

Home Product Center Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	As at	As at	As at	As at	
	Note	30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		1,972,726	2,698,063	1,663,364	2,391,213
Trade and other receivables	3	1,316,248	1,704,101	1,243,304	1,583,790
Short-term loans to related parties	2	-	-	3,115,082	2,793,562
Inventories	4	9,224,190	8,364,758	7,715,251	7,082,564
Value added tax receivable		356,949	341,104	48,798	68,894
Other current assets	5	223,646	259,188	177,325	199,580
Total current assets		13,093,759	13,367,214	13,963,124	14,119,603
Non-current assets					
Investments in subsidiaries	6	-	-	1,258,679	1,258,678
Investment properties	7	3,074,450	3,218,238	3,880,375	4,024,163
Property, plant and equipment	8	27,999,516	27,655,132	23,475,746	23,549,180
Computer software	9	370,765	352,133	333,969	312,952
Leasehold rights	10	2,466,628	2,157,905	2,168,693	1,933,313
Property foreclosed		3,230	3,230	3,230	3,230
Rental guarantee deposits		52,398	53,258	51,693	52,553
Deferred tax assets		147,080	135,386	132,965	118,894
Other non-current assets		75,921	48,539	4,494	11,372
Total non-current assets		34,189,988	33,623,821	31,309,844	31,264,335
Total assets		47,283,747	46,991,035	45,272,968	45,383,938

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 30 June 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	As at	As at	As at	As at	
	Note	30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	12	13,742,489	12,762,596	11,839,838	11,176,958
Current portion of liabilities under finance lease agreements		9,397	17,745	1,971	7,151
Short-term loan from related party	2	-	-	90,000	90,000
Current portion of long-term loans	13	700,000	700,000	700,000	700,000
Current portion of debentures	14	5,000,000	4,000,000	5,000,000	4,000,000
Income tax payable		384,186	380,182	380,525	380,182
Value added tax payable		989	1,594	-	-
Advances received from customers		709,698	1,018,945	674,908	982,188
Other current liabilities		670,838	582,570	627,207	542,787
Total current liabilities		21,217,597	19,463,632	19,314,449	17,879,266
Non-current liabilities					
Liabilities under finance lease agreements					
- net of current portion		6,971	9,364	1,775	1,409
Long-term loans - net of current portion	13	750,000	1,100,000	750,000	1,100,000
Debentures - net of current portion	14	7,550,000	8,550,000	7,550,000	8,550,000
Provision for long-term employee benefits		176,582	165,053	158,100	148,473
Rental received in advance - net of current portion		394,647	396,268	394,647	396,268
Other non-current liabilities		382,785	404,089	172,252	214,779
Total non-current liabilities		9,260,985	10,624,774	9,026,774	10,410,929
Total liabilities		30,478,582	30,088,406	28,341,223	28,290,195

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 30 June 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	As at	As at	As at	As at	
	Note	30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital	15				
Registered share capital					
13,151,198,025 ordinary shares of Baht 1 each					
(31 December 2015: 13,151,315,446 ordinary shares of Baht 1 each)		13,151,198	13,151,315	13,151,198	13,151,315
Issued and fully paid-up					
13,151,198,025 ordinary shares of Baht 1 each		13,151,198	13,151,198	13,151,198	13,151,198
Share premium		646,323	646,323	646,323	646,323
Retained earnings					
Appropriated					
Statutory reserve - The Company		1,143,480	1,052,880	1,143,480	1,052,880
Statutory reserve - Subsidiaries		1,000	1,000	-	-
Unappropriated		1,913,785	2,120,204	1,990,744	2,243,342
Other components of shareholders' equity		(50,628)	(68,984)	-	-
Equity attributable to owners of the Company		16,805,158	16,902,621	16,931,745	17,093,743
Non-controlling interests of the subsidiaries		7	8	-	-
Total shareholders' equity		16,805,165	16,902,629	16,931,745	17,093,743
Total liabilities and shareholders' equity		47,283,747	46,991,035	45,272,968	45,383,938
		-	-	-	-

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

Directors

(Unaudited but reviewed)

Home Product Center Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 June 2016

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit or loss:					
Revenues					
Sales income	19	14,626,340	13,254,688	13,024,470	12,221,412
Rental and service income		382,380	349,207	313,781	291,937
Other income		626,500	515,117	638,137	511,735
Total revenues		15,635,220	14,119,012	13,976,388	13,025,084
Expenses					
Cost of sales		10,911,087	9,867,807	9,636,954	9,046,339
Selling expenses		2,792,999	2,679,136	2,493,261	2,453,346
Administrative expenses		551,735	391,745	501,925	343,647
Other expenses		29	1,488	29	2,057
Total expenses		14,255,850	12,940,176	12,632,169	11,845,389
Profit before finance cost and income tax expenses		1,379,370	1,178,836	1,344,219	1,179,695
Finance cost		(130,064)	(140,012)	(129,867)	(140,445)
Profit before corporate income tax expenses		1,249,306	1,038,824	1,214,352	1,039,250
Income tax expenses	16	(258,636)	(218,644)	(248,714)	(213,890)
Profit for the period		990,670	820,180	965,638	825,360
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period:</i>					
Exchange differences on translation of financial statements in foreign currency		(13,690)	2,754	-	-
		(13,690)	2,754	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent period:</i>					
Actuarial loss		-	-	-	-
		-	-	-	-
Other comprehensive income for the period		(13,690)	2,754	-	-
Total comprehensive income for the period		976,980	822,934	965,638	825,360
Profit attributable to:					
Equity holders of the Company		990,670	820,180	965,638	825,360
Non-controlling interests of the subsidiaries		-	-	-	-
		990,670	820,180		
Total comprehensive income attributable to:					
Equity holders of the Company		976,980	822,934	965,638	825,360
Non-controlling interests of the subsidiaries		-	-	-	-
		976,980	822,934		

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

(Unaudited but reviewed)

Home Product Center Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 30 June 2016

(Unit: Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		2016	2015	2016	2015
Earnings per share	17				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.08</u>	<u>0.06</u>	<u>0.07</u>	<u>0.06</u>

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

(Unaudited but reviewed)

Home Product Center Public Company Limited and its subsidiaries

Statement of comprehensive income

For the six-month period ended 30 June 2016

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit or loss:					
Revenues					
Sales income	19	28,257,860	25,534,979	25,157,035	23,605,903
Rental and service income		829,497	688,900	690,956	576,060
Other income		1,159,672	991,411	1,184,812	1,048,046
Total revenues		30,247,029	27,215,290	27,032,803	25,230,009
Expenses					
Cost of sales		21,130,079	18,973,627	18,653,845	17,442,069
Selling expenses		5,516,298	5,236,808	4,936,192	4,811,182
Administrative expenses		1,010,129	764,639	917,077	670,321
Other expenses		139	7,480	139	4,369
Total expenses		27,656,645	24,982,554	24,507,253	22,927,941
Profit before finance cost and income tax expenses		2,590,384	2,232,736	2,525,550	2,302,068
Finance cost		(248,510)	(276,273)	(248,039)	(276,143)
Profit before corporate income tax expenses		2,341,874	1,956,463	2,277,511	2,025,925
Income tax expenses	16	(485,023)	(402,606)	(466,839)	(397,409)
Profit for the period		1,856,851	1,553,857	1,810,672	1,628,516
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period:</i>					
Exchange differences on translation of financial statements in foreign currency					
		18,356	(11,703)	-	-
		18,356	(11,703)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent period:</i>					
Actuarial loss					
		-	(42,008)	-	(34,679)
		-	(42,008)	-	(34,679)
Other comprehensive income for the period		18,356	(53,711)	-	(34,679)
Total comprehensive income for the period		1,875,207	1,500,146	1,810,672	1,593,837
Profit attributable to:					
Equity holders of the Company		1,856,851	1,553,859	1,810,672	1,628,516
Non-controlling interests of the subsidiaries		-	(2)	-	-
		1,856,851	1,553,857		
Total comprehensive income attributable to:					
Equity holders of the Company		1,875,207	1,500,148	1,810,672	1,593,837
Non-controlling interests of the subsidiaries		-	(2)	-	-
		1,875,207	1,500,146		

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

(Unaudited but reviewed)

Home Product Center Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the six-month period ended 30 June 2016

(Unit: Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		2016	2015	2016	2015
Earnings per share	17				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.14</u>	<u>0.12</u>	<u>0.14</u>	<u>0.12</u>

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

(Unaudited but reviewed)

Home Product Center Public Company Limited and its subsidiaries

Cash flow statement

For the six-month period ended 30 June 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit before tax	2,341,874	1,956,463	2,277,511	2,025,925
Adjustments to reconcile profit before tax to net cash provided by (paid for) operating activities:				
Depreciation and amortisation	1,429,781	1,305,957	1,248,401	1,181,797
Decrease of inventory to net realisable value	74,071	68,150	65,635	61,566
Loss from sales of assets and written-off	189	2,546	226	2,544
Allowance for doubtful accounts	7,000	-	7,000	-
Allowance for impairment of assets	36,601	-	36,601	-
Provision for long-term employee benefits	11,529	11,370	9,627	9,646
Dividend received from subsidiary	-	-	-	(59,998)
Unrealised exchange (gain) loss	(5,646)	(1,273)	(379)	180
Interest expenses	247,010	273,895	246,718	273,836
Profit from operating activities before changes in operating assets and liabilities	4,142,409	3,617,108	3,891,340	3,495,496
Decrease (increase) in operating assets				
Trade and other receivables	380,853	226,757	333,486	267,490
Inventories	(933,503)	163,867	(698,322)	260,959
Value added tax receivable	(15,845)	72,852	20,096	84,206
Other current assets	35,542	87,775	22,255	96,433
Other non-current assets	(26,522)	(1,108)	7,738	(610)
Increase (decrease) in operating liabilities				
Trade and other payables	951,080	59,877	664,396	(384,713)
Advances received from customers	(309,247)	3,178	(307,280)	(628)
Value added tax payable	(605)	(4,659)	-	-
Other current liabilities	88,115	(15,555)	84,267	(20,026)
Rental received in advance	(1,621)	(10,554)	(1,621)	(10,554)
Other non-current liabilities	6,846	3,958	-	-
Cash from operating activities	4,317,502	4,203,496	4,016,355	3,788,053
Cash paid for interest expenses	(248,148)	(265,645)	(247,855)	(265,585)
Cash paid for corporate income tax	(492,713)	(462,744)	(480,567)	(455,072)
Net cash flows from operating activities	3,576,641	3,475,107	3,287,933	3,067,396

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

(Unaudited but reviewed)

Home Product Center Public Company Limited and its subsidiaries**Cash flow statement (continued)****For the six-month period ended 30 June 2016**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from investing activities				
Increase in investments in subsidiaries	-	-	(1)	-
Dividend received from subsidiary	-	-	-	59,998
Short-term loans to related parties	-	-	(321,520)	(123,187)
Acquisition of computer software	(39,271)	(65,390)	(39,128)	(65,219)
Acquisition of leasehold rights	(348,029)	(10,906)	(272,275)	(10,906)
Acquisition of property, plant and equipment	(1,503,588)	(2,055,546)	(950,766)	(1,489,583)
Decrease in construction retention	(28,148)	(24,547)	(42,527)	(21,842)
Acquisition of investment properties	(68,235)	(419,946)	(68,235)	(419,946)
Proceeds from sales of equipment	6,035	3,307	5,942	3,300
Proceeds from sales of investment properties' equipment	58	138	58	138
Net cash flows used in investing activities	(1,981,178)	(2,572,890)	(1,688,452)	(2,067,247)
Cash flows from financing activities				
Increase (decrease) in liabilities under finance lease agreements	(10,741)	766	(4,814)	(2,021)
Repayment of long-term loans	(350,000)	(350,000)	(350,000)	(350,000)
Increase in debentures	-	1,000,000	-	1,000,000
Dividend paid	(1,972,516)	(903,807)	(1,972,516)	(903,807)
Decrease in equity attributable to non-controlling interest of the subsidiaries due to changing of shareholding percentage	(1)	-	-	-
Net cash flows used in financing activities	(2,333,258)	(253,041)	(2,327,330)	(255,828)
Translation adjustments	12,458	(1,588)	-	-
Net increase (decrease) in cash and cash equivalents	(725,337)	647,588	(727,849)	744,321
Cash and cash equivalents at beginning of period	2,698,063	2,434,763	2,391,213	2,181,357
Cash and cash equivalents at end of period	1,972,726	3,082,351	1,663,364	2,925,678
	-	-	-	-

Supplemental cash flows information:

Non-cash items consist of

Purchases of equipment for which no cash has been paid	35,596	-	-	-
Dividend payables	154	259	154	259
Stock dividend	-	821,883	-	821,883
Actuarial loss	-	(42,008)	-	(34,679)

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

(Unaudited but reviewed)

Home Product Center Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the six-month period ended 30 June 2016

(Unit: Thousand Baht)

Consolidated financial statements										
Equity attributable to owners of the Company										
	Note	Issued and 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		Unappropriated				
				The Company	Subsidiaries					
Balance as at 1 January 2015		12,329,315	646,323	876,180	1,000	1,872,691	(23,886)	15,701,623	10	15,701,633
<u>Change during the period</u>										
Profit for the period		-	-	-	-	1,553,859	-	1,553,859	(2)	1,553,857
Other comprehensive income for the period		-	-	-	-	(42,008)	(11,703)	(53,711)	-	(53,711)
Total comprehensive income for the period		-	-	-	-	1,511,851	(11,703)	1,500,148	(2)	1,500,146
Stock dividend	18	821,883	-	-	-	(821,883)	-	-	-	-
Dividend paid	18	-	-	-	-	(904,066)	-	(904,066)	-	(904,066)
Unappropriated retained earnings transferred to statutory reserve		-	-	81,500	-	(81,500)	-	-	-	-
Balance as at 30 June 2015		<u>13,151,198</u>	<u>646,323</u>	<u>957,680</u>	<u>1,000</u>	<u>1,577,093</u>	<u>(35,589)</u>	<u>16,297,705</u>	<u>8</u>	<u>16,297,713</u>
Balance as at 1 January 2016		13,151,198	646,323	1,052,880	1,000	2,120,204	(68,984)	16,902,621	8	16,902,629
<u>Change during the period</u>										
Profit for the period		-	-	-	-	1,856,851	-	1,856,851	-	1,856,851
Other comprehensive income for the period		-	-	-	-	-	18,356	18,356	-	18,356
Total comprehensive income for the period		-	-	-	-	1,856,851	18,356	1,875,207	-	1,875,207
Dividend paid	18	-	-	-	-	(1,972,670)	-	(1,972,670)	-	(1,972,670)
Unappropriated retained earnings transferred to statutory reserve		-	-	90,600	-	(90,600)	-	-	-	-
Decrease in equity attributable to non-controlling interest of the subsidiaries due to changing of shareholding percentage		-	-	-	-	-	-	-	(1)	(1)
Balance as at 30 June 2016		<u>13,151,198</u>	<u>646,323</u>	<u>1,143,480</u>	<u>1,000</u>	<u>1,913,785</u>	<u>(50,628)</u>	<u>16,805,158</u>	<u>7</u>	<u>16,805,165</u>
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-

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

(Unaudited but reviewed)

Home Product Center Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the six-month period ended 30 June 2016

(Unit: Thousand Baht)

Separate financial statements					
	Issued and		Retained earnings		Total
	paid-up	Premium on	Appropriated		shareholders'
Note	share capital	ordinary shares	- statutory reserve	Unappropriated	equity
Balance as at 1 January 2015	12,329,315	646,323	876,180	1,963,441	15,815,259
<u>Change during the period</u>					
Profit for the period	-	-	-	1,628,516	1,628,516
Other comprehensive income for the period	-	-	-	(34,679)	(34,679)
Total comprehensive income for the period	-	-	-	1,593,837	1,593,837
Stock dividend	18 821,883	-	-	(821,883)	-
Dividend paid	18 -	-	-	(904,066)	(904,066)
Unappropriated retained earnings transferred to statutory reserve	-	-	81,500	(81,500)	-
Balance as at 30 June 2015	<u>13,151,198</u>	<u>646,323</u>	<u>957,680</u>	<u>1,749,829</u>	<u>16,505,030</u>
Balance as at 1 January 2016	13,151,198	646,323	1,052,880	2,243,342	17,093,743
<u>Change during the period</u>					
Profit for the period	-	-	-	1,810,672	1,810,672
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,810,672	1,810,672
Dividend paid	18 -	-	-	(1,972,670)	(1,972,670)
Unappropriated retained earnings transferred to statutory reserve	-	-	90,600	(90,600)	-
Balance as at 30 June 2016	<u>13,151,198</u>	<u>646,323</u>	<u>1,143,480</u>	<u>1,990,744</u>	<u>16,931,745</u>
	-	-	-	-	-
	-	-	-	-	-

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