

Home Product Center Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2020	31 December 2019	30 September 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	3	3,205,908	2,859,979	2,989,611	2,606,368
Trade and other receivables	3, 4	1,328,780	1,912,404	1,259,190	1,784,572
Short-term loans to related party	3	-	-	1,770,000	2,530,000
Inventories	5	9,877,175	10,421,263	7,806,483	8,584,524
Value added tax receivable		329,946	320,080	31,969	-
Other current assets	6	145,529	176,118	114,743	148,254
Total current assets		14,887,338	15,689,844	13,971,996	15,653,718
Non-current assets					
Investments in subsidiaries	7	-	-	1,908,824	1,908,824
Investment properties	8	3,766,181	2,425,151	4,609,161	3,268,131
Property, buildings and equipment	9	28,899,447	29,636,758	24,406,079	24,859,117
Right-of-use assets	10	5,851,942	-	5,086,496	-
Computer software	11	466,495	476,030	451,133	456,855
Leasehold rights	10	-	3,169,422	-	2,745,597
Property foreclosed		3,230	3,230	3,230	3,230
Rental guarantee deposits	3	63,243	62,889	53,302	53,302
Deferred tax assets		424,730	218,983	387,635	193,604
Other non-current assets		372,028	366,650	232,350	227,155
Total non-current assets		39,847,296	36,359,113	37,138,210	33,715,815
Total assets		54,734,634	52,048,957	51,110,206	49,369,533

The accompanying notes to interim consolidated financial statements 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 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2020	31 December 2019	30 September 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	12	1,754,942	280,742	1,500,000	-
Trade and other payables	3, 13	13,376,078	14,069,081	11,479,087	12,473,796
Current portion of lease liabilities	14	258,061	3,474	245,723	3,474
Current portion of long-term loan	15	80,551	20,207	-	-
Current portion of debentures	16	4,000,000	6,000,000	4,000,000	6,000,000
Income tax payable		264,467	568,167	250,333	560,567
Value added tax payable		86	28,620	-	28,538
Advances received from customers		790,797	995,557	745,587	928,407
Other current liabilities		438,044	323,420	398,047	280,464
Total current liabilities		20,963,026	22,289,268	18,618,777	20,275,246
Non-current liabilities					
Lease liabilities - net of current portion	14	4,237,164	12,156	3,840,799	12,156
Long-term loan - net of current portion	15	-	63,988	-	-
Debentures - net of current portion	16	8,078,408	7,007,664	8,078,408	7,007,664
Provision for long-term employee benefits		570,961	528,170	518,302	480,430
Rental received in advance - net of current portion		282,257	315,250	282,257	315,250
Other non-current liabilities		585,782	694,379	545,377	635,284
Total non-current liabilities		13,754,572	8,621,607	13,265,143	8,450,784
Total liabilities		34,717,598	30,910,875	31,883,920	28,726,030

The accompanying notes to interim consolidated financial statements 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 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2020 (Unaudited but reviewed)	31 December 2019 (Audited)	30 September 2020 (Unaudited but reviewed)	31 December 2019 (Audited)
Shareholders' equity				
Share capital				
Registered share capital				
13,151,198,025 ordinary shares of Baht 1 each	13,151,198	13,151,198	13,151,198	13,151,198
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
Premium on ordinary shares	646,323	646,323	646,323	646,323
Retained earnings				
Appropriated				
Statutory reserve - The Company	1,315,120	1,315,120	1,315,120	1,315,120
Statutory reserve - Subsidiaries	1,000	1,000	-	-
Unappropriated	4,963,123	6,085,859	4,113,645	5,530,862
Other components of shareholders' equity	(59,731)	(61,422)	-	-
Equity attributable to owners of the Company	20,017,033	21,138,078	19,226,286	20,643,503
Non-controlling interests of the subsidiaries	3	4	-	-
Total shareholders' equity	20,017,036	21,138,082	19,226,286	20,643,503
Total liabilities and shareholders' equity	54,734,634	52,048,957	51,110,206	49,369,533
	-	-	-	-

The accompanying notes to interim consolidated financial statements 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 2020**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit or loss:					
Revenues					
Revenue from contracts with customers	17	15,064,306	15,333,131	13,140,640	13,387,280
Rental income		487,207	552,963	489,087	550,355
Interest income		1,822	10,768	16,579	31,862
Other income		466,150	478,607	460,265	474,485
Total revenues		16,019,485	16,375,469	14,106,571	14,443,982
Expenses					
Cost of sales and service		11,179,174	11,370,073	9,702,565	9,846,796
Cost of rental		135,800	160,213	132,903	158,037
Selling, distribution and service expenses		2,426,622	2,509,594	2,203,910	2,256,283
Administrative expenses		464,242	401,694	405,524	350,027
Other expenses		2,006	4,014	1,940	4,809
Total expenses		14,207,844	14,445,588	12,446,842	12,615,952
Profit from operating activities		1,811,641	1,929,881	1,659,729	1,828,030
Finance cost		(110,014)	(99,755)	(103,771)	(95,327)
Profit before income tax expenses		1,701,627	1,830,126	1,555,958	1,732,703
Income tax expenses	18	(301,109)	(347,875)	(282,631)	(332,181)
Profit for the period		1,400,518	1,482,251	1,273,327	1,400,522
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		147	518	-	-
Other comprehensive income for the period		147	518	-	-
Total comprehensive income for the period		1,400,665	1,482,769	1,273,327	1,400,522
Profit attributable to:					
Equity holders of the Company		1,400,518	1,482,251	1,273,327	1,400,522
Non-controlling interests of the subsidiaries		-	-	-	-
		1,400,518	1,482,251		
Total comprehensive income attributable to:					
Equity holders of the Company		1,400,665	1,482,769	1,273,327	1,400,522
Non-controlling interests of the subsidiaries		-	-	-	-
		1,400,665	1,482,769		
(Unit: Baht)					
Earnings per share					
19					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.11	0.11	0.10	0.11

The accompanying notes to interim consolidated financial statements 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 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit or loss:					
Revenues					
Revenue from contracts with customers	17	43,434,057	47,375,324	37,733,060	41,166,470
Rental income		1,081,932	1,622,571	1,089,510	1,612,425
Interest income		15,647	47,299	64,371	111,517
Dividend income	3, 7	-	-	14,999	-
Other income		1,208,450	1,448,696	1,199,666	1,431,424
Total revenues		45,740,086	50,493,890	40,101,606	44,321,836
Expenses					
Cost of sales and service		32,522,130	35,411,131	28,106,543	30,543,377
Cost of rental		405,093	485,219	397,423	479,343
Selling, distribution and service expenses		6,646,739	7,369,906	5,981,907	6,534,076
Administrative expenses		1,404,212	1,440,892	1,240,322	1,307,362
Other expenses		10,856	14,026	10,729	13,076
Total expenses		40,989,030	44,721,174	35,736,924	38,877,234
Profit from operating activities		4,751,056	5,772,716	4,364,682	5,444,602
Finance cost		(351,070)	(315,514)	(330,665)	(301,528)
Profit before income tax expenses		4,399,986	5,457,202	4,034,017	5,143,074
Income tax expenses	18	(790,269)	(1,028,485)	(740,880)	(981,323)
Profit for the period		3,609,717	4,428,717	3,293,137	4,161,751
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		1,691	(1,516)	-	-
Other comprehensive income for the period		1,691	(1,516)	-	-
Total comprehensive income for the period		3,611,408	4,427,201	3,293,137	4,161,751
Profit attributable to:					
Equity holders of the Company		3,609,717	4,428,717	3,293,137	4,161,751
Non-controlling interests of the subsidiaries		-	-	-	-
		3,609,717	4,428,717		
Total comprehensive income attributable to:					
Equity holders of the Company		3,611,408	4,427,201	3,293,137	4,161,751
Non-controlling interests of the subsidiaries		-	-	-	-
		3,611,408	4,427,201		
(Unit: Baht)					
Earnings per share					
19					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.27	0.34	0.25	0.32

The accompanying notes to interim consolidated financial statements 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 2020**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before tax	4,399,986	5,457,202	4,034,017	5,143,074
Adjustments to reconcile profit before tax to net cash provided by (paid for) operating activities:				
Depreciation and amortisation	2,393,074	2,192,500	2,039,275	1,848,182
Gain from rental reduction	(5,591)	-	(5,591)	-
Decrease of inventories to net realisable value	77,041	124,295	60,363	106,414
Loss (gain) from sales and written-off of assets	(865)	12,759	(836)	13,209
Reversal of expected credit loss	-	(4,498)	-	(4,262)
Allowance for impairment of assets (reversal)	7,891	(24,430)	-	(24,430)
Provision for long-term employee benefits	43,048	33,034	37,872	28,498
Transfer deferred interest to financial cost	71,662	-	71,662	-
Unrealised exchange loss (gain)	408	(988)	1,430	(1,674)
Dividend income from subsidiary	-	-	(14,999)	-
Interest income	(15,647)	(47,299)	(64,371)	(111,517)
Interest expenses	347,445	312,323	327,383	298,853
Profit from operating activities before changes in operating assets and liabilities	7,318,452	8,054,898	6,486,205	7,296,347
Decrease (increase) in operating assets				
Trade and other receivables	583,141	442,362	524,898	741,197
Inventories	467,047	283,132	717,678	291,525
Value added tax receivable	(9,866)	3,595	(31,969)	-
Other current assets	(2,982)	17,777	(60)	14,072
Rental guarantee deposits	(354)	-	-	-
Other non-current assets	(5,378)	(175,138)	(5,195)	(166,979)
Increase (decrease) in operating liabilities				
Trade and other payables	(572,586)	(1,076,718)	(889,168)	(1,032,069)
Value added tax payable	(28,534)	29,471	(28,538)	29,384
Advances received from customers	(204,760)	5,396	(182,820)	7,712
Other current liabilities	113,205	103,352	116,164	111,468
Rental received in advance	(32,993)	(16,459)	(32,993)	(16,459)
Other non-current liabilities	9,826	118,100	9,120	234,847
Cash flows from operating activities	7,634,218	7,789,768	6,683,322	7,511,045
Cash paid for employee benefits	(257)	-	-	-
Cash paid for corporate income tax	(1,106,695)	(1,318,782)	(1,061,397)	(1,280,091)
Net cash flows from operating activities	6,527,266	6,470,986	5,621,925	6,230,954

The accompanying notes to interim consolidated financial statements 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 2020**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Increase in investments in subsidiary	-	-	-	(2,374)
Dividend income from subsidiary	-	-	14,999	-
Short-term loans to related party	-	-	(2,110,000)	(3,550,000)
Cash received from short-term loans to related party	-	-	2,870,000	3,771,000
Acquisitions of investment properties	(757,059)	(13,921)	(757,059)	(13,921)
Acquisitions of property, buildings and equipment	(1,289,513)	(2,059,380)	(1,262,534)	(2,058,902)
Payment of right-of-use assets	(264)	-	(264)	-
Acquisitions of computer software	(51,442)	(68,403)	(51,442)	(68,370)
Acquisitions of leasehold rights	-	(296,708)	-	(239,107)
Increase (decrease) in construction retention	34,501	(25,882)	34,484	(19,583)
Proceeds from sales of investment properties' equipment	10	44	10	44
Proceeds from sales of equipment	9,727	12,810	9,650	12,354
Cash received from interest income	16,130	49,298	64,855	113,514
Net cash flows used in investing activities	(2,037,910)	(2,402,142)	(1,187,301)	(2,055,345)
Cash flows from financing activities				
Cash received from short-term loans from financial institutions	9,186,247	237,218	8,750,000	-
Repayment of short-term loans from financial institutions	(7,721,131)	(274,790)	(7,250,000)	-
Repayment of short-term loans from related party	-	-	-	(139,134)
Payment of lease liabilities	(275,963)	(4,081)	(233,670)	(4,081)
Repayment of long-term loans	(6,779)	(112,235)	-	(100,000)
Proceeds from the issuance of debentures	2,999,082	-	2,999,082	-
Cash paid for redemption of debentures	(4,000,000)	(2,700,000)	(4,000,000)	(2,700,000)
Cash paid for interest expenses	(253,026)	(267,964)	(242,309)	(254,234)
Dividend paid	(4,074,485)	(4,861,305)	(4,074,484)	(4,861,305)
Net cash flows used in financing activities	(4,146,055)	(7,983,157)	(4,051,381)	(8,058,754)
Translation adjustments	2,628	(8,559)	-	-
Net increase (decrease) in cash and cash equivalents	345,929	(3,922,872)	383,243	(3,883,145)
Cash and cash equivalents at beginning of period	2,859,979	6,237,752	2,606,368	6,003,281
Cash and cash equivalents at end of period	3,205,908	2,314,880	2,989,611	2,120,136
	-	-	-	-
Supplemental cash flows information:				
Non-cash items consist of				
Purchases of equipment that have not yet been paid	120,225	(111,788)	106,625	(109,072)
Transfer equipment to right-of-use assets	15,028	-	15,028	-
Transfer right-of-use assets to investment properties	375,114	-	375,114	-
Transfer right-of-use assets to equipment	241	-	241	-
Dividend payable	(1,419)	(4,075)	(1,419)	(4,075)
Lease liabilities that have not yet been paid	(18,046)	(6,126)	(18,046)	(6,126)

The accompanying notes to interim consolidated financial statements 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 2020

(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	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
				Appropriated - statutory reserve			Exchange differences on translation of financial statements in foreign currency			
				The Company	Subsidiaries	Unappropriated				
Balance as at 1 January 2019		13,151,198	646,323	1,315,120	1,000	4,861,496	(61,045)	19,914,092	4	19,914,096
Profit for the period		-	-	-	-	4,428,717	-	4,428,717	-	4,428,717
Other comprehensive income for the period		-	-	-	-	-	(1,516)	(1,516)	-	(1,516)
Total comprehensive income for the period		-	-	-	-	4,428,717	(1,516)	4,427,201	-	4,427,201
Dividend paid	20	-	-	-	-	(4,865,380)	-	(4,865,380)	-	(4,865,380)
Balance as at 30 September 2019		<u>13,151,198</u>	<u>646,323</u>	<u>1,315,120</u>	<u>1,000</u>	<u>4,424,833</u>	<u>(62,561)</u>	<u>19,475,913</u>	<u>4</u>	<u>19,475,917</u>
Balance as at 1 January 2020		13,151,198	646,323	1,315,120	1,000	6,085,859	(61,422)	21,138,078	4	21,138,082
Cumulative effect of change in accounting policy	2	-	-	-	-	(656,550)	-	(656,550)	-	(656,550)
Balance as at 1 January 2020 - as restated		<u>13,151,198</u>	<u>646,323</u>	<u>1,315,120</u>	<u>1,000</u>	<u>5,429,309</u>	<u>(61,422)</u>	<u>20,481,528</u>	<u>4</u>	<u>20,481,532</u>
Profit for the period		-	-	-	-	3,609,717	-	3,609,717	-	3,609,717
Other comprehensive income for the period		-	-	-	-	-	1,691	1,691	-	1,691
Total comprehensive income for the period		-	-	-	-	3,609,717	1,691	3,611,408	-	3,611,408
Dividend paid	20	-	-	-	-	(4,075,903)	-	(4,075,903)	-	(4,075,903)
Subsidiary paid dividend to non-controlling interest of subsidiary		-	-	-	-	-	-	-	(1)	(1)
Balance as at 30 September 2020		<u>13,151,198</u>	<u>646,323</u>	<u>1,315,120</u>	<u>1,000</u>	<u>4,963,123</u>	<u>(59,731)</u>	<u>20,017,033</u>	<u>3</u>	<u>20,017,036</u>
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-

The accompanying notes to interim consolidated financial statements 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 2020

(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 2019	13,151,198	646,323	1,315,120	4,789,259	19,901,900
Profit for the period	-	-	-	4,161,751	4,161,751
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	4,161,751	4,161,751
Dividend paid	-	-	-	(4,865,380)	(4,865,380)
Balance as at 30 September 2019	<u>13,151,198</u>	<u>646,323</u>	<u>1,315,120</u>	<u>4,085,630</u>	<u>19,198,271</u>
Balance as at 1 January 2020	13,151,198	646,323	1,315,120	5,530,862	20,643,503
Cumulative effect of change in accounting policy	-	-	-	-634,451	(634,451)
Balance as at 1 January 2020 - as restate	13,151,198	646,323	1,315,120	4,896,411	20,009,052
Profit for the period	-	-	-	3,293,137	3,293,137
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	3,293,137	3,293,137
Dividend paid	-	-	-	(4,075,903)	(4,075,903)
Balance as at 30 September 2020	<u>13,151,198</u>	<u>646,323</u>	<u>1,315,120</u>	<u>4,113,645</u>	<u>19,226,286</u>
	-	-	-	-	-
	-	-	-	-	-

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