

Home Product Center Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the three-month and nine-month periods ended 30 September 2013

1. General information Increase

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 Public Company Limited and Quality Houses Public Company Limited, which were incorporated in Thailand. The Company is principally engaged in the trading of a complete range of goods and materials for construction, addition, refurbishment and renovation of buildings and residences, and provision for related services, together with space rental. Its registered address is 96/27 Moo 9, Tambol Bangkhen, Amphur Muang, Nonthaburi. As at 30 September 2013, the Company has a total of 59 branches operating in Bangkok and other provinces (31 December 2012: 53 branches).

1.2 Basis for the preparation of interim financial statements

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

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

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

1.3 Basis of consolidation

These consolidated financial statements include the financial statements of Home Product Center Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2012. There have been significant changes in the composition of the group of companies during the current period as follow:

Mega Home Center Company Limited

On 25 December 2012, the Company's Board of Directors meeting passed a resolution approving the acquisition of Mega Home Center Company Limited to operate retail business. The initial registered share capital of this company is Baht 1 million, 99.99% of which is to be held by the Company and it is thus treated as a subsidiary. The Company paid for the investment on 1 January 2013.

During the nine-month period ended 30 September 2013, the subsidiary several times increased its registered capital which rose from the previous registered capital of Baht 1 million to Baht 500 million, and as at 30 September 2013, the subsidiary had issued and paid-up share capital amounting to Baht 500 million. The Company paid up all share capital of the subsidiary in the current period.

DC Service Center Company Limited

On 27 August 2013, the Company's Board of Directors meeting passed a resolution approving the acquisition of DC Service Center Company Limited to operate the services of distribution of goods, delivery and installation. The initial registered share capital of this company is Baht 5 million. As at 30 September 2013, the subsidiary had issued and paid-up share capital amounting to Baht 1.25 million. The Company paid for the investment on 4 September 2013, 99.99% of which is to be held by the Company and it is thus treated as a subsidiary.

The consolidated financial statements include the financial statements of the Company and the following subsidiary companies:

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			30	31
			September	December
			2013	2012
			Percent	Percent
Market Village Company Limited	Space rental	Thailand	99.99	99.99
Home Product Center (Malaysia) Sdn. Bhd.	Retail business	Malaysia	100.00	100.00
Mega Home Center Company Limited	Retail business	Thailand	99.99	-

(Unaudited but reviewed)

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			30	31
			September	December
			2013	2012
			Percent	Percent
DC Service Center Company Limited	Services of distribution of goods, delivery and installation	Thailand	99.99	-

1.4 New accounting standards

Below is a summary of accounting standards that became effective in the current accounting period and those that will become effective in the future.

(a) Accounting standards that became effective in the current accounting period

Accounting standards:

TAS 12 Income Taxes

TAS 20 (revised 2009) Accounting for Government Grants and Disclosure of Government Assistance

TAS 21 (revised 2009) The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8 Operating Segments

Accounting Standard Interpretations:

TSIC 10 Government Assistance - No Specific Relation to Operating Activities

TSIC 21 Income Taxes - Recovery of Revalued Non-Depreciable Assets

TSIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for the following accounting standard.

TAS 12 *Income Taxes*

This accounting standard requires an entity to identify temporary differences arising from differences between the carrying amount of an asset or liability in the statement of financial position and its tax base in order to recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiaries have changed this accounting policy during the current period and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiaries had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 2.

(b) Accounting standards that will become effective in the future

		<u>Effective date</u>
Accounting Standard:		
TAS 12 (revised 2012)	Income taxes	1 January 2014
Financial Reporting Standard:		
TFRS 4	Insurance Contracts	1 January 2016
Accounting Standard Interpretations:		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014

		<u>Effective date</u>
Financial Reporting Standard Interpretations:		
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

The management of the Company has assessed the effect of the above accounting standard, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations and believes that they are not relevant to the business of the Company, except TAS 12 (revised 2012), TSIC 15 and TFRIC 13, for which the management is still evaluating the first-year impact to the financial statements and has yet to reach a conclusion.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2012, except for the change in the accounting policy due to the adoption of TAS 12 *Income Taxes* as follow:

Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

2. Cumulative effect of the change in accounting policy due to the adoption of new accounting standard

During the current period, the Company and its subsidiaries made the change described in Note 1.4 to their significant accounting policies, as a result of the adoption of TAS 12 *Income Taxes*. The cumulative effect of the change in the accounting policy has been separately presented in the statement of changes in shareholders' equity.

The amounts of adjustments affecting the statement of financial position and the statement of comprehensive income are summarised below.

	(Unit: Thousand Baht)					
	Consolidated financial statements			Separate financial statements		
	As at	As at	As at	As at	As at	As at
	30 September	31 December	1 January	30 September	31 December	1 January
	2013	2012	2012	2013	2012	2012
Statement of financial position						
Increase in deferred tax assets	13,392	67,376	80,805	13,247	67,376	80,805
Increase in unappropriated retained earnings	13,392	67,376	80,805	13,247	67,376	80,805
						(Unit: Thousand Baht)
	Consolidated financial statements		Separate financial statements			
	For the three-month period ended	For the three-month period ended	For the three-month period ended	For the three-month period ended		
	30 September 2013	30 September 2012	30 September 2013	30 September 2012		
Statement of comprehensive income						
Profit or loss:						
Increase (decrease) in income tax expenses	(4,271)	4,737	(4,192)	4,737		
Increase (decrease) in profit attributable to equity holders of the Company	4,271	(4,737)	4,192	(4,737)		
Increase (decrease) in basic earnings per share (Baht)	0.0005	(0.0005)	0.0004	(0.0005)		
Increase (decrease) in diluted earnings per share (Baht)	0.0005	(0.0005)	0.0004	(0.0005)		

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the nine-month	For the nine-month	For the nine-month	For the nine-month
	period ended	period ended	period ended	period ended
	30 September 2013	30 September 2012	30 September 2013	30 September 2012
Statement of comprehensive income				
Profit or loss:				
Increase (decrease) in income tax				
expenses	(13,392)	5,608	(13,247)	5,608
Increase (decrease) in profit				
attributable to equity holders of				
the Company	13,392	(5,608)	13,247	(5,608)
Increase (decrease) in basic				
earnings per share (Baht)	0.0014	(0.0006)	0.0014	(0.0006)
Increase (decrease) in diluted				
earnings per share (Baht)	0.0014	(0.0006)	0.0014	(0.0006)

3. Related party transactions

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

(Unit: Thousand Baht)

	Consolidated		Separate		Pricing policy
	financial statements		financial statements		
	For the three-month periods		For the three-month periods		
	ended 30 September		ended 30 September		
	2013	2012	2013	2012	
Transactions with subsidiary companies					
(eliminated from consolidated financial statements)					
Sale of goods	-	-	27,847	47	Market price
Rental and service income	-	-	39,166	39,166	Baht 13 million per month
Other income	-	-	8,313	17,265	Percentage of core revenue
Dividend income	-	-	39,994	-	As declared
Interest income	-	-	153	-	4.50% per annum
Service expenses	-	-	24	205	Market price
Interest expenses	-	-	624	737	2.75% - 3.00% per annum (2012: 3.25% - 3.50% per annum)
Transactions with related companies					
Sale of goods	11,628	20,975	11,628	19,153	Market price
Interest income	2,073	176	2,073	176	1.00% - 2.50% per annum (2012: 1.00% - 2.75% per annum)
Rental and service income	2,277	593	2,277	593	Market price
Rental and service expenses	4,476	6,228	4,476	6,228	Percentage of sales but not less than a minimum rate

(Unit: Thousand Baht)

	Consolidated		Separate		Pricing policy
	financial statements		financial statements		
	For the nine-month periods		For the nine-month periods		
	ended 30 September		ended 30 September		
	2013	2012	2013	2012	
Transactions with subsidiary companies					
(eliminated from consolidated financial statements)					
Sale of goods	-	-	28,523	728	Market price
Rental and service income	-	-	117,496	117,496	Baht 13 million per month
Other income	-	-	24,481	31,917	Percentage of core revenue
Dividend income	-	-	39,994	-	As declared
Interest income	-	-	153	-	4.50% per annum
Service expenses	-	-	74	249	Market price
Interest expenses	-	-	1,944	2,289	2.75% - 3.00% per annum (2012: 3.25% - 3.50% per annum)
Transactions with related companies					
Sale of goods	31,976	50,440	31,976	48,618	Market price
Interest income	3,592	20,046	3,592	20,046	1.00% - 2.50% per annum (2012: 1.00% - 3.25% per annum)
Rental and service income	3,581	1,775	3,581	1,775	Market price
Rental and service expenses	15,562	14,870	15,562	14,870	Percentage of sales but not less than a minimum rate

As at 30 September 2013 and 31 December 2012, the Company had the outstanding balances with related parties which had been included in the following accounts:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2013	2012	2013	2012
Bill of exchanges and deposits with financial institution				
(included in cash and cash equivalents)				
Related company ⁽¹⁾	3,003,432	819,161	3,003,432	819,161
Trade and other receivables				
Subsidiary	-	-	35,393	5,513
Related company ⁽¹⁾	1,629	39	1,629	39
Related company ⁽²⁾	4,844	5,252	4,844	5,252
Total	6,473	5,291	41,866	10,804
Short-term loan to related party				
Subsidiary	-	-	59,000	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Rental guarantee deposits				
Related company ⁽¹⁾	3,000	3,000	3,000	3,000
Trade and other payables (Note 12)				
Subsidiary	-	-	15	12
Related company ⁽¹⁾	1,483	1,124	1,483	1,124
Total	1,483	1,124	1,498	1,136
Short-term loan from related party				
Subsidiary	-	-	90,000	90,000

Relationship with the related companies

⁽¹⁾ has common major shareholders

⁽²⁾ the major shareholders

Short-term loan to related party

The Company has granted unsecured loan of Baht 59 million to its subsidiary on which interest is payable on a monthly basis at a rate of 4.50% per annum. The loan is repayable at call. Movement in the balance of the loan during the period was as follow:

(Unit: Thousand Baht)

	Separate financial statements		
	Balance as at	During the period	
	1 January 2013	Increase	Decrease
			Balance as at 30 September 2013
Short-term loan to related party			
Mega Home Center Company Limited	-	59,000	-

Short-term loan from related party

The Company has received unsecured loan of Baht 90 million from its subsidiary on which interest is payable on a monthly basis at a rate of 2.75% - 3.00% per annum (31 December 2012: 3.00% per annum). The loan is repayable at call. Movement in the balance of the loan during the period was as follow:

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at	During the period		Balance as at
	1 January 2013	Increase	Decrease	30 September 2013
Short-term loan from related party				
Market Village Company Limited	90,000	40,000	(40,000)	90,000

Directors and management's benefits

The Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month		For the three-month	
	periods ended 30 September		periods ended 30 September	
	2013	2012	2013	2012
Short-term benefits	16,960	14,561	15,100	14,561
Post-employment benefits	720	885	573	885
Total	17,680	15,446	15,677	15,446

	Consolidated		Separate	
	financial statements		financial statements	
	For the nine-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2013	2012	2013	2012
Short-term benefits	93,050	80,259	87,950	80,259
Post-employment benefits	1,867	2,655	1,720	2,655
Total	94,917	82,914	89,670	82,914

4. Trade and other receivables

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2013	2012	2013	2012
Trade accounts receivable	388,597	312,722	408,392	305,495
Other receivables	757,434	915,746	761,608	920,988
Income receivables	31,106	23,153	27,677	17,326
Total trade and other receivables	1,177,137	1,251,621	1,197,677	1,243,809

Trade accounts receivable

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2013	2012	2013	2012
Trade accounts receivable	288,484	164,946	308,331	158,070
Check returned receivable	750	930	750	930
Credit card and coupon receivable	100,705	148,188	100,653	147,837
Total	389,939	314,064	409,734	306,837
Less: Allowance for doubtful debts	(1,342)	(1,342)	(1,342)	(1,342)
Total trade accounts receivable - net	388,597	312,722	408,392	305,495

The outstanding balances of trade accounts receivable as at 30 September 2013 and 31 December 2012 are aged as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2013	2012	2013	2012
<u>Trade receivables - related parties</u>				
Not yet due	3,908	3,919	3,986	4,061
Past due				
Up to 3 months	913	-	30,532	-
3 - 6 months	23	1,333	23	1,475
Total trade receivables - related parties	4,844	5,252	34,541	5,536
<u>Trade receivables - unrelated parties</u>				
Not yet due	367,640	297,416	363,682	293,418
Past due				
Up to 3 months	14,973	10,178	9,889	6,690
3 - 6 months	608	-	-	-
6 - 12 months	860	-	668	-
Over 12 months	1,014	1,218	954	1,193
Total	385,095	308,812	375,193	301,301
Less: Allowance for doubtful debts	(1,342)	(1,342)	(1,342)	(1,342)
Total trade receivables - unrelated parties, net	383,753	307,470	373,851	299,959
Total trade receivables - net	388,597	312,722	408,392	305,495

Other receivables

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

The outstanding balances of other receivables as at 30 September 2013 and 31 December 2012 are aged as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Age of receivables				
Not yet due	384,957	527,956	389,131	533,198
Past due				
Up to 3 months	367,530	374,538	367,530	374,538
3 - 6 months	1,672	738	1,672	738
6 - 12 months	2,939	6,398	2,939	6,398
Over 12 months	2,311	8,091	2,311	8,091
Total	759,409	917,721	763,583	922,963
Less: Allowance for doubtful debts	(1,975)	(1,975)	(1,975)	(1,975)
Total other receivables - net	757,434	915,746	761,608	920,988

5. Inventories

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Inventories	7,627,831	6,581,458	7,451,682	6,581,458
Less: Reduce cost to net realisable value	(294,497)	(243,527)	(294,497)	(243,527)
Net	7,333,334	6,337,931	7,157,185	6,337,931
Less: Inventories - repaid its cost when sold	(1,189,045)	(807,888)	(1,181,294)	(807,888)
Purchase discount	(195,506)	(177,505)	(195,506)	(177,505)
Inventories - net	5,948,783	5,352,538	5,780,385	5,352,538

6. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the period	
	30	31	30	31	30	31	30	30
	September	December	September	December	September	December	September	September
	2013	2012	2013	2012	2013	2012	2013	2012
			(Percent)	(Percent)				
Market Village								
Company Limited	5,000	5,000	99.99	99.99	4,999	4,999	39,994	-
Home Product Center								
(Malaysia) Sdn. Bhd.	10,000	10,000	100.00	100.00	9,840	9,840	-	-
Mega Home Center								
Company Limited	500,000	1,000	99.99	-	500,000	-	-	-
DC Service Center								
Company Limited	1,250	-	99.99	-	1,250	-	-	-
					516,089	14,839	39,994	-

The significant changes in investments in subsidiaries are as described in Note 1.3.

7. Investment properties

Movements of the investment properties account during the nine-month period ended 30 September 2013 are summarised below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements
Net book value as at 1 January 2013	1,376,270
Acquisitions during the period - at cost	113,259
Disposals and written-off during the period - net book value	(648)
Depreciation for the period	(61,471)
Net book value as at 30 September 2013	1,427,410

8. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2013 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2013	14,846,558	14,843,364
Acquisitions during the period - at cost	6,766,444	6,154,240
Disposals and written-off during the period - net book value	(6,595)	(6,593)
Depreciation for the period	(1,045,436)	(1,044,285)
Allowance for impairment loss for the period	(56,860)	(56,860)
Net book value as at 30 September 2013	<u>20,504,111</u>	<u>19,889,866</u>

9. Computer software

Movements of computer software account during the nine-month period ended 30 September 2013 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2013	189,829	189,567
Acquisitions during the period - at cost	20,544	20,483
Amortisation for the period	(21,055)	(21,028)
Reversal of impairment loss for the period	8,500	8,500
Net book value as at 30 September 2013	<u>197,818</u>	<u>197,522</u>

10. Leasehold rights

Movements of leasehold right account during the nine-month period ended 30 September 2013 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2013	1,180,659	1,180,659
Acquisitions during the period - at cost	355,114	285,114
Amortisation for the period	(35,315)	(35,315)
Net book value as at 30 September 2013	<u>1,500,458</u>	<u>1,430,458</u>

11. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (% per annum)	Consolidated and separate financial statements	
		30 September 2013	31 December 2012
Short-term loans from financial institutions	2.85 - 2.91	1,500,000	-

As at 30 September 2013, the Company had unsecured bills of exchange totaling Baht 1,500 million. The loans are due in November 2013, February 2014, and March 2014, at Baht 500 million for each period.

As at 30 September 2013 and 31 December 2012, the Company had overdraft lines from banks totaling Baht 290 million and Baht 275 million, respectively, and other credit facilities amounting to Baht 6,691 million and Baht 5,466 million, respectively.

12. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Trade accounts payable - unrelated parties	7,601,799	6,698,340	7,457,156	6,691,754
Other payables - related parties	807	-	1,498	12
Other payables - unrelated parties	385,372	416,907	378,881	404,216
Other payables for purchase of assets	1,484,452	301,694	1,279,961	301,694
Accrued expenses - related parties	3,115	1,124	-	1,124
Accrued expenses - unrelated parties	714,082	673,267	682,777	656,042
Total trade and other payables	10,189,627	8,091,332	9,800,273	8,054,842

13. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	Portion due within one year		Portion due over one year	
	30 September	31 December	30 September	31 December
	2013	2012	2013	2012
Liabilities under finance lease				
agreements	6,095	7,192	13,982	18,541
Less: Deferred interest expense	(952)	(1,225)	(971)	(1,717)
Net	5,143	5,967	13,011	16,824

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.

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	30 September 2013		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	6,095	13,982	20,077
Deferred interest expenses	(952)	(971)	(1,923)
Present value of future minimum lease payments	5,143	13,011	18,154

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	31 December 2012		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	7,192	18,541	25,733
Deferred interest expenses	(1,225)	(1,717)	(2,942)
Present value of future minimum lease payments	5,967	16,824	22,791

14. Long-term loans

			(Unit: Thousand Baht)	
			Consolidated and separate financial statements	
Loan	Interest rate (% per annum)	Repayment schedule	30 September 2013	31 December 2012
1	3.70	Payment of interest is scheduled on a quarterly basis, starting from 3 months after the first draw down of principal. Payment of principal is scheduled in installments, every 6 months starting from 6 months after first principal draw down. Full repayment is to be made within 10 installments or within 60 months after first principal draw down.	1,350,000	1,500,000
2	3.71	Payment of interest is scheduled on a quarterly basis, starting from 3 months after the first draw down of principal. Payment of principal is scheduled in installments, every 6 months starting from 6 months after first principal draw down. Full repayment is to be made within 10 installments or within 60 months after first principal draw down.	1,000,000	-
Total			2,350,000	1,500,000
Less: Current portion of long-term loans			(500,000)	(300,000)
Long-term loans - net of current portion			1,850,000	1,200,000

The Company has received unsecured long-term credit facilities from a financial institution. The loan agreements contain covenants as specified in the agreements that, among other things, require the Company to maintain certain debt to equity ratio according to the agreements.

15. Debentures

Consolidated and separate financial statements			
Number of debentures (Unit)		Amount (Thousand Baht)	
30 September 2013	31 December 2012	30 September 2013	31 December 2012
Unsecured debentures			
#1/2010	-	700,000	-
#2/2010	-	1,000,000	-
#1/2011	1,000,000	1,000,000	1,000,000
#1/2012	1,300,000	1,300,000	1,300,000
#1/2013	4,000,000	-	-
Total	6,300,000	4,000,000	4,000,000
Less: Current portion		-	(1,700,000)
Debentures - net of current portion		6,300,000	2,300,000

Details of the Company's debentures are as follows:

1. 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

On 8 January 2013, the Company repaid the principal of the Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2010 in full at Baht 700 million to the debenture holders, as stipulated in the terms of repayment of such debentures.

2. 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

On 25 June 2013, the Company repaid the principal of The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 2/2010 in full at Baht 1,000 million to the debenture holders, as stipulated in the terms of repayment of such debentures.

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

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

4. The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2012 due 2015.

Name of debentures	"The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2012 due 2015"
Amount	Baht 1,300 million
Term	3 years, starting from date of issuance
Issued date	14 September 2012
Interest rate	3.85% per annum
Interest payment schedule	Semi-annually in March and September, starting from 14 March 2013
Principal repayment	On the redemption date of 14 September 2015
Covenants	Maintenance of debt to equity ratio, restriction on dividend payment and disposal and transfer of assets

5. The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2013 due 2016.

Name of debentures	"The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2013 due 2016"
Amount	Baht 4,000 million
Term	3 years, starting from date of issuance
Issued date	18 September 2013
Interest rate	4.05% per annum
Interest payment schedule	Semi-annually in March and September, starting from 18 March 2014
Principal repayment	On the redemption date of 18 September 2016
Covenants	Maintenance of debt to equity ratio, restriction on dividend payment and disposal and transfer of assets

16. Share capital

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

2013	Warrants	Ordinary shares	Exercise price	Amount
	(Unit)	(Shares)	(Baht/share)	(Baht)
ESOP-W4				
- The first quarter	743,578	2,702,904	1.095	2,959,680
- The second quarter	446,821	1,894,965	1.000	1,894,965
Total	1,190,399	4,597,869		4,854,645

As at 30 September 2013, the warrants allotted to employees of the Company (ESOP-W4) is fully exercised.

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

	Number of ordinary shares (Thousand shares)	Paid-up share capital (Thousand Baht)	Premium on ordinary shares (Thousand Baht)
<u>Registered share capital</u>			
At the beginning of the period	7,054,971		
Increase during the period	1,174,610		
Decrease during the period	(1,387)		
At the end of the period	8,228,194		
<u>Issued and paid-up share capital</u>			
At the beginning of the period	7,041,430	7,041,430	646,066
Increase in capital from exercising of the rights of the warrants	4,598	4,598	257
Increase in capital from stock dividend	1,173,610	1,173,610	-
At the end of the period	8,219,638	8,219,638	646,323

On 5 April 2013, the Annual General Meeting of the Company's shareholders passed the resolutions in relation to the Company's share capital as follows:

1. To decrease the registered capital of the Company from Baht 7,054.97 million to Baht 7,053.58 million by cancelling the registered ordinary shares remaining after the stock dividend allocation of 1.39 million ordinary shares with a par value of Baht 1 each, previously made in accordance with the resolution of the Extraordinary General Shareholders Meeting no. 1/2555.

On 19 April 2013, the Company registered with the Ministry of Commerce the decrease in its registered capital to Baht 7,053.58 million, and paid-up share capital at Baht 7,044.13 million

2. Paid dividend by the Company's ordinary shares in the ratio of 6 existing shares per 1 dividend share, not exceeding 1,174.61 million shares, or in the total amount not exceeding Baht 1,174.61 million or shall be converted as dividend payment at Baht 0.1667 per share. In case that any shareholder holds the indivisible share remaining after such allocation, the dividend shall be paid by cash in the amount of Baht 0.1667 per share.

3. To increase the registered capital from the previous registered capital of Baht 7,053.58 million to be the new registered capital of Baht 8,228.19 million by issuing an additional 1,174.61 million ordinary shares at the par value of Baht 1 each to support the payment of a stock dividend.

On 26 April 2013, the Company reports to the Stock Exchange of Thailand (SET) the number of 1,173.61 million ordinary shares actually allocated to the stock dividend.

On 30 April 2013, the Company registered with the Ministry of Commerce the increase in its registered capital to Baht 8,228.19 million, and paid-up share capital at Baht 8,219.64 million.

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

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

Effective date	Exercise price per share	Exercise ratio per 1 warrant
16 April 2009	Baht 3.912	1.017 ordinary shares
12 October 2009	Baht 2.059	1.932 ordinary shares
12 April 2010	Baht 2.044	1.946 ordinary shares
12 October 2010	Baht 1.752	2.271 ordinary shares
12 April 2011	Baht 1.502	2.650 ordinary shares
7 October 2011	Baht 1.314	3.029 ordinary shares
12 October 2012	Baht 1.095	3.635 ordinary shares
12 April 2013	Baht 1.000	4.241 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 2012	Number of warrants exercised during the period	Number of warrants outstanding as at 30 September 2013
ESOP-W4	1,190,399	(1,190,399)	-

18. The Employee Joint Investment Program (EJIP)

The Company's Board of Directors meeting held on 30 April 2013 passed a resolution approving the Employee Joint Investment Program (EJIP). The details of the program are as follow:

The Company eligible under EJIP	Home Product Center Public Company Limited
The Period of EJIP	July 1, 2013 to June 30, 2018, with a total duration of 5 years.
Eligible employees under EJIP	Employees at Division Manager or equivalent level on the voluntary basis. Directors and advisors of the Company are exclude from this program.
EJIP arrangement	The Company will make deduction from the payroll of eligible employees who voluntarily join the EJIP, at the rate 5% of the salary of each month. The Company will contribute 100% of the amount contributed by EJIP participants on a monthly basis.
EJIP buying schedule	Monthly basis.
Conditions for holding the securities	During the 1st year - 3rd year, employee cannot sell any shares After the 3rd year, employee can sell 25% of shares accumulated After the 4th year, employee can sell 50% of shares accumulated After the 5th year, employee can sell all shares
EJIP program manager	Phillip Securities Public Company Limited

On 11 June 2013, the Company received the approval of Employee Joint Investment Program (EJIP) from Securities and Exchange Commission (SEC).

19. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and nine-month periods ended 30 September 2013 and 2012 are made up as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	For the three-month		financial statements	
	periods ended 30 September		For the three-month	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
		(Restated)		(Restated)
Current income tax:				
Interim corporate income tax charge	191,463	189,351	189,627	188,025
Deferred tax:				
Relating to origination and reversal of temporary differences	(4,271)	4,737	(4,192)	4,737
Income tax expenses reported in the statements of comprehensive income	<u>187,192</u>	<u>194,088</u>	<u>185,435</u>	<u>192,762</u>
	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	For the nine-month		financial statements	
	periods ended 30 September		For the nine-month	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
		(Restated)		(Restated)
Current income tax:				
Interim corporate income tax charge	577,354	552,489	571,919	548,097
Deferred tax:				
Relating to origination and reversal of temporary differences	(13,392)	5,608	(13,247)	5,608
Income tax expenses reported in the statements of comprehensive income	<u>563,962</u>	<u>558,097</u>	<u>558,672</u>	<u>553,705</u>

20. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period, after adjusting the number of ordinary shares in proportion to the change in the number of shares as a result of the distribution of the stock dividend of approximately 1,370 million shares, as discussed in Note 26, because these dividend shares were issued after the end of the reporting period but before the financial statements were authorised 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 1,174 million shares on 26 April 2013 and the distribution of the stock dividend as described in Note 26, as if the shares comprising such stock dividends had been issued at the beginning of the earliest period reported.

Diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period 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 year 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 September						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
2013	2012	2013	2012	2013	2012	
(Million Baht)	(Million Baht) (Restated)	(Million shares)	(Million shares) (Restated)	(Baht)	(Baht) (Restated)	
Basic earnings per share						
Profit attributable to equity holders						
of the Company	720	615	9,590	9,583	0.08	0.06
Effect of dilutive potential ordinary shares						
Warrants	-	-	-	5		
Diluted earnings per share						
Profit of ordinary shareholders						
assuming the conversion of warrants to ordinary shares	720	615	9,590	9,588	0.08	0.06

(Unaudited but reviewed)

Separate financial statements						
For the three-month periods ended 30 September						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
2013	2012	2013	2012	2013	2012	
(Million Baht)	(Million Baht)	(Million shares)	(Million shares)	(Baht)	(Baht)	
	(Restated)		(Restated)		(Restated)	
Basic earnings per share						
Profit attributable to equity holders						
of the Company	777	611	9,590	9,583	0.08	0.06
Effect of dilutive potential ordinary shares						
Warrants	-	-	-	5		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares						
	777	611	9,590	9,588	0.08	0.06
Consolidated financial statements						
For the nine-month periods ended 30 September						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
2013	2012	2013	2012	2013	2012	
(Million Baht)	(Million Baht)	(Million shares)	(Million shares)	(Baht)	(Baht)	
	(Restated)		(Restated)		(Restated)	
Basic earnings per share						
Profit attributable to equity holders						
of the Company	2,141	1,817	9,588	9,567	0.22	0.19
Effect of dilutive potential ordinary shares						
Warrants	-	-	-	19		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares						
	2,141	1,817	9,588	9,586	0.22	0.19

(Unaudited but reviewed)

Separate financial statements						
For the nine-month periods ended 30 September						
Profit for the period		Weighted average number of ordinary shares		Earnings per share		
2013	2012	2013	2012	2013	2012	
(Million Baht)	(Million Baht)	(Million shares)	(Million shares)	(Baht)	(Baht)	
	(Restated)		(Restated)		(Restated)	
Basic earnings per share						
Profit attributable to equity holders						
of the Company	2,208	1,802	9,588	9,567	0.23	0.19
Effect of dilutive potential ordinary shares						
Warrants	-	-	-	19		
Diluted earnings per share						
Profit of ordinary shareholders						
assuming the conversion of						
warrants to ordinary shares						
	2,208	1,802	9,588	9,586	0.23	0.19

21. Dividend paid

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2011	Annual General Meeting of the shareholders on 4 April 2012	876	0.15
Total		876	
Final dividends for 2012	Annual General Meeting of the shareholders on 5 April 2013	131	0.0186
Stock dividends for 2012	Annual General Meeting of the shareholders on 5 April 2013	1,174	0.1667
Total		1,305	

22. Financial information by segment

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Company's Board of Directors.

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

23. Commitments and contingent liabilities

23.1 As at 30 September 2013, the Company had commitments totaling Baht 200 million to commercial banks in respect of guarantees provided for leasing, purchases of goods or hire of work, as bonds with State Enterprise (31 December 2012: Baht 130 million).

23.2 As at 30 September 2013, the Company had commitments under letters of credit opened with commercial bank, amounting to USD 3 million (31 December 2012: USD 4 million).

24. Commitments under long-term lease agreements

24.1 Long-term lease agreements - as lessee

a) The Company has entered into 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.

Future minimum lease payments required under these operating leases contracts were as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements	
	30 September 2013	31 December 2012
Payable:		
In up to 1 year	95	63
In over 1 and up to 5 years	392	290
In over 5 years	1,503	1,495

- b) The Company has entered into lease agreements to lease commercial space. The terms of the agreements are generally between 17 to 30 years and they are non-cancelable, except with the consent of the counterparties.

Future minimum lease payments required under these operating leases contracts were as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements	
	30 September	31 December
	2013	2012
Payable:		
In up to 1 year	119	101
In over 1 and up to 5 years	470	426
In over 5 years	1,166	1,314

24.2 Long-term lease agreements - as leaser

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

The outstanding balance of rental received in advance, net of recognised rental income, as of 30 September 2013 was Baht 462 million (31 December 2012: Baht 478 million).

25. Financial instruments

25.1 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 and other receivables, short-term borrowing, trade and other payables, short-term loan, long-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 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 and other receivables as stated in the statements of financial position.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its deposits with financial institutions borrowings, 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 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					
	As at 30 September 2013					
	Fixed interest rates					
	Within	Over	Floating	Non- interest		
	1 year	1 - 5 years	interest rate	bearing	Total	Interest rate
			(Million Baht)			(% p.a.)
Financial assets						
Cash and cash equivalents	3,000	-	64	161	3,225	0.75 - 2.70
Trade and other receivables	-	-	-	1,177	1,177	-
	<u>3,000</u>	<u>-</u>	<u>64</u>	<u>1,338</u>	<u>4,402</u>	
Financial liabilities						
Short-term loans from						
financial institutions	1,500	-	-	-	1,500	2.85 - 2.91
Trade and other payables	-	-	-	10,190	10,190	-
Long-term loans	500	1,850	-	-	2,350	3.70 - 3.71
Debentures	-	6,300	-	-	6,300	3.00 - 4.60
	<u>2,000</u>	<u>8,150</u>	<u>-</u>	<u>10,190</u>	<u>20,340</u>	

Consolidated financial statements

As at 31 December 2012

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	Over 1 - 5 years				
			(Million Baht)			
Financial assets						
Cash and cash equivalents	817	-	82	392	1,291	0.62 - 3.25
Trade and other receivables	-	-	-	1,252	1,252	-
	<u>817</u>	<u>-</u>	<u>82</u>	<u>1,644</u>	<u>2,543</u>	
Financial liabilities						
Trade and other payables	-	-	-	8,091	8,091	-
Long-term loans	300	1,200	-	-	1,500	3.70
Debentures	1,700	2,300	-	-	4,000	3.00 - 4.60
	<u>2,000</u>	<u>3,500</u>	<u>-</u>	<u>8,091</u>	<u>13,591</u>	

Separate financial statements

As at 30 September 2013

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	Over 1 - 5 years				
			(Million Baht)			
Financial assets						
Cash and cash equivalents	3,000	-	16	149	3,165	0.75 - 2.70
Trade and other receivables	-	-	-	1,198	1,198	-
Short-term loan to related party	59	-	-	-	59	4.50
	<u>3,059</u>	<u>-</u>	<u>16</u>	<u>1,347</u>	<u>4,422</u>	
Financial liabilities						
Short-term loans from financial institutions	1,500	-	-	-	1,500	2.85 - 2.91
Trade and other payables	-	-	-	9,800	9,800	-
Short-term loan from related party	90	-	-	-	90	2.75 - 3.00
Long-term loans	500	1,850	-	-	2,350	3.70 - 3.71
Debentures	-	6,300	-	-	6,300	3.00 - 4.60
	<u>2,090</u>	<u>8,150</u>	<u>-</u>	<u>9,800</u>	<u>20,040</u>	

	Separate financial statements					
	As at 31 December 2012					
	Fixed interest rates		Floating interest rate (Million Baht)	Non- interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	Over 1 - 5 years				
Financial assets						
Cash and cash equivalents	817	-	30	381	1,228	0.62 - 3.25
Trade and other receivables	-	-	-	1,244	1,244	-
	<u>817</u>	<u>-</u>	<u>30</u>	<u>1,625</u>	<u>2,472</u>	
Financial liabilities						
Trade and other payables	-	-	-	8,055	8,055	-
Short-term loans from	90	-	-	-	90	3.00
related party	300	1,200	-	-	1,500	3.70
Long-term loans	<u>1,700</u>	<u>2,300</u>	<u>-</u>	<u>-</u>	<u>4,000</u>	3.00 - 4.60
Debentures	2,090	3,500	-	8,055	13,645	

Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies.

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Consolidated and separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	30	31	30	31	30	31
	September	December	September	December	September	December
	2013	2012	2013	2012	2013	2012
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	-	-	0.70	0.20	31.5330	30.7775
CNY	-	-	3.00	-	5.2053	-

25.2 Fair values of financial instruments

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

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

26. Events after the reporting period

On 22 October 2013, the Extraordinary General Meeting of the Company's shareholders passed the following resolutions:

1. The following allocations of the Company's retained earnings and interim dividend payment:
 - Allocated as the statutory reserve in the amount of Baht 71.56 million which is equivalent to 5% of the net profit from January 2013 to June 2013.
 - Paid dividend by the Company's ordinary shares in the ratio of 6 existing shares per 1 dividend share, not exceeding 1,370.21 million shares, or in the total amount not exceeding Baht 1,370.21 million or shall be converted as dividend payment at Baht 0.1667 per share. In case that any shareholder holds the indivisible share remaining after such allocation, the dividend shall be paid by cash in the amount of Baht 0.1667 per share.
 - Paid dividend by cash at the rate of Baht 0.0186 per share or in the total amount not exceeding Baht 152.90 million.

In combination of the stock dividend and the cash dividend shall be paid at the rate of Baht 0.1853 per share. The name of shareholders who are entitled to receive the stock dividend and cash dividend shall be specified on 30 October 2013 and the name shall be gathered in accordance with the Securities and Stock Exchange Act, Section 225 by closing the share registration book on 31 October 2013. The payment of stock dividend and cash dividend shall be made within 15 November 2013.

2. To decrease the registered capital of the Company from the previous registered capital of Baht 8,228.19 million to Baht 8,219.64 million by cancelling the registered ordinary shares remaining after the stock dividend allocation of 1.00 million ordinary shares, previously made in accordance with the resolution of the Annual General Shareholders Meeting of the year 2013, and remaining from exercise of the rights of conversation from the warrants issued to employees of the Company (ESOP-W4) total of 7.56 million ordinary shares, by way of eliminating the 8.56 million ordinary shares with par value Baht 1 each.
3. To increase the registered capital from Baht 8,219.64 million to be Baht 9,589.85 million by issuing an additional 1,370.21 million ordinary shares at the par value of Baht 1 each to support the payment of a stock dividend.

4. Approval for the entering into by the Company the agreement to lease out partial space in the Hua-Hin Market Village Shopping Center, and related public utilities systems, for the lease period of approximately 27 years commencing from the date of lease registration. And to approve the sale of movable property which is used for the purpose of decoration or providing conveniences to customers of Hua-Hin Market Village Shopping Center, to LH Shopping Center Leasehold Property Fund ("the Fund"), at the consideration before expenses of not less than Baht 4,060 million, and for approval for Market Village Company Limited, the Company's subsidiary ("the Subsidiary") to provide the service as the property manager of the Hua-Hin Market Village Shopping Center Project.

However, since at present the Company has leased out certain space in the Hua-Hin Market Village Shopping Center to the Subsidiary under the lease agreement of Hua-Hin Market Village Shopping Center, which such space is the same space that the Company will let on lease to the Fund, and, besides, the Subsidiary as the lessee of partial space in the Hua-Hin Market Village Shopping Center, has engaged the Company to manage and proceed with the administration of Hua-Hin Market Village Shopping Center under the Management Service Agreement for Hua-Hin Market Village Shopping Center Project, thus, it is approved for the Company to terminate the lease agreement of Hua-Hin Market Village Shopping Center and the Management Service Agreement for Hua-Hin Market Village Shopping Center Project made with the Subsidiary which the termination is effective when the lease of space agreement between the Company and the Fund and the Agreement to hire the Property Manager between the Fund and the Subsidiary become effective.

5. Approval for the Company to invest in the Fund for the amount of not exceeding one-third of the assets appraisal price specifically for the assets that the Company lets on lease and sells to the Fund, which initially it is expected that the value of the purchase of investment unit in the Fund will not have value more than Baht 1,420 million.

27. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 28 October 2013.