

Home Product Center Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December 2012 (Restated)	1 January 2012	31 December 2013	31 December 2012 (Restated)	1 January 2012
Assets							
Current assets							
Cash and cash equivalents	8	807,459,365	1,290,618,683	1,977,324,154	687,177,529	1,227,886,946	1,933,407,325
Trade and other receivables	9	1,410,783,488	1,251,620,591	986,436,111	1,409,121,568	1,243,809,293	994,643,442
Short-term loan to related party	7	-	-	-	654,000,000	-	-
Inventories	10	6,505,638,777	5,352,537,668	4,382,496,277	5,975,585,660	5,352,537,668	4,382,496,277
Value added tax receivable		178,050,941	64,832,096	-	111,049,680	64,832,096	-
Other current assets		318,890,604	172,483,486	108,268,336	257,635,354	170,125,438	105,569,926
Total current assets		9,220,823,175	8,132,092,524	7,454,524,878	9,094,569,791	8,059,191,441	7,416,116,970
Non-current assets							
Investments in subsidiaries	11	-	-	-	536,049,023	14,839,230	14,839,230
Investment properties	12	1,552,260,414	1,376,270,428	1,095,982,555	1,552,260,414	1,376,270,428	1,095,982,555
Property, plant and equipments	13	23,234,993,631	14,846,557,845	10,812,385,808	21,889,395,714	14,843,364,454	10,809,357,985
Computer software	14	241,571,671	189,829,443	189,547,947	197,922,516	189,566,568	189,250,267
Leasehold rights	15	1,532,399,898	1,180,659,436	1,059,396,440	1,462,399,898	1,180,659,436	1,059,396,440
Property foreclosed		3,229,639	3,229,639	3,229,639	3,229,639	3,229,639	3,229,639
Rental guarantee deposits		55,331,552	59,687,007	51,936,849	54,994,552	59,671,007	51,920,849
Deferred tax assets	27	86,523,412	67,376,182	80,805,571	76,367,137	67,376,182	80,805,571
Other non-current assets		14,549,734	12,672,061	10,999,442	3,023,380	2,541,366	2,833,938
Total non-current assets		26,720,859,951	17,736,282,041	13,304,284,251	25,775,642,273	17,737,518,310	13,307,616,474
Total assets		35,941,683,126	25,868,374,565	20,758,809,129	34,870,212,064	25,796,709,751	20,723,733,444

The accompanying notes are an integral part of the financial statements.

Home Product Center Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December 2012 (Restated)	1 January 2012	31 December 2013	31 December 2012 (Restated)	1 January 2012
Liabilities and shareholders' equity							
Current liabilities							
Short-term loans from financial institutions	16	1,360,000,000	-	-	1,360,000,000	-	-
Trade and other payables	17	11,056,715,379	8,091,332,200	7,291,778,541	10,064,221,123	8,054,841,860	7,261,162,764
Current portion of liabilities under financial lease agreements	18	8,075,919	5,967,599	3,719,951	4,991,050	5,967,599	3,719,951
Short-term loan from related party	7	-	-	-	90,000,000	90,000,000	90,000,000
Current portion of long-term loans	19	500,000,000	300,000,000	-	500,000,000	300,000,000	-
Current portion of debentures	21	-	1,700,000,000	300,000,000	-	1,700,000,000	300,000,000
Income tax payable		326,597,490	362,382,491	438,008,219	326,597,490	362,382,491	438,008,219
Value added tax payable		605,520	566,616	41,642,156	-	-	41,122,577
Advances received from customers		709,418,865	721,318,326	768,900,637	702,053,114	721,318,326	768,900,638
Other current liabilities		369,882,853	406,287,142	271,848,527	352,857,344	403,826,844	269,789,349
Total current liabilities		14,331,296,026	11,587,854,374	9,115,898,031	13,400,720,121	11,638,337,120	9,172,703,498
Non-current liabilities							
Liabilities under financial lease agreements							
- net of current portion	18	19,012,927	16,823,654	8,419,531	11,892,624	16,823,654	8,419,531
Long-term loans - net of current portion	19	1,600,000,000	1,200,000,000	-	1,600,000,000	1,200,000,000	-
Debentures - net of current portion	21	6,300,000,000	2,300,000,000	2,700,000,000	6,300,000,000	2,300,000,000	2,700,000,000
Provision for long-term employee benefits	20	91,874,813	80,958,206	91,352,448	88,038,184	80,958,206	91,352,448
Rental received in advance - net of current portion		434,612,162	456,202,670	477,850,356	434,612,162	456,202,670	477,850,356
Other non-current liabilities		448,503,407	299,259,614	163,187,402	301,722,859	212,072,482	87,084,304
Total non-current liabilities		8,894,003,309	4,353,244,144	3,440,809,737	8,736,265,829	4,266,057,012	3,364,706,639
Total liabilities		23,225,299,335	15,941,098,518	12,556,707,768	22,136,985,950	15,904,394,132	12,537,410,137

The accompanying notes are an integral part of the financial statements.

Home Product Center Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December 2012 (Restated)	1 January 2012	31 December 2013	31 December 2012 (Restated)	1 January 2012
Shareholders' equity							
Share capital							
Registered share capital 22							
9,589,847,893 ordinary shares of Baht 1 each							
(31 December 2012: 7,054,971,235 ordinary shares of Baht 1 each)							
(1 January 2012: 5,881,394,685 ordinary shares of Baht 1 each)							
		9,589,847,893	7,054,971,235	5,881,394,685	9,589,847,893	7,054,971,235	5,881,394,685
Issued and fully paid-up							
9,589,550,988 ordinary shares of Baht 1 each							
(31 December 2012: 7,041,430,018 ordinary shares of Baht 1 each)							
(1 January 2012: 5,836,721,415 ordinary shares of Baht 1 each)							
		9,589,550,988	7,041,430,018	5,836,721,415	9,589,550,988	7,041,430,018	5,836,721,415
Share premium	22	646,323,076	646,066,296	636,329,511	646,323,076	646,066,296	636,329,511
Retained earnings							
Appropriated 25							
Statutory reserve - The Company							
		706,780,000	550,800,000	417,700,000	706,780,000	550,800,000	417,700,000
Statutory reserve - Subsidiaries							
		1,000,000	500,000	500,000	-	-	-
Unappropriated							
		1,773,234,995	1,688,634,974	1,310,945,281	1,790,572,050	1,654,019,305	1,295,572,381
Other components of shareholders' equity							
		(509,799)	(161,376)	(98,123)	-	-	-
Equity attributable to owners of the Company							
		12,716,379,260	9,927,269,912	8,202,098,084	12,733,226,114	9,892,315,619	8,186,323,307
Non-controlling interests of the subsidiaries							
		4,531	6,135	3,277	-	-	-
Total shareholders' equity							
		12,716,383,791	9,927,276,047	8,202,101,361	12,733,226,114	9,892,315,619	8,186,323,307
Total liabilities and shareholders' equity							
		35,941,683,126	25,868,374,565	20,758,809,129	34,870,212,064	25,796,709,751	20,723,733,444
		-	-	-	-	-	-

The accompanying notes are an integral part of the financial statements.

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Directors
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Home Product Center Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012 (Restated)	2013	2012 (Restated)
Profit or loss:					
Revenues					
Sales income		40,111,641,150	34,541,550,052	39,933,592,781	34,542,733,391
Rental and service income		998,634,354	893,417,596	818,927,200	740,135,756
Other income		1,719,958,217	1,534,329,033	1,768,910,716	1,560,608,200
Total revenues		42,830,233,721	36,969,296,681	42,521,430,697	36,843,477,347
Expenses					
Cost of sales		29,346,060,305	25,559,391,314	29,231,935,933	25,559,391,314
Selling expenses		8,095,496,652	6,790,995,022	7,908,539,846	6,693,149,084
Administrative expenses		1,205,545,602	965,427,590	1,142,037,614	960,110,743
Other expenses		49,281,005	24,715,382	49,805,655	24,715,382
Total expenses		38,696,383,564	33,340,529,308	38,332,319,048	33,237,366,523
Profit before finance cost and income tax expenses		4,133,850,157	3,628,767,373	4,189,111,649	3,606,110,824
Finance cost		(276,620,572)	(146,168,839)	(278,503,818)	(148,867,157)
Profit before income tax expenses		3,857,229,585	3,482,598,534	3,910,607,831	3,457,243,667
Income tax expenses	27	(788,748,000)	(811,803,062)	(790,677,518)	(805,693,822)
Profit for the year		3,068,481,585	2,670,795,472	3,119,930,313	2,651,549,845
Other comprehensive income:					
Exchange differences on translation of financial statements in foreign currency		(348,423)	(63,253)	-	-
Actuarial gain - net of income tax	20	-	19,024,944	-	19,024,944
Other comprehensive income for the year		(348,423)	18,961,691	-	19,024,944
Total comprehensive income for the year		3,068,133,162	2,689,757,163	3,119,930,313	2,670,574,789
Profit attributable to:					
Equity holders of the Company		3,068,477,589	2,670,792,614	3,119,930,313	2,651,549,845
Non-controlling interests of the subsidiaries		3,996	2,858		
		3,068,481,585	2,670,795,472		
Total comprehensive income attributable to:					
Equity holders of the Company		3,068,129,166	2,689,754,305	3,119,930,313	2,670,574,789
Non-controlling interests of the subsidiaries		3,996	2,858		
		3,068,133,162	2,689,757,163		

The accompanying notes are an integral part of the financial statements.

Home Product Center Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2013

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
Note	2013	2012	2013	2012
		(Restated)		(Restated)
Earnings per share				
	28			
Basic earnings per share				
Profit attributable to equity holders of the Company	0.32	0.28	0.33	0.28
Diluted earnings per share				
Profit attributable to equity holders of the Company	0.32	0.28	0.33	0.28

The accompanying notes are an integral part of the financial statements.

Home Product Center Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Cash flows from operating activities				
Profit before tax	3,857,229,585	3,482,598,534	3,910,607,831	3,457,243,667
Adjustments to reconcile profit before tax to net cash provided by (paid for) operating activities:				
Depreciation and amortisation	1,649,375,629	1,249,278,409	1,629,390,845	1,247,724,276
Reversal allowance for doubtful accounts	-	(7,400,322)	-	(7,400,322)
Decrease of inventory to net realisable value	104,611,715	90,373,553	104,079,113	90,373,553
Loss from sales of assets and written-off	27,815,553	24,527,265	27,826,348	24,990,950
Allowance for impairment of assets (reversal)	18,660,000	(42,585,000)	18,660,000	(42,585,000)
Provision for long-term employee benefits	14,345,167	13,386,938	10,508,538	13,386,938
Unrealised exchange (gain) loss	711,483	(420,987)	655,087	(420,987)
Dividend received from subsidiary	-	-	(39,994,400)	-
Interest expenses	268,435,608	143,840,762	270,693,021	146,829,871
Profit from operating activities before changes in operating assets and liabilities	5,941,184,740	4,953,599,152	5,932,426,383	4,930,142,946
Decrease (increase) in operating assets				
Trade and other receivables	(159,162,897)	(257,784,158)	(165,312,275)	(241,765,529)
Inventories	(1,257,712,824)	(1,060,414,944)	(727,127,105)	(1,060,414,944)
Value added tax receivable	(113,218,845)	(64,832,096)	(46,217,585)	(64,832,096)
Other current assets	(146,407,118)	(64,215,150)	(87,509,916)	(64,555,512)
Other non-current assets	2,477,782	(9,422,777)	4,194,441	(7,457,586)
Increase (decrease) in operating liabilities				
Trade and other payables	2,052,732,112	788,400,956	1,359,252,671	782,526,395
Advances received from customers	(11,899,461)	(47,582,311)	(19,265,212)	(47,582,312)
Value added tax payable	38,904	(41,075,540)	-	(41,122,577)
Other current liabilities	(36,389,470)	134,438,615	(50,954,681)	134,037,495
Rental received in advance	(21,590,508)	(21,647,686)	(21,590,508)	(21,647,686)
Provision for long-term employee benefits	(3,428,560)	-	(3,428,560)	-
Other non-current liabilities	11,686,810	11,084,033	-	-
Cash from operating activities	6,258,310,665	4,320,548,094	6,174,467,653	4,297,328,594
Cash paid for interest expenses	(221,183,129)	(132,267,072)	(229,199,925)	(135,256,182)
Cash paid for corporate income tax	(843,685,830)	(878,755,637)	(835,453,474)	(872,646,397)
Net cash flows from operating activities	5,193,441,706	3,309,525,385	5,109,814,254	3,289,426,015

The accompanying notes are an integral part of the financial statements.

Home Product Center Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Cash flows from investing activities				
Increase in investments in subsidiaries	-	-	(521,209,793)	-
Dividend received from subsidiary	-	-	39,994,400	-
Short-term loan to related party	-	-	(654,000,000)	-
Acquisition of computer software	(73,919,779)	(24,193,124)	(29,023,758)	(24,193,124)
Acquisition of leasehold rights	(399,751,581)	(164,675,839)	(329,751,581)	(164,675,839)
Acquisition of property, plant and equipment	(9,072,488,792)	(5,136,903,257)	(7,968,315,607)	(5,135,217,854)
Increase in construction retention	137,556,980	124,988,179	89,650,378	124,988,178
Acquisition of investment properties	(260,117,298)	(362,124,435)	(260,117,298)	(362,124,435)
Proceeds from sales of equipment	7,050,893	20,646,270	7,037,784	20,182,077
Proceeds from sales of investment properties' equipment	154,019	25,309	154,019	25,309
Net cash flows used in investing activities	(9,661,515,558)	(5,542,236,897)	(9,625,581,456)	(5,541,015,688)
Cash flows from financing activities				
Short-term term loans from financial institutions	1,360,000,000	-	1,360,000,000	-
Short-term loan from related party	-	-	40,000,000	-
Repayment of short-term loan from related party	-	-	(40,000,000)	-
Increase in liabilities under financial lease agreements	4,297,593	10,651,771	(5,907,579)	10,651,771
Increase in long-term loans	1,000,000,000	1,500,000,000	1,000,000,000	1,500,000,000
Repayment of long-term loans	(400,000,000)	-	(400,000,000)	-
Increase in debentures	4,000,000,000	1,300,000,000	4,000,000,000	1,300,000,000
Repayment of debentures	(1,700,000,000)	(300,000,000)	(1,700,000,000)	(300,000,000)
Converted warrants to share capital	4,854,649	41,432,794	4,854,649	41,432,794
Dividends paid	(283,889,285)	(1,006,015,271)	(283,889,285)	(1,006,015,271)
Net cash flows from financing activities	3,985,262,957	1,546,069,294	3,975,057,785	1,546,069,294
Translation adjustments	(348,423)	(63,253)	-	-
Net decrease in cash and cash equivalents	(483,159,318)	(686,705,471)	(540,709,417)	(705,520,379)
Cash and cash equivalents at beginning of year	1,290,618,683	1,977,324,154	1,227,886,946	1,933,407,325
Cash and cash equivalents at end of year (Note 8)	807,459,365	1,290,618,683	687,177,529	1,227,886,946
	-	-	-	-

Supplemental cash flows information:

Non-cash items consist of

Purchases of equipment for which no cash has been paid	864,687,104	-	607,978,409	-
Dividend payables	14,818	82,921	14,818	82,921
Stock dividends	2,543,523,101	1,173,012,594	2,543,523,101	1,173,012,594
Actuarial gain - net of income tax	-	19,024,944	-	19,024,944

The accompanying notes are an integral part of the financial statements.

Home Product Center Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2013

(Unit: Baht)

Consolidated financial statements										
Equity attributable to owners of the Company										
	Note	Issued and fully paid-up share capital	Premium on ordinary shares	Retained earnings			Other components of equity Other comprehensive income Exchange differences on translation of financial statements in foreign currency	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
				Appropriated - statutory reserve The Company	Subsidiaries	Unappropriated				
Balance as at 31 December 2011										
- as previously reported		5,836,721,415	636,329,511	417,700,000	500,000	1,230,139,710	(98,123)	8,121,292,513	3,277	8,121,295,790
Cumulative effect of change in accounting policy for deferred tax	4	-	-	-	-	80,805,571	-	80,805,571	-	80,805,571
Balance as at 31 December 2011 - as restated		5,836,721,415	636,329,511	417,700,000	500,000	1,310,945,281	(98,123)	8,202,098,084	3,277	8,202,101,361
Converted warrants to share capital		31,696,009	9,736,785	-	-	-	-	41,432,794	-	41,432,794
Stock dividend	31	1,173,012,594	-	-	-	(1,173,012,594)	-	-	-	-
Dividend paid	31	-	-	-	-	(1,006,015,271)	-	(1,006,015,271)	-	(1,006,015,271)
Total comprehensive income for the year - as restated		-	-	-	-	2,689,817,558	(63,253)	2,689,754,305	2,858	2,689,757,163
Unappropriated retained earnings transferred to statutory reserve		-	-	133,100,000	-	(133,100,000)	-	-	-	-
Balance as at 31 December 2012		7,041,430,018	646,066,296	550,800,000	500,000	1,688,634,974	(161,376)	9,927,269,912	6,135	9,927,276,047
Balance as at 31 December 2012										
- as previously reported		7,041,430,018	646,066,296	550,800,000	500,000	1,621,258,792	(161,376)	9,859,893,730	6,135	9,859,899,865
Cumulative effect of change in accounting policy for deferred tax	4	-	-	-	-	67,376,182	-	67,376,182	-	67,376,182
Balance as at 31 December 2012 - as restated		7,041,430,018	646,066,296	550,800,000	500,000	1,688,634,974	(161,376)	9,927,269,912	6,135	9,927,276,047
Converted warrants to share capital	22	4,597,869	256,780	-	-	-	-	4,854,649	-	4,854,649
Stock dividend	22, 31	2,543,523,101	-	-	-	(2,543,523,101)	-	-	-	-
Dividend paid	31	-	-	-	-	(283,874,467)	-	(283,874,467)	-	(283,874,467)
Subsidiary paid dividend to non-controlling interest of subsidiary		-	-	-	-	-	-	-	(5,600)	(5,600)
Total comprehensive income for the year		-	-	-	-	3,068,477,589	(348,423)	3,068,129,166	3,996	3,068,133,162
Unappropriated retained earnings transferred to statutory reserve		-	-	155,980,000	500,000	(156,480,000)	-	-	-	-
Balance as at 31 December 2013		9,589,550,988	646,323,076	706,780,000	1,000,000	1,773,234,995	(509,799)	12,716,379,260	4,531	12,716,383,791
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-

The accompanying notes are an integral part of the financial statements.

Home Product Center Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2013

(Unit: Baht)

	Note	Separate financial statements				Total shareholders' equity
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		
				- statutory reserve	Unappropriated	
Balance as at 31 December 2011 - as previously reported		5,836,721,415	636,329,511	417,700,000	1,214,766,810	8,105,517,736
Cumulative effect of change in accounting policy for deferred tax	4	-	-	-	80,805,571	80,805,571
Balance as at 31 December 2011 - as restated		5,836,721,415	636,329,511	417,700,000	1,295,572,381	8,186,323,307
Converted warrants to share capital		31,696,009	9,736,785	-	-	41,432,794
Stock dividend	31	1,173,012,594	-	-	(1,173,012,594)	-
Dividend paid	31	-	-	-	(1,006,015,271)	(1,006,015,271)
Total comprehensive income for the year - as restated		-	-	-	2,670,574,789	2,670,574,789
Unappropriated retained earnings transferred to statutory reserve		-	-	133,100,000	(133,100,000)	-
Balance as at 31 December 2012		<u>7,041,430,018</u>	<u>646,066,296</u>	<u>550,800,000</u>	<u>1,654,019,305</u>	<u>9,892,315,619</u>
Balance as at 31 December 2012 - as previously reported		7,041,430,018	646,066,296	550,800,000	1,586,643,123	9,824,939,437
Cumulative effect of change in accounting policy for deferred tax	4	-	-	-	67,376,182	67,376,182
Balance as at 31 December 2011 - as restated		7,041,430,018	646,066,296	550,800,000	1,654,019,305	9,892,315,619
Converted warrants to share capital	22	4,597,869	256,780	-	-	4,854,649
Stock dividend	22, 31	2,543,523,101	-	-	(2,543,523,101)	-
Dividend paid	31	-	-	-	(283,874,467)	(283,874,467)
Total comprehensive income for the year		-	-	-	3,119,930,313	3,119,930,313
Unappropriated retained earnings transferred to statutory reserve		-	-	155,980,000	(155,980,000)	-
Balance as at 31 December 2013		<u>9,589,550,988</u>	<u>646,323,076</u>	<u>706,780,000</u>	<u>1,790,572,050</u>	<u>12,733,226,114</u>
		0	0	0	0	0
		0	0	0	0	0

The accompanying notes are an integral part of the financial statements.