



We know what
“Home”
means to you



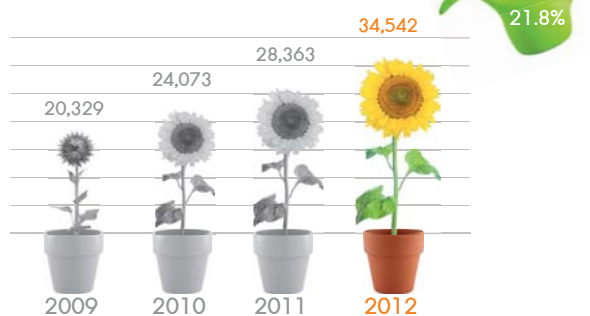


HomePro is the leading home improvement retailer in Thailand.

We operate 53 stores nationwide, providing product range cover 60,000 items with complete services as One Stop Shopping to attain highest customer satisfaction.

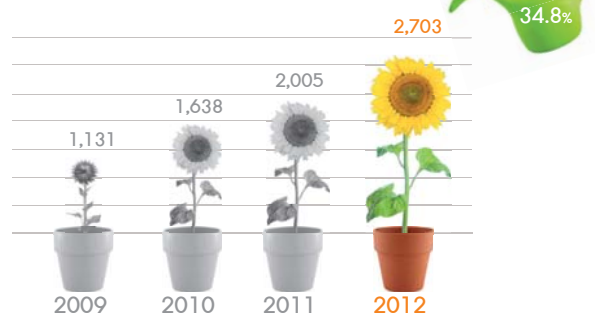
Sales (MB)

2012 Retail sales increased by 21.8% to 34,542 million baht.



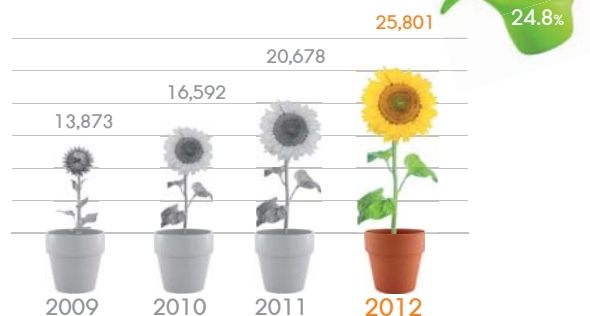
Net Profit (MB)

NPAT up 34.8% to 2,703 million baht.



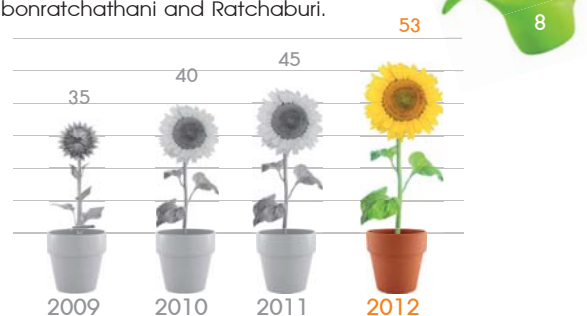
Total Assets (MB)

Mainly increasing from investment in stores expansion in 2012 and 2013.



New 8 Branches

Trang, Mega Bangna, Buriram, Hat Yai (Karnjanavanit), Nakhonsawan, Mahachai, Ubonratchathani and Ratchaburi.





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Message from Chairman

The year 2012 was the beginning of the recovery of the Thai economy after the severe flood crisis in the last quarter of 2011. Despite unfavorable condition of Thailand's export due to the incomplete recovery of the economy of the United States of America, Europe, and Japan, the local purchasing power had quickly revived. This can be seen from the Company's impressive increase in first-quarter sales volume. Thai economy reached the growth of Gross Domestic Products (GDP) at 6.4% in 2012.

In addition, the Company's branches had returned to their normal operation for the full year after 10 branches were

closed during the flood crisis as well as the Company's continuous policy of branch expansion, products and services development, enhancement of management and administration efficiency, and appropriate marketing strategy. As a result, in 2012, HomePro's sales volume grew by 21.8% and the net profit increased by 33.6%.

In 2013, it is expected that the Thai economy will expand with the GDP growth of more than 4.5% due to the government stimulus policy such as infrastructure investment, increase of the minimum wage of Baht 300 per day, etc., which helps the Company to expand its network for continuous business opportunity.

However, both local and international situations must be closely watched, particularly, local politics and the approaches to solving economic problems in the United States of America, Europe, and Japan. The Company has prepared for different possible situations which may occur, including the opportunity to expand business to other areas in order to maintain the expansion in sales volume and net profit. The Company hopes to receive the cooperation from all employees and shareholders, as well as support from the business partners.

Lastly, the Company would like to express its sincere appreciation to those who have supported to the Company in every area. The Company would also like to provide a commitment to operate and grow its business with prosperity for the utmost benefit of the shareholders, suppliers, customers, and more than 8,000 employees across the country.



(Mr. Anant Asavabhokhin)
Chairman

Message from Managing Director

The recovery of the Thai economy in 2012 provided a positive impact to the Company's satisfactory operating results with an increase of the sales volume by 21.8% and an increase of the net profit by 33.6% due to the increase of the same store sales, the launching of new branches, HomePro EXPO event, the growth of sales volume of products under the Company's private brand, the increase in revenues from leased areas, advertising and sales promotions, and other services.

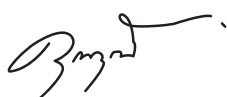
The Company expanded 8 new branches, namely, Trang branch, Mega Bangna branch, Buriram branch, Had Yai (Karnjanavanit) branch, Nakornsawan branch, Samutsakorn branch, Ubonratchathani branch, and Ratchaburi branch. As of the end of 2012, there were 53 branches in the Company's store network.

In order to serve the continuous expansion of the branches, the Company had doubled the warehouse area of Wang Noi distribution center as well as continuously enhanced the efficiency of the internal management which strengthened the proficiency and advantage over the competitors in terms of products and services, completely serving the demand from customers with the goal of utmost customer satisfaction.

In 2012, the Company's HomeCard membership program consisted of more than 1,300,000 members. The HomeCard helps increase the efficiency of the sales promotion activities, which match the demand from the targeted group, through analysis and research of consumer behavior as well as improve good relationship with the customers. The Company also initiated the complete E-Commerce system, including the development of the Home Service for increasing acceptances from the users, resulting in a significant growth of the Home Service.

In terms of the social responsibility, the Company continues the Kids' Toilets Project. In 2012, the Company had improved another 360 toilets in primary schools across Thailand to meet the national public toilets standard, accounting for 28 provinces, 100 schools, 1,309 toilets in total.

With such an achievement, the Company would like to express our appreciation to all employees for their determination. We also hope that the shareholders and suppliers will continue to provide their kind support to the Company's business operation.



(Mr. Khunawut Thumpomkul)
Managing Director





Our Stores

Expanding Store Network to Service Everywhere

HomePro has continued expanding its branches to increase channels providing goods and services to home lovers. In 2012, there were 8 newly opened branches, namely Trang branch, Mega Bangna branch, Buriram branch, Hat Yai (Karnjanavanit) branch, Nakhonsawan branch, Mahachai branch, Ubonratchathani branch and Ratchaburi branch, including the renovation of Khao Yai branch by expanding the sales area and product variety in order to enhance convenience for customers. As of the end of 2012, HomePro had 53 branches nationwide, of which 20 branches are located in Greater Bangkok and another 33 branches in provinces.





HomePro Expo 16th 🏠

The grand exhibition to celebrate the 16th Anniversary of the Company with HomePro Expo No. 15 and 16 gathered innovative home products, cooperated with business partners, financial institutions, manufacturers, and offered more than 300 products at the best prices. The two events generated the sales more than Baht 1,200 million.



HomePro Champion 6th 🏠

In addition, there is HomePro Champion which has been organized for 6 consecutive years. The contest provides an opportunity for the home lovers to show their idea of room decoration under the given topic to win the prize of more than Baht 300,000. There were over 500 teams joining the contest.

Private Brand Product

Worthy Choice of Quality

The main objective of the development and selection of private brand products lies in the adherence to provide the best value for customers. Therefore, the core element of private brand products is quality and value for money. In addition to the Company's increase in variety of products, it had continued to develop and select quality products throughout 2012 to continuously provide value to customers. The Company has continued to receive good support from trade partners both domestic and international. As a result, the Company currently has 36 private brand products and over 1,000 product items in total.





Home Service

Complete Range of Services
for Home Lovers

Home Service is our service that includes 3D System Design, Installation Service, Maintenance Service and Home Improvement Service based on our true understanding of customer needs. Our professional technicians, who have the knowledge in their respective jobs and related products, will provide the service to customers. Moreover, they can help customers accurately manage budget and time.

Home Service has moved a step forward by providing a life style kitchen in your own style with complete process:

- Total Kitchen Solution service
- 3D kitchen design program
- Kitchen improvement
- Installation of kitchen appliances
- Check and clean electrical appliances service



Installation Service

Home renovation and furnishing based on customer requirements such as exterior and interior painting.



Home Improvement Service

Installation/ moving/ solving problems involving electrical work, plumbing, flooring, sanitary ware and kitchen appliances installation.



Maintenance Service

Checking and cleaning of electrical appliances such as air conditioner or washing machine.



3D Design Service

Interior designing by 3D computer system.



HomePro's Card

Privileges for home lovers



Home Card / Professional Card

Home Card and Professional Card are the member cards for customers and the group of project owners, contractors, architects, engineers, interior designers, and other technicians. Customers with the card will get a discount for purchasing products or services. Every purchase made with the card will accumulate points to redeem a cash equivalent for use on the next purchase. Besides that, the customers also get other privileges such as joining the DIY workshop. At the end of 2012, HomePro has 1.3 million registered members.



HomePro Visa Card

The card that offers discounts for buying HomePro's products and services, a gasoline purchase discount, accumulating flight mileage etc., under the concept "Complete your house, fulfill your lifestyle".

Corporate Social Responsibility : CSR

Kids' Toilet

Smile of appreciation

A part of your every shopping at HomePro will provide smiles to many children through "Kids' Toilet Project". Many schools across Thailand have neither standard toilette nor good hygienic condition. As a way to give back to the society, HomePro and its business partners, in cooperation with the Department of Health, the Ministry of Public Health and Office of the Basic Education Commission, the Ministry of Education have examined and improved the school toilettes in order to enhance their standard to meet the national public toilette standard which consists of Healthy, Accessibility, and Safety (HAS).

From the beginning of the project in December 2006 till the end of 2012, HomePro had improved and delivered the toilettes in a total of 1,309 rooms from 100 schools, in 28 provinces across the country. More than 25,000 students have received the benefit from the project.





General Information

Home Product Center Public Company Limited was established on June 27, 1995 with the initial registered capital of Baht 150 million, being a joint venture between Land and Houses Group and American International Assurance Co., Ltd. The Company has been listed on the Stock Exchange of Thailand since October 30, 2001.

The Company was established with an objective to operate a retail business in home improvement segment by selling goods and providing complete range of services relating to construction, addition, renovation of buildings, houses, and residence places under the trade name of "HOMEPRO" which is the Company's trademark. Rangsit branch is the first branch of the Company operating in September 1996. As of December 31, 2012, the Company has 53 branches in total, of which 20 branches are located in Bangkok and its vicinity and another 33 branches in upcountry provinces. There were 8 newly opened branches in 2012, i.e. Trang, Mega Bangna, Buriram, Hat Yai (Kanchanavanich), Nakhonsawan, Mahachai, Ubonratchathani and Ratchaburi.

Information of Home Product Center Public Company Limited

Location	96/27 Moo 9 Tambon Bangkhen, Amphoe Muang, Nonthaburi 11000
Telephone	(66) 02-832-1000
Facsimile	(66) 02-832-1400
Website	www.homepro.co.th
Type of Business	Selling goods and providing complete range of services relating to construction, addition, refurbishment, improvement of buildings, houses, and residence places as One Stop Shopping.
Registration No.	0107544000043
Registered Capital	7,054,971,235 shares
Paid-up Capital	7,041,430,018 shares

Information of company in which Home Product Center Plc. holds shares from 10 percent up

Name	Market Village Co., Ltd
Location	234/1 Petchkasem Road, Tambon Hua Hin, Amphoe Hua Hin, Prachuabkhirikhan Province 77110
Telephone	(66) 032-61-8888
Facsimile	(66) 032-61-8800
Type of Business	Management of leasing space together with provision of facilities services
Number of Issued Shares	50,000 ordinary shares at par value of Baht 100
Number of Held Shares	49,993 shares

Name	Home Product Center (Malaysia) SDN. BHD.
Location	Kuala Lumpur, Malaysia.
Type of Business	Retailing
Number of Issued Shares	1,000,000 ordinary shares at par value of 1 Malaysia Ringgit
Number of Held Shares	1,000,000 shares

Note : The Board of Directors at the meeting No.12/2012 held on 25th December 2012 passed the resolution regarding the approval to acquire the business of Mega Home Center Co., Ltd. Its initial registered capital is Baht 1,000,000.

Branches Information

1. Rangsit

100 Phaholyothin Rd., AmphoeThunyaburi, Pathumthanee 12110

2. Rattanaibet

6/1 Moo 6, Tambon Saothonghin, Amphoe Bangyai, Nonthaburi 11140

3. Fashion Island

587, 589 Ramindra Rd., Khannayao, Bangkok 10230

4. Future Mart

295 Rama 3 Rd., Bangkholeam, Bangkholeam, Bangkok 10120

5. Paradise Park

61 Srinakarin Rd., Nongbon, Praves, Bangkok 10250

6. The Mall Bangkae

275 Moo 1, Petchkasem Rd., North Bangkae, Bangkae, Bangkok 10160

7. The Mall Korat

1242/2 Mittraphap Rd., Amphoe Muang, Nakhonratchasima 30000

8. Ratchadaphisek

125 Ratchadaphisek Rd., Dindang, Dindang, Bangkok 10400

9. Ploenchit

55 Wave Place Building, Wireless Rd., Pathumwan, Bangkok 10330

10. Phuket

104 Moo 5, Tambon Rasada, Amphoe Muang, Phuket 83000

11. Chiangmai

94 Moo 4, Chiang mai-Lampang Rd., Tambon Nong Pa Kruang, Amphoe Muang, Chiangmai 50000

12. Ramkhamhaeng

647/19 Ramkhamhaeng (Sukhaphibal 3) Rd., Huamark, Bangkok, Bangkok 10240

13. Rama II

45/581 Moo 6, Samaedam, Bangkhunthien, Bangkok 10150

14. Prachachuen

96/27 Moo 9, Tambon Bangkhen, Amphoe Muang, Nonthaburi 11000

15. Latphrao

669 Latphrao Rd., Chompol, Chatuchak, Bangkok 10900

16. Pattaya

333 Moo 9, Tambon Nongprue, Amphoe Banglamung, Chonburi 20150

17. Chaengwatthana

113 Moo 5, Tambon Pakkret, Amphoe Pakkret, Nonthaburi 11120

18. Had Yai

677 Petchkasem Rd., Tambon Had Yai, Amphoe Had Yai, Songkhla 90110

19. Ratchapruk

82 Moo 2, Tambon Bang Khun Kong, Amphoe Bang Kruai, Nonthaburi 11130

20. Suvarnabhumi

99/28 Moo 1, Tambon Rachatawa, Amphoe Bangplee, Samutprakarn 10540

21. Hua Hin

234/1 Petchkasem Rd., Amphoe Hua-Hin, Prachuabkhirikhan 77110

22. Samui

1/7 Moo 6, Tambon Bophut, Amphoe Kho Samui, Suratthani 84320

23. Phitsanulok

959 Moo 10, Tambon Aranyik, Amphoe Muang, Phitsanulok 65000

24. Khonkaen

177/98 Moo 17, Tambon Naimuang, Amphoe Muang, Khonkaen 40000

25. Udonthani

89/20 Moo 9, Soi Bannonglek, Tambon Markang, Amphoe Muang, Udonthani 41000

26. Suratthani

9/1 Moo 3, Tambon Makham Tia, Amphoe Muang, Suratthani 84000

27. Petchkasem

224 Petchkasem Rd., Nongkhangplu, Nong Kham, Bangkok 10160

28. Chonburi

15/16 Moo 3, Tambon Huykapi, Amphoe Muang, Chonburi 20000

29. Ekamai-Ramindra

41 Praditmanutham Rd., Latphrao, Bangkok 10230

30. Rayong

560 Sukhumvit Rd., Tambon Noenphra, Amphoe Muang, Rayong 21000

31. Ayutthaya

80 Moo 2, Tambon Bangrod, Amphoe Bangpain, Ayutthaya 13160

32. Chiangmai - Hangdong

433/4-5 Moo 7, Tambon Mae-Hiya, Amphoe Muang, Chiangmai 50100

33. Krabi

349 Moo 11, Tambon Krabinoy, Amphoe Muang, Krabi 81000

34. Phuket - Chalong

61/10 Moo 10, Tambon Chalong, Amphoe Muang, Phuket 83130

35. Khao Yai

288 Moo 11, Tambon Nong Nam Daeng, Amphoe Pakchong, Nakhonratchasima 30130

36. Nakhonpathom

752/3 Petchkasem Rd., Tambon Huai-Charakhe, Nakhonpathom 73000

37. Nakhonratchasima

384 Mittraphap Rd., Amphoe Muang, Nakhonratchasima 30000

38. Lumlukka

99 Moo.6, Tambon Buengkhamphroi, Amphoe Lumlukka, Pathumthanee 12150

39. Sukhaphiban 3

101 Ramkhamheng Rd., Minburi, Bangkok 10510

40. Nakhonsithammarat

89 Nakhon-Pakpanang Rd., Amphoe Muang, Nakhonsithammarat 80000

41. Chachoengsao

187/9 Chachoengsao - Bangpakong Rd., Tambon Namuang ,
Amphoe Muang, Chachoengsao 24000

42. Roi-et

116 Moo 3, Tambon Dong Lan, Amphoe Muang, Roi-et 45000

43. Suphanburi

133 Malai Maen Rd., Tambon Ruayai, Amphoe Muang, Suphanburi 72000

44. Lopburi

85 Moo 6, Tambon Thasala, Amphoe Muang, Lopburi 15000

45. Sakonnakon

689/1 Nittayo Rd., Tambon That Choeng Chum, Amphoe Muang,
Sakonnakon 47000

46. Trang

196 Moo 4, Tambon Ban Kaun, Amphoe Muang, Trang 92000

47. Mega Bangna

39 Moo 6, Tambon Bangkaew, Amphoe Bangplee, Samutprakan 10540

48. Buriram

499 Moo 9, Tambon Isan, Amphoe Muang, Buriram 31000

49. Hat Yai (Kanchanavanich)

33/40 Moo 5, Tambon Khohong , Amphoe Hat Yai, Songkla 90110

50. Nakhonsawan

119/2 Moo 7, Tambon Bangmoung, Amphoe Muang, Nakhonsawan 60000

51. Mahachai

68/98 Moo 8, Tambon Thasai , Amphoe Muang, Samutsakhon 74000

52. Ubonratchathani

284 Moo 7, Tambon Chaeramae, Amphoe Muang, Ubonratchathani 34000

53. Ratchaburi

208 Moo 13, Tambon Chedi Hak, Amphoe Muang, Ratchaburi 70000

Information of the referrals

Auditor

Ernst & Young Office Limited
33rd Floor, Lake Rajada Office Complex, 193/136-137 Ratchadaphisek Rd., Klongtoey, Bangkok 10110
Tel. (66) 02-264-0777 Fax. (66) 02-264-0789-90

Legal Counsel

Wissen & Co Ltd.
8th Floor Office # 3801, BB Building, 54 Sukhumvit 21 (Asoke) Rd., Klongtoey-Nua, Wattana,
Bangkok 10110
Tel. (66) 02-259-2627 Fax. (66) 02-259-2630

Share Registrar

Thailand Securities Depository Co., Ltd.
62 Stock Exchange of Thailand Building, Ratchadaphisek Rd., Klongtoey, Bangkok 10110
Tel. (66) 02-229-2800 Fax. (66) 02-359-1259

**Representative
of Debenture
Holder**

The Unsubordinated and Unsecured Debentures of Home Product Center Plc. 1/2010 and
The Unsubordinated and Unsecured Debentures of Home Product Center Plc. 1/2012
CIMB Thai Bank Plc.
44 Langsuan Rd., Lumpini, Patumwan, Bangkok 10330
Tel. (66) 02-626-7503-4 Fax. (66) 02-626-7542
The Unsubordinated and Unsecured Debentures of Home Product Center Plc. 2/2010 and
The Unsubordinated and Unsecured Debentures of Home Product Center Plc. 1/2011
Siam Commercial Bank Plc.
9 Ratchadapisek Rd., Jatujak, Bangkok 10900
Tel. (66) 02-256-2323-7 Fax. (66) 02-256-2406

Financial Information

Unit: MB

Item	Consolidated Financial Statements			Separate Financial Statements		
	2012	2011	2010	2012	2011	2010
Total Assets	25,801.00	20,678.00	16,591.99	25,729.33	20,642.93	16,543.68
Total Liabilities	15,941.10	12,556.71	10,353.78	15,904.39	12,537.41	10,332.80
Equity	9,859.90	8,121.29	6,238.21	9,824.94	8,105.52	6,210.88
Sales	34,541.55	28,363.42	24,072.76	34,542.73	28,364.67	24,073.78
Total Revenues	36,969.30	30,502.43	25,914.90	36,843.48	30,419.43	25,816.76
Net profit	2,703.09	2,005.27	1,638.43	2,684.00	2,016.81	1,627.21
EPS (Baht)	0.38	0.34	0.28	0.38	0.35	0.28
Dividend per share (Baht)*	0.222223	0.3088	0.372	0.222223	0.3088	0.372
Paid-up Capital (Million Shares)*	7,041.43	5,836.72	4,352.99	7,041.43	5,836.72	4,352.99

Remark : In the Extraordinary Shareholders' Meeting No. 1/2012 held on September 10, 2012, the meeting approved for the payment of interim dividends at the rate of 0.222223 Baht/share by dividing into cash dividends at the rate of 0.022223 Baht/share and stock dividend at the rate of 0.20 Baht/share. The meeting also approved the increase of the registered capital for the amount of 1,174.40 million shares in order to support the payment of stock dividends.

Financial Ratio

Item	Consolidated Financial Statements			Separate Financial Statements		
	2012	2011	2010	2012	2011	2010
Liquidity Ratio						
Liquidity ratio (time)	0.70	0.82	0.77	0.69	0.81	0.76
Profitability Ratio						
Gross Profit (%)	26.00	25.70	25.01	26.01	25.70	25.01
Profit from Operation (%)	10.51	10.73	10.00	10.44	10.76	9.94
Net Profit (%)	7.31	6.57	6.32	7.28	6.63	6.30
Return on equity (%)	30.07	27.93	28.62	29.94	28.17	28.54
Operation Efficiency Ratio						
Return on assets (%)	11.63	10.76	10.76	11.58	10.85	10.72
Financial Analysis Ratio						
Debts to Equity ratio (time)	1.62	1.55	1.66	1.62	1.55	1.66
Interest coverage ratio (time)	30.75	42.55	33.95	29.96	41.30	33.32

Nature of Business

Vision

To be the leader of home center business in Thailand and South East Asia.

Mission

1. We will offer the value in terms of products, services, and prices to our customers, to be the first on customer's mind.
2. We will collaborate with our business alliance to improve efficiency which leads to increasing of mutual benefits.
3. We will give the importance to and develop personnel to have working efficiency and responsibility to customers.
4. We will manage professionally according to the good governance, and to build good relationship with society and community.
5. We will seek new business opportunity for the future and to create reasonably incremental value for associated parties.

Nature of Business of Home Product Center Public Company Limited

The Company was established with objective to operate a retail business in home improvement segment by selling goods and providing complete range of services relating to construction, addition, refurbishment, renovation, improvement of buildings, houses, and residential places through One Stop Shopping Home Center under the trade name of "HomePro" which is the Company's trademark. Presently, the Company has the nature of business as follows;

1. Home Improvement Retailing, by having 2 groups of merchandise categories as follows;

Hard Line	Soft Line
Home improvement, Bathroom and Sanitary ware, Kitchen, Home appliances, Electrical equipment and Lighting	Bedding, Furniture and Household decorative goods

To provide the services relating to retail business

Due to most of the Company's products having instruction details and working process which customers need to understand, the Company has provided various kinds of related services by giving consultation and useful information for customers to make decision to select the products that mostly match the usage objectives. In addition, the Company has provided "Home Services" that includes 3D system design and HomeCare consisting of:

1. Installation Service provides services on installation, moving and solving problems.
2. Maintenance Service provides checking and cleaning of electrical appliances.
3. Home Improvement Service provides home renovation and furnishing.

Furthermore, HomePro also provides services of technician and contractor selection and placement service, products exchange service, as well as arranging DIY demonstration (Do It Yourself) and workshop for customers etc.

2. To provide space rental service for retail tenant stores

The Company has arranged for its rental space in some branches to provide the service for retail tenant shops. At the same time, the Company has developed the format of its branches so called HomePro Village which operates the business in the form of full service shopping center. Inside the project, in addition to HomePro's branch, there are areas of shopping center in which most of tenants consist of supermarkets, restaurants, banks, bookstores, and IT shops etc.

As of December 31, 2012, the Company has a total of 4 branches in the format of HomePro Village: Suvannabhumhi branch, Hua Hin branch, Phuket-Chalong branch and Ratchapruck branch.

Nature of Business of Subsidiary

1. Market Village Co., Ltd. ("Market Village") was incorporated, on May 26, 2005, located at 234/1 Petchkasem Road, Tambon Hua-Hin, Amphoe Hua-Hin, Prachaukirikhan Province, in which Home Product Center Plc. holds 99.99% of total shares. Presently, its registered capital is Baht 5 million. Market Village was formed with objectives to manage rental space for Home Product Center Plc., and to provide utilities services to tenants. In the first quarter of 2006, it commenced operation on the "Hua-Hin Market Village" project which is located at Petchkasem Road, Amphoe Hua-Hin, Prachaukirikhan.
2. Home Product Center (Malaysia) Sdn. Bhd. was incorporated on July 28, 2011, located at Kuala Lumpur, Malaysia, in which Home Product Center Plc. holds 100% of total shares. Its registered capital is 1 million Malaysia Ringgit. Home Product Center (Malaysia) Sdn. Bhd. was formed with objective to operate a retail business in home improvement segment in Malaysia, Presently, it is still not operational.

Revenue Structure

Revenue of Company and subsidiaries consist of sales revenue and other revenues. Total structure of revenue can be classified by the line of products as follows:

Unit: MB

Item	2012		2011		2010	
	Amount	%	Amount	%	Amount	%
1. Revenue from retailing						
• Hard Line	28,049.1	75.9	23,187.7	76.0	19,850.6	76.6
• Soft Line	5,936.9	16.1	4,855.5	16.0	3,989.4	15.4
2. Revenue from project sales ¹	555.6	1.4	320.2	1.0	232.7	0.9
Total Revenue from Sales	34,541.6	93.4	28,363.4	93.0	24,072.8	92.9
3. Other income ²	2,427.7	6.6	2,139.0	7.0	1,842.1	7.1
Total	36,969.3	100.0	30,502.4	100.0	25,914.9	100.0

Remark

1. Revenue from project sales is from the purchase of project owners which cannot be categorized per product lines.
2. Other income includes revenue from rental of space, in-store promotion fee etc.

Supply of Products

The Company sources products by:

1. **Purchase order.** The Company makes the purchase order of products categorized by product lines from both domestic and overseas manufacturer or sales agent, in which the Company mainly emphasizes on quality and variety of products.

Currently, the Company sources products from more than 700 manufacturers and sales agents which, throughout the time, provided good support and cooperation, in terms of advertisement, public relation, joint sale promotion, joint planning of sale strategies, support and joining new branch to be opened.

2. **Make to order.** The Company orders manufacturing of Private Brand and House Brand from both domestic and overseas manufacturer. The Company will initially select the manufacturer by considering factors including being certified of manufacturing standard, reputation, quality of service and types of harmonized operation. Moreover, the Company also visits the factory from time to time and inspects products in order to ensure the overall quality.

Market and Competitive Condition

The Company is the leader in home improvement retailing which offers a full range of complete services. As for competitors, the Company has classified other operators who sell goods in similar nature as follows:

1. Operators of Home Center

- HomeWorks is a retail business unit of home products by Central Retail Corporation Group of Companies. There are currently 7 branches in operation.
- Thai Watsadu is a retail business unit of construction materials by Central Retail Corporation Group of Companies. It operates in form of warehouse store to sell construction materials, home improvement goods and equipments. It has currently 23 branches in operation.
- Global House operates the business of selling products in the form of warehouse store. Products include construction materials, decorative goods, tools, equipments to be used for construction, addition, decoration of house and garden. It is managed by the Siam Global House Plc. There are currently 19 branches in operation.

However, the Company believes that this business still has plenty of potential and marketing opportunities and that the increase of such business operators will help stimulate consumers familiarity and more rapidly change their behavior to purchase products from Modern Trade home centers.

2. Specialty Store Retail businesses who focus on selling specific goods as follows:

- Ceramic, Sanitaryware, and Kitchenware stores i.e. Boonthavorn, Grand Home Mart.
- Furniture and Home decoration stores i.e. Index Living Mall, IKEA
- Retail stores that sell only construction materials i.e. Cement Thai Home Mart, Thai Watsadu.
- Other Specialty Stores.

3. Operators of large retail business in the group of Hypermarket

These businesses mainly aim at selling of consumer goods and edible products, not home products. While some groups of products sold may overlap, their main customer targets are different.

Risk Factors

The Company separately explains the risk factors which may affect the operations of business as follows:

1. Business Risk

The year 2012 was the beginning of the recovery of the Thai economy after the severe flood crisis in the last quarter of 2011. Despite unfavorable condition of Thailand's export, the local purchasing power had quickly revived. High growth of wholesale and retail business is resulted from the low comparing base during the flood and the high growth of consumer spending which is increased for all sectors especially for vehicles, constructions, foods and energy. This corresponds to the continuing increased of consumer confident index including the interest rate at a low level which is supported to the growth of demand. Also, it is together with the effect that not only the unemployment rate is at a lower level and the increasing of minimum wages in the economy but also with the tax incentives for the first car buyer.

Real estate business still continues to grow reflecting from the increase of outstanding of personal loans for commercial real estate and transferred ownership of housing in Bangkok and metropolitan area. This is in line with the highest level of confidence of entrepreneur in three years.

The Company, however, has closely kept abreast of situation in order to plan and find measures and strategies to prevent the risks that may occur, and to operate the business so as to successfully reach the planned target.

1.1 Inventory

As of December 31, 2012, 2011, and 2010, the Company had net Inventory equal of Baht 5,352.54 million, Baht 4,382.50 million, and Baht 3,714.23 million respectively. The average inventory turnover period of 2012 and 2011 were at 70 days, and 2010 was at 67 days.

However, the Company has been continually attempting to increase the turnover of Inventory, whether by developing of service quality of sale persons, continual sales promotion, improving products display and store ambience, regularly adding new products to the store, including attempting to reduce the volume storing level. For the reduction of inventory, in 2006, the Company has expanded space of the distribution center. As of December 31, 2012, the total area amounted to 133,000 square meters and the Company also plans to expand the distribution center area, in order to support the increase the number of branches in the future and to manage inventory more efficiently.

1.2 Investment

As of December 31, 2012, the Company has branches in operation totaling 53 branches. The new branches in 2012 were Trang, Mega Bangna, Buriram, Hat Yai (Karnjanavanit), Nakhonsawan, Mahachai, Ubonratchathani and Ratchaburi.

Since the Company has a policy to continuously increase branches, there may be a risk with respect to the result of performance of new branches that may not be as forecasted. This will affect the result of the overall operation. The Company avoids the risk by analyzing the investment return before every investment decision, and preparing the action plan and annual budget. When a new branch starts operating, the results of operations and progress plan are being followed up on a monthly basis. This will facilitate the Company to set the plan for handling the risk and to solve problems which may occur in timely manner.

1.3 Operation

The Company has the risk of loss or damage of property due to the operation of the sale personnel, and has set up a work unit to handle with such risk, that is Loss Prevention Unit, which is responsible for laying preventive and safety system against various risks of the Company including the risk that the employees may incur from the operation.

1.4 Accounts Receivable

The Company has divided the customers into 2 groups: retail customer and group of contractor and project owner. The retail customer is customer at store who purchases products by cash, the group of contractor and project owner is customer who purchases products by credit term with large volume. The major sales revenue comes from retail customer. As in 2012, the proportion of cash sales was at 98.0% to total sales. For 2011 and 2010, the proportion was 99.0%. However, for the credit sales, the Company will consider only project that has reliable financial status, which the company has analyzed the result of operation and financial status or having the contractor place with a letter of guarantee as security against debt payment, etc.

As of December 31, 2012, 2011, and 2010, the Company has accounts receivable of Baht 312.72 million, Baht 216.34 million, and Baht 164.02 million, in which mainly consisted of trade accounts receivable from project owners sales and credit card sales. The allowance for doubtful bad debts was set to be approximately Baht 1.34 million, Baht 1.74 million, and Baht 2.65 million, which the management have already estimated the debt repayment period and have evaluated financial status of each debtor. The Company believes that the allowance for doubtful bad debts has been set sufficiently and appropriately.

For other receivables, they mainly consisted of receivables from sale support of promotional activities from business partners. The Company had other receivables of Baht 915.75 million, and the allowance for doubtful bad debts of Baht 1.98 million.

1.5 Impacts from flood crisis

Flooding crisis in 2011 has affected the Company in many aspects, including property damages, loss of sales volumes from some branches located in flooding area, which were temporarily closed and transportation problem which impacted on the supply chain system which involved from product procurement to product delivery to customers.

The Company has prevented the risk by having built the flood prevention systems in the risk expected area, for instance, building of flood wall, rising of floor level and having established the reserved fund to compensate damages arising from flood.

2. Competitive Risk

The Company operates a retail business with products relating to houses and residential places where there are both direct and indirect competitors such as retailing shops, department stores, specialty stores, and general small retail shops. The Company has differentiated itself by focusing on offering a variety of products and complete range of services for construction, repairing, decoration, and addition. Also, the Company provides a team of experts for several kinds of system work such as electrical system, plumbing, and related installation, etc.

Furthermore, the Company has concentrated on strengthening efficiency of internal management in order to improve, its capability and advantages against both local and international competition in the future.

3. Legal Risk

The laws which are relevant and may cause a risk to business operation are as follows:

1. The Bangkok Metropolis Town Planning Law

The Town Planning Law has the objectives to be a guidance on the national development and to support the expansion in the future. If there shall be modification of the town planning in the future, the Company will not be affected from this limitation, as the Company had put its investment to cover areas in major cities of almost all provinces. On the other hand, it is being seen as a restriction on business expansion of competitor, which is a benefit to the Company.

2. The Trade Competition Act

In 2006, the Trade Competition Commission has adopted its resolution on the Guideline for Unfair Trade Practices in the Wholesale/Retail Business, by virtue of the Trade Competition Act B.E. 2542 into 8 ways as follows:

1. Unfair price fixing.
2. Unfair request for economic benefit.
3. Unfair returning of goods.
4. Unfair use of agreement of sell on consignment.
5. Coercion to Purchase or to pay for service fee.
6. Unfair use of personnel of manufacturer/vendor.
7. Refusing to accept products by order/customized made as its own private brand, or of House Brand.
8. Other unfair practices.

Such 8 clauses of Guideline for unfair trade practices have affected the modern retail business. However, in order to perform the business in conjunction with the above announcement, the Company has agreed with its business partner in amending the agreement to be more specific and clearer.

3. Anti - Dumping and Countervailing Act B.E. 2542 (1999)

At present, the Company has imported many categories of goods from overseas. In 2010, there was also a reduction in import duty for goods imported from a country that is a party in the Agreement on Economic Cooperation. Therefore, according to the agreement, a manufacturer in Thailand may possibly file complaint regarding dumping.

In 2012, there was no any manufacturers file complaint regarding Anti-Dumping Act.

4. The Safeguard Measure on Increased Imports Act B.E 2550 (2007)

In 2012, there was the appeal to issue Safeguard Measures Against the Increased Imports of Glass Block Products according to the Protection Measures Against Importation of Additional Goods Act B.E. 2550 (2007) (the "Safeguard Act"). This has minor impact to the Company as the Company can switch to buy from some other sources.

5. The Industrial Product Standards Act

The open market trade of the ASEAN Community oncoming will result in the increasing of imported products and goods. The Thai's government should adapt measures to control and protect the consumer from imports. One of the measures is to set out the decree to standardize the imported product/goods. For instance; some of the items that formerly can be imported without permission will be requested to get the prior approval for Industrial Product Standards that may affect the Company on the flexibilities of importing products that may be more controlled in the future.

Shareholding Structure

The first ten shareholders holding the shares on the closing date as of October 17, 2012 having paid-up registered capital in the total of 5,867,431,501 shares consists of:

Rank	Name of natural person / Juristic Person	No. of Shares	% of total Paid-up shares
1.	Land and Houses Public Company Limited	1,766,850,492	30.1
2.	Quality Houses Public Company Limited	1,160,793,219	19.8
3.	Mr. Niti Osathanuklor	277,417,753	4.7
4.	American International Assurance Company Limited	197,518,264	3.4
5.	Mr. Manit Udomkunnatum	180,800,000	3.1
6.	NORBAX INC.	172,191,801	2.9
7.	Thai NVDR Company Limited	138,187,794	2.4
8.	Mr. Khunawut Thumpomkul	84,604,420	1.4
9.	STATE STREET BANK AND TRUST COMPANY	75,483,110	1.3
10.	Sarasin Co., Ltd.	74,802,667	1.3
11.	Others	1,738,781,981	29.6

Remark The above table shows the number of shares before the distribution of interim stock dividend on October 30, 2012, which the Company has distributed to shareholders whose names appeared on the closing date of the registration book on 12 October 2012, at the rate of the existing 5 shares per 1 share of stock dividend.

Foreign Limit

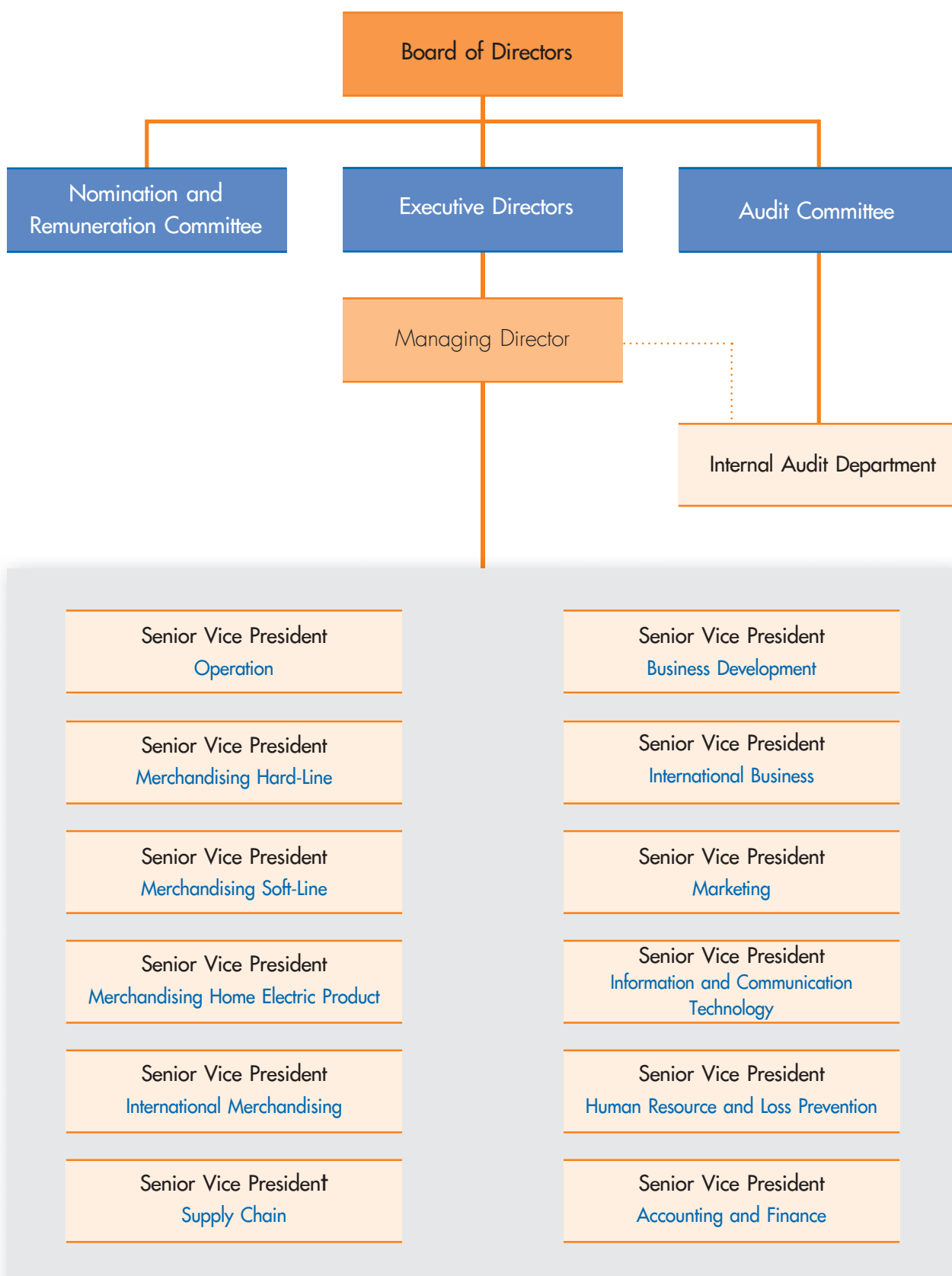
Foreign shareholders are capable to hold shares and appear their names on the Company's asset registration of totaling not exceeding 30% of the issued shares and paid up. As of December 28, 2012, the shares of the Company held by foreigner was at approximately 14%.

Director who is representative of the group of major shareholders

These following directors are the representative of major shareholders which hold shares of the Company at more than 20%

Name - Surname		Representative of Shareholders	Position
1. Mr. Anant	Asavabhokhin	Land and Houses Plc.	Chairman
2. Mr. Rutt	Phanijphand	Quality Houses Plc.	Director
3. Mr. Joompol	Meesook	Quality Houses Plc.	Director
4. Mrs. Suwanna	Buddhaprasart	Quality Houses Plc.	Director
5. Mr. Naporn	Soonthornchitcharoen	Land and Houses Plc.	Director

Organization Chart



The structure of Company's management consists of the Board of Directors, Sub-Committees, and Executive Directors. There are 3 sets of the Sub-Committees i.e. Executive Director, Audit Committee, and Nomination and Remuneration Committee, having details as follows:

1. Board of Directors has totaling 12 persons, consisting of 4 Independent Directors, 1 Director who is management, and 7 Non-Executive Directors, as follows:

Name – Surname		Position
1. Mr. Anant	Asavabhokhin	Chairman
2. Mr. Rutt	Phanijphand	Director, Executive Director and Chairman of the Nomination and Remuneration Committee
3. Mr. Joompol	Meesook	Director
4. Mr. Apichat	Natasilapa	Director and Nomination and Remuneration Committee
5. Mrs. Suwanna	Buddhaprasart	Director
6. Mr. Manit	Udomkunnatum	Director and Chairman of the Executive Director
7. Mr. Naporn	Soonthornchitcharoen	Director and Executive Director
8. Mr. Khunawut	Thumpomkul	Director, Executive Director and Managing Director
9. Mr. Pong	Sarasin	Independent Director
10. Mr. Apilas	Osatananda	Independent Director and Chairman of the Audit Committee
11. Mr. Thaveevut	Tatiyamaneeekul	Independent Director and Audit Committee
12. Mr. Chanin	Roonsamram	Independent Director, Audit Committee and Nomination and Remuneration Committee

Remark : 1. The company secretary is Ms. Wannee Juntamongkol, Senior Vice President – Accounting, Treasury and Legal.
 2. The Independent Directors are independent from the management and major shareholders of the Company.
 3. In the past 2 years, all directors have never been the employee or partner of Ernst & young Co., Ltd. which is the external audit firm of the Company.

Authorized Signatory Directors on the Company

1. Mr. Anant	Asavabhokhin	5. Mr. Manit	Udomkunnatum
2. Mr. Joompol	Meesook	6. Mr. Naporn	Soonthornchitcharoen
3. Mr. Apichat	Natasilapa	7. Mr. Khunawut	Thumpomkul
4. Mrs. Suwanna	Buddhaprasart		

Two of the seventh authorized signatory Directors are to co sign with the company's stamp.

Roles and Responsibilities of the Board of Directors

1. To manage the Company, in compliance with the Company's objectives and Articles of Association and the lawful resolutions of shareholders' meeting, and has power to perform any act specified in Memorandum of Association.
2. The Board has power to appoint directors as the Executive Directors in a number as determined by the Board, comprising of Chief Executive Director, Deputy Chief Executive Directors, who will perform any tasks designated by the Board of Directors.
3. The Board may appoint any person(s) to operate the Company's businesses under the supervision of the Board or empower the said person(s) to have power as deemed suitable by the Board. At the time deemed appropriate by the Board, the Board may revoke, cancel, or change the said power.
4. The Board must hold a meeting at least once every 3 months.
5. The directors must not operate the business of the same nature as and being in competitive with the Company's business or be a partner of the ordinary partnership, or be a partner with unlimited liabilities of the limited partnership or be a director of a private company or other companies of the same nature as and being in competition with the Company's business, whether for his/her benefits or other person(s) benefits unless it is notified to the shareholders' meeting prior to the resolution for his/her appointment.

6. The director must immediately inform the Company if he/she has direct or indirect stake in any contract or even holds shares or debentures in the Company and its affiliates.
7. The director, who has interest in any issue, shall have no right to vote on that issue.
8. Investment propositions concerning store expansion or high value non-routine investments except for the following issues must be approved by shareholders first:
 - Matters that laws and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) require the resolutions from the Shareholder's Meeting.
 - The related transaction being worth more than 3% of the latest financial statements' net tangible assets.
 - The acquisition or disposition of core assets with value more than 50% of the latest financial statements' assets.
9. In the event of tie votes, the Chairman of the Board will have a casting vote

Role and Responsibility of Chairman

1. Ensure effective operation of the Board and its committees in conformity with the highest standards of corporate governance.
2. Ensure effective communication with shareholders, host governments and other relevant constituencies and that the views of these groups are understood by the Board.
3. Set the agenda, style and tone of Board discussions to promote constructive debate and effective decision-making.
4. Ensure that all Board committees are properly established, composed, operated and build an effective and complementary Board.
5. Ensure comprehensive induction programs for new directors and updates for all directors as and when necessary.
6. Support the Managing Director in the development of strategy and, more broadly, to support and advise the Managing Director.
7. Promote effective relationships and communications between non-executive directors and members of the Group Executive Committee.

Definition of Independent Director

"Independent Director" means the director who is independent in expressing his opinion to the operation of the Company, must be a person who has no involvement or interest to the result of operation either directly or indirectly. The qualifications of the Independent Director are as follows:

1. Hold share not more than 1% of paid up capital of the Company, affiliates company, joint company, associated company, including the shares held by the related person.
2. Being independent either directly or indirectly of both financial and management of the Company or joint company or the management or major shareholders of the Company, and having no benefit or interest in such manner within 2 years before being appointed as the Independent Director, unless the Board of Director has carefully considered and see that such participation in having benefit or interest will not affect the duty performing and the independence in giving an opinion.
3. Must not be the Director who has been appointed as the representative to maintain the interest of the Director of the Company, major shareholders, or shareholders who are related to the major shareholders of the Company.
4. Must not participate in management and must not be employee, staff or consultant who receives regular salary in the Company, affiliate company, joint company, company or major shareholder of the Company.
5. Must not be related person or relatives of the executive or major shareholders of the Company.

6. Capable to perform his duty and express opinion or report result of duty performing as assigned by the Board of Directors, freely and not under the control of the Executive or major shareholders of the Company, including related person or close relatives of such person.
7. No other character that causes the inability to give opinion to operation of the Company independently.

Terms of the Director of the Company

According to every Annual General Shareholders Meeting, the directors shall retire from the position of one third, the directors who have been longest in position shall retire. A retiring director is eligible for re-election, and beside the retirement, the directors may leave from his position when:

1. Resignation
2. Death
3. Lacking of qualifications or possess prohibited character under Section 68 of the Public Company Act B.E. 2535
4. The Shareholders Meeting resolved to dismiss under Section 76 of the Public Company Act B.E. 2535
5. Dismissal ordered by the Court

2. Sub - Committees consist of 3 sets of directors i.e. Executive Directors, Audit Committee, and Nomination and Remuneration Committee, detail is as follows:

2.1 Executive Directors

Name - Surname		Position
1. Mr. Manit	Udomkunnatum	Chairman of the Executive Director
2. Mr. Naporn	Soonthornchitcharoen	Executive Director
3. Mr. Khunawut	Thumpomkul	Executive Director
4. Mr. Rutt	Phanijphand	Executive Director

Roles and Responsibilities

1. To consider and screen the issue required primary decision marking prior to be proposed for the Board of Directors' approval.
2. To consider investment, branches expansion, annual budget allocation and propose the strategies plan to the Board of Directors.

Terms of holding office

1. Executive Directors shall retire when
 - 1.1) Completion of term
 - 1.2) Leaving from being the Director of the Company
 - 1.3) Resignation
 - 1.4) Death
 - 1.5) The Board of Director has resolution to leave from the position.
2. In case of resigning, the resignation letter shall be submitted to the Chairman of the Company not less than 30 days in advance, which shall be approved by the Board of Director.
3. In case of any vacancy other than by rotation, the Board of Directors shall appoint person who is qualified to be Executive Director, in order to fill up number of directors as stipulated in the regulations by the Board of Directors.

2.2 Audit Committee consists of:

Name - Surname	Position
1. Mr. Apilas Osatananda	Chairman of the Audit Committee
2. Mr. Thaveevat Tatiyamaneeekul	Audit Committee
3. Mr. Chanin Roonsamrarn	Audit Committee

Remark : 1. Mr. Chanin Roonsamrarn is the Audit Committee who has financial knowledges and experiences to review financial statement of the Company.

2. The Audit Committee's secretary and the Internal Audit Chief is Mr. Aryuratas Chai-anan, Assist Vice President - Internal Audit.

Roles and Responsibilities

- Review the financial statement of the company to be appropriately made and accurate according to the Generally Accepted Accounting Principle with sufficient disclosure.
- Review that the Company has proper and efficient internal control and internal audit system.
- Review that the Company shall comply with laws regarding securities and Stock Exchange, regulations of the Stock Exchange of Thailand or laws relating to business of the Company.
- Consider the related transactions or transactions that may have conflict of interest to be in compliance with relevant laws and regulations.
- Review that the Company has proper and efficiency risk management system.
- Review and jointly consider with the auditor the financial report, remarks and suggestions.
- Consider, select, propose to appoint person who is independent to be an auditor of the Company and propose remuneration of the auditor to the Board of Directors of the Company.
- Consider the independence of internal audit department, also approve the appointment, relocation and termination of employment, including to consider result of annual performance of the chief of internal audit.
- Consider and approve regulations of internal audit office.
- Consider and approve annual internal audit plan including to consider the scope of audit and audit plan of internal audit and the auditor of the Company, in order to have supportive connections.
- Harmonize the understanding into the same line between Audit Committee, Management, Internal Auditor and External Auditor.
- Review and consider the result of audit reporting and recommendation.
- Review and amend the regulations of Audit Committee usually once a year to be up to date and appropriate with the organizational environment.
- Carry on examination of the matters notified by the external auditor. In case the auditor finds doubtful behavior that the director, manager or person who is responsible for the operation of the Company has committed an offence as stipulated in the Securities and Stock Exchange Act (The 4th Issue) B.E. 2551, and report the result of preliminary examination to the Office of the Securities Exchange Commission and auditor of the Company within 30 days from the date receiving notification from the auditor.
- Perform any other act as stipulated by law or the Board of Directors under approved by the Audit Committee.
- Making report on the directing and supervising of the business activities of the Audit Committee, by disclosing it in the annual report, which such report must be signed by the Chairman of the Audit Committee and must consist of minimum information as follows:
 - Opinion in relation to accuracy, completeness, reliability of the financial report of the Company.
 - Opinion in relation to sufficiency of internal control system of the Company.
 - Opinion in relation to the compliance with the law of Securities and Stock Exchange and regulations of the Stock Exchange or law relating to business of the Company.
 - Opinion in relation to the appropriate of the External auditor.

- 16.5 Opinion in relation to the transaction that may have a conflict of interest.
- 16.6 Number of the Audit Committee's meeting, and the attending to the meeting of each Audit Committee.
- 16.7 Overview opinion or remarks that the Audit Committee have received from performing his duty under the charter.
- 16.8 Other information that the shareholders and general investors ought to know, under the scope of duty and responsibility which have been assigned by the Board of Directors of the Company.

Terms of holding office

1. Taking position for 3 years of each time, including additional appointment and removal from Audit Committee.
2. In case retire from position, such person may be re-appointed.
3. Audit Committee shall leave from the position when:
 - 3.1) Completion of term
 - 3.2) Leave from being a director of the Company
 - 3.3) Resignation
 - 3.4) Death
 - 3.5) Lacking of qualification to be an Audit Committee under this regulations or by the rules of the Stock Exchange of Thailand.
 - 3.6) The Board of Director has resolution to remove from the position.
4. In case of resigning, the resignation letter shall be submitted to the Chairman of the Company not less than 30 days in advance, the approval shall be made by Board of Directors who shall then send copy of resignation letter to the Stock of Exchange of Thailand.
5. In case of any vacancy other than by rotation, the Board of Director shall appoint person who is qualified to be an Audit Committee in order to fill up the number of Audit Committee as stipulated in regulations. Persons who will be appointed as the Audit Committee shall be in position only for the time period remaining of the former Audit Committee, and shall inform the Stock of Exchange of Thailand.

2.3 Nomination and Remuneration Committee consists of:

Name - Surname		Position
1. Mr. Rutt	Phanijphand	Chairman of the Nomination and Remuneration Committee
2. Mr. Chanin	Roonsamrarn	Nomination and Remuneration Committee
3. Mr. Apichat	Natasilapa	Nomination and Remuneration Committee

Remark : On January 10, 2011, the Nomination and Remuneration Committee No. 1/2011 has a resolution to appoint Mr. Nitat Aroontippaitoon, Senior Vice President - Human Resource and Loss Prevention, to be the Nomination and Remuneration Committee's secretary.

Roles and Responsibilities

1. Select persons who deserve to be nominated as the new Directors, or select of Managing Director.
2. Determine the procedures and regulations on selection of Directors or Managing Director to ensure the transparency.
3. Set up the procedures and criterions of paying which have been fair and proper remuneration and other benefits to the Board of Directors and Sub-Committee appointed by the Board of Directors, and then propose to the Shareholders meeting for approval.
4. Consider and guide on determining remuneration and other benefits concerning duty and responsibility of the Managing Director including consider the criterions and evaluation of operation of the Managing Director in order to determine annual remuneration from the annual operation and performance.
5. Review the structure of criterions of remuneration on items 3 and 4 to fit with duty, responsibility, and operation result of the Company to be in line with market condition.

6. Consider salary budget, annual merit increase and annual reward, welfare, structure and various procedures criteria in relation to staff remuneration including other benefits of personnel of the Company and its subsidiary.
7. Prepare operation report presenting to the Board of Directors at least once a year. Set up policy of overall Employee Stock Option Plan as proposed by the Managing Director.
8. Perform other duties as assigned by the Board of Directors.

Terms of holding office

1. Nomination and Remuneration Committee shall leave from the position when
 - 1.1) Completion of term
 - 1.2) Leave from being a Director of the Company
 - 1.3) Resignation
 - 1.4) Death
 - 1.5) The Board of Director has resolution to remove from position.
2. In case of the resigning, the resignation letter shall be submitted to the Chairman of the Company of not less than 30 days in advance, approved by the Board of Directors.
3. In case of any vacancy other than by rotation, the Board of Director shall appoint person who is qualified to be the Nomination and Remuneration Committee, in order to fill up the number as stipulated in the regulations by the Board of Directors.

Selection of Directors

The Company appointed the Nomination and Remuneration Committee to determine selection of appropriate person to be nominated as the Director or Managing Director, by considering persons who have knowledge, capability and experience as required by the Company, and must not have the prohibited qualification under the rules of the Securities Exchange Commission and Stock Exchange of Thailand, the relevant laws, rules or other regulations., upon approval, the Nomination and Remuneration Committee will propose to the Shareholders Meeting in order to be adopted for the appointing as the Directors of the Company.

Criteria of vote to appoint the Company's Director in the Shareholders Meeting:

1. Each Shareholder has the vote equivalent to one vote per one share held.
2. Each Shareholder shall use all of his/her voting rights under item 1 to elect one person or more persons as the Director, but is not capable to share his/her varied voting rights to any person.
3. A person, who receives highest votes gradually order would be elected as director subject to the number of Directors allowed to be elected in such meeting. In the event of persons who have been elected in the lower order have received equal votes but there will be over the number of allowed or elected Directors in such election, the Chairman of such Meeting shall have a casting vote.

In 2012, there were 4 Directors who must be retired by rotation as follows: 1. Mr. Naporn Soonthornchitcharoen, 2. Mr. Rutt Phanijphand, 3. Mr. Manit Udomkunnatum, and 4. Mr. Apilas Osatananda. The Nomination and Remuneration Committee, having considered in accordance with the criteria of selection, viewed that all 4 directors have the qualifications required according to the Public Limited Company Act B.E. 2535 and also have knowledges, abilities, and experiences in business relating to the Company's operation. In this regard, such matter has been proposed through the resolution of the Board of Directors of the Company in order to be presented as an agenda in the Annual General Meeting of Shareholders of 2012 in which the meeting, then, has approved to re-appoint the said directors to their office for another term.

Roles and Responsibilities of Managing Director

As resolved in the Board of Directors Meeting no. 7/2544 on 21st June 2001 and the Board of Directors Meeting no. 9/2544 on 16th August 2001, the Managing Director who has authority to manage the Company as assigned by the Board of Directors and shall strictly and carefully manage the Company according to the framework or budget approved by the Board of Directors, and maintain the best interest of the Company and shareholders. Authorization of the Directors also covers other matters as follows:

1. Daily Operation and, management of the Company.
2. Approval of expense on operation, expense of selling and administrative and capital expenditure according to the budget approved by the Board of Directors, however, not including the loan and guarantee.
3. Filling the post, appointing, removing, relocating, promoting, reducing or cutting salary or wages, disciplinary punishment to the staff and employees, and order the staff and employee to leave from position according to the regulations as stipulated by the Board of Directors.
4. Other operation as assigned by the Board of Directors, by having following authorities:
 - Having authority to administrate under the objectives, regulations, policy, rules, order, and resolution of the Board of Directors meeting and the resolution of the Shareholders Meeting.
 - Having authority to operate and enter into juristic act, agreement, order or any letter for contacting with the government authority, State Enterprise, and other person, including authorities to act as necessary and proper in order to succeed on the above mentioned acts.
 - Having authority to appoint other person to be proxy to act on specific work, which must be under the rules, regulations, or order that the Board of Directors or as imposed by the Company.

However, the Managing Director is unable to approve transaction that himself or person who may have conflict of interest in any other ways with the Company or its subsidiary.

Secretary of the Company

On 20th March 2008, the Board of Directors has resolution to appoint Ms. Wannee Juntamongkol as the Secretary of the Company in order to comply with the "Securities and Stock Exchange Act (4th Issue) B.E. 2551". The Company has already notified the name and place to retain documents of the Company to the Securities and Exchange Commission on 26th August 2008. (The biography of the Secretary of the Company is at "Management information as of December 31, 2012")

Authority of Secretary of the Company

1. Facilitate for activities of the Board of Directors.
2. Follow up and coordinate with relevant person in order to be in compliance with the resolution of the Board of Directors, and closely report the result of such operation.
3. Arrange and maintain documents as follows:
 - Director registration.
 - Notice calling for the Board of Directors Meeting, Minutes of the Board of Directors Meeting, and the Annual Report of the Company.
 - Notice calling for the Shareholders Meeting and Minutes of the Shareholders Meeting.
4. Maintain the report on interests which have been reported by the directors or executives.
5. Provide advices on laws and various rules of the Stock Exchange and the Securities and Exchange Commission.
6. Manage other matters as stipulated by the Capital Market Supervisory Board.

3. Management as December 31, 2012 consists of:

Name - Surname			Position	Department
1.	Mr. Khunawut	Thumpomkul	Managing Director	
2.	Mr. Weerapun	Ungsumalee	Senior Vice President	Operation
3.	Ms. Jarusopha	Thumkathikanon	Senior Vice President	Merchandising - Soft Line
4.	Ms. Siriwan	Paimsethasin	Senior Vice President	Merchandising - Hard Line
5.	Mrs. Jariya	Sorathorn	Senior Vice President	Merchandising - Home Electric Product
6.	Ms. Tharathip	Trimankhong	Senior Vice President	International Merchandising
7.	Mr. Chaiyuth	Karunyasopon	Senior Vice President	Supply Chain
8.	Mr. Vathunyu	Visuthikosol	Senior Vice President	Business Development
9.	Mr. Anuchar	Jitjaturunt	Senior Vice President	International Business
10.	Mr. Nat	Jarlitchana	Senior Vice President	Marketing
11.	Ms. Sudapa	Chamod	Senior Vice President	Information and Communication Technology
12.	Mr. Nitat	Aroontippaitoon	Senior Vice President	Human Resource and Loss Prevention
13.	Ms. Wannee	Juntamongkol	Senior Vice President	Accounting and Finance

BOARD OF DIRECTORS INFORMATION AS OF DECEMBER 31, 2012

Name - Surname	Age	Education	Proportional share of share in Company %	Family relationship with the management	Experience in 5 years		Company Name	Type of Business
					During	Position		
Mr. Anant Asavabhokin Chairman * Appointed as the Director on 5 May 2001 ** At the present, Mr. Anant is the director of 4 listed companies and 13 non-listed companies which are not doing business competing with the Company.	63	- M.B.A. Thammasat University	0.15		1995 - Present	Chairman	Home Product Center Plc.	Home improvement retailing
		- M.S. Industrial Engineering, Illinois Institute of Technology, USA			2009- Present	Chairman	LH Financial Group Plc.	Holding
		- Bachelor of Civil Engineering Chulalongkorn University			2005 - Present	Chairman	Land and Houses Bank Plc.	Financial Institution
		- Thai Institute of Directors Association Director Certification Program (DCP) 2004				Director	L&H Property Co., Ltd.	Property development
		- Training in 2012 (None)			1985 - Present	Chairman and Chief Executive Officer	L&H Sathorn Co., Ltd.	Property development
Mr. Rutt Phaniphand Director Executive Director and Chairman of the Nomination and Remuneration Committee * Appointed as the Director on 20 Dec. 2001 ** At the present, Mr. Rutt is the director of 4 listed companies and 2 non-listed companies which are not doing business competing with the Company.	65	- M.S. in Business Ad., Fort Hays Kansas State University, Hays, Kansas, USA.			2001 - Present	Director, Chairman of the Nomination and Remuneration Committee and Executive Director	Home Product Center Plc.	Home improvement retailing
		- Bachelor Degree of Science Kasetsart University			2010 - Present	Chairman	Land and houses Fund Management Co., Ltd.	Fund management
		- Thai Institute of Directors Association Director Accreditation Program (DAP) 2003			2009 - Present	Director and Chairman of the Executive Director	LH Financial Group Plc.	Holding
		- Thai Institute of Directors Association Director Certification Program (DCP) 2005			2005 - Present	Director and Chairman of the Executive Director	Land and Houses Bank Plc.	Financial Institution
		- Thai Institute of Directors Association Financial Institutions Governance Program (FGP) 2010				Independent Director and Chairman of the Compensation Committee	Barpu Plc.	Energy
		- Training in 2012 (None)			2001 - Present	Director, President and Chief Executive Officer	Quality Houses Plc.	Property development
					2006 - 2009	Director and Audit Committee	IRPC Plc.	Energy
					2001 - Present	Director	Home Product Center Plc.	Home improvement retailing
					2006 - 2010	Director	The Confidence Co., Ltd.	Property development
					1993 - 2010	Director	Quality Construction Products Plc.	Construction supplies manufacturing
Mr. Joompal Meesook Director * Appointed as the Director on 29 May 2001 ** At the present, Mr. Joompal is the director for the Company only.	64	- MBA Thammasat University	0.03			Director, Advisor of President and Chief Executive Director	Casa Co., Ltd.	Property development
		- BS.ARCH, F.E.U., Philippines					Quality House Plc.	Property development
		- BS.CE, F.E.U., Philippines						
		- Thai Institute of Directors Association Director Accreditation Program (DAP) 2004						
		- Thai Institute of Directors Association Director Certification Program (DCP) 2008						
		- Training in 2012 (None)						

Name - Surname	Age	Education	Proportional share of Company %	Family relationship with the management	Experience in 5 years		Company Name	Type of Business
					During	Position		
Mr. Apichat Natasilpa Director and Nomination and Remuneration Committee * Appointed as the Director on 16 Aug. 2001 ** At the present, Mr. Apichat is the director of 1 listed company and 1 non-listed company which are not doing business competing with the Company.	55	- MBA, University of Southern California	-	-	2001 - Present	Director and Nomination and Remuneration Committee	Home Product Center Plc.	Home improvement retailing
		- Thai Institute of Directors Association Director Accreditation Program (DAP) 2004			1999 - Present	Director	Pine Bridge (Thailand) Limited	Investment consultant
		- Training in 2012 (None)						
Mrs. Suwanna Buddhapiasart Director * Appointed as the Director on 2 Jul. 2001 ** At the present, Mrs. Suwanna is the director of 3 listed companies and 6 non-listed companies which are not doing business competing with the Company.	58	- MBA Chulalongkorn University	-	-	2003 - Present	Director	Home Product Center Plc.	Home improvement retailing
		- Thai Institute of Directors Association Director Certification Program (DCP) 2007			2010 - Present	Director	Idea Fitting Co., Ltd.	Interior design and Furnished
		- Thai Institute of Directors Association Director Accreditation Program (DAP) 2004			2009 - Present	Director and Nomination and Remuneration Committee	LH Financial Group Plc.	Holding
		- Thai Institute of Directors Association Financial Institutions Governance Program (FGP) 2011			2005 - 2012	Director and Nomination and Remuneration Committee	Land and Houses Bank Plc.	Financial institution
		- Training in 2012 (None)			2003 - Present	Director	Casa Ville Co., Ltd.	Property development
						Director	Q.H. Management Co., Ltd	Project after-sale service
					2000 - Present	Director and Senior Vice President	Quality House Plc.	Property development
						Director	Q.H. International Co., Ltd	Rental property management
Mr. Manit Udomkunatun Director and Chairman of the Executive Director * Appointed as the Director on 29 May 2001 ** At the present, Mr. Manit is the director of 1 listed company and 14 non-listed companies which are doing business competing with the Company.	68	- Secondary	3.08	-	2000 - Present	Director and Chairman of the Executive Committee	Home Product Center Plc.	Home improvement retailing
		- Thai Institute of Directors Association (DAP) 2004			2006 - Present	Director and Chairman of the Executive Committee	Shanghai Inn Co., Ltd.	Hotel
		- Training in 2012 (None)			2004 - Present	Director and Chairman of the Executive Committee	Koh Maphrao Island Co., Ltd.	Hotel
					2001 - Present	Chairman of the Executive Committee	USI Holding Co.,Ltd.	Holding
						Director	Fashion People Co., Ltd.	Clothing
						Director	Active Nation Co., Ltd.	Sport Products Distributor
Mr. Napom Soonthanchitchaen Director and Executive Director * Appointed as the Director on 29 May 2001 ** At the present, Mr. Napom is the director of 4 listed companies and 14 non-listed companies which are doing business competing with the Company.	54	- MBA Thammasart University	-	-	1995 - Present	Director and Executive Director	Home Product Center Plc.	Home improvement retailing
		- Bachelor of Civil Engineering Chiangmai University			2009 - Present	Director	LH Financial Group Plc.	Holding
		- Thai Institute of Directors Association Director Certification Program (DCP) 2005			2005 - Present	Director	Land and Houses Bank Plc.	Financial institution
		- Thai Institute of Directors Association Director Accreditation Program (DAP) 2004			2002 - Present	Director and Senior Vice President	Land and House Plc.	Property development
		- Training in 2012 (None)			1995 - Present	Director	Land and House North-East Co.,Ltd.	Property development
						Director	Land and House North Co.,Ltd.	Property development
					1995 - 2004	Director	Assets Plus Securities Plc.	Securities trading
					1994 - Present	Director	Quality Construction Products Plc.	Construction supplies
Mr. Nopon Soonthanchitchaen Director and Executive Director * Appointed as the Director on 29 May 2001 ** At the present, Mr. Nopon is the director of 4 listed companies and 14 non-listed companies which are doing business competing with the Company.		- Training in 2012 (None)			1994 - 2011	Director	Bangkok Chain Hospital Plc.	Hospital

Name - Surname	Age	Education	Proportional relationship with the management	Experience in 5 years		Company Name	Type of Business
				During	Position		
Mr. Khunawut Thumpomkul Director, Executive Director and Managing Director * Appointed as the Director on 29 May 2001 ** At the present, Mr. Khunawut is the director of 1 listed companies and 3 non-listed companies which are not doing business competing with the Company.	55	- MBA National Institute of Development Administration	1.44	1995 - Present	Director, Executive Director and Managing Director	Home Product Center Plc.	Home improvement retailing
		- Thai Institute of Directors Association		2012 - Present	Director	Land and Houses Bank Plc.	Financial Institution
		Director Certification Program (DCP) 2001		2011 - Present	Chairman	Home Product Center (Malaysia) Sdn.Bhd	Retail business
				2005 - Present	Chairman	Market Village Co., Ltd.	Space rental
Mr. Pong Sarasin Independent Director * Appointed as the Director on 29 May 2001 ** At the present, Mr. Pong is the director of 6 listed companies and 6 non-listed companies which are not doing business competing with the Company.	85	- Ph.D. (Hon.) Business Administration Chulalongkorn University	0.22	1995 - Present	Director	Home Product Center Plc.	Home improvement retailing
		- Training in 2012 (None)		2000 - Present	Chairman	Thai Namthip Ltd.	Soft drink distribution
					Chairman	Honda Automobile (Thailand) Co., Ltd.	Manufacture and distribution of automobiles
				1996 - Present	Chairman	Shangri-La Hotel Plc.	Hotel
Mr. Apilas Osatananda Independent Director and Chairman of the Audit Committee * Appointed as the Director on 29 May 2001 ** At the present, Mr. Apilas is the director for the Company only.	78	- Ph.D. (Hon.) Agricultural Technology		2001 - Present	Independent Director and Chairman of the Audit Committee	Home Product Center Plc.	Home improvement retailing
		- Thai Institute of Directors Association		1996 - 2009	Chairman	Tokyo Leasing	Leasing
		Director Accreditation Program (DAP) 2004					
		- Training in 2012 (None)					
Mr. Thaveevat Tatiyananeekul Independent Director and Audit Committee * Appointed as the Director on 29 May 2001 ** At the present, Mr. Thaveevat is the director of 1 listed company and 1 non-listed company which are not doing business competing with the Company.	67	- Primary		2001 - Present	Independent Director and Audit Committee	Home Product Center Plc.	Home improvement retailing
		- Thai Institute of Directors Association		1989 - Present	Chairman of Executive Director	Star Fashion (2008) Co., Ltd	Apparel manufacture and distributor
		Director Accreditation Program (DAP) 2004					
		- Training in 2012 (None)					
Mr. Chanin Roonsamran Independent Director, Audit Committee and Nomination and Remuneration Committee * Appointed as the Director on 3 Oct. 2005 ** At the present, Mr. Chanin is the director of 3 listed company and 1 non-listed company which are not doing business competing with the Company.	65	- MBA, Fort Hays State University Kansas, USA.		2005 - Present	Independent Director, Audit Committee and Nomination and Remuneration Committee	Home Product Center Plc.	Home improvement retailing
		- Thai Institute of Directors Association		2010 - Present	Chief Executive Director	SBL Leasing Co., Ltd.	Leasing
		Director Certification Program (DCP) 2002		2003 - Present	Independent Director, Audit Committee, Nomination Committee, Risk management Committee and Human Resources and Remuneration Committee	The Siam Commercial Samaggi Insurance Plc.	Insurance
		- Thai Institute of Directors Association The Role of Chairman (RCM) 2002		1986 - Present	Independent Director, Audit Committee, Remuneration Committee and Nomination Committee	Thai Reinsurance Plc.	Insurance
		- Training in 2012 (None)		1996 - 2009	President and Chief Executive Officer	The Siam Industrial Credit Plc.	Financial Institution

Name - Surname	Age	Education	Proportional share of share in the management of Company %	Family relationship with the management	Experience in 5 years		Company Name	Type of Business
					During	Position		
Mr. Weerapun Ungsumalee	50	- Master of Engineering, Asian Institute of Technology	0.05	-	2005 - Present	Senior Vice President	Home Product Center Plc.	Home improvement retailing
Ms. Jansupha Thumkathikanon	53	- Bachelor of Faculty of Economics, The University of The Thai Chamber of Commerce	0.08	-	2003 - Present	Senior Vice President	Home Product Center Plc.	Home improvement retailing
Ms. Sriwan Paimsethasin	54	- Diploma in Business Computing, Dhonburi Rajabhat University	0.03	-	2011 - Present 2007 - 2011	Senior Vice President Vice President - Appliance Products	Home Product Center Plc.	Home improvement retailing
Ms. Jariya Sorathorn	54	- Master's Degree Program in Social Work, Thammasat University	0.07	-	2007 - Present 2005 - 2007	Senior Vice President Vice President - The Power	Home Product Center Plc.	Home improvement retailing
Ms. Tharatip Trimankhong	52	- Junior High School	0.27	-	2000 - Present	Senior Vice President	Home Product Center Plc.	Home improvement retailing
Mr. Chaiyuth Karunyasapon	54	- Bachelor of Faculty of Finance, Ramkhamhaeng University	0.02	-	2007 - Present 2006 - 2007	Senior Vice President GM - Contract Logistics	Home Product Center Plc. DHL Exel Supply Chain Thailand	Home improvement retailing Logistics services
Mr. Vathunyui Visuthikol	48	- MBA, Georgia State University, USA.	0.08	-	2002 - Present	Senior Vice President	Home Product Center Plc.	Home improvement retailing
Mr. Anuchart Jitjaturut	49	- MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University	0.11	-	2002 - Present	Senior Vice President	Home Product Center Plc.	Home improvement retailing
Mr. Nat Jaritichana	52	- MBA, Kasetsart University	0.08	-	2006 - Present	Senior Vice President	Home Product Center Plc.	Home improvement retailing
Ms. Sudapa Chamod	39	- MBA, Asian Institute of Technology	-	-	2012 - Present 1999 - 2012	Senior Vice President Senior Manager	Home Product Center Plc. Accenture Solutions Co., Ltd.	Home improvement retailing Management Consulting
Mr. Nitai Aroontipattanon	47	- MBA, National Institute of Development Administration	0.05	-	2010 - Present 2005 - 2010	Senior Vice President Vice President - Internal Audit	Home Product Center Plc.	Home improvement retailing
Ms. Wannee Juntamongkol * Appointed as the Secretary of the Company on 21 Mar 2008	48	- MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University - Commerce and Accountancy of Chulalongkorn University	0.08	-	2005 - Present	Senior Vice President	Home Product Center Plc.	Home improvement retailing

Detail of Directors and Management who are Authorized to Control Subsidiary

Name - Surname			Home Product Center Plc.	Subsidiary	
				Market Village Co., Ltd.	Home Product Center (Malaysia) SDN. BHD.
1.	Mr. Anant	Asavabhokhin	Chairman		
2.	Mr. Rutt	Phanijphand	Director		
3.	Mr. Joompol	Meesook	Director		
4.	Mr. Apichat	Natasilpa	Director		
5.	Mrs. Suwanna	Buddhaprasart	Director		
6.	Mr. Manit	Udomkunnatum	Director		
7.	Mr. Naporn	Soonthornchitcharoen	Director		
8.	Mr. Khunawut	Thumpomkul	Director and Managing Director	Chairman	Chairman
9.	Mr. Pong	Sarasin	Independent Director		
10.	Mr. Apilas	Osatananda	Independent Director		
11.	Mr. Thaveevat	Tatiamaneekul	Independent Director		
12.	Mr. Chanin	Roonsamrarn	Independent Director		
13.	Mr. Weerapun	Ungsumalee	Senior Vice President		
14.	Ms. Jarusopha	Thumkathikanon	Senior Vice President		
15.	Ms. Siriwan	Paimsethasin	Senior Vice President		
16.	Mrs. Jariya	Sorathorn	Senior Vice President		
17.	Ms. Tharathip	Trimankhong	Senior Vice President		
18.	Mr. Chaiyuth	Karunyasopon	Senior Vice President		
19.	Mr. Vathunyu	Visuthikosol	Senior Vice President	Director	
20.	Mr. Anuchar	Jitjaturunt	Senior Vice President		Director
21.	Mr. Nat	Jarlitchana	Senior Vice President		
22.	Ms. Sudapa	Chamod	Senior Vice President		
23.	Mr. Nitat	Aroontippaitoon	Senior Vice President	Director	
24.	Ms. Wannee	Juntamongkol	Senior Vice President	Director	Director

Remuneration for the Directors and the Executives

1. Remuneration for the Directors

Basis of remuneration for the Directors are remuneration for giving advice on any matters to working team of the Company and fees for the meeting, which the Company normally has at least the Board of Directors Meeting once a month, and the Meeting of sub-committees, i.e. Audit Committee Meeting, Executive Committee Meeting, Nomination and Remuneration Committee Meeting.

The Nomination and Remuneration Committee and the Company's board of directors has considered to specify the remuneration for directors by relying on the Company's overall operating results, the payment of dividends to shareholders, obligations and responsibilities of each committee. For the criteria of remuneration payment, the Company will base on the same criteria as used for the payment of the director's remuneration of the Company which operates in the same type of business.

On 4 April 2012, the Shareholders Meeting of 2012 has a resolution to grant the annual remuneration not exceeding Baht 12,000,000 and pension to the directors not exceeding Baht 17,000,000. Details of remuneration payment are as follows:

1. Monthly Remuneration

- Chairman Baht 80,000 /person/ month
- Director Baht 40,000 /person/ month

2. Remuneration for Meeting for the Board of Directors Meeting and Sub-Committee Meeting which shall be paid according to the number of meeting attendance.

- Chairman Baht 30,000 /person/ month
- Director Baht 20,000 /person/ month

Details of Board of Directors' remuneration in 2012 are as follows;

Name – Surname	Meeting Allowances				Pension	Total (Baht)
	Board of Director	Executive Director	Audit Committee	Nomination and Remuneration Committee		
1. Mr. Anant Asavabhokhin	1,290,000	-	-	-	2,615,385	3,905,385
2. Mr. Pong Sarasin	640,000	-	-	-	1,307,692	1,947,692
3. Mr. Rutt Phanijphand	680,000	200,000	-	90,000	1,307,692	2,277,692
4. Mr. Joompol Meesook	720,000	-	-	-	1,307,692	2,027,692
5. Mr. Apichat Natasilapa ¹	720,000	-	-	60,000	1,307,692	2,087,962
6. Mrs. Suwanna Buddhaprasart	700,000	-	-	-	1,307,692	2,007,692
7. Mr. Manit Udomkunnatum	680,000	330,000	-	-	1,307,692	2,317,692
8. Mr. Naporn Soonthornchitcharoen	720,000	220,000	-	-	1,307,692	2,247,692
9. Mr. Khunawut Thumpomkul ²	720,000	220,000	-	-	1,307,692	2,247,692
10. Mr. Apilas Osatananda	700,000	-	360,000	-	1,307,692	2,367,692
11. Mr. Thaveevat Tatiyamaneekul	720,000	-	220,000	-	1,307,692	2,247,692
12. Mr. Chanin Roonsamrarn	700,000	-	240,000	60,000	1,307,692	3,307,692
Total	8,990,000	970,000	820,000	210,000	17,000,000	27,990,000

Remark : 1. Mr. Apichat Natasilapa, an authorized person of Pine Bridge (Thailand) Limited, received remuneration in the name of Pine Bridge (Thailand) Limited.

2. Mr. Khunawut Thumpomkul, holding the position of Director and Managing Director, received compensation as the meeting allowance and Director's fee. However, salary and bonus were included in the remuneration of the Executive.

2. Other Benefits in addition to Director Remuneration

Besides the Director remuneration as item 1 above, the Company has given other benefits to the Directors only the welfares benefit for buying goods with discount, which the given discount are as specified in the Articles of Association of the Company having been approved by the shareholders meeting, and that such welfares benefit was given by the Company at the rate not higher than the rate the Company gives to general VIP customers which is fixed at the highest rate not more than 10%.

3. Remuneration for the Executives

The Company has criteria on the making of payment of the remuneration to the Executives by considering from knowledge, capability, experience, and performance, and by comparing with other companies in the same industry.

Remuneration of 12 Executives for the year 2011 and 2012 consisted of salary, bonus, and other remunerations for the total amount of Baht 59.9 million and Baht 70.9 million respectively. Moreover, the Executives of the Company have also received other remunerations in form of warrant to buy ordinary shares of the Company.

Human Resources

Detail of numbers of employee during year 2010 - 2012.

Number of Employees	31 Dec 2010	31 Dec 2011	31 Dec 2012
Head Office	1,405	1,432	1,910
Branches	4,568	5,369	6,238
Total (persons)	5,973	6,801	8,148
Number of Branches	40	45	53

Remark: The number of employees in each year already includes some of employees of the branches which will be opened next year.

On December 31, 2012, the Company had a total of 8,148 permanent employees with related personnel expenses of Baht 2,627 million.

The Board of Directors realizes the importance of Corporate Governance and believes that the good Corporate Governance is the crucial factor for business operation, in order to efficiently and effectively manage the business to have stability, continuous growth and fairness to all stakeholders. From such reasons, the Board of Directors stipulates the Corporate Governance Policy, having content covering the important principle on the rights of shareholders, equitable treatment to shareholders, considering to the roles of interest person, disclosure of information and transparency, and responsibility of the Directors, in order to be guideline for managing business to achieve the company's objectives and goal that have been set according to business policy sticking to correctness and transparency. The policy of Corporate Governance of the Company is disclosed at <http://hmpro.listedcompany.com/>

1. Rights of Shareholders

The Board of Directors of the Company gives the importance to the right of shareholders by not performing any act that violates or lessens the rights, and to facilitate the exercise of rights on various matters. It is then the guideline of operation is set in order to ensure that shareholders that they will be protected under the basic rights as follows:

- The Company gives an opportunity to the shareholders to propose agenda and propose the name list to be appointed as directors, including to pass question about the Company in the shareholders meeting in advance, which the company has notified the rules and supplementary documents on the website of the Company since November 5, 2012. However, shareholders may submit such question until January 15, 2013.
- The Company has delivered the notice calling for the meeting with information, documentation supplement to each agenda with proxy to shareholders 7 days or 14 days (as the case may be) prior to the meeting date, or as stipulated by law of both Thai and English language, including the Company's Articles of Association in relation to the Shareholders Meeting and casting of vote.
- In case the shareholders are unable to attend the meeting, they may give proxy to the Independent Directors in casting the vote instead or may indicate their own vote. In 2012, the Company has arranged for Mr. Chanin Roonsamrarn to be the proxy director.
- Prior to the meeting commencement, the Board of Directors will explain to the shareholders to acknowledge the rights under the Articles of Association of the Company, the proceeding of the meeting, casting the vote, including the giving of the rights to shareholders to raise questions and express opinion equally.
- After the meeting, the Company will notify the meeting minutes to the Stock Exchange of Thailand (SET) within the time frame specified by the SET, together with detail of voting result in each agenda. Generally, the meeting minutes will be reported to the SET within 14 days and also publicized it on website of the Company.

2. Equitable Treatment of Shareholders

The Company, being aware of the importance, ensures that the every shareholder, whether executive shareholders, non-executive shareholders, and foreign shareholders should receive equitable and fair treatment.

The Company has policy to prevent the use of inside information which is prescribed in the ethic handbook, and has disclosed to staff, executive, and director of the Company. The policy and method to control executive in private use of internal information of the Company are as follows:

- Provide knowledge to executive in each department in relation to duty that executive shall report the holding of securities of the Company and penalty under the Securities and Stock Exchange Act B.E. 2535 and under the regulations of the Stock Exchange of Thailand.
- The Company has required the executive to report the change of securities holding to the Office of Securities and Stock Exchange Commission under Section 59 of the Securities and Stock Exchange Act B.E. 2535, and delivered copy of such report to the Company on the same day as sending to the Securities and Stock Exchange Commission.

- The Company has notified to the executive to restrain from the purchase and sale of securities of the Company 1 month before disclosing of financial statements every quarter. Or, in the event that there may be any inside information which may impact to a price of the Company's securities to the public, all executives and directors are required to restrain from purchase and sale of securities as well. The disclosure of material information to other person is not allowed and such has been notified via e-mail.

In the year 2012, the directors and executives of the Company did not buy and sell securities by using internal information and did not violate the regulations of buying and selling securities or enter into any related transaction as per the regulation of the Securities and Exchange Commission.

However, if there is the violation of regulations mentioned above, the Company will proceed with discipline punishment as appropriate as the case may be.

3. Roles of Stakeholders

The Company has stipulated the regulations for the interest person in the "Handbook of Business Ethic" of the Company in order to ensure that the Company will comply with in order to provide the rights to interest person under the relevant laws, whether the shareholder, staff, customer, business partner, community, society, and environment. Moreover, the Company has also strengthen cooperation with the interest person in each groups in order to be able to ensure business sustainability with the fair benefits to all parties, in order to build the long-term success.

Shareholder

Shareholders and interest person may file complaint, or communicate or notify matters relating to the Company through the director or audit committee at <http://hmpro.listedcompany.com>

- Communication with the Director of the Company. In case requiring for notifying or communicating in relation to operation of the Company, by such information will be sent to the Managing Director at http://hmpro.listedcompany.com/contact_board.html
- Communication with the Audit Committee. In case requiring for filing complaint in relation to violation of laws or ethics, accounting doubt, internal controlling, etc. Such information shall be sent to the office of internal audit of the Company in order to be compiled and proposed to the Audit Committee for further consideration at http://hmpro.listedcompany.com/contact_audit.html

Business Partner

The Company complies with the Trade Competition Act according to the resolution of the Trade Competition Commission in year 2006, announced to be as Guideline for Unfair Trade Practices in the Wholesale/Retail Business by virtue of the Trade Competition Act B.E. 2542.

To be able to operate business according to the above announcement, the Company has mutually agreed with business partner to amend the provision of the agreement to be more specific and clearer.

The Company treats its business partners as if they were partner in the business with the company. The selection criteria are as follows:

1. Have a reliable financial record and have the capability to grow together with the Company in the long term.
2. Produce or sell goods with quality that meets the need, and the quality can be inspected.
3. Provide support sale promotion and after-sale service to customers.

In addition, the Company has the policy to comply with the laws on Intellectual Property by not selling goods infringing copyright and trademark. The Company shall inspect this first, prior to making the selection of goods for sale. If there is no infringing, the Company then shall properly proceed with the registration.

Creditor

For the operation of business, the Company shall attach to the conditions of its finance creditors, both all debenture creditors and financial institution creditors, as follows:

1. The Company must maintain Financial Debt to Equity Ratio of not over 1.75:1 times as ended each quarter.
2. The Company shall not sell, distribute, dispose or transfer property or assets whether in whole or in part unless such act shall not cause any effect to the ability to make the repayment of debts to finance creditor or such act is due to normal business practices of the Company or is the act for the purpose to establish immovable property mutual fund or Real Estate Investment Trust.

Employee

The Company has been realized that the employees are important resources and very valuable key for the business operation. The Company places an importance on personnel development to enhance staff potentiality, and their responsibility to work and customers in order to handle business challenges and opportunities, including work satisfaction and happiness, and having sense of belonging to the Company under the human resource management as follows:

1. To seek and recruit employees with knowledge, ability and attitude in compliance with organization culture.
2. To take care of, so the employees has been receiving fair remuneration and suitable to their responsibilities and provide other benefits and welfares at a competitive level with better conditions.
3. To take care of human resource management with the realization of performance, ability, work potentiality, and credible evaluation system for consideration of promotion and career advancement.
4. To build up the ambiance atmosphere and working environment with convenience and safety and organize activities to encourage happiness at work and create value to society regularly.
5. To support participations at work by according due importance to internal communication in order to share goals and achievements of the organization.
6. To support a recognition and behavior in accordance with the organization culture which focuses on service mind, commitment to success, team work, continuous learning and ethical adherence.
7. To promote and support employees' work operation and attitude towards proactive strategy, creativity and inspiration to lead to a good skill on management, ranged from planning, operating, monitoring and evaluating, as well as appropriate decision making and problem solving.
8. To allocate appropriate and sufficient budget for developing staff at all levels to optimize their potentials whether in their work ability, management efficiency and attitude and team work in order to support and provide career growth opportunity to them.

Customer

The Company aims to operate business on the basis of highest satisfactory of customer and in order to operate according to the objectives, the Company has policy and procedures to customer as follows:

1. Strictly deliver goods and provide service under the conditions as agreed with customer. In case of the inability to comply with the conditions, the Company will notify customer in order to find the solution.
2. Giving information and suggestion about the products and services, including relevant commercial terms correctly, completely, not exaggeratedly which may cause misunderstanding to the customer.
3. Giving opportunity for customer to suggest or complain about the products and services, including servicing of staff or any inconvenience that customer has experienced via website; www.homepro.co.th or Call Center number 02-831-6000

Community, Society and Environment

The Company continuously drove “Kid’s toilet project” with determination to improve quality of life and sanitation of toilet usage for student. In 2012, the Company contributed toilets which received national public toilet standard or HAS (Healthy, Accessibility and Safety) from the Department of Health, the Ministry of Public Health in Trang, Samutprakan, Buriram, Hat Yai, Nakhonsawan, Samutsakorn, Ubonratchathani and Ratchaburi. Since beginning of project in December 2006 to end of 2012, the Company has operated for 100 schools in 28 provinces with over 1,309 toilets in total. Since the beginning of the project, the Company contributed toilets as follows;

Year	No. of Provinces	No. of Schools	No. of Toilets
2006	1	3	20
2007	6	20	215
2008	3	11	131
2009	4	18	210
2010	5	11	219
2011	5	17	200
2012	7	20	314
Total		100	1,309

4. Disclosure and Transparency

The Board of Directors has given the importance to the disclosure of information which are accurate, complete, transparent, in timely manner, and equitably distributed to the investor and stakeholders to acknowledge, of both financial reports and material information that affect the value of the Company’s Securities which will be disclosed through the publication of the Stock Exchange of Thailand and website of the Company.

The Company has the Investor Relationship office to be responsible for giving information and hearing to opinion of shareholders and investor regularly, by contacting Mr. Rakpong Aroonwatdhana, Tel. 02-832-1416 or via e-mail at ir@homepro.co.th Furthermore, the Company has also provided the opportunity to communicate and activities between shareholders, investors and high rank executive of the Company, apart from the Annual Shareholders Meeting as follows:

Website	<p>The Company has presented the operational result, annual report, annual transactions information 56-1 form, minutes of shareholders meeting, news about the Company, news notified to the Stock Exchange, webcast, documentations supplemented to the analyst meeting and contact channel, and also distribute information of the Company in relations to Corporate Governance, Board of Directors and Executives Chart, shareholding structure. To facilitate and provide equal opportunity in searching information, such have been prepared in both Thai and English version.</p> <p>The shareholders, investors, and interested person of the Company may express opinion and propose additional agenda to the meeting and propose the person who has qualification to be the director before the Company will send a notice calling for the meeting through website.</p>
Analyst Meeting	<p>The Company has arranged for the meeting for the analyst and investors, including shareholders who are interested in disclosing the operational result on every quarter for 4 times in 2012. The Company also provided the investor information release to investors every quarter.</p>
One on One meeting and Company visit	<p>All through 2012, the Company opened the opportunity to analysts, shareholders and institutional investors both domestic and international to meet with the executives of the Company, including conference calls, in order to answer the questions relating to the operations of business for the total of 135 times, welcoming group of people for their company visit of 27 times, and also joining the Opportunity Day, the event to meet investors conducted by the Stock Exchange of Thailand.</p>
Road Show	<p>In 2012, the Company attended the conference and Road show as arranged of both domestic and international totaling 14 times as follows:</p> <ol style="list-style-type: none"> 1. Having met foreign investors as arranged by Financial Institution in Thailand for 6 times 2. Joining the Conference and Roadshow in England and the other countries in European continent, Singapore and Hong Kong for 8 times.
Press Conference and Media Relationship	<p>The Company has made the press conference once about the annual business result in 2011 and direction to operate business in 2012. At the same time, the Company has as well prepared the Press Release for the media. Occasionally, the Company also provided the press for marketing activities and update for business progress.</p>

5. Board Responsibilities

Board of Directors of the Company consists of 12 persons as follows:

- 1) 4 Executive Directors
- 2) 4 Non-Executive Directors (excluding the Independent Directors)
- 3) 4 Independent Directors in which 3 of 4 directors are in the position of Audit Committee.

Responsibilities

The Board of Directors has participated in determining the Company's policy, goal, business plan, and budget of the Company, as well as ensuring that the management has operated according to the plan and budget with efficiency and effectiveness. The Chairman of the Company, President of Executive Committee, and Managing Directors of the Company are not the same persons. Moreover, there are obviously separation of roles and duty to control and management, in order to balance the power and create transparency for work performing.

The Company has appointed the Audit Committee who are Independent Directors to review the accuracy, sufficiency of the disclosure of information and the reliability of financial report, Corporate Governance and internal control of the Company which have details of obligations as specified in "Clause 9 management of duty of the Audit Committee".

In case there was transaction that was not under normal course of business of the Company, the Board of Directors of the Company has duty to consider such transaction, in which there shall be Independent Director in the meeting as well.

The Company has the Nomination and Remuneration Committee to set the procedures and rules on selecting the Director of the Company, and set the period of remuneration or other benefits which is fair and reasonable and present to the shareholders meeting for consideration.

To promote every party to perform their duty according to assigned responsibility with transparency, the Company has prepared the policy of Corporate Governance, handbook of ethic, and code of conduct on ethics of Directors, the management, and staff in order for the relevant persons to comply with the guideline in performing assignment of the Company honestly, and to follow up with the compliance of the guideline regularly, including to stipulate discipline penalty.

First orientation and giving knowledge in the business of the Company to the new Director

The Company has policy to provide the first orientation for the new directors, in order to acknowledge the roles, duty, and responsibility, including giving knowledge, understanding of business and operating in any part of the Company, which is to prepare the readiness to perform duty of the Directors. Due to the Company has no new Directors in 2012, there was no arrangement of such first orientation.

The Board of Directors Meeting

The Board of Directors of the Company and Executive Directors shall have regular meeting every month and may have special extra meeting as necessary. There shall be fixing the date and time of the Board of Directors meeting and the sub-committee's meetings in advance for the whole year, and there shall be sending of the notice calling for meeting with agenda of the meeting approximately 7 days in advance for the Directors to be prepared.

In 2012, the Company had 12 times of Board of Directors Meeting and the meeting of Sub-Committee i.e. 11 times of Executive Directors meeting, 12 times of Audit Committee meeting, and 3 times of Nomination and Remuneration Committee meeting, details of attending the Board of Directors meeting and other sub-committee meetings are as follows:

Name – Surname	Attendance / Number of all meetings (times)			
	Board of Directors	Executive Directors	Audit Committee	Nomination and Remuneration Committee
1. Mr. Anant Asavabhokhin	11 / 12			
2. Mr. Pong Sarasin	9 / 12			
3. Mr. Rutt Phanijsphand	10 / 12	10 / 11		3 / 3
4. Mr. Joompol Meesook	12 / 12			
5. Mr. Apichat Natasilapa	12 / 12			3 / 3
6. Mrs. Suwanna Buddhaprasart	11 / 12			
7. Mr. Manit Udomkunnatum	10 / 12	11 / 11		
8. Mr. Naporn Soonthornchitcharoen	12 / 12	11 / 11		
9. Mr. Khunawut Thumpomkul	12 / 12	11 / 11		
10. Mr. Apilas Osatananda	11 / 12		12 / 12	
11. Mr. Thaveevat Tatiyamaneeikul	12 / 12		11 / 12	
12. Mr. Chanin Roonsamram	11 / 12		12 / 12	3 / 3

Evaluation of the work performance of the Managing Directors

The Company has the Nomination and Remuneration Committee to propose opinion to the Board of Directors of the Company in consideration of setting the annual Key Performance Indicators (KPI) to be used in evaluation of work performance of the Managing Director, such KPI shall be in accordance with the goal of the Company for both short term and long term. The Nomination and Remuneration Committee also has the duty to assess the performance of the Managing Director.

Succession plan of the High rank of Executive

The Company has prepared the succession plan to prepare in the event the executive is unable to perform his duty, by having initiatively structured the replacement of the low rank of executive in the level of branch manager already. The plan for mid-level executive and high-rank executive are in progress, which this will to ensure that the operation of the Company can be continued.

Risk management by Executive

The Company has policy of risk management, group of management shall jointly consider and analyze risk factors both external and internal the organization, by having meeting every 2 weeks and following up the situation that is a cause of risk closely, and notifying to the relevant staff for acknowledgement and to comply with the stipulated measurement of risk management.

Forming the Internal Audit Department

In order to promote the procedures of good governance, the Company has formed an internal audit to review and followed up the result of work performing to the Management, by performing its work independently, and reporting the result of the operation to the Audit Committee directly and regularly.

Moreover, there was a proposal to appoint the auditor to evaluate efficiency of internal accounting control of the Company which the resolution of the shareholders in 2012, approved to appoint the auditor from Ernst & Young Co., Ltd., by Mrs. Gingkarn Atsawarangsali, an auditor License number 4496 as the auditor of the Company and its subsidiaries for the year 2012. The auditor has no interest in the Company/ subsidiary/ executives/ major shareholders or anyone related to such person. The auditor of the Company and of the subsidiary are within the same audit firm.

Internal Control

On February 7, 2013, the Board of Directors, Audit Committee and management evaluated the Company's internal control system. The evaluation was done on the following five criteria:

1. Organization and Environment

The Board of Directors opines that the Company has clear organization chart and has specified scope of authority, responsibility of each department in writing, having specified clear target of business operation which is measurable, which the setting of the target and work plan the management and each executive of each field of work have jointly considered and set the business target and the strategy of operation by using the result of operation in the past years as the basic information. It is then ensured to be properly and shall be able to achieve the target.

For our policy, operating regulation, and provision relating to ethics (Code of Conduct), the Company has specified such in the business ethics manual in order for directors, executives, and employees in all departments to use as a guideline for operation. Regarding this business ethics manual, the Company has provided such in consideration of relevant laws and regulations including the effects which may occur to interested parties.

2. Risk Management

The Board of Directors opines that the group of executives has regularly considered and evaluated the risks that may affect the result of operation of the Company, by specifying operation plan of every year and fixed to have meeting in every 2 weeks in order to follow up the result of operation, and the risk factors closely for setting management method and for controlling the risk to be at the acceptable level, and notified relevant staff to be aware of and to comply with the measurement of risk management.

3. Controlling

The Board of Directors opines that the Company has specified the scope of authority, approval credit limit of executive in each level clearly in writing, and completely separate duty and responsibility for approval work, account booking and information technology, and the looking after of property separately in order to examine each other. In case the Company has entered into transactions with the major shareholders, director, executive, or relevant persons, the Company shall propose such transaction through the Audit Committee Meeting and complete such transaction as if such were made with outsider.

4. Information Technology and Communication System

The Board of Directors opines that the Company has prepared the notice calling for the Board of Directors Meeting, stating information and details of agenda to the meeting, including summary of information to the Board of Directors for consideration of at least 7 days before the meeting, and has made the complete minutes of the Board of Directors meeting which may be referable, and such can be used to examine the appropriateness in performing the duty of the Director.

The Company has selected the accounting policy that is generally accepted in accounting principle, and retained documents supplement to records properly. The Company hired Brambles (Thailand) Co., Ltd., a document retaining company, as the document keeper with the appropriate controlling system.

5. Monitoring

The Board of Directors opines that the Company has added an agenda on monitoring the result of operation every month, in order to notify to the Board of Directors and to propose suggestions for work performing. For operation plan and budget, the Company will make and review them every half year.

The Company regularly conducts and audit by internal control system to ensure the compliance with the policy. There are two levels of internal control and compliance policies; namely (1) self-inspection between inter-related departments according to the good internal compliance; and (2) there are inspection and evaluation processes responsible by internal audit department. The internal auditor must report directly to the Board of Directors or the Audit Committee so that the internal auditors can perform their duties independently and accurately.

Apart from this, the Company's auditor, Mrs. Gingkarn Atsawarangsalit, the auditor with certified license no. 4496 of Ernst & Young Office Co., Ltd, as the external auditor of the Company for the year end on December 31, 2012 has given her comment on the assessment of the efficiency of the internal control of the Company's accounting that no significant weak points were found in the internal audit system on the accounting.

Dividend Policy

Dividend Policy of Home Product Center Public Company Limited

The Company has the policy to pay dividend to shareholders not less than 40% of the net profit of each year. However, the consideration for dividend payment will take other factors into account such as result of operation and financial status of the Company, Liquidity, Expansion of Business and other factors relating to the management of the Company. Each dividend payment is required to obtain approval from shareholders and Board of Directors.

Dividend payment during 2010 - 2012 is as follows:

Period	2010	2011	2012
Stock dividend payment rate (amount of existing share : stock dividend)	(6 : 1) , (6 : 1) (Interim) , (Final)	(7 : 1) , (Cash) (Interim) , (Final)	(5 : 1) (Interim)
Stock dividend rate per share (before dilution)	0.3334	0.1429	0.20
Cash dividend per share (unit : Baht/ share)	0.0386	0.1659	0.022223
Total dividend payment (unit : Baht/ share)	0.3720	0.3088	0.222223
Dividend payout ratio	92.38%	83.61%	n/a

- Remark :**
1. The Company paid dividends from the 2010 profit totaling 0.372 Baht/share by dividing into the interim dividend payment from the first 6 months operation of 0.186 Baht/share (consisting of cash dividend of 0.0193 Baht/share and stock dividend at the rate of 6 existing shares per 1 stock dividend or equivalent to 0.1667 Baht/share), according to the resolution of the Extraordinary General Meeting of Shareholders No. 1/2010. And the final dividend payment from the last 6 months operation of another 0.186 Baht/share (consisting of cash dividend of 0.0193 Baht/share and stock dividend at the rate of 6 existing shares per 1 stock dividend or equivalent to 0.1667 Baht/share), according to the resolution of the Annual General Meeting of Shareholders 2011.
 2. The Company paid dividends from the 2011 profit totaling 0.3088 Baht/share by dividing into the interim dividend payment from the first 6 months operation of 0.1588 Baht/share (consisting of cash dividend of 0.0159 Baht/share and stock dividend at the rate of 7 existing shares per 1 stock dividend or equivalent to 0.1429 Baht/share), according to the resolution of the Extraordinary General Meeting of Shareholders No. 1/2011, and the final dividend payment from the last 6 months operation of another 0.15 Baht/share according to the resolution of the Annual General Meeting of Shareholders 2012.
 3. On October 30, 2012, the Company paid interim dividends at the rate of 0.222223 Baht/share consisting of cash dividend of 0.022223 Baht/share and stock dividend at the rate of 5 existing shares per 1 stock dividend or equivalent to 0.20 Baht/share, according to the resolution of the Extraordinary General Meeting of Shareholders No. 1/2012.

Dividend Policy of the Subsidiary

Market Village Co., Ltd., the subsidiary which Home Product Center Plc. Holds 99.99%, had no the dividend payment policy. However, it will consider to pay dividends based on its cash flow after statutory reserve as stipulated by law. In 2012, there was no the dividend payment.

Related Transaction

In 2012, the Company and its subsidiary had significant business transactions with related parties (related by means of having common shareholding or co-directors), which have been concluded on commercial terms and bases agreed upon in the ordinary course of business between the Company and those companies. Furthermore, the Company has no related transaction neither by way of financial support nor guarantee other than within subsidiary of the Company.

As of December 31, 2012 and 2011, the Company had outstanding balance with the related transaction, which can be summarized as follows:

Name of Company / Nature of relationship	Transaction	Amount (Thousand Baht)		Audit Committee and Management's opinion
		31 Dec 12	31 Dec 11	
1. Land and Houses Plc. <ul style="list-style-type: none"> - Being a major shareholder of the Company by holding 30.11% of total paid-up capital, as of October 17, 2012. - With 2 co-directors <ol style="list-style-type: none"> 1. Mr. Anant Asavabhokhin 2. Mr. Naporn Soonthornchitcharoen 	Sales income Accounts Receivable	61,962 4,999	59,051 2,623	Such value was the appropriate selling price as it was the same as the market price which the Company sells to the other manufacturers or sellers.
2. Quality Houses Plc. <ul style="list-style-type: none"> - Being a major shareholder of the Company by holding 19.78% of total paid-up capital, as of October 17, 2012. - With 3 co-directors: <ol style="list-style-type: none"> 1. Mr. Rutt Phanijsaphand 2. Mr. Anant Asavabhokhin 3. Mrs. Suwanna Buddhaprasart 	Sales income Accounts Receivable	2,713 252	3,029 36	Such value was the appropriate selling price as it was the same as the market price which the Company sells to the other manufacturers or sellers.
3. Land and Houses Bank Plc. <ul style="list-style-type: none"> - With 2 co-shareholders: <ol style="list-style-type: none"> 1. Land and Houses Plc. 2. Quality Houses Plc. - With 4 co-directors: <ol style="list-style-type: none"> 1. Mr. Anant Asavabhokhin 2. Mr. Rutt Phanijsaphand 3. Mr. Naporn Soonthornchitcharoen 4. Mrs. Suwanna Buddhaprasart 	Interest income Deposit with financial institution Rental and service income	20,970 819,161 2,402	22,436 1,728,321 2,344	The Company received the interest with the same rate as other customers of the bank, such rate was a normal rate of other banks and financial institutions

Name of Company / Nature of relationship	Transaction	Amount (Thousand Baht)		Audit Committee and Management's opinion
		31 Dec 12	31 Dec 11	
4. Quality Houses Leasehold Property Fund - With 2 co-shareholders 1. Quality Houses Plc. 2. Land and Houses Plc.	Other Receivables Rental and service expenses Other Payables Rental guarantee deposit	39 19,418 1,124 3,000	- 18,908 1,124 3,000	Such value was generated from the transactions of rent and services fee for the space in the Wave Place building. The Audit Committee opined that such price was calculated from the appropriate rate.

Necessity and Appropriate Reason of Transaction

The connected transaction made was necessary and reasonable to create the highest benefit to the Company. The Audit committee concluded that such was in accordance with business and the general ordinary course of received and paid consideration by and from the Company was fair.

Measure/Procedure of Approval of Connected Transaction

The connected transaction being made at present and expectedly in the future, e.g. sales of goods to Land and Houses Plc. and Quality Houses Plc., purchase of goods from Quality Construction Products Plc., renting space in the Wave Place building of Quality Houses Leasehold Property Fund, leasing space and deposit transaction with Land and Houses Bank Plc.

For the sale of goods transaction, the Company determined the price according to the market price which was the price that buyer could buy them from other manufacturers or sellers. Generally, the specification and price of goods would be determined earlier. For the purchase of goods transactions, the Company purchased them at the market price which it could to purchase from other manufacturers or sellers. The Audit Committee considered the connected transactions and concluded that the Company received and paid remuneration in the fair price according to the general ordinary course of business.

Policy or Tendency of Inter-Transaction

The Company has policy to specify the trade conditions for entering into inter-transaction to be as normal business operation. Price of products to be sold shall be prescribed at the level that can be competed to other vendors.

As for Inter-transaction that may be occurred in the future, the Board of Directors shall comply with the laws on Securities and Stock Exchange, and Regulations, Announcement, Order, or Regulations of Stock Exchange of Thailand, and including compliance with the regulations on disclosure of information of connected transaction and acquiring or disposing of material assets of the Company or the Subsidiary.

However, if there will be inter-transactions of the Company or its subsidiary occurred to person who may have conflict of benefit, or may have conflict of interest in the future, the Company shall have the Audit Committee give the opinion on necessity and appropriateness for such transactions. In case the Audit Committee is not skillful in considering the inter-transactions that may be occurred, the Company shall arrange for an Independent expert or auditor of the Company to give opinion on such inter-transactions in order to bring such information to supplement for the decision making of the Board of Directors or shareholders as the case may be. However, the Company shall disclose inter-transactions in the note of the financial statement audited by the Auditor of the Company.

Financial Analysis and Business Operation Results

Overview of Business Operation Results

The year 2012 was the beginning of the recovery of the Thai economy after the severe flood crisis in the last quarter of 2011. Despite unfavorable condition of Thailand's export due to the incomplete recovery of the economy of the United States of America, Europe, and Japan, the local purchasing power had quickly revived. This can be seen from the Company's impressive increase in first-quarter sales volume. Thai economy reached the growth of Gross Domestic Products (GDP) at 6.4% in 2012.

The recovery of the Thai economy in 2012 provided a positive impact to the Company's satisfactory operating results with an increase of the sales volume by 21.8% and an increase of the net profit by 33.6% due to the increase of the same store sales, the launching of 8 new branches, HomePro EXPO event, the growth of sales volume of products under the Company's private brand, the increase in revenues from leased areas, advertising and sales promotions, and other services.

Operating Result

Comparing the results of operation for the year ended December 31, 2012 to the same period of year 2011.

1. Revenue from Sales

In 2012, the Company and its subsidiary generated revenue from sales of Baht 34,541.55 million, increased from the previous year by Baht 6,178.13 million or 21.78%. The increase was mainly driven by the same store sales growth, sales of the newly opened branches in 2012, and sales from HomePro EXPO in the 1st and 4th quarter of the year.

2. Other Income

In 2012, the Company and its subsidiary generated other income of Baht 2,427.75 million, increased from 2011 by Baht 288.74 million or 13.50%. The proportion of other income as percent to sales was at 7.03%. The details of increase are as follows:

- Revenue from rental and service, increased by Baht 79.97 million, from space rental revenue of HomePro Village branches and Market Village.
- Other Revenues, increased by Baht 208.77 million, from advertising fee, support fee of promotional activities from business partners, service fee related to sales of goods.

3. Cost of Sales and Gross Profit Margin

In 2012, the Company and its subsidiary had the cost of sales of Baht 25,559.39 million, increased from the previous year by 4,485.41 million or 21.28%, which was the result of the increase of sales.

The Company had gross profit of Baht 8,982.16 million, increased from the previous year of Baht 1,692.72 million. The gross profit margin as percent to sales was 26.00%, moved up from the previous year of 25.70%.

The increase of gross profit was a result of the improvement of product mix especially an increase in sales from private brand products, the increase in efficiency of inventory management system as well as the increase in volume discount of order in the large quantity. As a result, the increase rate of cost of good sold is less than the increase rate of sales.

4. Selling and Administrative Expenses

In 2012, the Company and its subsidiary had selling and administrative expenses amounted to Baht 7,781.14 million, increased from the previous year by Baht 1,396.87 million or 21.88%. This SG&A represents 22.53% to sales which is close to the same level of 22.51% of the same period of last year. The details of expenses in each group are as follows:

- Selling expenses of Baht 6,790.99 million, being expenses for branches, operation and distribution unit, increased by Baht 1,405.30 million from expenses on salaries, cost of transportation and cost of service, maintenance and depreciation.
- Administrative expenses of Baht 965.43 million, mostly being expenses of Head Office, increased by Baht 45.57 million from expenses on maintenance, consultation, and fees.
- Other expenses amounted to Baht 24.72 million, decreased from the previous year by Baht 54.00 million from Loss from sales of assets.

5. Financial Expenses

Financial Expenses of year 2012 were Baht 146.17 million, increased from the previous year by Baht 28.56 million or 24.28%, which was the result of the increase of the long-term loan from a financial institution and debentures issued in the third quarter in 2012. While the proportion as percent to sales was 0.42%, which is equal to the previous year.

6. Net Profit

For the result of operation in 2012, the Company and its subsidiary had net profit of Baht 2,703.09 million, increased from the previous year by Baht 697.82 million or 34.80%. The increase of net profit was caused by the increase of sales and other income, and the increase of gross profit margin from the increase rate of cost of good sold which was less than the increase rate of sales, together with the decrease of income tax from 30% to 23% in 2012. These resulted in the proportion of net profit to sales to move up from 7.07% in 2011 to 7.83% in 2012.

7. Return on Equity

The return on equity as of December 31, 2012 was 30.07%, increased from the previous year of 27.93% which showed the Company improved its operational efficiency by having ability to increase the shareholder returns from their investment.

Financial Position

Comparing financial status as at December 31, 2012 and December 31, 2011.

1. Net Assets

As at December 31, 2012, the Company and its subsidiary had total assets of Baht 25,801.00 million, increased from December 31, 2011 by Baht 5,122.99 million or 24.78%. The growth of asset value was due to the change of significant transactions as follows:

- Cash and cash equivalents decreased by Baht 686.71 million which was payment to suppliers for goods and construction cost during the year.
- Account receivable increased by Baht 96.29 million, and other receivables increased by Baht 347.57 million, which was from the support fee of promotional activities, other service fee.
- Net inventory increased by Baht 970.04 million, which was a result of the increase in number of new branches.

- Net property, plant and equipment, net leasehold rights and software totaling increased by Baht 4,155.72 million or 34.45%, which was from the investment in new store expansion in 2012 and 2013.
- Investment properties in subsidiaries increased by Baht 280.23 million from the construction of the car park at Hua-Hin Market Village.
- Other assets decreased by Baht 138.47 million.

2. Liabilities

As of December 31, 2012, total liabilities of the Company and its subsidiary were Baht 15,941.10 million increased from 2011 by Baht 3,384.39 million or 26.95%, which was from the change of the following crucial transactions:

- Accounts Payable was increased by Baht 753.64 million which was from the increase products order according to sales growth.
- Debenture - net was increased by Baht 1,000 million, during the year, there were redemption of Baht 300 million. Also, there were issuances of unsubordinated and unsecured debentures for Baht 1,300 million.
- Net long-term loans from a financial institution increased by Baht 1,500 million, in which Baht 300 million will mature in 2013.
- Other debts were decreased by Baht 84.84 million.

3. Shareholders' equity

As of December 31, 2012, shareholders' equity was Baht 9,859.90 million, increased from the previous year by Baht 1,738.60 million or up by 21.41% which the increase was from following transactions:

- The issued and paid-up ordinary share was increased by Baht 1,204.71 million due to the payment of stock dividend in October 2012 by Baht 1,173.01 million. Also, another part of issued and paid-up ordinary share was increased from the exercise of right under warrants to purchase ordinary shares of employee No. 4 for the total of Baht 31.70 million.
- Share premium was increased by Baht 9.74 million.
- Retained earnings was increased by Baht 524.22 million by dividing into the appropriated retained earnings for statutory reserve of Baht 133.10 million and the unappropriated retained earnings of Baht 391.12 million.

4. Capital Structure

The capital structure of the Company as of December 31, 2012 consisted of the Company's unsecured long-term credit facilities from a financial institution, and unsubordinated and unsecured debentures, for the total debt of Baht 15,941.10 million, in which Baht 5,522.79 million was the financial debt. In this regard, if such amount is calculated as the total amount of Total Debt to Equity ratio, it will be equivalent to 1.62 which increased from the previous year of 1.55.

According to the terms and conditions or requirements stipulated to duties of bond issuers, the issuers shall maintain Financial Debt to Equity Ratio of not over 1.75 times and the Company can remain under this rate, Financial Debt to Equity ratio during 2010 - 2011 are as follows:

	2010	2011	2012
Financial Debt to Equity ratio	0.44	0.37	0.56

Liquidity

Summary of cash flow statement as of December 31, 2012 compared to the same period of 2011 is as Follows;
(Unit : MB)

	Consolidated Financial Statement		Separate Financial Statement	
	2012	2011	2012	2011
Cash from operating activities	3,434.51	3,830.46	3,414.41	3,790.53
Cash from investing activities	(5,667.23)	(3,418.73)	(5,666.00)	(3,402.32)
Cash from financing activities	1,546.07	148.45	1,546.07	153.45
Transaction adjustments	(0.06)	(0.10)	-	-
Net increase (decrease) in cash	(686.71)	560.08	(705.52)	541.66

As of December 31, 2012, the Company and its subsidiary's cash and cash equivalents were Baht 1,290.62 million, net decreased from December 31, 2011 by Baht 686.71 million, which derived from the following activities:

- 1) Net cash from operating activities of Baht 3,434.51 million which were received from the net profit before changes in operating assets and liabilities of Baht 4,953.60 million, and working capital increased from changes in operating assets and liabilities e.g. trade and other receivables increased by Baht 257.78 million, inventories increased by Baht 1,060.41 million, other current assets increased by Baht 138.47 million, trade and other payables increased by Baht 788.40 million, other liabilities increased by Baht 160.21 million, and interest and corporate income tax payment for the total of Baht 1,011.02 million.
- 2) Net cash used for investing activities totaled Baht 5,667.23 million which such amount was the investment in land and assets for the expansion of new branches opening in 2012 and 2013 for the total of Baht 5,643.03 million, and the computer software for the total of Baht 24.19 million.
- 3) Cash received from financing activities, net used in the total of Baht 1,546.07 million in which such amount was derived from the long-term loan from a financial institution for Baht 1,510.65 million and the issuance of debenture for Baht 1,300.00 million, including the increase of ordinary shares from the conversion of warrants of employee amounted to Baht 41.43 million, repayment of the debenture for Baht 300.00 million and for the payment of dividends of Baht 1,006.02 million.

Liquidity Ratio

As of December 31, 2012, the Company and its subsidiaries have current assets in the total of Baht 8,132.09 million and current liabilities in the total of Baht 11,587.85 million. In this regard, such amount can be calculated into liquidity ratio of 0.70 times which was decreased from the previous year's ratio by 0.12 times.

Auditing Fee

According to the minutes of the annual general shareholders meeting in 2012, which resolved to appoint the Auditors of Ernst & Young Office Co., Ltd as the Company's auditor of 2012, with the fee of Baht 2,520,000.

The actual audit fee for 2012 included auditing fee for the Company and its subsidiary, and other services fee as follows:

Transactions	2012	2011
Auditing Fee	2,520,000	2,520,000
Other Service	100,000	100,000
Transactions	2,620,000	2,620,000

Note: Other service is the fee for observing inventory destruction.

Audit Committee's Report

Dear Shareholders

The Audit Committee of the Company consists of 3 independent directors who have abilities, qualifications and independent according to the regulations of the Stock Exchange of Thailand by having Mr. Apilas Osatananda, as Chairman, Mr. Thaveevat Tatiyamaneekul and Mr. Chanin Roonsamrarn, as directors, having the duty to examine the reliability of financial statement.

For the year 2012, the Audit Committee has performed the duty according to the scope of responsibility as stipulated in the charter of the Audit Committee and according to the assignment from the Company's Board of Directors. There were 12 meetings, and the auditor was invited to attend for the agenda which was relevant, details of attending by Audit Committee are as follows:

Name - Surname		Attendance/Number of all meeting (times)
Mr. Apilas	Osatananda	12/12
Mr. Thaveevat	Tatiyamaneekul	11/12
Mr. Chanin	Roonsamrarn	12/12

The Audit Committee has the duty and responsibility as assigned by the Board of Directors, which includes the review for the company in order to have the accurate and sufficient financial report, have efficient internal control system and corporate governance, have the compliance with relevant laws and regulations, have monitored the transaction which may have conflict of interest in order to be in compliance with the relevant rules and regulations and to earn the utmost benefits to the company, as well as the selection and proposing the opinion for appointment of the external auditor.

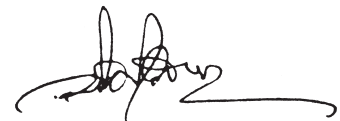
Essence of the Work Performed in year 2012

1. Having considered and review the quarterly financial report of the company and the annual financial statements before such were disclosed to the Stock Exchange of Thailand and the Office of the Securities and Stock Exchange Commission, which such was made in the agenda of the review of the financial report of the company.
2. Having considered the selection and nomination of company's independent auditor and determination of the audit fee to propose to the Company's Board of Directors for the request for approval from the meeting of shareholders.
3. Having convened with the independent auditor for 4 times for considering the guidelines for the performance and scope for the proceeding to examine the accounting, for the result of the audit and recommendation in order to ensure that the audit of the financial statement has been made completely and appropriately according to the standard of accounting audit, which the meeting with the auditor had no attendance of the management.
4. Having had the meeting with the Office of Internal Audit for the operation and scope of proceeding, the review of audit plan in order to ensure that the internal audit has been made completely and appropriately according to the standard of internal audit, which for the year 2012, the audits were made to evaluate the sufficiency and efficiency of the internal control system of the Company and its subsidiary. In general, and there was an acknowledgement of the report on the result of the audit and following up of the improvement and correction according to the recommendations in order to enhance more effectiveness and efficiency to the internal control system.

5. Having reviewed the performance to be in compliance with the laws on Securities and Stock Exchange, the rules of the Stock Exchange or the laws relevant to the business proceeding of the company.
6. Having considered the disclosure of information, inter and related transactions and the transaction which may have conflicts of interest.
7. Having made the evaluation of the sufficiency and appropriateness of the internal control system which covers the matter of organization and environment, risks management, the operation control of the management, information technology and communication, and tracking system.

The Audit Committee has the following opinion;

1. The financial report of the Company is reliable, accurate and complete according to the generally accepted accounting principle and has sufficiently and timely disclosed material information.
2. The company has sufficient and efficient internal control system, risks management system, system of operational control, and the tracking system.
3. The Company has not performed any act in violation to the laws on Securities and Stock Exchange, the rules of the Stock Exchange or the laws relevant to the business of the Company.
4. The entering into the transaction with related business or the entering into the transaction which may have conflicts of interest have been made in accordance with the law, the rules of the Stock Exchange of Thailand, with appropriate reason for the utmost benefits for the Company, and have no indication or other observations to imply any abnormal circumstance.
5. The appointed external auditor has experience for the work, and has coverage network and is acceptable both in the country and overseas, which such causes the standard of the company's audits to be in the international level. Also, every auditor and the person who were assigned to sign to certify the financial statements are independent, have no relation or transaction which may cause conflicts of interest with the Company. This can be ensured that the accounting audits were made completely and appropriately according to the accounting standard and also were efficient and transparent.
6. The Audit Committee has performed the duty independently, completely and correctly, according to the Charter that the Audit Committee has prescribed with good cooperation from every party concerned.



Mr. Apilas Osatananda
Chairman of the Audit Committee

Report of Board of Directors' Responsibilities in the Financial Statements

Dear Shareholders

The company consolidated financial statements of Home Product Center Public Company Limited and its subsidiary have been prepared in conformity with the requirements of the Public Company Act B.E. 2535 (1992), the Securities and Exchange Act B.E. 2535 (1992), the Announcement of the Department of Commercial Registration dated September 14, 2001, and the accounting standards prescribed by the Federation of Accounting Professions.

The Board of Directors had an opinion that the company's overall internal control system is at satisfactory level, sufficient to maintain the assets and to protect from fraud, and is responsible for the financial report of the Company and its subsidiary in order to ensure that it shows the actual result of operation, financial status, and cash flows. There have been proper recording of accurate and complete accounting information. Preparing of the financial reports has been considered of selecting appropriate accounting policy and regularly in compliance with the general accepted accounting standard, and there has been disclosing of sufficient significant information in the supplementary to the financial statements.



(Mr. Anant Asavabhokhin)
Chairman



(Mr. Khunawut Thumpomkul)
Managing Director

Independent Auditor's Report

To the Shareholders of Home Product Center Public Company Limited

I have audited the accompanying consolidated financial statements of Home Product Center Public Company Limited and its subsidiaries, which comprise the consolidated statements of financial position as at 31 December 2012, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Home Product Center Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Home Product Center Public Company Limited and its subsidiaries and of Home Product Center Public Company Limited as at 31 December 2012, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Gingkarn Atsawarangsalit

Certified Public Accountant (Thailand) No. 4496

Ernst & Young Office Limited

Bangkok: 19 February 2013

Statements of financial position

As at 31 December 2012

(Unit: Baht)

		Consolidated Financial Statements		Separate Financial Statements	
		2012	2011	2012	2011
Assets					
Current assets					
Cash and cash equivalents	6, 7	1,290,618,683	1,977,324,154	1,227,886,946	1,933,407,325
Trade and other receivables	6, 8	1,251,620,591	986,436,111	1,243,809,293	994,643,442
Inventories	9	5,352,537,668	4,382,496,277	5,352,537,668	4,382,496,277
Value added tax receivable		64,832,096	-	64,832,096	-
Other current assets		172,483,486	108,268,336	170,125,438	105,569,926
Total current assets		8,132,092,524	7,454,524,878	8,059,191,441	7,416,116,970
Non-current assets					
Investments in subsidiaries	10	-	-	14,839,230	14,839,230
Investment properties	11	1,376,270,428	1,095,982,555	1,376,270,428	1,095,982,555
Property, plant and equipments	12	14,846,557,845	10,812,385,808	14,843,364,454	10,809,357,985
Computer software	13	189,829,443	189,547,947	189,566,568	189,250,267
Leasehold rights	14	1,180,659,436	1,059,396,440	1,180,659,436	1,059,396,440
Property foreclosed		3,229,639	3,229,639	3,229,639	3,229,639
Rental guarantee deposits	6	59,687,007	51,936,849	59,671,007	51,920,849
Other non-current assets		12,672,061	10,999,442	2,541,366	2,833,938
Total non-current assets		17,668,905,859	13,223,478,680	17,670,142,128	13,226,810,903
Total assets		25,800,998,383	20,678,003,558	25,729,333,569	20,642,927,873

Statements of financial position (continued)

As at 31 December 2012

(Unit: Baht)

		Consolidated Financial Statements		Separate Financial Statements	
		2012	2011	2012	2011
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	6, 16	8,091,332,200	7,291,778,541	8,054,841,860	7,261,162,764
Current portion of liabilities under financial lease agreements	17	5,967,599	3,719,951	5,967,599	3,719,951
Short-term loans from related party	6	-	-	90,000,000	90,000,000
Current portion of long-term loan	18	300,000,000	-	300,000,000	-
Current portion of debentures	20	1,700,000,000	300,000,000	1,700,000,000	300,000,000
Income tax payable		362,382,491	438,008,219	362,382,491	438,008,219
Value added tax payable		566,616	41,642,156	-	41,122,577
Advances received from customers		721,318,326	768,900,637	721,318,326	768,900,638
Other current liabilities		406,287,142	271,848,527	403,826,844	269,789,349
Total current liabilities		11,587,854,374	9,115,898,031	11,638,337,120	9,172,703,498
Non-current liabilities					
Liabilities under financial lease agreements					
- net of current portion	17	16,823,654	8,419,531	16,823,654	8,419,531
Long-term loans - net of current portion	18	1,200,000,000	-	1,200,000,000	-
Debentures - net of current portion	20	2,300,000,000	2,700,000,000	2,300,000,000	2,700,000,000
Provision for long-term employee benefits	19	80,958,206	91,352,448	80,958,206	91,352,448
Rental received in advance - net of current portion		456,202,670	477,850,356	456,202,670	477,850,356
Other non-current liabilities		299,259,614	163,187,402	212,072,482	87,084,304
Total non-current liabilities		4,353,244,144	3,440,809,737	4,266,057,012	3,364,706,639
Total liabilities		15,941,098,518	12,556,707,768	15,904,394,132	12,537,410,137

Statements of financial position (continued)

As at 31 December 2012

(Unit: Baht)

Note	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Shareholders' equity				
Share capital 21				
Registered share capital				
7,054,971,235 ordinary shares of Baht 1 each				
(31 December 2011: 5,881,394,685 ordinary shares of Baht 1 each)	7,054,971,235	5,881,394,685	7,054,971,235	5,881,394,685
Issued and fully paid-up				
7,041,430,018 ordinary shares of Baht 1 each				
(31 December 2011: 5,836,721,415 ordinary shares of Baht 1 each)	7,041,430,018	5,836,721,415	7,041,430,018	5,836,721,415
Share premium	646,066,296	636,329,511	646,066,296	636,329,511
Retained earnings				
Appropriated 23				
Statutory reserve - The Company	550,800,000	417,700,000	550,800,000	417,700,000
Statutory reserve - Subsidiary	500,000	500,000	-	-
Unappropriated	1,621,258,792	1,230,139,710	1,586,643,123	1,214,766,810
Other components of shareholders' equity	(161,376)	(98,123)	-	-
Equity attributable to owners of the Company	9,859,893,730	8,121,292,513	9,824,939,437	8,105,517,736
Non-controlling interests of the subsidiary	6,135	3,277	-	-
Total shareholders' equity	9,859,899,865	8,121,295,790	9,824,939,437	8,105,517,736
Total liabilities and shareholders' equity	25,800,998,383	20,678,003,558	25,729,333,569	20,642,927,873

Statements of comprehensive income

For the year ended 31 December 2012

(Unit: Baht)

Note	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Profit or loss:				
Revenues				
Sales income	34,541,550,052	28,363,421,141	34,542,733,391	28,364,672,553
Rental and service income	893,417,596	813,450,456	740,135,756	676,849,056
Other income	1,534,329,033	1,325,559,243	1,560,608,200	1,377,906,725
Total revenues	36,969,296,681	30,502,430,840	36,843,477,347	30,419,428,334
Expenses				
Cost of sales	25,559,391,314	21,073,977,405	25,559,391,314	21,073,977,405
Selling expenses	6,790,995,022	5,385,685,084	6,693,149,084	5,289,569,134
Administrative expenses	965,427,590	919,859,923	960,110,743	925,857,609
Other expenses	24,715,382	78,718,959	24,715,382	78,773,855
Total expenses	33,340,529,308	27,458,241,371	33,237,366,523	27,368,178,003
Profit before finance cost and income tax expenses	3,628,767,373	3,044,189,469	3,606,110,824	3,051,250,331
Finance cost	(146,168,839)	(117,613,123)	(148,867,157)	(119,743,814)
Profit before income tax expenses	3,482,598,534	2,926,576,346	3,457,243,667	2,931,506,517
Income tax expenses	(803,129,909)	(921,213,217)	(797,020,669)	(914,692,318)
Profit for the year	2,679,468,625	2,005,363,129	2,660,222,998	2,016,814,199
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currency	(63,253)	(98,123)	-	-
Actuarial gains	23,781,180	-	23,781,180	-
Other comprehensive income for the year	23,717,927	(98,123)	23,781,180	-
Total comprehensive income for the year	2,703,186,552	2,005,265,006	2,684,004,178	2,016,814,199
Profit attributable to:				
Equity holders of the Company	2,679,465,767	2,005,360,878	2,660,222,998	2,016,814,199
Non-controlling interests of the subsidiary	2,858	2,251		
	2,679,468,625	2,005,363,129		
Total comprehensive income attributable to:				
Equity holders of the Company	2,703,183,694	2,005,262,755	2,684,004,178	2,016,814,199
Non-controlling interests of the subsidiary	2,858	2,251		
	2,703,186,552	2,005,265,006		
Earnings per share	25			
Basic earnings per share				
Profit attributable to equity holders of the Company	0.38	0.29	0.38	0.29
Diluted earnings per share				
Profit attributable to equity holders of the Company	0.38	0.28	0.38	0.29



Statements of cash flows

For the year ended 31 December 2012

(Unit: Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Cash flows from operating activities				
Profit before tax	3,482,598,534	2,926,576,346	3,457,243,667	2,931,506,517
Adjustments to reconcile profit before tax to net cash provided by (paid for) operating activities:				
Depreciation and amortisation	1,249,278,409	1,030,853,889	1,247,724,276	1,028,766,379
Reversal allowance for doubtful accounts	(7,400,322)	(926,414)	(7,400,322)	(926,414)
Decrease of inventory to net realisable value	90,373,553	95,512,140	90,373,553	95,512,140
Loss from sales of assets and written-off	24,527,265	74,084,033	24,990,950	74,079,085
Reversal allowance for impairment of assets	(42,585,000)	(51,475,000)	(42,585,000)	(51,475,000)
Provision for long-term employee benefits	13,386,938	14,566,414	13,386,938	14,566,414
Unrealised exchange (gain) loss	(420,987)	290,050	(420,987)	290,050
Dividend received from subsidiary company	-	-	-	(24,996,500)
Interest expenses	143,840,762	114,351,138	146,829,871	116,748,426
Profit from operating activities before changes in operating assets and liabilities	4,953,599,152	4,203,832,596	4,930,142,946	4,184,071,097
Decrease (increase) in operating assets				
Trade and other receivables	(257,784,158)	(323,102,190)	(241,765,529)	(338,202,532)
Inventories	(1,060,414,944)	(763,776,662)	(1,060,414,944)	(763,776,662)
Value added tax receivable	(64,832,096)	(4,236,007)	(64,832,096)	(4,220,007)
Other current assets	(64,215,150)	(12,692,228)	(64,555,512)	(12,567,392)
Other non-current assets	(9,422,777)	6,244,553	(7,457,586)	(777,586)
Increase (decrease) in operating liabilities				
Trade and other payables	788,400,956	1,237,205,061	782,526,395	1,236,255,144
Advances received from customers	(47,582,311)	297,461,610	(47,582,312)	297,461,610
Value added tax payable	(41,075,540)	41,116,386	(41,122,577)	41,122,577
Other current liabilities	134,438,615	53,775,916	134,037,495	53,447,003
Rental received in advance	(21,647,686)	(21,647,686)	(21,647,686)	(21,647,686)
Other non-current liabilities	136,072,212	26,766,175	124,988,178	24,722,957
Cash from operating activities	4,445,536,273	4,740,947,524	4,422,316,772	4,695,888,523
Cash paid for interest expenses	(132,267,072)	(113,250,381)	(135,256,182)	(115,647,668)
Cash paid for corporate income tax	(878,755,637)	(797,235,764)	(872,646,397)	(789,708,958)
Net cash flows from operating activities	3,434,513,564	3,830,461,379	3,414,414,193	3,790,531,897

Statements of cash flows (continued)

For the year ended 31 December 2012

(Unit: Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Cash flows from investing activities				
Increase in investment in subsidiary company	-	-	-	(9,839,930)
Dividend received from subsidiary company	-	-	-	24,996,500
Acquisition of computer software	(24,193,124)	(80,733,185)	(24,193,124)	(80,733,185)
Acquisition of leasehold rights	(164,675,839)	(269,508,892)	(164,675,839)	(269,508,892)
Acquisition of property, plant and equipment	(5,136,903,257)	(3,050,841,591)	(5,135,217,854)	(3,049,583,485)
Acquisition of investment properties	(362,124,435)	(27,200,196)	(362,124,435)	(27,200,196)
Proceeds from sales of equipment	20,646,270	8,526,885	20,182,077	8,524,210
Proceed from sale of property foreclosed	-	944,483	-	944,483
Proceeds from sales of investment properties' equipment	25,309	77,575	25,309	77,575
Net cash flows used in investing activities	(5,667,225,076)	(3,418,734,921)	(5,666,003,866)	(3,402,322,920)
Cash flows from financing activities				
Increase in short-term loans from related party	-	-	-	30,000,000
Repayment of short-term loans from related party	-	-	-	(25,000,000)
Increase in liabilities under financial lease agreements	10,651,771	635,743	10,651,771	635,743
Increase in long-term loan	1,500,000,000	-	1,500,000,000	-
Increase in debentures	1,300,000,000	1,000,000,000	1,300,000,000	1,000,000,000
Repayment of debentures	(300,000,000)	(730,000,000)	(300,000,000)	(730,000,000)
Converted warrants to share capital	41,432,794	43,061,464	41,432,794	43,061,464
Subsidiary paid dividend to non-controlling interest of subsidiary	-	(3,500)	-	-
Dividends paid	(1,006,015,271)	(165,242,999)	(1,006,015,271)	(165,242,999)
Net cash flows from financing activities	1,546,069,294	148,450,708	1,546,069,294	153,454,208
Translation adjustments	(63,253)	(98,123)	-	-
Net increase (decrease) in cash and cash equivalents	(686,705,471)	560,079,043	(705,520,379)	541,663,185
Cash and cash equivalents at beginning of year	1,977,324,154	1,417,245,111	1,933,407,325	1,391,744,140
Cash and cash equivalents at end of year	1,290,618,683	1,977,324,154	1,227,886,946	1,933,407,325
Supplemental cash flows information:				
Non-cash items consist of				
Purchases of equipment for which no cash has been paid	-	156,680,006	-	156,680,006
Dividend payables	82,921	-	82,921	-
Stock dividends	1,173,012,594	1,455,190,714	1,173,012,594	1,455,190,714

Statements of changes in shareholders' equity

For the year ended 31 December 2012

(Unit: Baht)

Consolidated Financial Statements											
		Equity attributable to owners of the Company									
		Issued and fully paid-up share capital		Premium on ordinary shares		Retained earnings			Other components of equity		
									Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity
Note	Appropriated - statutory reserve		Unappropriated		Exchange differences on translation of financial statements in foreign currency						
	The Company		Subsidiary								
	Balance as at 1 January 2011	4,352,991,862	621,806,886	316,800,000	-	946,606,069	-	6,238,204,817	4,526	6,238,209,343	
	Converted warrants to share capital	28,538,839	14,522,625	-	-	-	-	43,061,464	-	43,061,464	
28	Stock dividend	1,455,190,714	-	-	-	(1,455,190,714)	-	-	-	-	
28	Dividend paid	-	-	-	-	(165,236,523)	-	(165,236,523)	-	(165,236,523)	
	Subsidiary paid dividend to non-controlling interest of subsidiary	-	-	-	-	-	-	-	(3,500)	(3,500)	
	Total comprehensive income for the year	-	-	-	-	2,005,360,878	(98,123)	2,005,262,755	2,251	2,005,265,006	
	Unappropriated retained earnings transferred to statutory reserve	-	-	100,900,000	500,000	(101,400,000)	-	-	-	-	
	Balance as at 31 December 2011	5,836,721,415	636,329,511	417,700,000	500,000	1,230,139,710	(98,123)	8,121,292,513	3,277	8,121,295,790	
	Balance as at 1 January 2012	5,836,721,415	636,329,511	417,700,000	500,000	1,230,139,710	(98,123)	8,121,292,513	3,277	8,121,295,790	
21	Converted warrants to share capital	31,696,009	9,736,785	-	-	-	-	41,432,794	-	41,432,794	
28	Stock dividend	1,173,012,594	-	-	-	(1,173,012,594)	-	-	-	-	
28	Dividend paid	-	-	-	-	(1,006,015,271)	-	(1,006,015,271)	-	(1,006,015,271)	
	Total comprehensive income for the year	-	-	-	-	2,703,246,947	(63,253)	2,703,183,694	2,858	2,703,186,552	
	Unappropriated retained earnings transferred to statutory reserve	-	-	133,100,000	-	(133,100,000)	-	-	-	-	
	Balance as at 31 December 2012	7,041,430,018	646,066,296	550,800,000	500,000	1,621,258,792	(161,376)	9,859,893,730	6,135	9,859,899,865	

Statements of changes in shareholders' equity

For the year ended 31 December 2012

(Unit: Baht)

Separate Financial Statements						
Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total shareholders' equity	
			Appropriated - statutory reserve	Unappropriated		
Balance as at 1 January 2011	4,352,991,862	621,806,886	316,800,000	919,279,848	6,210,878,596	
Converted warrants to share capital	28,538,839	14,522,625	-	-	43,061,464	
Stock dividend	1,455,190,714	-	-	(1,455,190,714)	-	
Dividend paid	-	-	-	(165,236,523)	(165,236,523)	
Total comprehensive income for the year	-	-	-	2,016,814,199	2,016,814,199	
Unappropriated retained earnings transferred to statutory reserve	-	-	100,900,000	(100,900,000)	-	
Balance as at 31 December 2011	5,836,721,415	636,329,511	417,700,000	1,214,766,810	8,105,517,736	
Balance as at 1 January 2012	5,836,721,415	636,329,511	417,700,000	1,214,766,810	8,105,517,736	
Converted warrants to share capital	31,696,009	9,736,785	-	-	41,432,794	
Stock dividend	1,173,012,594	-	-	(1,173,012,594)	-	
Dividend paid	-	-	-	(1,006,015,271)	(1,006,015,271)	
Total comprehensive income for the year	-	-	-	2,684,004,178	2,684,004,178	
Unappropriated retained earnings transferred to statutory reserve	-	-	133,100,000	(133,100,000)	-	
Balance as at 31 December 2012	7,041,430,018	646,066,296	550,800,000	1,586,643,123	9,824,939,437	

Notes to consolidated financial statements

For the year ended 31 December 2012

1. General information

Home Product Center Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholders are Land and Houses Plc. and Quality Houses Plc., which were incorporated in Thailand. The Company is principally engaged in the trading of a complete range of goods and materials for construction, addition, refurbishment and renovation of buildings and residences, and provision for related services, together with space rental. Its registered address is at 96/27 Moo 9, Tambol Bangkhen, Amphur Muang, Nonthaburi. As at 31 December 2012, the Company has a total of 53 branches operating in Bangkok and other provinces (2011: 45 branches).

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Home Product Center Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) :

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2012	2011
Market Village Company Limited	Space rental	Thailand	99.99 %	99.99 %
Home Product Center (Malaysia) Sdn. Bhd.	To operate retail business	Malaysia	100.00 %	100.00 %

- b) Subsidiaries are fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) The assets and liabilities in the financial statements of overseas subsidiary company is translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
- e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

- f) Non-controlling interests represents the portion of profit or loss and net assets of the subsidiaries that is not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements, which present investments in subsidiaries under the cost method, have been prepared solely for the benefit of the public.

3. New accounting standards not yet effective

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standard.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognize deferred tax assets and liabilities under the stipulated guidelines. The management of the Company expects the adoption of this accounting standard to have the effect of increasing the Company and its subsidiaries' brought-forward retained earnings of the year 2013 by approximately Baht 67 million in total.

In addition, the Federation of Accounting Professions has issued Notification No. 30/2555 - 34/2555, published in the Royal Gazette on 17 January 2013, mandating the use of accounting treatment guidance and accounting standard interpretations as follows.

	Effective date
Accounting Treatment Guidance for Transfers of Financial Assets	1 January 2013
Accounting Standard Interpretation:	
SIC 29 Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:	
TFRIC 4 Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 12 Service Concession Arrangements	1 January 2014
TFRIC 13 Customer Loyalty Programmes	1 January 2014

The management of the Company has assessed the effect of these standards and believes that Accounting Treatment

Guidance for Transfers of Financial Assets, SIC 29, TFRIC 4 and TFRIC 12 are not relevant to the business of the Company. Management is still evaluating the first-year impact to the financial statements of the adoption of TFRIC 13 and has yet to reach a conclusion.

4. Significant accounting policies

4.1 Revenue recognition

Sale of goods

Revenue from the sale of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are recorded based on the selling prices after deducting discounts and allowances.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Rental income

Rental income under operating leases is recognised over the lease period.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

4.4 Inventories

Inventories are valued at the lower of cost (moving average cost method) and net realisable value.

Volume incentives received from the supplier are accounted for as a reduction of the value of inventory and recognised in profit or loss when the related inventory is sold.

4.5 Investments

Investments in subsidiaries are accounted for in the separated financial statements using the cost method.

4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any). Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated

useful lives of 5 - 20 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.7 Property, plant and equipment/Depreciation

Land is stated at cost, buildings and equipment are stated at cost less accumulated depreciation, and less allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:

Buildings	- 20 years
Buildings on lease land and building improvement	- useful lives but not over lease periods
Computer equipment	- 3 - 10 years
Furniture, fixtures and office equipment	- 5 - 10 years
Motor vehicles	- 5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and under construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in the profit or loss when the asset is derecognised.

4.8 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.9 Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets (computer software) with finite lives are amortised on a systematic basis over the economic useful life (5 and 10 years) and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

4.10 Leasehold rights and amortisation

Leasehold rights are stated at cost less accumulated amortisation. The Company amortises leasehold rights on a straight-line basis over the leasehold period.

The amortisation expense is charged to profit or loss.

4.11 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.12 Long-term leases

Leases of equipment and motor vehicles which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to profit or loss over the lease period. The equipment and motor vehicles acquired under finance leases are depreciated over the useful life of the assets.

Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.13 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rates ruling at the end of reporting period. Gains and losses on exchange are included in determining income.

4.14 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

4.15 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

- *Defined contribution plans*

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

- *Defined benefit plans*

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

4.16 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.17 Income tax

Income tax is recognised using the income tax payable method, calculated based on taxable profits determined in accordance with tax legislation.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for damaged goods

In determining an allowance for damaged goods due to loss or deterioration, the management needs to exercise judgment in making estimates based upon the condition of goods and the duration such goods have remained in stock.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Fair value of nancial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and salvage values of the Company's plant and equipment and to review estimate useful lives and salvage values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying cost. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Marketing promotion expenses

Marketing promotion expenses arise in respect of advertising and promotional activities, including various sales promotion activities that are undertaken when the Company has already sold merchandise but still has obligations to customers to make payment related to such sales promotion in the future. Certain transactions are estimates based on experience and comparison with various information available in the related market. However, the use of different estimates and assumptions could affect the amounts of marketing promotion expenses and adjustments to this expense may therefore be required in the future.

Post-employment benefits under dened benefits plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit : Thousand Baht)

	Consolidated Financial statements		Separate Financial statements		Pricing policy
	2012	2011	2012	2011	
Transactions with subsidiary companies (eliminated from the consolidated financial statements)					
Sales of goods	-	-	1,183	1,251	Market price
Rental and service income	-	-	156,661	154,172	Baht 13 million per month (2011: Baht 12-13 million per month)
Other income	-	-	29,423	28,343	Percentage of core revenue
Dividend received	-	-	-	24,997	As declared
Service income	-	-	9,966	11,180	Actual cost
Service expense	-	-	493	606	Market price
Interest expenses	-	-	2,989	2,397	3.00% - 3.50% per annum (2011: 1.80% - 3.70% per annum)
Transactions with related companies					
Sales of goods	64,676	62,080	64,676	62,080	Market price
Interest income	20,970	22,436	20,970	22,436	1.00% - 3.25% per annum (2011: 1.00% - 3.38% per annum)
Rental and service income	2,402	2,344	2,402	2,344	Market price
Rental and service expenses	19,418	18,908	19,418	18,908	Percentage of sales but not less than a minimum rate

As at 31 December 2012 and 2011, the Company had the outstanding balances with related parties which had been included in the following accounts:

(Unit : Thousand Baht)

	Consolidated Financial statements		Separate Financial statements	
	2012	2011	2012	2011
Bill of exchanges and deposits with financial institution (included in cash and cash equivalents) Related company ⁽¹⁾	819,161	1,728,321	819,161	1,728,321
Trade and other receivables				
Subsidiary	-	-	5,513	17,616
Related company ⁽¹⁾	39	-	39	-
Related company ⁽²⁾	5,252	2,659	5,252	2,659
Total	5,291	2,659	10,804	20,275
Rental guarantee deposits Related company ⁽¹⁾	3,000	3,000	3,000	3,000

(Unit : Thousand Baht)

	Consolidated Financial statements		Separate Financial statements	
	2012	2011	2012	2011
Trade and other payables (Note 16)				
Subsidiary	-	-	12	8
Related company ⁽¹⁾	1,124	1,124	1,124	1,124
Total	1,124	1,124	1,136	1,132
Short-term loans from related party				
Subsidiary	-	-	90,000	90,000

Relationship with the related companies

⁽¹⁾ has common major shareholders⁽²⁾ the major shareholders

Short-term loans from related party

The Company has received unsecured loans of Baht 90 million from its subsidiary on which interest is payable on a monthly basis at a rate of 3.00% - 3.50% per annum (2011: 1.80% - 3.70% per annum). The loans are repayable at call.

During the year ended 31 December 2012, there were no movements in the balances of short-term loans from related party.

Directors and management's benefits

During the year ended 31 December 2012 and 2011, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated and Separate Financial statements	
	2012	2011
Short-term benefits	98,715	85,541
Post-employment benefits	3,540	3,310
Total	102,255	88,851

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated Financial statements		Separate Financial statements	
	2012	2011	2012	2011
Cash	207,571	94,823	206,802	94,189
Bank deposits	266,048	156,501	204,085	113,218
Bills of exchange	817,000	1,726,000	817,000	1,726,000
Total	1,290,619	1,977,324	1,227,887	1,933,407

As at 31 December 2012, bank deposits in saving accounts and bills of exchange carried interests between 0.62% and 3.25% per annum (2011: between 0.75% and 3.38% per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated Financial statements		Separate Financial statements	
	2012	2011	2012	2011
Trade accounts receivable	312,722	216,429	305,495	212,236
Other receivables	915,746	568,174	920,988	585,489
Compensation receivables*	-	180,052	-	180,052
Income receivables	23,152	21,781	17,326	16,867
Total trade and other receivables	1,251,620	986,436	1,243,809	994,644

* Compensation receivables of inventories and assets which have been received in the first quarter of the year 2012.

Trade accounts receivable

(Unit: Thousand Baht)

	Consolidated Financial statements		Separate Financial statements	
	2012	2011	2012	2011
Trade accounts receivable	164,946	97,089	158,070	93,100
Check returned receivable	930	1,190	930	1,190
Credit card and coupon receivable	148,188	119,892	147,837	119,688
Total	314,064	218,171	306,837	213,978
Less: Allowance for doubtful accounts	(1,342)	(1,742)	(1,342)	(1,742)
Total trade accounts receivable - net	312,722	216,429	305,495	212,236

The outstanding balances of trade accounts receivable as at 31 December 2012 and 2011 are aged as follows:

(Unit: Thousand Baht)

	Consolidated Financial statements		Separate Financial statements	
	2012	2011	2012	2011
Trade receivables - related parties				
Not yet due	3,919	1,868	4,061	1,892
Past due				
Up to 3 months	1,333	691	1,475	968
3 - 6 months	-	87	-	87
Total trade receivables - related parties	5,252	2,646	5,536	2,947
Trade receivables - unrelated parties				
Not yet due	297,416	197,129	293,418	195,267
Past due				
Up to 3 months	10,178	17,037	6,690	14,524
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
Over 12 months	1,218	1,359	1,193	1,240
Total	308,812	215,525	301,301	211,031
Less: Allowance for doubtful debts	(1,342)	(1,742)	(1,342)	(1,742)
Total trade receivables - unrelated parties, net	307,470	213,783	299,959	209,289
Total trade receivables - net	312,722	216,429	305,495	212,236

Other receivables

Other receivables mainly consist of receivables from sale support operation and area rental and related service receivables.

The outstanding balances of other receivables as at 31 December 2012 and 2011 are aged as follows:

(Unit: Thousand Baht)

	Consolidated Financial statements		Separate Financial statements	
	2012	2011	2012	2011
Age of receivables				
Not yet due	527,956	300,687	533,198	318,002
Past due				
Up to 3 months	374,538	259,448	374,538	259,448
3 - 6 months	738	3,133	738	3,133
6 - 12 months	6,398	5,619	6,398	5,619
Over 12 months	8,091	8,263	8,091	8,263
Total	917,721	577,150	922,963	594,465
Less: Allowance for doubtful debts	(1,975)	(8,976)	(1,975)	(8,976)
Total other receivables - net	915,746	568,174	920,988	585,489

9. Inventories

(Unit: Thousand Baht)

	Consolidated and Separate Financial statements	
	2012	2011
Inventories	6,581,458	5,355,847
Less : Allowance for stock obsolescence	(243,527)	(209,015)
Net	6,337,931	5,146,832
Less : Inventories - repaid its cost when sold	(807,888)	(610,831)
Purchase discount	(177,505)	(153,505)
Inventories - net	5,352,538	4,382,496

10. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2012	2011	2012	2011	2012	2011	2012	2011
Market Village Company Limited	5,000	5,000	99.99	99.99	4,999	4,999	-	24,997
Home Product Center (Malaysia) Sdn. Bhd.	10,000	10,000	100.00	100.00	9,840	9,840	-	-
					14,839	14,839	-	24,997

11. Investment properties

The net book value of investment properties as at 31 December 2012 and 2011 is presented below.

(Unit: Thousand Baht)

	Consolidated and Separate Financial statements			
	Land and land improvement	Office building for rent	Assets under installation and under construction	Total
31 December 2012				
Cost	150,000	1,358,127	372,674	1,880,801
Less: Accumulated depreciation	-	(504,531)	-	(504,531)
Net book value	150,000	853,596	372,674	1,376,270
31 December 2011				
Cost	150,000	1,355,186	14,001	1,519,187
Less: Accumulated depreciation	-	(423,204)	-	(423,204)
Net book value	150,000	931,982	14,001	1,095,983

A reconciliation of the net book value of investment properties for the years 2012 and 2011 is presented below.

(Unit: Thousand Baht)

	Consolidated and Separate Financial statements	
	2012	2011
Net book value at beginning of year	1,095,983	1,159,294
Acquisition of assets	362,124	27,200
Disposals - net book value	(170)	(9,391)
Depreciation charged	(81,667)	(81,120)
Net book value at end of year	1,376,270	1,095,983

The fair value of the investment properties is Baht 2,332 million, which was determined in the year 2011 by an accredited independent valuer using the income approach. The main assumptions used in the valuation are yield rate, building improvement rate and long-term growth in real rental rates.

12. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated Financial statements						
	Land and land improvement	Buildings and building improvement	Computer equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
Cost:							
1 January 2011	2,332,156	6,389,203	347,163	2,321,504	43,580	722,936	12,156,542
Additions	694,635	128,201	54,165	498,436	9,791	1,822,293	3,207,521
Disposals and written-off	-	(99,905)	(19,238)	(158,297)	(9,166)	-	(286,606)
Transfers in (out)	161,868	722,217	1,402	167,123	11,392	(1,064,002)	-
31 December 2011	3,188,659	7,139,716	383,492	2,828,766	55,597	1,481,227	15,077,457
Additions	1,347,329	133,848	50,149	575,038	36,573	2,993,966	5,136,903
Disposals and written-off	-	(13,037)	(3,436)	(83,710)	(16,405)	-	(116,588)
Transfers in (out)	61,298	670,808	470	325,922	10	(1,058,508)	-
31 December 2012	4,597,286	7,931,335	430,675	3,646,016	75,775	3,416,685	20,097,772
Accumulated depreciation:							
1 January 2011	-	1,679,911	276,072	1,545,298	28,494	-	3,529,775
Depreciation for the year	-	464,917	50,612	361,948	9,221	-	886,698
Depreciation on disposals and written-off	-	(41,852)	(19,224)	(144,716)	(8,873)	-	(214,665)
31 December 2011	-	2,102,976	307,460	1,762,530	28,842	-	4,201,808
Depreciation for the year	-	597,725	50,214	435,482	11,049	-	1,094,470
Depreciation on disposals and written-off	-	(5,659)	(3,388)	(71,976)	(14,719)	-	(95,742)
31 December 2012	-	2,695,042	354,286	2,126,036	25,172	-	5,200,536
Allowance for impairment loss:							
1 January 2011	13,000	100,238	-	-	-	-	113,238
Increase during the year	-	31,777	-	-	-	-	31,777
Decrease during the year	-	(81,752)	-	-	-	-	(81,752)
31 December 2011	13,000	50,263	-	-	-	-	63,263
Increase during the year	-	18,820	-	-	-	-	18,820
Decrease during the year	(3,570)	(27,835)	-	-	-	-	(31,405)
31 December 2012	9,430	41,248	-	-	-	-	50,678
Net book value:							
1 January 2011	2,319,156	4,609,054	71,091	776,206	15,086	722,936	8,513,529
31 December 2011	3,175,659	4,986,477	76,032	1,066,236	26,755	1,481,227	10,812,386
31 December 2012	4,587,856	5,195,045	76,389	1,519,980	50,603	3,416,685	14,846,558
Depreciation for the year							
2011 (Baht 828 million included in selling expenses, and the balance in administrative expenses)							886,698
2012 (Baht 1,056 million included in selling expenses, and the balance in administrative expenses)							1,094,470

(Unit: Thousand Baht)

	Separate Financial statements						
	Land and land improvement	Buildings and building improvement	Computer equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
Cost:							
1 January 2011	2,332,156	6,388,556	346,795	2,301,922	42,983	722,825	12,135,237
Additions	694,635	128,201	54,162	497,181	9,791	1,822,291	3,206,261
Disposals and written-off	-	(99,904)	(19,238)	(157,119)	(9,166)	-	(285,427)
Transfers in (out)	161,868	722,217	1,402	167,011	11,392	(1,063,890)	-
31 December 2011	3,188,659	7,139,070	383,121	2,808,995	55,000	1,481,226	15,056,071
Additions	1,347,329	133,848	50,063	574,216	35,795	2,993,966	5,135,217
Disposals and written-off	-	(13,037)	(3,436)	(83,353)	(15,845)	-	(115,671)
Transfers in (out)	61,298	670,808	470	325,922	10	(1,058,508)	-
31 December 2012	4,597,286	7,930,689	430,218	3,625,780	74,960	3,416,684	20,075,617
Accumulated depreciation:							
1 January 2011	-	1,679,691	275,834	1,528,862	27,908	-	3,512,295
Depreciation for the year	-	464,853	50,543	360,038	9,212	-	884,646
Depreciation on disposals and written-off	-	(41,852)	(19,224)	(143,542)	(8,873)	-	(213,491)
31 December 2011	-	2,102,692	307,153	1,745,358	28,247	-	4,183,450
Depreciation for the year	-	597,661	50,163	434,126	11,002	-	1,092,952
Depreciation on disposals and written-off	-	(5,659)	(3,388)	(71,620)	(14,160)	-	(94,827)
31 December 2012	-	2,694,694	353,928	2,107,864	25,089	-	5,181,575
Allowance for impairment loss:							
1 January 2011	13,000	100,238	-	-	-	-	113,238
Increase during the year	-	31,777	-	-	-	-	31,777
Decrease during the year	-	(81,752)	-	-	-	-	(81,752)
31 December 2011	13,000	50,263	-	-	-	-	63,263
Increase during the year	-	18,820	-	-	-	-	18,820
Decrease during the year	(3,570)	(27,835)	-	-	-	-	(31,405)
31 December 2012	9,430	41,248	-	-	-	-	50,678
Net book value:							
1 January 2011	2,319,156	4,608,627	70,961	773,060	15,075	722,825	8,509,704
31 December 2011	3,175,659	4,986,115	75,968	1,063,637	26,753	1,481,226	10,809,358
31 December 2012	4,587,856	5,194,747	76,290	1,517,916	49,871	3,416,684	14,843,364
Depreciation for the year							
2011 (Baht 828 million included in selling expenses, and the balance in administrative expenses)							884,646
2012 (Baht 1,056 million included in selling expenses, and the balance in administrative expenses)							1,092,952

As at 31 December 2012, the Company had vehicles and equipment under finance lease agreements with net book values amounting to Baht 21 million (2011: Baht 9 million).

As at 31 December 2012, certain plant and equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 1,585 million (2011: Baht 1,113 million) (The separate financial statements: Baht 1,569 million, 2011: Baht 1,102 million).

13. Computer software

(Unit: Thousand Baht)

	Consolidated Financial statements	Separate Financial statements
Cost		
1 January 2011	286,035	285,677
Acquisitions during the year	80,733	80,733
Written-off during the year	(3,677)	(3,667)
31 December 2011	363,091	362,743
Acquisitions during the year	24,193	24,193
Written-off during the year	(108,658)	(108,658)
31 December 2012	278,626	278,278
Accumulated amortisation		
1 January 2011	115,833	115,813
Amortisation for the year	21,531	21,495
Amortisation on written-off	(2,321)	(2,315)
31 December 2011	135,043	134,993
Amortisation for the year	29,728	29,693
Amortisation on written-off	(84,474)	(84,474)
31 December 2012	80,297	80,212
Allowance for impairment loss		
1 January 2011	40,000	40,000
Decrease during the year	(1,500)	(1,500)
31 December 2011	38,500	38,500
Decrease during the year	(30,000)	(30,000)
31 December 2012	8,500	8,500
Net book value		
31 December 2011	189,548	189,250
31 December 2012	189,829	189,566

14. Leasehold rights

(Unit: Thousand Baht)

	Consolidated and Separate Financial statements
Cost	
1 January 2011	1,030,004
Acquisitions during the year	269,509
31 December 2011	1,299,513
Acquisitions during the year	164,676
31 December 2012	1,464,189
Accumulated amortisation	
1 January 2011	198,612
Amortisation for the year	41,505
31 December 2011	240,117
Amortisation for the year	43,413
31 December 2012	283,530
Net book value	
31 December 2011	1,059,396
31 December 2012	1,180,659

15. Bank overdrafts and short-term loans from financial institutions

As at 31 December 2012 and 2011, the Company had overdraft lines from banks totaling Baht 275 million and Baht 275 million, respectively, and other credit facilities amounting to Baht 5,466 million and Baht 4,184 million, respectively.

16. Trade and other payables

(Unit: Thousand Baht)

	Consolidated Financial statements		Separate Financial statements	
	2012	2011	2012	2011
Trade payables - unrelated parties	6,698,340	5,944,705	6,691,754	5,939,589
Other payables - related party	-	-	12	8
Other payables - unrelated parties	416,907	312,252	404,216	302,514
Other payables for purchase of assets	301,694	343,125	301,694	343,125
Accrued expenses - related parties	1,124	1,124	1,124	1,124
Accrued expenses - unrelated parties	673,217	690,573	656,042	674,803
Total trade and other payables	8,091,332	7,291,779	8,054,842	7,261,163

17. Liabilities under financial lease agreements

(Unit: Thousand Baht)

	Consolidated and Separate Financial statements			
	Portion due within one year		Portion due over one year	
	2012	2011	2012	2011
Liabilities under financial lease agreements	7,192	4,322	18,541	9,113
Less: Deferred interest expense	(1,225)	(602)	(1,717)	(693)
Net	5,967	3,720	16,824	8,420

The Company has entered into the finance lease agreements with leasing companies for rental of motor vehicles and equipment for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 to 5 years.

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Thousand Baht)

	31 December 2012		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	7,192	18,541	25,733
Deferred interest expenses	(1,225)	(1,717)	(2,942)
Present value of future minimum lease payments	5,967	16,824	22,791

(Unit: Thousand Baht)

	31 December 2011		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	4,322	9,113	13,435
Deferred interest expenses	(602)	(693)	(1,295)
Present value of future minimum lease payments	3,720	8,420	12,140

18. Long-term loan

(Unit: Thousand Baht)

	Consolidated and Separate Financial statements	
	2012	2011
Long-term loan	1,500,000	-
Less: Current portion	(300,000)	-
Long-term loan, net of current portion	1,200,000	-

The Company has received unsecured long-term credit facilities of Baht 1,500 million from a financial institution on which interest is payable on a quarterly basis at a rate of 3.70% per annum. The principle is repayable on every six-month periods (within 10 periods or 60 months). The loan agreement contain covenants as specified in the agreements that, among other things, require the Company to maintain certain debt to equity and debt service coverage ratios according to the agreements.

19. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)

	Consolidated and Separate Financial statements	
	2012	2011
Defined benefit obligation at beginning of year	91,352	76,786
Current service cost	9,854	11,068
Interest cost	3,533	3,498
Actuarial gain	(23,781)	-
Defined benefit obligation at end of year	80,958	91,352

Long-term employee benefit expenses included in the profit or loss was as follows:

(Unit: Thousand Baht)

	Consolidated and Separate Financial statements	
	2012	2011
Current service cost	9,854	11,068
Interest cost	3,533	3,498
Total expense recognized in profit or loss	13,387	14,566
Line item under which such expenses are included in profit or loss		
Selling and administrative expenses	13,387	14,566

Total actuarial gains and recognized in the other comprehensive income of the Company as at 31 December 2012 amounted to Baht 24 million.

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated and Separate Financial statements	
	2012 (% per annum)	2011 (% per annum)
Discount rate	4.0%	4.7%
Future salary increase rate (depending on age)	6.0% - 6.5%	6.7% - 7.2%
Staff turnover rate	0 - 50%	0 - 50%

Amounts of defined benefit obligation for the current and previous four years are as follows:

(Unit: Thousand Baht)

	Consolidated and Separate Financial statements	
	Defined benefit obligation	Experience adjustments arising on the plan liabilities
Year 2012	80,958	57,711
Year 2011	91,352	-
Year 2010	76,786	-
Year 2009	63,516	-
Year 2008	51,537	-

20. Debentures

	Consolidated and Separate Financial statements			
	Number of debentures (Unit)		Amount (Thousand Baht)	
	2012	2011	2012	2011
Unsecured debentures				
#1/2009	-	300,000	-	300,000
#1/2010	700,000	700,000	700,000	700,000
#2/2010	1,000,000	1,000,000	1,000,000	1,000,000
#1/2011	1,000,000	1,000,000	1,000,000	1,000,000
#1/2012	1,300,000	-	1,300,000	-
Total	4,000,000	3,000,000	4,000,000	3,000,000
Less: Current portion			(1,700,000)	(300,000)
Debentures - net of current portion			2,300,000	2,700,000

Details of the Company's debentures are as follows:

1. The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2009 due 2012

Name of debentures	"The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2009 due 2012"
Amount	Baht 300 million
Term	3 years, starting from date of issuance
Issued date	1 October 2009
Interest rate	4.00% per annum
Interest payment schedule	Quarterly in January, April, July and October, starting from 1 January 2010 and with the last payment due on 2 October 2012
Principal repayment	On the redemption date of 2 October 2012
Covenants	Maintenance of debt to equity ratio and restriction on dividend payment

On 2 October 2012, the Company repaid the principal of the Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2008 in full at Baht 300 million to the debenture holders, as stipulated in the terms of repayment of such debentures.

2. The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2010 due 2013

Name of debentures	"The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2010 due 2013"
Amount	Baht 700 million
Term	3 years, starting from date of issuance
Issued date	8 January 2010
Interest rate	3.65% per annum
Interest payment schedule	Quarterly in January, April, July and October, starting from 8 April 2010 and with the last payment due on 8 January 2013
Principal repayment	On the redemption date of 8 January 2013
Covenants	Maintenance of debt to equity ratio and restriction on dividend payment

3. The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 2/2010 due 2013

Name of debentures	"The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2010 due 2013"
Amount	Baht 1,000 million
Term	3 years, starting from date of issuance
Issued date	25 June 2010
Interest rate	3.00% per annum
Interest payment schedule	Semi-annually in June and December, starting from 25 December 2010 and with the last payment due on 25 June 2013
Principal repayment	On the redemption date of 25 June 2013
Covenants	Maintenance of debt to equity ratio and restriction on dividend payment

4. The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2011 due 2015.

Name of debentures	"The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2011 due 2015"
Amount	Baht 1,000 million
Term	4 years, starting from date of issuance
Issued date	15 September 2011
Interest rate	4.60% per annum
Interest payment schedule	Quarterly in March, June, September and December, starting from 15 December 2011
Principal repayment	On the redemption date of 15 September 2015
Covenants	Maintenance of debt to equity ratio, restriction on dividend payment and disposal and transfer of assets

5. The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2012 due 2015.

Name of debentures	"The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2012 due 2015"
Amount	Baht 1,300 million
Term	3 years, starting from date of issuance
Issued date	14 September 2012
Interest rate	3.85% per annum
Interest payment schedule	Semi-annually in March and September, starting from 14 March 2013
Principal repayment	On the redemption date of 14 September 2015
Covenants	Maintenance of debt to equity ratio, restriction on dividend payment and disposal and transfer of assets

21. Share capital

As discussed in Note 22, during the current year, the holders of the warrants of the Company exercised the warrants as follows:

2012	Warrants (Unit)	Ordinary shares (Shares)	Exercise price (Baht/share)	Amount (Baht)
ESOP-W4				
- The first quarter	418,799	1,268,538	1.314	1,666,859
- The second quarter	9,153,675	27,726,417	1.314	36,432,512
- The third quarter	566,239	1,715,131	1.314	2,253,682
- The fourth quarter	271,231	985,923	1.095	1,079,741
Total	10,409,944	31,696,009		41,432,794

Movements in the number of ordinary shares, the paid-up share capital and premium on ordinary shares are as follows:

	Number of ordinary shares (Thousand Shares)	Paid-up share capital (Thousand Baht)	Premium on ordinary shares (Thousand Baht)
Registered share capital			
At the beginning of the year	5,881,395		
Increase during the year	1,174,400		
Decrease during the year	(824)		
At the end of the year	7,054,971		
Issued and paid-up share capital			
At the beginning of the year	5,836,721	5,836,721	636,330
Increase in capital from exercising of the rights of the warrants	31,696	31,696	9,737
Increase in capital from payment of stock dividends	1,173,013	1,173,013	-
At the end of the year	7,041,430	7,041,430	646,066

On 4 April 2012, the Annual General Meeting of the Company's shareholders passed the resolution to decrease the registered capital of the Company from Baht 5,881.39 million to Baht 5,880.57 million by cancelling the registered ordinary shares remaining after the stock dividend allocation of 0.82 million ordinary shares with a par value of Baht 1 made in accordance with the resolution of the Extraordinary General Shareholders Meeting no. 1/2554. The Company registered the decrease in its registered share capital to Baht 5,880.57 million with the Ministry of Commerce on 12 April 2012.

On 5 October 2012, the Extraordinary General Meeting of the Company's shareholders passed the following resolutions:

- The following allocations of the Company's retained earnings and interim dividend payment:
 - Allocated as the statutory reserve in the amount of Baht 59.70 millions which is equivalent to 5% of the net profit from January 2012 to June 2012.
 - Paid dividend by the Company's ordinary shares in the ratio of 5 existing shares per 1 dividend share, not exceeding 1,174.40 million shares, or in the total amount not exceeding Baht 1,174.40 million or shall be converted as dividend payment at Baht 0.20 per share. In case that any shareholder holds the indivisible share remaining after such allocation, the dividend shall be paid by cash in the amount of Baht 0.20 per share.
 - Paid dividend by cash at the rate of Baht 0.022223 per share or in the total amount not exceeding Baht 130.50 million.

In combination of the stock dividend and the cash dividend shall be paid at the rate of Baht 0.222223 per share. The payment of such stock dividend and cash dividend shall be made within 30 October 2012.

- Increase the registered capital from the previous registered capital of Baht 5,880.57 million to be the new registered capital of Baht 7,054.97 million by issuing an additional 1,174.40 million ordinary shares at the par value of Baht 1 each to support the payment of a stock dividend. On 19 October 2012, the Company registered the increase in its registered capital to Baht 7,054.97 million with the Ministry of Commerce.

On 25 October 2012, the Company reports to the Stock Exchange of Thailand (SET) the number of 1,173.01 million ordinary shares actually allocated to the stock dividend. The SET approved the trading of the additional shares through the stock market to be effective from 29 October 2012.

22. Warrants

Details of the warrants of the Company which were issued without charge, are as follows:

Type of warrant	Issue to	Issuance date of warrant	Number of warrants issued (Unit)	Period of warrant	Exercise price per share	Exercise ratio per 1 warrant
ESOP-W4	Directors and employees of the Company and its subsidiary	23 May 2008	50,000,000	5 years	Baht 3.98	1 ordinary shares

During the period of exercise the rights of the warrants allotted to employees of the Company (ESOP-W4), the Company paid cash dividend and stock dividend as a result the Company needs to adjust the rights of the warrants allotted to employees of the Company (ESOP-W4) in accordance with the prospectus for the offering of warrants in respect of the condition to adjust the rights of warrants and the changes in prices as follows:

Effective date	Exercise price per share	Exercise ratio per 1 warrant
16 April 2009	Baht 3.912	1.017 ordinary shares
12 October 2009	Baht 2.059	1.932 ordinary shares
12 April 2010	Baht 2.044	1.946 ordinary shares
12 October 2010	Baht 1.752	2.271 ordinary shares
12 April 2011	Baht 1.502	2.650 ordinary shares
7 October 2011	Baht 1.314	3.029 ordinary shares
12 October 2012	Baht 1.095	3.635 ordinary shares

During the year, the movements of warrants of the Company are as follows:

(Unit : Unit)

Type of warrant	Number of warrants outstanding as at 31 December 2011	Number of warrants exercised during the year	Number of warrants outstanding as at 31 December 2012
ESOP-W4	11,600,343	(10,409,944)	1,190,399

23. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

24. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Million Baht)

	Consolidated Financial statements		Separate Financial statements	
	2012	2011	2012	2011
Salary and wages and other employee benefits	2,627	2,086	2,627	2,086
Premises expenses	1,292	1,033	1,292	1,033
Depreciation and amortisation	1,249	1,031	1,248	1,029
Sales promotion and operation support expenses	1,440	1,123	1,435	1,121
Financial costs	149	118	149	120
Tax expenses and fees	874	982	868	976
Changes in finished goods	(1,006)	(728)	(1,006)	(728)

25. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year. The number of ordinary shares of the year 2011 used for the calculation, as presented for comparative purposes, has been adjusted in proportion to the change in the number of shares as a result of the distribution of the stock dividends of 1,173.01 million shares on 25 October 2012, as if the shares comprising such stock dividends had been issued at the beginning of the earliest period reported.

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year as discussed in the above paragraph, plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

	Consolidated Financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2012 (Thousand Baht)	2011 (Thousand Baht)	2012 (Thousand shares)	2011 (Thousand shares) (Restated)	2012 (Baht)	2011 (Baht) (Restated)
Basic earnings per share						
Profit attributable to equity holders of the Company	2,679,466	2,005,361	7,027,673	6,996,777	0.38	0.29
Effect of dilutive potential ordinary shares						
Warrants	-	-	16,327	41,055		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	2,679,466	2,005,361	7,044,000	7,037,832	0.38	0.28

	Seprate Financial statements					
	Prot for the year		Weighted average number of ordinary shares		Earnings per share	
	2012 (Thousand Baht)	2011 (Thousand Baht)	2012 (Thousand shares)	2011 (Thousand shares) (Restated)	2012 (Baht)	2011 (Baht) (Restated)
Basic earnings per share						
Profit attributable to equity holders of the Company	2,660,223	2,016,814	7,027,673	6,996,777	0.38	0.29
Effect of dilutive potential ordinary shares						
Warrants	-	-	16,327	41,055		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	2,660,223	2,016,814	7,044,000	7,037,832	0.38	0.29

26. Financial information by segment

The majority of the operations of the Company and subsidiary companies involve the business segments of trading of a complete range of goods and materials for construction, addition, refurbishment and renovation of buildings and residences, and provision of related services, together with space rental (as having revenue and assets less than 10% of total revenue and total assets of all segments) and are carried on in a single geographic area, Thailand. As a result, all revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned trading industry and geographic area.

27. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contributed to the fund monthly at the rate of 3% - 5% of basic salary. The fund, which is managed by American International Assurance Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. During the year 2012, the Company contributed Baht 48 million (2011: Baht 39 million) to the fund.

28. Dividend paid

Dividends	Approved by	Total dividends Dividend (Million Baht)	per share (Baht)
Final dividends for 2010	Annual General Meeting of the shareholders on 5 April 2011	84	0.0193
Stock dividends for 2010	Annual General Meeting of the shareholders on 5 April 2011	726	0.1667
Interim dividends for 2011	Extraordinary General Meeting of the shareholders on 29 September 2011	81	0.0159
Stock interim dividends for 2011	Extraordinary General Meeting of the shareholders on 29 September 2011	729	0.1429
Total for 2011		1,620	
Final dividends for 2011	Annual General Meeting of the shareholders on 4 April 2012	876	0.15
Interim dividends for 2012	Extraordinary General Meeting of the shareholders on 5 October 2012	130	0.022223
Stock interim dividends for 2012	Extraordinary General Meeting of the shareholders on 5 October 2012	1,173	0.20
Total for 2012		2,179	

29. Commitments and contingent liabilities

- 29.1 As at 31 December 2012, the Company had commitments totaling Baht 130 million (2011: Baht 100 million and USD 0.1 million), to commercial banks in respect of guarantees provided for leasing, purchases of goods or hire of work, as bonds with State Enterprise.
- 29.2 As at 31 December 2012 and 2011, the Company had commitments under letters of credit opened with two commercial banks, amounting to USD 4 million.

30. Commitments under long-term lease agreements

30.1 Long-term lease agreements - as lessee

- a) The Company has entered into land lease agreements. The terms of the agreements are generally between 24 to 30 years and they are non-cancelable, except with the consent of the counterparties.

Future minimum lease payments required under these operating leases contracts were as follows:

(Unit: Million Baht)

	Consolidated and Separate Financial statements As at 31 December	
	2012	2011
Payable:		
in up to 1 year	63	55
In over 1 and up to 5 years	290	258
In over 5 years	1,495	1,343

- b) The Company has entered into lease agreements to lease commercial space. The terms of the agreements are generally between 17 to 30 years and they are non-cancelable, except with the consent of the counterparties.

Future minimum lease payments required under these operating leases contracts were as follows:

(Unit: Million Baht)

	Consolidated and Separate Financial statements As at 31 December	
	2012	2011
Payable:		
in up to 1 year	101	95
In over 1 and up to 5 years	426	420
In over 5 years	1,314	1,421

30.2 Long-term lease agreements - as leaser

The Company has entered into seven agreements with two companies to lease and sub-lease parts of premises in 5 branches for periods of 29 - 30 years, with a total of rental received in advance amounting to Baht 640 million. The terms of the agreements are until 2033 - 2036. The Company recognises this income systematically on a straight-line basis over the lease period which is the useful lives of the leaseholds.

The outstanding balance of rental received in advance, net of recognised rental income, as of 31 December 2012 was Baht 478 million (2011: Baht 499 million).

31. Financial instruments

31.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, trade and other payables, short-term loans, long-term loan, and debentures. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade and other receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the statements of financial position.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its deposits with financial institutions, loans and debentures. However, since the Company's financial assets and some of its financial liabilities bear floating interest rates and some of financial liabilities bear fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities classified by type of interest rate, are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

	Consolidated Financial statements					
	As at 31 December 2012					
	Fixed interest rates		Floating interest rate (Million Baht)	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	Over 1 - 5 years				
Financial assets						
Cash and cash equivalents	817	-	82	392	1,291	0.62 - 3.25
Trade and other receivables	-	-	-	1,252	1,252	-
	817	-	82	1,644	2,543	
Financial liabilities						
Trade and other payables	-	-	-	8,091	8,091	-
Long-term loan	300	1,200	-	-	1,500	3.70
Debentures	1,700	2,300	-	-	4,000	3.00 - 4.60
	2,000	3,500	-	8,091	13,591	

	Consolidated Financial statements					
	As at 31 December 2011					
	Fixed interest rates		Floating interest rate (Million Baht)	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	Over 1 - 5 years				
Financial assets						
Cash and cash equivalents	1,726	-	92	159	1,977	0.75 - 3.38
Trade and other receivables	-	-	-	986	986	-
	1,726	-	92	1,145	2,963	
Financial liabilities						
Trade and other payables	-	-	-	7,292	7,292	-
Debentures	300	2,700	-	-	3,000	3.00 - 5.50
	300	2,700	-	7,292	10,292	

	Separate Financial statements					
	As at 31 December 2012					
	Fixed interest rates		Floating interest rate (Million Baht)	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	Over 1 - 5 years				
Financial assets						
Cash and cash equivalents	817	-	30	381	1,228	0.62 - 3.25
Trade and other receivables	-	-	-	1,244	1,244	-
	817	-	30	1,625	2,472	
Financial liabilities						
Trade and other payables	-	-	-	8,055	8,055	-
Short-term loans from related party	90	-	-	-	90	3.00
Long-term loan	300	1,200	-	-	1,500	3.70
Debentures	1,700	2,300	-	-	4,000	3.00 - 4.60
	2,090	3,500	-	8,055	13,645	

	Separate Financial statements					
	As at 31 December 2011					
	Fixed interest rates		Floating interest rate (Million Baht)	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	Over 1 - 5 years				
Financial assets						
Cash and cash equivalents	1,726	-	49	158	1,933	0.75 - 3.38
Trade and other receivables	-	-	-	995	995	-
	1,726	-	49	1,153	2,928	
Financial liabilities						
Trade and other payables	-	-	-	7,261	7,261	-
Short-term loans from related party	90	-	-	-	90	3.50
Debentures	300	2,700	-	-	3,000	3.00 - 5.50
	390	2,700	-	7,251	10,351	

Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it consider appropriate. The forward contracts mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated and Separate Financial statements					
	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2012 (Million)	2011 (Million)	2012 (Million)	2011 (Million)	2012 (Baht per 1 foreign currency unit)	2011 (Baht per 1 foreign currency unit)
US dollar	-	-	0.20	0.60	30.7775	31.8319

Foreign exchange contracts outstanding are summarised below (31 December 2012: none)

Foreign currency	Consolidated and Separate Financial statements				
	As at 31 December 2011				
	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate		Contractual maturity date
			Bought (Baht per 1 foreign currency unit)	Sold (Baht per 1 foreign currency unit)	
US dollar	0.06	-	31.3800	-	23 January 2012

31.2 Fair values of financial instruments

Since some of the Company's financial assets and liabilities are short term in nature, loans and debentures bear interest at rates close to market rate, their fair value is not expected to be materially different from the amounts presented in statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

32. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

The Company manages its capital position with reference to its debt-to-equity ratio in order to comply with a condition in the stipulations of debentures, which requires the Company to maintain a debt-to-equity ratio of not more than 1.75:1.

No changes were made in the objectives, policies or processes during the years end 31 December 2012 and 2011.

33. Subsequent events

- 33.1 On 25 December 2012, the meeting of the Company's Board of Directors passed a resolution approving the acquisition of Mega Home Center Company Limited to operate retail business. The registered share capital of this company is Baht 1 million, 99.99% of which is to be held by the Company. The Company paid for the acquisition on 1 January 2013.
- 33.2 On 8 January 2013, the Company repaid the principal of the Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2009 in full at Baht 700 million to the debenture holders, as stipulated in the terms of repayment of such debentures.
- 33.3 On 19 February 2013, the meeting of the Company's Board of Directors passed the following resolutions to propose to Annual General Meeting of the Company's shareholders for approval.
1. To decrease the registered capital of the Company from Baht 7,054.97million to Baht 7,053.58 million by cancelling the registered ordinary shares remaining after the stock dividend allocation of 1.39 million ordinary shares with a par value of Baht 1 each, previously made in accordance with the resolution of the Extraordinary General Shareholders Meeting no. 1/2555.
 2. To approve allocations of the Company's dividend payment from operating results of July 2012 to December 2012 as follows:
 - Paid dividend by the Company's ordinary shares in the ratio of 6 existing shares per 1 dividend share, not exceeding 1,174.61 million shares, or in the total amount not exceeding Baht 1,174.61 million or shall be converted as dividend payment at Baht 0.1667 per share. In case that any shareholder holds the indivisible share remaining after such allocation, the dividend shall be paid by cash in the amount of Baht 0.1667 per share.
 - Paid dividend by cash at the rate of Baht 0.0186 per share or in the total amount not exceeding Baht 131.06 million.

The payment of such stock dividend and cash dividend shall be made within 30 April 2013.

As the Extraordinary General Meeting of the Company's shareholders held on 5 October 2012 has the resolution to approve interim dividend payment to the shareholders as stock dividend of Baht 0.20 per share and cash dividend of Baht 0.022223 per share. The interim dividend was paid on 30 October 2012. As a result, total dividend per share for the year 2012 is Baht 0.407523 per share (before taking dilution effect).

3. To increase the registered capital from the previous registered capital of Baht 7,053.58 million to be the new registered capital of Baht 8,228.19 million by issuing an additional 1,174.61 million ordinary shares at the par value of Baht 1 each to support the payment of a stock dividend.

34. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2013.

Board of Directors



Mr. Anant Asavabhokhin
Chairman



Mr. Pong Sarasin
Independent Director



Mr. Manit Udomkunnatum
Director and
Chairman of the Executive
Director



Mr. Rutt Phaniiphand
Director, Executive Director, and
Chairman of the Nomination and
Remuneration Committee



Mr. Apilas Osatananda
Independent Director and
Chairman of the Audit
Committee



Mr. Thaveevat Tatiyamaneekul
Independent Director and
Audit Committee



Mr. Chanin Roonsamrarn
Independent Director, Audit
Committee, and
Nomination and Remuneration
Committee



Mr. Apichat Natasilapa
Director and
Nomination and Remuneration
Committee



Mr. Khunawut Thumpomkul
Director, Executive Director and
Managing Director



Mr. Naporn Soonthornchitcharoen
Director and Executive Director



Mr. Joopmol Meesook
Director



Mrs. Suwanna Buddhaprasart
Director



Home Product Center Plc.

96/27 Moo 9 Tambon Bangkhen, Amphoe Muang, Nonthaburi 11000

Telephone (66) 02-832-1000 Fax (66)02-832-1044 Call Center (66)02-831-6000

Greater Bangkok :

Chaengwatthana	02-962-6955
Ekamai-Ramindra	02-933-5000
Fashion Island	02-947-6365
Future Mart	02-689-0844
Latphrao	02-983-7444
Lumilukka	02-997-4800
Mega Bangna	02-186-8811
Paradise Park	02-746-0377
Petchkasem	02-444-4699
Ploenchit	02-655-3400
Prachachuen	02-955-5888
Rama II	02-895-6555
Ramkhamhaeng	02-735-4999
Rangsit	02-958-5699
Ratchadaphisek	02-641-2900
Ratchapruck	02-423-3222

Rattanaibet	02-921-2400
Sukhaphiban 3	02-976-9114
Suvarnabhumi	02-325-1200
The Mall Bangkai	02-454-9299

Central :

Ayutthaya	035-24-9499
Lopburi	036-61-4100

West :

Hua Hin	032-52-6000
Mahachai	034-46-9688
Nakhonpathom	034-21-3200
Ratchaburi	032-32-0999
Suphanburi	035-54-3777

East :

Chachoengsao	038-81-2600
Chonburi	038-78-5111
Pattaya	038-36-0422
Rayong	038-80-9333

North-East :

Buriram	044-69-0755
Khao Yai	044-32-8799
Khonkaen	043-36-5365
Nakhonratchasima	044-28-2550
Roi-et	043-52-4988
Sakonnakon	042-73-0090
The Mall Korat	044-28-8345
Ubonratchathani	045-34-4700
Udonthani	042-30-9000

North :

Chiangmai	053-85-1229
Chiangmai-Handong	053-44-7939
Nakhonsawan	056-37-1300
Phitsanulok	055-28-9009

South :

Had Yai	074-46-9055
Had Yai-Kanchanavanich	074-21-0999
Krabi	075-81-0499
Nakhonsitamarat	075-32-4740
Phuket	076-25-5181
Phuket-Chalong	076-60-2399
Samui	077-23-1900
Suratthani	077-48-9199
Trang	075-22-4466