

Home Product Center Public Company Limited and its subsidiary

Balance sheets

As at 31 December 2009 and 2008

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Assets					
Current assets					
Cash and cash equivalents	9	846,330,829	603,788,150	824,376,948	579,894,685
Trade accounts receivable - net	6, 9	128,785,030	134,983,014	124,066,652	130,267,530
Inventories - net	7	2,905,138,033	2,728,078,526	2,905,138,033	2,728,078,526
Value added tax receivable		303,776	11,263,216	-	11,263,216
Other receivables	9	356,794,276	297,520,307	359,048,810	304,448,556
Other current assets		63,747,426	70,844,841	58,154,929	58,369,602
Total current assets		<u>4,301,099,370</u>	<u>3,846,478,054</u>	<u>4,270,785,372</u>	<u>3,812,322,115</u>
Non-current assets					
Investment in subsidiary	8	-	-	4,999,300	4,999,300
Property, plant and equipments - net	10	8,710,587,478	8,613,170,787	8,703,030,061	8,602,413,768
Computer software - net	11	92,115,899	130,162,250	92,110,169	130,155,574
Leasehold rights - net	12	702,999,498	722,963,659	702,999,498	722,963,659
Property foreclosed		4,174,122	4,174,122	4,174,122	4,174,122
Rental guarantee deposits	9	37,821,322	38,390,882	37,821,322	38,390,882
Other non-current assets		17,230,349	13,731,996	1,595,201	2,964,574
Total non-current assets		<u>9,564,928,668</u>	<u>9,522,593,696</u>	<u>9,546,729,673</u>	<u>9,506,061,879</u>
Total assets		<u><u>13,866,028,038</u></u>	<u><u>13,369,071,750</u></u>	<u><u>13,817,515,045</u></u>	<u><u>13,318,383,994</u></u>

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

Home Product Center Public Company Limited and its subsidiary

Balance sheets (continued)

As at 31 December 2009 and 2008

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	13	-	124,823,805	-	124,823,805
Trade accounts payable	9	4,216,890,094	3,697,157,646	4,211,189,025	3,692,452,199
Current portion of liabilities under financial lease agreements	14	3,539,452	9,295,721	3,539,452	9,295,721
Short-term loans from related party	9	-	-	70,000,000	60,000,000
Current portion of debentures	15	160,000,000	660,000,000	160,000,000	660,000,000
Current portion of long-term loans	16	486,240,000	300,000,000	486,240,000	300,000,000
Payables from purchases of assets		119,219,458	113,838,115	119,219,458	113,838,115
Accrued expenses		365,409,521	317,074,342	347,968,716	301,203,104
Corporate income tax payable		247,190,722	166,962,762	247,190,722	166,962,762
Advances received from customers		423,897,463	443,928,321	423,897,463	443,928,321
Other payables	9	197,239,903	198,309,742	191,781,208	187,111,688
Other current liabilities		222,061,646	172,159,971	220,158,336	170,512,521
Total current liabilities		<u>6,441,688,259</u>	<u>6,203,550,425</u>	<u>6,481,184,380</u>	<u>6,230,128,236</u>
Non-current liabilities					
Liabilities under financial lease agreements - net of current portion	14	5,635,594	5,470,378	5,635,594	5,470,378
Debentures - net of current portion	15	1,030,000,000	890,000,000	1,030,000,000	890,000,000
Long-term loans - net of current portion	16	494,080,000	675,000,000	494,080,000	675,000,000
Rental received in advance	26.2	521,145,727	542,793,413	521,145,727	542,793,413
Other non-current liabilities		100,042,095	96,046,295	28,144,671	30,228,946
Total non-current liabilities		<u>2,150,903,416</u>	<u>2,209,310,086</u>	<u>2,079,005,992</u>	<u>2,143,492,737</u>
Total liabilities		<u>8,592,591,675</u>	<u>8,412,860,511</u>	<u>8,560,190,372</u>	<u>8,373,620,973</u>

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

Home Product Center Public Company Limited and its subsidiary

Balance sheets (continued)

As at 31 December 2009 and 2008

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Shareholders' equity					
Share capital	17, 18				
Registered share capital					
3,794,213,851 ordinary shares of Baht 1 each (2008: 1,986,468,146 ordinary shares of Baht 1 each)		3,794,213,851	1,986,468,146	3,794,213,851	1,986,468,146
Issued and paid-up share capital					
3,703,926,216 ordinary shares of Baht 1 each (2008: 1,933,610,600 ordinary shares of Baht 1 each)		3,703,926,216	1,933,610,600	3,703,926,216	1,933,610,600
Share premium		594,317,420	566,804,398	594,317,420	566,804,398
Retained earnings					
Appropriated - statutory reserve	19	235,400,000	178,400,000	235,400,000	178,400,000
Unappropriated		739,789,772	2,277,393,938	723,681,037	2,265,948,023
Equity attributable to the Company's shareholders		5,273,433,408	4,956,208,936	5,257,324,673	4,944,763,021
Minority interest - equity attributable to minority shareholders of subsidiary		2,955	2,303	-	-
Total shareholders' equity		<u>5,273,436,363</u>	<u>4,956,211,239</u>	<u>5,257,324,673</u>	<u>4,944,763,021</u>
Total liabilities and shareholders' equity		<u>13,866,028,038</u>	<u>13,369,071,750</u>	<u>13,817,515,045</u>	<u>13,318,383,994</u>
		(0)	-	-	-

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

Income statements

For the years ended 31 December 2009 and 2008

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Revenues					
Sales income		20,329,115,960	18,540,272,456	20,330,434,724	18,541,729,829
Rental and service income		684,236,990	610,121,551	572,842,217	506,108,373
Other income		785,735,252	673,791,205	807,702,375	696,128,323
Total revenues		<u>21,799,088,202</u>	<u>19,824,185,212</u>	<u>21,710,979,316</u>	<u>19,743,966,525</u>
Expenses					
Cost of sales		15,395,071,205	14,146,727,776	15,395,071,205	14,146,727,776
Selling expenses		3,787,026,062	3,382,111,383	3,708,317,086	3,313,373,594
Administrative expenses		784,732,881	766,928,902	780,340,879	761,370,598
Management benefit expenses		16,435,000	12,550,000	16,435,000	12,550,000
Other expenses		62,097,147	30,307,413	62,035,902	30,211,710
Total expenses		<u>20,045,362,295</u>	<u>18,338,625,474</u>	<u>19,962,200,072</u>	<u>18,264,233,678</u>
Income before financial cost and corporate income tax					
Financial cost		(113,129,135)	(134,409,118)	(114,485,389)	(136,022,575)
Income before corporate income tax		<u>1,640,596,772</u>	<u>1,351,150,620</u>	<u>1,634,293,855</u>	<u>1,343,710,272</u>
Corporate income tax		(497,738,690)	(391,730,900)	(496,099,245)	(389,764,087)
Net income for the year		<u>1,142,858,082</u>	<u>959,419,720</u>	<u>1,138,194,610</u>	<u>953,946,185</u>
Net income attributable to:					
Equity holders of the parent		1,142,857,430	959,418,953	1,138,194,610	953,946,185
Minority interests of the subsidiary		652	767		
		<u>1,142,858,082</u>	<u>959,419,720</u>		
Earnings per share					
21					
Basic earnings per share					
Net income attributable to equity holders of the parent		<u>0.31</u>	<u>0.26</u>	<u>0.31</u>	<u>0.26</u>
Diluted earnings per share					
Net income attributable to equity holders of the parent		<u>0.31</u>	<u>0.26</u>	<u>0.30</u>	<u>0.26</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 years ended 31 December 2009 and 2008

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Cash flows from operating activities				
Net income before tax	1,640,596,772	1,351,150,620	1,634,293,855	1,343,710,272
Adjustments to reconcile net income before tax to net cash provided by (paid for) operating activities:				
Depreciation and amortisation	804,523,182	728,267,920	800,383,504	724,353,707
Allowance for doubtful accounts (reversal)	(11,245,058)	4,857,895	(11,245,058)	4,857,895
Allowance for stock obsolescence	59,219,925	59,375,259	59,219,925	59,375,259
Loss from sales of assets	5,410,793	4,635,329	5,349,547	4,539,626
Allowance for impairment of assets	57,000,000	20,540,000	57,000,000	20,540,000
Unrealised exchange losses - net	76,352	24,532	76,352	24,532
Interest expenses	110,975,824	124,228,618	112,514,434	125,960,878
Income from operating activities before changes in operating assets and liabilities	2,666,557,790	2,293,080,173	2,657,592,559	2,283,362,169
Decrease (increase) in operating assets				
Trade accounts receivable	17,443,042	3,740,844	17,445,936	1,408,145
Inventories	(236,279,432)	(239,884,909)	(236,279,432)	(239,884,909)
Value added tax receivable	10,959,440	31,740,481	11,263,216	31,740,481
Rental guarantee deposits	569,560	(3,771,896)	569,560	(3,771,896)
Other receivables	(59,273,969)	(61,085,828)	(54,600,254)	(67,226,679)
Other current assets	7,097,415	(8,911,590)	214,673	(18,250,406)
Other non-current assets	1,369,372	(11,262,914)	1,369,373	(495,492)
Increase (decrease) in operating liabilities				
Trade accounts payable	519,656,096	490,777,954	518,660,474	489,856,495
Other payables	(1,069,839)	44,804,652	4,669,520	39,879,078
Advances received from customers	(20,030,858)	56,253,267	(20,030,858)	56,253,267
Accrued expenses	47,375,536	86,805,931	45,805,969	91,420,799
Other current liabilities	49,901,675	84,629,376	49,645,815	84,711,631
Rental received in advance	(21,647,686)	(21,610,060)	(21,647,686)	(21,610,060)
Other non-current liabilities	3,995,800	2,627,939	(2,084,275)	(3,088,855)
Cash from operating activities	2,986,623,942	2,747,933,420	2,972,594,590	2,724,303,768
Cash paid for interest expenses	(110,016,181)	(119,402,301)	(111,554,791)	(121,134,561)
Cash paid for corporate income tax	(422,378,455)	(365,290,516)	(415,871,285)	(359,582,436)
Net cash flows from operating activities	2,454,229,306	2,263,240,603	2,445,168,514	2,243,586,771

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

Home Product Center Public Company Limited and its subsidiary

Statements of cash flows (continued)

For the years ended 31 December 2009 and 2008

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Cash flows from investing activities				
Acquisition of computer software	(23,846,186)	(31,147,714)	(23,846,186)	(31,147,714)
Acquisition of leasehold rights	(9,347,368)	(236,526,147)	(9,347,368)	(236,526,147)
Proceeds from sales of assets	1,125,744	871,793	1,119,505	868,411
Acquisition of assets	(868,891,001)	(1,012,403,732)	(867,884,386)	(1,011,215,449)
Net cash used in investing activities	(900,958,811)	(1,279,205,800)	(899,958,435)	(1,278,020,899)
Cash flows from financing activities				
Decrease in bank overdrafts and short-term loans from financial institutions	(124,823,805)	(430,176,195)	(124,823,805)	(430,176,195)
Increase in short-term loans from related party	-	-	25,000,000	120,000,000
Repayment of short-term loans from related party	-	-	(15,000,000)	(110,000,000)
Increase in long-term loans	745,000,000	-	745,000,000	-
Decrease in liabilities under financial lease agreements	(5,591,053)	(8,458,687)	(5,591,053)	(8,458,687)
Increase in debentures	300,000,000	1,130,000,000	300,000,000	1,130,000,000
Repayment of debentures	(660,000,000)	(580,000,000)	(660,000,000)	(580,000,000)
Repayment of long-term loans	(739,680,000)	(400,000,000)	(739,680,000)	(400,000,000)
Converted warrants to share capital	45,816,199	19,800,513	45,816,199	19,800,513
Dividend paid	(871,449,157)	(346,487,296)	(871,449,157)	(346,487,296)
Net cash used in financing activities	(1,310,727,816)	(615,321,665)	(1,300,727,816)	(605,321,665)
Net increase in cash and cash equivalents	242,542,679	368,713,138	244,482,263	360,244,207
Cash and cash equivalents at beginning of year	603,788,150	235,075,012	579,894,685	219,650,478
Cash and cash equivalents at end of year	846,330,829	603,788,150	824,376,948	579,894,685
Supplemental cash flows information:				
Non-cash items consist of				
Decrease (increase) in payables from purchases of assets	(5,381,343)	28,631,982	(5,381,343)	28,631,982
Stock dividends	1,752,012,439	-	1,752,012,439	-

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

Home Product Center Public Company Limited and its subsidiary

Statements of changes in shareholders' equity

For the years ended 31 December 2009 and 2008

(Unit: Baht)

Consolidated financial statements								
Equity attributable to the parent's shareholders					Minority interest			
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Total equity attributable to the parent's shareholders	- equity attributable to minority shareholders of subsidiary	Total
				- statutory reserve	Unappropriated			
Balance as at 31 December 2007		1,924,920,422	555,694,063	130,700,000	1,712,162,281	4,323,476,766	1,536	4,323,478,302
Net income for the year		-	-	-	959,418,953	959,418,953	767	959,419,720
Dividend paid	24	-	-	-	(346,487,296)	(346,487,296)	-	(346,487,296)
Unappropriated retained earnings transferred to statutory reserve		-	-	47,700,000	(47,700,000)	-	-	-
Converted warrants to share capital		8,690,178	11,110,335	-	-	19,800,513	-	19,800,513
Balance as at 31 December 2008		<u>1,933,610,600</u>	<u>566,804,398</u>	<u>178,400,000</u>	<u>2,277,393,938</u>	<u>4,956,208,936</u>	<u>2,303</u>	<u>4,956,211,239</u>
Balance as at 31 December 2008		1,933,610,600	566,804,398	178,400,000	2,277,393,938	4,956,208,936	2,303	4,956,211,239
Net income for the year		-	-	-	1,142,857,430	1,142,857,430	652	1,142,858,082
Stock dividends	17, 24	1,752,012,439	-	-	(1,752,012,439)	-	-	-
Dividend paid	24	-	-	-	(871,449,157)	(871,449,157)	-	(871,449,157)
Unappropriated retained earnings transferred to statutory reserve	19	-	-	57,000,000	(57,000,000)	-	-	-
Converted warrants to share capital	17	18,303,177	27,513,022	-	-	45,816,199	-	45,816,199
Balance as at 31 December 2009		<u>3,703,926,216</u>	<u>594,317,420</u>	<u>235,400,000</u>	<u>739,789,772</u>	<u>5,273,433,408</u>	<u>2,955</u>	<u>5,273,436,363</u>

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Home Product Center Public Company Limited and its subsidiary

Statements of changes in shareholders' equity

For the years ended 31 December 2009 and 2008

(Unit: 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		1,924,920,422	555,694,063	130,700,000	1,706,189,134	4,317,503,619
Net income for the year		-	-	-	953,946,185	953,946,185
Dividend paid	24	-	-	-	(346,487,296)	(346,487,296)
Unappropriated retained earnings transferred to statutory reserve		-	-	47,700,000	(47,700,000)	-
Converted warrants to share capital		8,690,178	11,110,335	-	-	19,800,513
Balance as at 31 December 2008		<u>1,933,610,600</u>	<u>566,804,398</u>	<u>178,400,000</u>	<u>2,265,948,023</u>	<u>4,944,763,021</u>
Balance as at 31 December 2008		1,933,610,600	566,804,398	178,400,000	2,265,948,023	4,944,763,021
Net income for the year		-	-	-	1,138,194,610	1,138,194,610
Stock dividends	17, 24	1,752,012,439	-	-	(1,752,012,439)	-
Dividend paid	24	-	-	-	(871,449,157)	(871,449,157)
Unappropriated retained earnings transferred to statutory reserve	19	-	-	57,000,000	(57,000,000)	-
Converted warrants to share capital	17	18,303,177	27,513,022	-	-	45,816,199
Balance as at 31 December 2009		<u>3,703,926,216</u>	<u>594,317,420</u>	<u>235,400,000</u>	<u>723,681,037</u>	<u>5,257,324,673</u>

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