

Home Product Center Public Company Limited and its subsidiary

Balance sheets

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2010	31 December 2009	30 June 2010	31 December 2009
		(Unaudited but reviewed)	(Audited) (Restated)	(Unaudited but reviewed)	(Audited) (Restated)
Assets					
Current assets					
Cash and cash equivalents	6	1,472,501	846,331	1,430,783	824,377
Trade accounts receivable - net	3, 6	128,602	128,785	123,352	124,067
Inventories - net	4	3,319,169	2,905,138	3,319,169	2,905,138
Value added tax receivable		12,205	304	12,205	-
Other receivables	6	347,712	356,794	350,307	359,049
Other current assets		96,204	63,747	91,671	58,155
Total current assets		5,376,393	4,301,099	5,327,487	4,270,786
Non-current assets					
Investment in subsidiary	5	-	-	4,999	4,999
Property, plant and equipments - net	7	8,968,815	8,710,588	8,963,012	8,703,030
Computer software - net	8	101,045	92,116	101,040	92,110
Leasehold rights - net	9	741,446	703,000	741,446	703,000
Property foreclosed		4,174	4,174	4,174	4,174
Rental guarantee deposits	6	41,673	37,821	41,673	37,821
Other non-current assets		13,802	17,230	1,908	1,595
Total non-current assets		9,870,955	9,564,929	9,858,252	9,546,729
Total assets		15,247,348	13,866,028	15,185,739	13,817,515

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 2010	31 December 2009	30 June 2010	31 December 2009
		(Unaudited but reviewed)	(Audited) (Restated)	(Unaudited but reviewed)	(Audited) (Restated)
Liabilities and shareholders' equity					
Current liabilities					
Trade accounts payable	6	4,552,164	4,216,890	4,547,453	4,211,189
Current portion of liabilities under financial lease agreements	11	3,724	3,539	3,724	3,539
Short-term loans from related party	6	-	-	70,000	70,000
Current portion of debentures	13	180,000	160,000	180,000	160,000
Current portion of long-term loans	14	37,200	486,240	37,200	486,240
Payables from purchases of assets		183,014	119,220	183,014	119,220
Accrued expenses		391,637	365,410	370,458	347,969
Corporate income tax payable		276,677	247,190	276,583	247,190
Advances received from customers		442,255	423,898	442,255	423,898
Other payables	6	212,978	197,240	211,316	191,781
Other current liabilities		255,958	222,062	252,534	220,158
Total current liabilities		6,535,607	6,441,689	6,574,537	6,481,184
Non-current liabilities					
Liabilities under financial lease agreements					
- net of current portion	11	6,481	5,636	6,481	5,636
Debentures - net of current portion	13	2,630,000	1,030,000	2,630,000	1,030,000
Long-term loans - net of current portion	14	-	494,080	-	494,080
Provision for employee benefits	12	70,108	63,516	70,108	63,516
Rental received in advance		521,924	521,146	521,924	521,146
Other non-current liabilities		117,252	100,041	41,842	28,145
Total non-current liabilities		3,345,765	2,214,419	3,270,355	2,142,523
Total liabilities		9,881,372	8,656,108	9,844,892	8,623,707

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 2010	31 December 2009	30 June 2010	31 December 2009
		(Unaudited but reviewed)	(Audited) (Restated)	(Unaudited but reviewed)	(Audited) (Restated)
Shareholders' equity					
Share capital	15, 16				
Registered share capital					
3,794,213,851 ordinary shares of Baht 1 each		3,794,214	3,794,214	3,794,214	3,794,214
Issued and paid-up share capital					
3,722,659,708 ordinary shares of Baht 1 each					
(31 December 2009: 3,703,926,216 ordinary shares of Baht 1 each)		3,722,660	3,703,926	3,722,660	3,703,926
Share premium		613,391	594,317	613,391	594,317
Retained earnings					
Appropriated - statutory reserve		270,600	235,400	270,600	235,400
Unappropriated		759,321	676,274	734,196	660,165
Equity attributable to the Company's shareholders		5,365,972	5,209,917	5,340,847	5,193,808
Minority interest - equity attributable to minority shareholders of subsidiary					
		4	3	-	-
Total shareholders' equity		5,365,976	5,209,920	5,340,847	5,193,808
Total liabilities and shareholders' equity		15,247,348	13,866,028	15,185,739	13,817,515
		-	-	-	-

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 subsidiary

Income statements

For the three-month periods ended 30 June 2010 and 2009

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009 (Restated)	2010	2009 (Restated)
Revenues					
Sale of goods		5,822,222	4,801,893	5,822,520	4,802,219
Rental and service income		159,164	143,072	125,482	115,263
Other income		223,155	152,768	227,219	156,658
Total revenues		6,204,541	5,097,733	6,175,221	5,074,140
Expenses					
Cost of sales		4,366,957	3,626,765	4,366,957	3,626,765
Selling expenses		1,021,649	887,901	999,765	868,003
Administrative expenses		211,346	182,858	210,342	180,313
Management benefit expenses		23,731	18,994	23,731	18,994
Other expenses		15,802	5,309	15,772	5,309
Total expenses		5,639,485	4,721,827	5,616,567	4,699,384
Income before finance cost and corporate income tax					
income tax		565,056	375,906	558,654	374,756
Finance cost		(24,256)	(28,298)	(24,485)	(28,631)
Income before corporate income tax		540,800	347,608	534,169	346,125
Corporate income tax	17	(165,442)	(98,729)	(163,449)	(98,692)
Net income for the period		375,358	248,879	370,720	247,433
Net income attributable to:					
Equity holders of the parent		375,358	248,879	370,720	247,433
Minority interests of the subsidiary		-	-	-	-
		<u>375,358</u>	<u>248,879</u>	<u>370,720</u>	<u>247,433</u>

(Unit: Baht)

Earnings per share		18	
Basic earnings per share			
Net income attributable to equity holders of the parent		0.10	0.07
		<u>0.10</u>	<u>0.07</u>
Diluted earnings per share			
Net income attributable to equity holders of the parent		0.10	0.07
		<u>0.10</u>	<u>0.07</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 2010 and 2009

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009 (Restated)	2010	2009 (Restated)
Revenues					
Sale of goods		11,432,461	9,681,660	11,432,870	9,682,518
Rental and service income		375,477	331,479	309,838	278,268
Other income		452,591	323,810	461,050	331,487
Total revenues		12,260,529	10,336,949	12,203,758	10,292,273
Expenses					
Cost of sales		8,643,338	7,360,341	8,643,338	7,360,341
Selling expenses		2,055,314	1,816,851	2,012,830	1,777,246
Administrative expenses		417,311	355,765	415,130	350,301
Management benefit expenses		48,437	38,768	48,437	38,768
Other expenses		17,582	8,421	17,540	8,413
Total expenses		11,181,982	9,580,146	11,137,275	9,535,069
Income before finance cost and corporate income tax					
income tax		1,078,547	756,803	1,066,483	757,204
Finance cost		(48,001)	(59,075)	(48,438)	(59,818)
Income before corporate income tax		1,030,546	697,728	1,018,045	697,386
Corporate income tax	17	(318,979)	(209,786)	(315,495)	(209,749)
Net income for the period		711,567	487,942	702,550	487,637
Net income attributable to:					
Equity holders of the parent		711,566	487,942	702,550	487,637
Minority interests of the subsidiary		1	-		
		<u>711,567</u>	<u>487,942</u>		

(Unit: Baht)

Earnings per share		18			
Basic earnings per share					
Net income attributable to equity holders of the parent		<u>0.19</u>	<u>0.13</u>	<u>0.19</u>	<u>0.13</u>
Diluted earnings per share					
Net income attributable to equity holders of the parent		<u>0.19</u>	<u>0.13</u>	<u>0.19</u>	<u>0.13</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 cash flows

For the six-month periods ended 30 June 2010 and 2009

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009 (Restated)	2010	2009 (Restated)
Cash flows from operating activities				
Net income before tax	1,030,546	697,728	1,018,045	697,386
Adjustments to reconcile net income before tax to net cash provided by (paid for) operating activities: -				
Depreciation and amortisation	408,751	393,616	406,683	391,578
Reversal allowance for doubtful accounts	(2,452)	(9,392)	(2,452)	(9,392)
Allowance for stock obsolescence	30,790	31,315	30,790	31,315
Loss from sales of assets	13,775	474	13,732	466
Allowance for impairment of assets	3,958	8,000	3,958	8,000
Unrealised exchange gain - net	(47)	(122)	(47)	(122)
Interest expenses	45,157	58,223	45,678	59,066
Provision for employee benefits	6,592	5,990	6,592	5,990
Income from operating activities before changes in operating assets and liabilities	1,537,070	1,185,832	1,522,979	1,184,287
Decrease (increase) in operating assets				
Trade accounts receivable	2,635	59,838	3,167	59,905
Inventories	(444,821)	160,329	(444,821)	160,329
Value added tax receivable	(11,901)	11,263	(12,205)	11,263
Rental guarantee deposits	(3,852)	-	(3,852)	-
Other receivables	9,082	28,270	8,742	18,762
Other current assets	(32,457)	10,534	(33,516)	2,985
Other non-current assets	3,428	493	(313)	492
Increase (decrease) in operating liabilities				
Trade accounts payable	335,321	(201,954)	336,311	(200,598)
Other payables	15,738	(37,553)	19,535	(33,383)
Advances received from customers	18,357	(59,455)	18,357	(59,455)
Value added tax payable	-	7,268	-	6,764
Accrued expenses	20,678	(1,736)	16,940	(6,605)
Other current liabilities	33,896	34,814	32,376	33,761
Rental received in advance	778	(10,824)	778	(10,824)
Other non-current liabilities	17,211	21,748	13,697	16,002
Cash from operating activities	1,501,163	1,208,867	1,478,175	1,183,685
Cash paid for interest expenses	(39,608)	(59,926)	(40,129)	(60,768)
Cash paid for corporate income tax	(289,492)	(203,535)	(286,102)	(200,113)
Net cash flows from operating activities	1,172,063	945,406	1,151,944	922,804

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 2010 and 2009

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009 (Restated)	2010	2009 (Restated)
Cash flows from investing activities				
Acquisition of computer software	(19,208)	(4,693)	(19,208)	(4,693)
Acquisition of leasehold rights	(53,851)	(7,547)	(53,851)	(7,547)
Proceeds from sales of assets	1,101	395	1,099	395
Acquisition of assets	(596,334)	(662,480)	(595,977)	(661,597)
Net cash flows used in investing activities	(668,292)	(674,325)	(667,937)	(673,442)
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans				
from financial institutions	-	453,087	-	453,087
Increase in short-term loans from related party	-	-	-	25,000
Increase in long-term loans	-	200,000	-	200,000
Increase (decrease) in liabilities under financial lease agreements	1,030	(1,676)	1,030	(1,676)
Increase in debentures	1,700,000	-	1,700,000	-
Repayment of debentures	(80,000)	(580,000)	(80,000)	(580,000)
Repayment of long-term loans	(943,120)	(196,560)	(943,120)	(196,560)
Converted warrants to share capital	37,808	14,235	37,808	14,235
Dividend paid	(593,319)	(676,781)	(593,319)	(676,781)
Net cash flows from (used in) financing activities	122,399	(787,695)	122,399	(762,695)
Net increase (decrease) in cash and cash equivalents	626,170	(516,614)	606,406	(513,333)
Cash and cash equivalents at beginning of period	846,331	603,788	824,377	579,895
Cash and cash equivalents at end of period	1,472,501	87,174	1,430,783	66,562
Supplemental cash flow information				
Non-cash items consist of				
Increase (decrease) in payable from purchase of assets	63,794	(65,540)	63,794	(65,540)

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 2010 and 2009

(Unit: Thousand Baht)

		Consolidated financial statements						
		Equity attributable to the parent's shareholders				Total equity	Minority interest	
		Issued and paid-up share capital	Share premium	Retained earnings		attributable to the parent's shareholders	- equity attributable	
Note				Appropriated	Unappropriated		to minority shareholders of subsidiary	Total
		share capital	Share premium	statutory reserve	Unappropriated	the parent's shareholders	of subsidiary	Total
Balance as at 31 December 2008 - as previously reported		1,933,611	566,804	178,400	2,277,394	4,956,209	2	4,956,211
Cumulative effect of the change in accounting policy for provision for employee benefits	2, 12	-	-	-	(51,537)	(51,537)	-	(51,537)
Balance as at 31 December 2008 - as restated		1,933,611	566,804	178,400	2,225,857	4,904,672	2	4,904,674
Net income for the period (restated)		-	-	-	487,942	487,942	-	487,942
Total income for the period		-	-	-	487,942	487,942	-	487,942
Dividend paid	20	-	-	-	(676,781)	(676,781)	-	(676,781)
Unappropriated retained earnings transferred to statutory reserve		-	-	21,720	(21,720)	-	-	-
Converted warrants to share capital		7,222	7,013	-	-	14,235	-	14,235
Balance as at 30 June 2009		<u>1,940,833</u>	<u>573,817</u>	<u>200,120</u>	<u>2,015,298</u>	<u>4,730,068</u>	<u>2</u>	<u>4,730,070</u>
Balance as at 31 December 2009 - as previously reported		3,703,926	594,317	235,400	739,790	5,273,433	3	5,273,436
Cumulative effect of the change in accounting policy for provision for employee benefits	2, 12	-	-	-	(63,516)	(63,516)	-	(63,516)
Balance as at 31 December 2009 - as restated		3,703,926	594,317	235,400	676,274	5,209,917	3	5,209,920
Net income for the period		-	-	-	711,566	711,566	1	711,567
Total income for the period		-	-	-	711,566	711,566	1	711,567
Dividend paid	20	-	-	-	(593,319)	(593,319)	-	(593,319)
Unappropriated retained earnings transferred to statutory reserve		-	-	35,200	(35,200)	-	-	-
Converted warrants to share capital	15	18,734	19,074	-	-	37,808	-	37,808
Balance as at 30 June 2010		<u>3,722,660</u>	<u>613,391</u>	<u>270,600</u>	<u>759,321</u>	<u>5,365,972</u>	<u>4</u>	<u>5,365,976</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 2010 and 2009

(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 2008 - as previously reported		1,933,611	566,804	178,400	2,265,948	4,944,763
Cumulative effect of the change in accounting policy for provision for employee benefits	2, 12	-	-	-	(51,537)	(51,537)
Balance as at 31 December 2008 - as restated		1,933,611	566,804	178,400	2,214,411	4,893,226
Net income for the period (restated)		-	-	-	487,637	487,637
Total income for the period		-	-	-	487,637	487,637
Dividend paid	20	-	-	-	(676,781)	(676,781)
Unappropriated retained earnings transferred to statutory reserve		-	-	21,720	(21,720)	-
Converted warrants to share capital		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>2,003,547</u>	<u>4,718,317</u>
Balance as at 31 December 2009 - as previously reported		3,703,926	594,317	235,400	723,681	5,257,324
Cumulative effect of the change in accounting policy for provision for employee benefits	2, 12	-	-	-	(63,516)	(63,516)
Balance as at 31 December 2009 - as restated		3,703,926	594,317	235,400	660,165	5,193,808
Net income for the period		-	-	-	702,550	702,550
Total income for the period		-	-	-	702,550	702,550
Dividend paid	20	-	-	-	(593,319)	(593,319)
Unappropriated retained earnings transferred to statutory reserve		-	-	35,200	(35,200)	-
Converted warrants to share capital	15	18,734	19,074	-	-	37,808
Balance as at 30 June 2010		<u>3,722,660</u>	<u>613,391</u>	<u>270,600</u>	<u>734,196</u>	<u>5,340,847</u>

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