Home Product Center Public Company Limited and its subsidiary

Balance sheets

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2010	31 December 2009	30 September 2010	31 December 2009
		(Unaudited but reviewed)	(Audited) (Restated)	(Unaudited but reviewed)	(Audited) (Restated)
Assets					
Current assets					
Cash and cash equivalents	*6*	1,164,091	846,331	1,137,677	824,377
Trade accounts receivable - net	*3, 6*	155,597	137,785	150,324	133,067
Inventories - net	*4*	3,692,907	2,905,138	3,692,907	2,905,138
Value added tax receivable		11,198	304	11,198	-
Other receivables - net	*3, 6*	357,880	347,794	360,339	350,049
Other current assets		148,597	63,747	143,367	58,155
Total current assets		5,530,270	4,301,099	5,495,812	4,270,786
Non-current assets					
Investment in subsidiary	*5*	-	-	4,999	4,999
Property, plant and equipments - net	*7*	9,403,539	8,710,588	9,398,773	8,703,030
Computer software - net	*8*	111,836	92,116	111,489	92,110
Leasehold rights - net	*9*	735,627	703,000	735,627	703,000
Property foreclosed		4,174	4,174	4,174	4,174
Rental guarantee deposits	*6*	47,701	37,821	47,701	37,821
Other non-current assets		14,917	17,230	1,710	1,595
Total non-current assets		10,317,794	9,564,929	10,304,473	9,546,729
Total assets		15,848,064	13,866,028	15,800,285	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 September 2010	31 December 2009	30 September 2010	31 December 2009
		(Unaudited but reviewed)	(Audited) (Restated)	(Unaudited but reviewed)	(Audited) (Restated)
Liabilities and shareholders' equity					
Current liabilities					
Trade accounts payable	*6*	4,606,391	4,216,890	4,600,305	4,211,189
Current portion of liabilities under financial lease agreements	*11*	4,466	3,539	4,466	3,539
Short-term loans from related party	*6*	-	-	85,000	70,000
Current portion of debentures	*13*	140,000	160,000	140,000	160,000
Current portion of long-term loans	*14*	-	486,240	-	486,240
Payables from purchases of assets		368,555	119,220	368,555	119,220
Accrued expenses		465,880	365,154	442,632	347,713
Corporate income tax payable		151,729	247,190	151,729	247,190
Advances received from customers		449,980	423,898	449,980	423,898
Other payables	*6*	233,008	197,240	231,375	191,781
Dividend payables	*15*	72,405	256	72,405	256
Other current liabilities		323,987	222,062	321,644	220,158
Total current liabilities		6,816,401	6,441,689	6,868,091	6,481,184
Non-current liabilities					
Liabilities under financial lease agreements - net of current portion	*11*	8,088	5,636	8,088	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*	73,447	63,516	73,447	63,516
Rental received in advance		504,910	521,146	504,910	521,146
Other non-current liabilities		121,693	100,041	47,864	28,145
Total non-current liabilities		3,338,138	2,214,419	3,264,309	2,142,523
Total liabilities		10,154,539	8,656,108	10,132,400	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 September 2010	31 December 2009	30 September 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					
3,728,518,496 ordinary shares of Baht 1 each					
(31 December 2009: 3,703,926,216 ordinary shares					
of Baht 1 each)		3,728,518	3,703,926	3,728,518	3,703,926
Share premium		619,508	594,317	619,508	594,317
Stock dividend awaiting registration of increase					
in share capital	*15, 20*	621,416	-	621,416	-
Retained earnings					
Appropriated - statutory reserve		289,900	235,400	289,900	235,400
Unappropriated		434,179	676,274	408,543	660,165
Equity attributable to the Company's shareholders		5,693,521	5,209,917	5,667,885	5,193,808
Minority interest - equity attributable to					
minority shareholders of subsidiary		4	3	-	-
Total shareholders' equity		5,693,525	5,209,920	5,667,885	5,193,808
Total liabilities and shareholders' equity		15,848,064	13,866,028	15,800,285	13,817,515
		-	-	-	-

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 September 2010 and 2009

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009 (Restated)	2010	2009 (Restated)
Revenues					
Sale of goods		5,860,939	4,878,568	5,861,213	4,878,767
Rental and service income		152,550	143,359	128,570	115,493
Other income		235,049	152,493	239,160	156,062
Total revenues		6,248,538	5,174,420	6,228,943	5,150,322
Expenses					
Cost of sales		4,331,145	3,664,507	4,331,145	3,664,508
Selling expenses		1,120,008	918,750	1,101,862	899,599
Administrative expenses		190,494	178,679	189,501	175,452
Management benefit expenses		12,827	12,439	12,827	12,439
Other expenses		20,231	8,792	20,227	8,749
Total expenses		5,674,705	4,783,167	5,655,562	4,760,747
Income before finance cost and corporate income tax		573,833	391,253	573,381	389,575
Finance cost		(27,894)	(26,697)	(28,174)	(27,026)
Income before corporate income tax		545,939	364,556	545,207	362,549
Corporate income tax	*17*	(158,403)	(111,067)	(158,182)	(110,622)
Net income for the period		387,536	253,489	387,025	251,927
Net income attributable to:					
Equity holders of the parent		387,536	253,489	387,025	251,927
Minority interests of the subsidiary		-	-		
		387,536	253,489		

(Unit: Baht)

Earnings per share	*18*				
Basic earnings per share					
Net income attributable to equity holders of the parent		0.09	0.06	0.09	0.06
Diluted earnings per share					
Net income attributable to equity holders of the parent		0.09	0.06	0.09	0.06

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 nine-month periods ended 30 September 2010 and 2009

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009 (Restated)	2010	2009 (Restated)
Revenues					
Sale of goods		17,293,400	14,560,228	17,294,083	14,561,285
Rental and service income		528,027	474,838	438,408	393,761
Other income		687,640	476,303	700,210	487,549
Total revenues		18,509,067	15,511,369	18,432,701	15,442,595
Expenses					
Cost of sales		12,974,483	11,024,849	12,974,483	11,024,849
Selling expenses		3,199,517	2,747,730	3,138,887	2,688,974
Administrative expenses		582,119	520,969	578,945	512,278
Management benefit expenses		62,755	52,553	62,755	52,553
Other expenses		37,813	17,212	37,767	17,162
Total expenses		16,856,687	14,363,313	16,792,837	14,295,816
Income before finance cost and corporate income tax		1,652,380	1,148,056	1,639,864	1,146,779
Finance cost		(75,895)	(85,772)	(76,612)	(86,844)
Income before corporate income tax		1,576,485	1,062,284	1,563,252	1,059,935
Corporate income tax	*17*	(477,382)	(320,853)	(473,677)	(320,371)
Net income for the period		1,099,103	741,431	1,089,575	739,564
Net income attributable to:					
Equity holders of the parent		1,099,102	741,431	1,089,575	739,564
Minority interests of the subsidiary		1	-		
		1,099,103	741,431		

(Unit: Baht)

Earnings per share	*18*				
Basic earnings per share					
Net income attributable to equity holders of the parent		0.25	0.17	0.25	0.17
Diluted earnings per share					
Net income attributable to equity holders of the parent		0.25	0.17	0.25	0.17

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 nine-month periods ended 30 September 2010 and 2009

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
		(Restated)		(Restated)
Cash flows from operating activities				
Net income before tax	1,576,485	1,062,284	1,563,252	1,059,935
Adjustments to reconcile net income before tax to net cash provided by (paid for) operating activities: -				
Depreciation and amortisation	624,739	600,013	621,604	596,925
Reversal allowance for doubtful accounts	(2,749)	(9,389)	(2,749)	(9,389)
Allowance for stock obsolescence	46,442	44,182	46,442	44,182
Loss from sales of assets	33,660	3,357	33,614	3,306
Allowance for impairment of assets	5,078	14,000	5,078	14,000
Unrealised exchange gain - net	(452)	(148)	(452)	(148)
Interest expenses	72,729	84,518	73,565	85,729
Provision for employee benefits	9,931	8,984	9,931	8,984
Income from operating activities before changes in operating assets and liabilities	2,365,863	1,807,801	2,350,285	1,803,524
Decrease (increase) in operating assets				
Trade accounts receivable	(15,063)	59,993	(14,508)	59,083
Inventories	(834,211)	(40,202)	(834,211)	(40,202)
Value added tax receivable	(10,894)	11,263	(11,198)	11,263
Rental guarantee deposits	(9,880)	(12)	(9,880)	4
Other receivables	(10,086)	51,079	(10,290)	37,111
Other current assets	(84,850)	11,713	(85,212)	3,844
Other non-current assets	3,627	1,423	(115)	1,406
Increase (decrease) in operating liabilities				
Trade accounts payable	389,953	90,331	389,568	91,165
Other payables	35,768	(8,825)	39,593	(1,094)
Advances received from customers	26,082	(61,499)	26,082	(61,499)
Value added tax payable	252	5,149	-	4,714
Accrued expenses	87,566	41,108	82,011	34,554
Other current liabilities	101,923	47,961	101,484	47,436
Rental received in advance	(16,236)	(16,236)	(16,236)	(16,236)
Other non-current liabilities	21,652	11,269	19,719	6,948
Cash flows from operating activities	2,051,466	2,012,316	2,027,092	1,982,021
Cash paid for interest expenses	(59,819)	(86,457)	(60,654)	(87,667)
Cash paid for corporate income tax	(574,157)	(393,508)	(569,138)	(388,563)
Net cash flows from operating activities	1,417,490	1,532,351	1,397,300	1,505,791

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 nine-month periods ended 30 September 2010 and 2009

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
		(Restated)		(Restated)
Cash flows from investing activities				
Acquisition of computer software	(36,891)	(8,053)	(36,542)	(8,053)
Acquisition of leasehold rights	(55,851)	(7,547)	(55,851)	(7,547)
Proceeds from sales of assets	2,295	963	2,292	962
Acquisition of assets	(1,068,993)	(812,109)	(1,068,609)	(811,181)
Net cash flows used in investing activities	(1,159,440)	(826,746)	(1,158,710)	(825,819)
Cash flows from financing activities				
Decrease in bank overdrafts and short-term loans from financial institutions	-	(124,824)	-	(124,824)
Increase in short-term loans from related party	-	-	15,000	25,000
Increase in long-term loans	-	745,000	-	745,000
Increase (decrease) in liabilities under financial lease agreements	3,379	(4,040)	3,379	(4,040)
Increase in debentures	1,700,000	-	1,700,000	-
Repayment of debentures	(120,000)	(620,000)	(120,000)	(620,000)
Repayment of long-term loans	(980,320)	(318,120)	(980,320)	(318,120)
Converted warrants to share capital	49,783	35,072	49,783	35,072
Dividends paid	(593,132)	(676,656)	(593,132)	(676,656)
Net cash flows from (used in) financing activities	59,710	(963,568)	74,710	(938,568)
Net increase (decrease) in cash and cash equivalents	317,760	(257,963)	313,300	(258,596)
Cash and cash equivalents at beginning of period	846,331	603,788	824,377	579,895
Cash and cash equivalents at end of period	1,164,091	345,825	1,137,677	321,299
Supplemental cash flow information				
Non-cash items consist of				
Increase (decrease) in payable from purchase of assets	249,335	(82,476)	249,335	(82,476)
Increase in dividend payables	72,149	194,794	72,149	194,794
Stock dividend awaiting registration of increase in share capital	621,416	1,752,012	621,416	1,752,012

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 nine-month periods ended 30 September 2010 and 2009

(Unit: Thousand Baht)

		Consolidated financial statements							
		Equity attributable to the parent's shareholders							
	Note	Issued and paid-up share capital	Share premium	Stock dividend awaiting registration of increase in share capital	Retained earnings: Appropriated - statutory reserve	Retained earnings: Unappropriated	Total equity attributable to the parent's shareholders	Minority interest - equity attributable to minority 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)		-	-	-	-	741,431	741,431	-	741,431
Total income for the period		-	-	-	-	741,431	741,431	-	741,431
Stock dividends	*20*	-	-	1,752,012	-	(1,752,012)	-	-	-
Dividend paid	*20*	-	-	-	-	(871,450)	(871,450)	-	(871,450)
Unappropriated retained earnings transferred to statutory reserve		-	-	-	25,000	(25,000)	-	-	-
Converted warrants to share capital		13,071	22,001	-	-	-	35,072	-	35,072
Balance as at 30 September 2009		1,946,682	588,805	1,752,012	203,400	318,826	4,809,725	2	4,809,727
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		-	-	-	-	1,099,102	1,099,102	1	1,099,103
Total income for the period		-	-	-	-	1,099,102	1,099,102	1	1,099,103
Stock dividends	*20*	-	-	621,416	-	(621,416)	-	-	
Dividend paid	*20*	-	-	-	-	(665,281)	(665,281)	-	(665,281)
Unappropriated retained earnings transferred to statutory reserve		-	-	-	54,500	(54,500)	-	-	-
Converted warrants to share capital	*15*	24,592	25,191	-	-	-	49,783	-	49,783
Balance as at 30 September 2010		3,728,518	619,508	621,416	289,900	434,179	5,693,521	4	5,693,525

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 nine-month periods ended 30 September 2010 and 2009

(Unit: Thousand Baht)

		Separate financial statements					
				Stock dividend awaiting	Retained earnings		
	Note	Issued and paid-up share capital	Share premium	registration of increase in share capital	Appropriated - statutory reserve	Unappropriated	Total
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)		-	-	-	-	739,564	739,564
Total income for the period		-	-	-	-	739,564	739,564
Stock dividends	*20*	-	-	1,752,012	-	(1,752,012)	-
Dividend paid	*20*	-	-	-	-	(871,450)	(871,450)
Unappropriated retained earnings transferred to statutory reserve		-	-	-	25,000	(25,000)	-
Converted warrants to share capital		13,071	22,001	-	-	-	35,072
Balance as at 30 September 2009		1,946,682	588,805	1,752,012	203,400	305,513	4,796,412
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		-	-	-	-	1,089,575	1,089,575
Total income for the period		-	-	-	-	1,089,575	1,089,575
Stock dividends	*20*	-	-	621,416	-	(621,416)	-
Dividend paid	*20*	-	-	-	-	(665,281)	(665,281)
Unappropriated retained earnings transferred to statutory reserve		-	-	-	54,500	(54,500)	-
Converted warrants to share capital	*15*	24,592	25,191	-	-	-	49,783
Balance as at 30 September 2010		3,728,518	619,508	621,416	289,900	408,543	5,667,885

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