutions	17	822,400,000	197,000,000	822,400,000	183,000,000	
Trade accounts payable		153,055,507	151,507,936	51,471,237	80,655,603	
Current portion of long-term liabilities under						
financial lease agreements	18	449,295	200,731	254,341	18,969	
Current portion of long-term loans	19	20,610,799	36,518,585	-	-	
Short-term loan from related companies	30.3	5,999,820	14,999,550	-	1,092,310,000	
Current portion of deferred rental revenue	20	25,433,333	25,433,333	-	-	
Other payables		62,792,240	58,618,861	27,027,942	120,094,100	
Payables-Assets acquisition	6.2.1	166,758,240	78,466,205	27,639,038	59,428,748	
Accrued income tax		7,541,821	11,335,218	-	-	
Accrued expenses		286,049,293	253,443,939	78,764,209	109,451,184	
Liabilities under rental guaranteed		87,703,789	-	87,703,789	-	
Deposit received		97,401,552	80,508,782	40,439,330	35,365,851	
Others current liabilities		153,672,776	105,605,539	71,773,351	38,660,236	
Total Current Liabilities		1,889,868,465	1,013,638,679	1,207,473,237	1,718,984,691	
Non-Current Liabilities						
Long-term liabilities under financial lease						
agreements	18	1,272,599	477,080	990,474	-	
Long-term loans	19	1,015,787,914	119,734,785	-	-	
Unrealized gain on sales of assets held						
for sale	24	6,904,215	6,904,215	6,904,215	6,904,215	
Deferred rental revenue	20	711,575,889	737,009,224	-	-	
Retirement benefit obligation	25	129,260,687	-	60,926,211	-	
Other non-current liabilities		13,921,113	15,232,252	13,921,113	15,232,252	
Total Non-Current Liabilities		1,878,722,417	879,357,556	82,742,013	22,136,467	
Total Liabilities		3,768,590,882	1,892,996,235	1,290,215,250	1,741,121,158	

Dusit Thani Public Company Limited and Subsidiaries

Statements of Financial Position (Continued)

As at 31 December 2011 and 2010

	Notes	Consolidated		Company	
		financial statements		financial statements	
		2011	2010	2011	2010
			(Restated)		(Restated)
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	23.1	18,365,540	18,365,540	16,950,268	16,950,268
Retained earnings					
Appropriated					
Legal reserve	21	85,000,000	85,000,000	85,000,000	85,000,000
Other reserves	22 and 23.1	15,740,202	15,740,202	-	-
Unappropriated		1,159,452,363	1,268,130,035	452,945,667	373,492,490
Treasury common shares	21.1	(15,740,202)	(15,740,202)	-	-
Other components of equity		120,785,538	97,784,425	100,888,738	138,482,169
Equity attributable to					
owners of the parent		3,876,603,441	3,962,280,000	3,148,784,673	3,106,924,927
Non-controlling interests		696,148,468	240,204,439	-	-
Total Equity		4,572,751,909	4,202,484,439	3,148,784,673	3,106,924,927
Total Liabilities and Equity		8,341,342,791	6,095,480,674	4,438,999,923	4,848,046,085

Dusit Thani Public Company Limited and Subsidiaries

Statements of Income

For the years ended 31 December 2011 and 2010

				Baht	
		Consolidated financial statements		Company financial statements	
	Notes	2011	2010	2011	2010
Revenue from sales and services		3,492,412,640	2,797,305,140	1,333,443,724	1,471,631,909
Cost of sales and services					
Cost of sales and services		(2,358,218,729)	(1,755,454,039)	(836,607,531)	(937,851,297)
Cost of services - depreciation and amortization		(352,455,996)	(476,609,952)	(194,521,000)	(281,945,441)
Total cost of sales and services		(2,710,674,725)	(2,232,063,991)	(1,031,128,531)	(1,219,796,738)
Gross profit		781,737,915	565,241,149	302,315,193	251,835,171
Other incomes					
Management service income		62,754,647	82,033,045	57,307,303	48,384,624
Interest income		4,071,207	2,062,881	2,356,248	2,896,988
Dividend income		24,260,400	13,888,275	313,162,851	12,425,600
Compensation from termination of lease agreement before its termination date	13	-	-	-	90,736,935
Realized income from deferred rental revenue	20	25,433,333	557,443	-	-
Gain on sales of property, premises and equipment	13	39,552,622	504,152,425	39,361,957	4,952,542
Net revenue from assets held for sale	24	-	34,801,960	-	34,801,960
Share of profit from investment in associate		111,813,445	6,875,256	-	-
Other income		162,268,900	158,636,742	209,551,760	175,554,372
Total other incomes		430,154,554	803,008,027	621,740,119	369,753,021
Profit before expenses		1,211,892,469	1,368,249,176	924,055,312	621,588,192
Expenses					
Selling expenses		(342,212,584)	(323,993,467)	(209,200,896)	(192,492,602)
Administrative expenses		(766,296,350)	(658,807,880)	(475,826,098)	(444,937,649)
Loss on impairment of property, premises and equipment	13	(1,935,286)	(86,287,204)	-	-
Depreciation and amortization		(37,064,036)	(44,898,310)	(18,980,405)	(22,552,293)
Financial expenses		(20,044,946)	(46,360,818)	(30,970,905)	(26,523,421)
Total expenses		(1,167,553,202)	(1,160,347,679)	(734,978,304)	(686,505,965)
Profit (loss) before income tax		44,339,267	207,901,497	189,077,008	(64,917,773)
Income tax	26	(37,266,352)	(72,276,325)	-	-
Net profit (loss)		7,072,915	135,625,172	189,077,008	(64,917,773)
Attributable net profit (loss) to:					
- Equity holders of the parent		31,042,398	108,104,198	189,077,008	(64,917,773)
- Non-controlling interest		(23,969,483)	27,520,974	-	-
		7,072,915	135,625,172	189,077,008	(64,917,773)
Basic earnings (loss) per share					
- Equity holders of the parent	Baht	0.37	1.28	2.22	(0.76)
Weighted average number of ordinary shares	Shares	23.2	84,528,500	84,528,500	85,000,000

Dusit Thani Public Company Limited and Subsidiaries
Statements of Comprehensive Income
For the years ended 31 December 2011 and 2010

	Consolidated		Company	
	financial statements		financial statements	
	2011	2010	2011	2010
Net profit (loss)	7,072,915	135,625,172	189,077,008	(64,917,773)
Other comprehensive income (loss)				
Exchange differences on the translation of financial statements of subsidiaries	67,096,921	(14,358,498)	-	-
Gains (losses) on remeasuring available for sale investments	(38,776,925)	101,527,250	(35,483,600)	92,228,450
Actuarial gains (losses) on define employee benefit plan	(4,017,900)	-	(2,109,831)	-
Other comprehensive income (loss)	<u>24,302,096</u>	<u>87,168,752</u>	<u>(37,593,431)</u>	<u>92,228,450</u>
Total comprehensive income (loss)	<u>31,375,011</u>	<u>222,793,924</u>	<u>151,483,577</u>	<u>27,310,677</u>
Total comprehensive income (loss) attributable to:				
- Owners of the parent	54,043,511	197,008,424	151,483,577	27,310,677
- Non-controlling interests	<u>(22,668,500)</u>	<u>25,785,500</u>	<u>-</u>	<u>-</u>
	<u>31,375,011</u>	<u>222,793,924</u>	<u>151,483,577</u>	<u>27,310,677</u>

Dusit Thani Public Company Limited and Subsidiaries
Statements of Changes in Equity
For the years ended 31 December 2011 and 2010

Consolidated financial statements															Bath				
Notes	Attributable to owners of the parent																		
	Issued and paid-up share capital					Premium on ordinary shares		Paid-in surplus-treasury common shares		Retained earnings		Treasury common shares		Other components of equity		Total owners of the parent	Non-controlling interests	Total equity	
	Issued and paid-up share capital	Premium on ordinary shares	Paid-in surplus-treasury common shares	Treasury Legal reserve	Appropriated Other reserves	Unappropriated	Unrealized gain	Other comprehensive income	Exchange differences on the translation of financial statements of subsidiaries	Actuarial gains (losses) on defined employee benefit plan	Total								
	850,000,000	1,643,000,000	18,365,540	85,000,000	15,740,202	1,202,525,837	(15,740,202)	138,551,292	(129,671,093)	-	8,880,199	3,807,771,576	214,418,939	4,022,190,515					
Beginning balance : 1 January 2010																			
Changes in equity for the year																			
Dividend paid	27	-	-	-	-	(42,500,000)	-	-	-	-	-	-	-	-	(42,500,000)	-	-	(42,500,000)	
Total comprehensive income for the year		-	-	-	-	108,104,198	-	101,527,250	(12,623,024)	-	88,904,226	197,008,424	25,785,500	-	222,793,924				
Ending balance : 31 December 2010		850,000,000	1,643,000,000	18,365,540	85,000,000	15,740,202	1,268,130,035	(15,740,202)	240,078,542	(142,294,117)	-	97,784,425	3,962,280,000	240,204,439	4,202,484,439				
Beginning balance : 1 January 2011		850,000,000	1,643,000,000	18,365,540	85,000,000	15,740,202	1,268,130,035	(15,740,202)	240,078,542	(142,294,117)	-	97,784,425	3,962,280,000	240,204,439	4,202,484,439				
Adjustment from changes in accounting policy	3.13	-	-	-	-	-	(97,220,070)	-	-	-	-	-	-	-	(97,220,070)	(3,867,863)	(101,087,933)		
Balance after adjustment		850,000,000	1,643,000,000	18,365,540	85,000,000	15,740,202	1,170,909,965	(15,740,202)	240,078,542	(142,294,117)	-	97,784,425	3,865,059,930	236,336,576	4,101,396,506				
Changes in equity for the year																			
Dividend paid	27	-	-	-	-	(42,500,000)	-	-	-	-	-	-	-	-	(42,500,000)	(37,132,595)	(79,632,595)		
Non-controlling interests - increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	519,612,987	519,612,987		
Total comprehensive income for the year		-	-	-	-	31,042,398	-	(38,776,925)	65,795,938	(4,017,900)	23,001,113	54,043,511	(22,668,500)	-	31,375,011				
Ending balance : 31 December 2011		850,000,000	1,643,000,000	18,365,540	85,000,000	15,740,202	1,159,452,363	(15,740,202)	201,301,617	(76,498,179)	(4,017,900)	120,785,538	3,876,603,441	696,148,468	4,572,751,909				

Notes

Dusit Thani Public Company Limited and Subsidiaries
Statements of Changes in Equity (Continued)
For the years ended 31 December 2011 and 2010

	Company financial statements							Baht
	Issued and paid-up share capital	Premium on ordinary shares	Paid-in surplus-Treasury common shares	Retained earnings		Other component of equity		Total equity
				Appropriated Legal reserve	Unappropriated	Unrealized gain (loss) income	Actuarial gains (losses) on defined employee benefit plan	Total
Notes								
Beginning balance : 1 January 2010	850,000,000	1,643,000,000	16,950,268	85,000,000	480,910,263	46,253,719	-	3,122,114,250
Changes in equity for the period								
Dividend paid	-	-	-	-	(42,500,000)	-	-	(42,500,000)
Total comprehensive income for the year	-	-	-	-	(64,917,773)	92,228,450	-	27,310,677
Ending balance : 31 December 2010	<u>850,000,000</u>	<u>1,643,000,000</u>	<u>16,950,268</u>	<u>85,000,000</u>	<u>373,492,490</u>	<u>138,482,169</u>	<u>-</u>	<u>3,106,924,927</u>
Notes								
Beginning balance : 1 January 2011	850,000,000	1,643,000,000	16,950,268	85,000,000	373,492,490	138,482,169	-	3,106,924,927
Adjustment from changes in accounting policy	-	-	-	-	(67,123,831)	-	-	(67,123,831)
Balance after adjustment	850,000,000	1,643,000,000	16,950,268	85,000,000	306,368,659	138,482,169	-	3,039,801,096
Changes in equity for the year								
Dividend paid	-	-	-	-	(42,500,000)	-	-	(42,500,000)
Total comprehensive income for the year	-	-	-	-	189,077,008	(35,483,600)	(2,109,831)	151,483,577
Ending balance : 31 December 2011	<u>850,000,000</u>	<u>1,643,000,000</u>	<u>16,950,268</u>	<u>85,000,000</u>	<u>452,945,667</u>	<u>102,998,569</u>	<u>(2,109,831)</u>	<u>3,148,784,673</u>

Dusit Thani Public Company Limited and Subsidiaries

Statements of Cash Flows

For the years ended 31 December 2011 and 2010

		Consolidated		Company		Baht
		financial statements		financial statements		
	Notes	2011	2010	2011	2010	
Cash flows from operating activities						
Profit (loss) before income tax		44,339,267	207,901,497	189,077,008	(64,917,773)	
Items to reconcile:						
Realized income from deferred rental revenue	20	(25,433,333)	(557,443)	-		
Interest income		(4,071,207)	(2,062,881)	(2,356,248)	(2,896,988)	
Dividend income		(24,260,400)	(13,888,275)	(313,162,851)	(12,425,600)	
Bad debts and allowance for doubtful accounts (Reversal)		(6,904,498)	14,114,714	(8,204,578)	9,893,314	
Depreciation and amortization of property, premises and equipment	13	368,520,756	501,897,853	189,591,816	275,018,457	
Depreciation of investment property		13,922,818	11,363,893	18,337,445	15,950,465	
Amortization of prepaid rental of land and buildings	14	74,066,640	74,066,640	74,066,640	74,066,640	
Amortization of intangible assets	15	6,211,169	7,381,227	5,572,144	5,684,368	
Amortization of other non - current assets	16	865,289	865,289	-	7,844,444	
Employee benefit obligation		2,267,701	-	(8,307,451)	-	
Loss on impairment of investment in subsidiary		-	-	-	(2,996,701)	
Share of profit from investment in associate		(111,813,445)	(6,875,256)	-	-	
Compensation from the premature termination of contract		-	-	-	(90,736,935)	
Gain on sales of property, premises and equipment		(39,552,622)	(504,152,425)	(39,361,957)	(4,952,542)	
Loss on property, premises and equipment written off	13	3,510,246	9,980,795	2,783,905	6,679,185	
Loss on impairment of property, premises and equipment	13	1,935,286	86,287,204	-	-	
Loss on intangible assets written off	15	2	2	-	-	
Financial expenses		20,044,946	46,360,818	30,970,905	26,523,421	
Income from operations before changes in operating assets and liabilities		323,648,615	432,683,652	139,006,778	242,733,755	
(Increase) decrease in operating assets						
Trade accounts receivable		(5,608,138)	(94,658,720)	41,214,049	(54,892,559)	
Inventories		(2,903,303)	273,972	(630,675)	14,707,470	
Proceeds from refund of prepaid income tax		10,044,788	22,058,770	7,775,904	24,933,831	
Other current assets		(94,414,109)	(63,387,841)	149,688,059	(155,831,447)	
Other non-current assets		6,097,602	4,491,344	(23,172)	224,337	
Increase (decrease) in operating liabilities						
Trade accounts payable		321,039	24,742,833	(29,184,366)	22,773,699	
Other payables		4,173,381	14,763,774	(93,066,158)	73,858,072	
Accrued expenses		28,620,719	92,726,102	(32,540,278)	45,512,500	
Liabilities under rental guaranteed		87,703,789	-	87,703,789	-	
Other current liabilities		84,955,577	80,343,550	38,186,593	(210,384)	
Other non-current liabilities		(1,311,139)	653,755	(1,311,139)	653,755	
Cash provided by operating activities before income tax paid		441,328,821	514,691,191	306,819,384	214,463,029	
Payment for income tax		(38,554,978)	(51,263,407)	(9,032,592)	(5,146,341)	
Net cash provided by operating activities		402,773,843	463,427,784	297,786,792	209,316,688	

The notes to the financial statements from pages 12 to 73 are an integral part of these financial statements.

Dusit Thani Public Company Limited and Subsidiaries

Statements of Cash Flows (Continued)

For the years ended 31 December 2011 and 2010

	Notes	Consolidated		Company		Baht
		financial statements		financial statements		
		2011	2010	2011	2010	
Cash flows from investing activities						
Interest income		1,830,453	2,099,999	1,082,027	2,939,395	
Dividend income		24,260,400	13,888,275	313,162,851	12,425,600	
Dividend income received from associate		45,111,640	-	-	-	
Proceeds from repayment of loans to related companies	30.3	5,000,150	4,000,120	58,428,900	9,800,000	
Payment for loans to related companies	30.3	-	-	(46,600,000)	(1,828,900)	
Payment for purchase of shares in associate		(1,002,500)	(1,228,200,000)	(1,002,500)	(1,228,200,000)	
Payment for purchase of shares in a joint venture		-	-	-	(3,470,545)	
Payment for purchase of shares in subsidiaries		-	-	(2,999,968)	(999,993)	
Proceeds from sales of assets held for sale	13	-	2,619,767,962	-	2,619,767,962	
Payment for purchase of assets held for sale	13	-	(2,611,581,253)	-	(2,611,581,253)	
Payment for prepaid rental of land		(149,960,449)	-	-	-	
Proceeds from sales of property, premises and equipment		48,461,941	1,095,173,443	48,615,182	121,458,694	
Payment for purchase of property, premises and equipment	6.2.1	(2,028,688,767)	(311,104,518)	(194,300,970)	(169,745,202)	
Proceed from deferred rental revenue	18	-	763,000,000	-	-	
Proceeds from termination of lease agreement	13	-	-	-	441,000,000	
Proceeds from sales of intangible assets		-	583,010	-	116,035	
Payment for purchase of intangible assets	15	(4,006,145)	(5,005,504)	(3,993,645)	(4,163,204)	
Net cash provided by (used in) investing activities		(2,058,993,277)	342,621,534	172,391,877	(812,481,411)	

Statements of Cash Flows (Continued)

For the years ended 31 December 2011 and 2010

	Notes	Consolidated financial statements		Company financial statements		Baht
		2011	2010	2011	2010	
Cash flows from financing activities						
Decrease in bank overdrafts		-	(389,288)	-	-	
Proceeds from short-term loans from financial institutions		1,316,400,000	4,229,600,000	1,316,400,000	4,215,600,000	
Repayment for short-term loans from financial institutions		(691,000,000)	(4,279,600,000)	(677,000,000)	(4,279,600,000)	
Proceeds from short-term loans from related companies	30.3	-	-	-	1,092,310,000	
Repayment for short-term loan from related companies	30.3	(8,999,730)	(2,499,925)	(1,092,310,000)	-	
Payment for long-term liabilities under finance lease agreement	6.2.1	(497,917)	(1,455,726)	(316,154)	(691,362)	
Proceeds from long-term loans		918,057,866				
Repayment of long-term loans	19	(88,601,226)	(677,151,754)	-	(330,000,000)	
Proceed from share subscription by non-controlling interest in subsidiary		519,612,987	-	-	-	
Interest paid		(20,538,512)	(46,509,637)	(29,117,602)	(27,395,774)	
Dividends paid	27	(79,632,595)	(42,500,000)	(42,500,000)	(42,500,000)	
Net cash provided by (used in) financing activities		<u>1,864,800,873</u>	<u>(820,506,330)</u>	<u>(524,843,756)</u>	<u>627,722,864</u>	
Net increase (decrease) in cash and cash equivalents		208,581,439	(14,457,012)	(54,665,087)	24,558,141	
Cash and cash equivalents as at 1 January		377,415,418	396,174,859	180,844,300	156,286,159	
Exchange gains (losses) on cash		<u>4,236,868</u>	<u>(4,302,429)</u>	<u>-</u>	<u>-</u>	
Cash and cash equivalents as at 31 December	6.1	<u><u>590,233,725</u></u>	<u><u>377,415,418</u></u>	<u><u>126,179,213</u></u>	<u><u>180,844,300</u></u>	

Dusit Thani Public Company Limited and Subsidiaries
Notes to the Consolidated and Company Financial Statements
For the years ended 31 December 2011 and 2010

1. General information

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

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

The consolidated and company financial statements were approved for issuing by the board of directors of the Company on 27 February 2012.

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

- 2.1 The accompanying consolidated and Company financial statements have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543 being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act .
- 2.2 The consolidated and company financial statements have been prepared under the historical cost convention, except those explain in accounting policies.
- 2.3 The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.
- 2.4 An English version of the consolidated and company financial statements have been prepared from the financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language financial statements shall prevail.

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

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

Old Account	Amount Baht	Reclassification	Amount Baht
Statement of financial position			
Consolidated financial statements			
Non-current assets			
Other long-term investments	305,070,400	Available-for-sale investments	305,070,400
Other current liabilities			
Others (Deposit received)	80,508,782	Deposit received	80,508,782
Company financial statements			
Non-current assets			
Other long-term investments	278,982,100	Available-for-sale investments	278,982,100
Other current liabilities			
Others (Deposit received)	35,365,851	Deposit received	35,365,851
Statement of income			
Consolidated financial statements			
Administrative expenses (Rental)	126,809,905	Cost of services - depreciation and amortization	126,809,905
Management and directors' remuneration	85,773,319		85,773,319
Company financial statements			
Administrative expenses (Rental)	103,333,320	Cost of services - depreciation and amortization	103,333,320
Management and directors' remuneration	46,258,115		46,258,115

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

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

	% of shareholding	
	2011	2010
Dusit Thani Properties Company Limited	99.99	99.99
Dusit Thai Properties Public Company Limited		
by the Company	2.15	2.15
by Dusit Thani Properties Company Limited	84.65	84.65
Philippine Hoteliers, Inc.		
by Dusit Thani Properties Company Limited	88.01	88.01
Dusit Enterprises Company Limited		
by Dusit Thani Properties Company Limited	100.00	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	99.99	99.99
Dusit Overseas Company Limited		
by Dusit Worldwide Company Limited	100.00	100.00
Dusit Bird Hotels Private Limited ⁽²⁾	50.00	50.00
Dusit Management Company Limited ⁽³⁾	99.99	99.99
Dusit Thani Freehold and Leasehold Property Fund ⁽⁴⁾	30.02	30.00
DMS Property Investment Private Limited		
by Dusit Thani Properties Company Limited ⁽⁵⁾	55.00	-

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

⁽²⁾ On 22 July 2010, the Company invested in Dusit Bird Hotels Private Limited which is a joint venture between the Company and Bird Hospitality Services Private Limited.

⁽³⁾ On 15 December 2010, the Company invested in Dusit Management Company Limited.

⁽⁴⁾ On 17 December 2010, the Company invested in Dusit Thani Freehold and Leasehold Property Fund.

⁽⁵⁾ Dusit Thai Property Public Company Limited invested in DMS Property Investment Private Limited on 15 August 2011 and share certificates of such company are pledged as collateral of loan from financial institution of such company.

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

3. Accounting policies

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

3.1 New accounting standards, new financial reporting standards, amendments to accounting standards and accounting framework

- a) New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards effective for the accounting periods beginning on or after 1 January 2011 and adopted by the Group:

TAS 1 (Revised 2009)	Presentation of Financial Statements
TAS 2 (Revised 2009)	Inventories
TAS 7 (Revised 2009)	Statement of Cash Flows
TAS 8 (Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2009)	Events after the Reporting Period
TAS 11 (Revised 2009)	Construction Contracts
TAS 16 (Revised 2009)	Property, Plant and Equipment
TAS 17 (Revised 2009)	Leases
TAS 18 (Revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (Revised 2009)	Borrowing Costs
TAS 24 (Revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2009)	Consolidated and Company Financial Statements
TAS 28 (Revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (Revised 2009)	Interests in Joint Ventures
TAS 33 (Revised 2009)	Earnings per Share
TAS 34 (Revised 2009)	Interim Financial Reporting
TAS 36 (Revised 2009)	Impairment of Assets
TAS 37 (Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2009)	Intangible Assets
TAS 40 (Revised 2009)	Investment Property
TFRS 2	Share-based Payment
TFRS 3 (Revised 2009)	Business Combinations
TFRS 5 (Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRIC 15	Agreements for the Construction of Real Estate
TSIC 31	Revenue - Barter Transactions Involving Advertising Services

3. Accounting policies (Continued)

3.1 New accounting standards, new financial reporting standards, amendments to accounting standards and accounting framework (Continued)

- a) New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards effective for the accounting periods beginning on or after 1 January 2011 and adopted by the Group: (Continued)

TAS 1 (Revised 2009), the revised standard prohibits the presentation of items of income and expenses in the statement of changes in equity. Entity chooses to present the statement of comprehensive income in two statements (the statement of income and statement of comprehensive income). Where entity restates or reclassify comparative information, they will be required to present a restated statement of financial position as at the beginning comparative period in addition to the current requirement to present statement of financial position at the end of the current period and comparative period. However, for the financial statements which period beginning on or after 1 January 2011 and are the first period apply this standard, an entity chooses to present statement of financial position only two statements without the statement of financial position as at the beginning comparative period. The Group has adopted TAS 1 (Revised 2009) with effect from 1 January 2011. The Group chooses to present two statements (the statement of income and statement of comprehensive income).

TAS 16 (Revised 2009), the revised standard requires the entity to include in cost of property, premises and equipment (PPE), an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, when the entity has obligation to do. An entity requires that an item of PPE with a cost that is significant in relation to the total cost of the item shall be depreciated separately. The revised standard also requires an entity to review useful life, residual value and depreciation method at least at each financial year-end. The entity used the prospective approach to recognize effect from disaggregation of PPE components based on net book value as of 1 January 2011.

TAS 19 deal with accounting for employee benefit. The standard classifies employee benefits into 4 categories: a) short-term employee benefits b) post-employment benefits (including defined contribution plan and defined benefit plan) c) other long-term employee benefits and d) termination benefits. The standard requires the entity to measure the defined benefit plan and other long-term employee benefits by using the Projected Unit Credit method (PUC). An entity can choose to recognize any actuarial gain or loss for defined benefit plan either in other comprehensive income or profit and loss. Actuarial gain or loss for other long-term employee benefit shall recognize in profit and loss. The entity applied this standard in the first period by adjusting with retained earnings as of 1 January 2011 (see Note 3.13).

TAS 23 (Revised 2009), Borrowing Costs, requires an entity to capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Group applied prospectively from 1 January 2011, but it will not significantly impact the financial statements of the Group as there are no qualifying assets / but it is not expected to have any impact on the Group's financial statement, because the Group has already applied the capitalised model.

3. Accounting policies (Continued)

3.1 New accounting standards, new financial reporting standards, amendments to accounting standards and accounting framework (Continued)

- a) New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards effective for the accounting periods beginning on or after 1 January 2011 and adopted by the Group: (Continued)

TAS 24 (revised 2009): The definition of 'related party' has been expanded to include parties with joint control over the entity, a joint venture in which the entity is a venture, and a post-employment benefit plan for the benefit of employees of an entity. The Group has adopted the revised standard with effect from 1 January 2011, which may have an impact only on the disclosure of related parties' information in the notes to financial statements.

TAS 40 (Revised 2009), the standard has specific presentation and measurement requirements for investment property. The entity has to present an investment property separately in the statement of financial position. The entity can choose to measure it either cost model or fair value model. Under fair value model, any changes in fair value are recognised in the statement of income. The entity chose to apply cost model for measurement and shall disclose fair value in annual financial statement. The Group has adopted the standard with effect from 1 January 2011. The Group applies the cost mode for the measurement.

The effects of the adoption of the above standards are adjusted retrospectively with impact to the statement of financial position as at 31 December 2010 are presented as follows:

	Consolidated Financial Statements Baht	Company Financial Statements Baht
Statement of financial position as of 31 December 2010		
Investment properties - net increased	123,214,969	116,605,957
Property, premises and equipment - net decreased	(123,214,969)	(116,605,957)

- b) The following new accounting standards, amendments to accounting standards and new interpretation are mandatory for the accounting periods beginning on or after 1 January 2013, but the Group have not early adopted them:

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

The management of the Group is currently assessing the impact of applying the new accounting standards, amendments to accounting standards and new interpretation.

3. Accounting policies (Continued)

3.1 New accounting standards, new financial reporting standards, amendments to accounting standards and accounting framework (Continued)

- b) The following new accounting standards, amendments to accounting standards and new interpretation are mandatory for the accounting periods beginning on or after 1 January 2013, but the Group have not early adopted them: (Continued)

TAS 12, This deals with taxes on income, comprising current tax and deferred tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, using tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. Deferred taxes are measured based on the temporary difference between the tax base of an asset or liability and its carrying amount in the financial statements and using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. The Group will apply this standard retrospectively with effect from 1 January 2013, with the expectation of incurring a deferred tax account and changes in retained earnings and income tax expense. The management is currently assessing the impact of applying this standard.

TAS 21 (revised 2009): The revised standard requires an entity to determine its functional currency which is the currency of the primary economic environment in which the entity operates. Foreign currency transactions are required to be translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year-end exchange rate of monetary items denominated in foreign currency are recognised in profit or loss. The results and financial positions of all the Group entities that have a functional currency different from the presentation currency are translated in the presentation currency as follows: (a) assets and liabilities are translated at the closing rate at the date of that statement of financial position; (b) income and expenses are translated at the exchange rate at the date of the transactions; and (c) all resulting exchange differences are recognised in the statement of comprehensive income. The Group will apply this standard with effect from 1 January 2013. The application of the standard will be accounted for retrospectively. The management is currently assessing the impact of applying this standard.

3.2 Cash and cash equivalents

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

3. Accounting policies (Continued)

3.3 Trade accounts receivable

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

3.4 Inventories

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

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

3.5 Group Accounting - Investments in subsidiaries and associates and interests in joint ventures

3.5.1 Subsidiaries

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

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

3.5.2 Transactions and non-controlling interests

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

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

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

3. Accounting policies (Continued)

3.5 Group Accounting - Investments in subsidiaries and associates and interests in joint ventures

3.5.3 Associates

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

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

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

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

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

3.5.4 Joint Ventures

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

In the Company's separate financial statements, interest in jointly controlled entities are accounted for using the cost method

3. Accounting policies (Continued)

3.6 Investment property

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

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

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

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

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

Premises on leased land	Per lease agreement
Interior and renovation of buildings on leased land	5 - 50 years
Furniture and equipment on leased land	3 - 20 years

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

3.7 Other 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.

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. Accounting policies (Continued)

3.8 Property, premises and equipment

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

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

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

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

In case an impairment of property, premises and equipment has occurred, the resultant loss is recognized in the statement of income (see Note 3.12).

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

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

3.9 Borrowing cost

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

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

3. Accounting policies (Continued)

3.10 Non-current assets held for sale

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

3.11 Intangible assets

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

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

3.12 Impairment of assets

The Group assesses 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. For the purposes of assessing impairment, assets are grouped at the lowest level, for which there are separately identifiable cash flows.

3.13 Employee benefits

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

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

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

3. Accounting policies (Continued)

3.13 Employee benefits (Continued)

- Defined benefit plans

Retirement benefit

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

The effects of the adoption of the above standards to the financial statements are presented as follows:

	Consolidated Financial Statements	Baht Company Financial Statements
Statements of changes in equity		
As of 1 January 2011		
Unappropriated retained earnings decreased	(97,220,070)	(67,123,831)
Non-controlling interests decreased	(3,867,863)	-
Total	<u>(101,087,933)</u>	<u>(67,123,831)</u>

3.14 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

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

3. Accounting policies (Continued)

3.14 Long-term lease (Continued)

b) Finance lease (Continued)

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

3.15 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.

3.16 Translation of foreign currency transactions

3.16.1 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.

3.16.2 Statement of financial position and statement of income of foreign subsidiaries are translated into Baht at the exchange rates prevailing at the financial position date and the average exchange rates, respectively. The exchange difference on the translation is presented in the equity.

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

3. Accounting policies (Continued)

3.17 Recognition of revenues and expenses

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

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

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

Management fees are recognized on an accrual basis.

Interest income is recognized on a time proportion basis.

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

3.18 Income tax

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

3.19 Provident fund

The Company and other 6 companies in the Group, namely, Dusit Thai Properties Public Company Limited (from amalgamation of Royal Princess Public Company Limited and Dusit Hotels and Resorts Company Limited), Devarana Spa Company Limited, Dusit Executive Development Center Company Limited, Le Cordon Bleu Dusit Company Limited, Dusit Worldwide Company Limited and Dusit Management Company Limited have set up a provident fund for their employees, for each company. Each fund has been registered in accordance with the Provident Fund Act B.E. 2530 (1987).

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

3.20 Basic earnings (loss) per share - Equity holders of the parent

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

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 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.

4.2 Impairment of receivable

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

4.3 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.

4.4 Depreciation and amortization

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

4.5 Retirement benefit obligation

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

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

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

5. Capital risk management

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

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

6. Supplementary disclosures of cash flow information

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

	Consolidated financial statements		Company financial statements	
	2011	2010	2011	2010
Cash and deposits at bank	463,833,725	377,415,418	126,179,211	180,844,300
Deposits at financial institutions	126,400,000	-	-	-
Total	<u>590,233,725</u>	<u>377,415,418</u>	<u>126,179,211</u>	<u>180,844,300</u>

6.2 Non-cash transactions are as follows:

6.2.1 In the consolidated and Company financial statements for the years ended 31 December 2011 and 2010:

Purchases of property, premises and equipment

	Consolidated financial statements		Company Financial statements	
	2011	2010	2011	2010
Payables-Assets acquisition				
Balance brought forward	78,466,204	28,590,662	59,428,748	16,241,174
Add Purchases of fixed assets	2,198,265,640	360,611,956	162,511,260	212,932,776
Exchange gain on translation	(81,284,837)	368,105	-	-
Less Cash payments	<u>(2,028,688,767)</u>	<u>(311,104,518)</u>	<u>(194,300,970)</u>	<u>(169,745,202)</u>
Balance carried forward	<u>166,758,240</u>	<u>78,466,205</u>	<u>27,639,038</u>	<u>59,428,748</u>
Long-term liabilities under finance lease agreements (including current portion)				
Balance brought forward	677,811	958,996	18,969	710,331
Add Purchases of fixed assets	1,542,000	1,174,541	1,542,000	-
Less Cash payments	<u>(497,917)</u>	<u>(1,455,726)</u>	<u>(316,154)</u>	<u>(691,362)</u>
Balance carried forward	<u>1,721,894</u>	<u>677,811</u>	<u>1,244,815</u>	<u>18,969</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 2011 and 2010:

6.2.2.1 The recording of investments available for sale at fair value and recognizing unrealized gain (loss) on such investments of Baht (38,776,925) and Baht 101,527,250, 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 a deduction in the shareholders' equity in the amount of Baht 67,096,921 and Baht (14,358,498), respectively.

6.2.2.3 For the year ended 31 December 2011, the recording losses on defined employee benefit plan in the amount of Baht 4,017,900 were included in equity.

6.2.3 In the Company financial statements:

- For the years ended 31 December 2011 and 2010, the recording of investments available for sale at fair value and recognizing unrealized gain on such investments of Baht (35,483,600) and Baht 92,228,450, respectively, were included in equity.
- For the year ended 31 December 2011, the recording losses on defined employee benefit plan in the amount of Baht 2,109,831 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		Company financial statements	
	2011	2010	2011	2010
Number of accounts receivable	1,181	1,596	444	620
	Baht	Baht	Baht	Baht
Outstanding amount				
Less than 3 months	256,712,597	251,004,857	106,089,311	151,254,534
3-6 months	5,650,236	7,917,472	2,023,554	1,051,948
6-12 months	1,026,938	5,909,044	102,679	4,116,119
Over 12 months	13,464,654	5,317,967	10,266,767	3,273,758
	<u>276,854,425</u>	<u>270,149,340</u>	<u>118,482,311</u>	<u>159,696,359</u>
<u>Less</u> Allowance for doubtful accounts	<u>(14,232,145)</u>	<u>(14,760,458)</u>	<u>(10,668,552)</u>	<u>(11,693,868)</u>
Trade accounts receivable-net	<u>262,622,280</u>	<u>255,388,882</u>	<u>107,813,759</u>	<u>148,002,491</u>

8. Inventories - net

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

	Consolidated financial statements		Company financial statements		Baht
	2011	2010	2011	2010	
Food and beverage	37,444,217	37,268,980	15,575,446	14,807,187	
Chinaware, glassware, silverware and linen	1,337,550	3,399,361	-	-	
Mechanical supplies	1,706,424	2,139,209	894,751	940,014	
Other supplies	32,173,932	26,559,796	9,187,992	9,281,562	
Retail products	454,013	455,159	134,618	133,369	
	<u>73,116,136</u>	<u>69,822,505</u>	<u>25,792,807</u>	<u>25,162,132</u>	
<u>Less</u> Allowance for obsolete inventories	-	(138,650)	-	-	
Total	<u>73,116,136</u>	<u>69,683,855</u>	<u>25,792,807</u>	<u>25,162,132</u>	

9. Other current assets - net

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

	Note	Consolidated financial statements		Company financial statements		Baht
		2010	2010	2010	2010	
Accounts receivable						
- Management fee - net	9.2	26,234,033	43,385,407	58,406,672	55,812,554	
Accounts receivable - World Intertrade Corporation Limited		40,879,585	40,879,585	40,879,585	40,879,585	
<u>Less</u> Allowance for doubtful accounts		<u>(40,879,585)</u>	<u>(40,879,585)</u>	<u>(40,879,585)</u>	<u>(40,879,585)</u>	
		-	-	-	-	
Other receivables						
- Related companies		13,009,693	5,967,504	13,009,693	156,695,710	
- Others companies		29,267,212	33,790,047	29,385,214	21,251,581	
		<u>42,276,905</u>	<u>39,757,551</u>	<u>42,394,907</u>	<u>177,947,291</u>	
<u>Less</u> Allowance for doubtful accounts		<u>(2,242,645)</u>	<u>(5,423,344)</u>	<u>(2,242,645)</u>	<u>(5,423,344)</u>	
		<u>40,034,260</u>	<u>34,334,207</u>	<u>40,152,262</u>	<u>172,523,947</u>	
Receivable - Sale of hotel		-	30,000,000	-	-	
Accrued interest receivable		2,328,901	88,147	1,452,211	177,990	
Prepaid income tax		29,534,800	42,084,357	16,542,533	15,285,846	
VAT refundable		19,123,548	31,086,604	8,309,315	9,242,740	
Prepaid expenses		38,998,047	35,631,060	19,665,080	18,055,213	
Prepaid for assets		115,591,825	-	-	-	
Advances		8,425,991	8,130,628	576,930	6,713,595	
Others		14,245,146	17,009,482	3,097,096	10,368,102	
		<u>294,516,551</u>	<u>241,749,892</u>	<u>148,202,099</u>	<u>288,179,987</u>	

9. Other current assets - net (Continued)

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

	Note	Consolidated financial statements		Company financial statements	
		2011	2010	2011	2010
Number of accounts receivable		61	90	37	44
		Baht	Baht	Baht	Baht
Outstanding amount					
Less than 3 months		13,284,419	30,383,182	46,719,108	46,068,851
3-6 months		10,427,466	6,723,280	9,652,542	5,012,520
6-12 months		13,555,901	19,757,176	10,352,731	12,191,939
Over 12 months		14,239,063	12,758,989	6,801,746	11,957,469
		<u>51,506,849</u>	<u>69,622,627</u>	<u>73,526,127</u>	<u>75,230,779</u>
<u>Less</u> Allowance for doubtful accounts		<u>(25,272,816)</u>	<u>(26,237,220)</u>	<u>(15,119,455)</u>	<u>(19,418,225)</u>
Accounts receivable - Management fee - net	9.1	<u>26,234,033</u>	<u>43,385,407</u>	<u>58,406,672</u>	<u>55,812,554</u>

10. Available-for-sale investments

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

	Consolidated financial statements		Company financial statements	
	2011	2010	2011	2010
				Baht
Available-for-sale				
Equity securities				
Cost	64,991,858	64,991,858	140,499,931	140,499,931
<u>Add</u> Net valuation adjustment for change in fair value	<u>201,301,617</u>	<u>240,078,542</u>	<u>102,998,569</u>	<u>138,482,169</u>
Total	<u>266,293,475</u>	<u>305,070,400</u>	<u>243,498,500</u>	<u>278,982,100</u>

Movements in available-for-sale investments for the year ended 31 December 2011 are summarized as follows:

	Consolidated financial statements	Company financial statements
		Baht
Net book value at beginning	305,070,400	278,982,100
Change in fair value of		
Available-for-sale investments	<u>(38,776,925)</u>	<u>(35,483,600)</u>
Net book value at ending	<u>266,293,475</u>	<u>243,498,500</u>

11. Other long-term investments

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

	Consolidated financial statements		Company financial statements	
	2011	2010	2011	2010
General investments in				
Equity securities	241,186,732	241,186,732	20,000,000	20,000,000
<u>Less</u> Allowance for impairment				
in value of securities	<u>(23,470,850)</u>	<u>(23,470,850)</u>	<u>(20,000,000)</u>	<u>(20,000,000)</u>
General investments in				
Equity securities - net	<u>217,715,882</u>	<u>217,715,882</u>	<u>-</u>	<u>-</u>

12. Investment property - net

Consolidated financial statements as at 31 December 2010

	Balance as at 31 December 2009 Baht	Additions Baht	Written off Baht	Balance as at 31 December 2010 Baht
Cost				
Land	228,555,029	-	-	228,555,029
Buildings on leased land	3,033,754	-	-	3,033,754
Interior and renovation on leased land	113,141,566	1,717,378	-	114,858,944
Furniture and equipment on leased land	6,966,788	-	(10,309)	6,956,479
Total cost	<u>351,697,137</u>	<u>1,717,378</u>	<u>(10,309)</u>	<u>353,404,206</u>
Accumulated Depreciation				
Buildings on leased land	(1,943,433)	(508,832)	-	(2,452,265)
Interior and renovation on leased land	(25,064,224)	(10,384,829)	-	(35,449,053)
Furniture and equipment on leased land	(3,412,143)	(470,232)	10,309	(3,872,066)
Total accumulated depreciation	<u>(30,419,800)</u>	<u>(11,363,893)</u>	<u>10,309</u>	<u>(41,773,384)</u>
Investment properties - net	<u>321,277,337</u>	<u>(9,646,515)</u>	<u>-</u>	<u>311,630,822</u>
Depreciation				<u>11,363,893</u>

12. Investment property - net (Continued)

Consolidated financial statements as at 31 December 2011

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

Company financial statements as at 31 December 2010

	Balance as at 31 December 2009 Baht	Additions Baht	Written off Baht	Balance as at 31 December 2010 Baht
Cost				
Land	158,181,293	-	-	158,181,293
Buildings on leased land	4,258,205	-	-	4,258,205
Interior and renovation on leased land	158,806,556	2,410,528	-	161,217,084
Furniture and equipment on leased land	9,778,648	-	(14,470)	9,764,178
Total cost	<u>331,024,702</u>	<u>2,410,528</u>	<u>(14,470)</u>	<u>333,420,760</u>
Accumulated Depreciation				
Buildings on leased land	(2,727,821)	(714,202)	-	(3,442,023)
Interior and renovation on leased land	(35,180,379)	(14,576,241)	-	(49,756,620)
Furniture and equipment on leased land	(4,789,315)	(660,022)	14,470	(5,434,867)
Total accumulated depreciation	<u>(42,697,515)</u>	<u>(15,950,465)</u>	<u>14,470</u>	<u>(58,633,510)</u>
Investment properties - net	<u>288,327,187</u>	<u>(13,539,937)</u>	<u>-</u>	<u>274,787,250</u>
Depreciation				<u>15,950,465</u>

12. Investment property - net (Continued)

Company financial statements as at 31 December 2011

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

As at 31 December 2011, the fair value of investment property which presented in the consolidated and company financial statements were Baht 771.48 million and Baht 701.09 million, respectively.

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

13. Property, premises and equipment - net

Consolidated financial statements as at 31 December 2010

	Balance as at 31 December 2009	Additions	Disposals	Amortization	Written off	Assets transfer to related	Transfers	Exchange gain (loss) on translation	Balance as at 31 December 2010
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Cost									
Land	552,676,662	-	(287,870,821)	-	-	-	-	-	264,805,841
Land improvement	9,351,211	209,600	-	-	(48,513)	-	-	(64,105)	9,448,193
Buildings	968,732,441	1,207,000	(77,516,324)	-	(27,185)	90,906,854	1,155,100	-	984,457,886
Buildings on leased land	1,293,703,408	8,440,852	(6,374,818)	-	-	(124,780,290)	3,045,089	(45,708,162)	1,128,326,079
Furniture and equipment	809,002,380	32,439,068	(372,987,813)	-	(135,705,189)	58,104,214	23,888,311	-	414,740,971
Furniture and equipment on leased land	1,562,866,599	53,558,015	(158,172,331)	-	(119,973,113)	(93,948,870)	34,157,640	(12,959,836)	1,265,528,104
Interior and renovation	417,656,351	5,030,120	(161,268,203)	-	(95,798,108)	139,096,440	25,319,049	-	330,035,649
Interior and renovation on leased land	1,473,058,651	12,982,173	(26,407,565)	-	(138,096,054)	(283,713,378)	21,131,167	-	1,058,954,994
Vehicles	66,167,281	3,779,214	(3,139,177)	-	(30,519)	-	-	(121,772)	66,655,027
Chinaware, glassware, silverware and linen	118,818,727	29,001,214	(34,937,501)	-	(27,492,782)	-	(163,708)	-	85,225,950
Building and land rights - net	80,934,433	-	-	(9,780,644)	-	-	-	-	71,153,789
Construction in process	6,898,231	217,320,140	(18,987,391)	-	(931,935)	-	(108,532,648)	(143,973)	95,622,424
Total cost	7,359,866,375	363,967,396	(1,147,661,944)	(9,780,644)	(518,103,398)	(214,335,030)	-	(58,997,848)	5,774,954,907

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

Consolidated financial statements as at 31 December 2010 (Continued)

	Balance as at 31 December 2009	Additions	Disposals	Amortization	Written off	Assets transfer to Related	Transfers	Exchange gain (loss) on translation	Balance as at 31 December 2010
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Accumulated Depreciation									
Land improvement	(6,920,142)	(209,821)	-	-	45,008	-	-	42,751	(7,042,204)
Buildings	(607,469,416)	(30,250,411)	44,647,990	-	17,407	-	-	-	(593,054,430)
Buildings on leased land	(704,695,693)	(59,446,046)	1,742,723	-	-	33,873,436	-	29,071,926	(699,453,654)
Furniture and equipment	(565,766,485)	(69,128,992)	268,475,807	-	1 4,979,201	-	(470,725)	-	(231,911,194)
Furniture and equipment on leased land	(1,052,990,051)	(157,875,906)	109,726,175	-	118,981,127	35,844,656	31,645	9,460,751	(936,821,603)
Interior and renovation	(155,868,720)	(29,285,257)	40,255,590	-	94,815,862	-	-	-	(50,082,525)
Interior and renovation on leased land	(748,858,806)	(119,913,266)	8,659,065	-	136,041,947	144,616,938	(31,797)	-	(579,485,919)
Vehicles	(52,926,721)	(8,500,412)	3,139,159	-	30,517	-	-	104,854	(58,152,603)
Chinaaware, glassware, silverware and linen	(75,203,310)	(17,507,098)	22,557,502	-	23,211,534	-	470,877	-	(46,470,495)
Total accumulate depreciation	(3,970,699,344)	(492,117,209)	499,204,011	-	508,122,603	214,335,030	-	38,680,282	(3,202,474,627)
Property, premises and equipment	3,389,167,031	(128,149,813)	(648,457,933)	(9,780,644)	(9,980,795)	-	-	(20,317,566)	2,572,480,280
Less Allowance for impairment	(61,603,235)	(86,287,204)	57,436,915	-	-	-	-	-	(90,453,524)
Property, premises and equipment - net	3,327,563,796	(214,437,017)	(591,021,018)	(9,780,644)	(9,980,795)	-	-	(20,317,566)	2,482,026,756
Depreciation									492,117,209
Amortization									9,780,644

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

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

Consolidated financial statements as at 31 December 2011

Cost	Balance as at 31 December 2010 Baht	Additions Baht	Disposals Baht	Amortization Baht	Written off Baht	Assets transfer to related Baht	Transfers Baht	Exchange gain (loss) on translation Baht	Balance as at 31 December 2011 Baht
Land	264,805,841	-	(3,247,665)	-	-	-	-	-	261,558,176
Land improvement	9,448,193	-	(640,803)	-	-	-	-	49,694	8,857,084
Buildings	984,457,886	559,240	(13,341,424)	(3,109,872)	-	-	745,947	-	969,311,777
Buildings on leased land	1,128,326,079	3,631,157	-	-	-	-	304,145	35,853,661	1,168,115,042
Furniture and equipment	414,740,971	19,229,076	(2,892,163)	-	3,199,971	-	15,837,986	-	450,115,841
Furniture and equipment on leased land	1,265,528,104	56,727,336	(26,058,205)	-	(1,160,486)	-	40,551,270	10,296,587	1,345,884,606
Interior and renovation	330,035,649	7,008,126	(4,915,608)	-	540,902	-	43,076,578	-	375,745,647
Interior and renovation on leased land	1,058,954,994	13,125,690	-	(15,344,167)	-	-	68,407,813	-	1,125,144,338
Vehicles	66,655,027	6,177,306	(1,009,109)	-	-	-	-	93,540	71,916,764
Chinaaware, glassware, silverware and linen	85,225,950	15,970,948	(11,340)	-	(10,488,171)	-	108,339	-	90,805,726
Building and land rights - net	71,153,789	-	-	(9,780,644)	-	-	-	-	61,373,145
Construction in process	95,622,424	2,077,378,758	(1,052,407)	-	(4,797,703)	-	(173,099,379)	14,670	1,994,066,363
Total cost	5,774,954,907	2,199,807,637	(53,168,724)	(28,234,683)	(12,705,487)	-	(4,067,301)	46,308,152	7,922,894,501

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

Consolidated financial statements as at 31 December 2011 (Continued)

	Balance as at 31 December 2010 Baht	Additions Baht	Disposals Baht	Amortization Baht	Written off Baht	Assets transfer to Related Baht	Transfers Baht	Exchange gain (loss) on translation Baht	Balance as at 31 December 2011 Baht
Accumulated Depreciation									
Land improvement	(7,042,204)	(219,212)	-	-	-	-	-	(33,937)	(7,295,353)
Buildings	(593,054,430)	(19,150,787)	10,434,777	-	570,526	-	52,658	-	(601,147,256)
Buildings on leased land	(699,453,654)	(47,364,678)	-	-	-	-	110,763	(23,797,982)	(770,505,551)
Furniture and equipment	(231,911,194)	(33,660,813)	2,351,573	-	871,264	-	(1,189,613)	-	(263,538,783)
Furniture and equipment on leased land	(936,821,603)	(96,352,886)	26,636,754	-	1,160,080	-	(743,198)	(8,336,012)	(1,014,456,865)
Interior and renovation	(50,082,525)	(27,735,214)	3,933,487	-	-	-	1,136,956	-	(72,747,296)
Interior and renovation on leased land	(579,485,919)	(98,776,542)	1,562,773	-	393,660	-	4,699,735	-	(671,606,293)
Vehicles	(58,152,603)	(4,607,764)	892,136	-	-	-	-	(86,087)	(61,954,318)
Chinaware, glassware, silverware and linen	(46,470,495)	(12,418,177)	10,686	-	6,199,711	-	-	-	(52,678,275)
Total accumulate depreciation	(3,202,474,627)	(340,286,073)	45,822,185	-	9,195,241	-	4,067,301	(32,254,018)	(3,515,929,990)
Property, premises and equipment	2,572,480,280	1,859,521,564	(7,346,539)	(28,234,683)	(3,510,246)	-	-	14,054,136	4,406,964,511
Less Allowance for impairment	(90,453,524)	(86,287,204)	-	-	-	-	-	-	(92,388,810)
Property, premises and equipment - net	2,482,026,756	1,857,586,278	(7,346,539)	(28,234,683)	(3,510,246)	-	-	14,054,136	4,314,575,701
Depreciation									340,286,073
Amortization									28,234,683

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

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

Company financial statements as at 31 December 2010

	Balance as at 31 December 2009 Baht	Additions Baht	Disposals Baht	Amortization Baht	Written off Baht	Transfers Baht	Balance as at 31 December 2010 Baht
Cost							
Land	3,247,665	-	-	-	-	-	3,247,665
Land improvement	640,803	-	-	-	-	-	640,803
Buildings	12,891,575	-	-	-	-	-	12,891,575
Buildings on leased land	132,782,430	-	(131,155,108)	-	-	-	1,627,322
Interior and renovation	4,915,608	-	-	-	-	-	4,915,608
Interior and renovation on leased land	1,476,572,856	12,289,022	(310,120,942)	-	(138,096,054)	21,131,167	1,061,776,049
Furniture and equipment	2,396,796	30,391	-	-	-	-	2,427,187
Furniture and equipment on leased land	1,396,374,206	46,729,518	(252,131,511)	-	(119,956,669)	34,157,640	1,105,173,184
Vehicles	42,671,699	1,682,243	(44,252)	-	(30,519)	-	44,279,171
Chinaware, glassware, silverware and linen	66,507,929	15,636,909	(19,724,214)	-	(11,685,963)	162,300	50,896,961
Building and Land rights - net	120,424,496	-	-	(14,876,136)	-	-	105,548,360
Construction in process	1,852,989	138,052,442	(35,395,212)	-	(931,935)	(55,451,107)	48,127,177
Total cost	3,261,279,052	214,420,525	(748,571,324)	(14,876,136)	210,701,140	-	2,441,551,062
Accumulated Depreciation							
Buildings	(9,990,866)	(206,587)	-	-	-	-	(10,197,453)
Buildings on leased land	(30,324,803)	(6,696,766)	35,616,159	-	-	-	(1,315,410)
Interior and renovation	(2,879,010)	(983,121)	-	-	-	-	(3,862,131)
Interior and renovation on leased land	(787,921,846)	(115,721,854)	153,276,002	-	136,041,947	(31,797)	(614,357,548)
Furniture and equipment	(1,758,167)	(124,659)	-	-	-	-	(1,882,826)
Furniture and equipment on leased land	(983,918,322)	(121,349,618)	145,581,140	-	118,966,657	31,645	(840,688,498)
Vehicles	(34,205,473)	(5,357,165)	44,251	-	30,517	-	(39,487,870)
Chinaware, glassware, silverware and linen	(39,767,959)	(9,702,551)	9,440,026	-	8,982,834	152	(31,047,498)
Total accumulated depreciation	(1,890,676,446)	(260,142,321)	343,957,578	-	264,021,955	-	(1,542,839,234)
Property, premises and equipment - net	1,370,602,606	(45,721,796)	(404,613,661)	(14,876,136)	(6,679,185)	-	898,711,828
Depreciation							260,142,321
Amortization							14,876,136

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

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

Company financial statements as at 31 December 2011

	Balance as at 31 December 2010 Baht	Additions Baht	Disposals Baht	Amortization Baht	Written off Baht	Transfers Baht	Balance as at 31 December 2011 Baht
Cost							
Land	3,247,665	-	(3,247,665)	-	-	-	-
Land improvement	640,803	-	(640,803)	-	-	-	-
Buildings	12,891,575	-	(12,891,575)	-	-	-	-
Buildings on leased land	1,627,322	-	-	-	-	104,545	1,731,867
Interior and renovation	4,915,608	-	(4,915,608)	-	-	-	-
Interior and renovation on leased land	1,061,776,049	13,125,690	-	-	(468,023)	75,370,783	1,149,804,499
Furniture and equipment	2,427,187	-	(2,427,187)	-	-	-	-
Furniture and equipment on leased land	1,105,173,184	45,514,827	(22,629,224)	-	(1,160,487)	41,044,976	1,167,943,276
Vehicles	44,279,171	5,065,157	-	-	-	-	49,344,328
Chinaware, glassware, silverware and linen	50,896,961	7,684,998	-	-	(7,109,354)	65,135	51,537,740
Building and Land rights - net	105,548,360	-	-	(14,876,136)	-	-	90,672,224
Construction in process	48,127,177	92,662,589	(1,052,408)	-	-	(112,980,752)	26,756,606
Total cost	2,441,551,062	164,053,261	(47,804,470)	(14,876,136)	(8,737,864)	3,604,687	2,537,790,540
Accumulated Depreciation							
Buildings	(10,197,453)	(14,994)	10,212,447	-	-	-	-
Buildings on leased land	(1,315,410)	(157,517)	-	-	-	(104,545)	(1,577,472)
Interior and renovation	(3,862,131)	(71,356)	3,933,487	-	-	-	-
Interior and renovation on leased land	(614,357,548)	(82,192,234)	-	-	393,660	(2,263,238)	(698,419,360)
Furniture and equipment	(1,882,826)	(6,766)	1,889,592	-	-	-	-
Furniture and equipment on leased land	(840,688,498)	(82,421,764)	22,515,720	-	1,160,079	(1,236,904)	(900,671,367)
Vehicles	(39,487,870)	(3,148,482)	-	-	-	-	(42,636,352)
Chinaware, glassware, silverware and linen	(31,047,498)	(6,702,567)	-	-	4,400,220	-	(33,349,845)
Total accumulated Depreciation	(1,542,839,234)	(174,715,680)	38,551,246	-	5,953,959	(3,604,687)	(1,676,653,396)
Property, premises and equipment - net	898,711,828	(10,662,419)	(9,253,224)	(14,876,136)	(2,783,905)	-	861,136,144
Depreciation							174,715,680
Amortization							14,876,136

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

13.1 Property, premises and equipment - net

- 13.1.1 Property, premises and equipment - net included building and building improvement on lease land of Dusit Thani Hotel, Pattaya at a book value as at 31 December 2011 and 2010 of Baht 90,672,224 and Baht 105,548,360, respectively. Even though the title to the building of Dusit Thani Hotel, Pattaya has not been transferred to the company, the management believes that by the fact and law, the company has the right to use such building for its operations, as the building is located on the land which the subsidiary is the lessee. On 21 January 2002, the company has registered such right on land lease with the Department of Land, Pattaya. In addition, the company has peacefully and openly possessed this property with intention to be its owner for more than 10 years, by virtue of the Civil and Commercial Code of Thailand, section 1382 (see Note 31.3).
- 13.1.2 On 28 January 2011, the company sold its certain part of land and premises to the third party in the amount of Baht 47,300,000 and had gain on such sales in the amount of Baht 39,173,005.
- 13.1.3 On 24 December 2010, the company sold furniture and equipment for operation of Dusit Thani Hua Hin to Dusit Thai Properties Public Company Limited, a subsidiary in the amount of Baht 79,694,689 (included VAT) and had gain on sales such assets which presented by including in gain on sales of property, premises and equipment of Baht 3,546,715. As at 31 December 2010, there is receivables from selling such furniture and equipment in the amount of Baht 79,694,689, which presented as other receivables - related companies and included in other current asset (see Note 9.1).

13.2 Dusit Thai Properties Public Company Limited, a subsidiary

- 13.2.1 On 30 November 2010, this subsidiary sold land, premises and equipment for hotel operation of Royal Princess Hotel to Grand Larn Luang Company Limited in the amount including employees' compensation totalling Baht 599,375,201 (included VAT) and had gain on sales of Baht 467,470,568 which presented by including in gain on sales of property, premises and equipment.

As at 31 December 2010, this subsidiary recorded receivable - sale of hotel of Baht 30,000,000 presented by including in other current assets (see Note 9.1).

- 13.2.2 On 24 December 2010, this subsidiary terminated lease agreement for land and building of Dusit Thani Hua Hin with the company before its termination date (see Notes 16 and 29.1). This subsidiary agreed to compensate the company in the amount of Baht 441,000,000, detailed as follows:
- Compensation for building including equipments on lease land under the company's right and leasehold totalling Baht 350,263,065.
 - Compensation for terminated lease agreement before its termination date in the amount of Baht 90,736,935 which separately presented in the company's statement of income.

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

13.2 Dusit Thai Properties Public Company Limited, a subsidiary (Continued)

13.2.3 On 24 December 2010, this subsidiary sold its assets to Dusit Thani Freehold and Leasehold Property Fund as follows:

- Operation assets of DusitD2 Chiangmai Hotel in the amount of Baht 362,000,000 (included VAT) and had loss on sale such assets which presented by including in gain on sales of property, premises and equipment of Baht 22,406,740.
- Furniture, fixture and equipment of Dusit Thani Hua Hin in the amount of Baht 137,000,000 (included VAT) and had gain on sale such assets which presented by including in gain on sales of property, premises and equipment of Baht 53,556,365.

13.2.4 As at 31 December 2011 and 2010, land, premises and equipment of Dusit Thani Hua Hin under Dusit Thai Properties Public Company Limited, as subsidiary in net book value of Baht 363,674,731 and Baht 339,390,622 are mortgaged as a guaranteed condition which specified in lease agreement for land and building with Dusit Thani Freehold and Leasehold Property Fund in the amount of Baht 1,300,000,000 (see Note 20).

13.3 Philippine Hoteliers, Inc., an indirect subsidiary

As at 31 December 2011 and 2010, hotel building and equipment and rights on lease agreement of the subsidiary in net book value of Peso 490,026,957 and Peso 586,881,583, respectively, or approximately Baht 346,498,062 and Baht 400,311,928, respectively, are used as collateral for long-term loan of this subsidiary in the amount of Peso 510.00 million (see Note 19.2).

13.4 DMS Property Investment Private Limited, an indirect subsidiary

13.4.1. On 13 July 2011, Dusit Thai Properties Public Company Limited has entered into a resort sale and purchase agreement with Coastline Hotels and Resort Private Limited in order to purchase assets, composed of the leasehold right from the Government of Republic of Maldives, five-star resort and construction over Mudhdhoo Island in Baa Atoll, Republic of Maldives in the total value of USD 60.00 million. The subsidiary has operated to comply with the conditions in the agreement as follows;

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

The leasehold right which Coastline Hotels and Resort Private Limited got from Government of Republic of Maldives is for 35 years, started from 8 September 2009 and included in the amount of USD 60 million was prepaid rental of USD 5 million which already paid to the Government of Republic of Maldives for the first 10 years period (see Note 14). In addition, such sale and purchase agreement had specific the annual rental for year one to ten from the date of commencement of operation of resort or 30 months from 8 September 2009, whichever happens earlier at USD 1 million. Such rental will be paid every 3 months by off-setting with the prepaid rental of USD 5 million.

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

- 13.4.2 On 7 August 2011, Dusit Thai Properties Public Company Limited and other 2 shareholders had established the company, namely DMS Property Investment Private Limited, registered in Republic of Maldives with registered capital of USD 100,000, divided to 100,000 ordinary shares at USD 1 par value each. Dusit Thai Properties Public Company held at 60% of ownership. Subsequently, such company has increased its registered share capital to USD 38,500,000, divided to 38,500,000 shares at USD 1 par value each. Dusit Thai Properties Public Company held at 55 of ownership.
- 13.4.3 On 7 August 2011, Dusit Thai Properties Public Company Limited transferred right and obligation under sale and purchase agreement dated 13 July 2011 from Coastline Hotels and Resort Private Limited to DMS Property Investment Private Limited.
- 13.4.4 During year 2011, Dusit Thai Properties Public Company Limited and DMS Property Investment Private Limited made the payment as the mentioned in sale and purchase agreement dated 13 July 2011 to Coastline Hotels and Resort Private Limited totaling USD 57 million.
- 13.4.5 As at 31 December 2011, DMS Property Investment Private Limited recorded payable for the second completion payment of USD 1.5 million and retention of USD 1.5 million which deposit at bank under Escrow account. This retention will transfer to the seller when the seller has worked to complied with the conditions as specify in the agreement.
- 13.4.6 As at 31 December 2011, renovation and construction in progress in the consolidated financial statements, included interest expenses from loan of DMS Property Investment Private Limited, a subsidiary in Republic in Maldives, in the amount of USD 315,260 or Baht 9,931,188.

13.5 Fully depreciated building and equipment

- As at 31 December 2011 and 2010, building and equipment of the company and subsidiaries amounting to Baht 2,027,342,391 and Baht 1,863,686,510, respectively, were fully depreciated but still in use.
- As at 31 December 2011 and 2010, building and equipment of the company amounting to Baht 1,013,917,834 and Baht 886,892,075, respectively, were fully depreciated but were still in use.

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

13.6 Impairment of property, premises and equipment

During the year 2011 and the year 2010, the impairment charge of Baht 1,935,286 and Baht 86,287,204, respectively for property, premises and equipment as a result of economic situation and hotels' performance. The company, subsidiaries and joint ventures considered recoverable amount at the cash-generating unit level considering operation of each hotel. The recoverable amount at the cash-generating unit is determined based on value in use calculations. This calculation is determined based on discounted projected-operation cash flows reference with hotel's past performance and expected growth of each hotel business. The growth and discounted rates are determined based on the appraisal report as following:

	Consolidated financial statements		Company financial statements	
	2011	2010	2011	2010
Growth rate	3.5%	3.0%	-	-
Discounted rate	13.5%	12.0%	-	-

14. Prepaid rental - land and buildings - net

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

	Consolidated financial statements		Company financial statements		Baht
	2011	2010	2011	2010	
Prepaid rental amount	1,257,500,000	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>1,268,507,500</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>(648,083,500)</u>	<u>(574,016,860)</u>	<u>(648,083,500)</u>	<u>(574,016,860)</u>	
	620,424,000	536,983,140	462,916,500	536,983,140	
<u>Less</u> Prepaid rental of land and buildings	<u>(89,817,390)</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>530,606,610</u>	<u>462,916,500</u>	<u>388,849,860</u>	<u>462,916,500</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>	

As at 31 December 2011, prepaid rental amount included lease rental of DMS Property Investment Private Limited in the amount of USD 5 million for the period of 10 years (see Note 13).

15. **Intangible assets - net**

Intangible assets - net consisted of the following:

Consolidated financial statements as at 31 December 2010

	Balance as at 31 December 2009 Baht	Additions Baht	Disposals Baht	Written off Baht	Balance as at 31 December 2010 Baht
Computer software					
Cost	85,129,312	5,005,504	(8,224,211)	(383,215)	81,527,390
Accumulated amortization	(37,100,759)	(7,381,227)	7,641,201	383,213	(36,457,572)
Intangible assets - net	<u>48,028,553</u>	<u>(2,375,723)</u>	<u>(583,010)</u>	<u>(2)</u>	<u>45,069,818</u>
Amortization for the years 2010					<u>7,381,227</u>

Consolidated financial statements as at 31 December 2011

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

Company financial statements as at 31 December 2010

	Balance as at 31 December 2009 Baht	Additions Baht	Disposals Baht	Balance as at 31 December 2010 Baht
Computer software				
Cost	69,171,831	4,163,204	(1,974,295)	71,360,740
Accumulated amortization	(24,030,557)	(5,684,368)	1,858,260	(27,856,665)
Intangible assets - net	<u>45,141,274</u>	<u>(1,521,164)</u>	<u>(116,035)</u>	<u>43,504,075</u>
Amortization for the years 2010				<u>5,684,368</u>

Company financial statements as at 31 December 2011

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

16. Other non-current assets - net

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

Consolidated financial statements as at 31 December 2010

	Balance as at 31 December 2009 Baht	Increase Baht	Decrease Baht	Balance as at 31 December 2010 Baht
Leasehold rights				
Cost	17,305,793	-	-	17,305,793
Accumulated amortization	(15,544,453)	(865,289)	-	(16,409,742)
Leasehold rights - net	1,761,340	(865,289)	-	896,051
Deposits	4,267,880	-	(188,987)	4,078,893
Others	6,177,752	1,542,372	(6,024,845)	1,695,279
Other non-current assets - net	12,206,972	677,083	(6,213,832)	6,670,223
Amortization for the years 2010				865,289

Consolidated financial statements as at 31 December 2011

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

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

Company financial statements as at 31 December 2010

	Balance as at 31 December 2009 Baht	Increase Baht	Decrease Baht	Balance as at 31 December 2010 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)	-
Total cost	<u>570,000,000</u>	<u>-</u>	<u>(570,000,000)</u>	<u>-</u>
Accumulated amortization				
Goodwill on the acquisition of hotel business from subsidiary	(410,000,000)	-	410,000,000	-
Leasehold rights	(90,000,000)	(7,844,444)	97,844,444	-
Total accumulated amortization	<u>(500,000,000)</u>	<u>(7,844,444)</u>	<u>507,844,444</u>	<u>-</u>
Deposits	1,540,209	166,077	(390,415)	1,315,871
Other non-current assets - net	<u>71,540,209</u>	<u>(7,678,367)</u>	<u>(62,545,971)</u>	<u>1,315,871</u>
Amortization for the years 2010				<u>7,844,444</u>

Company financial statements as at 31 December 2011

	Balance as at 31 December 2009 Baht	Increase Baht	Decrease Baht	Balance as at 31 December 2010 Baht
Cost				
Deposits	1,315,871	23,172	-	1,339,043
Other non-current assets - net	<u>1,315,871</u>	<u>23,172</u>	<u>-</u>	<u>1,339,043</u>
Amortization for the years 2011				<u>-</u>

On 24 December 2010, Dusit Thai Properties Public Company Limited, a subsidiary terminated lease agreement for land and building of Dusit Thani Hua Hin with the company before its termination date. This subsidiary paid a compensation for the remaining lease period to the company in the amount of Baht 62,155,556 (see Note 13).

17. 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		Company financial statements		Baht
	2011	2010	2011	2010	
Bank overdrafts	-	-	-	-	
Short-term loans from Financial institutions	822,400,000	197,000,000	822,400,000	183,000,000	
	<u>822,400,000</u>	<u>197,000,000</u>	<u>822,400,000</u>	<u>183,000,000</u>	

As at 31 December 2011 and 2010, the company and subsidiaries have credit lines for bank overdrafts totalling Baht 89,000,000, which is guaranteed by the company totalling Baht 46,000,000 (see Note 31.6).

As at 31 December 2011 and 2010, the company has credit lines for bank overdrafts totalling Baht 43,000,000, with no guarantor.

The company has entered into loan agreement with financial institutions for working capital of the following:

Agreement date	Limit	Interest rate	Short-term loans 31 December 2011	Baht 2010
Dusit Thani Public Company Limited				
17 September 2004	300,000,000	be specified by bank	-	-
17 December 2007	450,000,000	MMR	-	-
2 November 2010	150,000,000	MMR	-	-
8 December 2010	300,000,000	be specified by bank	116,000,000	183,000,000
15 December 2010	800,000,000	MMR	534,000,000	-
1 November 2010	350,000,000	MMR	172,400,000	-
Total ⁽¹⁾	<u>2,350,000,000</u>		<u>822,400,000</u>	<u>183,000,000</u>
Dusit Thai Properties Public Company Limited				
24 June 2009	<u>200,000,000</u>	MMR	-	14,000,000
Total ⁽²⁾	<u>200,000,000</u>		-	14,000,000
	<u>2,550,000,000</u>		<u>822,400,000</u>	<u>197,000,000</u>

- MMR : Money Market Rate

⁽¹⁾ Such short-term loans have no guarantor.

⁽²⁾ Such short-term loans has repayment period for 2 years, which is guaranteed by the company.

In addition, on 3 September 2011, DMS Property Investment Private Limited, an indirect subsidiary in Republic of Maldives has entered into short-term loan with financial institutions in Thailand for working capital in the amount of USD 1.5 million, interest rate at LIBOR plus 3.425% p.a. Such loan is pledged by total securities - share certificates of such subsidiary of 38.5 million shares and guaranteed by the company (see Note 30.1) and other 3 shareholders of such subsidiary. As at 31 December 2011, such subsidiary has not withdrawn such short-term loan.

18. Long-term liabilities under finance lease agreements

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

	Consolidated financial statements		Company financial statements		Baht
	2011	2010	2011	2010	
Long-term liabilities under finance lease agreements	1,980,028	762,294	1,461,374	21,359	
<u>Less</u> Deferred interest	(258,134)	(84,483)	(216,559)	(2,390)	
	1,721,894	677,811	1,244,815	18,969	
<u>Less</u> Current portion	(449,295)	(200,731)	(254,341)	(18,969)	
	<u>1,272,599</u>	<u>477,080</u>	<u>990,474</u>	<u>-</u>	

19. Long-term loans

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

	Interest rate % p.a.		Consolidated financial statements		Company financial statements		Baht
	2011	2010	2011	2010	2011	2010	
Loans from financial institutions							
Repayable in semi-annual installments through 2015 by Philippine Hoteliers, Inc.	4.1615	6.0488	72,137,798	156,253,370	-	-	
Repayable in every three months From September 2013 through 2018 by DMS Property Investment Private Limited	4.0740	-	964,260,915	-	-	-	
			1,036,398,713	156,253,370	-	-	
<u>Less</u> Current portion			(20,610,799)	(36,518,585)	-	-	
			<u>1,015,787,914</u>	<u>119,734,785</u>	<u>-</u>	<u>-</u>	

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

	Consolidated financial statements		Company financial statements		Baht
	2011	2010	2011	2010	
Balance brought forward	156,253,370	842,269,500	-	330,000,000	
<u>Add</u> Additional loans	964,260,915	-	-	-	
<u>Less</u> Repayments	(88,601,226)	(677,151,754)	-	(330,000,000)	
Exchange (gain) loss on translation	4,485,654	(8,864,376)	-	-	
Balance carried forward	<u>1,036,398,713</u>	<u>156,253,370</u>	<u>-</u>	<u>-</u>	

19. Long-term loans (Continued)

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

19.1 On 25 December 2003, Dusit Hotels and Resorts Company Limited which as at 1 April 2009 was Dusit Thai Properties Public 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 31.6). 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 of 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.

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.

On 21 October 2009, such subsidiary has entered into the amendment agreement to change certain terms and conditions of such loan agreement by remaining the terms and conditions of the existing agreement, except details the following:

- a. Started from 31 August 2009, such subsidiary agreed to change the interest rates to the new interest rates as follows:
 - For the period from 31 August 2009 to 31 August 2010, 3.60% per annum
 - For the period from 1 September 2010 to 31 August 2011, 3.85% per annum
 - For the period from 1 September 2011 onwards, prime rate less 1.85% per annum
- b. Grace the repayment of principal for the period from September 2009 to August 2010 and start the first installment in September 2010 and every semi-annual installment for 7 periods at Baht 28,000,000 each and the remaining principal in September 2013.

During the installment periods, such subsidiary has to maintain its accumulated investment at a time not more than Baht 150,000,000, except as agreed by written letter from the bank.

During 2010, subsidiary has repaid its remaining loans before its repayment date in amount of Baht 204,000,000 and has no outstanding loan as at 31 December 2010.

19. Long-term loans (Continued)

19.2 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 13). 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.

As at 31 December 2011 and 2010, this subsidiary had outstanding long-term loan of Peso 102,019,231 and Peso 229,076,923, respectively.

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

19.3 On 3 September 2011, DMS Property Investment Private Limited, a subsidiary in Republic of Maldives has entered into a long-term loan agreement with a financial institution in Thailand for payment of operating assets and equipment, furniture, fixture and equipment installation, preopening expenses and others totalling USD 38.50 million, at the interest rate of LIBOR plus 3.425% p.a. The loan is guaranteed by the Company (see Notes 30.1 and 31.8) with the pledge of its total securities - share certificates of the subsidiary and guaranteed by other 3 shareholders of the subsidiary. As at 31 December 2011, the subsidiary has withdrawn such long-term loan in the amount of USD 30.61 million.

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

20. Deferred rental revenue

On 24 December 2010, Dusit Thai Properties Public Company Limited, a subsidiary, entered into lease agreement for land, premises and utility systems of Dusit Thani Hua Hin with Dusit Thani Freehold and Leasehold Property Fund (DTCPF) for a period of 30 years with rental of Baht 763,000,000, covered lease period. This subsidiary has committed itself to comply with lease condition as specified in lease agreement for land and building with DTCPF by mortgaged such land and building with DTCPF in the amount of Baht 1,300,000,000 (see Note 13).

Deferred rental revenue consisted of the following:

	Consolidated financial statements		Company financial statements	
	2011	2010	2011	2010
Total deferred rental received	763,000,000	763,000,000	-	-
<u>Less</u> Accumulated realized income from deferred rental revenue	(25,990,778)	(557,443)	-	-
	737,009,222	762,442,557	-	-
<u>Less</u> Current portion	(25,433,333)	(25,433,333)	-	-
Deferred rental revenue	711,575,889	737,009,224	-	-
Realized income from deferred deferred rental revenue	25,433,333	557,443	-	-

21. 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.

22. Other reserves

Other reserves as at 31 December consisted of the following:

	Consolidated financial statements		Company financial statements		Baht
	2011	2010	2011	2010	
Reserve for treasury common shares	15,740,202	15,740,202	-	-	
Total	<u>15,740,202</u>	<u>15,740,202</u>	<u>-</u>	<u>-</u>	

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

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

23.1 Treasury common shares

23.1.1 Dusit Thani Public Company Limited

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

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

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

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

23.1 Treasury common shares

23.1.2 Dusit Thani Properties Company Limited

Dusit Thani Properties Company Limited, a subsidiary, held 606,300 ordinary shares of the company with the acquisition cost of Baht 20,240,264. Such shares were presented as treasury common shares in the consolidated 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 2011 and 2010, 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.

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 2011 and 2010, 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 22).

23.2 Weighted average number ordinary shares

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

	Consolidated financial statements		Company financial statements	
	2011	2010	2011	2010
Number of issued and paid-up ordinary shares	85,000,000	85,000,000	85,000,000	85,000,000
<u>Less</u> Repurchased ordinary shares by Dusit Thani Properties Company Limited	(471,500)	(471,500)	-	-
Weighted average number of ordinary shares	<u>84,528,500</u>	<u>84,528,500</u>	<u>85,000,000</u>	<u>85,000,000</u>

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

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

Net revenue from assets held for sale amount of Baht 34,801,960 resulted from the operation of Dusit Thani Laguna Phuket after the purchasing date and before selling date of such hotel assets to DTCPPF.

25. Retirement benefit obligation

	Consolidated		Company		Baht
	financial statements		financial statements		
	2011	2010	2011	2010	
Present value of funded obligations	170,264,353	-	60,926,211	-	
Fair value of plan assets	(46,002,270)	-	-	-	
Present value of unfunded obligation	124,264,083	-	60,926,211	-	
Unrecognized past service cost	(140,853)	-	-	-	
Unrecognized actuarial gain/loss	5,137,457	-	-	-	
Liability in the statement of financial position	129,260,687	-	60,926,211	-	

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

	Consolidated		Company		
	financial statements		financial statements		
	2011	2010	2011	2010	
At 1 January	173,972,235	-	67,123,831	-	
Current service cost	16,914,709	-	6,285,015	-	
Interest cost	8,374,080	-	2,241,954	-	
Actuarial gains/(losses)	1,452,710	-	2,109,831	-	
Exchange differences	2,509,726	-	-	-	
Benefits paid	(32,959,106)	-	(16,834,420)	-	
At 31 December	170,264,354	-	60,926,211	-	

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

	Consolidated		Company		Baht
	financial statements		financial statements		
	2011	2010	2011	2010	
At 1 January	55,225,257	-	-	-	
Expected return on plan assets	6,808,033	-	-	-	
Actuarial gains / (losses)	(3,778,702)	-	-	-	
Exchange difference	1,922,751	-	-	-	
Benefits paid	(14,177,069)	-	-	-	
At 31 December	46,000,270	-	-	-	

25. Retirement benefit obligation (Continued)

The amounts recognized in the income statement are as follows:

	Consolidated		Company		Baht
	financial statements		financial statements		
	2011	2010	2011	2010	
Current service cost	16,914,709	-	6,285,015	-	
Interest cost	8,374,080	-	2,241,954	-	
Expected return on plan assets	(6,808,033)	-	-	-	
Past service cost	69,687	-	-	-	
Total, included in staff costs	18,550,443	-	8,526,969	-	

The principal actuarial assumptions used were as follows:

	Consolidated		Company	
	financial statements		financial statements	
	2011	2010	2011	2010
Discount rate	3.7%, 5.4%	3.7%	3.5%	3.7%
Inflation rate	3.0%	3.0%	3.0%	3.0%
Expected return on plan assets	8.5%	12.0%	-	-
Future salary increases	4.0% - 9.0%	4.0% - 9.0%	4.0% - 9.0%	4.0% - 9.0%

26. Income tax

For the years ended 31 December 2011 and 2010, income tax of the Group has been calculated on the net profit after deduction of revenue which is not subjected to tax calculation and adding back certain expenses which are disallowance for tax computation purposes.

Income tax for the years ended 31 December 2011 and 2010 can summarized as follows:

	Consolidated		Company		Baht
	financial statements		financial statements		
	2011	2010	2011	2010	
Income tax of the Company	-	-	-	-	
<u>Add</u> Income tax of subsidiaries:					
- Dusit Thai Properties Public					
- Company Limited	10,527,806	59,565,070	-	-	
- Philippine Hoteliers, Inc.	26,698,469	11,267,136	-	-	
- Dusit Worldwide Company Limited	-	760,094	-	-	
- Dusit Management Company Limited	40,077	684,025	-	-	
	37,266,352	72,276,325	-	-	

27. Dividend paid

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

On 30 April 2010, the shareholders' meeting of the company passed a resolution to approve and appropriate retained earnings as dividend payment for the year 2009 for 85,000,000 ordinary shares at Baht 0.50 per share, totalling Baht 42,500,000 was paid on 14 May 2010.

28. 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 2011 and 2010, revenues arising from exchange of goods or services included in revenues from sales and services are as follows:

	Consolidated financial statements		Company financial statements	
	2011	2010	2011	2010
Revenues arising from exchanges of goods or services	16,164,444	20,000,406	14,355,762	19,522,019

29. Long-term leases

29.1 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.

29. Long-term leases (Continued)

29.1 Dusit Thani Public Company Limited (Continued)

- On 27 January 2006, the company entered into the land lease agreement with Siri Pattaya Company Limited for rental period 22 years started from 1 January 2006 to 31 December 2027. Currently, Dusit Thani Hotel, Pattaya (formerly Dusit Resort Pattaya) is now located on such land. Total rental thorough the lease agreement is totalling of Baht 1,002,000,000. The rental payment may vary in accordance with fluctuation in the Swiss Franc exchange rate. During the lease period, if the Swiss Franc is cancelled, the exchange rate between Baht and US dollar will be used instead. In this case, the rate to be used is the average exchange rate for US dollars on the date of the original agreement, which is the commercial bank selling rate announced by The Bank of Thailand, one US dollar for Baht 39.14. When the lease agreement is expired, the company can extend the lease period twice for a period of 10 years each with related lease payments to be renegotiated by the parties.
- 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, as of 1 April 2009 was Dusit Thai Properties Public 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. On 1 October 2010, such agreement has been renewed and on 24 December 2010, such subsidiary terminated this lease agreement before its termination date, and agreed to pay compensation to the Company in the amount of Baht 441,000,000 (see Note 13).

29.2 Dusit Thai Properties Public Company Limited

Type of lease	Remaining Period	Baht Rental Expenses for the Remaining Lease Period
2010		
Building	2011	<u>656,062</u>
		<u>656,062</u>

29.3 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.

29. Long-term leases (Continued)

29.4 Dusit Management Company Limited

On 24 December 2010, Dusit Management Company Limited, a subsidiary entered the lease agreements for operating assets of Dusit Thani Laguna Phuket, DusitD2 Chiang Mai and sublease agreement for operating assets of Dusit Thani Hua Hin from Dusit Thani Freehold and Leasehold Property Fund (DTCPF) for a period of 3 years and has rights to renew such lease and sublease agreements for 6 times with 3 years period each. The company guaranteed the minimum lease and/or sublease payment by this subsidiary to DTCPF (see Note 31.7). The rental amount detailed as follows:

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

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

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

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

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

29.5 DMS Property Investment Private Limited

Reference from Dusit Thai Properties Public Company Limited and/or DMS Property Investment Private Limited have right on leasehold land from the Government of Republic of Maldives, resort and construction on Mudhdhoo Island, Baa Atoll, Republic of Maldives as mentioned in Note 13, as of 31 December 2011, the rental for remaining lease period is as follows:

Due period		Amount
Not over 1 year	USD	1,000,000
Over 1 year but not over 5 years	USD	4,000,000
Over 5 years	USD	27,026,027

DMS Property Investment Private Limited can off-set the prepaid lease rental in the amount of USD 5 million, by USD 500,000 each year for the period of 10 years.

30. Transactions between related companies

Transactions between related companies are as follows:

30.1 Investment in subsidiaries and a joint venture

As at 31 December 2011

Company's name	Country of incorporation	Type of business	Relationship	Issued and paid-up (ordinary shares)	% of shareholding	Company financial statement Cost	Investment financial statement	Baht Consolidated financial statement Equity
Subsidiaries								
1. Dusit Thani Properties Co., Ltd. - Dusit Thai Properties Public Co., Ltd.	Thailand Thailand	Holding Hotel and Management Hotel	Subsidiary Subsidiary (Indirect holding) Subsidiary (Indirect holding) Subsidiary (Indirect holding)	800,000,000 825,000,000 PESO 364,870,100 USD 27,500	99.99 84.64 ⁽¹⁾ 88.00 ⁽¹⁾ 99.99 ⁽¹⁾	799,999,300	-	-
- Philippine Hoteliers, Inc.	Philippines					-	-	-
- Dusit Enterprises Co., Ltd.	Republic of Mauritius	Management				-	-	-
2. Landmark Hotel Co., Ltd.	Thailand	Hotel	Subsidiary	10,000,000	99.88	799,999,300	-	-
3. Devarana Spa Co., Ltd.	Thailand	Spa	Subsidiary	8,000,000	99.99	9,988,000	-	-
4. Dusit Executive Development Center Co., Ltd.	Thailand	Training	Subsidiary	5,000,000	99.99	7,999,930	-	-
5. Dusit Thai Properties Public Co., Ltd. - DMS Property Investment Private Limited	Thailand Republic of Maldives	Hotel and Management Hotel	Subsidiary Subsidiary (Indirect holding) Subsidiary Subsidiary (Indirect holding)	825,000,000 USD 38,500,000 50,000,000 HKD 33,000	2.15 47.72 ⁽³⁾ 99.99 99.99 ⁽²⁾	32,074,974	-	-
6. Dusit Worldwide Co., Ltd. - Dusit Overseas Co., Ltd.	Thailand Hong Kong	Management Management	Subsidiary Subsidiary (Indirect holding)			49,999,930	-	-
7. Dusit Management Co., Ltd. Less Allowance for impairment	Thailand	Hotel	Subsidiary	1,000,000	99.99	-	-	-
						49,999,930	-	-
						3,999,960	-	-
						909,062,034	-	-
						(9,988,000)	-	-
						899,074,034	-	-
Joint ventures								
1. Le Cordon Bleu Dusit Co., Ltd. 2. Dusit Bird Hotels Private Limited	Thailand India	Cooking School Management	Joint venture Joint venture	40,000,000 INR 5,000,000	49.99 50.00	19,999,400 3,470,545	-	-
						23,469,945	-	-
Associate								
1. Dusit Thani Freehold & Leasehold Property Fund	Thailand	Leasing	Associate	4,094,000,000	30.00	1,229,202,500	1,302,779,562	1,302,779,562

30. Transactions between related companies (Continued)

Transactions between related companies are as follows: (Continued)

30.1 Investment in subsidiaries and a joint venture (Continued)

- (1) Dusit Thani Properties Company Limited holds 84.65% in Dusit Thai Properties Public Company Limited, 88.01% in Philippine Hoteliers, Inc. and 100.00% in Dusit Enterprises Company Limited.
- (2) Dusit Worldwide Company Limited holds 100.00% in Dusit Overseas Company Limited.
- (3) Dusit Thai Properties Public Company Limited holds 55.00% in DMS Property Investment Private Limited and share certificates of such company are pledged as collateral for loan from financial institution of such company (see Notes 17 and 19.3).

30. Transactions between related companies (Continued)

30.1 Investment in subsidiaries and a joint venture (Continued)

As at 31 December 2010

Company's name	Country of incorporation	Type of business	Relationship	Issued and paid-up (ordinary shares)	% of shareholding	Company financial statement Cost	Investment financial statement	Baht Consolidated financial statement Equity
Subsidiaries								
1. Dusit Thani Properties Co., Ltd. - Dusit Thai Properties Public Co., Ltd.	Thailand Thailand	Holding Hotel and Management Hotel	Subsidiary Subsidiary (Indirect holding) Subsidiary	800,000,000 825,000,000 PESO 364,870,100	99.99 84.64 ⁽¹⁾ 88.00 ⁽¹⁾	799,999,300	799,999,300	-
- Philippine Hoteliers, Inc.	Philippines		(Indirect holding) Subsidiary			-	-	-
- Dusit Enterprises Co., Ltd.	Republic of Mauritius	Management	(Indirect holding)	USD 27,500	99.99 ⁽¹⁾	799,999,300	-	-
2. Landmark Hotel Co., Ltd.	Thailand	Hotel	Subsidiary	10,000,000	99.88	9,988,000	-	-
3. Devarana Spa Co., Ltd.	Thailand	Spa	Subsidiary	8,000,000	99.99	7,999,930	-	-
4. Dusit Executive Development Center Co., Ltd.	Thailand	Training	Subsidiary	5,000,000	99.99	4,999,940	-	-
5. Dusit Thai Properties Public Co., Ltd.	Thailand	Hotel and Management	Subsidiary	825,000,000	2.15	32,074,974	-	-
6. Dusit Worldwide Co., Ltd. - Dusit Overseas Co., Ltd.	Thailand Hong Kong	Management Management	Subsidiary Subsidiary (Indirect holding)	50,000,000 HKD 33,000	99.99 99.99 ⁽²⁾	49,999,930	-	-
7. Dusit Management Co., Ltd.	Thailand	Hotel	Subsidiary	1,000,000	99.99	49,999,930 999,992	-	-
<u>Less Allowance for impairment</u>						906,062,066 (9,988,000) 896,074,066	-	-
Joint ventures								
1. Le Cordon Bleu Dusit Co., Ltd.	Thailand	Cooking School	Joint venture	40,000,000	49.99	19,999,400	-	-
2. Dusit Bird Hotels Private Limited	India	Management	Joint venture	INR 5,000,000	50.00	3,470,545 23,469,945	-	-
Associate								
1. Dusit Thani Freehold & Leasehold Property Fund	Thailand	Leasing	Associate	4,094,000,000	30.00	1,228,200,000 1,228,200,000	1,228,200,000	1,235,075,256 1,235,075,256

⁽¹⁾ Dusit Thani Properties Company Limited holds 84.65% in Dusit Thai Properties Public Company Limited, 88.01% in Philippine Hoteliers, Inc. and 100.00% in Dusit Enterprises Company Limited.

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

30. Transactions between related companies (Continued)

30.2 Relationship with related companies

As at 31 December 2011

Related companies

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

As at 31 December 2010

Related companies

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

30. Transactions between related companies (Continued)

30.3 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		Company financial statements	
	2011	2010	2011	2010
Loan to joint venture				
Le Cordon Bleu Dusit Company Limited	6,000,180	11,000,330	12,000,000	22,000,000
	<u>6,000,180</u>	<u>11,000,330</u>	<u>12,000,000</u>	<u>22,000,000</u>
Loan to subsidiaries				
Devarana Spa Company Limited	-	-	-	500,000
Dusit Management Company Limited	-	-	-	1,328,900
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,828,900</u>
Total	<u>6,000,180</u>	<u>11,000,330</u>	<u>12,000,000</u>	<u>23,828,900</u>
Loan from subsidiaries				
Dusit Thani Properties Company Limited	-	-	-	1,092,310,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,092,310,000</u>
Loan from related company				
Le Cordon Bleu International BV	5,999,820	14,999,550	-	-
	<u>5,999,820</u>	<u>14,999,550</u>	<u>-</u>	<u>-</u>
Total	<u>5,999,820</u>	<u>14,999,550</u>	<u>-</u>	<u>1,092,310,000</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 less than interest loan rate or 3-year fixed deposit rate of commercial bank plus 0.50 - 1.50% p.a.
- Loan from subsidiaries - not lower than 3-month fixed deposit rate of commercial bank and deposit rate of financial institutions plus 0.60% 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		Company financial statements	
	2011	2010	2011	2010
Loan to related companies				
Balance brought forward	11,000,330	15,000,450	23,828,900	31,800,000
Add Additional loans	-	-	46,600,000	1,828,900
Less Repayments	(5,000,150)	(4,000,120)	(58,428,900)	(9,800,000)
Balance carried forward	<u>6,000,180</u>	<u>11,000,330</u>	<u>12,000,000</u>	<u>23,828,900</u>
Loan from related companies				
Balance brought forward	14,999,550	17,499,475	1,092,310,000	-
Add Additional loans	-	-	-	1,092,310,000
Less Repayments	(8,999,730)	(2,499,925)	(1,092,310,000)	-
Balance carried forward	<u>5,999,820</u>	<u>14,999,550</u>	<u>-</u>	<u>1,092,310,000</u>

30. Transactions between related companies (Continued)

30.4 Significant related business transactions

Related balances

Company financial statements

Company	As at 31 December 2011				As at 31 December 2010				Baht
	Trade accounts receivable	Other current assets	Accrued expenses	Other current liabilities	Trade accounts receivable	Other current assets	Accrued expenses	Other current liabilities	
Dusit Thai Properties Public Co., Ltd.	35,297	8,589,401	-	132,002	60,537	133,341,490	866	4,812,361	
Dusit Thani Properties Co., Ltd.	-	101,650	-	-	-	101,650	966,049	-	
Philippine Hoteliers, Inc.	39,547	-	-	-	4,446	150,117	-	-	
Dusit Enterprises Co., Ltd.	-	1,381	-	-	-	1,375	-	-	
Devarana Spa Co., Ltd.	124,083	89,338	-	588,564	529,661	479,008	161,643	822,701	
Dusit Executive Development Center Co., Ltd.	174,106	125,217	-	427,395	100,079	489,760	-	224,518	
Dusit Worldwide Co., Ltd.	520,444	17,897,762	-	4,327,241	612,358	4,069,407	644,440	17,285,343	
Dusit Overseas Co., Ltd.	-	8,522,459	-	-	-	3,166,888	-	-	
Dusit Management Co., Ltd.	237,997	17,552,370	-	1,931,055	38,972	28,906,421	-	59,963,331	
Le Cordon Bleu Dusit Co., Ltd.	158,079	-	-	-	474,774	176,288	-	-	
Dusit Thani Freehold and Leasehold Property Fund	-	-	87,703,789	-	-	5,840,455	-	-	
Acme Printing Co., Ltd.	-	-	-	-	-	-	-	1,934,560	
MBK Public Co., Ltd.	-	-	-	-	-	54,510	-	61,300	
Laguna Resorts & Hotels Public Co., Ltd.	33,752,739	-	2,470,317	-	-	1,412,028	-	-	
Piyasiri Co., Ltd.	-	-	-	-	-	-	-	40,318	
DMS Property Investment Private Limited	504,708	10,817,971	-	-	-	-	-	-	
	35,547,000	63,697,549	90,174,106	7,406,257	1,820,827	178,189,397	1,772,998	85,144,432	

30. Transactions between related companies (Continued)

30.4 Significant related business transactions (Continued)

Related transactions

Company financial statements

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

30. Transactions between related companies (Continued)

30.4 Significant related business transactions (Continued)

Related transactions (Continued)

Company financial statements

Company	For the year ended 31 December 2010								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	Financial expenses
Dusit Thai Properties Public Co., Ltd.	430,094	13,460,014	-	-	32,405,595	-	33,091,129	7,844,444	-
Dusit Thani Properties Co., Ltd.	57,942	-	-	-	1,151,500	-	-	-	993,401
Philippine Hoteliers, Inc.	-	-	-	-	494,344	-	-	-	-
Devarana Spa Co., Ltd.	1,988,564	-	9,253	-	5,606,266	688,076	2,399,295	-	-
Dusit Executive Development Center Co., Ltd.	3,672,856	-	-	-	837,111	-	7,403,892	-	-
Dusit Worldwide Co., Ltd.	4,435,652	-	-	-	17,118,925	-	87,907,630	-	-
Dusit Overseas Co., Ltd.	-	-	-	-	3,505,978	-	-	-	-
Dusit Management Co., Ltd.	-	2,011,047	641	-	123,955	-	-	-	-
Le Cordon Bleu Dusit Co., Ltd.	13,668,592	-	2,488,753	-	297,000	-	-	-	-
Acme Printing Co., Ltd.	-	-	-	-	-	-	2,206,425	-	-
The Peninsula Travel Service Co., Ltd.	-	-	-	-	-	-	320,285	-	-
MBK Public Co., Ltd.	-	-	-	9,390,750	433,700	-	417,290	-	-
Laguna Resorts & Hotels Public Co., Ltd.	151,459	14,179,471	-	2,750,000	1,505,431	-	1,218,375	-	-
Piyasiri Co., Ltd.	-	-	-	-	-	-	728,233	-	-
Bangkok Bank Public Co., Ltd.	-	-	288,712	284,850	466,308	-	578,197	-	-
Thai Life Insurance Co., Ltd.	-	-	-	-	-	-	5,000	-	-
The Navakij Insurance Public Co., Ltd.	-	-	-	-	-	-	277,172	-	-
	24,405,159	29,650,532	2,787,359	12,425,600	63,946,113	688,076	136,552,923	7,844,444	993,401

30. Transactions between related companies (Continued)

30.4 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 30.3.

Prepaid rental of land and buildings, goodwill on the acquisition of hotel business from the subsidiary and other expenses 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.

30.5 Key management compensation

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

	Consolidated		Company	
	financial statements		financial statements	
	2011	2010	2011	2010
Salaries and other				
short-term employee benefits	78,915,948	85,773,319	46,736,171	46,258,115
	<u>78,915,948</u>	<u>85,773,319</u>	<u>46,736,171</u>	<u>46,258,115</u>

31. Guarantees, commitments and contingent liabilities

31.1 As at 31 December 2011 and 2010, the company and a subsidiary, namely, Dusit Thai Properties Public Company Limited had letter of guarantees issued by banks totalling Baht 148,097,100 and Baht 147,533,500, respectively (see Note 31.7).

31.2 As at 31 December 2011 and 2010, the company had letter of guarantees issued by banks totalling Baht 139,158,600 and Baht 141,451,600, respectively (see Note 31.7).

31. Guarantees, commitments and contingent liabilities (Continued)

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

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

On 29 July 2002, the Southern Bangkok Civil Court ordered to tie conjointly the following cases, the case under which World Intertrade Corporation Limited sue the company calling for its assets (Dusit Thani Hotel, Pattaya) and claiming for compensation on ground of wrongful act of the company and the case under which the company 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 Thani Hotel, Pattaya) by virtue of the law found in the Civil and Commercial Code of Thailand, sections 1382 and 1385 without doubt and the Court has given the verdict that World Intertrade Corporation Limited must pay compensation amounting to Baht 45,782,488 with 7.5% interest per annum of the principal amount of Baht 44,246,000 starting from 20 December 2001 until the entire amount has been fully paid.

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

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

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

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

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

31. Guarantees, commitments and contingent liabilities (Continued)

31.4 For Philippine Hoteliers, Inc., an indirect subsidiary, as at 31 December 2011 and 2010, 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.

31.5 As at 31 December 2011 and 2010, the Group has commitments for renovation contracts totalling Baht 62,612,572 and Baht 70,313,184, respectively.

As at 31 December 2011 and 2010, the company has commitments for renovation contracts totalling Baht 45,932,077 and Baht 50,727,556, respectively.

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

	Notes	2011	Baht 2010
Bank overdrafts	17	46,000,000	46,000,000
Short-term loans from financial institutions	17	200,000,000	200,000,000
Long-term loans	19	-	400,000,000
Total		<u>246,000,000</u>	<u>646,000,000</u>

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

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

The company has pledged the 1 year bank guarantee in the amount of Baht 125,000,000 to DTCPPF (see Notes 29.4, 31.1 and 31.2) and will pledge new bank guarantee each year during such guarantee period.

31.8 The company has contingent liabilities from guarantee to DMS Property Investment Private Limited, an indirect subsidiary in Republic of Maldives at 55% for short-term and long-term loan not excess USD 22 million.

31.9 As at 31 December 2011, DMS Property Investment Private Limited, an indirect subsidiary in Republic of Maldives has liabilities under letter of credit issuing by Bank as follows:

Currency	Amount
Baht	15,226,088
US dollars	82,960
Euro	3,079
Hong Kong dollars	929,887

32. 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. In addition, the joint venture also obtained exemption from company income tax for human resources development activity for 8 years from the date of receiving income from such activity. Shareholders of this joint venture will also benefit from exemption of tax on dividends from human resources development activity during the period in which this joint venture receives exemption from company income tax.

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

33. 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 2011			
Revenue from sales and services	93,708,719	-	93,708,719
Interest income	-	90,037	90,037
Other income	-	288,641	288,641
Total	93,708,719	378,678	94,087,397
For the year ended 31 December 2010			
Revenue from sales and services	74,331,130	-	74,331,130
Interest income	-	36,020	36,020
Other income	-	215,689	215,689
Total	74,331,130	251,709	74,582,839

34. Provident fund

For the years ended 31 December 2011 and 2010, the contributions of the Group to the provident fund recorded as expenses were Baht 25,783,027 and Baht 25,465,297, respectively.

For the years ended 31 December 2011 and 2010, the contributions of the company to the provident fund recorded as expenses were Baht 15,626,508 and Baht 18,924,789, respectively.

35. Expense by nature

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

	Consolidate Financial statement		Company Financial statement	
	2011	2010	2011	2010
For the year ended 31 December				
Salary and other benefits	1,009,170,710	854,699,547	463,596,209	487,493,444
Rental expenses	158,799,450	170,260,601	110,066,640	122,982,769
Repair and maintenance expenses	93,814,232	77,414,686	33,277,062	36,796,316
Utility expenses	251,154,530	232,251,144	79,584,697	107,011,144

36. 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 2011			
Bangkok	2,103.84	130.38	5,707.81
Other provinces	1,680.92	42.03	1,184.16
Overseas	825.43	8.77	2,374.36
Total	4,610.19	181.18	9,266.33
<u>Less</u> Inter-company transactions	(687.63)	(174.11)	(924.99)
Total	3,922.56	7.07	8,341.34
<u>Less</u> Net loss of non-controlling interests		23.97	
Consolidated net profit - equity holders of the parent		31.04	
Consolidated assets			8,341.34

36. Business segment information (Continued)

	Million Baht		
	Revenues	Net Profit (Loss)	Assets Employed
For the year ended 31 December 2010			
Bangkok	2,265.69	102.65	7,527.74
Other provinces	1,049.73	(59.03)	1,178.55
Overseas	805.32	80.62	735.29
Total	4,120.74	124.24	9,441.58
<u>Less</u> Inter-company transactions	(520.43)	11.38	(3,346.10)
Total	3,600.31	135.62	6,095.48
<u>Add</u> Net loss (gain) of non-controlling interests		(27.52)	
Consolidated net profit - equity holders of the parent		108.10	
Consolidated assets			6,095.48

37. Disclosure of financial instruments

37.1 Accounting policies

Financial assets carried on the statements of financial position consisted of 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 statements of financial position consisted of 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.

37.2 Credit risk

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

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

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

37.3 Foreign exchange risk

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

37. Disclosure of financial instruments (Continued)

37.4 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 Group in the current reporting period and in future years.

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

37.5 Fair value of financial instruments

The following methods and assumptions were used by the Group in estimating fair value of financial instruments as disclosed herein:

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

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 2011 and 2010, 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.

38. Others

The issue and offer of debentures

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

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

39. Event occurring after the financial position date

On 27 February 2012, the Board of Directors' meeting of the company considered to propose dividend payment for the year 2011 to shareholders for 85,000,000 ordinary shares at Baht 0.50 per share, totalling Baht 42,500,000. The Board of Directors will propose such dividend payment to the shareholders at the meeting.

Board of Directors, Executive and Authorized Person as of December 31, 2011

Name / Position	Age	Education	Share Holding in the Company including related person (%)	Working Experience (5 years)		
				Period	Position	Company
<p>Thanpuying Chanut Piyaoui</p> <ul style="list-style-type: none"> - Honorary Chairperson - Director - Authorized Director entitled to sign to bind the Company <p>Relationship</p> <ul style="list-style-type: none"> - Mother of Mr.Chanin Donovanik, Mrs. Sinee Thienprasiddhi 	87	<ul style="list-style-type: none"> - Honorary Degree of Doctor in Business Administration, NIDA - Honorary Degree of Doctor in Tourism and Hotel, Sripatum University - Honorary Degree of Doctor of Arts in Tourism Industrial, Mahidol University. - Honorary Degree of Doctor of Business Administration in Hospitality Management, Johnson & Wales University, U.S.A. 	49.93	<p>Present</p> <p>1966 - Sep 2006</p>	<p>Honorary Chairperson / Executive Committee Advisor</p> <p>Chairman</p> <p>Director</p> <p>Director / Chairperson Executive Director / Managing Director</p>	<p>Dusit Thani Plc.</p> <p>Dusit Thai Properties Plc. Chanut and Children Co., Ltd.</p> <p>The Statesman General Prem Tinsulanonda Foundation</p> <p>Dusit Thani Plc.</p>
<p>Mr. Chatri Sophonpanich</p> <ul style="list-style-type: none"> - Chairman <p>Relationship</p> <ul style="list-style-type: none"> - None 	78	<ul style="list-style-type: none"> - Diploma in Accountancy, Kwang Tai High Accountancy College, Hong Kong - Certificate from London Regent Street Polytechnic, U.K. - Certificate of Banking from Institute of Bankers, U.K. - Honorary Degree of Doctor of Law, Pepperdine University, Malibu, California, U.S.A. - Honorary Degree of Doctor of Business Management, De La Salle University, Philippines - Honorary Degree of Doctor of Business Administration, Thammasat University - Honorary Professor, Shan Tou University, People's Republic of China - Directors Accreditation Program (DAP) 	5.14	<p>2005 - Present</p> <p>1999 – Present</p>	<p>Chairman Executive Committee Advisor</p> <p>Chairman</p>	<p>Dusit Thani Plc.</p> <p>Bangkok Bank Plc.</p>

Name / Position	Age	Education	Share Holding in the Company including related person (%)	Working Experience (5 years)		
				Period	Position	Company
Pol. Lt. Chatrachai Bunya-Ananta - Director - Authorized Director entitled to sign to bind the Company Relationship - None	79	- Advanced Management Program, Harvard University, U.S.A. - Bachelor's degree in Economics, University of Wales, U.K. - Directors Certification Program (66/2005) - Directors Accreditation Program (45/2005)	-	1994 - Present	Director / Executive Director	Dusit Thani Plc.
				Present	Chairman	Philippine Hoteliers, Inc.
					Honorary Board Advisor	Dusit Thai College
					Independent Director / Chairman of Nomination and Compensation Committee	MBK Plc.
					Chairman	Royal Orchid Hotel (Thailand) Plc.
					Chairman	Italian Thai Development Plc.
					Director	The Statesman General Prem Tinsulanonda Foundation
					Member	National Legislative Assembly
				2006-2008		
Mrs. Varang Chaiyawan - Director Relationship - None	44	- MBA Finance and Investment, George Washington University, Washington D.C., USA - Bachelor of Accountancy, Thammasat University (First class honors) - Director Accreditation Program (DAP) Batch 60 - Certified Financial Planner (CFP), Batch 1, Thai Financial Planners Association - The Invitation Life Insurance Top Executives Seminar 2008, FALIA, JAPAN - The student of Capital Market Academy (CMA), The Stock Exchange of Thailand, Batch 5	5.40	Present	Director	Dusit Thani Plc.
				Present	Director	Dusit Thai Properties Plc.
					Director	Fitch Ratings (Thailand)
					Director	Sangsom Co., Ltd.
					Director	Kanchana Singkhorn Co., Ltd.
					Director	Fuengfuanant Co., Ltd.
					Director	Thanapakdi Co., Ltd.
					Director	Mongkolsamai Co., Ltd.
					Director	Thai Ginebra Trading Co., Ltd.
					Director	Thai Asia Pacific Brewery Co., Ltd.
					Deputy Managing Director	Thai Life Insurance Co., Ltd.
					Managing Director	Thai Health Insurance Co., Ltd.
					Vice President	Thai Life Insurance Co., Ltd.

Name / Position	Age	Education	Share Holding in the Company including related person (%)	Working Experience (5 years)		
				Period	Position	Company
Mr. Kenneth Korsirisophon - Director Relationship - None	41	- Bachelor of Science in Applied Mathematics and Economics (Magna Cum Laude), Brown University, U.S.A.	10.31	2008 - Present 2005 - Present 2003 - Present 2000 - 2006 1998 - Present 1994 - Present	Director Director Director Director Director Chairman Managing Director Director Director	Cape Nga Development Ltd. Gaw Capital Partners Dusit Thani Plc. Pioneer Hospitality Siam (GBR) Ltd. Siam Food Products Plc. Mandalay Pioneer (Siam) Ltd. Pioneer Global Group Ltd. Strand Hotels International Ltd. Myanmar Hotel International Pte. Ltd.
Mr. Chanin Donavanik - Director - Authorized Director entitled to sign to bind the Company Relationship - Son of Thanpuying Chanut Piyaoui - Brother of Mrs. Sinee Thienprasiddhi	54	- Master of Business Administration (MBA), Boston University, U.S.A. - Directors Certification Program (72/2006) - Directors Accreditation Program (10/2004)	Included in the item of Than puying Chanut Piyaoui and Related Persons	Present 2006 - 2008 2006 - 2008 2004 - 2008	Director / Managing Director / Chief Executive Officer Director Member Committee President	Dusit Thani Plc. Dusit Thai Properties Plc. Dusit Thani Properties Co., Ltd Devarana Spa Co., Ltd. Dusit Executive Development Center Co., Ltd. Le Gordon Bleu Dusit Co., Ltd. Dusit Worldwide Co., Ltd. Dusit Management Co., Ltd. Philippine Hoteliers, Inc. Dusit Enterprises Co., Ltd. Dusit Overseas Co., Ltd. Dusit Bird Hotels Pvt. Ltd. DMS Property Investment Pvt. Ltd. Dusit Thani College Chanut and Children Co., Ltd. / New Atlantic Co., Ltd. / Piyasiri Co., Ltd. / Thana Jirang Co., Ltd. National Legislative Assembly Tourism and Industrial Committee of National Legislative Assembly Thai Hotels Association

Name / Position	Age	Education	Share Holding in the Company including related person (%)	Working Experience (5 years)		
				Period	Position	Company
Mrs. Sinee Thienprasiddhi - Director and Company Secretary - Authorized Director entitled to sign to bind the Company Relationship - Daughter of Thanpuying Chanut Piyaoui - Sister of Mr. Chanin Donavanik	53	- Mac Duffies Springfield, MA., USA. - Directors Accreditation Program (9/2004) - Directors Certification Program (65/2005) - Finance for Non-Finance Director (22/2005) - Improving Quality of Financial Reporting (1/2006) - Directors Certification Program Refresher Course	Included in the item of Thanpuying Chanut Piyaoui and Related Persons	Present	Director/ Company Secretary Director	Dusit Thani Plc. Dusit Thai Properties Plc. Dusit Thani Properties Co., Ltd Devarana Spa Co., Ltd. Dusit Executive Development Center Co., Ltd. Le Gordon Bleu Dusit Co., Ltd. Dusit Worldwide Co., Ltd Dusit Management Co., Ltd.. Philippine Hoteliers, Inc. Dusit Enterprises Co., Ltd. Dusit Overseas Co., Ltd. Dusit Bird Hotels Pvt. Ltd. DMS Property Investment Pvt. Ltd. Acme Printing Co., Ltd. Chanut and Children Co., Ltd. / New Atlantic Co., Ltd. / Piyasiri Co., Ltd. / Thana Jirang Co., Ltd.
Professor Hiran Radeesri - Independent Director Relationship - None	82	- Master of Business Administration (MBA), University of Pennsylvania, USA - Honorary Degree of Doctor of Accounting, Thammasat University - Certificate (High Level) of Accounting, Thammasat University - Directors Certification Program (0/2000) - Fellow Member of Thai Institute of Directors (IOD) - Diploma, National Defense College, 1981 - Director Training Certificate, School of Management, Yale University, USA.	-	2003 - Present 2002 - Present 2000 - Present 2000 - 2008 1999 - Present 1999 - Present	Chairman Advisory Group Corporate Governance Center Committee Chairman of Auditing Examiner Honorable Committee of University Council Director / Audit Committee Chairman Director / Audit Committee Chairman Independent Director / Audit Committee Chairman / Nomination Committee Chairman / Compensation Committee Chairman	The Stock Exchange of Thailand The Revenue Department Thammasat University Thaicom Plc. Thai Institute of Directors (IOD) Navakij Insurance Plc. Dusit Thani Plc.
Professor Sansern Kraichitti - Independent Director Relationship - None	85	- LL.B., Thammasat University - Barrister - At - Law of Lincoln's Inn, London - Honorary Degree of Doctor of Law, Chulalongkorn and Ramkhamhaeng University - Directors Accreditation Program (5/2003)	0.08	1999 - Present 1988 - Present 1996 - Present 1987 - Present	Audit Committee Member / Compensation Committee Member / Nomination Committee Member Independent Director Chairman of Juridical Council Group 7 Director	Dusit Thani Plc. Dusit Thani Plc. Juridical Council The Thai Red Cross Society
Mr. Sakdi Kiewkarnkha - Independent Director Relationship - None	76	- Bachelor's degree in Accounting, Bachelor's degree in Law, Thammasat University - Executive Program Stanford - National University of Singapore - Senior Executive Program, SASIN - Role of the Chairman Program (RCP)	-	2011 - Present 2000 - Present 1999 - Present	Nomination Committee Member / Risk Management Committee Member Independent Director / Audit Committee Chairman Independent Director / Audit Committee Member / Compensation Committee Member / Nomination Committee Member /	Thai Union Frozen Products Plc. Dusit Thani Plc.

Name / Position	Age	Education	Share Holding in the Company including related person (%)	Working Experience (5 years)		
				Period	Position	Company
		<ul style="list-style-type: none"> - Role of Compensation Committee Program (RCC) - Audit Committee Program (ACP) - Directors Certification Program (DCP) - Director Certification Program Refresher Course 		2011 - Present 2000 - 2010	Vice President Director / Treasurer	The Princes Mothers' Medical Volunteer Foundation
Mr. Soradis Vinyaratn - Independent Director Relationship - None	72	<ul style="list-style-type: none"> - Banking Training, City of London College of Banking, U.K. - Directors Accreditation Program (CP/2005) 	-	Present	Independent Director Independent Director / Member of Audit Committee Managing Director Managing Director Managing Director Managing Director	Dusit Thani Plc. Bumrungrad International Hospital Sorachaiwivat Company Limited M.V.S. Holding Co., Ltd. Ph.D. Chiangrai Co., Ltd. Prime Management (Thailand) Co., Ltd.

Management Team as of December 31, 2011

Name / Position	Age	Education	Share Holding in the Company including related person (%)	Working Experience		
				Period	Position	Company
1. Thanpuying Chanut Piyaoi		Details are in the section of Board of Director				
2. Mr. Chanin Donavanik		Details are in the section of Board of Director				
3. Mrs. Sinee Thienprasiddhi		Details are in the section of Board of Director				
4. Mr. Khampi Suwanarat	67	- Bachelor of Business Administration, University of Hawai - Post Graduate Studies, School of Hotel, Administration, Cornell University of New York	-	Present	Managing Director - Education Director	Dusit Thani Plc. Dusit Thai Properties Co., Ltd. Dusit Thani Properties Co., Ltd. Devarana Spa Co., Ltd. Dusit Executive Development Center Co., Ltd. Le Gordon Bleu Dusit Co., Ltd. Philippine Hoteliers, Inc. Dusit Thani College Worldclass Rent A Car Co., Ltd.
Relationship - None						
5. Mrs. Jongkonnee Chantavorakit	58	- Master's Degree of Business Administration, Ramkhumhaeng University	-	Present	Vice President of Headquarter Finance and Accounting Director	Dusit Thani Plc. Dusit Thai Properties Plc. Devarana Spa Co., Ltd. Dusit Executive Development Center Co., Ltd. Dusit Worldwide Co., Ltd.
Relationship - None						
6. Miss. Warunee Anekritmongkol	55	- Master's Degree in Business Administration for Executive, Thamassart University - Bachelor's Degree of Accounting, Ramkhamhaeng University	-	2005 - Present	Vice President of Hotel Accounting	Dusit Thani Plc.
Relationship - None						
7. Miss. Amara Kulworasreth	54	- Master of Accountancy, Chulalongkorn University - Bachelor of Accountancy, Bangkok College	-	2008 - Present 2006 - 2008 1997 - 2006	Vice President - Company Secretary Office Assistant Vice President - Legal & Administration Group Director of Treasury	Dusit Thani Plc.
Relationship - None						
8. Mr. Alex Colin Willats	40	- Bachelor Degree in Hotel Management, South Bank University, London, UK	-	Nov 2011 – Present May 2011 – Oct 2011 Oct 2010 – Apr 2011 Oct 2008 – Sept 2010 Jan 2008 – Sept 2008 Jun 2005 – Dec 2007	General Manager Acting General Manager Resident Manager Executive Assistant Manager Hotel Manager Executive Assistant Manager	Dusit Thani Bangkok Diplomat Radisson BLU Hotel, Bahrain Claridge's Hotel, UK The Ritz London, UK
Relationship - None						
9. Mr. Chatchawal Suprachayanont	59	- Certificate Phantasuksa, Commercial College	-	1993 - Present	General Manager	Dusit Thani Hotel, Pattaya
Relationship - None						
10. Mr. Awmsin Manchakra	51	- Master of Law, School of Law, University of Miami, USA - Bachelor of Law, Chulalongkorn University	-	2011-Present 2010-2011 2006-2010	Vice President – Legal and Administration Vice President – Legal Chief Counsel and Corporate Secretary	Dusit Thani Plc. King Power International Co., Ltd. Chevron (Thailand) Ltd., a subsidiary of Chevron Corp.
Relationship - None						

General Information

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

References

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