

Home Product Center Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	As at	As at	As at	As at	
	Note	30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		1,464,734	2,698,063	1,271,846	2,391,213
Trade and other receivables	3	1,354,254	1,704,101	1,294,219	1,583,790
Short-term loans to related parties	2	-	-	3,440,082	2,793,562
Inventories	4	9,329,467	8,364,758	7,606,857	7,082,564
Value added tax receivable		331,360	341,104	-	68,894
Other current assets	5	232,913	259,188	179,173	199,580
Total current assets		12,712,728	13,367,214	13,792,177	14,119,603
Non-current assets					
Investments in subsidiaries	6	-	-	1,258,679	1,258,678
Investment properties	7	3,030,292	3,218,238	3,873,271	4,024,163
Property, plant and equipment	8	28,428,960	27,655,132	23,567,216	23,549,180
Computer software	9	364,792	352,133	329,328	312,952
Leasehold rights	10	2,455,940	2,157,905	2,159,244	1,933,313
Property foreclosed		3,230	3,230	3,230	3,230
Rental guarantee deposits		52,408	53,258	51,703	52,553
Deferred tax assets		150,782	135,386	134,960	118,894
Other non-current assets		77,972	48,539	4,648	11,372
Total non-current assets		34,564,376	33,623,821	31,382,279	31,264,335
Total assets		47,277,104	46,991,035	45,174,456	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 September 2016

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	11	2,509,117	-	2,500,000	-
Trade and other payables	12	13,190,807	12,762,596	11,118,497	11,176,958
Current portion of liabilities under finance lease					
agreements		8,394	17,745	2,329	7,151
Short-term loan from related party	2	-	-	190,000	90,000
Current portion of long-term loans	13	700,000	700,000	700,000	700,000
Current portion of debentures	14	4,050,000	4,000,000	4,050,000	4,000,000
Income tax payable		197,353	380,182	190,909	380,182
Value added tax payable		10,609	1,594	9,916	-
Advances received from customers		860,601	1,018,945	816,287	982,188
Other current liabilities		677,830	582,570	630,470	542,787
Total current liabilities		22,204,711	19,463,632	20,208,408	17,879,266
Non-current liabilities					
Liabilities under finance lease agreements					
- net of current portion		12,723	9,364	8,792	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	7,200,000	8,550,000	7,200,000	8,550,000
Provision for long-term employee benefits		182,366	165,053	162,914	148,473
Rental received in advance - net of current portion		389,059	396,268	389,059	396,268
Other non-current liabilities		366,971	404,089	157,490	214,779
Total non-current liabilities		8,901,119	10,624,774	8,668,255	10,410,929
Total liabilities		31,105,830	30,088,406	28,876,663	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 September 2016

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		30 September 2016	31 December 2015	30 September 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		1,190,680	1,052,880	1,190,680	1,052,880
Statutory reserve - Subsidiaries		1,000	1,000	-	-
Unappropriated		1,236,988	2,120,204	1,309,592	2,243,342
Other components of shareholders' equity		(54,922)	(68,984)	-	-
Equity attributable to owners of the Company		16,171,267	16,902,621	16,297,793	17,093,743
Non-controlling interests of the subsidiaries		7	8	-	-
Total shareholders' equity		16,171,274	16,902,629	16,297,793	17,093,743
Total liabilities and shareholders' equity		47,277,104	46,991,035	45,174,456	45,383,938
		-	-	-	-

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

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Directors
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(Unaudited but reviewed)

Home Product Center Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 September 2016

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit or loss:					
Revenues					
Sales income		13,816,276	12,883,471	12,215,703	11,713,162
Rental and service income		424,810	344,432	358,798	286,744
Other income		567,442	527,041	593,213	525,975
Total revenues		14,808,528	13,754,944	13,167,714	12,525,881
Expenses					
Cost of sales		10,307,094	9,547,593	9,041,057	8,622,696
Selling expenses		2,779,291	2,659,252	2,468,852	2,420,068
Administrative expenses		387,255	381,744	337,277	337,249
Other expenses		2,093	13,042	-	12,277
Total expenses		13,475,733	12,601,631	11,847,186	11,392,290
Profit before finance cost and income tax expenses		1,332,795	1,153,313	1,320,528	1,133,591
Finance cost		(131,697)	(139,961)	(131,742)	(139,762)
Profit before income tax expenses		1,201,098	1,013,352	1,188,786	993,829
Income tax expenses	16	(252,677)	(210,633)	(244,720)	(203,762)
Profit for the period		948,421	802,719	944,066	790,067
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		(4,294)	(545)	-	-
		(4,294)	(545)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent period:</i>					
Actuarial loss		-	-	-	-
		-	-	-	-
Other comprehensive income for the period		(4,294)	(545)	-	-
Total comprehensive income for the period		944,127	802,174	944,066	790,067
Profit attributable to:					
Equity holders of the Company		948,421	802,719	944,066	790,067
Non-controlling interests of the subsidiaries		-	-	-	-
		948,421	802,719		
Total comprehensive income attributable to:					
Equity holders of the Company		944,127	802,174	944,066	790,067
Non-controlling interests of the subsidiaries		-	-	-	-
		944,127	802,174		

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 September 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
Note	2016	2015	2016	2015
Earnings per share (Baht)				
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.07</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 nine-month period ended 30 September 2016

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit or loss:					
Revenues					
Sales income		42,074,136	38,418,450	37,372,738	35,319,065
Rental and service income		1,254,307	1,033,332	1,049,754	862,804
Other income		1,727,114	1,518,452	1,778,025	1,574,021
Total revenues		45,055,557	40,970,234	40,200,517	37,755,890
Expenses					
Cost of sales		31,437,173	28,521,220	27,694,902	26,064,765
Selling expenses		8,295,589	7,896,060	7,405,044	7,231,250
Administrative expenses		1,397,384	1,146,383	1,254,354	1,007,570
Other expenses		2,232	20,522	139	16,646
Total expenses		41,132,378	37,584,185	36,354,439	34,320,231
Profit before finance cost and income tax expenses		3,923,179	3,386,049	3,846,078	3,435,659
Finance cost		(380,207)	(416,234)	(379,781)	(415,905)
Profit before income tax expenses		3,542,972	2,969,815	3,466,297	3,019,754
Income tax expenses	16	(737,700)	(613,239)	(711,559)	(601,171)
Profit for the period		2,805,272	2,356,576	2,754,738	2,418,583
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		14,062	(12,248)	-	-
		14,062	(12,248)	-	-
<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		14,062	(54,256)	-	(34,679)
Total comprehensive income for the period		2,819,334	2,302,320	2,754,738	2,383,904
Profit attributable to:					
Equity holders of the Company		2,805,272	2,356,578	2,754,738	2,418,583
Non-controlling interests of the subsidiaries		-	(2)	-	-
		2,805,272	2,356,576		
Total comprehensive income attributable to:					
Equity holders of the Company		2,819,334	2,302,322	2,754,738	2,383,904
Non-controlling interests of the subsidiaries		-	(2)	-	-
		2,819,334	2,302,320		

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 nine-month period ended 30 September 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
Note	2016	2015	2016	2015
Earnings per share (Baht)				
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.21</u>	<u>0.18</u>	<u>0.21</u>	<u>0.18</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 nine-month period ended 30 September 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit before tax	3,542,972	2,969,815	3,466,297	3,019,754
Adjustments to reconcile profit before tax to net cash provided by (paid for) operating activities				
Depreciation and amortisation	2,158,561	2,013,257	1,879,189	1,815,280
Decrease of inventories to net realisable value	110,270	102,680	97,479	92,314
Loss from sales of assets and written-off	1	2,736	21	2,734
Allowance for doubtful debts	7,120	-	7,120	-
Allowance for impairment of assets	26,601	1,200	26,601	1,200
Provision for long-term employee benefits	17,313	17,093	14,441	14,483
Unrealised exchange (gain) loss	(2,107)	(2,586)	(117)	765
Dividend income from subsidiary	-	-	-	(59,998)
Interest expenses	375,090	410,392	374,965	410,179
Profit from operating activities before changes in operating assets and liabilities	6,235,821	5,514,587	5,865,996	5,296,711
Decrease (increase) in operating assets				
Trade and other receivables	342,727	225,133	282,451	281,341
Inventories	(1,074,979)	(98,906)	(621,772)	122,479
Value added tax receivable	9,744	(9,529)	68,894	39,175
Other current assets	26,275	29,248	20,407	52,769
Other non-current assets	(28,583)	(1,440)	7,574	(502)
Increase (decrease) in operating liabilities				
Trade and other payables	226,401	263,820	(122,241)	(332,028)
Advances received from customers	(158,344)	7,071	(165,901)	(5,756)
Value added tax payable	9,015	(4,030)	9,916	-
Other current liabilities	88,009	117,479	80,432	110,602
Rental received in advance	(7,209)	(15,831)	(7,209)	(15,831)
Other non-current liabilities	10,289	10,592	-	-
Cash flows from operating activities	5,679,166	6,038,194	5,418,547	5,548,960
Cash paid for interest expenses	(463,063)	(492,347)	(462,937)	(492,134)
Cash paid for corporate income tax	(935,925)	(849,559)	(916,898)	(837,829)
Net cash flows from operating activities	4,280,178	4,696,288	4,038,712	4,218,997

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 nine-month period ended 30 September 2016**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from investing activities				
Increase in investments in subsidiary	-	-	(1)	-
Dividend income from subsidiary	-	-	-	59,998
Short-term loan to related parties	-	-	(646,520)	(561,687)
Acquisition of computer software	(44,022)	(142,857)	(43,880)	(142,495)
Acquisition of leasehold rights	(358,030)	(186,675)	(282,275)	(178,554)
Acquisition of property, plant and equipment	(2,321,541)	(3,097,122)	(1,466,515)	(2,078,471)
Decrease in construction retention	(47,407)	(65,665)	(57,289)	(67,223)
Acquisition of investment properties	(77,603)	(539,238)	(77,603)	(539,238)
Proceeds from sales of equipment	6,922	3,651	6,822	3,644
Proceeds from sales of investment properties' equipment	58	143	58	143
Net cash flows used in investing activities	(2,841,623)	(4,027,763)	(2,567,203)	(3,503,883)
Cash flows from financing activities				
Increase in short-term loans from financial institutions	2,509,117	-	2,500,000	-
Increase (decrease) in liabilities under finance lease agreements	(5,992)	(2,901)	2,561	(3,106)
Increase in long-term loans	-	-	100,000	-
Repayment of long-term loans	(350,000)	(350,000)	(350,000)	(350,000)
Increase in debentures	2,700,000	3,500,000	2,700,000	3,500,000
Repayment of debentures	(4,000,000)	(2,300,000)	(4,000,000)	(2,300,000)
Dividend paid	(3,543,437)	(2,215,932)	(3,543,437)	(2,215,932)
Decrease in equity attributable to non-controlling interest of the subsidiaries due to changing of shareholding percentage	(1)	-	-	-
Net cash used in financing activities	(2,690,313)	(1,368,833)	(2,590,876)	(1,369,038)
Translation adjustments	18,429	(2,343)	-	-
Net decrease in cash and cash equivalents	(1,233,329)	(702,651)	(1,119,367)	(653,924)
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	1,464,734	1,732,112	1,271,846	1,527,433

Supplemental cash flows information:

Non-cash items consist of

Purchases of equipment for which no cash has been paid	287,475	-	151,869	-
Dividend payable	7,251	3,175	7,251	3,175
Stock dividend	-	821,883	-	821,883
Actuarial loss	-	(42,008)	-	(34,679)
Transferred property, plant and equipment to investment properties	-	-	37,054	-

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 nine-month period ended 30 September 2016

(Unit: Thousand Baht)

Consolidated financial statements										
Equity attributable to owners of the Company										
			Retained earnings			Other components of equity				
	Note	Issued and paid-up share capital	Premium on ordinary shares	Appropriated - statutory reserve		Unappropriated	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
				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		-	-	-	-	2,356,578	-	2,356,578	(2)	2,356,576
Other comprehensive income for the period		-	-	-	-	(42,008)	(12,248)	(54,256)	-	(54,256)
Total comprehensive income for the period		-	-	-	-	2,314,570	(12,248)	2,302,322	(2)	2,302,320
Stock dividend	18	821,883	-	-	-	(821,883)	-	-	-	-
Dividend paid	18	-	-	-	-	(2,219,107)	-	(2,219,107)	-	(2,219,107)
Unappropriated retained earnings transferred to statutory reserve		-	-	121,000	-	(121,000)	-	-	-	-
Balance as at 30 September 2015		<u>13,151,198</u>	<u>646,323</u>	<u>997,180</u>	<u>1,000</u>	<u>1,025,271</u>	<u>(36,134)</u>	<u>15,784,838</u>	<u>8</u>	<u>15,784,846</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		-	-	-	-	2,805,272	-	2,805,272	-	2,805,272
Other comprehensive income for the period		-	-	-	-	-	14,062	14,062	-	14,062
Total comprehensive income for the period		-	-	-	-	2,805,272	14,062	2,819,334	-	2,819,334
Dividend paid	18	-	-	-	-	(3,550,688)	-	(3,550,688)	-	(3,550,688)
Unappropriated retained earnings transferred to statutory reserve		-	-	137,800	-	(137,800)	-	-	-	-
Decrease in equity attributable to non-controlling interest of the subsidiaries due to changing of shareholding percentage		-	-	-	-	-	-	-	(1)	(1)
Balance as at 30 September 2016		<u>13,151,198</u>	<u>646,323</u>	<u>1,190,680</u>	<u>1,000</u>	<u>1,236,988</u>	<u>(54,922)</u>	<u>16,171,267</u>	<u>7</u>	<u>16,171,274</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 nine-month period ended 30 September 2016

(Unit: Thousand Baht)

Separate financial statements					
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total shareholders' equity
Note			Appropriated - statutory reserve	Unappropriated	
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	-	-	-	2,418,583	2,418,583
Other comprehensive income for the period	-	-	-	(34,679)	(34,679)
Total comprehensive income for the period	-	-	-	2,383,904	2,383,904
Stock dividend	18 821,883	-	-	(821,883)	-
Dividend paid	18 -	-	-	(2,219,107)	(2,219,107)
Unappropriated retained earnings transferred to statutory reserve	-	-	121,000	(121,000)	-
Balance as at 30 September 2015	<u>13,151,198</u>	<u>646,323</u>	<u>997,180</u>	<u>1,185,355</u>	<u>15,980,056</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	-	-	-	2,754,738	2,754,738
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	2,754,738	2,754,738
Dividend paid	18 -	-	-	(3,550,688)	(3,550,688)
Unappropriated retained earnings transferred to statutory reserve	-	-	137,800	(137,800)	-
Balance as at 30 September 2016	<u>13,151,198</u>	<u>646,323</u>	<u>1,190,680</u>	<u>1,309,592</u>	<u>16,297,793</u>

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