

Home Product Center Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	As at	As at	As at	As at	
	Note	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Assets					
Current assets					
Cash and cash equivalents	7	3,720,584,484	2,698,062,771	3,411,624,840	2,391,213,347
Trade and other receivables	8	1,895,479,823	1,704,101,361	1,837,787,724	1,583,790,301
Short-term loans to related parties	6	-	-	4,014,082,285	2,793,561,500
Inventories	9	9,671,544,973	8,364,757,754	7,846,961,997	7,082,564,354
Value added tax receivable		422,364,657	341,103,718	28,359,439	68,894,127
Other current assets	10	190,205,081	259,188,165	151,503,051	199,580,463
Total current assets		15,900,179,018	13,367,213,769	17,290,319,336	14,119,604,092
Non-current assets					
Investments in subsidiaries	11	-	-	1,258,678,588	1,258,678,088
Investment properties	12	3,046,951,189	3,218,237,904	3,889,930,964	4,024,163,329
Property, plant and equipment	13	29,539,711,266	27,655,131,878	24,201,255,276	23,549,180,597
Computer software	14	426,036,378	352,132,621	391,850,616	312,952,054
Leasehold rights	15	2,517,422,480	2,157,905,312	2,222,109,589	1,933,313,328
Property foreclosed		3,229,639	3,229,639	3,229,639	3,229,639
Rental guarantee deposits		52,576,350	53,258,350	51,703,350	52,553,350
Deferred tax assets	26	179,062,786	135,386,433	154,098,269	118,893,734
Other non-current assets		81,062,955	48,539,222	4,844,495	11,370,536
Total non-current assets		35,846,053,043	33,623,821,359	32,177,700,786	31,264,334,655
Total assets		51,746,232,061	46,991,035,128	49,468,020,122	45,383,938,747

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 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December 2016	As at 31 December 2015	As at 31 December 2016	As at 31 December 2015
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	16	1,507,404,638	-	1,500,000,000	-
Trade and other payables	17	14,031,577,290	12,762,596,376	11,866,668,096	11,176,958,259
Current portion of liabilities under finance lease agreements	18	7,192,830	17,744,698	1,907,906	7,150,951
Short-term loan from related party	6	-	-	100,000,000	90,000,000
Current portion of long-term loans	19	700,000,000	700,000,000	700,000,000	700,000,000
Current portion of debentures	21	4,050,000,000	4,000,000,000	4,050,000,000	4,000,000,000
Income tax payable		405,993,298	380,181,939	404,642,158	380,181,939
Value added tax payable		789,449	1,594,463	-	-
Advances received from customers		1,127,819,263	1,018,944,922	1,063,297,577	982,188,295
Other current liabilities		660,637,286	582,569,895	621,340,448	542,786,366
Total current liabilities		22,491,414,054	19,463,632,293	20,307,856,185	17,879,265,810
Non-current liabilities					
Liabilities under finance lease agreements					
- net of current portion	18	10,488,892	9,364,050	7,819,005	1,409,239
Long-term loans - net of current portion	19	400,000,000	1,100,000,000	400,000,000	1,100,000,000
Debentures - net of current portion	21	10,200,000,000	8,550,000,000	10,200,000,000	8,550,000,000
Provision for long-term employee benefits	20	185,753,863	165,053,409	165,307,213	148,472,947
Rental received in advance - net of current portion		383,164,468	396,268,066	383,164,468	396,268,066
Other non-current liabilities		585,041,864	404,088,238	314,773,171	214,779,317
Total non-current liabilities		11,764,449,087	10,624,773,763	11,471,063,857	10,410,929,569
Total liabilities		34,255,863,141	30,088,406,056	31,778,920,042	28,290,195,379

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 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December 2016	As at 31 December 2015	As at 31 December 2016	As at 31 December 2015
Shareholders' equity					
Share capital	22				
Registered share capital					
13,151,198,025 ordinary shares of Baht 1 each					
(2015: 13,151,315,446 ordinary shares					
of Baht 1 each)		13,151,198,025	13,151,315,446	13,151,198,025	13,151,315,446
Issued and fully paid-up					
13,151,198,025 ordinary shares of Baht 1 each		13,151,198,025	13,151,198,025	13,151,198,025	13,151,198,025
Share premium		646,323,076	646,323,076	646,323,076	646,323,076
Retained earnings					
Appropriated	24				
Statutory reserve - The Company		1,260,280,000	1,052,880,000	1,260,280,000	1,052,880,000
Statutory reserve - Subsidiaries		1,000,000	1,000,000	-	-
Unappropriated		2,487,311,034	2,120,204,357	2,631,298,979	2,243,342,267
Other components of shareholders' equity		(55,746,844)	(68,984,115)	-	-
Equity attributable to owners of the Company		17,490,365,291	16,902,621,343	17,689,100,080	17,093,743,368
Non-controlling interests of the subsidiaries		3,629	7,729	-	-
Total shareholders' equity		17,490,368,920	16,902,629,072	17,689,100,080	17,093,743,368
Total liabilities and shareholders' equity		51,746,232,061	46,991,035,128	49,468,020,122	45,383,938,747
		-	-	-	-

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

Directors

Home Product Center Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit or loss:					
Revenues					
Sales income		56,928,368,670	52,512,720,072	50,361,400,048	48,060,490,391
Rental and service income		1,705,858,188	1,477,234,811	1,447,344,528	1,241,855,276
Other income		2,509,844,874	2,253,219,052	2,656,838,691	2,305,246,010
Total revenues		61,144,071,732	56,243,173,935	54,465,583,267	51,607,591,677
Expenses					
Cost of sales		42,404,650,458	38,999,730,076	37,192,667,688	35,477,375,578
Selling and service expenses		11,209,470,535	10,647,805,210	9,946,726,128	9,728,899,821
Administrative expenses		1,919,446,128	1,612,107,108	1,712,717,292	1,419,994,534
Other expenses		11,901,854	23,046,943	361,783	19,145,167
Total expenses		55,545,468,975	51,282,689,337	48,852,472,891	46,645,415,100
Profit before finance cost and income tax expenses		5,598,602,757	4,960,484,598	5,613,110,376	4,962,176,577
Finance cost		(503,683,576)	(543,681,249)	(502,983,448)	(544,514,312)
Profit before income tax expenses		5,094,919,181	4,416,803,349	5,110,126,928	4,417,662,265
Income tax expenses	26	(969,723,645)	(917,995,235)	(964,081,357)	(892,327,624)
Profit for the year		4,125,195,536	3,498,808,114	4,146,045,571	3,525,334,641
Other comprehensive income:					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent period:</i>					
Exchange differences on translation of financial statements in foreign currency		13,237,271	(45,097,736)	-	-
		<u>13,237,271</u>	<u>(45,097,736)</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent period:</i>					
Actuarial loss	20	-	(42,008,886)	-	(34,678,829)
Less: Income tax effect	26	-	8,401,777	-	6,935,766
		<u>-</u>	<u>(33,607,109)</u>	<u>-</u>	<u>(27,743,063)</u>
Other comprehensive income for the year		13,237,271	(78,704,845)	-	(27,743,063)
Total comprehensive income for the year		4,138,432,807	3,420,103,269	4,146,045,571	3,497,591,578

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 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit attributable to:					
Equity holders of the Company		4,125,195,536	3,498,810,514	4,146,045,571	3,525,334,641
Non-controlling interests of the subsidiaries		-	(2,400)		
		<u>4,125,195,536</u>	<u>3,498,808,114</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		4,138,432,807	3,420,105,669	4,146,045,571	3,497,591,578
Non-controlling interests of the subsidiaries		-	(2,400)		
		<u>4,138,432,807</u>	<u>3,420,103,269</u>		
Earnings per share					
	27				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.31</u>	<u>0.27</u>	<u>0.32</u>	<u>0.27</u>

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 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit before tax	5,094,919,181	4,416,803,349	5,110,126,928	4,417,662,265
Adjustments to reconcile profit before tax to net cash provided by (paid for) operating activities				
Depreciation and amortisation	2,904,950,257	2,720,703,271	2,514,813,114	2,440,400,944
Decrease of inventories to net realisable value	149,116,682	140,661,717	131,183,120	125,588,245
Loss from sales of assets and written-off	502,330	17,414,276	452,601	17,412,042
Allowance for doubtful accounts	13,777,404	5,338,864	13,059,826	5,338,864
Allowance for impairment of assets (reverse)	69,901,075	(8,417,781)	69,901,075	(8,417,781)
Provision for long-term employee benefits	23,133,454	22,812,988	19,267,266	19,319,458
Unrealised exchange (gain) loss	10,773,553	(2,969,777)	(166,484)	(340,420)
Dividend income from subsidiary	-	-	(89,996,400)	(59,997,600)
Interest expenses	494,729,105	537,242,240	494,669,002	538,251,241
Profit from operating activities before changes in operating assets and liabilities	8,761,803,041	7,849,589,147	8,263,310,048	7,495,217,258
Decrease (increase) in operating assets				
Trade and other receivables	(205,155,865)	(89,283,492)	(267,057,249)	(21,631,454)
Inventories	(1,455,903,901)	(474,603,595)	(895,580,763)	(182,620,793)
Value added tax receivable	(81,260,939)	51,271,419	40,534,688	114,296,439
Other current assets	68,983,084	53,411,580	48,077,412	65,749,434
Other non-current assets	(31,841,733)	(31,266,519)	7,376,041	(7,053,694)
Increase (decrease) in operating liabilities				
Trade and other payables	1,268,219,531	692,797,806	699,776,595	76,290,180
Advances received from customers	108,874,341	257,042,844	81,109,282	242,154,489
Value added tax payable	(805,014)	(3,890,180)	-	-
Other current liabilities	76,942,872	23,342,158	77,429,563	11,515,695
Rental received in advance	(13,103,598)	(7,766,490)	(13,103,598)	(7,766,490)
Cash paid for provision for long-term employee benefits	(2,433,000)	(6,529,600)	(2,433,000)	(6,529,600)
Other non-current liabilities	14,596,746	18,893,139	-	-
Cash flows from operating activities	8,508,915,565	8,333,008,217	8,039,439,019	7,779,621,464
Cash paid for interest expenses	(504,629,378)	(529,122,780)	(504,569,276)	(530,131,780)
Cash paid for corporate income tax	(998,944,556)	(911,075,130)	(974,825,673)	(895,215,318)
Net cash flows from operating activities	7,005,341,631	6,892,810,307	6,560,044,070	6,354,274,366

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 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from investing activities				
Increase in investments in subsidiary	-	-	(500)	-
Dividend income from subsidiary	-	-	89,996,400	59,997,600
Short-term loans to related parties	-	-	(2,079,000,000)	(2,408,787,500)
Cash refund from short-term loans to related parties	-	-	858,479,215	1,484,600,000
Acquisitions of computer software	(116,239,735)	(146,075,183)	(116,037,394)	(145,715,890)
Acquisitions of leasehold rights	(441,033,787)	(262,710,382)	(365,279,342)	(179,589,704)
Acquisitions of property, plant and equipment	(4,435,844,895)	(3,794,493,592)	(2,847,263,420)	(2,549,895,399)
(Increase) decrease in construction retention	166,356,880	(83,618,217)	99,993,854	(84,566,145)
Acquisitions of investment properties	(150,221,323)	(603,733,047)	(150,221,323)	(603,733,047)
Proceeds from sales of equipment	8,185,907	4,646,025	8,039,229	4,638,817
Proceeds from sales of investment properties' equipment	58,323	143,015	58,323	143,015
Net cash flows used in investing activities	(4,968,738,630)	(4,885,841,381)	(4,501,234,958)	(4,422,908,253)
Cash flows from financing activities				
Short-term loans from financial institutions	2,507,404,638	5,460,000,000	2,500,000,000	5,460,000,000
Repayment of short-term loans from financial institutions	(1,000,000,000)	(5,460,000,000)	(1,000,000,000)	(5,460,000,000)
Increase (decrease) in liabilities under finance lease agreements	(9,427,026)	929,551	1,166,721	(2,835,105)
Short-term loan from related party	-	-	100,000,000	-
Repayment of short-term loan from related party	-	-	(90,000,000)	-
Repayment of long-term loans	(700,000,000)	(700,000,000)	(700,000,000)	(700,000,000)
Increase in debentures	5,700,000,000	3,500,000,000	5,700,000,000	3,500,000,000
Repayment of debentures	(4,000,000,000)	(2,300,000,000)	(4,000,000,000)	(2,300,000,000)
Dividend paid	(3,549,564,340)	(2,218,674,443)	(3,549,564,340)	(2,218,674,443)
Net cash flows used in financing activities	(1,051,586,728)	(1,717,744,892)	(1,038,397,619)	(1,721,509,548)
Translation adjustments	37,505,440	(25,924,642)	-	-
Net increase in cash and cash equivalents	1,022,521,713	263,299,392	1,020,411,493	209,856,565
Cash and cash equivalents at beginning of year	2,698,062,771	2,434,763,379	2,391,213,347	2,181,356,782
Cash and cash equivalents at end of year (Note 7)	3,720,584,484	2,698,062,771	3,411,624,840	2,391,213,347
	-	-	-	-
Supplemental cash flows information:				
Non-cash items consist of				
Transfer property, plant and equipment to investment properties	-	-	37,054,350	230,233,500
Dividend payable	1,124,519	433,375	1,124,519	433,375
Stock dividend	-	821,882,579	-	821,882,579
Actuarial loss	-	42,008,886	-	34,678,829

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 2016

(Unit: 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	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		12,329,315,446	646,323,076	876,180,000	1,000,000	1,872,691,349	(23,886,379)	15,701,623,492	10,129	15,701,633,621
<u>Change during the year</u>										
Profit for the year		-	-	-	-	3,498,810,514	-	3,498,810,514	(2,400)	3,498,808,114
Other comprehensive income for the year		-	-	-	-	(33,607,109)	(45,097,736)	(78,704,845)	-	(78,704,845)
Total comprehensive income for the year		-	-	-	-	3,465,203,405	(45,097,736)	3,420,105,669	(2,400)	3,420,103,269
Converted warrants to share capital		-	-	-	-	-	-	-	-	-
Stock dividend	30	821,882,579	-	-	-	(821,882,579)	-	-	-	-
Dividend paid	30	-	-	-	-	(2,219,107,818)	-	(2,219,107,818)	-	(2,219,107,818)
Unappropriated retained earnings transferred to statutory reserve	24	-	-	176,700,000	-	(176,700,000)	-	-	-	-
Balance as at 31 December 2015		<u>13,151,198,025</u>	<u>646,323,076</u>	<u>1,052,880,000</u>	<u>1,000,000</u>	<u>2,120,204,357</u>	<u>(68,984,115)</u>	<u>16,902,621,343</u>	<u>7,729</u>	<u>16,902,629,072</u>
Balance as at 1 January 2016		13,151,198,025	646,323,076	1,052,880,000	1,000,000	2,120,204,357	(68,984,115)	16,902,621,343	7,729	16,902,629,072
<u>Change during the year</u>										
Profit for the year		-	-	-	-	4,125,195,536	-	4,125,195,536	-	4,125,195,536
Other comprehensive income for the year		-	-	-	-	-	13,237,271	13,237,271	-	13,237,271
Total comprehensive income for the year		-	-	-	-	4,125,195,536	13,237,271	4,138,432,807	-	4,138,432,807
Dividend paid	30	-	-	-	-	(3,550,688,859)	-	(3,550,688,859)	-	(3,550,688,859)
Subsidiary paid dividend to non-controlling interest of subsidiaries		-	-	-	-	-	-	-	(3,600)	(3,600)
Decrease in equity attributable to non-controlling interest of the subsidiaries due to changing of shareholding percentage		-	-	-	-	-	-	-	(500)	(500)
Unappropriated retained earnings transferred to statutory reserve	24	-	-	207,400,000	-	(207,400,000)	-	-	-	-
Balance as at 31 December 2016		<u>13,151,198,025</u>	<u>646,323,076</u>	<u>1,260,280,000</u>	<u>1,000,000</u>	<u>2,487,311,034</u>	<u>(55,746,844)</u>	<u>17,490,365,291</u>	<u>3,629</u>	<u>17,490,368,920</u>
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-

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 2016

(Unit: Baht)

	Separate financial statements					
	Note	Issued and	Premium on	Retained earnings		Total
		paid-up		ordinary shares	Appropriated	
		share capital		- statutory reserve	equity	
Balance as at 1 January 2015		12,329,315,446	646,323,076	876,180,000	1,963,441,086	15,815,259,608
<u>Change during the year</u>						
Profit for the year		-	-	-	3,525,334,641	3,525,334,641
Other comprehensive income for the year		-	-	-	(27,743,063)	(27,743,063)
Total comprehensive income for the year		-	-	-	3,497,591,578	3,497,591,578
Stock dividend	30	821,882,579	-	-	(821,882,579)	-
Dividend paid	30	-	-	-	(2,219,107,818)	(2,219,107,818)
Unappropriated retained earnings transferred to statutory reserve	24	-	-	176,700,000	(176,700,000)	-
Balance as at 31 December 2015		<u>13,151,198,025</u>	<u>646,323,076</u>	<u>1,052,880,000</u>	<u>2,243,342,267</u>	<u>17,093,743,368</u>
Balance as at 1 January 2016		13,151,198,025	646,323,076	1,052,880,000	2,243,342,267	17,093,743,368
<u>Change during the year</u>						
Profit for the year		-	-	-	4,146,045,571	4,146,045,571
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	4,146,045,571	4,146,045,571
Dividend paid	30	-	-	-	(3,550,688,859)	(3,550,688,859)
Unappropriated retained earnings transferred to statutory reserve	24	-	-	207,400,000	(207,400,000)	-
Balance as at 31 December 2016		<u>13,151,198,025</u>	<u>646,323,076</u>	<u>1,260,280,000</u>	<u>2,631,298,979</u>	<u>17,689,100,080</u>
		-	-	-	-	-
		-	-	-	-	-

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