

Home Product Center Public Company Limited and its subsidiary

Notes to interim consolidated financial statements

For the three-month and six-month periods ended 30 June 2009

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 materials for construction, repair and maintenance 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 2009, the Company has a total of 35 branches (31 December 2008: 33 branches) located in Bangkok and other provinces.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standard No. 34 (revised 2007) “Interim Financial Reporting”, 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.

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 2008. There has been no significant change in the composition of the group of companies during the current period.

1.4 Adoption of new accounting standards

In June 2009, the Federation of Accounting Professions has issued Notification No. 12/2552, regarding the renumbering of Thai Accounting Standards to match the corresponding International Accounting Standards. Therefore the numbers of Thai Accounting Standards as used in these financial statements are corresponded to those per this notification.

The Federation of Accounting Professions has issued Notification No. 86/2551 and 16/2552, mandating the use of new accounting standards, financial reporting standard and accounting treatment guidance as follows.

a) Accounting standards, financial reporting standard and accounting treatment guidance which are effective for the current year

Framework for Preparation and Presentation of Financial Statements (revised 2007)

TAS 36 (revised 2007)

Impairment of Assets

TFRS 5 (revised 2007)

Non-current Assets Held for Sale
and Discontinued Operations

Accounting Treatment Guidance for Leasehold right

Accounting Treatment Guidance for Business Combination under Common Control

These accounting standards, financial reporting standard and accounting treatment guidance became effective for the financial statements for fiscal years beginning on or after 1 January 2009. The management has assessed the effect of these standards and believes that Accounting Treatment Guidance for Business Combination under Common Control are not relevant to the business of the Company, while Framework for Preparation and Presentation of Financial Statements (revised 2007), TAS 36 (revised 2007), TFRS 5 (revised 2007) and Accounting Treatment Guidance for Leasehold Right will not have any significant impact on the financial statements for the current period.

b) Accounting standards which are not effective for the current year

		<u>Effective date</u>
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2012
TAS 24 (revised 2007)	Related Party Disclosures	1 January 2011
TAS 40	Investment Property	1 January 2011

However, TAS 24 (revised 2007) and TAS 40 allows early adoption by the entity before the effective date.

The management of the Company is still evaluating the effect of these three accounting standards and has not been able to reach a conclusion as to their effect to the financial statements for the year in which they are initially applied.

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 2008.

2. Trade accounts receivable

	(Unit: Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
Trade accounts receivable	51,067	110,093	46,285	105,431
Check returned receivable	4,929	16,475	4,929	16,475
Credit card and coupon receivable	44,792	34,058	44,792	34,005
Total	100,788	160,626	96,006	155,911
Less: Allowance for doubtful accounts	(16,251)	(25,643)	(16,251)	(25,643)
Trade accounts receivable - net	<u>84,537</u>	<u>134,983</u>	<u>79,755</u>	<u>130,268</u>

(Unaudited but reviewed)

The outstanding balances of trade accounts receivable as at 30 June 2009 and 31 December 2008 are aged as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2009	2008	2009	2008
Age of receivables				
Not yet due	79,909	127,422	77,276	125,319
Past due:				
Up to 6 months	15,625	16,665	13,476	14,053
6 - 12 months	-	14	-	14
Over 12 months	5,254	16,525	5,254	16,525
Total	100,788	160,626	96,006	155,911
Less: Allowance for doubtful accounts	(16,251)	(25,643)	(16,251)	(25,643)
Trade accounts receivable - net	84,537	134,983	79,755	130,268

3. Inventories

	(Unit: Thousand Baht)	
	Consolidated and	
	separate financial statements	
	30 June	31 December
	2009	2008
Inventories	3,353,786	3,342,686
Less: Allowance for stock obsolescence	(96,840)	(82,485)
Net	3,256,946	3,260,201
Less: Inventories - repaid its cost when sold	(623,006)	(437,617)
Purchase discount	(97,505)	(94,505)
Inventories - net	2,536,435	2,728,079

4. Investment in subsidiary

(Unit: Thousand Baht)

Subsidiary	Separate financial statements							
	Paid-up capital		Shareholding percentage		Cost		Dividend received during the period	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2009	2008	2009	2008	2009	2008	2009	2008
			(Percent)	(Percent)				
Market Village								
Company Limited	5,000	5,000	99.99	99.99	4,999	4,999	-	-

5. Related party transactions

During the period, 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		Pricing policy
	financial statements		financial statements		
	For the three-month		For the three-month		
	periods ended 30 June		periods ended 30 June		
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	
Transactions with subsidiary company					
(eliminated from consolidated financial statements)					
Sale of goods	-	-	325	377	Market price
Rental and service income	-	-	35,409	28,533	Baht 11.7 million per month for 2009 (Baht 9.5 million per month for 2008)
Other income	-	-	6,727	5,595	Percentage of core revenue
Interest expenses	-	-	378	424	2.0% - 2.3% per annum (2008: 3.4% - 5.2% per annum)
Transactions with related companies					
Sale of goods	906	3,178	906	3,178	Market price
Interest income	397	204	397	204	1.0% -1.4% per annum (2008: 0.5% per annum)
Purchase of goods	109	1,232	109	1,232	Market price
Rental and service expenses	4,138	4,148	4,138	4,148	Percentage of sales

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate		
	financial statements		financial statements		
	For the six-month		For the six-month		
	periods ended 30 June		periods ended 30 June		Pricing policy
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	
Transactions with subsidiary company					
(eliminated from consolidated financial statements)					
Sale of goods	-	-	858	615	Market price
Rental and service income	-	-	69,384	57,067	Baht 11.1 - 11.7 million per month for 2009 (Baht 9.5 million per month for 2008)
Other income	-	-	12,580	11,272	Percentage of core revenue
Interest expenses	-	-	842	848	2.0% - 4.0% per annum (2008: 3.4% - 5.2% per annum)
Transactions with related companies					
Sale of goods	2,836	5,939	2,836	5,939	Market price
Interest income	1,105	204	1,105	204	1.0% - 2.8% per annum (2008: 0.5% per annum)
Purchase of goods	648	1,431	648	1,431	Market price
Rental and service expenses	9,910	8,396	9,910	8,396	Percentage of sales

As at 30 June 2009 and 31 December 2008, the Company had the outstanding balances with related parties which had been included in the following accounts:

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2009	2008	2009	2008
Bill of exchanges and deposit with financial institution				
(included in cash and cash equivalents)				
Land and Houses Retail Bank Plc. ⁽¹⁾	745	435,140	745	435,140
Trade accounts receivable				
Land and Houses Plc. and subsidiaries ⁽²⁾	615	2,261	615	2,261
Quality Houses Plc. and subsidiaries ⁽²⁾	131	67	131	67
Market Village Co., Ltd.				
(eliminated from consolidated financial statements)	-	-	149	178
Total	746	2,328	895	2,506

(Unaudited but reviewed)

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2009	2008	2009	2008
Other receivables				
Quality Construction Products Plc. and subsidiaries ⁽¹⁾	6	6	6	6
Market Village Co., Ltd. (eliminated from consolidated financial statements)	-	-	16,436	6,928
Total	6	6	16,442	6,934
Rental guarantee deposits				
Quality Houses Property and Loans Funds ⁽¹⁾	3,000	3,000	3,000	3,000
Trade accounts payable				
Quality Construction Products Plc. and subsidiaries ⁽¹⁾	65	2,264	65	2,264
Short-term loans from related party				
Market Village Co., Ltd. (eliminated from consolidated financial statements)	-	-	85,000	60,000
Other payables				
Quality Houses Property and Loans Funds ⁽¹⁾	1,382	1,307	1,382	1,307

Relationship with the related companies

(1) Has common shareholders

(2) The major shareholders

During the six-month period ended 30 June 2009, movement in the balances of short-term loans from related party was as follows:

	(Unit: Thousand Baht)			
	As at	During the period		As at
	1 January	Increase	Decrease	30 June
	2009			2009
<u>Subsidiary</u>				
Market Village Co., Ltd.	60,000	25,000	-	85,000

Short-term loans from related party

The Company has received unsecured loans of Baht 85 million (31 December 2008: Baht 60 million) from subsidiary company, on which interest is payable on a monthly basis at a rate of 2.0% - 4.0% per annum (31 December 2008: 3.40% - 4.25% per annum). The loans are repayable at call.

6. Property, plant and equipment

Movements of property, plant and equipment account during the six-month period ended 30 June 2009 are summarized below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Cost		
31 December 2008	11,163,485	11,143,246
Acquisitions during the period	596,940	596,057
Disposals during the period	(6,516)	(6,499)
30 June 2009	11,753,909	11,732,804
Accumulated depreciation		
31 December 2008	2,486,774	2,477,292
Depreciation for the period	370,456	368,418
Depreciation on disposals	(5,647)	(5,638)
30 June 2009	2,851,583	2,840,072
Allowance for impairment		
31 December 2008	63,540	63,540
30 June 2009	63,540	63,540
Net book value		
31 December 2008	8,613,171	8,602,414
30 June 2009	8,838,786	8,829,192

The Company has mortgaged buildings and leasehold rights (Note 8) with net book values as at 30 June 2009 totaling Baht 610.6 million (31 December 2008: Baht 576.5 million) to secure credit facilities from banks, as described in Notes 9 and 12.

7. Computer software

Movements in the balance of computer software during the six-month period ended 30 June 2009 are summarized below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Cost		
31 December 2008	210,806	210,797
Acquisitions during the period	4,693	4,693
30 June 2009	215,499	215,490
Accumulated depreciation		
31 December 2008	80,644	80,641
Depreciation for the period	9,012	9,012
30 June 2009	89,656	89,653
Allowance for impairment		
Increase during the period	8,000	8,000
30 June 2009	8,000	8,000
Net book value		
31 December 2008	130,162	130,156
30 June 2009	117,843	117,837

8. Leasehold rights

(Unit: Thousand Baht)

	Consolidated and separate financial statements
Cost	
31 December 2008	861,451
Acquisitions during the period	7,547
30 June 2009	868,998
Accumulated amortisation	
31 December 2008	138,487
Amortisation for the period	14,148
30 June 2009	152,635

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated and
separate financial
statements

Net book value

31 December 2008	722,964
30 June 2009	716,363

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

(Unit: Thousand Baht)

Consolidated and

separate financial statements

	30 June 2009	31 December 2008
Short-term loans from financial institutions	577,911	124,824

As at 30 June 2009, the Company had short-term loans from financial institutions in the form of promissory notes and bill of exchanges amounting to Baht 280.0 million and Baht 297.9 million, respectively (31 December 2008: in the form of promissory notes). These loans are due at call and repayable within September 2009, respectively. The loans carry interest at rates of 2.00% - 3.15 % per annum (31 December 2008: 4.00% per annum) and are not secured.

As at 30 June 2009 and 31 December 2008, the Company had overdraft lines from banks totaling Baht 130 million, and other credit facilities amounting to Baht 4,817 million and Baht 4,677 million, respectively, some of which are secured by leasehold rights and construction (Notes 6 and 8).

10. 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 2009	31 December 2008	30 June 2009	31 December 2008
Liabilities under finance lease agreements	6,492	9,951	7,769	5,847
Less: Deferred interest expenses	(611)	(655)	(560)	(377)
Net	5,881	9,296	7,209	5,470

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 2009, 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	6.49	7.77	14.26
Deferred interest expenses	<u>(0.61)</u>	<u>(0.56)</u>	<u>(1.17)</u>
Present value of future minimum lease payments	<u>5.88</u>	<u>7.21</u>	<u>13.09</u>

11. Debentures

	Consolidated and separate financial statements			
	Number of debentures (Unit)		Amount (Thousand Baht)	
	30 June	31 December	30 June	31 December
	2009	2008	2009	2008
Unsecured Debentures # 1/2005				
Series 2	-	500,000	-	500,000
Unsecured Debentures				
#1/2008	500,000	500,000	340,000	420,000
#2/2008	630,000	630,000	630,000	630,000
Total	<u>1,130,000</u>	<u>1,630,000</u>	970,000	1,550,000
Less: Current portion			<u>(160,000)</u>	<u>(660,000)</u>
Debentures - net of current portion			<u>810,000</u>	<u>890,000</u>

Details of the Company's debentures are as follows:

1. The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2005 Series 2 Due 2009

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

The unsecured debentures of Baht 500 million matured on 17 March 2009; the Company has, therefore, already paid in full to the debentures holders.

2. The Principal paid by installment Debentures of Home Product Center Plc. No. 1/2008 Due 2011

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

In February and May 2009, the Company repaid the principal of debentures amounting to Baht 40 million per each installment, totaling Baht 80 million, as stipulated in the terms of repayment of the above debentures, to the debenture holders.

3. 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
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 ratios and restrictions on dividend payment

On 8 April 2009, the Annual General Meeting of the Company passed resolution approving the cancellation of debentures which previously approved for issuance and has not yet been offered at the amount of Baht 1,870 million, and the issuance and offering of debt instruments, details are as follows:-

1. The issuance and offering of bills of exchange and/or short-term debentures of which the maturity date shall not exceed 270 days from the date of issuance, in the amount of not exceeding Baht 2,000 million.
2. The issuance and offering of long-term debentures of which the maturity date shall not exceed 10 years from the date of issuance, in the amount of not exceeding Baht 4,000 million.

12. 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 month)	Interest Rate
		30 June 2009	31 December 2008		
1	1,500,000	825,000	975,000	Baht 25.00 million	*
2	100,000	153,440	-	Baht 15.52 million	**
	Total	978,440	975,000		
	Less: Current portion	(453,440)	(300,000)		
	Long-term loans - net				
	of current portion	525,000	675,000		

* : At 4.15% - 6.00% per annum and from 2010 onwards at MLR

** : At MLR minus an agreed margin

1. The Company has pledged assets and leasehold rights to secure the loans (Note 6).
2. 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.

On 28 July 2008, the Company and the bank jointly amended the loan agreement to decrease the facility from Baht 2,000 million to Baht 845 million. On 5 February 2009, the Company and the bank jointly amended certain conditions of use of loan facilities, including the term of repayment. The term of loan repayment had been changed from monthly payment in the amount of not less than Baht 33.00 million, within 61 months to monthly payment in the amount of not less than Baht 15.52 million, within 48 months. As at 30 June 2009, the Company has the unutilised portion of the facility amounting to Baht 545 million.

The Company has to comply with certain covenants stipulated in the loan agreements such as the maintenance of debt to equity ratio.

13. Share capital

As discussed in Note 14, during the current period, the holders of the warrants of the Company exercised the warrants as follows:

2009	Warrants	Ordinary shares	Exercise price	Amount
	(Unit)	(Shares)	(Baht/share)	(Baht)
ESOP-W2				
- The first quarter	9,700	17,682	1.000	17,682
ESOP-W3				
- The first quarter	29,750	29,958	1.000	29,958
- The second quarter	4,627,381	4,766,152	1.000	4,766,152
ESOP-W4				
- The first quarter	1,786	1,786	3.980	7,108
- The second quarter	2,366,215	2,406,419	3.912	9,413,912
Total	<u>7,034,832</u>	<u>7,221,997</u>		<u>14,234,812</u>

As discussed in the above matter, as a result of the increase 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	1,986,468.1		
Increase in registered share capital to support the exercising of the rights of the warrants	<u>14,731.7</u>		
At the end of the period	<u>2,001,199.8</u>		
<u>Issued and paid-up share capital</u>			
At the beginning of the period	1,933,610.6	1,933,610.6	566,804.4
Increase due to exercise of the rights of the warrants	<u>7,222.0</u>	<u>7,222.0</u>	<u>7,012.8</u>
At the end of the period	<u>1,940,832.6</u>	<u>1,940,832.6</u>	<u>573,817.2</u>

The Company registered the increase in its paid up share capital to Baht 1,940.8 million with the Ministry of Commerce on 10 June 2009.

On 8 April 2009, the Annual General Meeting of the Company passed resolution approving for the increase in registered capital of Baht 14.7 million, from the previous registered capital of Baht 1,986.5 million to Baht 2,001.2 million by issuance of additional 14.7 million ordinary shares, at a par value of 1 Baht each, to support the exercising of the rights of the warrants allotted to employees of the Company (ESOP-W4).

14. 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 (Units)	Period of warrant	Exercise price per share	Exercise ratio per 1 warrant
ESOP-W2	Directors and employees of the Company	28 February 2006	7,000,000	3 years	Baht 1.00	1 ordinary shares
ESOP-W3	Directors and employees of the Company	2 April 2007	15,000,000	3 years	Baht 1.00	1 ordinary shares
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 2008, the Company had issued ESOP-W4 to the Company's and subsidiary's employees. The issue of ESOP-W4 has affected the exercise of ESOP-W2 and ESOP-W3 as follows:

Type of warrant	Exercise price per share	Exercise price per 1 warrant
ESOP-W2	Baht 1.00	1.823 ordinary shares
ESOP-W3	Baht 1.00	1.007 ordinary shares

According to the resolution of the Annual General Meeting of Shareholders dated on 8 April 2009, that approve the Company to pay dividend at the rate of more than 55% of net profit after tax in 2008. As a result the Company needs to adjust the rights of the warrants allotted to employees of the Company (ESOP-W3 and ESOP-W4) in accordance with prospectus for the offering of warrants in respect of the condition to adjust the rights of warrants and the changes in prices as follows:

Type of warrant	Exercise price per share	Exercise price per 1 warrant
ESOP-W3	Baht 1.000	1.030 ordinary shares
ESOP-W4	Baht 3.912	1.017 ordinary shares

The adjusted exercise prices and exercise ratios of ESOP-W3 and ESOP-W4 shall become effective since 16 April 2009.

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

Type of warrant	Number of warrants outstanding as at 31 December 2008	Number of warrants exercised during the period	Number of warrants expired during the period	Number of warrants outstanding as at 30 June 2009
ESOP-W2	18,200	(9,700)	(8,500)	-
ESOP-W3	5,933,832	(4,657,131)	-	1,276,701
ESOP-W4	46,271,700	(2,368,001)	-	43,903,699

15. Corporate income tax

Corporate income tax for the three-month and six-month periods ended 30 June 2009 and 2008, 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.

16. Earnings per share

Basic earnings per share is calculated by dividing the net income 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 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.

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						
	Net income		Weighted average number of		Earnings	
	(Thousand Baht)		ordinary shares (Thousand shares)		per share (Baht)	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Basic earnings per share						
Net income attributable to equity holders						
of the parent	251,874	200,038	1,935,946	1,927,502	0.13	0.10
Effect of dilutive potential ordinary shares	-	-	13,166	49,331		
Diluted earnings per share						
Net income of ordinary shareholders						
assuming the conversion of warrants to						
ordinary shares	251,874	200,038	1,949,112	1,976,833	0.13	0.10

Consolidated financial statements						
For the six-month periods ended 30 June						
	Net income		Weighted average number of		Earnings	
	(Thousand Baht)		ordinary shares (Thousand shares)		per share (Baht)	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Basic earnings per share						
Net income attributable to equity holders						
of the parent	493,932	386,850	1,934,794	1,926,222	0.26	0.20
Effect of dilutive potential ordinary shares	-	-	8,226	49,085		
Diluted earnings per share						
Net income of ordinary shareholders						
assuming the conversion of warrants to						
ordinary shares	493,932	386,850	1,943,020	1,975,307	0.25	0.20

Separate financial statements						
For the three-month periods ended 30 June						
	Net income		Weighted average number		Earnings	
	(Thousand Baht)		of ordinary shares (Thousand shares)		per share (Baht)	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Basic earnings per share						
Net income attributable to equity holders						
of the parent	250,428	197,800	1,935,946	1,927,502	0.13	0.10
Effect of dilutive potential ordinary shares	-	-	13,166	49,331		
Diluted earnings per share						
Net income of ordinary shareholders						
assuming the conversion of warrants to						
ordinary shares	250,428	197,800	1,949,112	1,976,833	0.13	0.10

	Separate 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)	
	2009	2008	2009	2008	2009	2008
Basic earnings per share						
Net income attributable to equity holders						
of the parent	493,627	382,244	1,934,794	1,926,222	0.26	0.20
Effect of dilutive potential ordinary shares	-	-	8,226	49,085		
Diluted earnings per share						
Net income of ordinary shareholders						
assuming the conversion of warrants to						
ordinary shares	493,627	382,244	1,943,020	1,975,307	0.25	0.19

17. 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 materials for construction, repair and maintenance 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.

18. Dividend paid

	Approved by	Total dividends	Dividend per share	Paid on
Final dividend for 2008	Annual General Meeting of the shareholders on 8 April 2009	676.78	0.35	28 April 2009
Final dividend for 2007	Annual General Meeting of the shareholders on 9 April 2008	346.49	0.18	8 May 2008

19. Commitments and contingent liabilities

19.1 As at 30 June 2009 and 31 December 2008, the Company has commitments totaling Baht 67.83 million and Baht 75.90 million, respectively, to a bank and four financial institutions in respect of guarantees provided for leasing, purchases of goods or hire of work, and as bonds with State Enterprise.

19.2 As at 30 June 2009, the Company has commitments under letters of credit opened with two commercial banks, amounting to USD 2.74 million (31 December 2008: USD 1.99 million).

20. Commitments under lease agreements**20.1 Long-term lease agreements - as lessee**

- a) The Company has entered into 11 land lease agreements. The terms of the agreements are generally between 26 to 30 years and they are non cancelable, except with the consent of the counterparties.

As at 30 June 2009, future minimum lease payments required under these operating leases contracts were as follows:

	<u>Million Baht</u>
Payable within:	
1 year	42.0
2 to 5 years	183.4
Thereafter	939.5
	<hr/> 1,164.9 <hr/>

- 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 30 June 2009, future minimum lease payments required under these operating leases contracts were as follows:

	<u>Million Baht</u>
Payable within:	
1 year	81.6
2 to 5 years	348.7
Thereafter	1,377.5
	<hr/> 1,807.8 <hr/>

20.2 Long-term lease agreements - as leaser

The Company has entered into 7 agreements with 2 companies to lease and sub-lease parts of premises in 5 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.

The outstanding balance of rental received in advance as of 30 June 2009 was Baht 532.0 million (31 December 2008: Baht 542.8 million).

21. Financial instruments

21.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No. 32 "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 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, 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.

(Unaudited but reviewed)

Significant financial assets and liabilities as at 30 June 2009, 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.

	Consolidated financial statements						
	Fixed interest rates						
	Within	Over	Over	Floating	Non- interest		
	1 year	1-5 years	5 years	interest rate	bearing	Total	Interest rate
	(Thousand Baht)						(% p.a.)
Financial assets							
Cash and cash equivalent	-	-	-	26,467	60,707	87,174	0.50
Financial liabilities							
Bank overdraft and short-term							
loans from financial							
institutions	577,911	-	-	-	-	577,911	2.00 - 3.15
Debentures	160,000	810,000	-	-	-	970,000	4.00 - 5.50
Long-term loans	275,000	-	-	703,440	-	978,440	4.84 - 6.21
	1,012,911	810,000	-	703,440	-	2,526,351	

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 currency as at 30 June 2009 are insignificant amounts.

21.2 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.

22. Approval of financial statements

These interim financial statements were authorized for issue by the authorized directors of the Company on 6 August 2009.