

Home Product Center Public Company Limited and its subsidiary

Statements of financial position

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2011	31 December 2010	30 June 2011	31 December 2010
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		1,483,973	1,417,245	1,434,487	1,391,744
Trade accounts receivable - net	3	174,987	164,019	168,193	159,221
Inventories - net	5	4,248,731	3,714,232	4,248,731	3,714,232
Value added tax receivable		36,265	28,231	36,265	28,231
Other receivables - net	4	440,523	478,399	442,917	480,833
Other current assets		127,187	87,335	121,626	80,232
<b>Total current assets</b>		<b>6,511,666</b>	<b>5,889,461</b>	<b>6,452,219</b>	<b>5,854,493</b>
<b>Non-current assets</b>					
Investment in subsidiary	6	-	-	4,999	4,999
Investment properties - net	8	1,128,121	1,159,294	1,128,121	1,159,294
Property, plant and equipments - net	9	9,391,940	8,513,529	9,388,114	8,509,704
Computer software - net	10	163,595	130,201	163,275	129,864
Leasehold rights - net	11	888,826	831,392	888,826	831,392
Property foreclosed		4,174	4,174	4,174	4,174
Rental guarantee deposits		46,424	47,701	46,424	47,701
Other non-current assets		9,579	16,238	2,408	2,056
<b>Total non-current assets</b>		<b>11,632,659</b>	<b>10,702,529</b>	<b>11,626,341</b>	<b>10,689,184</b>
<b>Total assets</b>		<b>18,144,325</b>	<b>16,591,990</b>	<b>18,078,560</b>	<b>16,543,677</b>

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

Home Product Center Public Company Limited and its subsidiary

Statements of financial position (continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2011	31 December 2010	30 June 2011	31 December 2010
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade accounts payable		5,465,286	4,936,826	5,461,833	4,930,933
Current portion of liabilities under financial lease agreements	13	4,721	4,598	4,721	4,598
Short-term loans from related party	7	-	-	85,000	85,000
Current portion of debentures	14	630,000	730,000	630,000	730,000
Payables from purchases of assets		330,700	186,445	330,578	186,445
Accrued expenses		449,327	518,500	427,951	501,302
Corporate income tax payable		364,943	313,025	364,008	313,025
Advances received from customers		498,621	471,439	498,621	471,439
Other payables		295,854	254,732	289,678	248,156
Other current liabilities		292,239	218,605	288,684	216,349
<b>Total current liabilities</b>		<b>8,331,691</b>	<b>7,634,170</b>	<b>8,381,074</b>	<b>7,687,247</b>
<b>Non-current liabilities</b>					
Liabilities under financial lease agreements					
- net of current portion	13	9,101	6,906	9,101	6,906
Debentures - net of current portion	14	2,000,000	2,000,000	2,000,000	2,000,000
Provision for long-term employee benefits		84,069	76,786	84,069	76,786
Rental received in advance		488,674	499,498	488,674	499,498
Other non-current liabilities		153,899	136,421	77,852	62,361
<b>Total non-current liabilities</b>		<b>2,735,743</b>	<b>2,719,611</b>	<b>2,659,696</b>	<b>2,645,551</b>
<b>Total liabilities</b>		<b>11,067,434</b>	<b>10,353,781</b>	<b>11,040,770</b>	<b>10,332,798</b>

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

Home Product Center Public Company Limited and its subsidiary

Statements of financial position (continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2011	31 December 2010	30 June 2011	31 December 2010
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>					
Share capital	15				
Registered share capital					
5,151,795,831 ordinary shares of Baht 1 each					
(31 December 2010: 4,426,605,527 ordinary shares					
of Baht 1 each)		5,151,796	4,426,606	5,151,796	4,426,606
Issued and paid-up share capital					
5,102,301,238 ordinary shares of Baht 1 each					
(31 December 2010: 4,352,991,862 ordinary shares					
of Baht 1 each)		5,102,301	4,352,992	5,102,301	4,352,992
Premium on ordinary shares		634,083	621,807	634,083	621,807
Retained earnings					
Appropriated - statutory reserve		360,600	316,800	360,600	316,800
Unappropriated		979,901	946,606	940,806	919,280
Equity attributable to owners of the Company		7,076,885	6,238,205	7,037,790	6,210,879
Non-controlling interests of the subsidiary		6	4	-	-
<b>Total shareholders' equity</b>		<b>7,076,891</b>	<b>6,238,209</b>	<b>7,037,790</b>	<b>6,210,879</b>
<b>Total liabilities and shareholders' equity</b>		<b>18,144,325</b>	<b>16,591,990</b>	<b>18,078,560</b>	<b>16,543,677</b>
		-	-	-	-

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

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Directors  
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## Home Product Center Public Company Limited and its subsidiary

## Statements of comprehensive income

For the three-month periods ended 30 June 2011 and 2010

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sale of goods		6,952,904	5,822,222	6,953,288	5,822,520
Rental and service income		167,553	159,164	131,583	125,482
Other income		276,383	223,155	280,283	227,219
<b>Total revenues</b>		<b>7,396,840</b>	<b>6,204,541</b>	<b>7,365,154</b>	<b>6,175,221</b>
<b>Expenses</b>					
Cost of sales		5,160,839	4,366,957	5,160,839	4,366,957
Selling expenses		1,270,384	1,035,628	1,246,334	1,013,744
Administrative expenses		230,347	221,098	230,474	220,094
Other expenses		8,232	15,802	8,232	15,772
<b>Total expenses</b>		<b>6,669,802</b>	<b>5,639,485</b>	<b>6,645,879</b>	<b>5,616,567</b>
<b>Profit before finance cost and corporate income tax</b>					
income tax		727,038	565,056	719,275	558,654
Finance cost		(26,373)	(24,256)	(26,778)	(24,485)
<b>Profit before corporate income tax</b>		<b>700,665</b>	<b>540,800</b>	<b>692,497</b>	<b>534,169</b>
Corporate income tax	17	(221,611)	(165,442)	(219,155)	(163,449)
<b>Profit for the period</b>		<b>479,054</b>	<b>375,358</b>	<b>473,342</b>	<b>370,720</b>
<b>Other comprehensive income:</b>					
Other comprehensive income for the period		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>479,054</b>	<b>375,358</b>	<b>473,342</b>	<b>370,720</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		479,053	375,358	473,342	370,720
Non-controlling interests of the subsidiary		1	-	-	-
		<b>479,054</b>	<b>375,358</b>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		479,053	375,358	473,342	370,720
Non-controlling interests of the subsidiary		1	-	-	-
		<b>479,054</b>	<b>375,358</b>		
<b>Earnings per share</b>					
	18				(Unit: Baht)
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company		0.09	0.07	0.09	0.07
<b>Diluted earnings per share</b>					
Profit attributable to equity holders of the Company		0.09	0.07	0.09	0.07

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

## Home Product Center Public Company Limited and its subsidiary

## Statements of comprehensive income

For the six-month periods ended 30 June 2011 and 2010

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sale of goods		13,559,331	11,432,461	13,559,952	11,432,870
Rental and service income		391,260	375,477	319,776	309,838
Other income		541,312	452,591	549,815	461,050
<b>Total revenues</b>		<b>14,491,903</b>	<b>12,260,529</b>	<b>14,429,543</b>	<b>12,203,758</b>
<b>Expenses</b>					
Cost of sales		10,150,547	8,643,338	10,150,547	8,643,338
Selling expenses		2,498,805	2,079,509	2,453,231	2,037,025
Administrative expenses		467,292	441,553	466,221	439,372
Other expenses		15,190	17,582	15,190	17,540
<b>Total expenses</b>		<b>13,131,834</b>	<b>11,181,982</b>	<b>13,085,189</b>	<b>11,137,275</b>
<b>Profit before finance cost and corporate income tax</b>					
income tax		1,360,069	1,078,547	1,344,354	1,066,483
Finance cost		(52,883)	(48,001)	(53,612)	(48,438)
<b>Profit before corporate income tax</b>		<b>1,307,186</b>	<b>1,030,546</b>	<b>1,290,742</b>	<b>1,018,045</b>
Corporate income tax	17	(420,077)	(318,979)	(415,404)	(315,495)
<b>Profit for the period</b>		<b>887,109</b>	<b>711,567</b>	<b>875,338</b>	<b>702,550</b>
<b>Other comprehensive income:</b>					
Other comprehensive income for the period		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>887,109</b>	<b>711,567</b>	<b>875,338</b>	<b>702,550</b>
<b>Profit attributable to:</b>					
Equity holders of the company		887,107	711,566	875,338	702,550
Non-controlling interests of the subsidiary		2	1		
		<b>887,109</b>	<b>711,567</b>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		887,107	711,566	875,338	702,550
Non-controlling interests of the subsidiary		2	1		
		<b>887,109</b>	<b>711,567</b>		
(Unit: Baht)					
<b>Earnings per share</b>					
18					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.17	0.14	0.17	0.14
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.17	0.14	0.17	0.14

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

## Home Product Center Public Company Limited and its subsidiary

## Cash flows statements

For the six-month periods ended 30 June 2011 and 2010

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<b>Cash flows from operating activities</b>				
Profit before tax	1,307,186	1,030,546	1,290,742	1,018,045
Adjustments to reconcile net income before tax to net cash provided by (paid for) operating activities: -				
Depreciation and amortisation	479,934	408,751	478,723	406,683
Reversal allowance for doubtful accounts	(820)	(2,452)	(820)	(2,452)
Allowance for stock obsolescence	36,136	30,790	36,136	30,790
Loss from sales and written-off of assets	15,201	13,775	15,199	13,732
Allowance for impairment of assets	21,927	3,958	21,927	3,958
Unrealised exchange loss (gain) - net	266	(47)	266	(47)
Interest expenses	52,018	45,157	52,860	45,678
Provision for long-term employee benefits	7,283	6,592	7,283	6,592
Income from operating activities before changes in operating assets and liabilities	1,919,131	1,537,070	1,902,316	1,522,979
<b>Decrease (increase) in operating assets</b>				
Trade accounts receivable	(10,167)	2,635	(8,171)	3,167
Inventories	(570,635)	(444,821)	(570,635)	(444,821)
Value added tax receivable	(8,034)	(11,901)	(8,034)	(12,205)
Rental guarantee deposits	1,277	(3,852)	1,277	(3,852)
Other receivables	37,895	9,082	37,935	8,742
Other current assets	(39,854)	(32,457)	(41,394)	(33,516)
Other non-current assets	6,659	3,428	(352)	(313)
<b>Increase (decrease) in operating liabilities</b>				
Trade accounts payable	528,194	335,321	530,634	336,311
Other payables	41,122	15,738	41,522	19,535
Advances received from customers	27,182	18,357	27,182	18,357
Accrued expenses	(68,341)	20,678	(72,519)	16,940
Other current liabilities	73,488	33,896	72,189	32,376
Rental received in advance	(10,824)	778	(10,824)	778
Other non-current liabilities	17,478	17,211	15,491	13,697
Cash from operating activities	1,944,571	1,501,163	1,916,617	1,478,175
Cash paid for interest expenses	(52,849)	(39,608)	(53,692)	(40,129)
Cash paid for corporate income tax	(368,158)	(289,492)	(364,421)	(286,102)
<b>Net cash flows from operating activities</b>	1,523,564	1,172,063	1,498,504	1,151,944

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

(Unaudited but reviewed)

## Home Product Center Public Company Limited and its subsidiary

## Cash flows statements (continued)

For the six-month periods ended 30 June 2011 and 2010

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<b>Cash flows from investing activities</b>				
Acquisition of computer software	(42,751)	(19,208)	(42,751)	(19,208)
Acquisition of leasehold rights	(75,859)	(53,851)	(75,859)	(53,851)
Proceeds from sales of equipment	1,523	1,101	1,522	1,099
Proceeds from sales of investment properties' equipment	24	-	24	-
Acquisition of property, plant and equipment	(1,184,148)	(588,422)	(1,183,072)	(588,065)
Acquisition of investment properties	(9,662)	(7,912)	(9,662)	(7,912)
<b>Net cash flows used in investing activities</b>	<b>(1,310,873)</b>	<b>(668,292)</b>	<b>(1,309,798)</b>	<b>(667,937)</b>
<b>Cash flows from financing activities</b>				
Increase in liabilities under financial lease agreements	2,318	1,030	2,318	1,030
Increase in debentures	-	1,700,000	-	1,700,000
Repayment of debentures	(100,000)	(80,000)	(100,000)	(80,000)
Repayment of long-term loans	-	(943,120)	-	(943,120)
Converted warrants to share capital	35,771	37,808	35,771	37,808
Dividend paid	(84,052)	(593,319)	(84,052)	(593,319)
<b>Net cash flows from (used in) financing activities</b>	<b>(145,963)</b>	<b>122,399</b>	<b>(145,963)</b>	<b>122,399</b>
<b>Net increase in cash and cash equivalents</b>	<b>66,728</b>	<b>626,170</b>	<b>42,743</b>	<b>606,406</b>
Cash and cash equivalents at beginning of period	1,417,245	846,331	1,391,744	824,377
<b>Cash and cash equivalents at end of period</b>	<b>1,483,973</b>	<b>1,472,501</b>	<b>1,434,487</b>	<b>1,430,783</b>
	-	-	-	-
<b>Supplemental cash flow information</b>				
Non-cash items consist of				
Purchases of equipment for which no cash has been paid	144,255	63,794	144,133	63,794
Stock dividend	725,814	-	725,814	-

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 2011 and 2010

(Unit: Thousand Baht)

Consolidated financial statements								
Equity attributable to the parent's shareholders								
	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity
				- statutory reserve	Unappropriated			
<b>Balance as at 31 December 2009</b>		3,703,926	594,317	235,400	676,274	5,209,917	3	5,209,920
Converted warrants to share capital		18,734	19,074	-	-	37,808	-	37,808
Dividend paid	19	-	-	-	(593,319)	(593,319)	-	(593,319)
Total comprehensive income for the period		-	-	-	711,566	711,566	1	711,567
Unappropriated retained earnings transferred to statutory reserve		-	-	35,200	(35,200)	-	-	-
<b>Balance as at 30 June 2010</b>		<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>
<b>Balance as at 31 December 2010</b>		4,352,992	621,807	316,800	946,606	6,238,205	4	6,238,209
Converted warrants to share capital	15	23,495	12,276	-	-	35,771	-	35,771
Stock dividend	15, 19	725,814	-	-	(725,814)	-	-	-
Dividend paid	19	-	-	-	(84,198)	(84,198)	-	(84,198)
Total comprehensive income for the period		-	-	-	887,107	887,107	2	887,109
Unappropriated retained earnings transferred to statutory reserve		-	-	43,800	(43,800)	-	-	-
<b>Balance as at 30 June 2011</b>		<u>5,102,301</u>	<u>634,083</u>	<u>360,600</u>	<u>979,901</u>	<u>7,076,885</u>	<u>6</u>	<u>7,076,891</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 2011 and 2010

(Unit: Thousand Baht)

<b>Separate financial statements</b>					
	Issued and		Retained earnings		Total
	paid-up	Premium on	Appropriated		shareholders'
Note	share capital	ordinary shares	- statutory reserve	Unappropriated	equity
<b>Balance as at 31 December 2009</b>	3,703,926	594,317	235,400	660,165	5,193,808
Converted warrants to share capital	18,734	19,074	-	-	37,808
Dividend paid	-	-	-	(593,319)	(593,319)
Total comprehensive income for the period	-	-	-	702,550	702,550
Unappropriated retained earnings transferred to statutory reserve	-	-	35,200	(35,200)	-
<b>Balance as at 30 June 2010</b>	<u>3,722,660</u>	<u>613,391</u>	<u>270,600</u>	<u>734,196</u>	<u>5,340,847</u>
<b>Balance as at 31 December 2010</b>	4,352,992	621,807	316,800	919,280	6,210,879
Converted warrants to share capital	23,495	12,276	-	-	35,771
Stock dividend	725,814	-	-	(725,814)	-
Dividend paid	-	-	-	(84,198)	(84,198)
Total comprehensive income for the period	-	-	-	875,338	875,338
Unappropriated retained earnings transferred to statutory reserve	-	-	43,800	(43,800)	-
<b>Balance as at 30 June 2011</b>	<u>5,102,301</u>	<u>634,083</u>	<u>360,600</u>	<u>940,806</u>	<u>7,037,790</u>

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