

Home Product Center Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the three-month and six-month periods ended 30 June 2012

1. General information

1.1 Corporate information

Home Product Center Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholders are Land and Houses Plc. and Quality Houses Plc., which were incorporated in Thailand. The Company is principally engaged in the trading of a complete range of goods and materials for construction, addition, refurbishment and renovation of buildings and residences, and provision for related services, together with space rental. Its registered address is 96/27 Moo 9, Tambol Bangkhen, Amphur Muang, Nonthaburi. As at 30 June 2012, the Company has a total of 49 branches operating in Bangkok and other provinces (31 December 2011: 45 branches).

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standard No. 34 (revised 2009) “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders’ equity and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

1.3 Basis of consolidation

These consolidated financial statements include the financial statements of Home Product Center Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2011. There has been no significant change in the composition of the group of companies during the current period.

1.4 Significant accounting policies

The interim financial statements have been prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2011.

2. New accounting standard issued during the year not yet effective

During the period, the Federation of Accounting Professions issued the financial reporting standard No. 8 "Operating Segments" that is effective for fiscal years beginning on or after 1 January 2013.

The Company's management believes that the above accounting standard will not have any significant impact on the financial statements for the year when it is initially applied.

3. Related party transactions

During the periods, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	For the three-month periods ended 30 June		For the three-month periods ended 30 June		Pricing policy
	2012	2011	2012	2011	
Transactions with subsidiary companies					
(eliminated from consolidated financial statements)					
Sale of goods	-	-	405	384	Market price
Rental and service income	-	-	41,978	35,604	Baht 13 million per month for 2012 (Baht 12 million per month for 2011)
Other income	-	-	7,388	7,563	Percentage of core revenue
Service expenses	-	-	25	54	Market price
Interest expenses	-	-	767	466	3.25% - 3.50% per annum (2011: 1.80% - 3.00% per annum)
Transactions with related companies					
Sale of goods	17,540	20,928	17,540	20,928	Market price
Interest income	13,235	6,338	13,235	6,338	2.75% - 3.25% per annum (2011: 1.50% - 2.80 % per annum)
Rental and service income	594	586	594	586	Market price
Rental and service expenses	4,068	9,707	4,068	9,707	Percentage of sales but not less than a minimum rate

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	For the six-month periods ended 30 June		For the six-month periods ended 30 June		Pricing policy
	2012	2011	2012	2011	
Transactions with subsidiary companies					
(eliminated from consolidated financial statements)					
Sale of goods	-	-	681	622	Market price
Rental and service income	-	-	78,330	71,209	Baht 13 million per month for 2012 (Baht 12 million per month for 2011)
Other income	-	-	14,652	14,517	Percentage of core revenue
Service expenses	-	-	44	93	Market price
Interest expenses	-	-	1,552	843	3.25% - 3.50% per annum (2011: 1.80% - 3.00% per annum)
Transactions with related companies					
Sale of goods	29,465	31,442	29,465	31,442	Market price
Interest income	19,870	9,627	19,870	9,627	2.75% - 3.25% per annum (2011: 1.25% - 2.80% per annum)
Rental and service income	1,182	1,154	1,182	1,154	Market price
Rental and service expenses	8,642	15,741	8,642	15,741	Percentage of sales but not less than a minimum rate

As at 30 June 2012 and 31 December 2011, the Company had the outstanding balances with related parties which had been included in the following accounts:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Bill of exchanges and deposits with financial institution				
(included in cash and cash equivalents)				
Related company ⁽¹⁾	215,618	1,728,321	215,618	1,728,321
Trade and other receivables				
Subsidiaries	-	-	5,537	17,616
Related company ⁽¹⁾	42	-	42	-
Related company ⁽²⁾	6,620	2,659	6,620	2,659
Total	6,662	2,659	12,199	20,275
Rental guarantee deposits				
Related company ⁽¹⁾	3,000	3,000	3,000	3,000

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Trade and other payables				
Subsidiary	-	-	7	8
Related company ⁽¹⁾	1,562	1,124	1,562	1,124
Total	1,562	1,124	1,569	1,132
Short-term loans from related party				
Subsidiary	-	-	90,000	90,000

Relationship with the related companies

- (1) has common major shareholders
(2) the major shareholders

During the six-month period ended 30 June 2012, there were no movements in the balances of short-term loans from related party.

Short-term loans from related party

The Company has received unsecured loans of Baht 90 million from its subsidiary on which interest is payable on a monthly basis at a rate of 3.25% - 3.50% per annum (31 December 2011: 1.80% - 3.70% per annum). The loans are repayable at call.

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2012 and 2011, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	For the three-month		For the six-month	
	periods ended 30 June 2012	periods ended 30 June 2011	periods ended 30 June 2012	periods ended 30 June 2011
Short-term benefits	32,178	29,481	65,698	59,075
Post-employment benefits	885	828	1,770	1,655
Total	33,063	30,309	67,468	60,730

4. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Trade accounts receivable	262,348	216,429	253,975	212,236
Other receivables	572,366	568,174	577,592	585,489
Compensation receivables*	-	180,052	-	180,052
Income receivables	26,934	21,781	23,646	16,867
Total trade and other receivables	861,648	986,436	855,213	994,644

* Compensation receivables of inventories and assets which have been received in the first quarter of the year 2012.

Trade accounts receivable

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Trade accounts receivable	157,580	97,089	149,283	93,100
Check returned receivable	1,050	1,190	1,050	1,190
Credit card and coupon receivable	105,460	119,892	105,384	119,688
Total	264,090	218,171	255,717	213,978
Less: Allowance for doubtful accounts	(1,742)	(1,742)	(1,742)	(1,742)
Total trade accounts receivable - net	262,348	216,429	253,975	212,236

The outstanding balances of trade accounts receivable as at 30 June 2012 and 31 December 2011 are aged as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
<u>Trade receivables - related parties</u>				
Not yet due	5,160	1,868	5,478	1,892
Past due				
Up to 3 months	1,436	691	1,429	968
3 - 6 months	24	87	24	87
Total trade receivables - related parties	6,620	2,646	6,931	2,947

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Trade receivables - unrelated parties				
Not yet due	248,929	197,129	245,124	195,267
Past due				
Up to 3 months	6,575	17,037	2,369	14,524
3 - 6 months	673	-	-	-
6 - 12 months	-	-	-	-
Over 12 months	1,293	1,359	1,293	1,240
Total	257,470	215,525	248,786	211,031
Less: Allowance for doubtful debts	(1,742)	(1,742)	(1,742)	(1,742)
Total trade receivables - unrelated parties, net	255,728	213,783	247,044	209,289
Total trade receivables - net	262,348	216,429	253,975	212,236

Other receivables

Other receivables mainly consist of receivables from sale support operation and area rental and related service receivables.

The outstanding balances of other receivables as at 30 June 2012 and 31 December 2011 are aged as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Age of receivables				
Not yet due	229,006	300,687	234,232	318,002
Past due				
Up to 3 months	332,359	259,448	332,359	259,448
3 - 6 months	9,484	3,133	9,484	3,133
6 - 12 months	4,270	5,619	4,270	5,619
Over 12 months	6,223	8,263	6,223	8,263
Total	581,342	577,150	586,568	594,465
Less: Allowance for doubtful debts	(8,976)	(8,976)	(8,976)	(8,976)
Total other receivables - net	572,366	568,174	577,592	585,489

5. Inventories

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	30 June 2012	31 December 2011
Inventories	6,918,645	5,355,847
Less: Allowance for stock obsolescence	(240,326)	(209,015)
Net	6,678,319	5,146,832
Less: Inventories - repaid its cost when sold	(960,011)	(610,831)
Purchase discount	(165,505)	(153,505)
Inventories - net	<u>5,552,803</u>	<u>4,382,496</u>

6. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the period	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011	30 June 2012	31 December 2011	30 June 2012	31 December 2011
			(Percent)	(Percent)				
Market Village								
Company Limited	5,000	5,000	99.99	99.99	4,999	4,999	-	-
Home Product Center								
(Malaysia) Sdn. Bhd.	10,000	10,000	100.00	100.00	9,840	9,840	-	-
					<u>14,839</u>	<u>14,839</u>	<u>-</u>	<u>-</u>

7. Investment properties

Movements of the investment properties account during the six-month period ended 30 June 2012 are summarised below.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated and separate financial statements
Net book value as at 1 January 2012	1,095,983
Acquisitions during the period	109,740
Depreciation for the period	(40,530)
Net book value as at 30 June 2012	<u>1,165,193</u>

8. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2012 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2012	10,812,386	10,809,358
Acquisitions during the period - at cost	2,136,117	2,135,862
Disposals and written-off during period - net book value	(2,245)	(2,245)
Depreciation for the period	(499,952)	(499,203)
Reversal of impairment loss for the period	3,570	3,570
Net book value as at 30 June 2012	<u>12,449,876</u>	<u>12,447,342</u>

9. Computer software

Movements of computer software account during the six-month period ended 30 June 2012 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2012	189,548	189,250
Acquisitions during the period - at cost	14,853	14,853
Amortisation for the period	(12,451)	(12,433)
Reversal of impairment loss for the period	5,500	5,500
Net book value as at 30 June 2012	<u>197,450</u>	<u>197,170</u>

10. Leasehold rights

Movements of leasehold right account during the six-month period ended 30 June 2012 are summarised below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements
Net book value as at 1 January 2012	1,059,396
Acquisitions during the period	24,500
Depreciation for the period	(20,602)
Net book value as at 30 June 2012	1,063,294

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

As at 30 June 2012 and 31 December 2011, the Company had overdraft lines from banks totaling Baht 245 million and Baht 275 million, respectively, and other credit facilities amounting to Baht 4,357 million and Baht 4,184 million, respectively.

12. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Trade payables - unrelated parties	6,787,862	5,944,705	6,787,862	5,939,589
Other payables - related parties	1,562	-	1,569	8
Other payables - unrelated parties	568,537	312,252	556,295	302,514
Other payables for purchase of assets	529,227	343,125	529,227	343,125
Accrued expenses - related parties	-	1,124	-	1,124
Accrued expenses - unrelated parties	588,970	690,573	566,331	674,803
Total trade and other payables	8,476,158	7,291,779	8,441,284	7,261,163

13. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	Portion due within one year		Portion due over one year	
	30 June	31 December	30 June	31 December
	2012	2011	2012	2011
Liabilities under financial lease agreements	6,563	4,322	17,212	9,113
Less: Deferred interest expense	(1,056)	(602)	(1,918)	(693)
Net	5,507	3,720	15,294	8,420

The Company has entered into the finance lease agreements with leasing companies for rental of motor vehicles and equipment for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 to 5 years.

As at 30 June 2012, future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Thousand Baht)

	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	6,563	17,212	23,775
Deferred interest expenses	(1,056)	(1,918)	(2,974)
Present value of future minimum lease payments	5,507	15,294	20,811

14. Debentures

	Consolidated and separate financial statements			
	Number of debentures (Unit)		Amount (Thousand Baht)	
	30 June	31 December	30 June	31 December
	2012	2011	2012	2011
Unsecured debentures				
#1/2009	300,000	300,000	300,000	300,000
#1/2010	700,000	700,000	700,000	700,000
#2/2010	1,000,000	1,000,000	1,000,000	1,000,000
#1/2011	1,000,000	1,000,000	1,000,000	1,000,000
Total	3,000,000	3,000,000	3,000,000	3,000,000
Less: Current portion			(2,000,000)	(300,000)
Debentures - net of current portion			1,000,000	2,700,000

Details of the Company's debentures are as follows:

1. The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2009 due 2012

Name of debentures	"The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2009 due 2012"
Amount	Baht 300 million
Term	3 years, starting from date of issuance
Issued date	1 October 2009
Interest rate	4.00% per annum
Interest payment schedule	Quarterly in January, April, July and October, starting from 1 January 2010 and with the last payment due on 2 October 2012
Principal repayment	On the redemption date of 2 October 2012
Covenants	Maintenance of debt to equity ratio and restriction on dividend payment

2. The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2010 due 2013

Name of debentures	"The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2010 due 2013"
Amount	Baht 700 million
Term	3 years, starting from date of issuance
Issued date	8 January 2010
Interest rate	3.65% per annum
Interest payment schedule	Quarterly in January, April, July and October, starting from 8 April 2010 and with the last payment due on 8 January 2013
Principal repayment	On the redemption date of 8 January 2013
Covenants	Maintenance of debt to equity ratio and restriction on dividend payment

3. The Unsubordinated and Unsecured Debentures of Home Product Center Plc.
No. 2/2010 due 2013

Name of debentures	"The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 2/2010 due 2013"
Amount	Baht 1,000 million
Term	3 years, starting from date of issuance
Issued date	25 June 2010
Interest rate	3.00% per annum
Interest payment schedule	Semi-annually in June and December, starting from 25 December 2010 and with the last payment due on 25 June 2013
Principal repayment	On the redemption date of 25 June 2013
Covenants	Maintenance of debt to equity ratio and restriction on dividend payment

4. The Unsubordinated and Unsecured Debentures of Home Product Center Plc.
No. 1/2011 due 2015.

Name of debentures	"The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2011 due 2015"
Amount	Baht 1,000 million
Term	4 years, starting from date of issuance
Issued date	15 September 2011
Interest rate	4.60% per annum
Interest payment schedule	Quarterly in March, June, September and December, starting from 15 December 2011
Principal repayment	On the redemption date of 15 September 2015
Covenants	Maintenance of debt to equity ratio, restriction on dividend payment and disposal and transfer of assets

15. Share capital

As discussed in Note 16, during the current period, the holders of the warrants of the Company exercised the warrants as follows:

2012	Warrants	Ordinary shares	Exercise price	Amount
	(Unit)	(Shares)	(Baht/share)	(Baht)
ESOP-W4				
- The first quarter	418,799	1,268,538	1.314	1,666,859
- The second quarter	9,153,675	27,726,417	1.314	36,432,512
Total	9,572,474	28,994,955		38,099,371

Movements in the number of ordinary shares, the paid-up share capital and premium on ordinary shares are as follows:

	Number of ordinary shares	Paid-up share capital	Premium on ordinary shares
	(Thousand Shares)	(Thousand Baht)	(Thousand Baht)
<u>Registered share capital</u>			
At the beginning of the period	5,881,395		
Decrease during the period	(824)		
At the end of the period	5,880,571		
<u>Issued and paid-up share capital</u>			
At the beginning of the period	5,836,721	5,836,721	636,330
Increase in capital from exercising of the rights of the warrants	28,995	28,995	9,104
At the end of the period	5,865,716	5,865,716	645,434

On 4 April 2012, the Annual General Meeting of the Company's shareholders passed the resolution to decrease the registered capital of the Company from Baht 5,881 million to Baht 5,880 million by cancelling the registered ordinary shares remaining after the stock dividend allocation of 0.82 million ordinary shares with a par value of Baht 1 made in accordance with the resolution of the Extraordinary General Shareholders Meeting no. 1/2554. The Company registered the decrease in its registered share capital to Baht 5,880 million with the Ministry of Commerce on 12 April 2012.

On 11 June 2012 the Company registered the increase in its paid-up share capital to Baht 5,866 million with the Ministry of Commerce.

16. Warrants

Details of the warrants of the Company which were issued without charge, are as follows:

Type of warrant	Issue to	Issuance date of warrant	Number of warrants issued	Period of warrant	Exercise price per share	Exercise ratio per 1 warrant
			(Units)			
ESOP-W4	Directors and employees of the Company and its subsidiary	23 May 2008	50,000,000	5 years	Baht 3.98	1 ordinary shares

During the period of exercise the rights of the warrants allotted to employees of the Company (ESOP-W4), the Company paid cash dividend and stock dividend as a result the Company needs to adjust the rights of the warrants allotted to employees of the Company (ESOP-W4) in accordance with the prospectus for the offering of warrants in respect of the condition to adjust the rights of warrants and the changes in prices as follows:

Effective date	Exercise price per share	Exercise ratio per 1 warrant
16 April 2009	Baht 3.912	1.017 ordinary shares
12 October 2009	Baht 2.059	1.932 ordinary shares
12 April 2010	Baht 2.044	1.946 ordinary shares
12 October 2010	Baht 1.752	2.271 ordinary shares
12 April 2011	Baht 1.502	2.650 ordinary shares
7 October 2011	Baht 1.314	3.029 ordinary shares

During the period, the movements of warrants of the Company are as follows:

(Unit: Unit)

Type of warrant	Number of warrants outstanding as at 31 December 2011	Number of warrants exercised during the period	Number of warrants outstanding as at 30 June 2012
ESOP-W4	11,600,343	(9,572,474)	2,072,869

17. Corporate income tax

Corporate income tax for the three-month and six-month periods ended 30 June 2012 and 2011, was calculated on the profit of the Company and its subsidiaries after adding back certain expenses and provisions not yet allowed for tax purposes.

18. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period. The number of ordinary shares of the prior period used for the calculation, as presented for comparative purposes, has been adjusted in proportion to the change in the number of shares as a result of the distribution of the stock dividends of 729 million shares on 19 October 2011, as if the shares comprising such stock dividends had been issued at the beginning of the earliest period reported.

Diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period (for the period 2011: adjusted in proportion to the change in the number of shares as a result of the increase in shares capital arising from the issue of a stock dividend, as discussed in the above paragraph), plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic and diluted earnings per share:

Consolidated financial statements						
For the three-month periods ended 30 June						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
2012	2011	2012	2011	2012	2011	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
			(Restated)		(Restated)	
Basic earnings per share						
Profit attributable to equity holders						
of the Company	591,755	479,053	5,847,131	5,817,220	0.10	0.08
Effect of dilutive potential ordinary shares						
Warrants	-	-	22,485	41,361		
Diluted earnings per share						
Profit of ordinary shareholders						
assuming the conversion of warrants to						
ordinary shares	591,755	479,053	5,869,616	5,858,581	0.10	0.08

(Unaudited but reviewed)

Separate financial statements					
For the three-month periods ended 30 June					
Profit for the period		Weighted average number of ordinary shares		Earnings per share	
2012	2011	2012	2011	2012	2011
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
			(Restated)		(Restated)
Basic earnings per share					
Profit attributable to equity holders					
of the Company	587,385	473,342	5,847,131	5,817,220	0.10 0.08
Effect of dilutive potential ordinary shares					
Warrants	-	-	22,485	41,361	
Diluted earnings per share					
Profit of ordinary shareholders					
assuming the conversion of warrants to ordinary shares	587,385	473,342	5,869,616	5,858,581	0.10 0.08

Consolidated financial statements					
For the six-month periods ended 30 June					
Profit for the period		Weighted average number of ordinary shares		Earnings per share	
2012	2011	2012	2011	2012	2011
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
			(Restated)		(Restated)
Basic earnings per share					
Profit attributable to equity holders					
of the Company	1,202,088	887,107	5,842,142	5,813,056	0.21 0.15
Effect of dilutive potential ordinary shares					
Warrants	-	-	26,691	44,759	
Diluted earnings per share					
Profit of ordinary shareholders					
assuming the conversion of warrants to ordinary shares	1,202,088	887,107	5,868,833	5,857,815	0.20 0.15

(Unaudited but reviewed)

Separate financial statements					
For the six-month periods ended 30 June					
Profit for the period		Weighted average number of ordinary shares		Earnings per share	
2012	2011	2012	2011	2012	2011
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
			(Restated)		(Restated)
Basic earnings per share					
Profit attributable to equity holders					
of the Company	1,191,940	875,338	5,842,142	5,813,056	0.20 0.15
Effect of dilutive potential ordinary shares					
Warrants	-	-	26,691	44,759	
Diluted earnings per share					
Profit of ordinary shareholders					
assuming the conversion of warrants to ordinary shares	1,191,940	875,338	5,868,833	5,857,815	0.20 0.15

19. Dividend paid

	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)	Paid on
Dividend from the operating results of July 2010 through December 2010	Annual General Meeting of the shareholders on 5 April 2011	84	0.0193	29 April 2011
Stock dividend from the operating results of July 2010 through December 2010	Annual General Meeting of the shareholders on 5 April 2011	726	0.1667	29 April 2011
Dividend from the operating results of July 2011 through December 2011	Annual General Meeting of the shareholders on 4 April 2012	876	0.15	27 April 2012

20. Financial information by segment

The majority of the operations of the Company and subsidiaries involve the business segments of trading of a complete range of goods and materials for construction, addition, refurbishment and renovation of buildings and residences, and provision of related services, together with space rental (as having revenue and assets less than 10 percent of total revenue and total assets of all segments) and are mainly carried on in a single geographic area, Thailand. As a result, all revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned trading industry and geographic area.

21 Commitments and contingent liabilities

21.1 As at 30 June 2012, the Company has commitments totaling Baht 121 million and USD 0.1 million (31 December 2011: Baht 100 million and USD 0.1 million), to commercial banks in respect of guarantees provided for leasing, purchases of goods or hire of work, and as bonds with State Enterprise.

21.2 As at 30 June 2012 and 31 December 2011, the Company has commitments under letters of credit opened with a commercial bank, amounting to USD 5 million and USD 4 million, respectively.

22. Commitments under long-term lease agreements**22.1 Long-term lease agreements - as lessee**

- a) The Company has entered into lease agreements. The terms of the agreements are generally between 24 to 30 years and they are non cancelable, except with the consent of the counterparties.

As at 30 June 2012, future minimum lease payments required under these operating leases contracts were as follows:

Payable within:	Million Baht
1 year	59
2 to 5 years	269
Thereafter	1,360
	<u>1,688</u>

- b) The Company has entered into lease agreements to lease commercial space. The terms of the agreements are generally between 17 to 30 years and they are not cancelable, except with the consent of the counterparties.

As at 30 June 2012, future minimum lease payments required under these operating leases contracts were as follows:

Payable within:	Million Baht
1 year	100
2 to 5 years	423
Thereafter	1,368
	<u>1,891</u>

22.2 Long-term lease agreements - as lessor

The Company has entered into 7 agreements with two companies to lease and sub-lease parts of premises in 5 branches for periods of 29 - 30 years, with a total of rental received in advance amounting to Baht 640 million. The terms of the agreements are until 2033 - 2036. The Company recognises this income systematically on a straight-line basis over the useful lives of the leaseholds.

The outstanding balance of rental received in advance, net of recognised rental income, as of 30 June 2012 was Baht 489 million (31 December 2011: Baht 499 million).

23. Financial instruments

23.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable and other receivables, trade accounts payable and other payables, short-term loans and debentures. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade accounts receivable and other receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade accounts receivable and other receivables as stated in the statements of financial position.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its deposits with financial institutions, short-term loans and debentures. However, since the Company's financial assets and some of its financial liabilities bear floating interest rates and some of financial liabilities bear fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 30 June 2012, classified by type of interest rate, are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

	Consolidated financial statements					
	Fixed interest rates					
	Within	Over	Floating	Non- interest		
	1 year	1-5 years	interest rate	bearing	Total	Interest rate
	(Thousand Baht)					(% p.a.)
Financial assets						
Cash and cash equivalents	215,000	-	45,071	149,936	410,007	0.75 - 3.25
Financial liabilities						
Debentures	2,000,000	1,000,000	-	-	3,000,000	3.00 - 4.60
	Separate financial statements					
	Fixed interest rates					
	Within	Over	Floating	Non- interest		
	1 year	1-5 years	interest rate	bearing	Total	Interest rate
	(Thousand Baht)					(% p.a.)
Financial assets						
Cash and cash equivalents	215,000	-	1,731	139,786	356,517	0.75 - 3.25
Financial liabilities						
Short-term loans from						
related party	90,000	-	-	-	90,000	3.25 - 3.50
Debentures	2,000,000	1,000,000	-	-	3,000,000	3.00 - 4.60
	2,090,000	1,000,000	-	-	3,090,000	

Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company has not entered into forward exchange contracts to hedge this risk.

The balances of financial liabilities denominated in foreign currencies as at 30 June 2012 are summarised below.

Foreign currencies	Financial liabilities	Average exchange rate as at 30 June 2012
	(Thousand)	(Baht per 1 foreign currency unit)
USD	1,512	31.9651
EUR	13	40.1309
CNY	821	5.0897

23.2 Fair values of financial instruments

Since some of the Company's financial assets and liabilities are short term in nature and debentures bear interest at rates close to market rate, their fair value is not expected to be materially different from the amounts presented in statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

24. Approval of financial statements

These interim financial statements were authorised for issue by the authorised directors of the Company on 6 August 2012.