

Home Product Center Public Company Limited and its subsidiary

Balance sheets

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2009	31 December 2008	30 June 2009	31 December 2008
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	5	87,174	603,788	66,562	579,895
Trade accounts receivable - net	2, 5	84,537	134,983	79,755	130,268
Inventories - net	3	2,536,435	2,728,079	2,536,435	2,728,079
Value added tax receivable		-	11,263	-	11,263
Other receivables	5	269,250	297,520	285,686	304,448
Other current assets		60,311	70,845	55,384	58,369
Total current assets		3,037,707	3,846,478	3,023,822	3,812,322
Non-current assets					
Investment in subsidiary	4	-	-	4,999	4,999
Property, plant and equipments - net	6	8,838,786	8,613,171	8,829,192	8,602,414
Computer software - net	7	117,843	130,162	117,837	130,156
Leasehold rights - net	8	716,363	722,964	716,363	722,964
Property foreclosed		4,174	4,174	4,174	4,174
Rental guarantee deposits	5	38,391	38,391	38,391	38,391
Other non-current assets		16,624	13,732	2,472	2,964
Total non-current assets		9,732,181	9,522,594	9,713,428	9,506,062
Total assets		12,769,888	13,369,072	12,737,250	13,318,384

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

Home Product Center Public Company Limited and its subsidiary

Balance sheets (continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2009	31 December 2008	30 June 2009	31 December 2008
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	9	577,911	124,824	577,911	124,824
Trade accounts payable	5	3,495,082	3,697,158	3,491,732	3,692,452
Current portion of liabilities under finance lease					
agreements	10	5,881	9,296	5,881	9,296
Short-term loans from related party	5	-	-	85,000	60,000
Current portion of debentures	11	160,000	660,000	160,000	660,000
Current portion of long-term loans	12	453,440	300,000	453,440	300,000
Payables from purchases of assets		48,298	113,838	48,298	113,838
Accrued expenses		377,502	380,941	356,762	365,069
Value added tax payable		7,268	-	6,764	-
Corporate income tax payable		176,599	166,963	176,599	166,963
Advances received from customers		384,473	443,928	384,473	443,928
Other payables	5	160,757	198,310	153,729	187,112
Other current liabilities		143,107	108,293	140,407	106,646
Total current liabilities		5,990,318	6,203,551	6,040,996	6,230,128
Non-current liabilities					
Liabilities under finance lease agreements					
- net of current portion	10	7,209	5,470	7,209	5,470
Debentures - net of current portion	11	810,000	890,000	810,000	890,000
Long-term loans - net of current portion	12	525,000	675,000	525,000	675,000
Rental received in advance	20.2	531,970	542,794	531,970	542,794
Other non-current liabilities		117,794	96,046	46,231	30,229
Total non-current liabilities		1,991,973	2,209,310	1,920,410	2,143,493
Total liabilities		7,982,291	8,412,861	7,961,406	8,373,621

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

Home Product Center Public Company Limited and its subsidiary

Balance sheets (continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2009	31 December 2008	30 June 2009	31 December 2008
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital	13				
Registered share capital					
2,001,199,838 ordinary shares of Baht 1 each (31 December 2008: 1,986,468,146 ordinary shares of Baht 1 each)		2,001,200	1,986,468	2,001,200	1,986,468
Issued and paid-up share capital					
1,940,832,597 ordinary shares of Baht 1 each (31 December 2008: 1,933,610,600 ordinary shares of Baht 1 each)		1,940,833	1,933,611	1,940,833	1,933,611
Share premium		573,817	566,804	573,817	566,804
Retained earnings					
Appropriated - statutory reserve		200,120	178,400	200,120	178,400
Unappropriated		2,072,825	2,277,394	2,061,074	2,265,948
Equity attributable to the Company's shareholders		4,787,595	4,956,209	4,775,844	4,944,763
Minority interest - equity attributable to minority shareholders of subsidiary		2	2	-	-
Total shareholders' equity		4,787,597	4,956,211	4,775,844	4,944,763
Total liabilities and shareholders' equity		12,769,888	13,369,072	12,737,250	13,318,384
		-	-	-	-

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

.....
Directors
.....

(Unaudited but reviewed)

Home Product Center Public Company Limited and its subsidiary

Income statements

For the three-month periods ended 30 June 2009 and 2008

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Revenues					
Sale of goods		4,801,893	4,468,351	4,802,219	4,468,728
Rental and service income		143,072	122,607	115,263	96,466
Other income		152,768	138,970	156,658	142,852
Total revenues		5,097,733	4,729,928	5,074,140	4,708,046
Expenses					
Cost of sales		3,626,765	3,428,139	3,626,765	3,428,139
Selling expenses		887,002	774,999	867,104	758,788
Administrative expenses		190,526	186,794	187,981	183,706
Management benefit expenses		9,230	5,625	9,230	5,625
Other expenses		5,309	7,938	5,309	7,936
Total expenses		4,718,832	4,403,495	4,696,389	4,384,194
Income before finance cost and corporate income tax					
income tax		378,901	326,433	377,751	323,852
Finance cost		(28,298)	(33,501)	(28,631)	(33,906)
Income before corporate income tax		350,603	292,932	349,120	289,946
Corporate income tax	15	(98,729)	(92,893)	(98,692)	(92,146)
Net income for the period		251,874	200,039	250,428	197,800
Net income attributable to:					
Equity holders of the parent		251,874	200,038	250,428	197,800
Minority interests of the subsidiary		-	1		
		<u>251,874</u>	<u>200,039</u>		
(Unit: Baht)					
Earnings per share					
Basic earnings per share					
Net income attributable to equity holders of the parent	16	<u>0.13</u>	<u>0.10</u>	<u>0.13</u>	<u>0.10</u>
Diluted earnings per share					
Net income attributable to equity holders of the parent		<u>0.13</u>	<u>0.10</u>	<u>0.13</u>	<u>0.10</u>

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

(Unaudited but reviewed)

Home Product Center Public Company Limited and its subsidiary

Income statements

For the six-month periods ended 30 June 2009 and 2008

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Revenues					
Sale of goods		9,681,660	8,668,420	9,682,518	8,669,035
Rental and service income		331,479	300,394	278,268	248,106
Other income		323,810	259,785	331,487	267,467
Total revenues		10,336,949	9,228,599	10,292,273	9,184,608
Expenses					
Cost of sales		7,360,341	6,634,687	7,360,341	6,634,687
Selling expenses		1,815,053	1,577,057	1,775,447	1,544,790
Administrative expenses		378,751	357,017	373,288	350,567
Management benefit expenses		11,590	7,905	11,590	7,905
Other expenses		8,421	14,447	8,413	14,351
Total expenses		9,574,156	8,591,113	9,529,079	8,552,300
Income before finance cost and corporate income tax					
income tax		762,793	637,486	763,194	632,308
Finance cost		(59,075)	(68,738)	(59,818)	(69,544)
Income before corporate income tax		703,718	568,748	703,376	562,764
Corporate income tax	15	(209,786)	(181,898)	(209,749)	(180,520)
Net income for the period		493,932	386,850	493,627	382,244
Net income attributable to:					
Equity holders of the parent		493,932	386,850	493,627	382,244
Minority interests of the subsidiary		-	-	-	-
		<u>493,932</u>	<u>386,850</u>	<u>493,627</u>	<u>382,244</u>
(Unit: Baht)					
Earnings per share					
16					
Basic earnings per share					
Net income attributable to equity holders of the parent		<u>0.26</u>	<u>0.20</u>	<u>0.26</u>	<u>0.20</u>
Diluted earnings per share					
Net income attributable to equity holders of the parent		<u>0.25</u>	<u>0.20</u>	<u>0.25</u>	<u>0.19</u>

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

Home Product Center Public Company Limited and its subsidiary

Statements of cash flows

For the six-month periods ended 30 June 2009 and 2008

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Cash flows from operating activities				
Net income before tax	703,718	568,748	703,376	562,764
Adjustments to reconcile net income before tax to net cash provided by (paid for) operating activities: -				
Depreciation and amortisation	393,616	356,088	391,578	354,163
Allowance (reversal) for doubtful accounts	(9,392)	2,658	(9,392)	2,658
Allowance for stock obsolescence	31,315	22,265	31,315	22,265
Loss from sales of assets	474	1,343	466	1,247
Allowance for impairment of assets	8,000	12,620	8,000	12,620
Unrealised exchange (gain) losses - net	(122)	164	(122)	164
Interest expenses	58,223	63,364	59,066	64,212
Income from operating activities before changes in operating assets and liabilities	1,185,832	1,027,250	1,184,287	1,020,093
Decrease (increase) in operating assets				
Trade accounts receivable	59,838	60,344	59,905	56,435
Inventories	160,329	(194,668)	160,329	(194,668)
Value added tax receivable	11,263	32,000	11,263	32,000
Rental guarantee deposit	-	(2,226)	-	(2,226)
Other receivables	28,270	18,501	18,762	17,361
Other current assets	10,534	(5,054)	2,985	(8,555)
Other non-current assets	493	(8,246)	492	116
Increase (decrease) in operating liabilities				
Trade accounts payable	(201,954)	152,838	(200,598)	155,361
Other payables	(37,553)	18,963	(33,383)	21,483
Advances received from customers	(59,455)	41,348	(59,455)	41,348
Value added tax payable	7,268	-	6,764	-
Accrued expenses	(1,736)	32,248	(6,605)	32,698
Other current liabilities	34,814	18,448	33,761	18,670
Rental received in advance	(10,824)	(10,786)	(10,824)	(10,786)
Other non-current liabilities	21,748	(10,345)	16,002	(10,946)
Cash from operating activities	1,208,867	1,170,615	1,183,685	1,168,384
Cash paid for interest expenses	(59,926)	(62,012)	(60,768)	(62,860)
Cash paid for corporate income tax	(203,535)	(165,082)	(200,113)	(162,352)
Net cash flows from operating activities	945,406	943,521	922,804	943,172

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

(Unaudited but reviewed)

Home Product Center Public Company Limited and its subsidiary

Statements of cash flows (continued)

For the six-month periods ended 30 June 2009 and 2008

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Cash flows from investing activities				
Acquisition of computer software	(4,693)	(570)	(4,693)	(570)
Acquisition of leasehold rights	(7,547)	-	(7,547)	-
Proceeds from sales of assets	395	452	395	449
Acquisition of assets	(662,480)	(443,630)	(661,597)	(442,945)
Net cash used in investing activities	(674,325)	(443,748)	(673,442)	(443,066)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	453,087	(116,313)	453,087	(116,313)
Increase in short-term loans from related party	-	-	25,000	-
Increase in long-term loans	200,000	-	200,000	-
Decrease in liabilities under financial lease agreements	(1,676)	(2,538)	(1,676)	(2,538)
Increase in debentures	-	500,000	-	500,000
Repayment of debentures	(580,000)	(500,000)	(580,000)	(500,000)
Repayment of long-term loans	(196,560)	(150,000)	(196,560)	(150,000)
Converted warrants to share capital	14,235	18,631	14,235	18,631
Dividend paid	(676,781)	(346,487)	(676,781)	(346,487)
Net cash used in financing activities	(787,695)	(596,707)	(762,695)	(596,707)
Net decrease in cash and cash equivalents	(516,614)	(96,934)	(513,333)	(96,601)
Cash and cash equivalents at beginning of period	603,788	235,075	579,895	219,650
Cash and cash equivalents at end of period	87,174	138,141	66,562	123,049
Supplemental cash flow information				
Non-cash items consist of				
Decrease in payable from purchase of assets	65,540	86,746	65,540	86,746

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

(Unaudited but reviewed)

Home Product Center Public Company Limited and its subsidiary
Statements of changes in shareholders' equity
For the six-month periods ended 30 June 2009 and 2008

(Unit: Thousand Baht)

Consolidated financial statements							
Equity attributable to the parent's shareholders					Minority		
					Total equity	interest- equity	
					attributable to the	attributable to minority	
					parent's	shareholders	
					shareholders	of subsidiary	Total
Note	Issued and paid-up share capital	Share premium	Retained earnings - statutory reserve	Unappropriated			
			Appropriated				
Balance as at 31 December 2007	1,924,920	555,694	130,700	1,712,162	4,323,476	2	4,323,478
Net income for the period	-	-	-	386,850	386,850	-	386,850
Dividend paid	18	-	-	(346,487)	(346,487)	-	(346,487)
Unappropriated retained earnings transferred to statutory reserve	-	-	19,200	(19,200)	-	-	-
Converted warrants to share capital	8,254	10,377	-	-	18,631	-	18,631
Balance as at 30 June 2008	<u>1,933,174</u>	<u>566,071</u>	<u>149,900</u>	<u>1,733,325</u>	<u>4,382,470</u>	<u>2</u>	<u>4,382,472</u>
Balance as at 31 December 2008	1,933,611	566,804	178,400	2,277,394	4,956,209	2	4,956,211
Net income for the period	-	-	-	493,932	493,932	-	493,932
Dividend paid	18	-	-	(676,781)	(676,781)	-	(676,781)
Unappropriated retained earnings transferred to statutory reserve	-	-	21,720	(21,720)	-	-	-
Converted warrants to share capital	13	7,222	-	-	14,235	-	14,235
Balance as at 30 June 2009	<u>1,940,833</u>	<u>573,817</u>	<u>200,120</u>	<u>2,072,825</u>	<u>4,787,595</u>	<u>2</u>	<u>4,787,597</u>

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

(Unaudited but reviewed)

Home Product Center Public Company Limited and its subsidiary

Statements of changes in shareholders' equity

For the six-month periods ended 30 June 2009 and 2008

(Unit: Thousand Baht)

	Separate financial statements					
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Total
				- statutory reserve	Unappropriated	
Balance as at 31 December 2007		1,924,920	555,694	130,700	1,706,189	4,317,503
Net income for the period		-	-	-	382,244	382,244
Dividend paid	18	-	-	-	(346,487)	(346,487)
Unappropriated retained earnings transferred to statutory reserve		-	-	19,200	(19,200)	-
Converted warrants to share capital		8,254	10,377	-	-	18,631
Balance as at 30 June 2008		<u>1,933,174</u>	<u>566,071</u>	<u>149,900</u>	<u>1,722,746</u>	<u>4,371,891</u>
Balance as at 31 December 2008		1,933,611	566,804	178,400	2,265,948	4,944,763
Net income for the period		-	-	-	493,627	493,627
Dividend paid	18	-	-	-	(676,781)	(676,781)
Unappropriated retained earnings transferred to statutory reserve		-	-	21,720	(21,720)	-
Converted warrants to share capital	13	7,222	7,013	-	-	14,235
Balance as at 30 June 2009		<u>1,940,833</u>	<u>573,817</u>	<u>200,120</u>	<u>2,061,074</u>	<u>4,775,844</u>

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