

Home Product Center Public Company Limited and its subsidiary

Notes to consolidated financial statements

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

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 trading of construction materials, construction equipment and tools, decoration equipment, instruments, and space rental. Its registered address is 96/27 Moo 9, Tambol Bangkhen, Amphur Muang, Nonthaburi. As at 30 June 2008, the Company has a total of 34 branches (31 December 2007: 31 branches) located in Bangkok and other provinces.

1.2 Basis for the preparation of the interim financial statements

These interim financial statements have been prepared in accordance with Accounting Standard No. 41 (revised 2007) “Interim financial statements”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets, and the statements of income, changes in shareholders’ equity and cash flows in the same format as the used for the annual financial statements.

These 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.

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 2007. 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 2007.

1.5 Accounting Standards which are effective for the current year

TAS 25 (revised 2007)	Cash Flow Statements
TAS 29 (revised 2007)	Leases
TAS 31 (revised 2007)	Inventories
TAS 33 (revised 2007)	Borrowing Costs
TAS 35 (revised 2007)	Presentation of Financial Statements
TAS 39 (revised 2007)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 41 (revised 2007)	Interim Financial Reporting
TAS 43 (revised 2007)	Business Combinations
TAS 49 (revised 2007)	Construction Contracts
TAS 51	Intangible Assets

These accounting standards become effective for the financial statements for fiscal years beginning on or after 1 January 2008. The management has assessed the effect of these accounting standards and believes that TAS 43 and TAS 49 are not relevant to the business of the Company, whereas TAS 25, TAS 29, TAS 31, TAS 33, TAS 35, TAS 39, TAS 41 and TAS 51 do not have any significant impact on the financial statements for the current period.

1.6 Prior periods adjustment

During the year 2007, the Company found that purchase discount of the prior years had been over recorded to the income statement, so the Company has restated the financial statements for the three-month and six-month periods ended 30 June 2007. The effect of the adjustment to the income statements for the three-month and six-month periods ended 30 June 2007, is to decrease net income by Baht 1.50 million (Baht 0.001 per share) and Baht 2.99 million (Baht 0.002 per share), respectively. The cumulative effect of the adjustment has been presented under the heading of "Cumulative effect of prior periods error adjustment for recording of purchase discount" in the statement of changes in shareholders' equity for the six-month period ended 30 June 2007.

2. Trade accounts receivable

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2008	2007	2008	2007
Trade accounts receivable	61,445	98,644	58,318	91,596
Check returned receivable	16,675	17,593	16,675	17,593
Credit card and coupon receivable	25,903	48,130	25,891	48,130
Total	104,023	164,367	100,884	157,319
Less: Allowance for doubtful accounts	(23,443)	(20,785)	(23,443)	(20,785)
Trade accounts receivable - net	<u>80,580</u>	<u>143,582</u>	<u>77,441</u>	<u>136,534</u>

The outstanding balances of trade accounts receivable as at 30 June 2008 and 31 December 2007 are aged as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2008	2007	2008	2007
Age of receivables				
Not yet due	78,420	129,111	75,746	122,589
Past due:				
Up to 6 months	8,659	17,488	8,194	16,962
6 - 12 months	-	-	-	-
Over 12 months	16,944	17,768	16,944	17,768
Total	104,023	164,367	100,884	157,319
Less: Allowance for doubtful accounts	(23,443)	(20,785)	(23,443)	(20,785)
Trade accounts receivable - net	<u>80,580</u>	<u>143,582</u>	<u>77,441</u>	<u>136,534</u>

(Unaudited but reviewed)

3. Inventories

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	30 June 2008	31 December 2007
Inventories	3,421,325	3,049,138
Less: Allowance for stock obsolescence	(69,668)	(61,590)
Net	3,351,657	2,987,548
Less: Inventories - repaid its cost when sold	(542,380)	(354,273)
Purchase discount	(89,305)	(85,706)
Inventories - net	<u>2,719,972</u>	<u>2,547,569</u>

4. Investment in subsidiary

(Unit: Thousand Baht)

Subsidiary	Separate financial statements									
	Paid-up capital		Shareholding percentage		Cost		Equity method		Dividend	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007	30 June 2008	31 December 2007	30 June 2008	31 December 2007	30 June 2008	30 June 2007
Market Village Company Limited	5,000	5,000	99.99	99.99	4,999	4,999	15,579	10,972	-	-

5. Related party transactions

During the period, the Company and its subsidiary had significant business transactions with related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of business between the Company and those companies. Below is a summary of those transactions.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate		Pricing policy
	financial statements		financial statements		
	For the three-month		For the three-month		
	periods ended 30 June		periods ended 30 June		
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	
Transactions with subsidiary company					
(eliminated from consolidated financial statements)					
Sale of goods	-	-	377	176	Market price
Rental and service income	-	-	28,533	20,515	Baht 9.5 million per month for 2008 and Baht 6.5 - 6.8 million per month for 2007
Other income	-	-	5,595	4,962	Percentage of core revenue
Interest expenses	-	-	424	597	3.4 - 5.15% per annum
Transactions with related companies					
Sale of goods	3,178	2,746	3,178	2,746	Market price
Interest income	204	2	204	2	0.5% per annum
Purchase of goods	1,232	589	1,232	589	Market price
Rental and service expenses	4,148	4,295	4,148	4,295	Percentage of sales

(Unit: Thousand Baht)

	Consolidated		Separate		Pricing policy
	financial statements		financial statements		
	For the six-month		For the six-month		
	periods ended 30 June		periods ended 30 June		
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	
Transactions with subsidiary company					
(eliminated from consolidated financial statements)					
Sale of goods	-	-	615	244	Market price
Rental and service income	-	-	57,067	40,347	Baht 9.5 million per month for 2008 and Baht 6.5 - 6.8 million per month for 2007
Other income	-	-	11,272	10,685	Percentage of core revenue
Interest expenses	-	-	848	1,168	3.4 - 5.15% per annum
Transactions with related companies					
Sale of goods	5,939	7,396	5,939	7,096	Market price
Interest income	204	268	204	268	0.5% per annum
Purchase of goods	1,431	1,215	1,431	1,215	Market price
Rental and service expenses	8,396	8,707	8,396	8,707	Percentage of sales

(Unaudited but reviewed)

As at 30 June 2008 and 31 December 2007, the Company had the following outstanding balances with related parties: -

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2008	2007	2008	2007
Deposit with financial institution				
Land and Houses Retail Bank Plc.	139	134	139	134
Trade accounts receivable				
Land and Houses Plc. and subsidiaries	2,860	1,708	2,860	1,708
Quality Houses Plc. and subsidiaries	223	336	223	336
Market Village Co., Ltd.				
(eliminated from consolidated financial statements)	-	-	246	132
Total	3,083	2,044	3,329	2,176
Other receivables				
Quality Houses Property and Loans Funds	3,000	3,000	3,000	3,000
Quality Construction Products Plc. and subsidiaries	6	3	6	3
Market Village Co., Ltd.				
(eliminated from consolidated financial statements)	-	-	1,929	6,026
Total	3,006	3,003	4,935	9,029
Trade accounts payable				
Quality Construction Products Plc. and subsidiaries	827	21	827	21
Other payables				
Quality Houses Property and Loans Funds	3,219	1,661	3,219	1,661
Short-term loans from related party				
Market Village Co., Ltd.				
(eliminated from consolidated financial statements)	-	-	50,000	50,000

During the six-month period ended 30 June 2008, there were no movements in the balances of loans from related party.

Short-term loans from related party

The Company has received unsecured loans of Baht 50 million (31 December 2007: Baht 50 million) from subsidiary company, on which interest is payable on a monthly basis at a rate of 3.40 % per annum. The loans are repayable at call.

Directors and management's remuneration

During the period 2008, the Company and its subsidiary paid salaries, meeting allowance and gratuities to their directors and management totaling Baht 7.9 million (2007: Baht 4.49 million).

In addition, during the period the Company has allocated 5,750,000 warrants to the directors of the Company and the subsidiary without charge. The details of the warrants are presented in Note 13 to the financial statements.

6. Property, plant and equipment

Movements of property, plant and equipment account during the six-month period ended 30 June 2008 are summarized below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	<hr/>	<hr/>
Cost		
Balance as at 31 December 2007	10,207,709	10,188,501
Acquisitions during the period	356,884	356,199
Disposals during the period	(10,196)	(10,040)
Balance as at 30 June 2008	<hr/> 10,554,397	<hr/> 10,534,660
Accumulated depreciation		
Balance as at 31 December 2007	1,825,127	1,819,500
Depreciation for the period	336,329	334,405
Depreciation on disposals	(8,400)	(8,343)
Balance as at 30 June 2008	<hr/> 2,153,056	<hr/> 2,145,562

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Allowance for impairment		
Balance as at 31 December 2007	43,000	43,000
Increase during the period	12,620	12,620
Balance as at 30 June 2008	55,620	55,620
Net book value		
Balance as at 31 December 2007	8,339,582	8,326,001
Balance as at 30 June 2008	8,345,721	8,333,478

The Company has mortgaged buildings and leasehold rights with net book values as at 30 June 2008 totaling Baht 509.9 million (31 December 2007: Baht 603.6 million) (Note 7) to secure credit facilities from banks, as described in Notes 8 and 11.

7. Leasehold rights and software

Movements in the balance of leasehold rights and software during the six-month period ended 30 June 2008 are summarized below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	Leasehold rights	Software	Leasehold rights	Software
Cost				
Balance as at 31 December 2007	624,925	179,659	624,925	179,649
Acquisitions during the period	-	570	-	570
Balance as at 30 June 2008	624,925	180,229	624,925	180,219
Accumulated depreciation				
Balance as at 31 December 2007	111,485	63,514	111,485	63,512
Depreciation for the period	11,354	8,405	11,354	8,404
Balance as at 30 June 2008	122,839	71,919	122,839	71,916
Net book value				
Balance as at 31 December 2007	513,440	116,145	513,440	116,137
Balance as at 30 June 2008	502,086	108,310	502,086	108,303

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

		(Unit: Thousand Baht)	
		Consolidated and separate financial statements	
	Interest rate (percent per annum)	30 June 2008	31 December 2007
Short-term loans from financial institutions	3.35 - 3.55	438,687	555,000

As at 30 June 2008, the Company had short-term loans in the form of promissory notes totaling Baht 440 million (31 December 2007: Baht 555 million) from two financial institutions. The loans carry interest at rates of 3.35 – 3.50 % per annum (31 December 2007: 3.55% per annum) and are not secured. The loans are repayable at call.

As at 30 June 2008 and 31 December 2007, the Company had overdraft lines from banks totaling Baht 120 million and Baht 105 million, respectively, some of which are secured by leasehold rights and construction (Notes 6 and 7).

9. Liabilities under financial lease agreements

		(Unit: Thousand Baht)			
		Consolidated and separate financial statements			
	Portion due within one year		Portion due over one year		
	30 June 2008	31 December 2007	30 June 2008	31 December 2007	
Liabilities under financial lease agreements	12,879	14,109	9,471	10,800	
Less: Deferred interest expense	(1,048)	(1,173)	(615)	(511)	
Net	<u>11,831</u>	<u>12,936</u>	<u>8,856</u>	<u>10,289</u>	

10. Debentures

Debentures of the Company consist of:

	Consolidated and separate financial statements			
	Number of debentures (Unit)		Amount (Thousand Baht)	
	30 June	31 December	30 June	31 December
	2008	2007	2008	2007
Unsecured debentures # 1/2548				
Series 1	-	500,000	-	500,000
Series 2	500,000	500,000	500,000	500,000
Unsecured debentures # 1/2551	500,000	-	500,000	-
Total	1,000,000	1,000,000	1,000,000	1,000,000
Less: Current portion			(660,000)	(500,000)
Net			(340,000)	500,000

At the Extraordinary Meeting of shareholders No. 1/2003 held on 27 June 2003, the shareholders passed a resolution approving the Company's issue debentures in an amount of not more than Baht 2,000 million, or the equivalent in foreign currency, to be offered to the public or individuals or institutional investors in one or several tranches. On 17 March 2005, the Company issued Baht 1,000 million of debentures as detailed below.

Name of debentures	" The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2005 Series 1 Due 2008 "	" The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2005 Series 2 Due 2009 "
Amounts	Baht 500 million	Baht 500 million
Term	3 years	4 years
Issue date	17 March 2005	17 March 2005
Interest rate	5.00% per annum	5.40% per annum
Interest payment schedule	Quarterly in March, June, September and December	Quarterly in March, June, September and December
Principal repayment	On the redemption date of 17 March 2008	On the redemption date of 17 March 2009
Covenants	Maintenance of debt to equity ratios and restrictions on dividend payment	Maintenance of debt to equity ratios and restrictions on dividend payment

During March 2008, the Company had repaid of Baht 500 million for Unsecured Debentures # 1/2548 Series 1 in full to the debenture holders.

On 4 April 2007, the Annual General Meeting of Shareholders for the year 2007 approved the Company's issue of debentures in an amount of not more than Baht 2,000 million, or the equivalent in another currency. The debentures must have a tenor of no less than 3 years and no more than 10 years.

On 2 May 2008, the Company issued Baht 500 million of debentures, as detailed below.

Name of debentures	" The Principal paid by installment Debentures of Home Product Center Plc. No. 1/2008 Due 2011"
Amount	Baht 500 million
Term	3 years
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 ratios

As at 30 June 2008, the Company may issue up to Baht 2,500 million of debentures.

11. Long-term loans

Details of the Company's long-term loans are as follows: -

(Unit: Thousand Baht)

Consolidated and separate financial statements					
No.	Principal	Outstanding balances		Terms of payment (per installment/month)	Interest Rate
		30 June 2008	31 December 2007		
1	1,500,000	1,125,000	1,275,000	Baht 25 million	*
2	100,000	100,000	100,000	Baht 33 million	**
	Total	1,225,000	1,375,000		
	Less: Current portion	(400,000)	(400,000)		
	Long-term loans - net	<u>825,000</u>	<u>975,000</u>		

The Company has pledged real estate and leasehold rights to secure the loans (Note 6). The Company has to comply with certain covenants stipulated in the loan agreement such as the maintenance of certain debt to equity ratio and restrictions on payment of dividends in excess of the rate indicated in the agreement.

* : At 4.15 - 6% per annum and from 2009 onwards at MLR

** : At MLR minus an agreed margin

On 8 June 2007, the Company entered into a Baht 2,000 million loan agreement with a bank. The loans will be repaid in monthly installments of not less than Baht 33 million each, within 78 months, and are subject to interest at MLR minus an agreed margin. The loans are secured (in the form of a negative pledge) by some of the Company's real estate and leasehold rights. As at 30 June 2008, the Company has drawn down of Baht 100 million from this loan facility, and thus had long-term facilities which have not yet been drawn down amounting to Baht 1,900 million.

On 28 July 2008, the Company and a bank jointly amended the loan agreement to decrease the limit on the facility from Baht 2,000 million to Baht 845 million. As a result, the Company has the unutilized portion of the facility amounts to Baht 745 million.

12. Share capital

12.1 On 4 April 2007, the Annual General Meeting of Shareholders of the year 2007 approved a Baht 50,400,000 increase in the Company's registered share capital, from Baht 1,938,146,860 to Baht 1,988,546,860, through an issue of ordinary shares of Baht 1 each; and the Company's amendment of clause 4 of its memorandum of association.

12.2 On 9 April 2008, the Annual General Meeting of Shareholders of the year 2008 approved a Baht 2,078,714 decrease in the Company's registered share capital, in respect of expiration of ESOP-W1 totaling 978,487 units.

Reconciliation of number of ordinary shares

(Unit: Shares)

	For the six-month periods ended 30 June	
	<u>2008</u>	<u>2007</u>
Registered share capital		
Number of ordinary shares at beginning of period	1,988,546,860	1,938,146,860
Increase in registered share capital due to issuing ESOP-W4	-	50,400,000
Decrease in registered share capital due to expiration of ESOP-W1	(2,078,714)	-
Number of ordinary shares at end of period	<u>1,986,468,146</u>	<u>1,988,546,860</u>
Issued and paid-up share capital		
Number of ordinary shares at beginning of period	1,924,920,422	1,919,818,404
Increase from the exercise of ESOP-W1, ESOP-W2, ESOP-W3 and ESOP-W4	<u>8,254,003</u>	<u>4,765,693</u>
Number of ordinary shares at end of period	<u>1,933,174,425</u>	<u>1,924,584,097</u>

13. Warrants

In September 2004, the Company proceeded with the first issue of warrants (ESOP-W1) to the employees in accordance with a resolution of the Annual General Meeting of Shareholders for the year 2004. It issued a total of 15,000,000 warrants, and one warrant can be exercised to purchase 1 ordinary share at a price of Baht 1 each, with exercise dates every three months

In February 2006, the Company proceeded with the second issue of warrants (ESOP-W2) to the employees, in accordance with the resolution of the Annual General Meeting of Shareholders for the year 2005. It issued a total of 7,000,000 warrants, and each warrant can be exercised to purchase 1 ordinary share at a price of Baht 1 each, with exercise dates every three months.

As a result of the Company's allotment of 7,000,000 ordinary share warrants to employees (ESOP-W2), the exercise ratio of the first issue of warrants to purchase ordinary shares to employees (ESOP-W1) was adjusted such that 1 warrant can be exercised to purchase 1.006 ordinary shares at a price of Baht 1 per share, effective from 28 February 2006 onwards.

In October 2006, the Company resolved to increase its share capital and this affected the exercise of the first and second issues of warrants allotted to the employees of the Company (ESOP-W1 and W2) as follows:

- One warrant of the first issue of warrants allotted to employees of the Company (ESOP-W1) can be exercised to purchase 1.811 ordinary shares at a price of Baht 1 per share.
- One warrant of the second issue of warrants allotted to employees of the Company (ESOP-W2) can be exercised to purchase 1.800 ordinary shares at a price of Baht 1 per share.

On 2 April 2007, the Company issued 15,000,000 warrants (ESOP-W3) to its employees in accordance with the resolution passed by the 2006 Annual General Meeting of Shareholders. Each warrant can be exercised to purchase one ordinary share at a price of Baht 1, and the exercise dates are every three months. The issue of ESOP-W3 has affected the exercise of ESOP-W1 and ESOP-W2 as follows: -

- One warrant of the first issue of warrants allotted to employees of the Company (ESOP-W1) can be exercised to purchase 1.822 ordinary shares at a price of Baht 1 per share.
- One warrant of the second issue of warrants allotted to employees of the Company (ESOP-W2) can be exercised to purchase 1.811 ordinary shares at a price of Baht 1 per share.

On 23 May 2008, the Company issued 50,000,000 warrants (ESOP-W4) to its employees in accordance with the resolution passed by the 2007 Annual General Meeting of the Shareholders. Each warrant can be exercised to purchase one ordinary share, and has a term of five years, with no more than 20% of the issued warrants to be exercised each year. The exercise price is calculated at a 20% discount on the 30-day average closing price of the Company's shares. The issue of ESOP-W4 has effected the exercise of ESOP-W2 and ESOP-W3 as follows: -

- One warrant of the second issue of warrants allotted to employees of the Company (ESOP-W2) can be exercised to purchase 1.823 ordinary shares at a price of Baht 1 per share.
- One warrant of the third issue of warrants allotted to employees of the Company (ESOP-W3) can be exercised to purchase 1.007 ordinary shares at a price of Baht 1 per share.

The holders of the warrants have exercised their rights as summarized below.

Exercised date	Number of exercised warrants				Number of shares from exercise of warrants	Value of ordinary shares from exercise of warrants	Paid-up capital		Date of registration with the Ministry of Commerce
	ESOP-W1	ESOP-W2	ESOP-W3	ESOP-W4			(Shares)	(Baht)	
	(Units)	(Units)	(Units)	(Units)	(Shares)	(Baht)	(Shares)	(Baht)	
Beginning balance									
1 January 2007	13,511,689	6,951,800	-	-	-	-	1,919,818,404	1,919,818,404	-
28 February 2007	279,396	-	-	-	505,982	505,982	1,920,324,386	1,920,324,386	7 March 2007
30 May 2007	182,528	30,000	3,872,816	-	4,259,711	4,259,711	1,924,584,097	1,924,584,097	11 June 2007
31 August 2007	38,900	-	237,550	-	308,425	308,425	1,924,892,522	1,924,892,522	12 September 2007
30 November 2007	-	-	27,900	-	27,900	27,900	1,924,920,422	1,924,920,422	11 December 2007
29 February 2008	-	-	60,000	-	60,000	60,000	1,924,980,422	1,924,980,422	12 March 2008
30 May 2008	-	-	4,679,142	3,482,200	8,194,003	8,194,003	1,933,174,425	1,933,174,425	12 June 2008
Total	14,012,513	6,981,800	8,877,408	3,482,200					
Number of issued warrants	15,000,000	7,000,000	15,000,000	50,000,000					
Number of exercised warrants	(14,012,513)	(6,981,800)	(8,877,408)	(3,482,200)					
Number of expired warrants	(987,487)	-	-	-					
Number of unexercised warrants	-	18,200	6,122,592	46,517,800					

14. Corporate income tax

Corporate income tax for the three-month and six-month periods ended 30 June 2008 and 2007, was calculated on the net income of the Company and subsidiary company after adding back certain expenses and provisions not yet allowed for tax purposes.

15. Earnings per share

Basic earnings per share is calculated by dividing the net income attributable to equity holders of the parent for the period by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is calculated by dividing net income attributable to equity holders of the parent for the period by the weighted average number of ordinary shares in issue during the period 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.

Reconciliation between basic earnings per share and diluted earnings per share is presented below.

Consolidated financial statements						
For the three-month periods ended 30 June						
Net income (Thousand Baht)		Weighted average number of ordinary shares (Thousand shares)		Earnings per share (Baht)		
<u>2008</u>	<u>2007</u> (Restated)	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u> (Restated)	
Basic earnings per share						
Net income attributable to equity holders of the parent						
200,038	168,181	1,927,502	1,921,822	0.10	0.09	
Effect of dilutive potential ordinary shares						
-	-	49,331	12,730			
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares						
200,038	168,181	1,976,833	1,934,552	0.10	0.09	

Consolidated financial statements						
For the six-month periods ended 30 June						
Net income (Thousand Baht)		Weighted average number of ordinary shares (Thousand shares)		Earnings per share (Baht)		
<u>2008</u>	<u>2007</u> (Restated)	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u> (Restated)	
Basic earnings per share						
Net income attributable to equity holders of the parent						
386,850	305,641	1,926,222	1,920,915	0.20	0.16	
Effect of dilutive potential ordinary shares						
-	-	49,085	9,006			
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares						
386,850	305,641	1,975,307	1,929,921	0.20	0.16	

Separate financial statements						
For the three-month periods ended 30 June						
Net income (Thousand Baht)		Weighted average number of ordinary shares (Thousand shares)		Earnings per share (Baht)		
<u>2008</u>	<u>2007</u> (Restated)	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u> (Restated)	
Basic earnings per share						
Net income attributable to equity holders of the parent						
197,800	162,428	1,927,502	1,921,822	0.10	0.08	
Effect of dilutive potential ordinary shares						
-	-	49,331	12,730			
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares						
197,800	162,428	1,976,833	1,934,552	0.10	0.08	

(Unaudited but reviewed)

Separate financial statements						
For the six-month periods ended 30 June						
Net income		Weighted average number		Earnings		
(Thousand Baht)		of ordinary shares (Thousand shares)		per share (Baht)		
2008	2007	2008	2007	2008	2007	
	(Restated)				(Restated)	
Basic earnings per share						
Net income attributable to equity holders						
of the parent						
382,244	292,474	1,926,222	1,920,915	0.20	0.15	
Effect of dilutive potential ordinary shares						
-	-	49,085	9,006			
Diluted earnings per share						
Net income of ordinary shareholders						
assuming the conversion of warrants to						
ordinary shares						
382,244	292,474	1,975,307	1,929,921	0.19	0.15	

16. Financial information by segment

The majority of the operations of the Company and subsidiary involve the business segments of trading of construction materials, construction equipment and tools, decoration equipment, instruments, and 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.

17. Commitments and contingent liabilities

17.1 As at 30 June 2008 and 31 December 2007, the Company has commitments totaling Baht 93.30 million and Baht 116.18 million, respectively, to a bank and four financial institutions in respect of guarantees provided for leasing, purchases of goods or hire of work, as bonds with State Enterprise.

17.2 The Company has entered into seven agreements with two companies to lease and sub-lease parts of premises in five branches for periods of 29-30 years, with contract values amounting to Baht 640.49 million. The terms of the agreements are until 2033 - 2036. The Company recognizes this income systematically on a straight-line basis over the useful lives of the leaseholds.

17.3 As at 30 June 2008, the Company has commitments under letters of credit opened with three commercial banks, amounting to USD 4.45 million (31 December 2007: three commercial banks amounting to USD 2.40 million).

18. Commitments under long-term lease agreements

18.1 The Company has entered into six land lease agreements, under which its rental payment commitments are as follows:

	<u>Million Baht</u>
Payable within:	
1 year	35
2 to 5 years	155
Thereafter	803
	<u>993</u>

18.2 The Company has entered into 16 lease agreements to lease commercial space, under which its rental payment commitments are as follows:

	<u>Million Baht</u>
Payable within:	
1 year	79
2 to 5 years	339
Thereafter	1,468
	<u>1,886</u>

19. Dividend paid

Dividends declared during the periods 2008 and 2007 consisted of the followings: -

	<u>Approved by</u>	<u>Total dividends</u>	<u>Dividend per share</u>	<u>Paid on</u>
Final dividend from 2006 retained earnings	Annual General Meeting of the shareholders on 4 April 2007	230.44	0.12	27 April 2007
Final dividend from 2007 retained earnings	Annual General Meeting of the shareholders on 9 April 2008	346.48	0.18	8 May 2008

20. Financial instruments

20.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No. 48 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, other receivables, short-term loans, debentures and long-term loans. 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 receivable. 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 others receivable as stated in the balance sheets.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its deposits with financial institutions, short-term loans, debentures and long-term loans. 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 2008, classified by type of interest rate, are summarized 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.

(Unaudited but reviewed)

Consolidated financial statements

	Fixed interest rates					Total	Interest rate (% p.a.)
	Within	Over	Over	Floating	Non- interest		
	1 year	1-5 years	5 years	interest rate	bearing		
	(Thousand Baht)						
Financial assets							
Cash and cash equivalent	-	-	-	72,409	65,732	138,141	0.50
Financial liabilities							
Bank overdraft and short-term							
loans from financial							
institutions	438,687	-	-	-	-	438,687	3.35 - 3.50
Debentures	660,000	340,000	-	-	-	1,000,000	4.00 - 5.40
Long-term loans	400,000	825,000	-	-	-	1,225,000	4.80 - 5.75
	<u>1,498,687</u>	<u>1,165,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,663,687</u>	

Separate financial statements

	Fixed interest rates					Total	Interest rate (% p.a.)
	Within	Over	Over	Floating	Non- interest		
	1 year	1-5 years	5 years	interest rate	bearing		
	(Thousand Baht)						
Financial assets							
Cash and cash equivalent	-	-	-	57,455	65,594	123,049	0.50
Financial liabilities							
Banks overdraft and short-term							
loans from financial							
institutions	438,687	-	-	-	-	438,687	3.35 - 3.50
Short-term loans from							
related party	50,000	-	-	-	-	50,000	3.40
Debentures	660,000	340,000	-	-	-	1,000,000	4.00 - 5.40
Long-term loans	400,000	825,000	-	-	-	1,125,000	4.80 - 5.75
	<u>1,548,687</u>	<u>1,165,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,713,687</u>	

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 2008 are summarized below.

<u>Foreign currency</u>	<u>Financial liabilities</u>	<u>Average exchange rate as at 30 June 2008</u>
	(Dollar)	(Baht per dollar)
USD	97,866	33.65

20.2 Fair values of financial instruments

Since some of the Company's financial assets and liabilities are short term in nature and loans bear interest at rates close to market rate or floating interest rates, 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.

21. Reclassification

In addition to the prior periods adjustment as mentioned in Note 1.6, which affects the net income for the three-month and six-month periods ended 30 June 2007 and shareholder's equity for the six-month period ended 30 June 2007 as previously reported, certain other amounts in the financial statements for the period of 2007 have been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholders' equity other than from the change in accounting policy.

22. Approval of financial statements

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