

Home Product Center Public Company Limited and its subsidiary

Notes to consolidated financial statements

For the three-month period ended 31 March 2011

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 31 March 2011, the Company has a total of 41 branches operating in Bangkok and other provinces (31 December 2010: 40 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 subsidiary and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2010. There has been no significant change in the composition of the group of companies during the current period.

1.4 Application of new accounting standards during the period

During the current period, the Company adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, as listed below.

Accounting standards:

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 Separate 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

Financial reporting standards:

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

Financial Reporting Standard Interpretations:

TFRIC 15	Agreements for the Construction of Real Estate
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Accounting Standard Interpretations:

SIC 31	Revenue-Barter Transactions Involving Advertising Services
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These accounting standards do not have any significant impact on the financial statements for the current period. The Company applies TAS 23 (revised 2009) Borrowing Costs which the commencement date for capitalisation is on or after 1 January 2011.

1.5 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 2010, except for the changes in the following accounting policies due to the adoption of revised and new accounting standards.

Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment.

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 5 - 20 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

2. Change in accounting policy

During the second quarter of 2010, the Company had early adopted, before the date of enforcement, Thai Accounting Standard No. 19 regarding "Employee Benefits". The Company hired an independent actuarial company to assess the value of provision for employee retirement benefits using the Projected Unit Credit Method, in order to reflect such value appropriately. The Company applied the change retrospectively, by adjusting provision against retained earnings brought forward of the year 2009 and 2010, and restating the financial statements for the three-month period ended 31 March 2010. As a result, profit in the consolidated and separate comprehensive income statements for the three-month period ended 31 March 2010 decreased by Baht 3.3 million.

3. New accounting standards issued during the period not yet effective

During the current period, the Federation of Accounting Professions issued the below listed new accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting Standard Interpretations:

- SIC 10 Government Assistance - No Specific Relation to Operating Activities
- SIC 21 Income Taxes - Recovery of Revalued Non-Depreciable Assets
- SIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

4. Trade accounts receivable

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	31 March 2011	31 December 2010
Trade accounts receivable	119,379	84,015
Check returned receivable	1,370	2,212
Credit card and coupon receivable	91,534	80,441
Total	212,283	166,668
Less: Allowance for doubtful accounts	(1,848)	(2,649)
Trade accounts receivable - net	210,435	164,019

The outstanding balances of trade accounts receivable as at 31 March 2011 and 31 December 2010 are aged as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	31 March 2011	31 December 2010
Age of receivables		
Not yet due	183,472	143,397
Past due:		
Up to 6 months	27,193	20,816
6 - 12 months	-	-
Over 12 months	1,618	2,455
Total	212,283	166,668
Less: Allowance for doubtful accounts	(1,848)	(2,649)
Trade accounts receivable - net	210,435	164,019

5. Other receivables

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

(Unaudited but reviewed)

The outstanding balances of other receivables as at 31 March 2011 and 31 December 2010 are aged as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
Age of receivables				
Not yet due	146,833	169,956	149,315	172,390
Past due:				
Up to 3 months	244,888	301,682	244,888	301,682
3 - 6 months	9,093	2,402	9,093	2,402
6 - 12 months	2,942	1,971	2,942	1,971
Over 12 months	11,869	11,383	11,869	11,383
Total	415,625	487,394	418,107	489,828
Less: Allowance for doubtful accounts	(8,984)	(8,995)	(8,984)	(8,995)
Other receivables - net	406,641	478,399	409,123	480,833

6. Inventories

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	31 March 2011	31 December 2010
Inventories	4,883,411	4,559,358
Less: Allowance for stock obsolescence	(164,978)	(149,361)
Net	4,718,433	4,409,997
Less: Inventories - repaid its cost when sold	(729,486)	(566,260)
Purchase discount	(135,505)	(129,505)
Inventories - net	3,853,442	3,714,232

7. Investment in subsidiary

(Unit: Thousand Baht)

Subsidiary	Separate financial statements							
	Paid-up capital		Shareholding percentage		Cost		Dividend received during the period	
	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 March
	2011	2010	2011	2010	2011	2010	2011	2010
			(Percent)	(Percent)				
Market Village Company Limited	5,000	5,000	99.99	99.99	4,999	4,999	-	-

8. Related party transactions

During the periods, the Company and its subsidiary 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		Separate		
	financial statements		financial statements		
	For the three-month		For the three-month		
	periods ended 31 March		periods ended 31 March		Pricing policy
	2011	2010	2011	2010	
Transactions with subsidiary company					
(eliminated from consolidated financial statements)					
Sale of goods	-		238	112	Market price
	-				
Rental and service income	-		35,605	35,135	Baht 11.87 million per month for
	-				2011 (Baht 11.7 million per month
					for 2010)
Other income	-		6,954	6,367	Percentage of core revenue
	-				
Service expenses	-		596	-	Market price
	-				
Interest expenses	-		377	259	1.8% per annum (2010: 1.5% per
	-				annum)
Transactions with related companies					
Sale of goods	10,514	2,341	10,514	2,341	Market price
Interest income	3,289	810	3,289	810	1.25% - 2.0% per annum (2010:
					0.75% - 1.0 % per annum)
Purchase of goods		133	-	133	Market price

(Unaudited but reviewed)

Rental and service expenses	6,034	5,834	6,034	5,834	Percentage of sales but not less than a minimum rate
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As at 31 March 2011 and 31 December 2010, the Company had the outstanding balances with related parties which had been included in the following accounts:

	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
Bill of exchanges and deposits with financial institution				
(included in cash and cash equivalents)				
Land and Houses Retail Bank Plc. ⁽¹⁾	1,790,260	1,196,575	1,790,260	1,196,575
Trade accounts receivable				
Land and Houses Plc. and subsidiaries ⁽²⁾	9,799	2,363	9,799	2,363
Quality Houses Plc. and subsidiaries ⁽²⁾	575	959	575	959
Market Village Co., Ltd.				
(eliminated from the consolidated financial statements)	-	-	184	124
Total	10,374	3,322	10,558	3,446
Other receivables				
Quality Construction Products Plc. ⁽³⁾	13	3	13	3
Market Village Co., Ltd.				
(eliminated from the consolidated financial statements)	-	-	2,482	2,434
Total	13	3	2,495	2,437
Rental guarantee deposits				
Quality Houses Property Fund ⁽¹⁾	3,000	3,000	3,000	3,000
Short-term loans from related party				
Market Village Co., Ltd.				
(eliminated from the consolidated financial statements)	-	-	85,000	85,000
Other payables				
Quality Houses Property Fund ⁽¹⁾	3,143	1,436	3,143	1,436
Market Village Co., Ltd.				
(eliminated from the consolidated financial statements)	-	-	40	14
Total	3,143	1,436	3,183	1,450

Relationship with the related companies

⁽¹⁾ has common major shareholders

⁽²⁾ the major shareholders

⁽³⁾ has common directors

During the three-month period ended 31 March 2011, 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 85 million on which interest is payable on a monthly basis at a rate of 1.80% per annum (31 December 2010: 1.50% - 1.85% per annum). The loans are repayable at call.

Directors and management's benefits

For the three-month period ended 31 March 2011, the Company and its subsidiary had salaries, bonus, meeting allowance, gratuities and provision for long-term benefits of their directors and management recognised as expenses totaling Baht 30.42 million (2010: Baht 25.45 million).

9. Investment Properties

Movements of investment properties account during the three-month period ended 31 March 2011 are summarised below.

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Cost	
31 December 2010	1,505,903
Acquisitions during the period	4,982
Disposals during the period	(388)
31 March 2011	1,510,497
Accumulated depreciation	
31 December 2010	346,609
Depreciation for the period	19,878
Depreciation on disposals	(239)
31 March 2011	366,248

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated and
Separate
financial
statements

Net book value

31 December 2010	1,159,294
31 March 2011	1,144,249

10. Property, plant and equipment

Movements of property, plant and equipment account during the three-month period ended 31 March 2011 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Cost		
31 December 2010	12,156,541	12,135,236
Acquisitions during the period	805,527	804,387
Disposals and written-off during the period	(19,477)	(19,477)
31 March 2011	12,942,591	12,920,146
Accumulated depreciation		
31 December 2010	3,529,774	3,512,294
Depreciation for the period	199,953	199,220
Depreciation on disposals and written-off	(13,512)	(13,512)
31 March 2011	3,716,215	3,698,002
Allowance for impairment		
31 December 2010	113,238	113,238
Increase during the period	30,468	30,468
Decrease during the period	(7,250)	(7,250)
31 March 2011	136,456	136,456
Net book value		
31 December 2010	8,513,529	8,509,704
31 March 2011	9,089,920	9,085,688

11. Computer software

Movements in the balance of computer software during the three-month period ended 31 March 2011 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Cost		
31 December 2010	286,034	285,677
Acquisitions during the period	18,018	18,018
31 March 2011	304,052	303,695
Accumulated depreciation		
31 December 2010	115,833	115,813
Amortisation for the period	5,308	5,299
31 March 2011	121,141	121,112
Allowance for impairment		
31 December 2010	40,000	40,000
31 March 2011	40,000	40,000
Net book value		
31 December 2010	130,201	129,864
31 March 2011	142,911	142,583

12. Leasehold rights

These leasehold rights consist of leasehold rights to land and buildings. Movements in the balance of leasehold rights during the three-month period ended 31 March 2011 are summarised below.

	(Unit: Thousand Baht)
	Consolidated and separate financial statements
Cost	
31 December 2010	1,030,004
Acquisitions during the period	5,851
31 March 2011	1,035,855
Accumulated amortisation	
31 December 2010	198,612
Amortisation for the period	8,916
31 March 2011	207,528

(Unaudited but reviewed)

(Unit: Thousand Baht)
Consolidated and
separate financial
statements

Net book value

31 December 2010

831,392

31 March 2011

828,327

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

As at 31 March 2011 and 31 December 2010, the Company had overdraft lines from banks totaling Baht 275 million and Baht 175 million, respectively, and other credit facilities amounting to Baht 4,120 million and Baht 4,203 million, respectively.

14. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	Portion due		Portion due	
	within one year		over one year	
	31 March	31 December	31 March	31 December
	2011	2010	2011	2010
Liabilities under financial lease agreements	5,950	5,145	10,856	7,430
Less: Deferred interest expense	(737)	(547)	(986)	(524)
Net	5,213	4,598	9,870	6,906

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 31 March 2011, Future minimum lease payments required under the finance lease agreements were as follows:

	(Unit: Million Baht)		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	5.95	10.86	16.81
Deferred interest expenses	<u>(0.74)</u>	<u>(0.99)</u>	<u>(1.73)</u>
Present value of future minimum lease payments	<u>5.21</u>	<u>9.87</u>	<u>15.08</u>

15. Debentures

	Consolidated and separate financial statements			
	Number of debentures (Unit)		Amount (Thousand Baht)	
	31 March	31 December	31 March	31 December
	2011	2010	2011	2010
Unsecured debentures				
#1/2008	500,000	500,000	60,000	100,000
#2/2008	630,000	630,000	630,000	630,000
#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
Total	3,130,000	3,130,000	2,690,000	2,730,000
Less: Current portion			(690,000)	(730,000)
Debentures - net of current portion			2,000,000	2,000,000

Details of the Company's debentures are as follows:

1. The Principal paid by installment of the Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2008 Due 2011

Name of debentures	"The Principal paid by installment of the Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2008 Due 2011"
Amount	Baht 500 million
Term	3 years, starting from date of issuance
Issue date	2 May 2008
Interest rate	4.00% per annum
Interest payment schedule	Quarterly in February, May, August and November
Principal repayment	12 quarterly payments totaling Baht 40 million each (the last of Baht 60 million), starting 2 August 2008 and with the last payment due on 2 May 2011
Covenants	Maintenance of debt to equity ratio

In February 2011, the Company repaid the principal of debenture amounting to Baht 40 million, as stipulated in the terms of repayment of the above debentures, to the debenture holders.

2. The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No.2/2008 Due 2011.

Name of debentures	"The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 2/2008 due 2011"
Amount	Baht 630 million
Term	3 years, starting from date of issuance
Issue date	21 November 2008
Interest rate	5.50% per annum
Interest payment schedule	Quarterly in November, February, May and August
Principal repayment	On the redemption date of 21 November 2011
Covenants	Maintenance of debt to equity ratio and restriction on dividend payment

3. 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

4. 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

5. 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

16. Share capital

As discussed in Note 17, during the current period, the holders of the warrants of the Company exercised the warrants as follows:

2011	Warrants	Ordinary shares	Exercise price	Amount
	(Unit)	(Shares)	(Baht/share)	(Baht)
ESOP-W4				
- The first quarter	848,392	1,926,693	1.752	3,375,566
Total	848,392	1,926,693		3,375,566

As discussed in the above matter, the number of ordinary shares, the paid-up share capital and premium on ordinary shares are increased 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	4,426,605.5		
At the end of the period	4,426,605.5		
<u>Issued and paid-up share capital</u>			
At the beginning of the period	4,352,991.9	4,352,991.9	621,806.9
Increase in capital from exercising of the rights of the warrants	1,926.7	1,926.7	1,448.9
At the end of the period	4,354,918.6	4,354,918.6	623,255.8

On 11 March 2011 the Company registered the increase in its paid-up share capital to Baht 4,354.9 million with the Ministry of Commerce. In addition, the Company filed an application with the Stock Exchange of Thailand (SET) to register the additional 1.9 million shares as listed securities. The SET approved the trading of the additional shares through the stock market to be effective from 16 March 2011.

17. 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

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 2010	Number of warrants exercised during the period	Number of warrants outstanding as at 31 March 2011
ESOP-W4	22,419,352	(848,392)	21,570,960

18. Corporate income tax

Corporate income tax for the three-month periods ended 31 March 2011 and 2010, was calculated on the profit of the Company and subsidiary company after adding back certain expenses and provisions not yet allowed for tax purposes.

19. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period, after adjusting the number of ordinary shares in proportion to the change in the number of shares as a result of the increase in share capital arising from the distribution of a stock dividend of 725.81 million shares on 25 April 2011, as discussed in Note 24, because these dividend shares were issued after the end of the reporting period but before the financial statements were authorized for issue. 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 725.81 million shares on 25 April 2011 and 621.42 million shares on 21 October 2010, 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 by the weighted average number of ordinary shares in issue during the period, after adjusting the number of ordinary shares in proportion to the change in the number of shares as a result of the increase in share capital arising from the distribution of the stock dividends, 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 31 March						
Profit (Thousand Baht)		Weighted average number of ordinary shares (Thousand shares)		Earnings per share (Baht)		
2011	2010	2011	2010	2011	2010	
	(Restated)		(Restated)		(Restated)	
Basic earnings per share						
Profit attributable to equity holders						
of the Company	408,054	336,186	5,079,469	5,052,784	0.08	0.07
Effect of dilutive potential ordinary shares						
Warrants	-	-	40,019	40,800		
Diluted earnings per share						
Profit of ordinary shareholders						
assuming the conversion of warrants to						
ordinary shares	408,054	336,186	5,119,488	5,093,584	0.08	0.07
Separate financial statements						
For the three-month periods ended 31 March						
Profit (Thousand Baht)		Weighted average number of ordinary shares (Thousand shares)		Earnings per share (Baht)		
2011	2010	2011	2010	2011	2010	
	(Restated)		(Restated)		(Restated)	
Basic earnings per share						
Profit attributable to equity holders						
of the Company	401,996	331,808	5,079,469	5,052,784	0.08	0.07
Effect of dilutive potential ordinary shares						
Warrants	-	-	40,019	40,800		
Diluted earnings per share						
Profit of ordinary shareholders						
assuming the conversion of warrants to						
ordinary shares	401,996	331,808	5,119,488	5,093,584	0.08	0.07

20. Financial information by segment

The majority of the operations of the Company and subsidiary 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 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 31 March 2011 and 31 December 2010, the Company has commitments totaling Baht 102.27 million and Baht 89.16 million, respectively, 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 31 March 2011, the Company has commitments under letters of credit opened with two commercial banks, amounting to USD 6.26 million (31 December 2010: USD 3.99 million).

22. Commitments under long-term lease agreements

22.1 Long-term lease agreements - as lessee

a) The Company has entered into 17 land 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 31 March 2011, future minimum lease payments required under these operating leases contracts were as follows:

Payable within:	Million Baht
1 year	49.89
2 to 5 years	225.71
Thereafter	1,137.69
	<u>1,413.29</u>

b) The Company has entered into 17 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 31 March 2011, future minimum lease payments required under these operating leases contracts were as follows:

Payable within:	Million Baht
1 year	85.22
2 to 5 years	366.30
Thereafter	1,212.27
	<u>1,663.79</u>

22.2 Long-term lease agreements - as leaser

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 640.0 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 31 March 2011 was Baht 515.7 million (31 December 2010: Baht 521.2 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 balance sheet.

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 31 March 2011, 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	1,785,000	-	39,918	98,105	1,923,023	0.6 – 2.0
Financial liabilities						
Debentures	690,000	2,000,000	-	-	2,690,000	3.0 – 5.5
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	1,785,000	-	3,575	97,309	1,885,884	0.6 – 2.0
Financial liabilities						
Short-term loans from						
related party	85,000	-	-	-	85,000	1.8
Debentures	690,000	2,000,000	-	-	2,690,000	3.0 – 5.5
	775,000	2,000,000	-	-	2,775,000	

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 31 March 2011 are summarised below.

Foreign currency	Financial liabilities	Average exchange rate as at 31 March 2011
	(Dollar)	(Baht per dollar)
USD	751,554	30.4348

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 the balance sheets.

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. Subsequent events

24.1 On 5 April 2011, the Annual General Meeting of the Company's shareholders passed the following significant resolutions:

1. Make the following allocations of the Company's retained earnings and dividend payment from the operating results of July 2010 through December 2010.

- Allocation of 5% of profit of July 2010 through December 2010, amounting to Baht 46.20 million, to the statutory reserve.
- Payment of a stock dividend of up to 726.42 million ordinary shares with a par value of Baht 1.00 each, or a total of Baht 726.42 million to the Company's shareholders. The rate of payment is 1 dividend share for every 6 existing shares, or Baht 0.1667 per share. Any shareholdings of less than 6 shares, remaining after such allocation, are to receive a cash dividend of Baht 0.1667 per share.

Payment of a cash dividend of Baht 0.0193 per share, or a total of not more than Baht 84.12 million.

Resulting that total dividend is Baht 0.186 per share and will be paid within 29 April 2011.

However, the Company's Board of Directors' meeting, held on 19 August 2010, approved the following resolutions which were proposed to the Extraordinary General Meeting of the shareholders for approval on 4 October 2010:

- Allocation of 5% of profit of January 2010 through June 2010, amounting to Baht 35.20 million, to the statutory reserve.
- Payment of an interim dividend to the shareholders in the form of a stock dividend of Baht 0.1667 per share and a cash dividend of Baht 0.0193 per share. The dividend was paid on 29 October 2010. Such interim dividend per share after adjusting the issuance of the interim stock dividend was Baht 0.1594 per share, or a total of Baht 693.38 million.

Profit of the year 2010 allocated to the statutory reserve totaled Baht 81.40 million.

The total dividend per share for the year 2010 was Baht 0.3454 per share, or a total of Baht 1,503.92 million.

2. Decrease the registered capital of the Company from Baht 4,426.61 million to Baht 4,425.38 million by cancelling the registered ordinary shares remaining after the stock dividend allocation of 1.23 million ordinary shares with the par value of Baht 1 made in accordance with the resolution of the Extraordinary General Shareholders Meeting no. 1/2553.
3. Approve a Baht 726.42 million increase in registered capital, from Baht 4,425.38 million to Baht 5,151.80 million, by issuing an additional 726.42 million ordinary shares with a par value of Baht 1.00 each to support the payment of a stock dividend.
4. Cancel long term debentures that have not yet been issued and offered, amounting to Baht 2,000 million, and approve the issue and offer of up to Baht 5,000 million of long term debentures with maturities of no more than 10 years, through a public offering or private placement, pursuant to the notification of The Securities and Exchange Commission and/or the Office of the Securities and Exchange Commission. The Company may issue the new debenture as replacements in case of any redemptions and/or buy back the existing debentures.

24.2 According to a resolution of the Annual General Meeting of Shareholders, as discussed in Note 24.1, the Company was required to pay a stock dividend of no more than 726.42 million ordinary shares. As a result, the Company had to adjust the exercise price and exercise ratio of the warrants allotted to employees of the

(Unaudited but reviewed)

Company (ESOP-W4) in accordance with the prospectus for the offering of warrants as detailed below.

	Exercise ratio (:1 unit of warrants)		Exercise price (Baht/share)	
	Existing	New	Existing	New
ESOP-W4	2.271	2.650	1.752	1.502

The adjusted exercise prices and exercise ratios of ESOP-W4 are effective from 12 April 2011.

- 24.3 On 25 April 2011 the Company registered the increase in its registered share capital and paid-up share capital to Baht 5,151.80 million and Baht 5,080.73 million, respectively, with the Ministry of Commerce. In addition, the Company filed an application with the Stock Exchange of Thailand (SET) to register an additional 725.81 million shares (stock dividend) as listed securities. The SET approved the trading of the additional shares through the stock market, effective from 28 April 2011.

25. Reclassification

Certain amounts in the statement of financial position as at 31 December 2010 and the statement of comprehensive income for the three-month period ended 31 March 2010 have been reclassified to conform to the current period's classification but with no effect to previously reported profit or shareholders' equity except for the effect of the change in accounting policy discussed in Note 2. The reclassifications are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Investment properties - net	1,159,294	-	1,159,294	-
Property, plant and equipment - net	8,513,529	9,672,823	8,509,704	9,668,998
Selling expenses	1,042,875	1,032,659	1,022,275	1,012,059
Administrative expenses	218,165	226,046	216,988	224,869
Management benefit expenses	-	2,335	-	2,335

26. Approval of financial statements

These interim financial statements were authorised for issue by the authorised directors of the Company on 9 May 2011.