

Think good
Do great

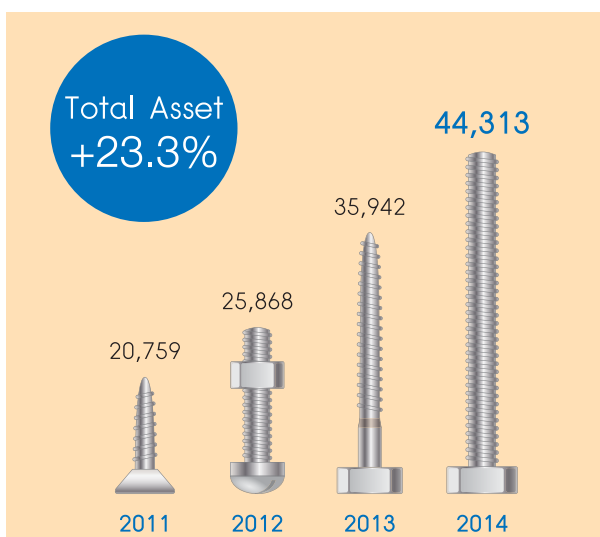
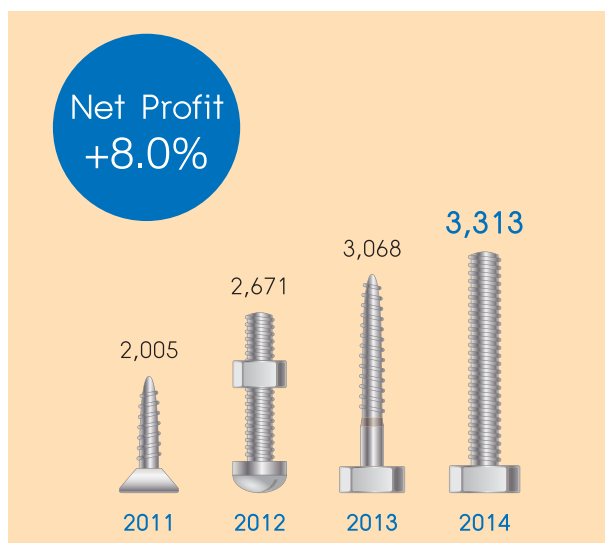


CAGR (2002-2014) = 22 %





HomePro is the leading home improvement retailer in Thailand . We operate 71 stores nationwide, providing product range cover 40,000 items with complete services as One Stop Shopping to attain highest customer satisfaction.



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Message from the Chairman



“Sustainable growth can be achieved together with the Company’s responsibility to stakeholders, by considering the impacts and benefits to stakeholders from our business operations, both in the short-term and long-term”

In 2014, it appeared that Thailand's economy fluctuated a lot over the year. In the first half of the year, the economy shrank due to political unrest having an adverse effect on domestic consumers' confidence, especially in the protest areas (i.e. Bangkok and its vicinity). In the second half of the year the economy marginally improved, due to the urgent disbursement of the government budget, as well as positive signs from increasing trends in tourist numbers, investment, and employment in private sectors. Nevertheless, the economy is only gradually recovering because domestic purchasing power is still weak as a result of the drop in agricultural goods prices, and high levels of household debt causing people to be unable to fully spend their money.

However, the expansion of the Company is still in line with plan. The Company has opened 8 new HomePro stores (including 1 branch opened to replace a former one), expanding both in provinces already having our branches (Prachuapkhirikhan, Chiangmai, Nakhonratchasima, Phuket, and Chonburi) and into new provinces (Surin and Lampang). Furthermore, the Company has opened 2 more branches of Mega Home in order to expand our market base. In addition, the Company has started moving in to the Asian Economic Community (AEC) by expanding our business overseas for the first time under the HomePro format, in Kuala Lumpur, Malaysia, where the first branch is located in IOI City Mall, and has enjoyed a good response.

The Company has realized that profitability and sustainable growth can be achieved together with the Company's responsibility to stakeholders, by considering the impacts and benefits to stakeholders from our business operations, both in short-term and long-term. Moreover, the Company has emphasized and encouraged our management and staff in all departments to have concern and responsibility for all stakeholders, and pursue co-operation in economic, social, and environmental issues.

For 2015, the Company will continue to move forward with new branch expansion and will seek business opportunities in which the Company will focus on good corporate governance, increases in operating efficiency, cost reduction, and efficient use of resource.

Lastly, on behalf of Home Product Center Public Company Limited, I would like to convey my appreciation and thanks to all shareholders, customers, financial institutions, mass media, and business alliances for always providing us with good support. The Company would like to affirm our intention to continually operate and develop our business to grow successfully for the highest benefit of all stakeholders.

A handwritten signature in black ink, appearing to read 'Anant Asavabhokhin'.

(Mr. Anant Asavabhokhin)
Chairman

Message from the Managing Director

“The Company has commenced its overseas business expansion by taking the “HomePro” brand to debut in Kuala Lumpur, Malaysia; this is the first step in the Company’s plan to enter into the Asean Economic Community (AEC)”

Despite the economic situation, we regard 2014 as another year of achievement for business growth of the Company. In terms of business expansion, the Company has opened 8 new HomePro stores at Lampang, Prachuapkhirikhan, Surin, Chiangmai – Sansai, Sriracha, Phuket – Thalang and North – Pattaya, and also at Korat-Hua Thale branch (to replace the store in the Mall-Korat branch), as well as opening 2 new Mega Home stores at Nong-Khai and Bor-Win. In addition the Company has commenced its overseas business expansion by taking the “HomePro” brand to debut in Kuala Lumpur, Malaysia; this is the first step in the Company’s plan to enter into the Asean Economic Community (AEC). As a result of this expansion, and the implementation of various strategies to create business opportunities, the Company was able to generate total revenue for the whole year of Baht 51,208.59 million, which represents an increase of 19.86% compared to the previous year, with net profit of Baht 3,313.33 million, an increase of 7.98%.

The Company is continuously selecting and developing goods and services in order to increase quality and provide options for our customers. In 2014, the Company launched “HomePro Application” to be downloaded on smart phones and used as a communication channel, and also giving discounts and other privileges to Home Card memberships. In addition, the Company has added some additional services to satisfy our customers e.g. delivery service all over Thailand, home maintenance service, and lady service (a service provided by lady mechanics



who have been certified for skill standard) to provide greater comfort to lady and elderly customers.

For responsibilities to stakeholders in 2014, the Company and our business partners have jointly contributed to delivering an additional 333 bathrooms under the “Kids’ Toilet Project”. Consequently, up to the end of the year 2014, there are now a total of 2,136 repaired bathrooms at 159 schools, covering 41 provinces; over 70,000 students are now benefiting from this project. In addition, the Company has engaged the business to be responsible for the environment and other stakeholders e.g. energy saving and the distribution of energy saving products, waste water treatment, human resources development, and organizing skill development and improvement activities etc.

For the above accomplishments, the Company would like to thank all customers, business partners and shareholders, as well as other stakeholders in all sectors, for always providing us good support. We would also like to thank our staff of over 10,000 people for their hard work in driving the Company to steady growth.

(Mr. Khunawut Thumpomkul)
Managing Director

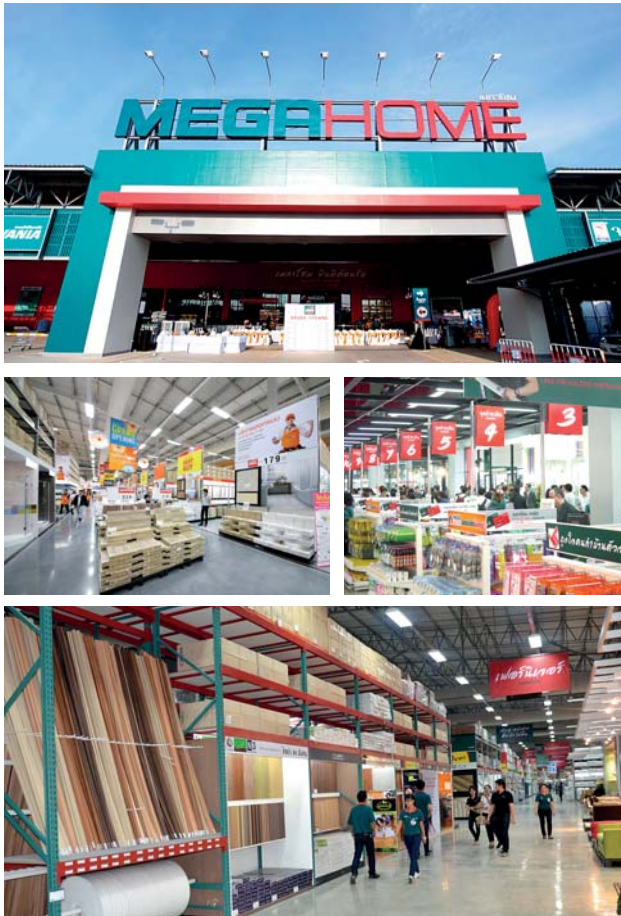
DOMESTIC EXPANSION

8 
NEW
STORES

HomePro operates a retail business in home improvement segment by selling products cover more than 40,000 items and providing complete range of services relating to construction, addition, refurbishment, renovation, improvement of buildings, houses, and residential places as One Stop Shopping Home Center.

In 2014, HomePro opened 8 additional new stores in Lampang, Prachuapkhirikhan, Surin, Chiang Mai -San Sai, Sriracha, Phuket-Talang, North Pattaya and relocated to Korat-Hua Thalae branch replacing The Mall Korat branch to respond to the expanding market demand. As of 2014, HomePro has total of 71 branches nationwide, of which 21 branches are located in Bangkok and its vicinity and another 50 branches in upcountry.



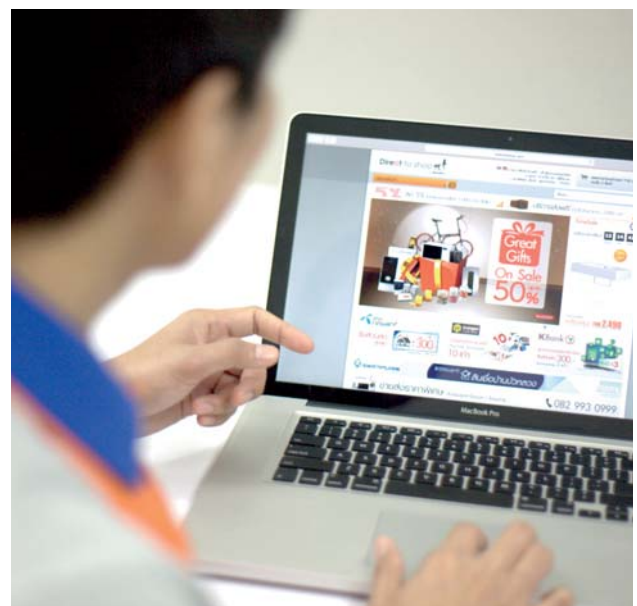


2 NEW STORES

The center for construction materials for both wholesalers and retailers with more than 80,000 products, Mega Home is aimed to be a one-stop hub of home improvement products and construction materials for the entire house. It offers a wide range of products for structural work, systematic work, interior work, and household goods with standards and prices that satisfy contractors, wholesalers, and homeowners. This year, the Company opened 2 branches of Mega Home in NongKhai and Bor Win-Chonburi, making the total numbers of branch to be 4.

1 ONLINE SHOP www.DirectToShop.com

Online shop is another HomePro's channel that offers more than 30,000 home improvement products with discount and promotions for the whole year. Customers can buy products anywhere, 24 hours, and also get our delivery service, installation service, and product guarantee at www.directtoshop.com



OVERSEAS EXPANSION

Malaysia

First footprint in AEC



We are now ready to go for the next step.

As a leading home improvement retailer in Thailand, we are now ready to go for the next step. Equipped with skills, experiences, and determination, HomePro is fulfilling its vision to become a leader of home center business in Thailand and South East Asia.



In 2014, the company began to expand into foreign market for the first time, starting at Putrajaya Malaysia, a planned city developed to be the center of federal administration apart from Kuala Lumpur. The city was built to support the rapid expansion of urban society and was planned so that its town planning, transportation system, infrastructures and residential areas are systematically developed.



HomePro Malaysia began its operation in November 2014 at IOI City Mall. Developed by a major real estate developer in Malaysia, IOI City Mall has a total net lettable area of 1.4 million square feet, being one of the biggest shopping mall in the world. Since HomePro Malaysia's grand opening, it has been warmly welcomed by the customers, who view that the products sold there have high quality and reasonable prices.



HOMEPRO EVERYDAY

To extensively respond to the clients' everyday needs

The core of HomePro's product selection is its determination to bring the best products to customers; therefore, quality and worthiness are at the heart of our products. In 2014, the company handpicked quality products and increased the variety of product selections not only for its main product groups but also for everyday products, such as light bulbs and cleaning products, to extensively respond to the customers' everyday needs.





ONLINE CHANNEL



Two-way communication

Having a higher number of customers, including more than 2 million Home Card members, in 2014, HomePro expanded its channels to offer products and worthiness to its customers as fast as possible.

HomePro application was developed to facilitate customers by allowing them to search for branch location and to receive news and special discount coupons. It also has Snap Memo, a program that can record pictures of the products and their prices, and create a budgeting project that can help the customers better plan for their spending.

Customers can download this application to their mobile phones through App Store or Google Play, and can follow HomePro's news, privileges, and activities through the company's website, Instagram and Facebook.



Available on the
App Store

GET IT ON
Google play

www.homepro.co.th | FaceBook Loving Home by homepro

Call Center

0-2831-6000



Loving Home
By homepro



HOMEPRO
THAI

www.homepro.co.th

www.DirectToShop.com

700 + TEAMS



Home Service is our service that includes 3D 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.

In 2014, a number of Home Service jobs increased by 25% compared to the previous year. Today, there are more than 700 professional teams who standby at HomePro's branches nationwide. In addition, HomePro created new services to improve the level of customer satisfaction including:



Lady Service

HomePro recognizes the safety concerns of female and elderly customers who need to call technicians to repair their home while they are alone. Therefore, it initiated "Lady Service", offering a Home Service team comprised of female technicians who have certificates of craftsmanship and have been certified by Department of Skill Development.



Home Checkup

Home Checkup is a program to check the condition of aging homes. Its design is based on deep understanding of the concerns and needs of the homeowners, offering 9 check-up programs. The program provides the summary of the home problems, items needed for home repair, cost assessment, and 3D-design of the area to be repaired within 7 days.



Tracking Service

Tracking service is a monitoring service that can control the quality of delivery service and home service.

For Delivery Service: HomePro established Tracking Center to track delivery trucks using GPS.

For Home Service: HomePro utilizes quality control program installed in tablets to track the work of home technicians at real time.

SUSTAINABLE GROWTH



Solar Roof

Solar roof is a system that generates solar energy, which is a type of clean energy, by installing solar panels on the roof of houses, buildings, factories, or other establishments. In 2014, the company leased out space for solar panel installation and sold electricity generated to Provincial Electricity Authority (PEA) and Metropolitan Electricity Authority (MEA). As of today, there are 11 sites that have been approved.

11
Sites

Human Resource Development

The company emphasizes on high value of human resource development, using intensive programs to extract skills and talents of its employees to put into maximum efficiency. In 2014, classroom type training counted to 43 hours/person/year and the percentage of after training knowledge of the staff was 96%.

96%
Knowledge skill of
branch staff



Energy Saving Products

Realizing the importance of efficient energy consumption, the company; therefore, increases the choices of energy saving products, such as water-saving sanitary ware, inverter air conditioning system, No. 5 energy saving appliances, and energy saving LED bulbs. Last year, the company helped customers save energy through its sale of more than 1.5 energy saving LED bulbs.

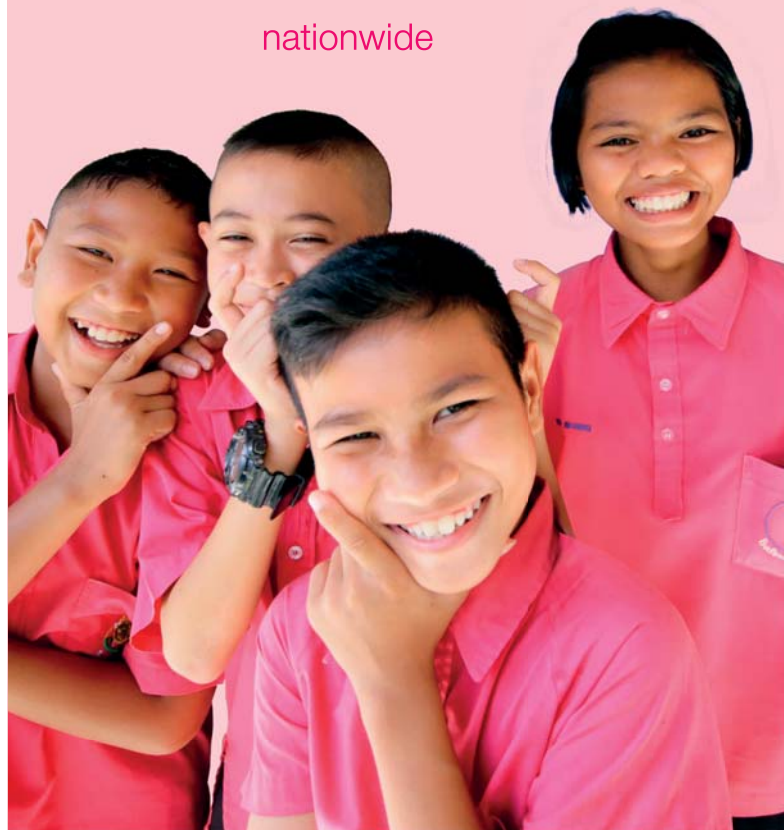


1.5
million units of
LED BULB sold in 2014

Kids' Toilet

A part of every shopping at HomePro will provide smiles to many children through "Kids' Toilet Project". HomePro and its business partners, in cooperation with the Department of Health and Office of the Basic Education Commission have examined and improved the school toilets in order to enhance their standard to meet the national public toilets standard which consists of Healthy, Accessibility, and Safety (HAS). From the beginning of the project in December 2006 until the end of 2014, HomePro has improved and delivered the toilets in a total of 2,136 rooms for 159 schools, in 41 provinces. More than 70,000 students have received the benefit from the project.

2,136
Toilet units
nationwide



Financial Information

Unit: MB

Item	Consolidated Financial Statements			Separate Financial Statements		
	2014	2013	2012	2014	2013	2012
Total Assets	44,312.82	35,941.68	25,868.37	43,299.37	34,870.21	25,796.71
Total Liabilities	28,611.19	23,225.30	15,941.10	27,484.11	22,136.99	15,904.39
Equity	15,701.63	12,716.38	9,927.28	15,815.26	12,733.23	9,892.32
Sales Income	47,964.75	40,006.64	34,541.55	45,239.88	39,828.91	34,542.73
Total Revenues	51,208.59	42,725.23	36,969.30	48,291.06	42,416.75	36,843.48
Net profit	3,313.33	3,068.48	2,670.79	3,386.74	3,119.93	2,651.55
EPS (Baht)	0.27	0.25	0.28	0.27	0.25	0.28
Dividend per share (Baht)*	0.278889	0.3441	0.407523	0.278889	0.3441	0.407523
Paid-up Capital (Million Shares)*	12,329.32	9,589.55	7,041.43	12,329.32	9,589.55	7,041.43

Remark :

- In the Extraordinary Shareholders' Meeting No. 1/2014 held on October 15, 2014, the meeting approved for the payment of interim dividends at the rate of 0.138889 Baht/share by dividing into cash dividends at the rate of 0.013889 Baht/share and stock dividend at the rate of 0.125 Baht/share. The meeting also approved the increase of the registered capital for the amount of 1,369.94 million shares in order to support the payment of stock dividends.
- On February 24, 2015, the Board of Directors' Meeting No. 2/2015 approved to propose the Shareholders' Meeting to pay dividend from the net profit of the second half of 2014 at the rate of 0.14 Baht/share by dividing into cash dividends at the rate of 0.07333 Baht/share and stock dividend at the rate of 0.06667 Baht/share, including propose to increase of the registered capital for the amount of 822 million shares in order to support the payment of stock dividends.

Financial Ratio

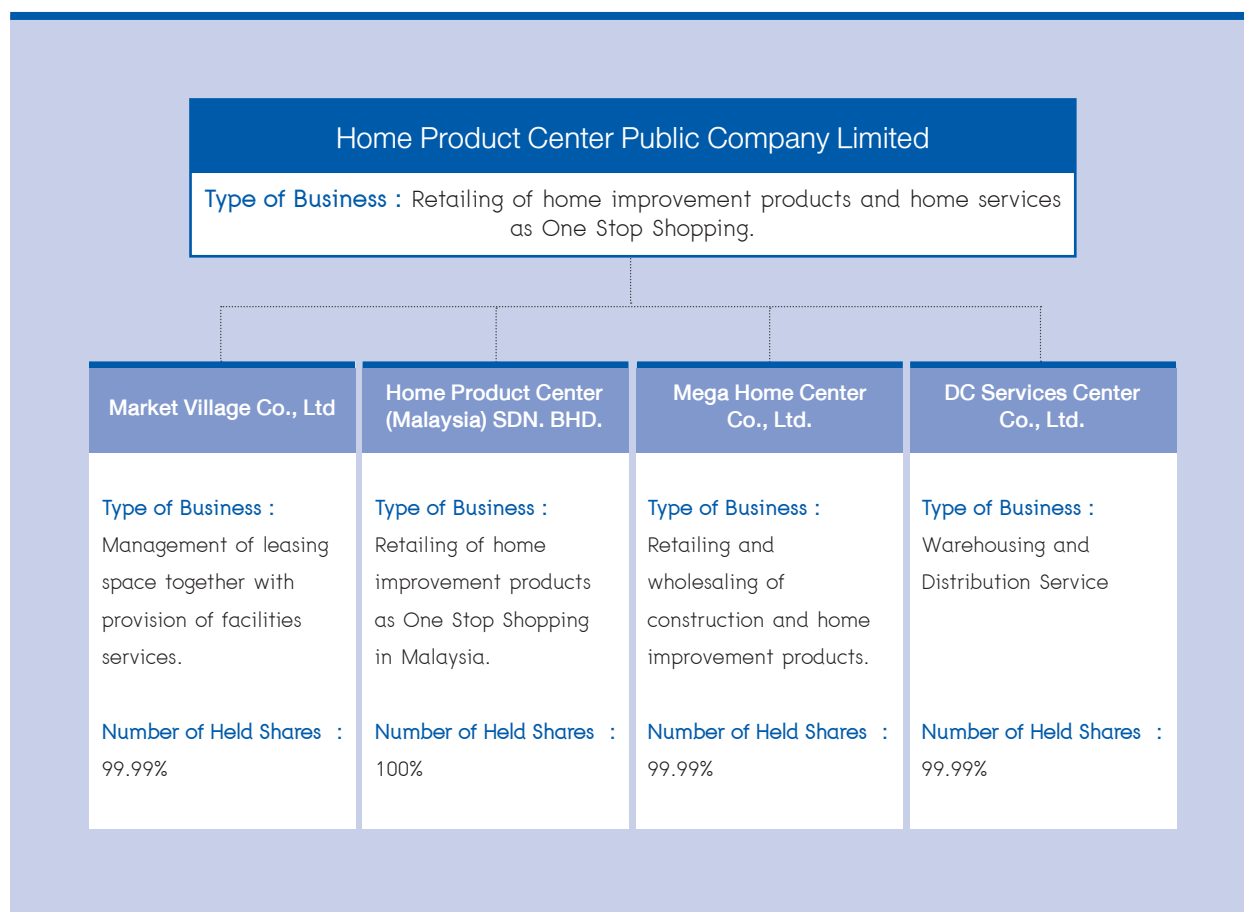
Item	Consolidated Financial Statements			Separate Financial Statements		
	2014	2013	2012	2014	2013	2012
Liquidity Ratio						
Liquidity ratio (time)	0.76	0.64	0.70	0.83	0.68	0.69
Profitability Ratio						
Gross Profit (%)	26.04	26.65	26.00	26.43	26.61	26.01
Profit from Operation (%)	9.63	10.33	10.51	10.37	10.52	10.44
Net Profit (%)	6.47	7.18	7.28	7.01	7.36	7.25
Return on equity (%)	23.32	27.10	29.67	23.73	27.58	29.54
Operation Efficiency Ratio						
Return on assets (%)	8.26	9.93	11.54	8.67	10.29	11.48
Financial Analysis Ratio						
Debts to Equity ratio (time)	1.82	1.83	1.61	1.74	1.74	1.61
Interest coverage ratio (time)	13.59	23.31	29.65	14.58	22.80	29.74

Home Product Center Company Limited was established on June 27, 1995 being a joint venture between Land and Houses Public Company Limited and Quality Houses Public Company Limited. Accordingly, the Company has been transformed to a public company since May 29, 2001 with the initial registered capital of Baht 150 million and 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 residential places under the trade name of "HOMEPRO" which is the Company's trademark. Rangsit branch is the first branch of the Company operating since September 1996.

As of December 31, 2014, the Company has 71 stores in HomePro format and 4 stores in Mega Home format. For this year, there are 7 new stores opening e.g. Lampang, Prachuapkhirikhan, Surin, Chiangmai-Sansai, Hua Talae, Sriracha, Phuket-Talang, and North Pattaya, as well as one store relocation in Nakhonratchasima province. In addition, the Company has opened 2 stores in Mega Home format e.g. Nongkai and Bowin branches.

The Structure of Business Group



Information of Home Product Center Public Company Limited

Location	96/27 Moo 9 Tambon Bangkhen, Amphoe Muang, Nonthaburi 11000
Telephone	+66 (0) 2832 1000
Facsimile	+66 (0) 2832 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 residential places as One Stop Shopping.
Registration No.	0107544000043
Registered Capital	12,329,396,991 shares
Paid-up Capital	12,329,315,446 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 Rd., Tambon Hua Hin, Amphoe Hua Hin, Prachaub Kirikhan 77110
Telephone	+66 (0) 3261 8888
Facsimile	+66 (0) 3261 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 of home improvement products with full service support
Number of Issued Shares	25,000,000 ordinary shares at par value of 1 Malaysian Ringgit
Number of Held Shares	25,000,000 shares

Name	Mega Home Center Co., Ltd.
Location	49 Moo 5, Tambon Khlong Nueng, Amphoe Khlong Luang, Pathumthani 12120
Telephone	+66 (0) 2516 0099
Facsimile	+66 (0) 2516 0098
Type of Business	Retailing and wholesaling of construction and home improvement products
Number of Issued Shares	10,000,000 ordinary shares at par value of Baht 100
Number of Held Shares	9,999,998 shares

Name	DC Services Center Co., Ltd.
Location	100 Moo 2 Tambon Lamsai, Amphoe Wungnoy, Ayutthaya 13170
Type of Business	Warehousing and Distribution
Number of Issued Shares	500,000 ordinary shares at par value of Baht 10
Number of Held Shares	499,997 shares

HomePro's Branches Information

1. Rangsit 100 Phaholyothin Rd., AmphoeThunyaburi, Pathumthanee 12110	21. Samui 1/7 Moo 6, Tambon Bophut, Amphoe Kho Samui, Suratthani 84320
2. Rattanathibet 6/1 Moo 6, Tambon Saothonghin, Amphoe Bangyai, Nonthaburi 11140	22. Phitsanulok 959 Moo 10, Tambon Aranyik, Amphoe Muang, Phitsanulok 65000
3. Fashion Island 587, 589 Ramindra Rd., Khannayao, Bangkok 10230	23. Khonkaen 177/98 Moo 17, Tambon Naimuang, Amphoe Muang, Khonkaen 40000
4. Future Mart 295 Rama 3 Rd., Bangkholeam, Bangkok 10120	24. Udonthani 89/20 Moo 9, Soi Bannonglek, Tambon Markkang, Amphoe Muang, Udonthani 41000
5. Paradise Park 61 Srinakarin Rd., Nongbon, Praves, Bangkok 10250	25. Suratthani 86 Moo 3, Tambon Wat Pradu, Amphoe Muang, Surat thani 84000
6. The Mall Bangkae 275 Moo 1, Petchkasem Rd., North Bangkae, Bangkae, Bangkok 10160	26. Petchkasem 224 Petchkasem Rd., Nongkhangplu, Nong Kham, Bangkok 10160
7. Ratchadaphisek 125 Ratchadaphisek Rd., Dindang, Bangkok 10400	27. Chonburi 15/16 Moo 3, Tambon Huykapi, Amphoe Muang, Chonburi 20000
8. Ploenchit 55 Wave Place Building, Wireless Rd., Pathumwan, Bangkok 10330	28. Ekamai-Ramindra 41 Praditmanutham Rd., Latphrao, Bangkok 10230
9. Phuket 104 Moo 5, Tambon Rasada, Amphoe Muang, Phuket 83000	29. Rayong 560 Sukhumvit Rd., Tambon Noenphra, Amphoe Muang, Rayong 21000
10. Chiangmai 94 Moo 4, Chiang mai-Lampang Rd., Tambon Nong Pa Kruang, Amphoe Muang, Chiangmai 50000	30. Ayutthaya 80 Moo 2, Tambon Bangrod, Amphoe Bangpain, Ayutthaya 13160
11. Ramkhamhaeng 647/19 Ramkhamhaeng (Sukhaphibal 3) Rd., Huamark, Bangkok, Bangkok 10240	31. Chiangmai - Hangdong 433/4-5 Moo 7, Tambon Mae-Hiya, Amphoe Muang, Chiangmai 50100
12. Rama II 45/581 Moo 6, Samaedam, Bangkhunthien, Bangkok 10150	32. Krabi 349 Moo 11, Tambon Krabinoy, Amphoe Muang, Krabi 81000
13. Prachachueng 96/27 Moo 9, Tambon Bangkhen, Amphoe Muang, Nonthaburi 11000	33. Phuket - Chalong 61/10 Moo 10, Tambon Chalong, Amphoe Muang, Phuket 83130
14. Latphrao 669 Latphrao Rd., Chompol, Chatuchak, Bangkok 10900	34. Khao Yai 288 Moo 11, Tambon Nong Nam Daeng, Amphoe Pakchong, Nakhonratchasima 30130
15. Pattaya 333 Moo 9, Tambon Nongprue, Amphoe Banglamung, Chonburi 20150	35. Nakhonpathom 752/3 Petchkasem Rd., Tambon Huai-Charakhe, Amphoe Muang, Nakhonpathom 73000
16. Chaengwatthana 113 Moo 5, Tambon Pakkret, Amphoe Pakkret, Nonthaburi 11120	36. Nakhonratchasima 384 Mittraphap Rd., Amphoe Muang, Nakhonratchasima 30000
17. Had Yai 677 Petchkasem Rd., Tambon Had Yai, Amphoe Had Yai, Songkhla 90110	37. Lumlukka 99 Moo 6, Tambon Buengkhamphroi, Amphoe Lumlukka, Pathumthanee 12150
18. Ratchapruk 82 Moo 2, Tambon Bang Khun Kong, Amphoe Bang Kruai, Nonthaburi 11130	38. Sukhaphiban 3 101 Ramkhamheng Rd., Minburi, Bangkok 10510
19. Suvarnabhumi 99/28 Moo 1, Tambon Rachatawa, Amphoe Bangplee, Samutprakarn 10540	39. Nakhonsithammarat 89 Nakhon-Pakpanang Rd., Amphoe Muang, Nakhonsithammarat 80000
20. Hua Hin 234/1 Petchkasem Rd., Amphoe Hua-Hin, Prachuabkhirikhan 77110	40. Chachoengsao 187/9 Chachoengsao - Bangpakong Rd., Tambon Namuang , Amphoe Muang, Chachoengsao 24000

41. Roi-et 116 Moo 3, Tambon Dong Lan, Amphoe Muang, Roi-et 45000	57. Phrae 171 Moo 7, Tambon Pa Maet, Amphoe Muang, Phrae 54000
42. Suphanburi 133 Malai Maen Rd., Tambon Ruayai, Amphoe Muang, Suphanburi 72000	58. Phutthamonthon Sai 5 198 Moo 1, Tambon Bang Toei, Amphoe Sam Phran, Nakhon Pathom 73210
43. Lopburi 85 Moo 6, Tambon Thasala, Amphoe Muang, Lopburi 15000	59. Saraburi 24/3 Moo 2, Tambon Takut, Amphoe Muang, Saraburi 18000
44. Sakonnakhon 689/1 Nittayo Rd., Tambon That Choeng Chum, Amphoe Muang, Sakonnakhon 47000	60. Phetchabun 151 Moo 1, Tambon Chon Phrai, Amphoe Muang, Phetchabun 67000
45. Trang 196 Moo 4, Tambon Ban Kaun, Amphoe Muang, Trang 92000	61. Chaiyaphum 164 Moo 7, Tambon Nongnasang, Amphoe Muang, Chaiyaphum 36000
46. Mega Bangna 39 Moo 6, Tambon Bangkaew, Amphoe Bangplee, Samutprakan 10540	62. Chiangrai 157 Moo 2, Tambon Tasai, Amphoe Muang, Chiangrai 57000
47. Buriram 499 Moo 9, Tambon Isan, Amphoe Muang, Buriram 31000	63. Loei 117 Moo 9, Tambon Na An, Amphoe Muang, Loei 42000
48. Hat Yai (Kanchanavanich) 33/40 Moo 5, Tambon Khohong, Amphoe Hat Yai, Songkla 90110	64. Lampang 224 Highway-Lampang-Ngaw, Tambon Prabart, Lampng 52000
49. Nakhonsawan 119/2 Moo 7, Tambon Bangmoung, Amphoe Muang, Nakhonsawan 60000	65. Prachuapkhirikhan 57 Petchkasem Rd., Tambon Prachuapkhirikhan, Prachuapkhirikhan 77000
50. Mahachai 68/98 Moo 8, Tambon Thasai, Amphoe Muang, Samutsakhon 74000	66. Surin 188 Moo 6, Tambon Nok Mueng, Amphoe Muang, Surin 32000
51. Ubonratchathani 284 Moo 7, Tambon Chaeramae, Amphoe Muang, Ubonratchathani 34000	67. Chiangmai-Sansai 49 Moo 4, Tambon Sansai Noi, Amphoe Sansa, Chiangmai 50210
52. Ratchaburi 208 Moo 13, Tambon Chedi Hak, Amphoe Muang, Ratchaburi 70000	68. Hua-Talae 233 Moo 1, Tambon Nong Blua Sala, Nakhonratchasima 30000
53. Chanthaburi 21/18 Moo 11, Tambon Plubpla, Amphoe Muang, Chanthaburi 22000	69. Sriracha 99/123 Moo 10, Tambon Nong Kham, Amphoe Sriracha, Chonburi 20110
54. Chumphon 63 Moo 11, Tambon Wang Phai, Amphoe Muang, Chumphon 86000	70. Phuket-Talang 18 Moo 1, Tambon Si Sunthon, Amphoe Thalang, Phuket 83110
55. Prachinburi 44/1 Moo 4, Tambon Bang Boribun, Amphoe Muang, Prachinburi 25000	71. North Pattaya 384/40 Moo 6, Tambon Na Kluea, Amphoe Bang Lamung, Chonburi 20150
56. Kanchanaburi 15 Moo 1, Tambon Thalor, Amphoe Tha Muang, Kanchanaburi 71000	

Mega Home's Branches Information

1. Rangsit 49 Moo 5, Tambon Khlong Nueng, Amphoe Khlong Luang, Pathum Thani 12120	3. Nong Khai 999 Moo 5, Tambon Meechai, Amphoe Muang, Nong Khai 43000
2. Mae Sod 1108 Moo 1, Tambon Tasailuad, Amphoe Mae Sod, Tak 63110	4. Bor Win 333/143 Moo 3, Tambon Bowin, Amphoe Sriracha, Chonburi 20230

Information of the referrals

Auditor	<p>EY Office Limited 33rd Floor, Lake Rajada Office Complex, 193/136-137 Ratchadaphisek Rd., Klongtoey, Bangkok 10110 Tel. +66 (0) 2265 0777 Fax. +66 (0) 2264 0789-90</p>
Legal Counsel	<p>Wissen & Co Ltd. 8th Floor Office # 3801, BB Building, 54 Sukhumvit 21 (Asoke) Rd., Klongtoey-Nua, Wattana, Bangkok 10110 Tel. +66 (0) 2259 2627 Fax. +66 (0) 2259 2630</p>
Share Registrar	<p>Thailand Securities Depository Co., Ltd. 4th, 6-7th floor Stock Exchange of Thailand Building, 62 Ratchadaphisek Rd., Klongtoey, Bangkok 10110 Tel. +66 (0) 2229 2800 Fax. +66 (0) 2359 1262-3</p>
Bond Registrar	<p>The Unsubordinated and Unsecured Debentures of Home Product Center Plc. 1/2011 Siam Commercial Bank Plc. 9 Ratchadapisek Rd., Jatujak, Bangkok 10900 Tel. +66 (0) 2256 2323-7 Fax. +66 (0) 2256 2406</p> <p>The Unsubordinated and Unsecured Debentures of Home Product Center Plc. 1/2012 The Unsubordinated and Unsecured Debentures of Home Product Center Plc. 1/2013 The Unsubordinated and Unsecured Debentures of Home Product Center Plc. 1/2014 The Unsubordinated and Unsecured Debentures of Home Product Center Plc. 2/2014 The Unsubordinated and Unsecured Debentures of Home Product Center Plc. 3/2014 The Unsubordinated and Unsecured Debentures of Home Product Center Plc. 4/2014 CIMB Thai Bank Plc. 44 Langsuan Rd., Lumpini, Patumwan, Bangkok 10330 Tel. +66 (0) 2626 7503-4 Fax. +66 (0) 2626 7542</p> <p>The Unsubordinated and Unsecured Debentures of Home Product Center Plc. 5/2014 Bank of Ayudhya Plc. 1222 Rama III Rd., Bang Phong Pang, Yannawa, Bangkok 10120 Tel. +66 (0) 2296 3582 Fax. +66 (0) 2683 1298</p>

Board of Directors Profile



Mr. Anant Asavabhokhin (64 years old)

Chairman

Appointed as the Director on 29 May 2001

Shareholding as at December 31, 2014 : 0.15%

Education / Training :

- MBA, Thammasat University
- M.S. Industrial Engineering, Illinois Institute of Technology, USA
- Bachelor Degree, Civil Engineering, Chulalongkorn University
- Thai Institute of Directors Association (IOD),
2004 Director Certification Programme (DCP)
- Training in 2014 : (none)

The Brief Working Experience during the past 5 years :

Director of 4 Listed Companies

- 2001 - Present - Home Product Center Plc.
(Home Improvement Retailing)
Chairman
- 2009 - Present - LH Financial Group Plc. (Holding)
Chairman
- 1985 - Present - Land and Houses Plc. (Property Development)
Chairman
- 1983 - Present - Quality Houses Plc. (Property Development)
Director

Director of 3 Non-Listed Companies

- 2005 - Present - Land and Houses Bank Plc. (Financial Institution)
Chairman
- L&H Property co., Ltd. (Property Development)
Director
- L&H Sathorn Co., Ltd. (Property Development)



Mr. Pong Sarasin (87 years old)

Independent Director

Appointed as the Director on 29 May 2001, appointed as the Independent Director on 17 September 2009

Shareholding as at December 31, 2014 : 0.01%

Education / Training:

- Ph.D. (Hon.) Business Administration
Chulalongkorn University
- B.S. in Business Administration, Boston University, USA
- Training in 2014 : (none)

The Brief Working Experience during the past 5 years :

Director of 3 Listed Companies

- 2009 - Present - Home Product Center Plc.
(Home Improvement Retailing)
Independent Director
- 2001 - Present - Home Product Center Plc.
(Home Improvement Retailing)
Director
- 1996 - Present - Shangri-La Hotel Plc. (Hotel)
Chairman
- 1994 - Present - Rojana Industrial Park Plc. (Property Development)
Director
- 1994 - 2014 - Sammakorn Plc. (Property Development)
Director

Director of 1 Non-Listed Company

- 2000 - Present - Honda Automobile (Thailand) Co., Ltd.
(Automobiles manufacturer and distributor)
Chairman
- 2000 - 2013 - Thai Namthip Co., Ltd.
(Soft drinks manufacturer and distributor)
Chairman



Mr. Manit Udomkunatum (69 years old)

Director and Chairman of the Executive Directors

Appointed as the Director on 29 May 2001

Shareholding as at December 31, 2014 : 2.59%

Education / Training :

- Secondary school
- Thai Institute of Directors Association (IOD),
2004 Director Accreditation Programme (DAP)
- Training in 2014 : (none)

The Brief Working Experience during the past 5 years :

Director of 1 Listed Company

- 2001 – Present - Home Product Center Plc.
(Home Improvement Retailing)
Director and Chairman of the Executive Directors

Director of 8 Non-Listed Companies

- 2007 – Present - Elician Development Co., Ltd. (Hotel)
Director and Chairman of the Executive Directors
- 2006 – Present - Shanghai Inn Co., Ltd. (Hotel)
Director and Chairman of the Executive Directors
- Panalee Co., Ltd. (Hotel)
Director
- 2004 – Present - Koh Maphrao Island Co., Ltd. (Hotel)
Director
- 2003 – Present - R L P Co., Ltd. (Holding)
Director
- 2001 – Present - U S I Holding Co., Ltd. (Holding)
Chairman of the Executive Directors
- Fashion People Co., Ltd. (Clothing Distributor)
Director
- Active Nation Co., Ltd. (Sport Products Distributor)
Director



Mr. Rutt Phanijsphand (67 years old)

Director, Executive Director and
Chairman of the Nomination and Remuneration Committee

Appointed as the Director on 20 December 2001, appointed as Chairman of the Nomination and Remuneration Committee on 27 March 2007, and appointed as Executive Director on 21 June 2007

Shareholding as at December 31, 2014 : (none)

Education / Training:

- M.S. in Business Ad., Fort Hays Kansas State University, Hays, Kansas, USA.
- Bachelor Degree of Science, Kasetsart University
- Thai Institute of Directors Association (IOD),
2003 Director Accreditation Programme (DAP)
2005 Director Certification Programme (DCP)
2010 Financial Institutions Governance Program (FGP)
- Training in 2014 : (none)

The Brief Working Experience during the past 5 years:

Director of 3 Listed Companies

- 2001 – Present - Home Product Center Plc.
(Home Improvement Retailing)
Director, Executive Director and Chairman of the
Nomination and Remuneration Committee
- 2009 – Present - LH Financial Group Plc. (Holding)
Chairman of Executive Directors
- 2005 – Present - Banpu Plc. (Energy)
Independent Director and Chairman of
Compensation Committee
- 2014 – Present - Banpu Plc. (Energy)
Audit Committee
- 2001 – 2014 - Quality Houses Plc. (Property Development)
Director, President and Managing Director

Director of 3 Non-Listed Companies

- 2013 – Present - CIMB Securities International (Thailand) Plc.
(Investment)
Director
- 2010 – Present - Land and Houses Fund Management Co., Ltd.
(Asset Management)
Chairman
- 2005 – Present - Land and Houses Bank Plc. (Financial Institution)
Director and Chairman of the Executive Directors
Home Product Center Plc.



Mr. Achawin Asavabhokin (39 years old)

Director

Appointed as the Director on 10 April 2014

Shareholding as at December 31, 2014 : (none)

Education / Training :

- BS in Economics, University of Pennsylvania
- BS in Engineering, University of Pennsylvania
- Training in 2014 : Director Certification Program (DCP) at Thai IOD

The Brief Working Experience during the past 5 years :

Director of 1 Listed Company

2014 - Present - Home Product Center Plc.
(Home Improvement Retailing)
Director

Other position of 1 Non-Listed Company

2011 - Present - SCB Asset Management Company Limited
(Asset Management)
Senior Vice President



Mr. Thaveevat Thatiyamaneekul (69 years old)

Independent Director and Audit Committee

Appointed as the Director on 29 May 2001

Shareholding as at December 31, 2014 : (none)

Education / Training :

- Primary school
- Thai Institute of Directors Association (IOD),
2004 Director Accreditation Program (DAP)
- Training in 2014 : (none)

The Brief Working Experience during the past 5 years:

Director of 1 Listed Company

2001 - Present - Home Product Center Plc.
(Home Improvement Retailing)
Independent Director and Audit Committee

Director of 2 Non-Listed Companies

2013 - Present - Maneepin Co., Ltd. (Holding)
Chairman of the Executive Director

1989 - Present - Star Fashion (2008) Co., Ltd.
(Clothing manufacturer and distributor)
Chairman of the Executive Director



Mr. Chanin Roonsamrarn (67 years old)

Independent Director, Audit Committee and
Nomination and Remuneration Committee
Appointed as the Director on 3 October 2005

Shareholding as at December 31, 2014 : (none)

Education / Training :

- MBA, Fort Hays State University, Kansas, USA
- Thai Institute of Directors Association (IOD),
2002 Director Certification Program (DCP)
2002 The Role of Chairman (RCM)
- Training in 2014 : (none)

The Brief Working Experience during the past 5 years :

Director of 2 Listed Companies

- 2005 - Present - Home Product Center Plc.
(Home Improvement Retailing)
Independent Director, Audit Committee and
Nomination and Remuneration Committee
- 1986 - Present - Thai reinsurance Plc. (Insurance)
Independent Director, Audit Committee, and
Nomination and Remuneration Committee
- 2003 - 2013 - The Siam Commercial Samaggi Insurance Plc.
(Insurance)
Independent Director, Audit Committee, Remuneration
Director, Chairman of Risk Management Committee
and, Human Resource and Compensation Director

Director of 1 Non-Listed Company

- 2010 - Present - SBL Leasing Co., Ltd. (Leasing)
Chairman of the Executive Director



Mr. Boonsom Lerdhirunwong (61 years old)

Independent Director and Chairman of the Audit Committee
Appointed as the Director on 1 October 2014

Shareholding as at December 31, 2014 : (none)

Education / Training :

- Dr. Ing., Civil Engineering, INSA, Toulouse, France
- Thai Institute of Directors Association (IOD),
2012 DCP Program, FSD Program, ACP Program, and AACCP Program
2013 SFE Program
Training in 2014 : RCP Program at Thai IOD

The Brief Working Experience during the past 5 years :

Director of 1 Listed Company

- 2014 - Present - Home Product Center Plc.
(Home Improvement Retailing)
Independent Director and Chairman
of the Audit Committee
- 2012 - 2014 - PTT Plc. (Energy and Utilities)
Director and Audit Committee

Director of 1 Non-Listed Company

- 2010 - Present - The Council of The Thai Red Cross Society (Charity)
Director and the Chairman of Executive Directors of
the Building and Infrastructure Committee
- 2008 - 2013 - Chulalongkorn University (Educational Institution)
Dean, Faculty of Engineering



Mr. Khunawut Thumpomkul (58 years old)

Director, Executive Director and Managing Director

Appointed as the Director on 29 May 2001

Shareholding as at December 31, 2014 : 1.08%

Education / Training :

- MBA National Institute of Development Administration
- Thai Institute of Directors Association (IOD),
2001 Director Certification Program (DCP)
- Training in 2014 : (none)

The Brief Working Experience during the past 5 years:

Director of 2 Listed Companies

- 2001 - Present - Home Product Center Plc.
(Home Improvement Retailing)
Director, Executive Director and Managing Director
- 2013 - Present - LH Financial Group Plc. (Holding)
Director

Director of 3 Non-Listed Companies

- 2012 - Present - Land and Houses Bank Plc. (Financial Institution)
Director
- 2011 - Present - Home Product Center (Malaysia) SDN. BHD. (Retailing)
Chairman
- 2005 - Present - Market Village Co., Ltd. (Leasing Space Management)
Chairman



Mr. Naporn Sunthornchitcharoen (56 years old)

Director and Executive Director

Appointed as the Director on 29 May 2001

Shareholding as at December 31, 2014 : (none)

Education/ Training :

- MBA Thammasart University
- Bachelor of Civil Engineering, Chiangmai University
- Thai Institute of Directors Association (IOD),
2005 Director Certification Program (DCP)
2004 Director Accreditation Program (DAP)
- Training in 2014 : (none)

The Brief Working Experience during the past 5 years:

Director of 4 Listed Companies

- 2001 - Present - Home Product Center Plc.
(Home Improvement Retailing)
Director and Executive Director
- 2014 - Present - Land and Houses Plc. (Property Development)
Director and President
- 2002 - 2014 - Land and Houses Plc. (Property Development)
Director and Senior Vice President
- 2009 - Present - LH Financial Group Plc. (Holding)
Director
- 1994 - Present - Quality Construction Products Plc.
(Construction materials manufacturer and distributor)
Director
- 1994 - 2011 - Bangkok Chain Hospital Plc. (Hospital)
Director

Director of 3 Non-Listed Companies

- 2003 - Present - Land and Houses Bank Plc. (Financial Institution)
Director
- 1995 - Present - Land and Houses Northeast Co., Ltd.
(Property Development)
Director
- Land and Houses North Co., Ltd.
(Property Development)
Director



Mr. Joompol Meesook (66 years old)

Director and Nomination and Remuneration Committee

Appointed as the Director on 29 May 2001 and appointed as Nomination and Remuneration Committee on 5 August 2014

Shareholding as at December 31, 2014 : 0.03%

Education / Training :

- MBA, Thammasart University
- BS.ARCH, F.E.U., Philippines
- BS.CE, F.E.U., Philippines
- Thai Institute of Directors Association (IOD),
2004 Director Accreditation Program (DAP)
2008 Director Certification Program (DCP)
- Training in 2014 : Role of Compensation Committee Program (RCC)
at Thai IOD

The Brief Working Experience during the past 5 years:

Director of 1 Listed Company

- 2014 - Present - Home Product Center Plc.
(Home Improvement Retailing)
Director and Nomination and
Remuneration Committee
- 2001 - Present - Home Product Center Plc.
(Home Improvement Retailing)
Director
- 1993 - 2010 - Quality Construction Products Plc.
(Construction materials manufacturer and distributor)
Director
- Quality Houses Plc. (Property Development)
Director and Advisor of President and CEO



Ms. Suwanna Buddhaprasart (60 years old)

Director

Appointed as the Director on 2 July 2003

Shareholding as at December 31, 2014 : (none)

Education / Training :

- MBA, chulalongkorn University
- Thai Institute of Directors Association (IOD),
2004 Director Accreditation Program (DAP)
2007 Director Certification Program (DCP)
2011 Financial Institutions Governance Program (FGP)
- Training in 2014 : (none)

The Brief Working Experience during the past 5 years:

Director of 3 Listed Companies

- 2003 - Present - Home Product Center Plc.
(Home Improvement Retailing)
Director
- 2001 - Present - LH Financial Group Plc. (Holding)
Director
- 2000 - Present - Quality Houses Plc. (Property Development)
Director and Senior Executive Vice President

Director of 5 Non-Listed Companies

- 2010 - Present - Idea Fitting Co., Ltd. (Interior design and furnished)
Director
- 2003 - Present - Casa Ville Co., Ltd. (Property development)
Director
- Q.H. Management Co., Ltd.
(Utilities management of QH projects)
Director
- 2000 - Present - Q.H. International Co., Ltd
(Office management and rental residential properties)
Director
- The Confidence Co., Ltd. (Property Development)
Director
- 2005 - 2012 - Land and Houses Bank Plc. (Financial Institution)
Director

Management Profile

Mr. Weerapun Ungsumalee (52 years old)

Senior Vice President - Operation

Highest Level of Education / Training :

Master of Industrial Engineering, Asian Institute of Technology

Experience during the past 5 years :

2005 - Present Senior Vice President
Home Product Center Plc.

Shareholding : 0.05%

Ms. Jarusopha Thumkathikanon (55 years old)

Senior Vice President - Merchandising: Soft-Line

Highest Level of Education / Training :

Bachelor of Economics,
The University of The Thai Chamber of Commerce

Experience during the past 5 years :

2003 - Present Senior Vice President
Home Product Center Plc.

Shareholding : 0.08%

Ms. Sannipa Swangpuen (46 years old)

Senior Vice President - Merchandising: Hard-Line

Highest Level of Education / Training :

Master degree of Accounting, Griffith University, USA

Experience during the past 5 years :

2014 - Present Senior Vice President
Home Product Center Plc.
1997 - 2013 Senior Manager, Ek-Chai Distribution System

Shareholding : 0.0001%

Ms. Apiradee Thavilap (43 years old)

Senior Vice President - Non-Trade Procurement
and Commercial Support

Highest Level of Education / Training :

MBA, Colorado State University, USA

Experience during the past 5 years :

2014 - Present Senior Vice President
Home Product Center Plc.
2012 - 2013 Head of Commercial Support
Ek-Chai Distribution System

Shareholding : (none)

Mr. Kasem Pinmontearntong (56 years old)

Senior Vice President - Operation

Highest Level of Education / Training :

Bachelor of Business Administration, Ramkhamhaeng University

Experience during the past 5 years :

2013 - Present Senior Vice President
2001 - 2013 District Manager, Home Product Center Plc.

Shareholding : 0.001%

Ms. Siriwan Paimsethasin (56 years old)

Senior Vice President - Merchandising: Home Electric Product

Highest Level of Education / Training :

Diploma in Business Computing, Dhonburi Rajabhat University

Experience during the past 5 years :

2011 - Present Senior Vice President
2007 - 2011 Vice President - Appliance Products
Home Product Center Plc.

Shareholding : 0.03%

Ms. Tharathip Trimankhong (54 years old)

Senior Vice President - International Merchandising

Highest Level of Education / Training :

Lower secondary school

Experience during the past 5 years :

2000 - Present Senior Vice President
Home Product Center Plc.

Shareholding : 0.27%

Ms. Sudapa Chamod (41 years old)

Senior Vice President - Information and Communication Technology

Highest Level of Education / Training :

MBA, Asian Institute of Technology

Experience during the past 5 years :

2012 - Present Senior Vice President
Home Product Center Plc.
1999 - 2012 Senior Manager
Accenture Solutions Co.,Ltd.

Shareholding : 0.0006%

Mr. Anuchar Jitjaturunt (51 years old)

Senior Vice President – International Business

Highest Level of Education / Training :

MBA, Sasin Graduate Institute of Business Administration
of Chulalongkorn University

Experience during the past 5 years :

2002 – Present Senior Vice President
Home Product Center Plc.

Shareholding : 0.11%

Mr. Vathuny Visuthikosol (50 years old)

Senior Vice President – Business Development

Highest Level of Education / Training :

MBA Georgia State University, USA.

Experience during the past 5 years :

2002 – Present Senior Vice President
Home Product Center Plc.

Shareholding : 0.07%

Mr. Chaityuth Karunyasopon (56 years old)

Senior Vice President – Distribution Center

Highest Level of Education / Training :

Bachelor of Finance, Ramkhamhaeng University

Experience during the past 5 years :

2007 – Present Senior Vice President
Home Product Center Plc.

Shareholding : 0.02%

Ms. Pornsook Damrongsiri (49 years old)

Senior Vice President – Supply Chain

Highest Level of Education / Training :

MS-CIS, Colorado State University, USA

Experience during the past 5 years :

2013 – Present Senior Vice President
Home Product Center Plc.
2007 – 2013 Senior Manager, Ek-Chai Distribution System

Shareholding : 0.0003%

Mr. Nitat Aroontippaitoon (49 years old)

“Senior Vice President – Human Resource and
Loss Prevention”

Highest Level of Education / Training :

MBA, National Institute of Development Administration

Experience during the past 5 years :

2010 – Present Senior Vice President
2005 – 2010 Vice President – Internal Audit
Home Product Center Plc.

Shareholding : 0.04%

Mr. Nat Jarlitchana (54 years old)

Senior Vice President – Marketing

Highest Level of Education / Training :

MBA, Kasetsart University

Experience during the past 5 years :

2006 – Present Senior Vice President
Home Product Center Plc.

Shareholding : 0.08%

Ms. Wannee Juntamongkol (50 years old)

Senior Vice President – Accounting and Finance
and Company Secretary

Highest Level of Education / Training :

MBA, Sasin Graduate Institute of Business Administration
of Chulalongkorn University

Experience during the past 5 years :

2005 – Present Senior Vice President
Home Product Center Plc.

Shareholding : 0.07%

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 and to develop personnel to have working efficiency and responsibility to customers, as well as to have contentment, enjoyment and commitment in their work with HomePro.
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.

Business Objectives

In accordance with the vision to be the leader of home center business in Thailand and South East Asia as One Stop Shopping, the Company therefore continuously plans to expand its network to take business opportunities to accommodate the growing demands in the market. The expansion emphasizes on covering strategic bordering areas of Asean Economic Community (AEC) and growth potential provinces. The Company plans to further open new outlets with the next milestone of 100 stores within 2020 in both Bangkok and upcountry. These strategies include development of service and selection process to add the variety of products. At the end of the year 2014, the Company had a total of 71 Homepro stores covering 43 provinces nationwide.

To be the leader of home center business in Thailand and South East Asia as One Stop Shopping, besides the original format of "Homepro", the Company also executed its proactive strategy by opening the center for wholesale and retail under the name of "Mega Home" in order to accommodate the demands in building material and household products market to serve contractors and project owners. At the end of the year 2014, the Company had a total of 4 Mega Home stores and planned to further open new outlets with the next milestone of 15 - 20 stores within 2020.

In order to step up to be a business leader and to support the Asean Economic Community (AEC), the Company has started to expand our business internationally for the first time at IOI City Mall, Kuala Lumpur, Malaysia. After starting the operation, the Company has received satisfied result and planned to continually adjust our product range and services to meet the requirement of Malaysian customers as practical as we can and such will be considered as a platform for the expansion of our business in the future. For the expansion in Malaysia, the Company has targeted to expand 5 - 10 branches within the year 2020.

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 have 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 decisions to select the products that mostly match the usage objectives. In addition, the Company has provided "Home Services" that includes 3D design and Home Service 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 workshops for customers etc.

2. To provide space rental service for retail tenants

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 "Market 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, 2014, the Company has a total of 4 branches in the format of Market Village: Suvannabhumi branch, Hua Hin branch, Phuket-Chalong branch and Ratchapruk branch.

Nature of Business of Subsidiaries

- 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, Prachaubkirikhan province, in which Home Product Center Plc. holds 99.99% of total shares. Presently, its registered capital is Baht 5,000,000. 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, Prachaubkirikhan.
- 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 25,000,000 Malaysian Ringgit. Home Product Center (Malaysia) Sdn. Bhd. was formed with objective to operate a retail business in home improvement segment in Malaysia. The Company operates the first branch in IOI City Mall, Kuala Lumpur, Malaysia.
- 3. Mega Home Center Co., Ltd.** was incorporated on July 4, 2012, located at 49 Moo 5, Tambon Khlong Nueng, Amphoe Khlong Luang, Pathum Thani 12120, in which Home Product Center Plc. holds 99.99% of total shares. Its registered capital is Baht 1,000,000,000. Mega Home Center Co., Ltd. was established with objective to operate a retail and wholesale business in construction and home improvement products. As of 2014, the Company operates 4 branches which are Rangsit, Mea-sod, Nong Khai and Bor Win.
- 4. DC Services Center Co., Ltd.** was incorporated on September 4, 2013, located at 100 Moo 2 Tambon Lamsai, Amphoe Wungnong, Ayutthaya 13170, in which Home Product Center Plc. holds 99.99% of total shares. Its registered capital is Baht 5,000,000. DC Services Center Co., Ltd. was formed with objective to operate a warehousing and distribution.

Revenue Structure

Revenue of the 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	2014		2013		2012	
	Amount	%	Amount	%	Amount	%
1. Revenue from retailing						
• Hard Line	36,965.9	72.2	32,162.4	75.3	28,049.1	75.9
• Soft Line	7,956.3	15.5	6,992.0	16.4	5,936.9	16.1
2. Revenue from project sales ¹	407.6	0.8	674.5	1.6	555.6	1.4
3. Revenue from Subsidiaries	2,635.0	5.2	177.7	0.4	-	-
Total Revenue from Sales	47,964.8	93.7	40,006.6	93.7	34,541.6	93.4
4. Other income ²	3,243.8	6.3	2,718.6	6.3	2,427.7	6.6
Total	51,208.6	100.0	42,725.2	100.0	36,969.3	100.0

Remark 1. Revenue from project sales is from the purchase of project owners which cannot be categorized per product line.
 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 manufacturers or sales agents, in which the Company mainly emphasizes on quality and variety of products.
2. **Make to order:** The Company orders manufacturing of Private Brand and House Brand from both domestic and overseas manufacturers. 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.

Currently, the Company sources products from more than 1,130 manufacturers and sales agents in which offers an opportunity to introduce their products. Selection process is under performance evaluation of vendor's service level in 4 aspects: Production capacity, Product quality, Quality of service, and Quality of logistics. Throughout the time, manufacturers and sales agents 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.

Market and Competitive Condition

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. There are currently 7 branches in operation.
- **Thai Watsadu** is a retail business unit of construction materials by Central Retail Corporation Group. It operates in form of warehouse store to sell construction materials, home improvement goods and equipment. It has currently 39 branches in operation.
- **Global House** operates the business of selling products in the form of warehouse store. Products include construction materials, decorative goods, tools, equipment to be used for construction, addition, decoration of house and garden. It is managed by the Siam Global House Plc. There are currently 33 branches in operation.
- **Do Home** operates the business of selling products in the form of warehouse store. Products include construction materials, tools, and equipment to be used for construction. It is managed by Ubon watsadu Co., Ltd. There are currently 5 branches in operation.

In the past few years, the real estate market seems to be continually expanding so that the demand for home improvement products, including the transition of urban society was growth in both Bangkok and Upcountry. Moreover, private investments have increased modestly to engage in Asean Economic Community building efforts which influence commercial real estate markets in all over the country.

The Company believes that this business still has plenty of potential and market 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.
- 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.

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

1. Business Risk

In the first quarter of 2014, the economy had shrunk due to the limitation of government expenditures and from the political unrest. The investment of private sector had slowed down as to assess the clarification of economic and political situation. Also, the consumption of private sector had decreased continuously according to the low number of confidence index level as well as the decrease in number of foreign tourists due to the tourism environment being dampened by political situation. However, in the second quarter, the political situation had started clearer, the business and consumer confidence have been restored resulting in the recovery of private sector's expenditures, especially the consumption of goods has increased because of the private sector having more confidence. In addition, the announcement of cancelation the curfew all over the country on 13 June 2014 helped tourism situation to have a good sign at the end of the month.

In the second half of 2014, the economy tendency was expanded gradually. The main propulsion came from the exportation of goods and tourism segment that still have low growth rate as well as the limit of the disbursement of government budget resulting in the slow improvement of industrial production and service. However, the expenditure of private sector has slowed down because the business has been waiting for the clarification of economic recovery and infrastructure investment from the government. The household spending has increased in low rate due to low agricultural income and high level of household debt.

Regarding real estate market together with retail and wholesale of construction materials business, such have been recovered after political crisis in the earlier of the year. The return of consumers' purchasing power has slightly caused the market well-adjusted in overall. However, the Company has monitored the situation both in domestic and foreign countries closely and believed that we are still able to expand and operate business for our success as planned.

1.1 Inventory

As of December 31, 2014, 2013, and 2012, the Company had net inventory equal to Baht 8,030.82 million, Baht 6,505.64 million, and Baht 5,352.54 million respectively. The average inventory turnover period of 2014, 2013, and 2012 were at 75 days, 74 days, and 70 days respectively.

However, the Company has been continuously attempting to increase the turnover of inventory, whether by developing of service quality of sales persons, continual sales promotion, improving products display and store ambience, regularly adding new products to the store, including improving efficiency in inventory management.

For the management of inventory, the Company has its own of the distribution center. As of December 31, 2014, the total area amounted to 136,000 square meters and the Company also plans to expand the distribution center area, in order to support the new store expansion in the future and to manage inventory more efficiently.

1.2 Investment

As of December 31, 2014, the Company had branches in operation totaling 71 branches. The 7 new branches in 2014 were Lampang, Prachuapkhirikhan, Surin, Chiangmai – Sansai, Sriracha, Phuket – Thalang and North – Pattaya, and also store relocation at Korat-Hua Thale branch to replace the store in the Mall-Korat branch.

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, which is the Risk Management Committee and Loss Prevention Unit, that are responsible for laying preventive and safety system against various risks of the Company including the risk that may incurs to employees from the operation.

1.4 Accounts Receivable

The Company has divided the customers into 2 groups: retail customers and group of contractors and project owners. The retail customer is customer at store who purchases products by cash, the group of contractors and project owners are a customer who purchases products by credit term with large volume. The major sales revenue comes from retail customer. As of 2014, the proportion of cash sales was at 99.1% of total sales. For 2013 and 2012, the proportion were 98.3% and 98.4% respectively. 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, 2014, 2013, and 2012, the Company has accounts receivable of Baht 262.55 million, Baht 329.66 million, and Baht 312.72 million respectively, 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 which is the same value in 3 years. The management has already estimated the debt repayment period and has evaluated financial status of each debtor and the Company believes that the allowance for doubtful bad debts has been set sufficiently and appropriately.

For other receivables, they mainly consisted of receivables form in store promotion and area rental and related service. The Company has other receivables of Baht 1,332.00 million, and the allowance for doubtful bad debts of Baht 1.98 million.

1.5 Procurement

Price risk and quantity risk remain the main risk factors for retail business. The Company procures and purchases supplies from both domestic and international vendors. However, most of the products come from domestic manufacturers and selling agents. The Company has a predetermined plan to procure products and put in place under a specific operational unit responsible for product survey and supplier selection process, in which only suppliers with reliable manufacturing standards are selected. This is to assure proper product quality and product availability of all time.

In addition, the Company has a policy to procure and purchase supplies from several qualified manufacturers and selling agents to reduce the risk of highly depending on suppliers (supplier risk), to maintain inventory balance, and to bargain the Company's negotiation power in the long run.

1.6 Management and Administration

The Company distributed its share in the Stock Exchange of Thailand. There is no individual shareholder who holds more than 50% of the total shares; neither is there any major shareholder or high-level executive who has conflicts of interest with the Company. In addition, the Company has strictly adhered to the Code of Best Practice for Directors of Listed Companies, issued by the Stock Exchange of Thailand. The Company is strongly and solidly determined to continue its business based on the rules of Good Corporate Governance by applying professional ethics, transparent administration and information disclosure in every level of the organization. This results in a highly-systemic, professional management in each business line and significant reduction in the risks arising from mismanagement.

1.7 Financial management

Interest rate volatility is one of the major factors affecting a business that depends on external capital. In the past year, overall interest rates and inflation rates remained in their low ranges, posting limited risk to the Company's short-term financial management. Moreover, the Company's management team has built in a mechanism to monitor and manage financial risks by analyzing an extensive cost before making investment decisions using any financial resources and tools, including internal cash flows, bank loans, or debentures. This is a purpose to keep the Company's cost of capital in a proper and balanced level in line with the asset investment structure and shall be in line with the Company's policy.

As of December 31, 2014, the Company had Baht 2,500 million of long-term bank debt, with the purpose to invest. The Company also issued debentures for domestic sales totalling of Baht 11,350 million, the principle being repaid between 2015 and 2019. According to the agreement between the Company and the debtor, financial institution, the Company is obliged to maintain its D/E ratio of no more than 1.75 times for the debenture issued before 2013 and 2.5 times for the debenture issuing since 2013. As of December 31, 2014, D/E ratio was 0.88 times, which was far from the threshold level.

However, the Company is facing the risk of breaching the covenant should its D/E ratio go beyond the threshold level. This may disrupt the Company's financial liquidity and financial status accordingly.

1.8 Currency Exchange Rate

The Company and subsidiaries have risk caused by the currency exchange rate due to the order for imported goods as well as the business investment plan abroad. Especially, the business investment plan abroad causes the impact on the exchange rate conversion of the financial statement and investment in foreign currency.

Notwithstanding the above, upon ordering the goods, the Company and subsidiaries have implemented the hedging mechanism by entering into Forward Foreign Currency Purchase Agreement as a tool to manage the risk.

1.9 Investment in Foreign Country

The Company has the plan to invest abroad. This is to expand the current business as well as to increase the growth opportunity in the long run. The risks which may be caused by the expansion of the business abroad may depend on many factors; for example, economic circumstance of a certain country, investment promotion policy, laws and tax regulations and any other provisions in relation to investment, fluctuation of currency exchange rate.

In regard to the alleviation of the risks caused by international investment, the Company has studied and analyzed the details in terms of marketing, laws, government policy and any other issues (e.g. tax) and all the above stated elements so as to assess the impacts likely occur to the business and utilize the said assessment result for consideration. Also, the Company has organized the internal units to track the operation results as well as expedited to develop the potential of the organizational and personnel competency in order to support the business expansion both domestically and internationally.

2. Political Risk

Political instability is another factor causing weakness of Thai domestic consumption. However, household products are basic necessities with naturally stable demand. Though political uncertainty was pressuring consumption in general, it is expected to post only a short-term effect on the Company's sales. Careful project feasibility study, as well as reduction or avoidance of the Company's risk factors, is the major guideline in the Company's risk management and business administration going forward.

3. 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 technicians for several kinds of systematic work such as electrical system, plumbing, sanitation system and related installation.

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.

4. 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 the 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 competitors, 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 partners in amending the agreement to be clearer and more specific.

(3) The Industrial Product Standards Act

The open market trade of the ASEAN Economic Community (AEC) oncoming will result in the increasing of imported products and goods. The Thai government should adapt measures to control and protect the consumers 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.

5. Risk from the major shareholder held paid-up capital more than 25%

As at October 27, 2014, Land and Houses Plc. held 3,313,232,027 shares or 30.23% of the Company's paid-up capital which makes Land and Houses Plc. may control any resolution unless the resolutions which legally require more than three-fourths voting from the shareholders' meeting.

Shareholding Structure

On the closing date as of October 27, 2014, the Company had registered capital in the total of 10,959,900,988 shares and paid-up capital in the total of 10,959,456,991 shares. The top ten shareholders consist of:

Rank	Name of natural person / Juristic Person	No. of Shares	% of total Paid-up shares
1.	Land and Houses Public Company Limited	3,313,232,027	30.23
2.	Quality Houses Public Company Limited	2,166,814,005	19.77
3.	Mr. Niti Osathanuklor	517,846,469	4.73
4.	Mr. Manit Udomkunnatum	337,493,332	3.08
5.	AIA Company Limited-DI-LIFE	262,652,817	2.40
6.	Mr. Joon Wanavit	208,562,604	1.90
7.	Thai NVDR Company Limited	187,086,994	1.71
8.	Mr. Khunawut Thumpomkul	157,928,250	1.44
9.	Sarasin Co., Ltd.	139,631,643	1.27
10.	CHASE NOMINEES LIMITED 1	124,969,959	1.14

Remark - The above table shows the number of shares before the distribution of interim stock dividend on November 13, 2014, which the Company has distributed to shareholders whose names appeared on the closing date of the registration book on October 27, 2014, at the rate of the existing 8 shares per 1 share of stock dividend.

- As of October 27, 2014, the Company's free float was at 43.39% as well as held by institutions at approximately 19.08%.

Foreign Limit

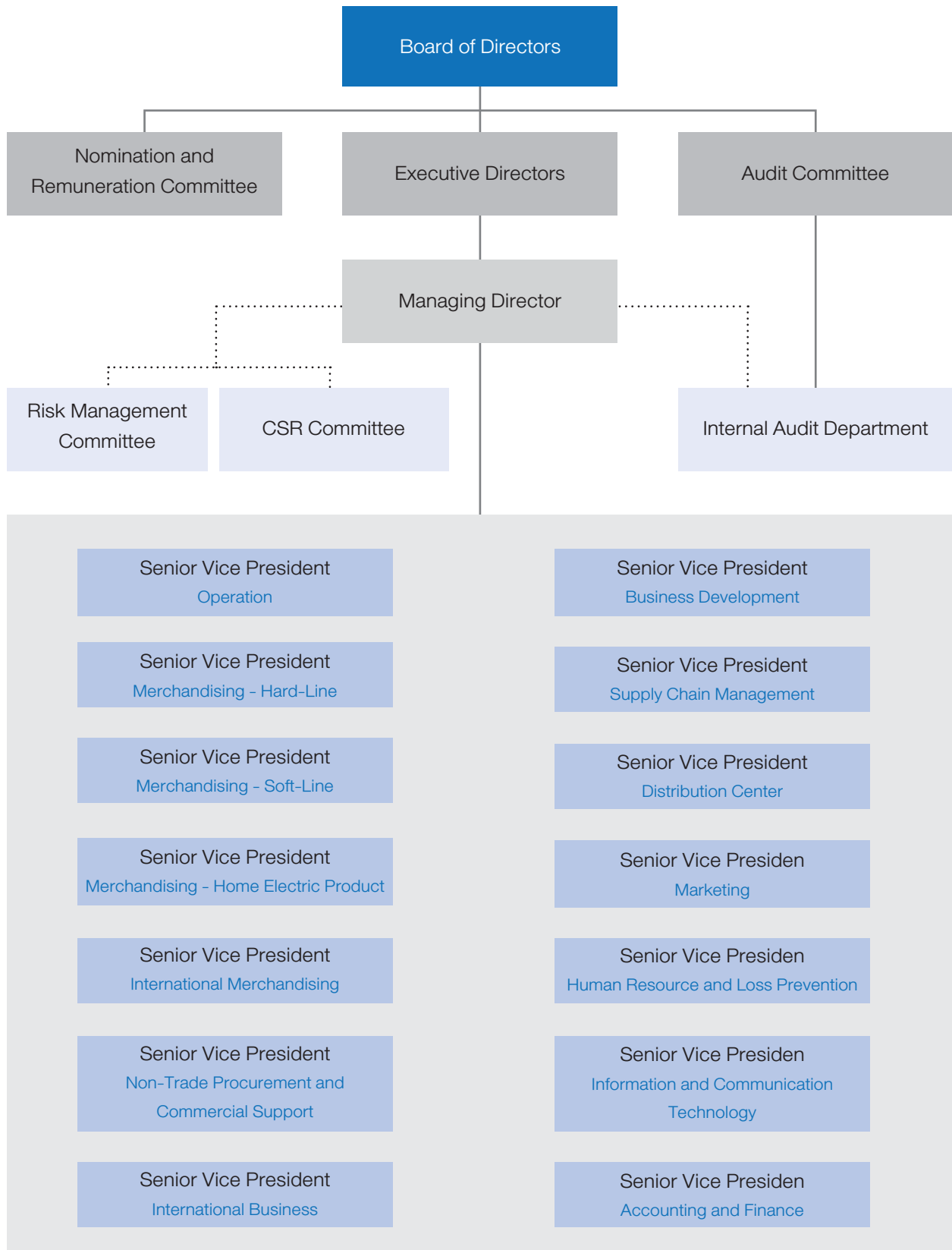
Foreign shareholders are capable to hold shares and appear their names on the Company's asset registration of totaling not exceeding 30% of the issued shares and paid up. As of December 29, 2014, the shares of the Company held by foreigners were at approximately 8.66%.

Directors who are representative of the group of major shareholders

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

Name - Surname		Representative of Shareholders	Position
1.	Mr. Anant Asavabhokhin	Land and Houses Plc.	Chairman
2.	Mr. Naporn Sunthornchitcharoen	Land and Houses Plc.	Director
3.	Mr. Achawin Asavabhokin	Land and Houses Plc.	Director
4.	Mr. Rutt Phaniijphand	Quality Houses Plc.	Director
5.	Ms. Suwanna Buddhaprasart	Quality Houses Plc.	Director

Organizational Chart



Management

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

As at December 31, 2014, the Company's Board of Directors consists of 12 persons including:

- (1) Director who is the management
- (2) Directors who are not the management, which are as follows:
 - Independent Directors 4 persons (account for one-third of board members)
 - Non-managing Directors 7 persons

The structure of the Company's Board of Directors has a system of checks and balances by means of;

- (1) The Independent Directors account for one-third of board members, and being independent from the management and major shareholders of the Company.
- (2) Audit Committee consists of three Directors having substantial knowledge, experiences and skill to review the Financial Statements and to perform other duty as Audit Committees (Mr. Chanin Roonsamrarn is the Audit Committee who has knowledges in accounting and finance).
- (3) Having clearly separated its roles and responsibilities from those of management.
- (4) Over the past 2 years, all directors have never been the employee, shareholder or partner of EY Office Limited which is the external audit firm of the Company and its subsidiaries.

Board of Directors consists of:

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 ¹	Meesook	Director and Nomination and Remuneration Committee
4. Mr. Achawin ²	Asavabhokin	Director
5. Ms. Suwanna	Buddhaprasart	Director
6. Mr. Manit	Udomkunnatum	Director and Chairman of the Executive Director
7. Mr. Naporn	Sunthornchitcharoen	Director and Executive Director
8. Mr. Khunawut	Thumpomkul	Director, Executive Director and Managing Director
9. Mr. Pong	Sarasin	Independent Director
10. Mr. Boonsom ³	Lerdhirunwong	Independent Director and Chairman of the Audit Committee
11. Mr. Thaveevat	Tatiyamaneeekul	Independent Director and Audit Committee
12. Mr. Chanin	Roonsamrarn	Independent Director, Audit Committee and Nomination and Remuneration Committee

Note : 1. The Board of Directors' Meeting has a resolution to appoint Mr. Joompol Meesook to be the Nomination and Remuneration Committee, effective on August 5, 2014.

2. Mr. Achawin Asavabhokin was appointed to be the Director, replacement for Mr. Apichat Natasilapa, as a resolution of 2014 Annual General Shareholders' Meeting, effective on April 10, 2014.

3. Mr. Boonsom Lerdhirunwong was appointed to be the Independent Director and the Chairman of Audit Committee, replacement for Mr. Apilas Ossatananda, as a resolution of the Board of Directors' Meeting, effective on October 1, 2014.

Authorized Signatory Directors of the Company

1. Mr. Anant	Asavabhokhin	4. Mr. Manit	Udomkunnatum
2. Mr. Joompol	Meesook	5. Mr. Naporn	Sunthornchitcharoen
4. Ms. Suwanna	Buddhaprasart	6. Mr. Khunawut	Thumpomkul

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

Roles and Responsibilities of the Board of Directors

Board of Directors has clearly separates responsibilities and authority of core business and subsidiaries according to type of transactions mainly to decentralize responsibility authorize base on the duties delegated and guideline to the Company's managements and employees. Scope of authority and responsibilities of the Board of Directors including decide on important policies and strategies, work plans, budgets of a particular department, and dividend policy.

The roles and responsibilities of the Board of Directors are as follows:

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 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 informs the Company if he/she has direct or indirect stakes 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.

Roles and Responsibilities 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 built an effective and complementary Board.
5. Ensure comprehensive introduction 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 Executive Directors.

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-appointed, 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, details are as follows:

2.1 Executive Directors

Name – Surname		Position
1. Mr. Manit	Udomkunnatum	Chairman of the Executive Directors
2. Mr. Naporn	Sunthornchitcharoen	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 making 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 Directors.
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. Boonsom ¹	Lerdhirunwong	Chairman of the Audit Committee
2. Mr. Thaveevat	Tatiyamaneeekul	Audit Committee
3. Mr. Chanin ²	Roonsamrarn	Audit Committee

Remarks :

1. Mr. Boonsom Lerdhirunwong was appointed to be the Chairman of Audit Committee, replacement for Mr. Apilas Ossatananda, as a resolution of the Board of Directors' Meeting, effective on October 1, 2014.
2. Mr. Chanin Roonsamrarn is the Audit Committee who has knowledge in accounting and finance and experiences to review financial statement of the Company.
3. The Audit Committee's secretary and the Internal Audit Manager is Mr. Aryuratas Chai-anan, Assist Vice President - Internal Audit.

Roles and Responsibilities

1. Review financial transactions of the Company to be correct and complete according to the Generally Accepted Accounting Principle Standard with sufficient disclosure.
2. Review internal control and internal audit system of the Company in order to make it sufficiency, propriety, efficiency, and effectiveness.
3. Review the Company's operations to be in compliance with good corporate governance policy and have appropriate, effective and efficient business ethics.
4. Review the Company's operations to be in compliance with the laws regarding Securities and Exchange Commission, regulations of the Stock Exchange of Thailand, or laws applicable to business of the Company.
5. Consider the related transactions or transactions that may have conflict of interest and make them to be in compliance with relevant laws and regulations.
6. Review the Company's operations to have proper, effective and efficient risk management system.
7. Jointly review and consider with the auditor on the financial report, remarks and suggestions.
8. Consider, select, nominate a person, who is independent, to be in charge as an auditor of the Company, as well as to consider dismissal of the auditor and propose a remuneration of the auditor to the Board of Directors of the Company.
9. Consider the independence of internal audit department, and consider for the appointment, relocation and termination of employment, and consider annual performance of the chief of internal audit.

10. Supervise an operation of internal audit department, both in policy and working process, by considering for approval a charter of internal audit office.
11. Consider for approval an annual internal audit plan, as well as to consider the scope of audit and audit plan of internal audit department and the auditor of the Company, in order to have supportive relations.
12. Coordinate for common understanding among Audit Committee, Management Section, Internal Auditor Department and External Auditor, and also follow up to ensure that the Management Section has sufficient, effective and timely proceeded according to the suggestion.
13. Jointly review and consider with the internal audit department regarding the result of audit, remark and recommendation.
14. Review and amend the charter of Audit Committee once a year regularly or as necessary in order to make it up to date and appropriate with the organizational environment, as well as propose to the Board of Directors for approval.
15. Conduct examination on the matters notified by the external auditor. In case the auditor finds a suspicious behavior that the Director, manager or person who is responsible for the operation of the Company may have committed an offence as stipulated in the Securities and Stock Exchange Act (No. 4th) B.E. 2551, and report the result of preliminary examination to the Office of the Securities and Exchange Commission and auditor of the Company within 30 days from the date of receiving notification from the auditor.
16. Implement other matters as stipulated by law or as assigned by the Board of Directors as per the approval of the Audit Committee.
17. Prepare the Audit Committee's report by disclosing in the Company's annual report, which such report must be signed by the Chairman of the Audit Committee and must consist of information at least the following:
 - 17.1 Opinion on the accuracy, completeness, reliability of the financial report of the Company according to the Generally Accepted Accounting Principle and to disclose an importance information sufficiently and on time.
 - 17.2 Opinion on the sufficiency of internal control system of the Company.
 - 17.3 Opinion on practices complied with the law of Securities and Exchange Commission and regulations of the Stock Exchange or law relating to business of the Company.
 - 17.4 Opinion on transactions that may have conflict of interest
 - 17.5 Opinion on the suitability of the external auditor.
 - 17.6 Number of the Audit Committee's meeting, and the number of meeting participations of each Audit Committee.
 - 17.7 Overall opinion or remarks that the Audit Committee have received from their performance under the charter.
 - 17.8 Other matters that the shareholders and general investors should be informed, under the scope of duty and responsibility 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 the 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 Directors 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 Exchange of Thailand.
5. In case of any vacancy other than by rotation, the Board of Directors 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 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. Joompol ¹	Meesook	Nomination and Remuneration Committee

Remark:

1. On August 5, 2014, the Board of Directors' Meeting had a resolution to appoint Mr. Joompol Meesook to be the Nomination and Remuneration Committee, replacement for Mr. Apichat Natasilapa who resigned on April 10, 2014.
2. Mr. Nitat Aroontippaitoon, Senior Vice President – Human Resource and Loss Prevention, is 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 criteria of paying which have been fair and proper remuneration and other benefits to the Board of Directors and Sub-Committees 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 responsibilities of the Managing Director including consider the criteria 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 criteria of remuneration on items 3 and 4 to fit with duties, responsibilities, and operation results 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 subsidiaries.
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 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.

Risk Management Committee

The Company recognizes the importance of implementing risk management and internal control policies for every area of business operation. By the end of 2012, the Board of Directors had given out policy to the management to gather and analyze risk factors that may have impact on the business operation. At the end of 2013, the Company had assessed risk factors so as to determine appropriate risk management policies of the Company. The Risk Management Committee was appointed on 12 February 2014 to evaluate and formulate company-wide risk management policies as well as establish risk management protocol in order to minimize potential impact. The management and every business unit had jointly assess, monitor both internal and external risk factors and potential impact that may arise and jointly drafted risk management plan to address risk factors that are relevant to the Company so that business risk will be minimized at an acceptable level.

In addition, the Board of Directors also recognizes the importance of internal control system which led to the establishment of Internal Control Unit to monitor operational efficiency and effectiveness and analyze adequacy of internal control and risk management system. The Internal Control Unit is also responsible for ensuring that business operation of the Group is in compliance with relevant laws, regulations and rules applicable to the Company and its subsidiaries by adopting international internal control standard of COSO (The Committee of Sponsoring Organizations of the Treadway Commission) and Enterprise Risk Management system to ensure effectiveness of internal control and risk management system.

Composition and qualification of the Risk Management Committee

The Risk Management Committee reports directly to Managing Director. The Committee comprises representatives from the Company's major departments or specific department (risk owner). The Risk Management Committee comprises from 6 business units as follows to cover the majority of risks of the Company:

- Accounting and Finance
- Operation
- Supply Chain Management
- Procurement
- Human Resource and Loss Prevention
- Information and Communication Technology (ICT)
- Office of Internal Audit serves as secretariat of the Risk Management Committee

Roles and Responsibilities

1. To draft the policy and risk management framework and prepare risk management system manual to seek endorsement from the Board of Directors.
2. To consider and provide advice to determine acceptable risk level (risk appetite) of the Company.
3. To assess the risk of the Company, to define procedures to eliminate risk and to draft Company-wide risk management procedures.
4. To report significant risks, including status of risks and the progress in dealing with such risks to the Board of Directors at least once per quarter.
5. To provide support to ensure that risk management procedures will be successfully implemented, to provide preventive measures to reduce risk to an acceptable level and to promote continuous improvement of business workflows and risk management procedures.
6. To monitor performance to ensure that business operation follows the Company's guidelines with sufficient and appropriate risk control mechanism.
7. To review risk management policy at least annually to ensure that risk management procedures are up-to-date and appropriately cover overall business operation.

Action Undertaken by the Risk Management Committee

The Risk Management Committee has undertaken the important issues in the year 2014 as follow:

1. Formulate the Organization Risk Management Policy by making it consistent with the universally accepted business operation guideline by aiming to manage 4 aspects of risks as follows:
 - **Strategic Risk:** consider the business readiness to support the Company's business operation policy, investment, economic condition, retail business competitiveness, and the readiness of the skilled and knowledgeable personnel.
 - **Operation Risk:** consider the important business activities, the readiness of the Information and Communication Technology to facilitate the proceedings.
 - **Compliance Risk:** consider the risk based on the legal limitations and restrictions both domestically and internationally which may have an impact on the business operation
 - **Financial Risk:** consider looking for the appropriate source of capital that suffices for the business operation, and managing currency exchange rate incurred from the purchase of the goods and the Company's investment.

2. Consider the vital risks at organizational level, analyze and evaluate the risk to assess the Corporate Risk Profile as well as Key Risk Indicator to be employed as pre-caution so as to ensure that the risks are handled effectively.
3. Track and review the risks in quarterly basis to ensure that mechanisms implemented is coherent and can keep pace with the evolving business operation condition as well as supervise and ensure that the risks are managed to maintain it in the acceptable level.
4. Report the Risk Management Construal Result to the Board of Director of the Company every quarter.

Selection of Directors and Managing Director

1. Selection of Directors

The Company appointed the Nomination and Remuneration Committee, which consists of 1 Independent Director from totaling of 3 persons, to determine selection of appropriate person in accordance with the Company's policy to be nominated as the Director or Sub-committees, by considering persons who have knowledge, capability and experience that the Company is still lacking. This includes the Board Diversity as required by the Company such as the appropriate of the number of persons, structure, and director's skill, and must not have the prohibited qualification under the rules of the Securities and Exchange Commission and Stock Exchange of Thailand, the relevant laws, rules or other regulations.

Nomination and Remuneration Committee emphasizes on transparent selection of new Director by considering from existing Director lists, nominated from shareholders, and registered members from Thai Institute of Directors (IOD). Upon approval, the Board of Directors will propose to Shareholders' Meeting based upon sufficiency and transparency.

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 it 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 2014, there were 4 Directors who are retired by rotation as follows: 1. Mr. Anant Asavabhokhin, 2. Mr. Pong Sarasin, 3. Mr. Khunawut Thumpomkul, and 4. Mr. Apichat Natasilapa who decided not to be re-appointed as the Company's Director. Thus, the Nomination and Remuneration Committee had suggested the Board of Directors to appoint Mr. Achawin Asavabhokhin to take a position instead.

The Nomination and Remuneration Committee, having considered in accordance with the criteria of selection, viewed that all remaining 3 directors have the qualifications required according to the Public Limited Company Act B.E. 2535 and also have knowledge, abilities, and experiences in business skills 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 2014 in which the meeting, then, has approved to re-appoint the said directors to their office for another term, and appointed Mr. Achawin Asavabhokhin to be the Director, replacement for Mr. Apichat Natasilapa.

2. Selection of Managing Director

For selecting Managing Director, the Nomination and Remuneration Committee has the duty to preliminary determine selection of appropriate person who have knowledge, capability and experience as required by the Company, including has abilities to manage business to achieve the Company's objectives and goal as stipulated by the Board of Directors. The appropriate person would be then proposed to be appointed by the Board of Directors.

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 frame work or budget approved by the Board of Directors, and maintain the best interest of the Company and share holders. 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, the loan and guarantee are not included.
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 subsidiaries.

Company Secretary

On 20th March 2008, the Board of Directors had resolution to appoint Ms. Wannee Juntamongkol as the Company Secretary in order to comply with the "Securities and Stock Exchange Act (4th Issue) B.E. 2551". The Company had already notified the name and placed to retain documents of the Company to the Securities and Exchange Commission on 26th August 2008.

Company Secretary's Profile

Name : Ms. Wannee Juntamongkol (50 years old)

% Shareholding : 0.07

Family Relationship : -

Education :

- MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Commerce and Accountancy of Chulalongkorn University

Training :

2005 - Company Secretary Program, Institute of Directors Association (IOD)

2008 - Laws and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) Program for the Company Secretary by Faculty of Law of Chulalongkorn University

Experience :

2008 - Present - Company Secretary

2005 - Present - Senior Vice President, Accounting and Finance
Home Product Center Plc. (Home Improvement Retailing)

Authorities of Company Secretary

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 that of shareholders' meeting, and closely report the result of such operation.
3. Arrange schedules of the Board of Directors meeting and Sub-Committees' meetings, including conducting the Board of Directors meeting and shareholders' meeting
4. 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.
5. Maintain the report on interests which has been reported by the Directors or Executives.
6. Coordinate with relevant organization such as the Securities and Exchange Commission, and ensure that all information relevant to the company are disclosed accurately and transparently.
7. Giving legal advices and related regulations and the principles of Good Corporate Governance to the Board of Directors in accordance with the law.
8. Manage other matters as stipulated by the Capital Market Supervisory Board.
9. Conduct the Board Orientation Program and provide suggestion as required by new director.
10. Perform other duties as assigned by the Board of Directors.

Management as December 31, 2014 consists of:

Name - Surname		Position	Department
1. Mr. Khunawut	Thumpomkul	Managing Director	
2. Mr. Weerapun	Ungsumalee	Senior Vice President	Operation
3. Mr. Kasem	Pinmonteartong	Senior Vice President	Operation
4. Ms. Jarusopha	Thumkathikanon	Senior Vice President	Merchandising - Soft Line
5. Ms. Sannipa ¹	Swangpuen	Senior Vice President	Merchandising - Hard Line
6. Ms. Siriwan	Paimsethasin	Senior Vice President	Merchandising - Home Electric Product
7. Ms. Tharathip	Trimankhong	Senior Vice President	International Merchandising
8. Ms. Apiradee ²	Thavilap	Senior Vice President	Non-Trade Procurement and Commercial Support
9. Mr. Chaiyuth	Karunyasopon	Senior Vice President	Distribution Center
10. Ms. Pornsook	Damrongsiri	Senior Vice President	Supply Chain Management
11. Mr. Vathunyu	Visuthikosol	Senior Vice President	Business Development
12. Mr. Anuchar	Jitjaturunt	Senior Vice President	International Business
13. Mr. Nat	Jarlitchana	Senior Vice President	Marketing
14. Ms. Sudapa	Chamod	Senior Vice President	Information and Communication Technology
15. Mr. Nitat	Aroontippaitoon	Senior Vice President	Human Resource and Loss Prevention
16. Ms. Wannee	Juntamongkol	Senior Vice President	Accounting and Finance

Note : 1. Ms. Sannipa Swangpuen has been appointed since February 1, 2014.

2. Ms. Apiradee Thavilap has been appointed since April 1, 2014.

Detail of Directors and Management who are Authorized to Control Subsidiaries

Name – Surname		Home Product Center Plc.	Subsidiaries		
			Market Village Co., Ltd.	Home Product Center (Malaysia)	Mega Home Center Co., Ltd. DC Services Center Co., Ltd.
1. Mr. Anant	Asavabhakin	Chairman			
2. Mr. Ruff	Phaniphand	Director			
3. Mr. Joompol	Meesook	Director			
4. Mr. Achawin	Asavabhakin	Director			
5. Ms. Suwanna	Buddhaprasart	Director			
6. Mr. Manit	Udomkunnatum	Director			
7. Mr. Naporn	Sunthornchitcharoen	Director			
8. Mr. Khunawut	Thumpomkul	Director and Managing Director	Chairman	Chairman	Chairman
9. Mr. Pong	Sarasin	Independent Director			
10. Mr. Boonsom	Lerdhirunwong	Independent Director			
11. Mr. Thaveevat	Tatiyananeekul	Independent Director			
12. Mr. Chanin	Roonsamram	Independent Director			
13. Mr. Weerapun	Ungsumalee	Senior Vice President			Director
14. Mr. Kasem	Pinmonteamlong	Senior Vice President			
15. Ms. Jarusopha	Thumkathikanon	Senior Vice President			
16. Ms. Sannipa	Swangpuen	Senior Vice President			
17. Ms. Siriwan	Paimsethasin	Senior Vice President			
18. Ms. Tharathip	Trimankhong	Senior Vice President			
19. Ms. Apiradee	Thavilap	Senior Vice President			Director & MD
20. Mr. Chaiyuth	Karunyasapon	Senior Vice President			
21. Ms. Ponsuk	Damongsiri	Senior Vice President			
22. Mr. Vathuny	Visuthikosol	Senior Vice President	Director & MD	Director	
23. Mr. Anuchar	Jitjaturunt	Senior Vice President		Director & MD	
24. Mr. Nat	Jarlitchana	Senior Vice President	Director		
25. Ms. Sudapa	Chamod	Senior Vice President			
26. Mr. Nitat	Aroontippatoon	Senior Vice President		Director	Director
27. Ms. Wannee	Juntamongkol	Senior Vice President	Director	Director	Director

Details of the changes in Company's shareholding of the Directors as at December 31, 2014

Name – Surname	Position	A number of Shareholding As at 31 Dec. 2013	Change In 2014	A number of Shareholding As at 31 Dec. 2014	Holding (%)
1. Mr. Anant Asavabhokhin	Chairman	14,526,272	4,150,361	18,676,633	0.15
Spouse and minor children		-	-	-	-
2. Mr. Rutt Phanijphand	Director, Executive Director and Chairman of the Nomination and Remuneration Committee	-	-	-	-
Spouse and minor children		-	-	-	-
3. Mr. Joompol Meesook	Director and Nomination and Remuneration Committee	2,905,245	830,070	3,735,315	0.03
Spouse and minor children		-	-	-	-
4. Mr. Achawin Asavabhokin	Director	-	-	-	-
Spouse and minor children		-	-	-	-
5. Ms. Suwanna Buddhaprasart	Director	-	-	-	-
Spouse and minor children		-	-	-	-
6. Mr. Manit Udomkunnatum	Director and Chairman of the Executive Directors	295,306,666	24,373,332	319,679,998	2.59
Spouse and minor children		-	-	-	-
7. Mr. Naporn Sunthornchitcharoen	Director and Executive Director	-	-	-	-
Spouse and minor children		-	-	-	-
8. Mr. Khunawut Thumpomkul	Director, Executive Director and Managing Director	138,203,269	(5,290,835)	132,912,434	1.08
Spouse and minor children		-	-	-	-
9. Mr. Pong Sarasin	Independent Director	21,959,832	(20,575,764)	1,384,068	0.01
Spouse and minor children		-	-	-	-
10. Mr. Boonsom Lerdhirunwong	Independent Director and Chairman of the Audit Committee	-	-	-	-
Spouse and minor children		-	-	-	-
11. Mr. Thaveevat Tatiyamaneeekul	Independent Director and Audit Committee	-	-	-	-
Spouse and minor children		-	-	-	-
12. Mr. Chanin Roonsamran	Independent Director, Audit Committee and Nomination and Remuneration Committee	-	-	-	-
Spouse and minor children		-	-	-	-

Note : The increase in a number of shareholding is mainly due to stock dividend received.

Details of the changes in the Company's shareholding of the Management as at December 31, 2014

Name – Surname	Position	A number of Shareholding As at 31 Dec. 2013	Change In 2014	A number of Shareholding As at 31 Dec. 2014	Holding (%)
1. Mr. Weerapun Ungsumalee	Senior Vice President	4,647,787	1,379,222	6,027,009	0.05
Spouse and minor children		-	-	-	-
2. Mr. Kasem Pinmontearlong	Senior Vice President	93,003	69,961	162,964	0.001
Spouse and minor children		-	-	-	-
3. Ms. Jarusopha Thumkathikanon	Senior Vice President	7,628,915	2,233,258	9,862,173	0.08
Spouse and minor children		-	-	-	-
4. Ms. Sannipa Swangpuen	Senior Vice President	-	13,002	13,002	0.0001
Spouse and minor children		-	-	-	-
5. Ms. Siriwan Paimsethasin	Senior Vice President	2,588,321	819,386	3,407,707	0.03
Spouse and minor children		-	-	-	-
6. Ms. Tharathip Trimankhong	Senior Vice President	25,416,216	7,296,976	32,713,192	0.27
Spouse and minor children		-	-	-	-
7. Ms. Apiradee Thavilap	Senior Vice President	-	-	-	-
Spouse and minor children		-	-	-	-
8. Mr. Chaiyuth Karunyasopon	Senior Vice President	2,322,621	715,139	3,037,760	0.02
Spouse and minor children		98,000	28,000	126,000	0.0001
9. Ms. Pornsook Damrongsiri	Senior Vice President	8,967	32,921	41,888	0.0003
Spouse and minor children		-	-	-	-
10. Mr. Vathunyu Visuthikosol	Senior Vice President	7,106,489	2,083,524	9,190,013	0.07
Spouse and minor children		-	-	-	-
11. Mr. Anuchar Jitjaturunt	Senior Vice President	10,821,539	2,925,774	13,747,313	0.11
Spouse and minor children		-	-	-	-
12. Mr. Nat Jarlitchana	Senior Vice President	7,188,385	2,059,761	9,248,146	0.08
Spouse and minor children		-	-	-	-
13. Ms. Sudapa Chamod	Senior Vice President	25,398	43,895	69,293	0.001
Spouse and minor children		-	-	-	-
14. Mr. Nitat Aroontippaitoon	Senior Vice President	4,199,179	900,984	5,100,163	0.04
Spouse and minor children		-	-	-	-
15. Ms. Wannee Juntamongkol	Senior Vice President	7,009,578	2,064,693	9,074,271	0.07
Spouse and minor children		-	-	-	-

Note : The increase in a number of shareholding is mainly due to stock dividend received.

Remuneration for the Directors and the Management

The Nomination and Remuneration Committee has a duty on proposing the Board of Directors to set the criteria for evaluating the performance of the Directors and Executives.

1. Remuneration for the Directors

1.1 Cash Remuneration

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

On 10 April 2014, the Shareholders' Meeting of 2014 had a resolution to grant the annual remuneration not exceeding Baht 12,000,000 and pension to the Directors not exceeding Baht 25,000,000. Details of remuneration payment in 2014 are as follows:

- **Monthly Remuneration**
 - Chairman Baht 80,000/ person/ month
 - Director Baht 40,000/ person/ month

- **Remuneration for Meeting** for the Board of Directors' Meeting and Sub-Committees' Meeting which shall be paid according to the number of meeting attendance only.
 - Chairman Baht 30,000/ person/ time
 - Director Baht 20,000/ person/ time

Details of Board of Directors' remuneration in 2014 are as follows;

Name – Surname		Meeting Allowances				Pension	Total (Baht)
		Board of Directors	Executive Directors	Audit Committee	Nomination and Remuneration Committee		
1. Mr. Anant	Asavabhokhin	1,320,000				3,846,154	5,166,154
2. Mr. Pong	Sarasin	500,000				1,923,077	2,423,077
3. Mr. Rutt	Phanijphand	700,000	240,000		90,000	1,923,077	2,953,077
4. Mr. Joompol	Meesook	720,000			20,000	1,923,077	2,663,077
5. Mr. Apichat ¹	Natasilapa	193,334			20,000	1,923,077	2,136,411
6. Mr. Achawin ²	Asavabhokhin	486,666				-	486,666
7. Ms. Suwanna	Buddhaprasart	720,000				1,923,077	2,643,077
8. Mr. Manit	Udomkunnatum	700,000	360,000			1,923,077	2,983,077
9. Mr. Naporn	Sunthornchitcharoen	700,000	240,000			1,923,077	2,863,077
10. Mr. Khunawut ³	Thumpomkul	720,000	240,000			1,923,077	2,883,077
11. Mr. Apilas	Osatananda	500,000		270,000		1,923,077	2,693,077
12. Mr. Boonsom	Lerdhirunwong	180,000		90,000		-	270,000
13. Mr. Thaveevat	Tatiyamaneeekul	680,000		220,000		1,923,077	2,823,077
14. Mr. Chanin	Roonsamrarn	720,000		240,000	60,000	1,923,077	2,943,077
Total		8,840,000	1,080,000	820,000	190,000	25,000,000	35,930,000

Remarks :

1. Mr. Apichat Natasilapa resigned from the Director and the Nomination and Remuneration Committee, effective on April 10, 2014.
2. Mr. Achawin Asavabhokhin was appointed to be the Director effective on April 10, 2014.
3. Mr. Khunawut Thumpomkul, holding the position of Director and Managing Director, received compensation as the meeting allowance and Director's fee, salary and bonus. However, salary and bonus were included in the remuneration of the Executive.

1.2 Other Remuneration

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%.

2. Remuneration for the Executives

2.1 Cash Remuneration

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

Remuneration of Executives for the year 2013 and 2014 consisted of salary, bonus, and other remunerations for the total amount of Baht 81.00 million and Baht 87.06 million respectively.

2.2 Other Remuneration

In July 2013, the Company has launched Employee Joint Investment Program (EJIP) by the eligible and participated managements and employees will receive monthly contribution for buying the Company's stock, the details are as follows:

Program	Timeframe	Remarks
EJIP	1 Jul. 2013 – 30 Jun. 2018	<ul style="list-style-type: none"> - The program has term of 5 years - The Company will contribute a maximum of 5% on a monthly basis

For more details about EJIP have been disclosed on "Sustainability Development Report" in "Responsibilities to Employees"

Human Resources

Details of numbers of employee during year 2012 – 2014.

Number of Employees	31 Dec 2012	31 Dec 2013	31 Dec 2014
Employees of the Company			
- Head Office	1,051	1,108	1,265
- Branches	6,238	7,052	7,494
Employees of subsidiaries	859	1,353	1,753
Total (persons)	8,148	9,513	10,512
Salaries, wages and other employee benefits (million Baht)	2,627	3,105	3,705

Remark: The information of permanent employees only.

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 stakeholders, 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/>

Throughout the entire year of 2014, the Company has complied with the Good Governance Policy except the following:

1. The Chairman is not Independent Director due to the nature of the business that we need to resort to the knowledge and skill of the expert who possesses thorough long experience in Retail Business. However, the management of the Board of Director rests upon the Good Governance Policy stipulated by the Stock Exchange of Thailand.
2. The Company has two Independent Directors who have assumed this position for longer than 9 years, Mr. Thaweewat Tatiyamaneeekul and Mr. Chanin Roonsamrarn. These Independent Directors are well-skilled, knowledgeable and have first-hand experience in Retail Business. Throughout the past while, they have been providing valuable advice both in the capacity of Independent Director and in the capacity of Audit Committee. Especially, Mr. Chanin is knowledgeable and specializes in both Finance and Accounting. The details of the assuming of the position of Independent Directors are as elaborated below.

Name - Surname		Date of Appointment	Number of years (Date of Appointment – 31 Dec. 2014)
1. Mr. Pong	Sarasin	17 September 2009	5 years 3 months
2. Mr. Boonsom	Lerdhirunwong	1 October 2014	3 months
3. Mr. Thaveevat	Tatiyamaneeekul	29 May 2001	13 years 7 months
4. Mr. Chanin	Roonsamrarn	3 October 2005	9 years 3 months

1. Rights of Shareholders

The Board of Directors of the Company realizes and pays attention to the basic rights of shareholders to ensure equivalent treatment by promoting and facilitating the exercise of shareholders' rights such as the rights to obtain relevant and material information on the company, rights to attend shareholders' meeting, rights to participate and vote to elect and remove members of the board, rights to approve the appointment of and remuneration for auditors as well as rights to vote in other issues of the Company. More importantly, shareholders will be entitled to express their opinions independently in shareholders' meeting and to redeem their shares as well as to be approved payment of dividend. The Board of Directors of the Company will act, in good faith with due diligence and care, in the best interest of shareholders and will not take any action that infringe shareholders' rights.

In addition to the basic rights of shareholders stipulated by law and the Company's Articles of Association, the Company gives an opportunity to the shareholders, as owners of the Company to submit questions and opinions relates to business operation to the Company's independent directors prior to shareholders' meeting so as to propose to the Board of Directors for consideration.

Rights of attending shareholders' meeting

- The Company gives rights to the shareholders to propose meeting agenda and to nominate qualified candidate for Director position prior to the shareholders' meeting. For the annual general meeting of shareholders for 2014, the Company had posted annual ordinary meeting of shareholder, guidelines and relevant documents on the Company's official website since 30th September 2013. The shareholders were allowed to submit their proposal and nomination of candidate for director position to the Company by 15th January 2014 and submitted their questions related to the Company by 28th March 2014.
- 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 individual or institutional shareholders is not able to attend the meeting, the shareholders can appoint the Independent Director through proxy Form A to vote or to cast their vote through proxy Form B and Form C. For the Annual General Meeting of Shareholder of 2014, Mr. Chanin Roonsamrarn, Independent Director, has served as proxy.
- The Company has chosen meeting venue that can accommodate the shareholders and institutional investors attending the meeting in a location with convenient transportation so as to facilitate the shareholders who wish to attend the meeting. In addition, the Company also arranges receptionists to offer assistance in verifying meeting document and uses Bar Code system to register meeting participants in order to expedite the process. The registration begins 2 hours prior to the start of meeting.
- 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.
- The Company allows the shareholders to witness voting counts along with legal advisors to ensure transparency.
- The Company conducts the meeting of shareholders in sequence to the agenda that had been sent to shareholders along with letter of invitation. The Company had never added any meeting agenda without giving prior notice to the shareholders as this would lead to unfair treatment of shareholders who did not attend the meeting.
- After the shareholders' meeting, the Company will disclose the shareholders' resolution with voting details to each agenda on the Stock Exchange of Thailand and the Company's official website on the date of meeting or the latest on the next working day after the date of meeting (as the case maybe). And the minutes of meeting will be reported to the SET, Ministry of Commerce and publicized on the Company's website within 14 days.

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.

It is the Company's policy to prohibit and disclose the use of Company's internal information to trade the Company's shares. The said policy has been stipulated in the Business Ethics Manual and disclosed to employees, executives and directors. Details of the policy and internal procedures in monitoring the use of Company's information by the Directors and executives for stakeholders are as follows:

- Provide knowledge to the Directors and Company's executives in each department in relation to duty to 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 Directors and Company's executives to report the change of securities holding (Stakeholder Reports) to the 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 Exchange Commission (SEC).
- The Directors and Company's executives are required to inform the Board of Directors or assigned person when purchasing or selling the Company's securities at least one day before taking an action.
- The Company has a policy for the Directors and Company's executives to report the purchase, sale and holding of the Company's securities to the Board of Directors' meeting every month by setting to be one of the monthly agenda meetings.
- The Company has notified to the Directors and Company's executives to restrain from the purchase and sale of securities of the Company at least 1 month before disclosing of financial statements. And, in the event that there may be any inside information which may impact to a price of the Company's securities. The disclosure of material information to other person is not allowed and such has been notified via e-mail every quarter.

In the year 2014, 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.

The guideline as above has been approved already by the Board of Directors. 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. The Role of Stakeholders

The Company has stipulated the regulations for stakeholders in the "Handbook of Business Ethics", a part of employees' code of conduct, is disclosed on the Company's website and part of employee's operating manual. By having an intention to carry out business faithfully, transparently and auditably, the Company stipulated the policy in connection with conflict of interest for the Directors, Executives and employees in order to prevent directors, executives and employees from engaging in potential conflict of interest of the Company or stakeholders. And to in order to ensure that the Company will comply with in order and to provide the rights to stakeholders under the relevant laws, whether the shareholders, staff, customers, business partners, community, society, and environment. Moreover, the Company has also strengthened cooperation with the stakeholders in each group in order to be able to ensure business sustainability with the fair benefits to all parties, in order to build the long-term success.

For the detail of the Role of Stakeholders of the Company, it is reported at "Sustainable Development Report"

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 investors 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 Relations Department 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 ranking executives of the Company, apart from the Annual General Shareholders Meeting as follows:

Website	<p>The Company has presented the operational results, 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 stakeholders 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 had arranged for the meeting for the analysts and investors, including shareholders who are interested in disclosing the operational results on every quarter for 4 times in 2014. The Company also provided the investor information release to investors every quarter.</p>
One on One meeting and Company visit	<p>All through 2014, the Company opened the opportunity to analysts, shareholders and institutional investors both domestic and international to meet with the executives at the Company, including conference calls, in order to answer the questions relating to the operations of business for the total of 88 times, welcoming group of people for their company visit for 7 times, and also joining 2 times of the Opportunity Day, the event to meet investors conducted by the Stock Exchange of Thailand.</p>
Road Show	<p>In 2014, the Company attended the conference and Road show as arranged of both domestic and international totaling 13 times as follows:</p> <ol style="list-style-type: none"> 1. Having met foreign investors as arranged by Financial Institution in Thailand for 5 times 2. Joining the Conference and Roadshow in the United States, the United Kingdom, France, Japan, Singapore and Hong Kong for 9 times.
Press Conference and Media Relationship	<p>The Company has made the press conference once about the annual business result in 2013 and direction to operate business in 2014. 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

The Board of Directors has participated in determining the Company's vision, mission, objectives, business plans and corporate budget, which are reviewed every year as well as ensuring that the management has operated according to the plan and budget with efficiency and effectiveness. The Chairman of the Company, Chief of Executive Directors, and Managing Directors of the Company are not the same person. The Board of Directors have defined a clear line of roles and segregate responsibilities among the Directors, members of sub-committees 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 "Management" under roles and responsibilities of 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.

The orientation and briefing of the Company's business to the new Director

The Company has a policy to organize orientation to every newly appointed director in order to acknowledge the roles, duty, and responsibility, including giving knowledge, understanding of business and operating in every part of the Company, which is to prepare the readiness to perform duty of the Directors. By presenting information that will assist newly appointed directors in performing their roles such as Directors' Handbook, Company's Good Corporate Governance and Business Code of Conduct Handbook, Company's Articles of Association, financial and shareholders structures, annual report, Form 56-1, business performance, laws and best practices guidelines, training programs for directors as well as other information related to the business operation in order to create better understanding about the Company and its operation to newly appointed directors.

In 2014, the Company has arranged the Board orientation for 2 new directors which are Mr. Achawin Asavabhokin, Director, on 24th April 2014 and Mr. Boonsom Lerdhirunwong, the Chairman of Audit Committee and Independent Director, on 7th October 2014.

Training Programs for the Board of Directors

The Board of Directors facilitate and promote directors to attend training courses and seminars in order to accumulate knowledge that will benefit the Company. The Board of Directors assigned the Company Secretary to collaborate and notify directors of upcoming training courses and seminars as training schedule.

In 2014, there were 2 directors attending the training program organized by the Thai Institute of Directors (IOD) as follows:

1. Mr. Joompol Meesook had attended on Role of the Compensation Committee Program (RCC) class 19/2014.
2. Mr. Achawin Asavabhokin had attended on Directors Certification Program (DCP) class 193/2014.

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. In order to conduct Board of Directors' meeting and vote in the meeting, the Company requires a quorum of two-thirds of directors to participate. The schedule of Board of Directors' meeting and the sub-committees' meeting for the whole year are defined in advance, and there shall be sending of the notice calling for meeting with agenda of the meeting at least 5 working days in advance for the Directors to be prepared.

In addition, Non-Managing Directors Independent Directors and the Audit Committee can conduct meetings among themselves as appropriate to discuss issues related to the management of the Company without involvement of the Company executives.

In 2014, the Company had 12 times of Board of Directors' Meeting and the meeting of Sub-Committees i.e. 12 times of Executive Directors' meeting, 12 times of the Audit Committee's meeting, and 3 times of Nomination and Remuneration Committee's meeting, details of attending the Board of Directors meeting and other sub-committees' meetings were as follows:

Name – Surname		No. of Attendance / No. of all meetings (times)			
		Board of Directors	Executive Directors	Audit Committee	Nomination and Remuneration Committee
1. Mr. Anant	Asavabhokhin	12 / 12			
2. Mr. Pong	Sarasin	1 / 12			
3. Mr. Rutt	Phanijphand	11 / 12	12 / 12		3 / 3
4. Mr. Joompol ¹	Meesook	12 / 12			1 / 1
5. Mr. Apichat	Natasilapa	3 / 3			1 / 1
6. Mr. Achawin ²	Asavabhokin	7 / 9			
7. Ms. Suwanna	Buddhaprasart	12 / 12			
8. Mr. Manit	Udomkunnatum	11 / 12	12 / 12		
9. Mr. Naporn	Sunthornchitcharoen	11 / 12	12 / 12		
10. Mr. Khunawut	Thumpomkul	12 / 12	12 / 12		
11. Mr. Apilas	Osatananda	7 / 9		9 / 9	
12. Mr. Boonsom ³	Lerdhirunwong	3 / 3		3 / 3	
13. Mr. Thaveevat	Tatiyamaneeekul	10 / 12		11 / 12	
14. Mr. Chanin	Roonsamrarn	12 / 12		12 / 12	3 / 3

Note : 1. The Board of Directors' Meeting had a resolution to appoint Mr. Joompol Meesook to be the Nomination and Remuneration Committee, effective on August 5, 2014.

2. Mr. Achawin Asavabhokin was appointed to be the Director, replacement for Mr. Apichat Natasilapa, as a resolution of 2014 Annual General Shareholders' Meeting, effective on April 10, 2014.

3. Mr. Boonsom Lerdhirunwong was appointed to be the Independent Director and the Chairman of Audit Committee, replacement for Mr. Apilas Ossatananda, as a resolution of the Board of Directors' Meeting, effective on October 1, 2014.

Criteria of Performance Appraisals and Remuneration policy for Managing Director

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 with an objective to create motivation and sense of participation in the ownership of the Company. The compensation and remuneration for Managing Director are as follows:

Short term : Payment of rewards in the form of salary and bonus based on the performance.

Long term : Employee Joint Investment Program (EJIP) per details as follows:

Program	Timeframe	Remarks
EJIP	1 Jul. 2013 – 30 Jun. 2018	<ul style="list-style-type: none">- The program has a term of 5 years- The Company will contribute a maximum of 5% on a monthly basis

Executive Succession Planning

The Company is well aware of the importance of continuously effective running of business, hence we formulate the succession plan to recruit the qualified personnel to develop his/her potential in order to succeed the important position for business operation. The qualified personnel may succeed the position immediately or within 1-2 years with the operation procedures as follow:

1. Determine the important position as the Key Position for the sake of the operation of the Company's business.
2. Determine the criteria to select the successor by considering the knowledge, skills, competency, experience, potential and vision for management.
3. Consider to select the successor having the qualifications that meet the requirement and evaluate the readiness of the selected candidates in terms of strengths and weaknesses and area of improvement.
4. Formulate the Individual Development Plan to develop the competency for each individual selected in order to equip them with skills to assume the position to be succeeded.
5. Evaluate and review the annual succession plan to attain an approval from the Committee of the Company.

The Internal Audit Department

In order to promote the procedures of good governance, the Company has formed an internal audit to review and follow 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 approved by the Audit Committee and to evaluate efficiency of internal accounting control of the Company which the resolution of the shareholders in 2014, approved to appoint the auditor from EY Office Limited (formerly known as Ernst & Young Office Limited), by Ms. Gingkarn Atsawarangsalit, an auditor License number 4496 as the auditor of the Company and its subsidiaries for the year 2014. The auditor does not have any benefit that may cause direct or indirect conflict of interest to the Company and who is neither the debtor nor the creditor of the Company/ subsidiaries/ executives/ major shareholders or anyone related to such person. The auditors of the Company and of the subsidiaries are within the same audit firm.

Compliance Unit

According to the notification of Capital Market Supervisory Board Re: Establishing Compliance Unit of Business Operator which is applicable to person licensed to undertake the following businesses : (1) securities broker, (2) securities dealing, (3) securities underwriting, (4) mutual fund management, (5) private fund management, (6) being derivatives broker, (7) being derivatives dealer and (8) being derivatives fund manager. The notification stipulated that business operator shall arrange to have compliance unit having duty to monitor business operator's compliance with rules and shall provide support to such unit to perform duty effectively.

Since the Company's business does not fall within the 7 types of business mentioned above, therefore, such notification is not applicable to the Company. However, the Company had established Internal Audit Unit that has the same duties and responsibilities as Compliance Unit.

Process and Criteria in assessing performance of the Board of Directors

The Company has assigned the Nomination and Remuneration Committee to develop assessment criteria to evaluate performance to the Board of Director every year in order to define the remuneration of directors. The Nomination and Remuneration Committee define the remuneration based the growth of the Company's net profit, dividend payment, market capitalization of the Company and number of meeting attendance.

The objective of annual work performance evaluation is to develop the performance and efficiency of the Board of Directors and to develop evaluation criteria for the following year.

Whistleblowing Policy

The Company has assigned Human Resource and Internal Audit departments as a complaint handling center to receive complaint in relation to violation of laws or ethics and the code of business ethics. The Company's employees, business partners, customers, shareholders and stakeholders are able to report or file complaint to the Company so that appropriate investigation can be conducted.

- **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-th.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 issues, 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-th.listedcompany.com/contact_audit.html
- **Complaints Notification Unit, Human Resources Department.** In case requiring for staff to make complaints or notify any offending acts at md@homepro.co.th

The identity of the whistleblower will remain anonymous from the Managing Director and Senior Vice President in charge of that business unit only by having the Management gather complaints and propose to the Audit Committee and Risk Management Committee for further consideration. There was no such complaint is received of wrong doing so far.

For the communication channels with other stakeholders have been disclosed on "Sustainable Development Report"

Governance on subsidiaries

The Company's Board of Directors appointed the executives to be directors of the subsidiaries. The directors' responsibilities are to ensure the maximum benefits of such subsidiaries, to supervise the subsidiaries to comply the rules regarding related party transactions, asset acquisition and disposition, and other major transactions, to ensure that such subsidiaries apply the same disclosure policy and practices to the aforementioned transactions as the Company, and to supervise such subsidiaries to appropriately retain information and record accounting transactions in order to facilitate the Company in the reviewing and gathering of subsidiaries' financial statements to be consolidated with the financial statements of the group in an appropriate timeframe.

2014 Sustainable Development Report

This report has been written for the 2nd year with an objective to illustrate Sustainable Development programs of Home Product Center Plc. covering economics, social, and environmental aspects during 1 January – 31 December 2014 following Global Reporting Initiatives (GRI) version 4.0 through the selection of indicators that correspond to the business of the Company.

Scope of this report covers overall policies, procedures, and activities relating to economic, social as well as environment on a sustainable basis for Home Product Center Plc. and its subsidiaries as follows:

	Economic	Environment	Social
Home Product Center Plc.	✓	✓*	✓
Market Village Co., Ltd.	✓	✓	**
Home Product Center (Malaysia) SDN. BHD.	✓		**
Mega Home Center Co., Ltd.	✓	✓	**
DC Service Center Co., Ltd.	✓	✓	**

Remark: * Report in environment does not include new branches opened in 2014 for the comparative analysis
 ** Subsidiaries also perform social activities but they are not included in the report

To intertwine business operation and sustainable development process together, the Company had identified and segregated groups of persons or persons affected by or creating the effect on business operations or activities related to the Company into internal stakeholder which is employees and external stakeholders, including customers, vendors, shareholders, creditors, communities, and government agencies. The Company also determined treatment practices for stakeholders and contact channels as shown in the followings:

Stakeholders	Approach	Contact channels
Inside-organization		
Employees	<ul style="list-style-type: none"> - Job security and career advancement - Receive fair return and welfare package comparable to peers - Have a safe and pleasant working environment - Receive proper trainings relevant to the job under responsibilities 	<ul style="list-style-type: none"> - Satisfaction Survey Form - Business Line Meeting - Complaints Notification Unit, Human - Resources Department Management <p>Email : md@homepro.co.th</p>

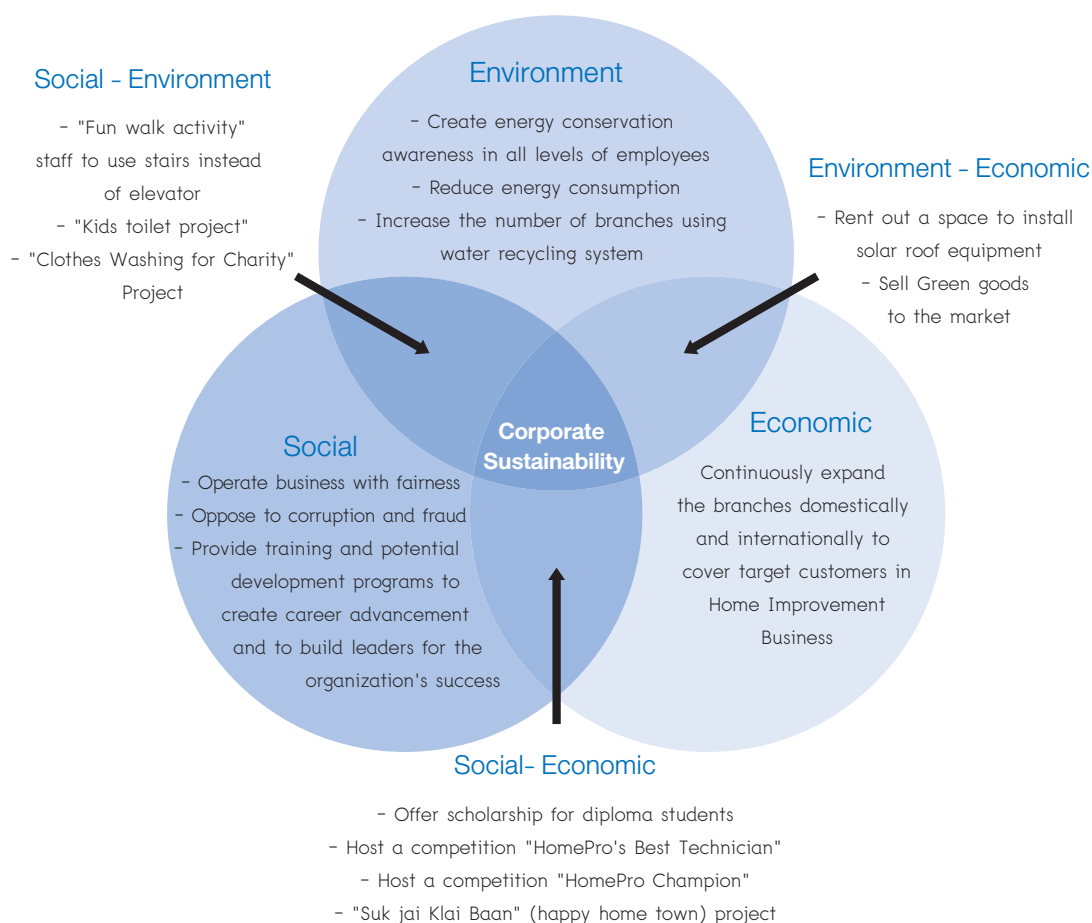
Stakeholders	Approach	Contact channels
Outside-organization		
Customer	<ul style="list-style-type: none"> - Sell standardized products as advertised - Service all customers fairly - Support services both pre and post sales - Listen and respond to all feedbacks and complaints 	<ul style="list-style-type: none"> - Suggestion box at all branches - Call Center +66 (0) 2831 6000 - Customer Service Center - Website : www.homepro.co.th
Vendor	<ul style="list-style-type: none"> - Comply with trading rules and conditions - Open to competition, liberal, fair trade and emphasize on production standard - Operate with integrity 	<ul style="list-style-type: none"> - Vendor day - Management contact - Website : www.homepro.co.th
Shareholder	<ul style="list-style-type: none"> - Manage with good corporate governance principles - Focus on generating long-term, continuous return - Create maximum benefit to the overall shareholders 	<ul style="list-style-type: none"> - Shareholders' meeting - Investor Relations via ir@homepro.co.th or +66 (0) 2832 1000 - Website : http://hmpo-th.listedcompany.com/
Creditor	<ul style="list-style-type: none"> - Strict to repayment schedule and required conditions - Maintain debt to equity ratio not to exceed requirements on bond and bank debt issuance 	<ul style="list-style-type: none"> - Management - Website : www.homepro.co.th
Community	<ul style="list-style-type: none"> - Preserve main ecology system in the branch area - Embrace opinions and suggestions given by the communities - Support local jobs - Collaborate with local communities to arrange traditional and cultural events 	<ul style="list-style-type: none"> - Before branch construction, the survey team visits the surrounding communities - After branch construction, general manager acts as a main contact point - Website : www.homepro.co.th
Government	<ul style="list-style-type: none"> - Support and comply to all laws and regulations - Cooperate with government agencies on activities and campaigns 	<ul style="list-style-type: none"> - Management and Government Relations Department - Website : www.homepro.co.th

CSR Committee

Presently, "Sustainable Development" is being emphasized as one of the important agendas as well as business operation. In this regard, Securities and Exchange Commission (SEC) requires that all listed companies disclose information showing awareness on social and environmental impact and relevant parties on the Annual Registration Statement (Form 56-1) and Annual Report. Hence, to be able to efficiently and transparently disclose business procedures in relation to Sustainability Development, the Company set up the CSR Committee of people as follows:

1. Mr. Nat	Jarlitchana	Senior Vice President – Marketing
2. Mr. Weerapun	Ungsumalee	Senior Vice President – Operation
3. Mr. Vathuny	Visuthikosol	Senior Vice President – Business Development
4. Ms. Siriwan	Paimsethasin	Senior Vice President – Merchandising
5. Mr. Nitat	Aroontippaitoon	Senior Vice President – Human Resource and Loss Prevention
6. Ms. Wannee	Juntamongkol	Senior Vice President – Accounting and Finance
7. Ms. Orapin	Sirijitgasame	Vice President – CRM Marketing Management
8. Mr. Nopadon	Phiwklang	Vice President – Organization Development

Sustainability Dimensions



2014 Sustainability Performance and Plan

	Work Plan	Performance in 2014	Next Plan
Economic			
Business Expansion	Expand to 100 branches within 2020	Expanded to 71 branches Sales and profit grew by 20% and 7%, respectively	Continuously expand the branches domestically and internationally to cover target customers in Home Improvement Business
Environment			
Energy	Reducing energy consumption 20% within 5-year (2014 - 2019)	Energy consumption per area decreased by 6.2% in 63 branches	Create energy conservation awareness in all levels of employees
Water	Increase efficiency of water utilization	Data collection for management	Increase the number of branches using water recycling system
Garbage and Waste	Segregate garbage and waste for proper management	Data collection for management	Call for garbage bidding every 1 year or 6 months depending on the change in garbage prices
Social			
Employee training	Provide training and development program to support the company's expansion	Employee knowledge at 96%	Provide training and potential development programs to create career advancement and to build leaders for the organization's success
Health and Safety	Prevent accidents and reduce accident rate	Accident rate went down from 0.21 time/branch in 2013 to 0.20 time/branch in 2014	<ul style="list-style-type: none"> - Promote safety habits - Arrange Safety Week event
Customers Satisfaction	Increase customer satisfaction score	Customer satisfaction score improved from the previous year to be 94.3%	<ul style="list-style-type: none"> - maintain the quality of products and services - Increase product and service variety

Economic

In 2014, the Company opened 7 new stores in "HomePro" format, including the branches in Lampang, Prachuaphirikhan, Surin, Chiangmai-Sansai, Sriracha, Phuket—Thalang, and North—Pattaya. In addition, the Company also opened a new branch in Korat — HuaThalae in Nakhonratchasima to replace the old branch in The Mall Korat to respond to the expanding market demand. The aforementioned expansion helped create new jobs by as many as 1,410 positions, 521 of which are the Company's employees and 880 of which are sale assistants of vendors, and also helped increase the sales channels for 1,130 vendors.

As for the business expansion of its subsidiaries, the Company opened 2 new stores in "Mega Home" format in Nong Khai and Bor Win, and expanded to the international market for the first time by opening a branch in Kuala Lumpur, Malaysia.

For the donation to the society, in 2014 the Company granted financial aid to support education, preserve religion, and support the "Kid's Toilet" project and other activities in the total amount of Baht 27.36 million.

For more details on business performance, please refer to the content under "Financial Information" and "Management Discussion and Analysis of Financial Status and Operating Results"

Environment

Along with economy and society, the Company has always placed high value on environment preservation, which is consistent with its internal management objective to reduce operating costs, especially energy cost. Therefore, the Company determines the guidelines for energy usage in the action plans for all relevant units, and sets up a task force to regularly monitor environmental impacts arising from business operation. The task force is responsible for determining action plans, monitoring and tracking the performance, and assessing the effectiveness of the action plans in four aspects: (1) energy management, (2) water management, (3) waste and garbage management, and (4) ecology system management.

1. Energy Management

Carbon Dioxide (CO₂) is one of the green-house gases that causes high global-warming potential. Well aware of the problem, the Company gives high priority to energy management by attentively monitoring its activities that may contribute to CO₂ releasing, such as electricity consumption and transportation.

Electricity Consumption

In 2014, the Company started implementing electricity-saving techniques in several branches, resulting in less electricity consumption in the overall level. This can be seen from lower Specific Energy Consumption Ratio (SEC Ratio), which, in 2014, went down by 24 kWh/ Sq.m. from the previous year.

Year	Number of Branches	Total Electricity Consumption (GWh)	Electricity Consumption Per Unit Area (kWh/ Sq.m.)
2012	43	112	462
2013	51	127	394
2014	63	155	370

Measure to reduce of Electricity Consumption in 2014	No. of Branch	Reduction of Consumption (kWh)	Reduction of CO ₂ emission (Ton CO ₂ /Year)
Change from Metal Halide Lamp 400 w to Induction Lamp 200 Watt	15	5,720,000	3,325
Change from Halogen Lamp 50 w to LED Lamp 5 Watt	37	1,350,000	784
Change from Par 75 Lamp 100 w to Par 30 LED Lamp 13 Watt	37	1,120,000	651
Installation of under-roof heat insulation material and selection of building wall	47	29,950,000	17,409
Installation of translucent roofs on storage buildings to reduce the hours of electricity usage	32	880,000	511
Installation of VSD system to control motors of air-conditioning system	57	5,270,000	3,063

Note kg CO₂ / kWh = 0.5813 referred from Thailand Greenhouse Gas Management Organization (Public Organization)

Transportation

The Company attempts to reduce the emission of CO₂ generated from fuel combustion of its transportation vehicles, using "Green Transport and Supply Chain" framework, a framework that combines ecology-friendly technology and logistics management to help decrease fuel consumption and CO₂ release simultaneously.

The components of Green Transport and Supply Chain Framework are:

1. Application of "Full Truck Load" system, in which weighting plates are installed and used to control product packing to optimize truck load
2. Application of "Consolidation" system, in which products are gathered and delivered to several destinations along the same/nearby routes under careful planning and scheduling
3. Minimization of back hauls by using the returning trucks to load products from vendors as well as transport to HomePro's distribution center or branches, resulting in total fuel saving of Baht 5.9 million in the past 3 years (2012-2014)

2. Water Management

The Company uses tap water, underground water, and recycled water in its operation. Most of the water is used in branches and offices, in rental stores, for parking space cleaning, and for plants watering.

In 2014, the Company used 1.01 million.m3 of tap water, the amount increasing by 31.59% from the previous year. The water was consumed in the following areas:

Water Consumption	Consumption Per Branch (Cubic Meters)		Changing	Reason
	2013	2014		
1. Stores and Office	6,950	7,840	+ 12.81%	Higher number of customers
2. Parking Lot and Plant Watering	7,351	8,641	+ 17.55%	Higher number of customers
3. Tenants	5,363	6,303	+17.53%	Higher number of tenants

Note The calculation is based on 51 branches, excluding new branches

In an attempt to decrease water consumption, the Company requires its maintenance unit to regularly check water pipes, water meters, and other equipment on a monthly basis. Furthermore, it chooses water-saving toilet bowls, water taps, and rinse sprays, and equips the water taps with motion sensors that were properly timed. It also uses underground water to spray on plants (with approval from the relevant government authorities).

3. Waste and Garbage Management

Waste water management

All water used in the system is treated and checked for its quality according to the standards set forth by Ministry of Natural Resources and Environment before being released into public water pipes. Some of the treated water are used for plant watering.

The Company also replaces the old water treatment system called Conventional Activated Sludge (CAS) with the new system called "Membrane Bioreactor (MBR)" in its new branches. MBR system employs water pumps that are 35% less than those of CAS, yet it requires only 1/3 of the time to process the waste water recycle compared to CAS. Furthermore, MBR system can capture and retain large-molecule organisms, such as bacteria, and can be easily augmented without the need to deconstruct the existing system. Switching to MBR impressively resulted in investment saving of 0.8 MB/project.

Garbage management

The Company puts a process to segregate waste and garbage into three categories: (1) Recycled wastes (2) Wet wastes (3) Chemical Wastes

As for management of recycled wastes, such as paper, plastic, and glass, the Company announces the bidding to its vendors every 1 year or 6 months, depending on the change in waste prices. For wet wastes, the Company sorts and stores them in the wet waste room, which is equipped with air-conditioners to control the temperature, decelerate bacteria growth, and control the smell, while awaiting for municipal agency to collect them on a daily basis. As for chemical wastes, such as light bulbs and engine oil, the Company sorts and sends them back to the vendors for managing them properly.

4. Ecology System Management

With a plan to continuously expand its branches, the Company determines to have the Design Unit under Store Development Department study the ecological system in the surrounding areas of the construction sites and preserve the ecology in that area in a proper mix that blends to the design of the building. Essentially, the Company tries to preserve mature trees in the sites. In practice, the Design Unit will coordinate with plant experts to excavate the trees and move them to proper resting areas before replanting them back to the sites.

Efficient resource utilization

- Arrange to have training and knowledge-sharing sessions on environmental conservation and advertise energy-saving techniques to employees
- Encourage employees to recycle office materials, such as printing on the both sides of the paper
- Turn off air-conditioners and lights when employees or executives do not use the room for a long period of time
- Change of on-off switch system from centralization to an individual control where each staff is required to be responsible for their own switch during breaks and off- work hours.
- Campaign on energy saving among all staff i.e. "HomePro Fun Walk" activity encouraging staff to use stairs instead of elevator
- Temperature control in office building at minimum of 24 degree Celsius.
- Car-pooling

Environmental Innovation

The Company collaborates with its vendors in the selection of energy-saving products along with other innovations to better serve the customers' need in environmental preservation.

The Company supports the sale of products that are environmentally-friendly, energy-saving, and accepted by international standards, such as non-chemical unbleached-bedding products, air conditioners with inverter system, LED light bulbs, low-toxic interior paint, unleaded water taps, and water-saving toilet bowl, etc.

Bedding and Home Textiles



The Company selects health-promoting bedding products that are manufactured in an environmentally-friendly process, placing high importance on the selection of manufacturers that avoid using Chlorine in the bleaching process and Formaldehyde in the finishing process. To handpick the manufacturers, the Company applies Oeko-Tex standard 100, a standard used in the testing of harmful substance in fabric and clothes certified by The Austrian Textile Research Institute and The German Hohenstein Research Institute to enhance customers' confidence in product safety.

Air Conditioner Inverter

The use of air conditioner equipped with inverter system can help save electricity consumption by 20-30% as the compressors can work continuously by increasing or decreasing work circuit without the need for pausing in order to maintain the temperature in the room. Furthermore, the use of R410A liquid is not harmful to the atmosphere and; therefore, it is environmentally friendly.

During the past 3 years (2012-2014), the Company continuously increased its sales of air conditioners with inverter system on average up by 65%.

LED Light Bulbs

LEDs are high-efficiency light bulbs that have several beneficial features, such as long useful life, high tolerance to vibration, no mercury contents, and other environmentally-friendly properties. In 2014, the Company distributed as many as 1.5 million units of LEDs in its 71 branches all over Thailand, resulting in 12.15-ton saving of CO₂ emission. In addition, the Company signed an MOU with the Electricity Generation Authority of Thailand (EGAT) to offer NO.5-LED light bulbs in special prices to encourage customers to use more LEDs.

Solar Garden Lights

Solar cell lamps are the lamps that use solar energy, which is clean energy and can suitably replace electricity power. In 2014, the Company recorded 26% y-o-y growth in the sale of solar cell lamps distributed throughout 66 branches.

	2012	2013	2014
Number of Branches	38	59	66
Units sold	1,234	19,651	24,800

Solar Cell

Solar cells can transform sunlight into electrical power in the form of direct current (D/C), which can be immediately used or stored in batteries for later use.

The Company collaborates with SPCG Public Company Limited, or SPCG, in the development of "SPR Solar Roof", a solar panel that can be installed on the rooftop of the house, and sells to retail customers in HomePro's branches to encourage the use of home-based electricity generated from rooftop solar cells. Producing the electricity in the day time, solar cells can help save electricity expense and energy consumption by the generation of clean alternative power.

Business Opportunity to be ready for Climate Change



The Company signed on a contract to lease out the space for solar panel installation as part of the collaboration between the Company, Thai Solar Energy Plc. (TSE) and Siam Commercial Bank to jointly develop the so-called largest commercial solar rooftop project in Thailand. The project comprised of 11 projects, 1 MW each project, totaling to 11 MW of electricity generation.

In 2014, the first two projects were commenced in HomePro Lopburi and Chumphon branches to distribute the electricity to the Provincial Electricity Authority (PEA). This project is initiated under the vision that the Company want to enhance business opportunities and is aware of climate change impact which is also in line with the government's policy to promote and support alternative energy, reducing the nation's burden of fuel and energy dependence from other countries.

Environment Management of Subsidiaries

Market Village Co., Ltd.

Market Village Co., Ltd. operates by leasing out space and provides utilities services to tenants. Along with the leasing business, it continuously focuses on environment management starting with building design that blends to the surroundings. Also, it arranges to plant trees, utilizes evaporative cooling system to control the temperature outside the building, and uses the following measures to save energy and preserve the environment:

- Determine the time to turn on/ off air conditioners and avoid turning on air-conditioner in Peak period during 9.00 a.m. - 10 p.m., in which higher electricity fees are charged
- Utilize Chiller Plant Management System, a system that automatically control the air conditioning system, resulting in efficient energy usage and cost savings
- Apply insulation film at the spots of intense sunlight inside the building to relieve the load of air conditioners
- Install waste water management system, through which all used water will be treated and checked according to the standards set by Ministry of Natural Resource and Environment before being released into public pipes
- Install Intelligent Car Park system, which can help customer find available parking spots more easily and helps customers save fuel cost

Mega Home Center Co., Ltd.

Mega Home Center Co., Ltd. operates in complete retail and wholesale home business. Taking responsibility in environment preservation, the company utilizes Evaporative Cooling System (EWRAP), a system that applies water evaporation mechanism in the cooling process. When hot air passes the cooling pad, heat will be used to transform liquid into gas state. The air that flows through the cooling pad will, therefore, have lower temperature, and, with properly-designed ventilation system, become pure and cool air. This system significantly helps save investment cost and energy expense compared to normal air conditioners.

Social

Operating Business with Fairness

The Company believes that running a business with fairness creates the confidence to stakeholders which will be beneficial to the business in long term. Hence, the Company operates business based on accuracy, fairness, non-exploitation, integrity, reliability, mutual benefits with vendors and account payables. The codes of conduct can be achieved by strictly complying with rules of law, having business ethics, not bribing or cheating with vendors, applying good corporate governance, being direct with business transaction or corresponding with government agencies, opposing to bribery with government officials that leads to business convenience or business interest.

The Company has a policy to disclose consistent and accurate information in order that all stakeholders can access to all key data. All significant information, connected transactions, off-balance sheet information are disclosed via Annual Report which is annually delivered to shareholders together with an invitation letter for the Annual General Meeting of shareholders and annual registration statement (Form 56-1). The information can also be found at the Company website or SET website as well as SEC website.

Anti-Corruption

As for vendors and sub-contractors, the Company encourages free and fair trade competition and fair bidding process, abstaining from fraudulent actions and activities that can be considered violation of copyrights or intellectual property rights.

In 2014, there was no report of issues relating to corporate governance or business ethics, nor was there report of significant issues relating to prosecution on unfair treatment and corruption. There was also no record of monetary penalty charge or non-monetary charge arising from non-compliance to relevant rules, laws and regulations or arising from violation of business ethics.

Private Sector Collective Action Coalition against Corruption

Pursuant to the Collective Action Coalition of Private Sector against the Corruption project invented by the government and Office of the National Anti-Corruption Commission in collaboration with 7 leading organizations including Thai Institute of Directors, Thai Chamber of Commerce, International Chamber of Commerce, Thai Listed Companies Association, the Thai Bankers' Association, Federation of Thai Capital Market Organizations, and the Federation of Thai Industries with support from Center for International Private Enterprise (CIPE), the Company deems that this project is good hence expresses our intention to join this campaign on 2 September 2014.

In addition, the Company has set the operation guideline in relation to the compliance and supervision to prevent the occurrence of corruption as follows:

1. All Management and staff acknowledge the compliance with Good Governance and Business Ethics Manual stipulated and encourage staff to have understanding towards the stated issues by disseminating the relevant documents through the intranet or Company's website as well as publicize the said issues in any area in the Company in order to ensure that the Management and the staff acknowledges and abides by.
2. Internal Audit have the duty to check the internal control, risk management, business compliance and provides advice continuously by crosschecking the annual audit plan consented by the Audit Committee and report the Auditing Result which bears significant issues and recommendation to the Audit Committee every month.
3. Risk Management and Internal Audit Committee is obliged to check and evaluate the risks caused by corruption continuously as well as present the evaluation result to the Company's Board of Director.
4. Should there be any action which may cause a significant impact on financial status and Company's operation result as well as the violation of the laws and Company's Code of Ethic, the Audit Committee will report to the Company's Board of Director to seek for safeguarding and punishment mechanisms to be enforced on those who offend as the Company deems appropriate.

The points below illustrated the Company's commitment to anti-corruption:

The Company's Ethics

The Company is resolute to develop its business on the foundation of ethics and morality. It, therefore, arranges to have business ethics handbook that contains the framework for business operation that go hand-in-hand with standards, ethics, and morality, and determines that directors, executives, and all employees acknowledge, understand, and strictly comply with the rules written in the handbook. This is to ensure that the Company attains its business objectives while also maintaining its ethical standards for the benefits of all stakeholders, shareholders, the Company itself, and the society as a whole.

Branch Expansion

In 2014, the Company has 71 branches all over the country and is planning to continuously expand more branches for building construction based upon transparency. Details are as follows:

1. Architectures and designers are hired for interior design, system of which those professionals will identify specifications, raw materials. Suppliers will present to the Company together with the designers for mutual consideration and approval prior to next procedure.
2. Company selects contractors considering from quality past performance by bidding or negotiating at least twice. Committees are set up to fairly and transparently select contractors and equipment. In addition, as the Company expands more branches continuously, so once contractors are approved, same quotation will be used as the reference to bid for construction a new store.
3. Inspection process is done by engineers who examine all equipment and construction procedures in accordance with the design.
4. When the construction completes, the Company will evaluate and score contractors for future bidding and collaboration.

Exchange of Gifts

1. Management and employees are not allowed to take or receive any extra benefit from vendors, contractors, suppliers, consultants, and related companies.
2. Management and employees must avoid giving or taking gifts from vendors or related companies except festive season but within reasonable value and irrelevant to business engagement.
3. Management and employees must avoid hosting or accepting entertaining in an inappropriate or exceeding normal course of business from persons that the Company has the business to deal with.
4. Management and employees must avoid giving or taking travel reward from vendors except a business trip that generates mutual benefits to the Company's business and getting approved by reward committee.

Employees' Training on Ethics

The Company set up core values on ethics, integrity, and transparency for temporary personnel as follows:

1. The Orientation Day for new joiners regularly held on 1st and 16th dates, the Company has trained all employees about the anti-corruption actions as well as the Company's Business Ethics to be implemented afterwards.
2. "Kon Dee HomePro" (HomePro's Decent Staff) activity to praise and recognize a smart and decent personnel.
3. Regular examination of behavior and competency by Compliance, Audit, and Loss Prevention departments in order to prevent potential fraudulence in every function.
4. Evaluation process that indicates ethical and moral personality and mindset using annual performance management.

Human Rights

The Company is aware of and respects human rights by giving fair treatment to customers, employees, temporary staff, vendors, and all stakeholders without discrimination on gender, religion, skin color, racist, domicile, and disability. It accepts the difference in thoughts, society, environment, norms, tradition, and culture among different locals the Company opens a new store.

The Company respects human rights on labor welfare without child labor. Work hours are according to Labor Law including suitable over time request and holidays. The Company employs standard/ index of human right as its guideline. The Company legally employs migrating labor and supports gender equality. There is no requirement on management gender but the Company led by Board of Directors will take into consideration performance, experience. This principle also applies to the Company's affiliates.

Responsibilities to Employees

Staff Recruitment

The Company has workforce plan to recruit competent staff that is able to catch up with business demand. It opens for opportunity and fairness without discrimination on gender, racist, religion so as to put the right man on the right job and able to respond to customers' different demands in different provinces including

"Suk Jai Klai Baan" project that gives employees an opportunity to relocate to work at store near their hometown to enhance growth and prosperity.

Moreover, recruitment and selection process consists of various means so that smart and decent personnel are effectively screened. Methods are for instance:

1. **Personality Test** – to evaluate appropriate personality that is suitable for a position. Division Manager and higher are required to do Supervisory Test to evaluate ability to supervise.
2. **Competency – based interview** – this method is conducted by interview committee to ensure an applicant is suit to the Company' demand.
3. **Management Trainee** – to recruit potential young executives.

"Suk Jai Klai Baan" (happy at hometown)

The Company takes part in recruiting local people to work in newly opened branches across the country. In addition, it arranges "Suk Jai Klai Baan" (happy at hometown)" Project with an aim to offer opportunities for staff to relocate to work in their hometown. This will earn the families' prides and help strengthen family institution and community, as well as distribute income into the local areas. As of today, there have been 746 employees who join the project and have relocated to their hometown.

	2012	2013	2014	Total
No. of Employees (person)	254	228	264	746

Remuneration and Benefit Management

1. Performance Evaluation and Annual Bonus

The Company has a consistent evaluation system on a bi-annual basis by submitting evaluation form to supervisor. The result of evaluation is divided into department evaluation and self-evaluation that result in annual bonus for the employees. Each evaluation shall be sent to organization development department to assess for job promotion, talented personnel, and potential successor for the future.

2. Employee Benefits

Company's welfares are higher than those required by law and competitive among similar companies in the industry, for example, annual health checkup, medical expense, accident insurance, office uniform, emergency loan, diploma- bachelor- master scholarships. In addition, the Company offers "Foundation of Retail Business in Dual Vocational Training" where it offers not only diploma scholarships but also career at the Company.

Moreover, activities on happy workplace are held, for instance, sports day competition, activity for staff who works at Company for 10 years, HomePro volunteer on CSR activities, and blood donation.

3. Employee Joint Investment Program (EJIP)

The Company encourages its employees to accumulate their savings through participation in Provident Fund and Employee Joint Investment Program (EJIP), which is shown in the following.

Program	Timeframe	Description
EJIP	1 Jul. 2013 – 30 Jun. 2018	<ul style="list-style-type: none"> - The program has a term of 5 years - Employees purchase HMPRO's shares in the amount equivalent to 5% of their salary every month, with the Company contributing the same amount to the employees

Provisions for EJIP for employee

1. Program Objective

- 1.1 To retain the staff to work with the Company in the long run through the improved staff benefits with the EJIP.
- 1.2 To encourage the sense of entrepreneurship in conjunction with other shareholders of the Company.
- 1.3 To increase the competitiveness through creating the motivation and operation efficiency for sustainable growth in order to achieve the business objective in the future.
- 1.4 To cultivate saving behavior for the employee.

2. Staff entitled to join EJIP must possess the following qualifications.

- 2.1 Being the Management or staff of the Company.
- 2.2 Being the permanent employee at the level of Division Manager or higher and already passed the probation.
- 2.3 The staff who applies to join this program must accept and agree to abide by the rules and regulations of EJIP program as well as any related rules.

3. Silent Period Terms and Conditions

The staffs who join the program must strictly comply with the Silent Period Terms and Conditions upon the first day that he/she joins the EJIP until the expired date of program.

Employee Development and Career Development

Career path management is a systematic and organized human resource management tool that employs major performance assessment in the core positions that steer the business, such as operation, procurement, and inventory management.

The Company also pays special attention to the management of Talent Group, applying measurements of knowledge, abilities and other components such as know-how, performance, capability and ability, experiences, length of working experience, and personal characteristics. Talent management is a management system that provides employees with a clear direction for personal development. It supports the expansion of the organization because it creates the motivation for the employees to continuously improve themselves to a higher standard and, in the process, to have strengthened bond with the organization.

Moreover, the Company grants scholarship for employees who are pursuing bachelor and master degrees. It also arranges a leadership training program for targeted high-caliber employees following the Company's human resource management objective which is clear and corresponds to the business direction of the organization.

Staff Training

The Company emphasizes on consistent enhancement of staff competency for all levels to support business growth and encourage management and staff's utmost capability.

The Company set up a particular training center for employees to learn and build work efficiency as well as follow up on training outcome for a practical result. Training coach is specifically set up to concentrate particularly on the training course of which training and competency development into 3 areas as follows:

1. Training on basic knowledge and job responsibilities for all new staff based upon 83 courses of fundamental training and job description.
2. Training and competency-based development including in-depth competency enhancement and readiness course for oversea business expansion i.e. English training course and another 12 courses of competency-based development.
3. Development of talented personnel and potential successor with 3 courses of building leadership and competency, creativity, and strategy management.

In addition to in-house training programs, the training center also supports various kinds of learning as follows:

- Build a culture of coaching and mentoring in the organization through on-the-job training (OJT) at real workplace. Each branch management is able to share and exchange knowledge, experience, best practice, and other useful information with newcomers.
- Encourage e-learning that offers unlimited learning through Knowledge Management (KM) system. The Company currently has 32 courses of e-learning.
- Encourage senior level of management and above to become a lecturer/ speaker that will render self-development as well as others. In addition, that management is able to transform their tacit knowledge into explicit knowledge in a form of teaching materials or journals distributing in the organization.

As for monitoring and evaluation process, the Company established 3 levels of monitoring and evaluation system as follows:

1. Efficiency- gauged by training schedule and target, training satisfactory survey, and speakers' capability.
2. Productivity- measured by level of knowledge and skill, change of behavior by knowledge survey check conducted by the training center of each branch at least on a yearly basis.
3. Business Impact- evaluated by sales growth and customer satisfaction where the Company starts monitoring and evaluating such growth and satisfaction after the training.

Training and Competency Development of Staff

	2012	2013	2014
Investment on training and development (MB)	7.79	5.57	8.89
Training Record			
Classroom (person)	24,987	26,736	21,953 ²
e-Learning (person)*at branches level	3,502	4,909	6,033
OJT ¹ (person)*only at new branches	1,137	1,178	823
Classroom (hour)	221,364	217,120	183,823
e-Learning (hour)*at branches level	18,664	16,411	21,906
OJT (hour) *only at new branches	206,934	354,578	207,396
Number of average training hours per person			
Top management	60.24	55.57	31.59 ³
Middle management	66.21	51.56	50.34
Beginning management	134.96	91.01	38.75
Operational staff	77.41	103.92	49.93
Number of average training hours per person per year	84.71	75.52	45.04⁴
Knowledge skill of branch staff (after class)	95.70%	96.20%	96.00%

Remark

1. OJT (On-the-job Training) is training at each real workplace by supervisors
2. The number of employees who received classroom training decreased because more training was offered through e-Learning, which accentuates in-branch training culture and reduce travelling expense.
3. The hours of high-level executive training decreased because the leadership training in 2014 was arranged only for branch executives and executives of operation business line.
4. Training hours per person decreased a result of adjustment in training programs, in which the numbers of classroom training are rearranged to include only basic work process. For advanced work process, employees will receive in-office trainings from their supervisors.

Foundation of Retail Business in Dual Vocational Training

Retail business is a fundamental for trading business and can be applied to business administration from a small scale to large scale. In the past, no institution offered a degree or teaching on this field so most of the people in retail business learned by doing.

As retail business in Thailand has significantly growing, the Company sees the importance of knowledge management and development on retail trading and commits to improve personnel competency to support the growth. Memorandum of Understanding (MoU) is signed between the Company and Office of Vocational Education Commission to build collaboration on vocational education and professional training on commerce majoring in retail business.

This project has an objective to collaboratively organize vocational education on bilateral system and enable students to be trained on professional experience on commerce majoring in retail business, on knowledge and skill as well as direct experience from real workplace. This collaboration is the development of teaching that supports students' effectiveness to be in line with professional education, teachers, and trainee students. Training under such collaboration will broaden trainees' knowledge and perspective at workplace particularly giving students an opportunity to learn of working skill on business related and service in a real working environment. This project is expected trainees to have passion for their profession and foresee the future growth of career path. Office of Vocational Education Commission has arranged two programs: dual vocational training program at high level certificate and internship program for 1 year.

Details of scholarships program in the previous year are as follows:

Year	Batch	Number of Participating Academy	Number of Scholarship	Value of Scholarship (THB)
2012	1	6	64	1,843,200
2013	2	10	123	3,542,400
2014	3	11	183	5,472,000
Total		27	370	10,857,600

In 2014, HomePro granted scholarships to 11 additional education institutions, resulting in the total of 21 institutions that received that grants.

Academy participating in the project		
2012	2013	2014
Thonburi Vocational College Thonburi Commercial College Bangna Commercial College Don Meung Technical College Pathumthani Technical College Meenburi Technical College	Intrachai Commercial College Samutprakan Technical College Thanyaburi Technical College Chetupon Commercial College	Rayong Technical college Lopburi Technical College Samutsakhon Technical College Chiangmai Technical College Songkhla Technical College Nakhonratchasima Technical College Phuket Technical College NakhonPathom Technical College Nontaburi Technical College Bungphra Phitsanulok Commercial Collage NakhonSawanVocational College



All academies participating this time play a significant role in the success of the project. In other words, these academies together with the Company worked together to design subjects that are suitable enough for the students to be equipped with modern knowledge and the Company can rest assured that the graduated students (new personnel) are knowledgeable and suit the Company's position. Having received collaboration from several agencies can be considered as one of Thailand's important milestones regarding business integration that sharpen students (future Company's staff) with both theories and real experience on business operation training under close monitoring and training by the Company's Education Service Center.

In 2014, there were 48 students who passed dual vocational training program and participated in "Dual Vocational Scholarship Program Gen#1" which has started since 2013. 35 of the students have been recruited as HomPro's staff in 15 branches, including Rangsit, Rattana Thibeth, Fashion Island, Future Mart, Paradise Park, Phleon Chit, Ram 2, Prachacheun, Changwattana, Petkasem, Suvarnabhumi, Sukhaphiban3, Mega Bangna, Chiangrai and Ratchaburi.

Technologies Employed in Human Resource Management

The Company has continued to fully utilize Human Resource Management System (HRMS) since it started using the system in 2007. With HRMS, employees can process several HR-related transactions by themselves on-line, such as checking for work history, requesting for leaves, refunding health expenses, doing performance assessment, finding personal work records and individual potentials, etc. This system allows for fewer approval steps, better time-efficiency management, and more accurate payment and salary calculation and, so, nicely supports the Company's future expansion.

Fair Treatment to Workforce

The Company treats all workers with fairness based upon labor law and business circumstance. Staff receive fair remuneration and suitable for their responsibilities. They are paid higher than minimum wages and receive provident fund. There is neither labor abuse nor child abuse nor unfair employment contract nor labor union.

Employment of Disabled Personnel

The Company employs disabled personnel according to Employment Law for persons with disabilities year 2012 and supports handicapped people to fill in the same position as normal employees in a suitable and doable position, for example, sales team, maintenance team, call center, delivery, and administration.

Number of Company's disabled personnel during 2012- 2014:

	2012	2013	2014
Number of disabled personnel	83	91	101
All employees as of October 1*	7,974	9,051	9,586

Note Reported number of disabled personnel is required by Office of Social Development and Human Security

Protection of Pregnant Employees

The Company protects pregnant employees by granting maternity leave by law. Sales person is arranged to be at day shift and not allowed to work over time or during weekends or work that requires long hours of standing or heavy lifting. In addition, the Company provides maternity dress and gifts for new born baby.

Environment, Health, and Safety of Employees

● Health checkup

The Company arranges to provide annual health checkup for all level of employees, using services from World Medical Center Hospital, Kasemrad Rattanakibeth, and other partner hospitals to provide its employees with access to medical checkup and doctor consultation. The checkup plan comprises of 11 basic checkup items.

In 2014, 6,428 out of 6,586 employees with more than 1 year of employment underwent annual health checkup. Please note that employees with less than 1 year of employment were not included in the program because they had already passed the checkup process before being recruited.

● Building Construction and Maintenance

Having a deep understanding of how good working environment positively affects employee potentials and happiness, in 2014, the Company opened a new headquarters building close to Prachacheun branch under the concept "Happiness at work". The seven-floored new Headquarters building hosts indoor garden to help employees relax, a fitness room that opens daily during 6.15 a.m. – 10 p.m., and a recreational room suited for both meeting and other activities.



For the old building, the Company renovated the office space and dining room to make it more modern-looking and elegant. The dining room was modernized with the focus on hygienic and safety of food, drinking water, food containers, and other dining tools. The Company also determines that vendors sell their food in moderate prices, since it charges no rental fees from the vendors.

● Safety in Workplace

Work process based on safety and occupational health of employees at their workplace is utmost important. As a result, the Company pays particular attention to setting up an appropriate workplace environment by selecting only nontoxic equipment, non-chemical residues equipment to prevent pollution and chemicals during operation. Safety equipment without health hazard in short and long term are provided e.g. "back support belts" for staff lifting tiles or heavy items, "ventilation fans" for back stock areas.

As for working environment, HomePro arranges to check various components of working environment, such as light intensity.

In addition, the Company has work safety policy by appointing a particular department in charge of safety. Responsibilities involve arranging trainings and understanding for staff, monitoring and giving advice on safety at workplace, assessing equipment risks as well as organizing campaigns and activities relating to safety environment of workplace followed by monitoring and result evaluation. Injury record of the previous year is as follows:

Record of injuries related to work	2012	2013	2014
Number of accident	15	14	14
Number of store	52	64	71
Injury rate per store	0.28	0.21	0.20

In 2014, the Company participated in "zero accidents" campaign, initiated by Department of Labor Protection and Welfare, and was given awards for the performance of its 17 branches, categorized in to primary level (less than 1,000,000 hours of employee cumulative working hours) for 16 branches: Trang, Chachoengsao, Nakhonratchasima, Phuket, Phuket — Chalong, Roi Et, Rayong, Buriram, Ratchaburi, Lopburi, Had Yai, Mega Bangna, Udonthani, Ubonratchathani, Prachacheun, and Nakhonsitamarat and bronze level (1,000,000 – 2,999,999 hours of employee cumulative working hours) for Phitsanulok branch.

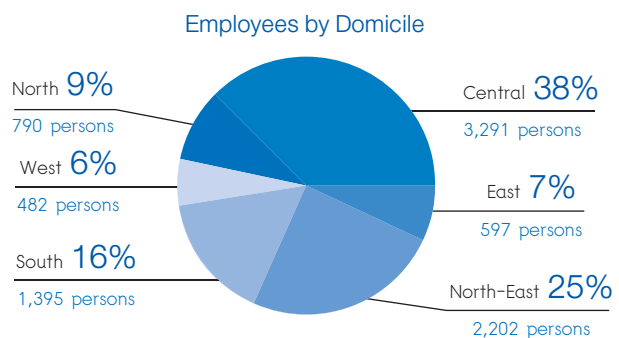
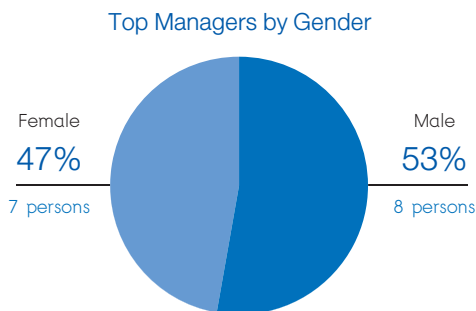
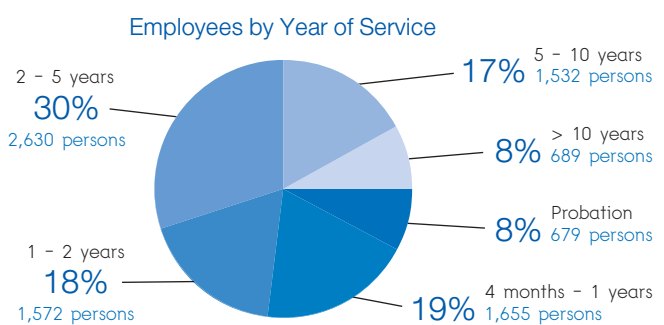
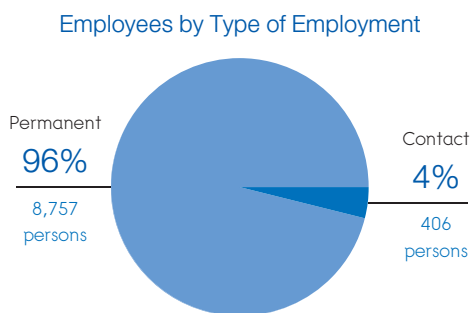
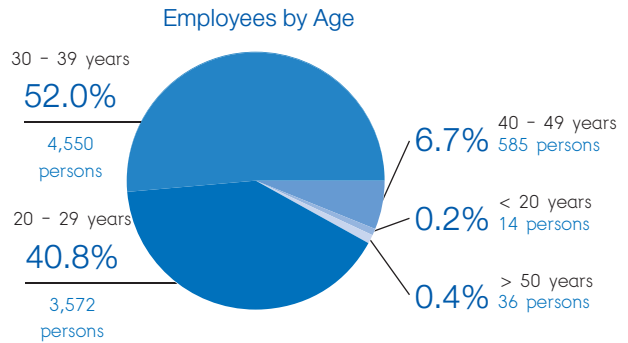
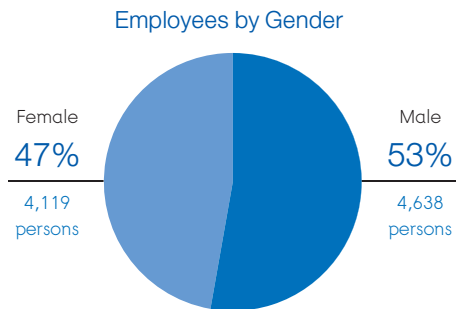
In addition, the Company was awarded "Prototypical Organization of Happiness" from the Federation of Thai Industries Pathum Thani and Thai Health Promotion Foundation for its business operation that also creates happiness in the workplace through the application of Happy Workplace as a tool to develop its employees and provide them with good life and sustainable happiness.

● Employee Satisfaction

Every year the Company conducts employee satisfaction survey to allow employees to express their opinions and suggestions, which will be considered in the improvement of working environment components covering restrooms, dining room, office supplies and other work equipment, working atmosphere, colleagues, supervision of supervisors, and know-how transfer, to ensure that the employees work in a pleasant and nourishing environment. In 2014, employee satisfactory score remained at 86.4, the same level as the previous year.

	2012	2013	2014
Overall Satisfaction	86.0	86.4	86.4

Diversity in Organization



Commitment with Customers

Since most of the Company's goods are filled with details and processes that need to convey to customers, the Company therefore provides all related services starting from offering consults and key information for further consideration where customers make the right decision and choice. Home Service also offers 3D system design, installation service, maintenance service, and home improvement service. Professional technicians are available for service after sales including exchange and return service, Do It Yourself demonstration and workshop activities that are useful to customers' places.

The Company's goods have been selected and crafted according to quality inspection process and legal requirements. The Company is against infringement of intellectual property or any goods with a copyright and patent. All goods and products shall be safe to customers and friendly to the environment as guaranteed by Thai Industrials Standards (TIS), Consumer Protection Board Standards (OCPB), Food and Drug Administration (FDA), Hazardous materials used in public health, Goods labeled number 5, and International Electro technical Commission (IEC). However, if customers find any defect or problem with the product they can exchange or return such product to the Company within 14 days.

The Company commits to select quality goods and services to serve and satisfy customers' need by offering high quality products and avoiding price cutting to gain market share because it might be a path towards cost reduction, lower quality and shortens usage where customers have to buy an item more often and this equals to increasing wastes to the world.

Fair Service and Treatment

The Company targets to treat all customers with clear fairness, at the same time, convey the message to all levels of employees for the best implementation under the idea "Service Excellence". Practice guideline follows the same standard for all branches. All customers are treated with fairness and equality, without discrimination on level of income, gender, age. Queuing system is implemented, drinking water is served to all customers, and wheelchairs are available for disabled customers.

Protection of Customer Information

The Company pays attention to individual right and protect customer confidentiality. All information related to customers is kept in a database. Access, add, or edit to the database are strictly required by level of authorization. Request for information or editing or privileges by membership cards are also required the owner's identification card to examine prior to proceeding.

Product and Service Facilitation

All goods at the Company are designed for household usage with a standard and environmentally friendly manufacturing process, resulting in high quality and duration. In addition, the Company offers a standard customer service for post and pre sales under Service Excellence concept for all valuable customers. Details are as follows:

1. Pre- sales Service

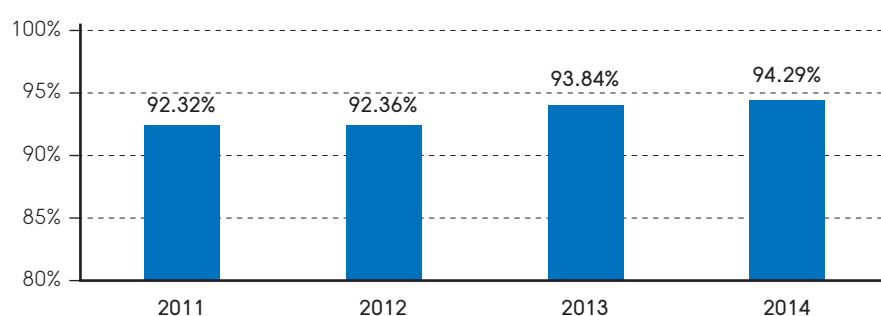
- Provides professional and reliable recommendation and service to ensure that customers receive goods and service that match their demand with full privileges.
- Offers 3D design for customers who would like to renovate bathroom, toilet, or kitchen or those who wish to change the tiles. Professional designers will introduce the design that matches customers' need as well as practical use to make sure the customers see a clear picture before making the decision to purchase. If the customers need technicians, the Company is ready to provide professional technicians to a site and monitor the designed job according to the agreed timeline.

2. Post- sales Service

- Services customers according to the Company's conditions the transportation and installation of electrical appliances, kitchen equipment e.g. basins, and other items i.e. lamps, curtains, wallpapers. Customers can make an appointment with the staff on the purchasing day. These services are available at all branches in Thailand where customers can purchase or put orders from any branches whereby transportation and installation will be arranged at the nearest and most convenient branches to customers' delivery request.
- Fix service — the Company will coordinate and deliver products to suppliers and follow up until the work is finished for customers' utmost convenience.

- Change or return service — customers can change or return the purchased goods to any branch within 14 days under the indicated condition.
- "Home Service" is a post- sales service that covers 3 key parts including (1) Installation Service (2) Maintenance Service and(3) Home Improvement Service, customers will receive service from professional and knowledgeable technicians on specific job including related products where budget and timeline can be controlled.

After the customers use Home Service, they will be requested to assess the quality of the service and identify their level of satisfaction. During 2012-2014, the satisfaction level continuously increased as shown below:



Satisfaction level increased from 93.84% in 2013 to 94.29% in 2014 due mainly to improved quality of service and high capability of technicians.

Knowledge Management

In 2014, the Company arranged knowledge management program pertaining to its products through the following channels:

1. Provided knowledge and techniques of home decoration through several on-line media, including the Company's website, Facebook, and Instagram.
2. Arranged workshop programs to give knowledge on homecare to customers
 - Feng-shui Knowledge 2014 and Arranging Your Home for Lucks. The event was joined by 70 customers and had satisfactory score of 92%.
 - Healthy Food and Drink Cooking Show in all branch every weekend. The event was joined by 1,700 customers / month and had satisfactory score of 86%.

3. Homepro Champion Competition

HomePro Champion Competition is held yearly as part of HomePro Expo. The competition allows customers and general public to participate in the room decoration contest under the determined decoration requirements. Before the contest, the Company arranges a training session on home decoration techniques, tool supplies usage, and painting skills so that each competing team has knowledge of home decoration techniques, have a chance to practice using tool supplies properly, and have ability to choose products that serve the purpose under limited budget. Not only does the contest benefit the contestants, but it also inspires other customers who observe the work. The Company has continuously arranged the competition to its 8th year in 2014 and the event is still warmly welcomed by the customers.



Commitment with Vendors

The Company emphasis on a relationship with vendors as business partners that will grow together including support and offer an opportunity to vendors' business or small and medium enterprises with fairness aim towards mutual benefits. The Company has a measure to loosen cost burden of vendors or small and medium companies. Such measure is believed to help in cost reduction in many areas as follows:

Procurement: The Company offers vendors an opportunity to introduce their goods without price pressure. Selection process is conducted together with vendor evaluation in 4 aspects: Production capacity, Product quality, Quality of service, and Quality of logistics. The Company also takes pride in its professional planning for purchase order/manufacturing order 3 months in advance so that vendors can manage planning, as a result, generating mutual benefits.

Sales: In 2014, the Company has 71 branches all over the country and that means an increase in distribution channel for vendors from existing branches and cost saving for vendors for logistics including better quality of service to customers. In addition, the Company develops knowledge and competency of each vendor representative e.g. product consultant.

Service: The Company has distribution center to distribute goods to customers all over the country to save vendor's costs on transportation and distribution as well as fast, convenient and up-to-date with vendor relationship management system (VRM) to support all aspects of information, treat vendors like partners where vendors are able to receive a similar information as the Company.

Vendor selection criteria

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 Whole sale/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 vendors 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.

Vendor Day

The Company places high importance on responsibility towards vendors and always treating them with fairness. It discloses the Company's vision, business objectives, and medium-term and long-term directions in Vendor Day, in which vendors have an opportunity to meet the Company's executives to ask questions and share information that will contribute to their common benefits.



Leveraging Vendor's Social Responsibility Awareness



The Company coordinates with Electrolux Thailand Co., Ltd in the arrangement of "Cloth Washing for Charity" Campaign, in which customers can donate their used clothes at HomePro, who will then clean the clothes before giving them to the schools in need of clothing.

In 2014, the campaign celebrated its 5th round at Satit Bilingual School of Rangsit University. Warmly participated by students who donated their used clothes, the campaign was joined by experts from Electrolux who demonstrated the proper methods to wash, dry, iron, and maintain clothes, and taught children about the spirit of giving. Counted to 2,000 pieces, the clothes were then given to Bor-Sumran School, Don Chedi District, Suphanburi, whereby 140 students benefited from the donation.

"Tao Kae Noi" (small entrepreneur) project

The Company supports vendors, outsource companies, contractors in need of financial support or basic facilities to start up a business by launching "Tao Kae Noi" (small entrepreneur) project. The Company distributes work on logistics, home service to contractors. Technicians participating in this project will get a training course on policy and work procedures to ensure customers gain the same standard of operation.

The breakdown of number of technicians and distribution work on services are as follows;

	2012	2013	2014
Number of Technician(person)	168	230	728
Electrical Service (Bangkok)	44	76	108
Electrical Service (Upcountry)	104	144	294
Delivery Service	20	10	10
Home Improvement Service (Bangkok)			128
Home Improvement Service (Upcountry)			188
% Distribution work on service			
Electrical Service (Bangkok)	42%	44%	44%
Electrical Service (Upcountry)		13%	36%
- Delivery Service	100%	100%	100%
- Home Improvement Service (Bangkok)			98%
- Home Improvement Service (Upcountry)			100%

HomePro's Best Technician

The Company is aware of the importance of supply chain development for not only upgrading the service standard of the Company staff but also improving personnel in related units particularly home service. In this regard, the Company hosts a competition "HomePro's Best Technician" with an aim to enhance proficiency of Home Service technicians towards universal standard. In addition, the professional technicians will provide the best service to their customers and this is the customers' first impression.

To enhance technicians' proficiency, in 2014, the Company hosted the competition for 4 consecutive years in collaboration with the Department of Labor Skill Development under the Ministry of Labor, Cera C-Cure Company Limited, Navapas Product Partnership, Ruby Thailand Company Limited and Electrolux Thailand Company Limited. The competition took place at Institute for Skill Development, Samutprakarn and was divided into three areas including tiling technicians, air conditioner installation technicians, and washing machine cleaning technicians.

Numbers of technicians participating in this competition are as follows:

	2012	2013	2014
Number of Technician(person)	120	120	104
Number of Team (team)	60	60	52

Winning technicians received a reward more than 220,000 Baht and a certificate. In addition, the Company guaranteed full year job assignment and technicians performance became a standard for Home Service as the post-competition yielded a competitive environment such that technicians competed with one another on their performance and number of assigned work from the Company as well as remuneration. This enhances the quality level of home service.



Commitment with Shareholders

The Company takes responsibility to its shareholders by operating its business with honesty and transparency, treating each shareholder with fairness and equality, creating satisfactory and continuous long-term return, and preventing misuse of non-disclosed information in order to maximize the benefits to the overall shareholders.

For "Shareholders' rights" and "Fair Treatment of Shareholders", please refer to the content under "Good Corporate Governance"

Responsibilities to Creditors

The Company rigorously and strictly honors and complies with contracts, agreements, and guarantee conditions that it agreed with the creditors. It also provides correct financial reports timely, manage its capital efficiently, and always notify its creditors if it cannot comply with any of the obligations under agreements so as to collectively find solutions and prevent losses or damages that may occur.

In its operation, the Company is obliged to comply with the conditions given to all bondholders and financial institution lenders as the followings:

1. The Company must maintain its Debt to Equity Ratio of not more than 1.75 times for bonds that were issued before 2013 and not more than 2.50 times for bonds that were issued since 2013 onwards. Currently, the Company has strong financial status and is able to maintain D/E under the level specified in the bond covenants.
2. The Company must not sell, distribute, give, or transfer all or part of its core assets used in its business operation, except that such transaction does not affect the ability to service debts provided by financial lenders or such transaction is proceeded in the ordinary course of business or such transaction is done with the objective to set up infrastructure funds or real estate investment trust (REITs)
3. In the case that the Company cannot comply with any conditions or covenants, it will notify creditors in advance to collectively find solutions

Responsibilities to Competitors

The Company professionally treats competitors in accordance with global principles under a set of laws including trade competition act, no breach of confidentiality or any advance knowledge of the trade secret of partners by means of fraud, no breach of confidential information of competitors by methods not in good faith, and no discrediting the reputation of competitors by a malicious accusation.

Responsibilities to Community

"Kids' Toilet Project"

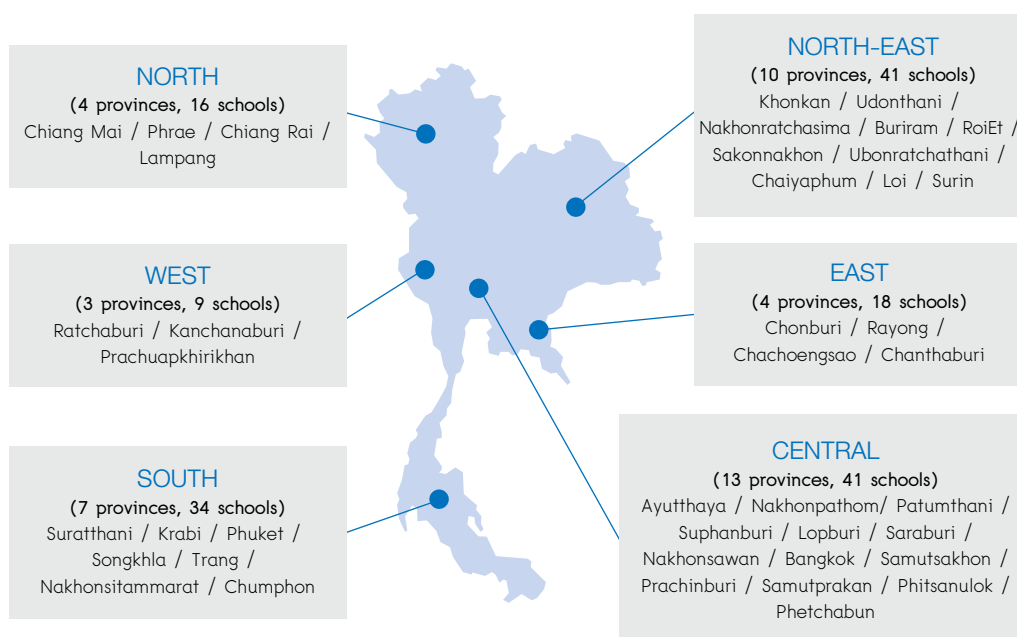
At present several elementary schools in Thailand are short of standard and hygienic restrooms where users lack knowledge on proper use of toilets. Objective is to enhance quality of life and hygiene in using restrooms among students. The Company organized a CSR activity called "Kids' Toilet Project" in cooperation with the Department of Health, the Ministry of Public Health and Office of the Basic Education Commission, the Ministry of Education, and business partners namely Siam Sanitary Ware Industry, a manufacturer and distributor of Cotto, Lixil (Thailand) Plc., a manufacturer and distributor of American Standard, Kohler (Thailand) Plc., a manufacturer and distributor of KOHLER Thai Ceramic Company Limited, a manufacturer and distributor of ceramic Cotto, The Union Mosaic Industry Plc., a manufacturer and distributor of ceramic Duragres, Parazzo Group (Thailand) Co., Ltd. ,a manufacturer and distributor of Door Parazzo and Bayer Co., Ltd., a manufacturer and distributor of Beger painting have examined and improved the school toilettes in order to enhance their standard to meet the national public toilet standard which consists of Health, Accessibility, and Safety (HAS).

● Objective

1. To improve elementary students' quality of life for those who got selected to be part of the project.
2. To promote and imprint hygienic toilets usage for elementary school students in the project.
3. To embrace a sense of public belonging for elementary school students in the project.

● Project Performance since the Beginning until December 31, 2014

Year	Number of Province	Number of School	Number of Toilet
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
2013	10	35	494
2014	7	24	333
Total	41	159	2,136



Activities to Support Jobs in the Community

Every time the Company opens new branch, it always takes into account the welfare of local people in the site areas, avoiding any activities that potentially harm careers of the local dwellers. It also supports local people through several efforts, such as using services of local contractors, arrangement of community market fair, and arrangement of Blue Flag Fair, plant fair, local food and local craft fair. In 2014, the Company arranged the aforementioned activities in 21 branches.

Religion Preservation Activities

The Company regularly arranges religion-based activities, encouraging executives and employees to participate in Thot-phapa (robe-offering) ceremony, Kathin merit-making ceremony, and other merit-making in religious days. In 2014, the Company was the host of Kathin merit-making ceremony at Lam Phak Chi Temple, Nong Chok District, Bangkok, where the Company's executive and employees collectively founded 242 Kathin units, totaling to Baht 6,466,296 of the funds. In addition, the Company also raised Baht 518,582 of the funds in Thot-phapa ceremony at Daoreugn-Sri-Monkol, Sai yok District, Kanchanaburi. Furthermore, it initiated the project "Thot-phapa in 4 Regions", which made merits in 4 temples in 4 regions, including the South at Kok-Mamuang Temple in Trang, the North at Krai-Dechaboonreung Temple in Chiangrai, the North East at Rajsamukkee Temple in Ubonrachthani, and the East at Nong-kor District in Chonburi.

"TVs for Kids" Campaign

The Company places high value on promoting education in remote areas. It consequently initiates "TVs for Kids" Campaign, by which it persuades its customers and the general public to donate old, good-conditioned television sets in exchange for discounts in the purchase of new television sets at HomePro. The TVs donated will be given to schools in need in the remote areas all over the country. Not only does the project benefit the donation receivers, but it also helps reduce electronic waste.

In 2014, there were 1,217 televisions donated under the project. The TVs were given to Mirror Foundation to distribute to the following receivers:

- 1) Department of Corrections, Nonthaburi
- 2) Bangkok Remand Prison
- 3) Baan Im Jai, Bangkok
- 4) IT Learning Center, children Hospital
- 5) Network of School in Three Deep Southern Border Provinces
- 6) Women Vocational Training Center, Srisaket
- 7) Tulkeeyahtul-Umah School, Tha Pha District, Satun
- 8) Thammasat Wittaya School, Kong Ra District, Phatthalung
- 9) AnsoriahAddeneyah School Meung District, Satun

Blood Donation

At present blood reserves at Thai Red Cross are not sufficient for patients in need of. The Company is aware of this insufficiency and strives to become part of social responsibility. As a result, "Blood Donation Project" takes place with an objective to donate blood from physically- healthy employees to Thai Red Cross 4 times per year in order to reserve for future patients.



Amount of blood which HomePro's employees donated in 2014

Year	Amount of Blood Donated (Units)			Blood Donated (CC)
	Head office	Branches	Total	
2012	354	–	354	123,900
2013	438	2,454	2,892	1,156,800
2014	397	2,637	3,034	1,365,300

For more details about the report, please contact

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Internal Control

In the Board of Directors meeting 1/2015 on January 8, 2015, the Board of Directors, Audit Committee and management evaluated the Company's internal control system. The evaluation was done on the following 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 measureable target of business operation, 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 Code of Conduct, the Company has specified such in the business ethics manual, which shall be revised from time to time as appropriate, 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 has set a risk management policy which focuses on the operational risk management process for a whole organization in order to support the Company in achieving its strategies, by specifying operation plan of every year and fixed to have management meeting in every month in order to follow up the result of operation, evaluated the situation and trend of 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 to prioritize key risk factors and formulate appropriate risk management measures to accommodate each level of risk for each business unit by encouraging concerned executives and employees of every level to comply with risk management requirements.

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 Recall Enterprises (Thailand) 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 set 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 EY Office Limited, as the external auditor of the Company for the year end on December 31, 2014 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.

Internal Audit Manager

On January 9, 2014, the Audit Committee meeting no.1/2014 has a resolution to appoint Mr. Aryuratas Chai-anan, Vice President - Internal Audit to be the Internal Audit Manager since he has the experience in internal audit of the company for 11 years and in the same business of the company totaling 14 years. Passed the Certified Professional Internal Audit of Thailand (CPIAT) and has been trained in related courses of the internal audit such as, Audit Standard Information Technology Auditing, Risk Management etc., including he has an understanding of the operations of the Company. As a result, it is appropriate to appoint him to perform such duties.

The Audit Committee is responsible for approving the appointment, removal, and transfer of the Internal Audit Manager.

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 2012 – 2014 is as follows:

Period	2012 ¹	2013 ²	2014 ³
Stock dividend payment rate (amount of existing share : stock dividend)	(5 : 1) , (6 : 1) (Interim) , (Final)	(6 : 1) , (7:1) (Interim) , (Final)	(8 : 1) (Interim)
Stock dividend rate per share (before dilution)	0.366700	0.3096	0.125000
Cash dividend per share (unit : Baht/ share)	0.407523	0.0345	0.013889
Total dividend payment (unit : Baht/ share)	0.407523	0.3441	0.138889
Dividend payout ratio	98.03%	97.62%	n/a

Remark

1. The Company paid dividends from the 2012 profit totaling 0.407523 Baht/share by dividing into the interim dividend payment from the first 6 months operation of 0.22223 Baht/share (consisting of cash dividend of 0.02223 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, and the final dividend payment from the last 6 months operation of another 0.1853 Baht/share (consisting of cash dividend of 0.0186 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 2013.
2. The Company paid dividends from the 2013 profit totaling 0.3441 Baht/share by dividing into the interim dividend payment from the first 6 months operation of 0.1853 Baht/share (consisting of cash dividend of 0.0186 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. 1/2013, and the final dividend payment from the last 6 months operation of another 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 Annual General Meeting of Shareholders 2014.
3. The Company paid interim dividends at the rate of 0.138889 Baht/share consisting of cash dividend of 0.013889 Baht/share and stock dividend at the rate of 8 existing shares per 1 stock dividend or equivalent to 0.125 Baht/share, according to the resolution of the Extraordinary General Meeting of Shareholders No. 1/2014.

Dividend Policy of the Subsidiary

The subsidiary companies had yet determined the dividend payment policy. However, it will consider to pay dividends in case of having net profit from operation and enough cash flow after statutory reserve as stipulated by law.

Related Transaction

In 2014, the Company and its subsidiaries 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 in subsidiary of the Company.

As of December 31, 2014 and 2013, 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 14	31 Dec 13	
1. Land and Houses Plc. - Being a major shareholder of the Company by holding 30.23% of total paid-up capital, as of October 27, 2014. - With 2 co-directors 1. Mr. Anant Asavabhokhin 2. Mr. Naporn Soonthornchitcharoen	Sales income Accounts receivable	51,581 7,195	47,327 8,207	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. - Being a major shareholder of the Company by holding 19.77% of total paid-up capital, as of October 27, 2014. - With 3 co-directors: 1. Mr. Rutt Phanijphand 2. Mr. Anant Asavabhokhin 3. Ms. Suwanna Buddhaprasart	Sales income Accounts receivable	373 30	359 16	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. - With 2 co-shareholders: 1. Land and Houses Plc. 2. Quality Houses Plc. - With 5 co-directors: 1. Mr. Anant Asavabhokhin 2. Mr. Rutt Phanijphand 3. Mr. Naporn Soonthornchitcharoen 4. Ms. Suwanna Buddhaprasart 5. Mr. Khunawut Thumpomkul	Interest income Deposit with financial institution Rental and service income	4,702 1,955,128 11,956	12,637 64,619 5,566	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.
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	3,215 22,488 1,580 3,000	378 20,282 1,581 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 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 or stakeholder 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 support 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.

Management Discussion and Analysis of Financial Status and Operating Results

1. Overview

In 2014, it appeared that Thailand's economy was fluctuated through the year. In the first half of the year, the economy shrank due to political unrest having an adverse effect on domestic consumers' confidence, especially in the protest areas (i.e. Bangkok and its vicinity). In the second half of the year, the economy marginally improved, due to the urgent disbursement of the government budget, as well as positive signs from increasing trends in tourist numbers, investment, and employment in private sectors. Nevertheless, the economy is only gradually recovering because domestic purchasing power is still weak as a result of the drop in agricultural goods prices, and high levels of household debt causing people to be unable to fully spend their money.

However, the expansion of the Company is still in line with plan. The Company has opened 8 new HomePro stores (including 1 branch to relocated from the former one), expanding both in provinces already having our existing branches (Prachuap Khiri Khan, Chiang Mai, Nakorn Ratchasima, Phuket, and Chonburi) and into new provinces (Surin and Lampang). Furthermore, the Company has opened 2 more branches of Mega Home in order to expand our market base. In addition, the Company has started moving in to the Asean Economic Community (AEC) by expanding our business overseas for the first time under the HomePro format, in Kuala Lumpur, Malaysia, where the first branch is located in IOI City Mall.

The Company is continuously selecting and developing goods and services in order to increase quality and provide more choices for our customers. In 2014, the Company launched "HomePro Application" to be downloaded on smart phones and used as a communication channel, and also giving discounts and other privileges to Home Card members. In addition, the Company has added some additional services to satisfy our customers e.g. delivery service all over Thailand, Home Checkup Service, and Lady Service (a service provided by female technicians who have been certified for skill standard) to provide greater comfort to lady and elderly customers.

2. New financial reporting standards

2.1 Financial reporting standards that became effective in 2014

Financial reporting standards that became effective in 2014 as shown in the notes to financial statements No. 3 "New financial reporting standards" which does not have any significant impact on the financial statements in 2014, except "TFRIC 13 Customer Loyalty Programmes" as follows:

TFRIC 13 Customer Loyalty Programmes

This TFRIC requires an entity to account for the award credits from customer loyalty programmes as a separate component of the sales transaction granting those award credits and allocate part of the fair value of the consideration received to the award credits and defer the recognition of revenue. The management of the Company and its subsidiaries have assessed that the adoption of this TFRIC will have the effect to the reclassifications and had no effect to reported brought forward retained earnings or shareholder's equity for the year 2014. The effect of the reclassifications is described in Note 33 to the financial statements.

2.2 Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards.

The management of the Company and its subsidiaries believe they will not have any significant impact on the financial statements in the year in which they are adopted.

3. Operating Results and Profitability

Through the factors as mentioned above, the Company's business performance improved from the previous year. The revenue increased 19.89% and net profit increased 7.98%. The key drivers to the growth of the Company's performance are same store sales growth, opening of 8 new HomePro stores (including 1 branch opened to relocate from the former one), as well as opening 2 new Mega Home stores at Nhong-Khai and Bor-Win. In addition, the Company has commenced its overseas business expansion by taking the "HomePro" brand to debut in Kuala Lumpur, Malaysia; this is the first step in the Company's plan to enter into the Asian Economic Community (AEC).

Comparing the results of operation for the year ended December 31, 2014 to the same period of year 2013 is as follows:

3.1 Sales Income

In 2014, the Company and its subsidiaries generated sales income of Baht 47,964.75 million, increased from the previous year by Baht 7,958.11 million or 19.89%. The increase was mainly driven by the same store sales growth and sales from new stores.

However, the Company utilizes another efficiency index for sales growth aside from overall growth. Such index is "Comparable Store Sales Growth" which remains positive and higher than GDP growth rate at 0.7% despite an unfavorable economic condition and negative factors in the past year.

3.2 Other Income

In 2014, the Company and its subsidiaries generated other income of Baht 3,243.84 million, increased from 2013 by Baht 525.25 million or 19.32%. The proportion of other income as percent to sales was at 6.76%. The details of increase are as follows:

- Rental and service income, increased by Baht 192.18 million, from an increase in the space and rental income in HomePro and Market Village.
- Other income, increased by Baht 333.06 million, from advertising fee, support fee of promotional activities from business partners, service fee related to sales of goods.

3.3 Cost of Sales and Gross Profit Margin

In 2014, the Company and its subsidiaries had the cost of sales of Baht 35,472.88 million, increased from the previous year by Baht 6,126.82 million or 20.88%, which was the result of the increase of sales.

The Company had gross profit of Baht 12,491.87 million, increased from the previous year of Baht 1,831.29 million. The gross profit margin as percent to sales was 26.04%, decreased from the previous year of 26.65% due to the change of product-mix in Homepro business and blended with lower gross margin structure of Mega Home business.

3.4 Selling and Administrative Expenses

In 2014, the Company and its subsidiaries had selling and administrative expenses amounted to Baht 11,118.71 million, increased from the previous year by Baht 1,873.39 million or 20.26%. This SG&A represents 23.18% to sales which marginally increased from the same period of last year of 23.11%. The details of expenses in each group are as follows:

- Selling expenses of Baht 9,625.36 million, being expenses for branches, operation and distribution unit, increased by Baht 1,634.87 million. This increase is mainly from salaries, consumable expenses, cost of transportation, marketing expenses, depreciation and pre-operational cost of Mega Home business as well as that of the new business in Malaysia.
- Administrative expenses of Baht 1,432.95 million, increased by Baht 227.41 million, mostly being expenses of Head Office.
- Other expenses amounted to Baht 60.39 million, increased from the previous year by Baht 11.11 million.

3.5 Finance Cost

Finance cost for the year 2014 was to Baht 466.02 million, an increase of Baht 189.39 million or 68.47% over previous year, as a result of debentures and long term debt issuance in quarter 1, 2, and 4 to serve the business expansion.

However, the Company has analyzed and considered funding cost based on various funding sources such as internal cash flow, bank loan or issuance of corporate bonds in order to achieve optimal cost of funds that comply with the Company's policy.

3.6 Net Profit

For the result of operation in 2014, the Company and its subsidiaries had net profit of Baht 3,313.33 million, increased from the previous year by Baht 244.85 million or 7.98%.

These resulted in the proportion of net profit to sales decreased from 7.67% in 2013 to 6.91% in 2014. This mainly due to a decrease of percentage of gross margin from lower structure of Mega Home business, increasing of operating cost from pre-operational cost of the new business in Malaysia, and increasing of financial expenses from additional funding to serve the business expansion.

3.7 Return on Equity

The return on equity as of December 31, 2014 was 23.15%, decreased from the previous year of 27.10%. The result mainly from by the increase in capital to accommodate stock dividend in May 2014 in the ratio of 7 existing shares per 1 dividend share and in November 2014 in the ratio of 8 existing shares per 1 dividend

share, total increasing by 2,739.76 million shares or 28.57%. The Company paid stock dividend in order to provide the shareholder return and increase the stock liquidity for share trading in the Stock Exchange, also to retain cash liquidity for the Company's expansion.

4. Asset Management

Comparing financial status as at December 31, 2014 and December 31, 2013.

As at December 31, 2014, the Company and its subsidiaries had total assets of Baht 44,312.82 million, increased from December 31, 2013 by Baht 8,371.14 million or 23.29%. The growth of asset value was due to the change of significant transactions as follows:

- Cash and cash equivalents increased by Baht 1,627.30 million which was from the increase in bank deposit received from issuance of debenture in 4th quarter and outstanding cash at branches at the year end date.
- Account receivable decreased by Baht 67.01 million, and other receivables increased by Baht 272.72 million, which was from the support fee of promotional activities, rental and service income. That was the result of the increase in the space and rental income of retail in HomePro and Market Village. However, the Company analyzed an account receivable aging. As at December 31, 2014, the Company had trade and other receivables aging more than 12 months of Baht 5.08 million, and the allowance for doubtful bad debts of Baht 3.32 million.
- Net inventory increased by Baht 1,525.18 million, which was a result of the increase in number of new branches of HomePro, Mega Home and HomePro in Malaysia. The Company manages its inventory using a computer system which helps to track and compare aging inventory to the Company's threshold to prevent outdated or deteriorated inventory. The Company also has an inventory physical counting plan, which will be monitored by a designated team.
- Net property, plant and equipment, net leasehold rights and software totaling increased by Baht 3,556.52 million or 14.22%, which was from the investment in new store expansion in 2014 and 2015.
- Investment properties increased by Baht 1,212.31 million or 78.10% from the renovation underground car park and to expand rental spaces at Hua-Hin Market Village and the expansion of rental spaces at Suvarnabhumi Market Village.

5. Liquidity and Capital Sufficiency

Summary of cash flow statement as of December 31, 2014 compared to the same period of 2013 is as follows;

Unit : MB

Transactions	Consolidated Financial Statement		Separate Financial Statement	
	2014	2013	2014	2013
Cash from operating activities	4,912.80	5,193.44	5,390.26	5,109.81
Cash from investing activities	(7,060.91)	(9,661.51)	(7,675.88)	(9,625.58)
Cash from financing activities	3,784.37	3,985.26	3,779.80	3,975.06
Transaction adjustments	(8.96)	(0.35)	-	-
Net increase (decrease) in cash	1,627.30	(483.16)	1,494.18	(540.71)

As of December 31, 2014, the Company and its subsidiaries' cash and cash equivalents were Baht 2,434.76 million, net increased from December 31, 2013 by Baht 1,627.30 million, which derived from the following activities:

- Net cash from operating activities of Baht 4,912.80 million which was derived from the profit from operating activities before changes in operating assets and liabilities of Baht 6,918.57 million, and working capital increased from changes in operating assets and liabilities e.g. trade and other receivables increased by Baht 209.37 million, inventories increased by Baht 1,550.74 million, value added tax receivable increased by Baht 214.32 million, trade and other payables increased by Baht 966.36 million, advances received from customers increased by Baht 52.48 million, other current liabilities increased by Baht 188.92 million, and interest and corporate income tax payment for the total of Baht 1,238.61 million.
- Net cash used for investing activities totalled Baht 7,060.91 million which such amount was the investment in land, construction and assets for the expansion of branches in 2014 and 2015 for the total of Baht 7,022.05 million, and the computer software for the total of Baht 38.86 million.
- Cash received from financing activities, net used in the total of Baht 3,784.37 million in which such amount was derived from the long-term loan from a financial institution for Baht 1,000.00 million and debentures issued for Baht 5,050.00 million, including payment of the short-term bank loan for Baht 1,360.00 million, and the long-term loan for Baht 600.00 million.

5.1 Liquidity Ratio

As of December 31, 2014, the Company and its subsidiaries had current assets in the total of Baht 12,790.71 million and current liabilities in the total of Baht 16,776.56 million. In this regard, such amount can be calculated into liquidity ratio of 0.76 times which was increased from the previous year's ratio of 0.64 times. However, the Company has the source of short-term financing for keeping adequate liquidity by bank overdrafts and short-term loans, and international trade finance facilities.

5.2 Capital Structure

The capital structure of the Company as of December 31, 2014 mainly 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 28,611.19 million, in which Baht 13,876.18 million was the financial debt. In this regard, if such amount is calculated as the total amount of Financial Debt to Equity ratio, it will be equivalent to 1.82 which is closed with the previous year of 1.83.

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. For the newly issued debentures from 2013 onwards, the Company requires that ratio of interest bearing debt to shareholders' equity must not exceed 2.5 times. However, the Company's is able to maintain its financial strengths by keeping the Financial Debt to Equity ratio at 0.88 times. The Company Financial Debt to Equity ratio during 2012 – 2014 are as follows:

	2012	2013	2014
Financial Debt to Equity ratio	0.56	0.77	0.88

5.3 Shareholders' equity

As of December 31, 2014, shareholders' equity was Baht 15,701.63 million, increased from the previous year by Baht 2,985.25 million or up by 23.48% which the increase was from following transactions:

- The issued and paid-up ordinary share was increased by Baht 2,739.76 million due to the payment of stock dividend in May 2014 by Baht 1,369.91 million and in November 2014 Baht 1,369.86 million.
- Retained earnings was increased by Baht 268.86 million by dividing into the appropriated retained earnings for statutory reserve of Baht 169.40 million and the unappropriated retained earnings of Baht 99.46 million.

5.4 Capital Expenditure

In 2014, the Company had Net Capital Expenditure of Baht 7,060.91 million. Within this amount, Baht 7,022.05 million was used mainly for the purpose of building construction, land purchase, payment for land leasehold rights, for new branches opened in 2014 onwards both "HomePro", "Mega Home" and "HomePro in Malaysia", modernize of existing branches to have more selling space and expand the rental space in Market Village. Also, Baht 38.86 million was used in the purchase of software. Sources of fund include cash flow from operation, loans from financial institutions, and debentures.

5.5 Ability to source funding Loan and repayment ability

At present, the Company raises both short-term and long-term fund by entering into credit agreements with financial institutions and by issuance of debentures, which are rated by TRIS annually and at the time of issuance, which the Company has the covenant to maintain the net debt to equity ratio not more than 1.75 for the debentures issued before 2013 and 2.5 for the debentures issued after 2013 onwards.

As at 15 October 2014, TRIS rating affirmed the Company's credit rating at "A+" with "stable" outlook.

6. Contractual Obligation

As of December 31, 2014, total liabilities of the Company and its subsidiaries were Baht 28,611.19 million increased from 2013 by Baht 5,385.89 million or 23.19%, which was from the change of the following crucial transactions:

- Net short-term loan from a financial institution was decreased by Baht 1,360 million which was repaid Baht 500 million in February 2014 and another Baht 500 million in March 2014. The remaining amount of Baht 360 million was due at call.
- Accounts Payable was increased by Baht 1,012.61 million which was from the increase products order according to sales growth and increase in number of new stores.
- Net long-term loans from a financial institution increased by Baht 400 million, in which net additional Baht 200 million will mature in 2015.
- Debenture as increased by Baht 5,050 million, from the issuance of the unsubordinated and unsecured debentures No. 1/2014 - 5/2014 for Baht 1,000 million, Baht 530 million, Baht 520 million, Baht 2,000 million and Baht 1,000 million respectively for the stores expansion.

The long-term loans and debentures have been disclosed on Note 18 and 20 to the financial statements.

7. Factors or events that may affect HomePro's financial status or performance in the future

The economy in 2015 is likely to recovery gradually resulting from the drop in retail oil price as well as increase in the private sector's investment after the accelerating the spending of government projects. During 2014, number of tourists had increased from the recovering in political situations. However, the expansion of private segment is struggled with a low production rate, weak demand from oversea and worries about political outlook. In addition, private consumption is limited due to the decreased price of agricultural products, and high level of household debt which effects to consumer confidence and subsequently may effect sales and cash inflow of the Company. However, the Company has prepared its annual plan and constantly tracked its performance through management reports; therefore, it can adjust its operations or determine mitigation plans to respond to the events quickly. In addition, the Company has prepared Risk Management Plan, in which a risk appetite associated with each risk factor is determined. This can be used as a guideline to help manage problems should they occur.

8. Management Discussion and Analysis (MD&A) and Overview

Based on the problematic issues taken place in the year 2014, be it the political unrest, the decreased price of agricultural products as well as the import value that keep decreasing from the past year, the investment and consumption in private sector hence slows down. It is also forecasted that the impact may be prolonged until the first half of the year 2015.

However, there are many long-term investment plans formulated by the governmental authority, be it the acceleration of the construction of several routes of skytrain project in Bangkok and its vicinity as well as the double-rail train linking the major capital cities along the border area - which will be utilized as the Special Economic Zone (SEZ) to support the formal launch of ASEAN Economic Community or AEC, the aforementioned projects may result in the expansion of the city to support the said investment plans.

Pursuant to all above stated, we may see that even if, in the short-term, there may be some effects on the retardant growth or the slowdown of economy, there are still long-term constituents invented by the government sector and business factors that may render the opportunities to the Company in many facets. The examples are exemplified below:

- The change of way of life and the expansion of urbanization that will increase in the future.
- The change of the consumer behavior - it is expected that they will shop more for Modern Trade Store.
- The supply of Home Improvement market in Thailand where the Company is accommodated comparing to that of the developed countries, is still low, hence being more the opportunities to expand .
- Becoming part of ASEAN Economic Community or AEC increases more market opportunities.

From the abovementioned points, the Company still has a view on expanding stores around the country continuously both for HomePro (to support the house owners who reside in city area) and Mega Home (to support the expansion of construction sector which is foreseen to enlarge in the future) in order to prepare for the growth of the Company in the long run.

In the year 2014, the Company has also, first time ever, expanded its business base abroad to Kuala Lumpur, Malaysia. The first store was located and embedded in IOI City Mall. The launch of the said store receives good feedback. Even if the Company still has to improve the procedures to make it compatible with Malaysian customer's behavior, we take it as the important step to learn and regard it as a guideline for cross-country business expansion plan in the future both for HomePro and Mega Home.

In this regard, the Company still adheres to the vision of becoming the leader of Home Center Business in Thailand and Southeast Asian region. We are confident that, from our action plan and operation, we can achieve our vision and goal."

9. Audit Fee

According to the minutes of the Annual General Shareholders' Meeting in 2014, which resolved to appoint the Auditors of EY Office Limited as the Company and its subsidiaries' auditor of 2014, with the audit fee of Baht 3,200,000 and other fee, i.e. fee for being witness for destruction of damaged goods at approximately Baht 100,000. Moreover, there may be additional audit fee from the increase of new branch or registration of new company at not exceeding Baht 500,000.

The actual audit fee for 2013 and 2014 included audit fee for the Company and its subsidiaries, and other services fee as follows:

Transactions	2014	2013
Audit Fee	3,475,388	2,750,000
Other Services (the fee for observing inventory destruction)	100,000	80,000
Transactions	3,575,388	2,830,000

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. Boonsom Lerdhirunwong, as Chairman, Mr. Thaveevat Tatiyamaneekul and Mr. Chanin Roonsamrarn, as directors.

For the year 2014, 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 the Audit Committee are as follows:

Name - Surname		Attendance/Number of all meeting in 2014
Mr. Boonsom	Lerdhirunwong *	3 / 3
Mr. Apilas	Osatananda *	9 / 9
Mr. Thaveevat	Tatiyamaneekul	11 / 12
Mr. Chanin	Roonsamrarn	12 / 12

Remark:

Mr. Boonsom Lerdhirunwong has been appointed to be an independent director and the chairman of the Audit Committee having effect from October 1, 2014 in replacement of Mr. Apilas Osatananda who resigned.

The Audit Committee has the duty and responsibilities as per the charter of the Audit Committee and 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 2014

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 Securities and 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 the 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 Internal Audit Department 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 2014, the audits were made to evaluate the sufficiency and efficiency of the internal control system of the Company and its subsidiaries 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, as well as enhance the Company to solve problems in timely manner.
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 in 2014;

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, effective and efficient internal control 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 abilities and experience for the work. 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. Boonsom Lerdhirunwong)
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 subsidiaries 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 subsidiaries in order to ensure that it showed the actual results 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 Principle Standard, and there has been disclosed on 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 statement of financial position as at 31 December 2014, 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

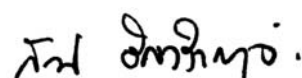
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 judgement, 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 2014, 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

EY Office Limited

Bangkok: 24 February 2015

Statement of Financial Position

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 December 2014	31 December 2013	31 December 2014	31 December 2013
Assets					
Current assets					
Cash and cash equivalents	7	2,434,763,379	807,459,365	2,181,356,782	687,177,529
Trade and other receivables	8	1,620,156,733	1,410,783,488	1,567,497,711	1,409,121,568
Short-term loans to related parties	6	-	-	1,869,374,000	654,000,000
Inventories	9	8,030,815,876	6,505,638,777	7,025,531,806	5,975,585,660
Value added tax receivable		392,375,137	178,050,941	183,190,566	111,049,680
Other current assets		312,599,745	318,890,604	265,329,897	257,635,354
Total current assets		12,790,710,870	9,220,823,175	13,092,280,762	9,094,569,791
Non-current assets					
Investments in subsidiaries	10	-	-	1,258,678,088	536,049,023
Investment properties	11	2,764,571,869	1,552,260,414	3,340,263,794	1,552,260,414
Property, plant and equipment	12	26,351,908,598	23,234,993,631	23,428,936,773	21,889,395,714
Computer software	13	246,256,330	241,571,671	202,246,048	197,922,516
Leasehold rights	14	1,967,320,615	1,532,399,898	1,823,405,690	1,462,399,898
Property foreclosed		3,229,639	3,229,639	3,229,639	3,229,639
Rental guarantee deposits		53,279,810	55,331,552	52,574,810	54,994,552
Deferred tax assets	25	118,289,801	86,523,412	93,455,315	76,367,137
Other non-current assets		17,251,243	14,549,734	4,295,382	3,023,380
Total non-current assets		31,522,107,905	26,720,859,951	30,207,085,539	25,775,642,273
Total assets		44,312,818,775	35,941,683,126	43,299,366,301	34,870,212,064

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

Statement of Financial Position (Cont.)

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 December 2014	31 December 2013	31 December 2014	31 December 2013
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	15	-	1,360,000,000	-	1,360,000,000
Trade and other payables	16	12,075,365,147	11,056,715,379	11,092,889,038	10,064,221,123
Current portion of liabilities under finance lease agreements	17	10,448,636	8,075,919	4,103,001	4,991,050
Short-term loan from related party	6	-	-	90,000,000	90,000,000
Current portion of long-term loans	18	700,000,000	500,000,000	700,000,000	500,000,000
Current portion of debentures	20	2,300,000,000	-	2,300,000,000	-
Income tax payable		364,566,980	326,597,490	364,566,980	326,597,490
Value added tax payable		5,484,643	605,520	-	-
Advances received from customers		761,902,078	709,418,865	740,033,806	702,053,114
Other current liabilities		558,794,362	369,882,853	530,837,296	352,857,344
Total current liabilities		16,776,561,846	14,331,296,026	15,822,430,121	13,400,720,121
Non-current liabilities					
Liabilities under finance lease agreements					
- net of current portion	17	15,730,561	19,012,927	7,292,294	11,892,624
Long-term loans - net of current portion	18	1,800,000,000	1,600,000,000	1,800,000,000	1,600,000,000
Debentures - net of current portion	20	9,050,000,000	6,300,000,000	9,050,000,000	6,300,000,000
Provision for long-term employee benefits	19	106,761,135	91,874,813	101,004,260	88,038,184
Rental received in advance - net of current portion		404,034,556	434,612,162	404,034,556	434,612,162
Other non-current liabilities		458,097,056	448,503,407	299,345,462	301,722,859
Total non-current liabilities		11,834,623,308	8,894,003,309	11,661,676,572	8,736,265,829
Total liabilities		28,611,185,154	23,225,299,335	27,484,106,693	22,136,985,950

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

Statement of Financial Position (Cont.)

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 December 2014	31 December 2013	31 December 2014	31 December 2013
Shareholders' equity					
Share capital					
Registered share capital	21				
12,329,396,991 ordinary shares of Baht 1 each					
(2013: 9,589,847,893 ordinary shares of Baht 1 each)		12,329,396,991	9,589,847,893	12,329,396,991	9,589,847,893
Issued and fully paid-up					
12,329,315,446 ordinary shares of Baht 1 each					
(2013: 9,589,550,988 ordinary shares of Baht 1 each)		12,329,315,446	9,589,550,988	12,329,315,446	9,589,550,988
Share premium	21	646,323,076	646,323,076	646,323,076	646,323,076
Retained earnings					
Appropriated	23				
Statutory reserve - The Company		876,180,000	706,780,000	876,180,000	706,780,000
Statutory reserve - Subsidiaries		1,000,000	1,000,000	-	-
Unappropriated		1,872,691,349	1,773,234,995	1,963,441,086	1,790,572,050
Other components of shareholders' equity		(23,886,379)	(509,799)	-	-
Equity attributable to owners of the Company		15,701,623,492	12,716,379,260	15,815,259,608	12,733,226,114
Non-controlling interests of the subsidiaries		10,129	4,531	-	-
Total shareholders' equity		15,701,633,621	12,716,383,791	15,815,259,608	12,733,226,114
Total liabilities and shareholders' equity		44,312,818,775	35,941,683,126	43,299,366,301	34,870,212,064

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

Statement of Comprehensive Income

For the year ended 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Profit or loss:					
Revenues					
Sales income		47,964,748,720	40,006,636,046	45,239,883,150	39,828,913,880
Rental and service income		1,190,817,576	998,634,354	983,544,545	818,927,200
Other income		2,053,022,932	1,719,958,217	2,067,633,658	1,768,910,716
Total revenues		<u>51,208,589,228</u>	<u>42,725,228,617</u>	<u>48,291,061,353</u>	<u>42,416,751,796</u>
Expenses					
Cost of sales		35,472,881,516	29,346,060,305	33,283,348,396	29,231,935,933
Selling and service expenses		9,625,363,716	7,990,491,548	8,982,735,405	7,803,860,945
Administrative expenses		1,432,959,324	1,205,545,602	1,278,296,256	1,142,037,614
Other expenses		60,388,124	49,281,005	55,891,165	49,805,655
Total expenses		<u>46,591,592,680</u>	<u>38,591,378,460</u>	<u>43,600,271,222</u>	<u>38,227,640,147</u>
Profit before finance cost and income tax expenses		<u>4,616,996,548</u>	<u>4,133,850,157</u>	<u>4,690,790,131</u>	<u>4,189,111,649</u>
Finance cost		(466,015,519)	(276,620,572)	(466,003,339)	(278,503,818)
Profit before income tax expenses		<u>4,150,981,029</u>	<u>3,857,229,585</u>	<u>4,224,786,792</u>	<u>3,910,607,831</u>
Income tax expenses	25	(837,646,944)	(788,748,000)	(838,045,623)	(790,677,518)
Profit for the year		<u><u>3,313,334,085</u></u>	<u><u>3,068,481,585</u></u>	<u><u>3,386,741,169</u></u>	<u><u>3,119,930,313</u></u>
Other comprehensive income:					
Exchange differences on translation of financial statements in foreign currency		(23,376,580)	(348,423)	-	-
Other comprehensive income for the year		<u>(23,376,580)</u>	<u>(348,423)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>3,289,957,505</u></u>	<u><u>3,068,133,162</u></u>	<u><u>3,386,741,169</u></u>	<u><u>3,119,930,313</u></u>
Profit attributable to:					
Equity holders of the Company		3,313,328,487	3,068,477,589	3,386,741,169	3,119,930,313
Non-controlling interests of the subsidiaries		5,598	3,996		
		<u>3,313,334,085</u>	<u>3,068,481,585</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		3,289,951,907	3,068,129,166	3,386,741,169	3,119,930,313
Non-controlling interests of the subsidiaries		5,598	3,996		
		<u>3,289,957,505</u>	<u>3,068,133,162</u>		

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

Statement of Comprehensive Income (Cont.)

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
Note	2014	2013	2014	2013
		(Restated)		(Restated)
Earnings per share	26			
Basic earnings per share				
Profit attributable to equity holders of the Company	0.27	0.25	0.27	0.25
Diluted earnings per share				
Profit attributable to equity holders of the Company		0.25		0.25

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

Cash Flow Statement

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit before tax	4,150,981,029	3,857,229,585	4,224,786,792	3,910,607,831
Adjustments to reconcile profit before tax to net cash provided by (paid for) operating activities				
Depreciation and amortisation	2,264,495,995	1,649,375,629	2,063,494,247	1,629,390,845
Decrease of inventories to net realisable value	25,561,893	104,611,715	16,230,644	104,079,113
Loss from sales of assets and written-off	54,707,770	27,815,553	53,136,995	27,826,348
Allowance for impairment of assets (reversal)	(51,871,000)	18,660,000	(51,871,000)	18,660,000
Provision for long-term employee benefits	15,238,422	14,345,167	13,318,176	10,508,538
Unrealised exchange (gain) loss	1,097,501	711,483	(445,269)	655,087
Dividend income from subsidiary	-	-	(1,249,995)	(39,994,400)
Interest expenses	458,361,162	268,435,608	458,772,617	270,693,021
Profit from operating activities before changes in operating assets and liabilities	6,918,572,772	5,941,184,740	6,776,173,207	5,932,426,383
Decrease (increase) in operating assets				
Trade and other receivables	(209,373,245)	(159,162,897)	(158,376,143)	(165,312,275)
Inventories	(1,550,738,992)	(1,257,712,824)	(1,066,176,790)	(727,127,105)
Value added tax receivable	(214,324,196)	(113,218,845)	(72,140,886)	(46,217,585)
Other current assets	6,290,859	(146,407,118)	(7,694,543)	(87,509,916)
Other non-current assets	(649,767)	2,477,782	1,147,740	4,194,441
Increase (decrease) in operating liabilities				
Trade and other payables	966,361,875	2,052,732,112	957,037,188	1,359,252,671
Advances received from customers	52,483,213	(11,899,461)	37,980,692	(19,265,212)
Value added tax payable	4,879,123	38,904	-	-
Other current liabilities	188,920,604	(36,389,470)	177,989,047	(50,954,681)
Rental received in advance	(30,577,606)	(21,590,508)	(30,577,606)	(21,590,508)
Provision for long-term employee benefits	(352,100)	(3,428,560)	(352,100)	(3,428,560)
Other non-current liabilities	19,924,500	11,686,810	-	-
Cash flows from operating activities	6,151,417,040	6,258,310,665	6,615,009,806	6,174,467,653
Cash paid for interest expenses	(407,170,770)	(221,183,129)	(407,582,225)	(229,199,925)
Cash paid for corporate income tax	(831,443,843)	(843,685,830)	(817,164,311)	(835,453,474)
Net cash flows from operating activities	4,912,802,427	5,193,441,706	5,390,263,270	5,109,814,254

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

Cash Flow Statement (Cont.)

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from investing activities				
Investments in subsidiaries	-	-	(722,629,065)	(521,209,793)
Dividend income from subsidiary	-	-	1,249,995	39,994,400
Short-term loan to related parties	-	-	(1,215,374,000)	(654,000,000)
Acquisitions of computer software	(38,855,252)	(73,919,779)	(33,232,765)	(29,023,758)
Acquisitions of leasehold rights	(496,295,734)	(399,751,581)	(420,820,990)	(329,751,581)
Acquisitions of property, plant and equipment	(5,501,924,168)	(9,072,488,792)	(4,268,146,174)	(7,968,315,607)
Increase (decrease) in construction retention	(10,330,852)	137,556,980	(2,377,397)	89,650,378
Acquisitions of investment properties	(1,020,536,333)	(260,117,298)	(1,020,536,333)	(260,117,298)
Proceeds from sales of equipment	6,992,197	7,050,893	5,946,593	7,037,784
Proceeds from sales of investment properties' equipment	41,268	154,019	41,268	154,019
Net cash flows used in investing activities	(7,060,908,874)	(9,661,515,558)	(7,675,878,868)	(9,625,581,456)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	(1,360,000,000)	1,360,000,000	(1,360,000,000)	1,360,000,000
Increase (decrease) in liabilities under finance lease agreements	(909,649)	4,297,593	(5,488,379)	(5,907,579)
Increase in long-term loans	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Repayment of long-term loans	(600,000,000)	(400,000,000)	(600,000,000)	(400,000,000)
Increase in debentures	5,050,000,000	4,000,000,000	5,050,000,000	4,000,000,000
Repayment of debentures	-	(1,700,000,000)	-	(1,700,000,000)
Converted warrants to share capital	-	4,854,649	-	4,854,649
Dividend paid	(304,716,770)	(283,889,285)	(304,716,770)	(283,889,285)
Net cash flows from financing activities	3,784,373,581	3,985,262,957	3,779,794,851	3,975,057,785
Translation adjustments	(8,963,120)	(348,423)	-	-
Net increase (decrease) in cash and cash equivalents	1,627,304,014	(483,159,318)	1,494,179,253	(540,709,417)
Cash and cash equivalents at beginning of year	807,459,365	1,290,618,683	687,177,529	1,227,886,946
Cash and cash equivalents at end of year (Note 7)	2,434,763,379	807,459,365	2,181,356,782	687,177,529

Supplemental cash flows information:

Non-cash items consist of

Purchases of equipment for which no cash has been paid	-	864,687,104	20,885,604	607,978,409
Stock dividend	2,739,764,458	2,543,523,101	2,739,764,458	2,543,523,101
Dividend payable	-	14,818	-	14,818

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

Statement of Changes in Shareholders' Equity

For the year ended 31 December 2014

(Unit: Baht)

Consolidated financial statements									
Equity attributable to owners of the Company									
	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Unappropriated	Other components of equity		
				Appropriated - The Company	statutory reserve		Exchange differences on translation of financial statements in foreign currency	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries
				550,800,000	Subsidiaries	1,888,634,974			
Balance as at 1 January 2013		7,041,430,018	646,066,296		500,000		(161,376)	9,927,269,912	6,135
Change during the year									
Profit for the year		-	-	-	-	3,068,477,589	-	3,068,477,589	3,996
Other comprehensive income for the year		-	-	-	-		(348,423)	(348,423)	-
Total comprehensive income for the year		-	-	-	-	3,068,477,589	(348,423)	3,068,129,166	3,996
Converted warrants to share capital								4,854,649	-
Stock dividend	29	4,597,869	256,780	-	-	(2,543,523,101)	-	-	-
Dividend paid	29	2,543,523,101	-	-	-	(283,874,467)	-	(283,874,467)	-
Subsidiary paid dividend to non-controlling interest of subsidiary		-	-	-	-	-	-	-	(5,600)
Unappropriated retained earnings transferred to statutory reserve	23	-	-	155,980,000	500,000	(156,480,000)	-	-	-
Balance as at 31 December 2013		9,589,550,988	646,323,076	706,780,000	1,000,000	1,773,234,995	(509,799)	12,716,379,260	4,531
Balance as at 1 January 2014		9,589,550,988	646,323,076	706,780,000	1,000,000	1,773,234,995	(509,799)	12,716,379,260	4,531
Change during the year									
Profit for the year		-	-	-	-	3,313,328,487	-	3,313,328,487	5,598
Other comprehensive income for the year		-	-	-	-		(23,376,580)	(23,376,580)	-
Total comprehensive income for the year		-	-	-	-	3,313,328,487	(23,376,580)	3,289,951,907	5,598
Stock dividend	21, 29	2,739,764,458	-	-	-	(2,739,764,458)	-	-	-
Dividend paid	29	-	-	-	-	(304,707,675)	-	(304,707,675)	-
Unappropriated retained earnings transferred to statutory reserve	23	-	-	169,400,000	-	(169,400,000)	-	-	-
Balance as at 31 December 2014		12,329,315,446	646,323,076	876,180,000	1,000,000	1,872,691,349	(23,886,379)	15,701,623,492	10,129

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

Statement of Changes in Shareholders' Equity

For the year ended 31 December 2014

Separate financial statements						(Unit: Baht)
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 2013	7,041,430,018	646,066,296	550,800,000	1,654,019,305	9,892,315,619	
<u>Change during the year</u>						
Profit for the year	-	-	-	3,119,930,313	3,119,930,313	
Other comprehensive income for the year	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	3,119,930,313	3,119,930,313	
Converted warrants to share capital	4,597,869	256,780	-	-	4,854,649	
Stock dividend	2,543,523,101	-	-	(2,543,523,101)	-	
Dividend paid	-	-	-	(283,874,467)	(283,874,467)	
Unappropriated retained earnings transferred to statutory reserve	-	-	155,980,000	(155,980,000)	-	
Balance as at 31 December 2013	9,589,550,988	646,323,076	706,780,000	1,790,572,050	12,733,226,114	
Balance as at 1 January 2014	9,589,550,988	646,323,076	706,780,000	1,790,572,050	12,733,226,114	
<u>Change during the year</u>						
Profit for the year	-	-	-	3,386,741,169	3,386,741,169	
Other comprehensive income for the year	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	3,386,741,169	3,386,741,169	
Stock dividend	2,739,764,458	-	-	(2,739,764,458)	-	
Dividend paid	-	-	-	(304,707,675)	(304,707,675)	
Unappropriated retained earnings transferred to statutory reserve	-	-	169,400,000	(169,400,000)	-	
Balance as at 31 December 2014	12,329,315,446	646,323,076	876,180,000	1,963,441,086	15,815,259,608	

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

Note to Consolidated Financial Statements

For the year ended 31 December 2014

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 Public Company Limited and Quality Houses Public Company Limited, 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, renovation, and improvement of buildings, houses, and residences place, and provision for related services to retail business, together with space rental and provide utilities service. Its registered address is at 96/27 Moo 9, Tambol Bangkhen, Amphur Muang, Nonthaburi.

As at 31 December 2014, the Company and its subsidiaries have a total of 76 branches (2013: 66 branches) (The separate financial statements: 71 branches, 2013: 64 branches).

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting 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	
			2014	2013
			Percent	Percent
Market Village Company Limited	Management of leasing space together with provision of facilities services	Thailand	99.99	99.99

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2014	2013
			Percent	Percent
Home Product Center (Malaysia) Sdn. Bhd.	Retailing of home improvement products as One Stop Shopping	Malaysia	100.00	100.00
Mega Home Center Company Limited	Retailing and wholesaling of construction and home improvement products	Thailand	99.99	99.99
DC Service Center Company Limited	Warehousing and distribution service	Thailand	99.99	99.99

- 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 financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Financial reporting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)

Presentation of Financial Statements

TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease

Financial Reporting Standard Interpretations:

TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements, except as follows.

TFRIC 13 Customer Loyalty Programmes

This TFRIC requires an entity to account for the award credits from customer loyalty programmes as a separate component of the sales transaction granting those award credits and allocate part of the fair value of the consideration received to the award credits and defer the recognition of revenue. The management of the Company and its subsidiaries have assessed that the adoption of this TFRIC will have the effect to the reclassifications and had no effect to reported brought forward retained earnings or shareholder's equity for the year 2014. The effect of the reclassifications is described in Note 33 to the financial statements.

(b) Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards.

The management of the Company and its subsidiaries believe they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognised actuarial gains and losses immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 Consolidated and Separate Financial Statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company's and its subsidiaries' financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 Interests in Joint Ventures. This standard requires an entity to account for an investment in a jointly controlled entity that meets the definition of a joint venture using the equity method, while TAS 31 allows the entity to apply either the proportionate consolidation method or the equity method to account for such an investment.

The management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company's and its subsidiaries' financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

At present, the management of the Company and its subsidiaries is evaluating the impact to the financial statements in the year when this standard is adopted.

4. Significant accounting policies

4.1 Revenue recognition

Sale of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Sales of goods - Customer loyalty programmes

The Company operates a loyalty programme which allows customers to accumulate points when they purchase products in the Company's retail stores. The points can then be redeemed for discounted goods in the future.

Certain sales consideration is allocated to the points issued, at their fair value. The fair value of the points issued is deferred and recognised as revenue when the points are redeemed and the Company fulfills their obligations to supply awards.

Rental income

Rental income is recognised proportionately over the term of lease period.

Rendering of services

Service revenue is recognised when services have been rendered.

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 inventories and recognised in profit or loss when the related inventories are 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 economic useful lives of 5 - 37 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.

During the year 2014, the Company changed the estimated economic useful lives of some of building and building improvement which are represented as investment properties from 30 years to 37 years. The management of the Company believes that the new estimated useful live is more appropriate because they correspond to the expected future economic benefit from using such assets.

The change in the estimated useful lives of investment properties was recognised prospectively and so no adjustment was made to the financial statements for the year 2013. The management of the Company evaluates such change will not have any significant impact on the financial statements in the year 2014.

4.7 Property, plant and equipment/Depreciation

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

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

Buildings	-	20 - 30 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 initially recognised at cost. Following the initial recognition, the 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 years 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

Leasehold rights are stated at cost less accumulated amortisation and allowance for loss on impairment of assets (if any). The Company and its subsidiaries amortise 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 associated companies and 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 property, plant or equipment 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 assets acquired under finance leases are depreciated over the useful life of the assets.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. 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

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

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 and its subsidiaries perform 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 and its subsidiaries 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 and its subsidiaries estimate 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.

Employee Joint Investment Program (EJIP)

The Company has established an Employee Joint Investment Program (EJIP). The program is monthly contributed by eligible employees and by the Company to EJIP participant. The details of the program are as described in Note 22 to the financial statements. The Company's contributions are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat 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 and its subsidiaries have 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 expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5. Significant accounting judgements 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:

Recognition and derecognition of assets and liabilities

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgement on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement 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 judgement 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 judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Fair value of financial 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 judgement, 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.

Investment properties/Depreciation

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

In addition, the management is required to review investment properties 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 judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

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 and its subsidiaries' 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 judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit 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 its subsidiaries and those related parties.

(Unit: Thousand Baht)					
	Consolidated		Separate		Pricing policy
	financial statements		financial statements		
	2014	2013	2014	2013	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales income	-	-	32,084	36,927	Actual cost plus margin
Rental and service income	-	-	227,204	159,487	Baht 2 million and Baht 17.55 million per month (2013: Baht 1 million and Baht 14 million per month)
Management service income	-	-	36,526	32,776	Actual cost and contact price
Dividend received	-	-	1,250	39,994	As declared
Service income	-	-	12,085	10,617	Actual cost
Service expense	-	-	807,766	148,691	Actual cost and contact price

(Unit: Thousand Baht)

	Consolidated		Separate		
	financial statements		financial statements		Pricing policy
	2014	2013	2014	2013	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Other expenses	-	-	3,183	-	Actual cost
Interest income	-	-	74,272	5,759	4.50% - 4.75% per annum (2013: 4.50% per annum)
Interest expenses	-	-	2,113	2,568	2.25% - 2.75% per annum (2013: 2.75% - 3.00% per annum)
<u>Transactions with related companies</u>					
Sales income	51,954	47,687	51,954	47,687	Market price
Rental and service income	11,956	5,566	11,956	5,566	Contact price
Interest income	4,702	12,637	4,702	12,637	0.75 - 2.25% per annum (2013: 1.00% - 2.50% per annum)
Rental and service expenses	22,488	20,282	22,488	20,282	Percentage of revenue but not less than a minimum rate

As at 31 December 2014 and 2013, 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	
	2014	2013	2014	2013
Bill of exchanges and deposits with financial institution				
(included in cash and cash equivalents)				
Related company ⁽¹⁾	1,955,128	79,156	1,929,232	67,021
Trade and other receivables				
Subsidiaries	-	-	57,984	138,576
Related company ⁽¹⁾	3,215	378	3,215	378
Related company ⁽²⁾	7,225	8,223	7,225	8,223
Total	10,440	8,601	68,424	147,177
Short-term loans to related parties				
Subsidiaries	-	-	1,869,374	654,000
Rental guarantee deposits				
Related company ⁽¹⁾	3,000	3,000	3,000	3,000

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Trade and other payables (Note 16)				
Subsidiaries	-	-	116,394	86,322
Related company ⁽¹⁾	1,580	1,581	1,580	1,581
Total	1,580	1,581	117,974	87,903
Short-term loan 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 to related parties

As at 31 December 2014, the Company has granted unsecured loans of Baht 1,869 million (2013: Baht 654 million) to its subsidiaries on which interest is payable on a monthly basis at a rate of 4.50% - 4.75% per annum (2013: 4.50% per annum). The loans are repayable at call. Movements in the balance of the loans during the year were as follow:

(Unit: Thousand Baht)

	Separate financial statements		
	Balance as at	During the year	
	1 January		31 December
	2014	Increase	2014
Short-term loans to related parties			
Mega Home Center Company Limited	654,000	4,370,000	(3,177,000)
Home Product Center (Malaysia) Sdn. Bhd.	-	22,374	-
Total	654,000	4,392,374	(3,177,000)
			1,869,374

Short-term loan from related party

As at 31 December 2014, the Company has received unsecured loan of Baht 90 million (2013: Baht 90 million) from its subsidiary on which interest is payable on a monthly basis at a rate of 2.25% per annum (2013: 2.75% per annum). The loan is repayable at call. Movement in the balance of the loan during the year was as follow:

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at	During the year		Balance as at
	1 January			31 December
	2014	Increase	Decrease	2014
Short-term loan from related party				
Market Village Company Limited	90,000	90,000	(90,000)	90,000

Directors and management's benefits

During the year ended 31 December 2014 and 2013, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Short-term benefits	130,943	117,290	116,183	109,280
Post-employment benefits	2,360	2,494	1,752	2,294
Total	133,303	119,784	117,935	111,574

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Cash	165,282	250,765	149,312	243,848
Bank deposits	369,481	556,694	132,045	443,330
Bills of exchange	1,900,000	-	1,900,000	-
Total	2,434,763	807,459	2,181,357	687,178

As at 31 December 2014, bank deposits in saving accounts and bills of exchange carried interests between 0.50% and 2.25% per annum (2013: between 0.75% and 2.50% per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Trade accounts receivable	262,554	329,655	256,437	363,968
Other receivables	1,332,001	1,059,279	1,291,009	1,029,042
Income receivables	25,602	21,849	20,052	16,112
Total trade and other receivables	<u>1,620,157</u>	<u>1,410,783</u>	<u>1,567,498</u>	<u>1,409,122</u>

Trade accounts receivable

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Trade accounts receivable	125,315	175,054	121,122	210,302
Cheque returned receivable	450	690	450	690
Credit card and coupon receivable	138,131	155,253	136,207	154,318
Total	263,896	330,997	257,779	365,310
Less: Allowance for doubtful debts	(1,342)	(1,342)	(1,342)	(1,342)
Total trade accounts receivable - net	<u>262,554</u>	<u>329,655</u>	<u>256,437</u>	<u>363,968</u>

The outstanding balances of trade accounts receivable as at 31 December 2014 and 2013 are aged as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<u>Trade receivables - related parties</u>				
Not yet due	5,458	660	8,273	2,580
Past due				
Up to 3 months	1,627	1,309	2,155	5,245
3 - 6 months	140	69	140	29,590
6 - 12 months	-	24	-	-
Total trade receivables - related parties	7,225	2,062	10,568	37,415
<u>Trade receivables - unrelated parties</u>				
Not yet due	243,530	320,305	238,955	319,270
Past due				
Up to 3 months	9,276	7,088	4,391	7,099
3 - 6 months	563	-	563	-
6 - 12 months	2,907	668	2,907	652
Over 12 months	395	874	395	874
Total	256,671	328,935	247,211	327,895
Less: Allowance for doubtful debts	(1,342)	(1,342)	(1,342)	(1,342)
Total trade receivables - unrelated parties, net	255,329	327,593	245,869	326,553
Total trade receivables - net	262,554	329,655	256,437	363,968

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 2014 and 2013 are aged as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Age of receivables				
Not yet due	662,226	536,961	676,995	561,108
Past due				
Up to 3 months	633,502	510,322	590,428	457,519
3 - 6 months	22,744	7,845	16,517	6,614
6 - 12 months	10,824	3,190	5,188	2,920
Over 12 months	4,680	2,936	3,856	2,856
Total	1,333,976	1,061,254	1,292,984	1,031,017
Less: Allowance for doubtful debts	(1,975)	(1,975)	(1,975)	(1,975)
Total other receivables - net	1,332,001	1,059,279	1,291,009	1,029,042

9. Inventories

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Inventories	9,844,866	8,080,665	8,711,764	7,501,667
Less: Reduce cost to net realisable value	(272,585)	(309,886)	(266,622)	(309,316)
Net	9,572,281	7,770,779	8,445,142	7,192,351
Less: Inventories - repaid its cost when sold	(1,193,260)	(1,059,235)	(1,097,005)	(1,015,260)
Purchase discount	(348,205)	(205,905)	(322,605)	(201,505)
Inventories - net	8,030,816	6,505,639	7,025,532	5,975,586

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	
	2014	2013	2014	2013	2014	2013	2014	2013
			(Percent)	(Percent)				
Market Village								
Company Limited	5,000	5,000	99.99	99.99	4,999	4,999	-	39,994
Home Product Center								
(Malaysia) Sdn. Bhd.	251,179	30,000	100.00	100.00	251,179	29,800	-	-
Mega Home Center								
Company Limited	1,000,000	500,000	99.99	99.99	1,000,000	500,000	-	-
DC Service Center								
Company Limited	2,500	1,250	99.99	99.99	2,500	1,250	1,250	-
					<u>1,258,678</u>	<u>536,049</u>	<u>1,250</u>	<u>39,994</u>

During the current year, the significant changes in investments in subsidiaries are as follows.

Home Product Center (Malaysia) Sdn. Bhd.

Home Product Center (Malaysia) Sdn. Bhd. passed resolution to increase its capital and to call-up the subscriptions from shareholders several times, totaling at MYR 22 million (approximately Baht 221 million). The Company made payment for the subscription already. As a result of the above, the Company's proportionate holding in the equity of such subsidiary did not change.

Mega Home Center Company Limited

Mega Home Center Company Limited passed a resolution to increase its registered capital, which raised from the previous registered capital of Baht 500 million to Baht 1,000 million, and to call-up the subscriptions from shareholders. The Company made payment for the subscription in August 2014. As a result of the above, the Company's proportionate holding in the equity of such subsidiary did not change.

DC Service Center Company Limited

DC Service Center Company Limited passed a resolution to call-up the 25% subscriptions from shareholders which were not fully paid up amounting to Baht 1.25 million. The Company made payment for the subscriptions in June 2014.

11. Investment properties

The net book value of investment properties as at 31 December 2014 and 2013 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			
	Land and land improvement	Office building for rent	Assets under installation and under construction	Total
31 December 2014				
Cost	150,000	1,450,058	1,806,409	3,406,467
Less: Accumulated depreciation	-	(641,895)	-	(641,895)
Net book value	150,000	808,163	1,806,409	2,764,572
31 December 2013				
Cost	150,000	1,367,750	620,076	2,137,826
Less: Accumulated depreciation	-	(585,566)	-	(585,566)
Net book value	150,000	782,184	620,076	1,552,260

(Unit: Thousand Baht)

	Separate financial statements			
	Land and land improvement	Office building for rent	Assets under installation and under construction	Total
31 December 2014				
Cost	725,692	1,450,058	1,806,409	3,982,159
Less: Accumulated depreciation	-	(641,895)	-	(641,895)
Net book value	725,692	808,163	1,806,409	3,340,264
31 December 2013				
Cost	150,000	1,367,750	620,076	2,137,826
Less: Accumulated depreciation	-	(585,566)	-	(585,566)
Net book value	150,000	782,184	620,076	1,552,260

A reconciliation of the net book value of investment properties for the years 2014 and 2013 is presented below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Net book value at beginning of year	1,552,260	1,376,270	1,552,260	1,376,270
Acquisition of assets	1,020,536	260,117	1,020,536	260,117
Transfer from property, plant and equipment - at cost	250,020	-	825,712	-
Disposals and written-off - net book value	(418)	(1,699)	(418)	(1,699)
Depreciation charged	(57,826)	(82,428)	(57,826)	(82,428)
Net book value at end of year	<u>2,764,572</u>	<u>1,552,260</u>	<u>3,340,264</u>	<u>1,552,260</u>

As at 31 December 2014, the fair values of investment properties in consolidated financial statements (excluded assets under installation and under construction) are Baht 2,925 million (2013: Baht 2,925 million).

As at 31 December 2014, the fair values of investment properties in separate financial statements (excluded assets under installation and under construction) are Baht 3,501 million (2013: Baht 2,925 million).

The fair values have been determined using the following approach:

- Lands which are acquired in the year 2014 have been determined based on acquisition cost. The management believes that there is no material difference between the book value and its fair value.
- Lands which are acquired before the year 2014 have been determined by an accredited independent valuer in the year 2013 using the market approach with adjustments to reflect changes in location and condition.
- Building and building improvement have been determined using the depreciated replacement cost approach.

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 2013	4,597,286	7,931,335	430,675	3,646,016	75,775	3,416,685	20,097,772
Additions	2,854,377	272,312	74,306	638,356	7,000	6,090,825	9,937,176
Disposals and written-off	-	(31,422)	(72,728)	(127,420)	(10,350)	-	(241,920)
Transfers in (out)	64,995	2,279,259	2,170	503,887	-	(2,850,311)	-
31 December 2013	7,516,658	10,451,484	434,423	4,660,839	72,425	6,657,199	29,793,028
Additions	250,994	251,063	61,163	592,445	6,164	4,340,095	5,501,924
Disposals and written-off	-	(115,577)	(26,698)	(142,338)	(2,268)	(1,639)	(288,520)
Transfer to investment properties	-	-	-	-	-	(250,020)	(250,020)
Transfers in (out)	7,172	5,726,211	2,313	426,738	-	(6,162,434)	-
31 December 2014	7,774,824	16,313,181	471,201	5,537,684	76,321	4,583,201	34,756,412
Accumulated depreciation:							
1 January 2013	-	2,695,042	354,286	2,126,036	25,172	-	5,200,536
Depreciation for the year	-	831,849	61,409	581,751	13,250	-	1,488,259
Depreciation on disposals and written-off	-	(14,501)	(72,639)	(112,685)	(8,774)	-	(208,599)
31 December 2013	-	3,512,390	343,056	2,595,102	29,648	-	6,480,196
Depreciation for the year	-	1,219,187	58,547	821,373	13,743	-	2,112,850
Depreciation on disposals and written-off	-	(68,106)	(26,640)	(132,099)	(2,042)	-	(228,887)
31 December 2014	-	4,663,471	374,963	3,284,376	41,349	-	8,364,159
Allowance for impairment loss:							
1 January 2013	9,430	41,248	-	-	-	-	50,678
Increase during the year	-	65,740	-	-	-	-	65,740
Decrease during the year	-	(38,580)	-	-	-	-	(38,580)
31 December 2013	9,430	68,408	-	-	-	-	77,838
Increase during the year	-	5,000	-	-	-	-	5,000
Decrease during the year	-	(56,871)	-	-	-	-	(56,871)
31 December 2014	9,430	16,537	-	-	-	-	25,967
Translation adjustment	-	(2,998)	(382)	(178)	-	(10,819)	(14,377)
Net book value:							
31 December 2013	7,507,228	6,870,686	91,367	2,065,737	42,777	6,657,199	23,234,994
31 December 2014	7,765,394	11,630,175	95,856	2,253,130	34,972	4,572,382	26,351,909
Depreciation for the year							
2013 (Baht 1,448 million included in selling expenses, and the balance in administrative expenses)							1,488,259
2014 (Baht 1,967 million included in selling expenses, and the balance in administrative expenses)							2,112,850

(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 2013	4,597,286	7,930,689	430,218	3,625,780	74,960	3,416,684	20,075,617
Additions	2,854,377	160,213	67,007	553,942	6,999	4,933,756	8,576,294
Disposals and written-off	-	(31,422)	(72,661)	(127,206)	(10,312)	-	(241,601)
Transfers in (out)	64,995	2,254,046	-	485,769	-	(2,804,810)	-
31 December 2013	7,516,658	10,313,526	424,564	4,538,285	71,647	5,545,630	28,410,310
Additions	250,994	184,764	49,453	437,152	6,164	3,360,504	4,289,031
Disposals and written-off	-	(114,627)	(26,676)	(142,032)	(2,268)	-	(285,603)
Transfer to investment properties	(575,692)	-	-	-	-	(250,020)	(825,712)
Transfers in (out)	7,172	5,526,602	2,070	389,207	-	(5,925,051)	-
31 December 2014	7,199,132	15,910,265	449,411	5,222,612	75,543	2,731,063	31,588,026
Accumulated depreciation:							
1 January 2013	-	2,694,694	353,928	2,107,864	25,089	-	5,181,575
Depreciation for the year	-	823,589	60,425	572,675	13,094	-	1,469,783
Depreciation on disposals and written-off	-	(14,501)	(72,572)	(112,473)	(8,736)	-	(208,282)
31 December 2013	-	3,503,782	341,781	2,568,066	29,447	-	6,443,076
Depreciation for the year	-	1,117,187	52,685	735,173	13,588	-	1,918,633
Depreciation on disposals and written-off	-	(68,034)	(26,619)	(131,892)	(2,041)	-	(228,586)
31 December 2014	-	4,552,935	367,847	3,171,347	40,994	-	8,133,123
Allowance for impairment loss:							
1 January 2013	9,430	41,248	-	-	-	-	50,678
Increase during the year	-	65,740	-	-	-	-	65,740
Decrease during the year	-	(38,580)	-	-	-	-	(38,580)
31 December 2013	9,430	68,408	-	-	-	-	77,838
Increase during the year	-	5,000	-	-	-	-	5,000
Decrease during the year	-	(56,871)	-	-	-	-	(56,871)
31 December 2014	9,430	16,537	-	-	-	-	25,967
Net book value:							
31 December 2013	7,507,228	6,741,336	82,783	1,970,219	42,200	5,545,630	21,889,396
31 December 2014	7,189,702	11,340,793	81,564	2,051,265	34,549	2,731,063	23,428,936
Depreciation for the year							
2013 (Baht 1,430 million included in selling expenses, and the balance in administrative expenses)							1,469,783
2014 (Baht 1,785 million included in selling expenses, and the balance in administrative expenses)							1,918,633

As at 31 December 2014, the Company and its subsidiaries had vehicles and equipment under finance lease agreements with net book values amounting to Baht 27 million (2013: Baht 32 million) (The separate financial statements: Baht 10 million, 2013: Baht 25 million).

As at 31 December 2014, 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 1,893 million (2013: Baht 1,791 million) (The separate financial statements: Baht 1,876 million, 2013: Baht 1,774 million).

13. Computer software

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Cost		
1 January 2013	278,626	278,278
Acquisitions during the year	73,920	29,024
31 December 2013	352,546	307,302
Acquisitions during the year	38,855	33,232
Disposals and written-off	(2)	(2)
31 December 2014	391,399	340,532
Accumulated amortisation		
1 January 2013	80,297	80,212
Amortisation for the year	30,677	29,167
31 December 2013	110,974	109,379
Amortisation for the year	34,134	28,909
Amortisation on written-off	(2)	(2)
31 December 2014	145,106	138,286
Allowance for impairment loss		
1 January 2013	8,500	8,500
Decrease during the year	(8,500)	(8,500)
31 December 2013	-	-
Decrease during the year	-	-
31 December 2014	-	-
Translation adjustment	(37)	-
Net book value		
31 December 2013	241,572	197,923
31 December 2014	246,256	202,246

14. Leasehold rights

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Cost		
1 January 2013	1,464,189	1,464,189
Acquisitions during the year	399,752	329,752
31 December 2013	1,863,941	1,793,941
Acquisitions during the year	496,296	420,821
Written-off during the year	(4,812)	(4,812)
31 December 2014	2,355,425	2,209,950
Accumulated amortisation		
1 January 2013	283,530	283,530
Amortisation for the year	48,011	48,011
31 December 2013	331,541	331,541
Amortisation for the year	59,686	58,126
Amortisation on written-off	(3,123)	(3,123)
31 December 2014	388,104	386,544
Net book value		
31 December 2013	1,532,400	1,462,400
31 December 2014	1,967,321	1,823,406

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

(Unit: Thousand Baht)

	Interest rate (% per annum)	Consolidated and separate financial statements	
		2014	2013
Short-term loans from financial institutions	2.45 - 2.90	-	1,360,000

As at 31 December 2014, the Company had no outstanding balance of unsecured bills of exchange (2013: Totaling Baht 1,360 million. The loan Baht 1,000 million is due in February 2014 and March 2014, at Baht 500 million for each period. The loan Baht 360 million is due at call).

As at 31 December 2014 and 2013, the Company had overdraft lines from banks totaling Baht 305 million and Baht 275 million, respectively, and other credit facilities amounting to Baht 6,507 million and Baht 7,571 million, respectively.

16. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade payables - unrelated parties	9,656,790	8,644,179	8,853,575	7,975,555
Other payables - related parties	1,580	-	52,010	41,657
Other payables - unrelated parties	497,063	448,040	397,431	363,770
Other payables for purchase of assets	949,888	1,166,381	930,557	909,672
Accrued expenses - related parties	-	1,581	65,964	46,246
Accrued expenses - unrelated parties	970,044	796,534	793,352	727,321
Total trade and other payables	12,075,365	11,056,715	11,092,889	10,064,221

17. Liabilities under financial lease agreements

(Unit: Thousand Baht)

	Consolidated financial statements			
	Portion due within one year		Portion due over one year	
	2014	2013	2014	2013
Liabilities under financial lease agreements	12,380	9,925	16,493	20,607
Less: Deferred interest expense	(1,931)	(1,849)	(763)	(1,594)
Net	10,449	8,076	15,730	19,013

(Unit: Thousand Baht)

	Separate financial statements			
	Portion due within one year		Portion due over one year	
	2014	2013	2014	2013
Liabilities under financial lease agreements	4,725	5,871	7,446	12,670
Less: Deferred interest expense	(622)	(880)	(154)	(777)
Net	4,103	4,991	7,292	11,893

The Company and its subsidiaries have entered into the finance lease agreements with leasing companies for rental of motor vehicles and equipment for use in their 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)

Consolidated financial statements			
31 December 2014			
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	12,380	16,493	28,873
Deferred interest expenses	(1,931)	(763)	(2,694)
Present value of future minimum lease payments	10,449	15,730	26,179

(Unit: Thousand Baht)

Consolidated financial statements			
31 December 2013			
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	9,925	20,607	30,532
Deferred interest expenses	(1,849)	(1,594)	(3,443)
Present value of future minimum lease payments	8,076	19,013	27,089

(Unit: Thousand Baht)

Separate financial statements			
31 December 2014			
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	4,725	7,446	12,171
Deferred interest expenses	(622)	(154)	(776)
Present value of future minimum lease payments	4,103	7,292	11,395

(Unit: Thousand Baht)

Separate financial statements			
31 December 2013			
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	5,871	12,670	18,541
Deferred interest expenses	(880)	(777)	(1,657)
Present value of future minimum lease payments	4,991	11,893	16,884

18. Long-term loans

			(Unit: Thousand Baht)	
Loan	Interest rate (% per annum)	Repayment schedule	Consolidated and separate financial statements	
			2014	2013
1	3.70	<p>Payment of interest is scheduled on a quarterly basis, starting from 3 months after the first draw down of principal.</p> <p>Payment of principal is scheduled in installments, every 6 months starting from 6 months after first principal draw down. Full repayment is to be made within 10 installments or within 60 months after first principal draw down.</p>	900,000	1,200,000
2	3.71	<p>Payment of interest is scheduled on a quarterly basis, starting from 3 months after the first draw down of principal.</p> <p>Payment of principal is scheduled in installments, every 6 months starting from 6 months after first principal draw down. Full repayment is to be made within 10 installments or within 60 months after first principal draw down.</p>	700,000	900,000
3	3.59	<p>Payment of interest is scheduled on a quarterly basis, starting from 3 months after the first draw down of principal.</p> <p>Payment of principal is scheduled in installments, every 6 months starting from 6 months after first principal draw down. Full repayment is to be made within 10 installments or within 60 months after first principal draw down.</p>	900,000	-
Total			2,500,000	2,100,000
Less: Current portion of long-term loans			(700,000)	(500,000)
Long-term loans - net of current portion			1,800,000	1,600,000

The Company has received unsecured long-term credit facilities from a financial institution. The loan agreements contain covenants as specified in the agreements that, among other things, require the Company to maintain certain debt to equity ratio according to the agreements.

19. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the company, was as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Defined benefit obligation at beginning of year	91,875	80,958	88,038	80,958
Current service cost	11,276	10,700	9,864	7,838
Interest cost	3,962	3,646	3,454	2,671
Benefits paid during the year	(352)	(3,429)	(352)	(3,429)
Actuarial gain				
Defined benefit obligation at end of year	<u>106,761</u>	<u>91,875</u>	<u>101,004</u>	<u>88,038</u>

Long-term employee benefit expenses included in the profit or loss consist of the following:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current service cost	11,276	10,700	9,864	7,838
Interest cost	3,962	3,646	3,454	2,671
Total expense recognised in profit or loss	<u>15,238</u>	<u>14,346</u>	<u>13,318</u>	<u>10,509</u>
Line items in profit or loss under which such expenses are included				
Selling and administrative expenses	15,238	14,346	13,318	10,509

As at 31 December 2014, cumulative actuarial gains, which were recognised in other comprehensive income of the Company and its subsidiaries (net of income tax), amounted to Baht 19 million (2013: Baht 19 million) (The Company only: Baht 19 million, 2013: Baht 19 million).

Key actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Discount rate	4.0%	4.0%	4.0%	4.0%
Future salary increase rate	6.0% - 6.5%	6.0% - 6.5%	6.0% - 6.5%	6.0% - 6.5%
Staff turnover rate (depending on age)	0 - 50%	0 - 50%	0 - 50%	0 - 50%

The amounts of defined benefit obligations and experience adjustments for the current year and the past four years are as follows:

(Unit: Thousand Baht)

	Defined benefit obligation		Experience adjustments on the obligation	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2014	106,761	101,004	-	-
Year 2013	91,875	88,038	-	-
Year 2012	80,958	80,958	57,711	57,711
Year 2011	91,352	91,352	-	-
Year 2010	76,786	76,786	-	-

20. Debentures

	Consolidated and separate financial statements			
	Number of debentures (Unit)		Amount (Thousand Baht)	
	2014	2013	2014	2013
Unsecured debentures				
#1/2011	1,000,000	1,000,000	1,000,000	1,000,000
#1/2012	1,300,000	1,300,000	1,300,000	1,300,000
#1/2013	4,000,000	4,000,000	4,000,000	4,000,000
#1/2014	1,000,000	-	1,000,000	-
#2/2014	530,000	-	530,000	-
#3/2014	520,000	-	520,000	-
#4/2014	2,000,000	-	2,000,000	-
#5/2014	1,000,000	-	1,000,000	-
Total	11,350,000	6,300,000	11,350,000	6,300,000
Less: Current portion			(2,300,000)	-
Debentures - net of current portion			9,050,000	6,300,000

Details of the Company's debentures are as follows:

1. 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

2. 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

3. The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2013 due 2016.

Name of debentures	"The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2013 due 2016"
Amount	Baht 4,000 million
Term	3 years, starting from date of issuance
Issued date	18 September 2013
Interest rate	4.05% per annum
Interest payment schedule	Semi-annually in March and September, starting from 18 March 2014
Principal repayment	On the redemption date of 18 September 2016
Covenants	Maintenance of debt to equity ratio, restriction on dividend payment and disposal and transfer of assets

4. The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2014 due 2017.

Name of debentures	"The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2014 due 2017"
Amount	Baht 1,000 million
Term	3 years, starting from date of issuance
Issued date	7 March 2014
Interest rate	3.63% per annum
Interest payment schedule	Semi-annually in March and September, starting from 7 September 2014
Principal repayment	On the redemption date of 7 March 2017
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. 2/2014 due 2017.

Name of debentures	"The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 2/2014 due 2017"
Amount	Baht 530 million
Term	3 years, starting from date of issuance
Issued date	25 July 2014
Interest rate	3.53% per annum
Interest payment schedule	Semi-annually in January and July, starting from 25 January 2015
Principal repayment	On the redemption date of 25 July 2017
Covenants	Maintenance of debt to equity ratio, restriction on dividend payment and disposal and transfer of assets

6. The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 3/2014 due 2017.

Name of debentures	"The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 3/2014 due 2017"
Amount	Baht 520 million
Term	3 years, starting from date of issuance
Issued date	8 August 2014
Interest rate	3.53% per annum
Interest payment schedule	Semi-annually in February and August, starting from 8 February 2015
Principal repayment	On the redemption date of 8 August 2017
Covenants	Maintenance of debt to equity ratio, restriction on dividend payment and disposal and transfer of assets

7. The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 4/2014 due 2017.

Name of debentures	"The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 4/2014 due 2017"
Amount	Baht 2,000 million
Term	3 years, starting from date of issuance
Issued date	1 September 2014
Interest rate	3.54% per annum
Interest payment schedule	Semi-annually in March and September, starting from 1 March 2015
Principal repayment	On the redemption date of 1 September 2017
Covenants	Maintenance of debt to equity ratio, restriction on dividend payment and disposal and transfer of assets

8. The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 5/2014 due 2019.

Name of debentures	"The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 5/2014 due 2019"
Amount	Baht 1,000 million
Term	5 years, starting from date of issuance
Issued date	26 December 2014
Interest rate	3.47% per annum
Interest payment schedule	Semi-annually in June and December, starting from 26 June 2015
Principal repayment	On the redemption date of 26 December 2019
Covenants	Maintenance of debt to equity ratio, restriction on dividend payment and disposal and transfer of assets

21. **Share capital**

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

	Number of ordinary shares	Paid-up share capital	Premium on ordinary shares
	(Thousand Shares)	(Thousand Baht)	(Thousand Baht)
<u>Registered share capital</u>			
At the beginning of the year	9,589,848		
Increase during the year	2,740,290		
Decrease during the year	(741)		
At the end of the year	12,329,397		

	Number of ordinary shares	Paid-up share capital	Premium on ordinary shares
	(Thousand Shares)	(Thousand Baht)	(Thousand Baht)
<u>Issued and paid-up share capital</u>			
At the beginning of the year	9,589,551	9,589,551	646,323
Increase in capital from			
payment of stock dividends	2,739,764	2,739,764	-
At the end of the year	12,329,315	12,329,315	646,323

On 10 April 2014, the Annual General Meeting of the Company's shareholders passed the resolutions in relation to the Company's share capital as follows:

1. To decrease the registered capital of the Company from Baht 9,589,847,893 to Baht 9,589,550,988 by cancelling the registered ordinary shares remaining after the stock dividend allocation of 296,905 ordinary shares with a par value of Baht 1 each, previously made in accordance with the resolution of the Extraordinary General Shareholders Meeting no. 1/2013.
2. Paid dividend by the Company's ordinary shares in the ratio of 7 existing shares per 1 dividend share, not exceeding 1,370,350,000 shares, or in the total amount not exceeding Baht 1,370,350,000 or shall be converted as dividend payment at Baht 0.1429 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 0.1429 per share.
3. To increase the registered capital from the previous registered capital of Baht 9,589,550,988 to be the new registered capital of Baht 10,959,900,988 by issuing an additional 1,370,350,000 ordinary shares at the par value of Baht 1 each to support the payment of a stock dividend.

On 2 May 2014, the Company reports to the Stock Exchange of Thailand (SET) the number of 1,369,906,003 ordinary shares actually allocated to the stock dividend.

On 15 October 2014, the Extraordinary General Meeting of the Company's shareholders passed the resolutions in relation to the Company's share capital as follows:

1. To decrease the registered capital of the Company from Baht 10,959,900,988 to Baht 10,959,456,991 by cancelling the registered ordinary shares remaining after the stock dividend allocation of 443,977 ordinary shares with a par value of Baht 1 each, previously made in accordance with the resolution of the Annual General Shareholders Meeting of the year 2014.

2. Paid dividend by the Company's ordinary shares in the ratio of 8 existing shares per 1 dividend share, not exceeding 1,369,940,000 shares, or in the total amount not exceeding Baht 1,369,940,000 or shall be converted as dividend payment at Baht 0.1250 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 0.1250 per share.
3. To increase the registered capital from the previous registered capital of Baht 10,959,456,991 to be the new registered capital of Baht 12,329,396,991 by issuing an additional 1,369,940,000 ordinary shares the new registered capital of at the par value of Baht 1 each to support the payment of a stock dividend.

On 7 November 2014, the Company reports to the Stock Exchange of Thailand (SET) the number of 1,369,858,455 ordinary shares actually allocated to the stock dividend.

22. The Employee Joint Investment Program (EJIP)

The Company's Board of Directors meeting held on 30 April 2013 passed a resolution approving the Employee Joint Investment Program (EJIP). The details of the program are as follow:

The Company eligible under EJIP	Home Product Center Public Company Limited
The Period of EJIP	1 July 2013 to 30 June 2018, with a total duration of 5 years.
Eligible employees under EJIP	Employees at Division Manager or equivalent level on the voluntary basis. Directors and advisors of the Company are exclude from this program.
EJIP arrangement	<p>The Company will make deduction from the payroll of eligible employees who voluntarily join the EJIP, at the rate 5% of the salary of each month.</p> <p>The Company will contribute 100% of the amount contributed by EJIP participants on a monthly basis.</p>
EJIP buying schedule	Monthly basis.
Conditions for holding the securities	<p>During the 1st year - 3rd year, employee cannot sell any shares</p> <p>After the 3rd year, employee can sell 25% of shares accumulated</p> <p>After the 4th year, employee can sell 50% of shares accumulated</p> <p>After the 5th year, employee can sell all shares</p>
EJIP program manager	Phillip Securities Public Company Limited

On 11 June 2013, the Company received the approval of Employee Joint Investment Program (EJIP) from Securities and Exchange Commission (SEC).

During the year 2014, the Company contributed Baht 23 million to the program (2013: Baht 10 million).

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.

During the year 2014, the Company and its subsidiary have set aside statutory reserve at Baht 169.4 million to the program (2013: Baht 156.5 million) (The separate financial statements: Baht 169.4 million, 2013: Baht 156.0 million).

24. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Salaries and wages and other				
employee benefits	3,705	3,105	3,449	3,023
Premises expenses	1,677	1,476	1,593	1,464
Depreciation and amortisation	2,264	1,649	2,063	1,629
Sales promotion and operation				
support expenses	2,956	2,483	2,835	2,453
Financial costs	466	277	466	279
Tax expenses and fees	969	885	934	867
Changes in finished goods	1,622	1,471	1,089	896

25. Income tax

Income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Current income tax:				
Current income tax charge	874,428	807,768	860,139	799,541
Adjustment in respect of income tax of previous year	(5,014)	127	(5,005)	127
Relating to origination and reversal of temporary differences	(31,767)	(19,147)	(17,088)	(8,991)
Income tax expenses reported in the statement of comprehensive income	837,647	788,748	838,046	790,677

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Accounting profit before tax	4,150,975	3,857,230	4,224,787	3,910,608
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	830,195	771,446	844,957	782,122
Adjustment in respect of income tax of previous year	(5,014)	127	(5,005)	127
Effects of:				
Income not subject to tax	-	-	(250)	(7,999)
Non-deductible expenses	5,691	24,077	4,072	23,957
Additional expense deductions allowed	(5,216)	(8,293)	(5,114)	(8,216)
Unused tax loss	12,691	-	-	-
Others	(700)	1,391	(614)	686
Total	12,466	17,175	(1,906)	8,428
Income tax expenses reported in the statement of comprehensive income	837,647	788,748	838,046	790,677

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Deferred tax assets				
Allowance for doubtful accounts	663	663	663	663
Allowance for diminution in value of inventories	70,041	41,581	64,921	40,701
Allowance for asset impairment	5,193	15,568	5,193	15,568
Provision for long-term employee benefits	26,038	22,445	24,887	21,678
Deferred purchase discount	2,556	2,522	2,547	2,513
Unused tax loss	18,555	8,500	-	-
Total	123,046	91,279	98,211	81,123
Deferred tax liabilities				
Actuarial gain	4,756	4,756	4,756	4,756
Total	4,756	4,756	4,756	4,756
Deferred tax assets - net	118,290	86,523	93,455	76,367

As at 31 December 2014 the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 333 million (2013: Baht 308 million) (The Company only: Baht 265 million, 2013: Baht 307 million). No deferred tax assets have been recognised on these amounts as the Company and its subsidiaries believe the temporary differences and unused tax losses may not be utilised.

26. 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 2013 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 as described in Note 21 to the financial statements, 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 period 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	
	2014	2013	2014	2013	2014	2013
	(Million Baht)	(Million Baht)	(Million shares)	(Million shares)	(Baht)	(Baht)
				(Restated)		(Restated)
Basic earnings per share						
Profit attributable to equity holders of the Company	3,313	3,068	12,329	12,328	0.27	0.25
Effect of dilutive potential ordinary shares						
Warrants		-		1		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares		3,068		12,329		0.25
</						

There is no disclosure of diluted earnings per share in the financial statement for the year 2014 as the final exercise of ESOP-W4 was in May 2013.

27. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Company's Board of Directors.

The Company and its subsidiaries are principally engaged in the trading of a complete range of goods and materials for construction, addition, refurbishment, renovation, and improvement of buildings, houses, and residences place, and provision for related services to retail and wholesale business, together with space rental and provide utilities service (as having revenue and/or operating profit and/or assets less than 10% of total revenue and/or total operating profit and/or total assets of all segments, which do not meet the quantitative thresholds as set out in the financial reporting standard).

Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment.

Geographic information

Sales income from external customers is based on locations of the Company and its subsidiaries which are summarised as follow.

	(Unit: Million Baht)	
	2014	2013
Sales income from external customers		
Thailand	47,908	40,007
Malaysia	57	-
Total	47,965	40,007
Non-current assets (other than financial instruments, deferred tax assets and net defined benefit assets)		
Thailand	31,140	26,632
Malaysia	191	2
Total	31,404	26,634

Major customers

For the years 2014 and 2013, the Company and its subsidiaries have no major customer with revenue of 10% or more of an entity's revenues.

28. Provident fund

The Company and its subsidiaries, and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Company and its subsidiaries, and their employees 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 2014, the Company and its subsidiaries contributed Baht 65 million (2013: Baht 57 million) to the fund. The separate financial statements: Baht 59 million (2013: Baht 48 million).

29. Dividend paid

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2012	Annual General Meeting of the shareholders on 5 April 2013	131	0.0186
Stock dividends for 2012	Annual General Meeting of the shareholders on 5 April 2013	1,174	0.1667
Interim dividends for 2013	Extraordinary General Meeting of the shareholders on 22 October 2013	153	0.0186
Stock interim dividends for 2013	Extraordinary General Meeting of the shareholders on 22 October 2013	1,369	0.1667
Total for 2013		2,827	
Final dividends for 2013	Annual General Meeting of the shareholders on 10 April 2014	152	0.0159
Stock dividends for 2013	Annual General Meeting of the shareholders on 10 April 2014	1,370	0.1429
Interim dividends for 2014	Extraordinary General Meeting of the shareholders on 15 October 2014	152	0.0139
Stock interim dividends for 2014	Extraordinary General Meeting of the shareholders on 15 October 2014	1,370	0.1250
Total for 2014		3,044	

30. Commitments and contingent liabilities

30.1 Operating lease commitments

- a) The Company and its subsidiaries have entered into land lease agreements. The terms of the agreements are generally between 3 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 financial statements		Separate financial statements	
	2014	2013	2014	2013
Payable:				
In up to 1 year	88	112	86	96
In over 1 and up to 5 years	398	442	379	392
In over 5 years	2,197	2,109	2,013	1,479

- b) The Company has entered into lease agreements to lease commercial space. The terms of the agreements are generally between 3 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 financial statements		Separate financial statements	
	2014	2013	2014	2013
Payable:				
In up to 1 year	114	119	98	119
In over 1 and up to 5 years	426	469	404	469
In over 5 years	1,001	1,138	1,001	1,138

30.2 Long-term service commitments

The Company has entered into the inventory management services agreement with a subsidiary. Under the conditions of the agreement, the Company is to pay the service fee at a percentage of the subsidiary's actual cost as stipulated in the agreement.

30.3 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.

As at 31 December 2014, the outstanding balance of rental received in advance, net of recognised rental income was Baht 425 million (2013: Baht 456 million).

30.4 Guarantees

- a) As at 31 December 2014, the Company and its subsidiaries had commitments totaling Baht 171 million to commercial banks in respect of guarantees provided for leasing, purchases of goods or hire of work, as bonds with State Enterprise (2013: Baht 164 million) (The separate financial statements: Baht 159 million, 2013: Baht 151 million).
- b) As at 31 December 2014, the Company had commitments under letters of credit opened with commercial bank, amounting to USD 2 million (2013: USD 2 million).

30.5 Litigation

- a) In February 2011, the Company was sued in civil lawsuit brought by a company relating to the breach of contract. The plaintiff is demanding payment for penalty claim from the Company totaling Baht 16.1 million. Subsequently, the Company filed a counterclaim totaling Baht 7.9 million to the plaintiff. However in December 2010, the Company has set aside a liability (Account Payable) arising as a result of penalty claim Baht 13.6 million in the financial statements.

In August 2013, the Court of First Instance ordered the Company to pay for penalty claim of Baht 14.1 million plus interest at a rate of 7.5% per annum, commencing from 3 February 2011. Subsequently, in April 2014, the Court of Appeals rendered the judgement according to the Court of First Instance. However, the Company had already filed an appeal against the judgement to the Supreme Court to clarify the case.

- b) As at 31 December 2014, the Company has been sued for a total of Baht 3.1 million (2013: Baht 2.9 million) for other cases in which the cases are currently being considered by the Court, the outcome of this matter cannot be determined in this stage. The Company believes that it will receive favorable ruling for the cases, therefore no provision has been set aside.

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, short-term borrowing, trade and other payables, short-term loans, long-term loans, and debentures. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company and its subsidiaries do 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 and its subsidiaries' exposure to interest rate risk relate primarily to its deposits with financial institutions, loans and debentures. However, since the Company and its subsidiaries' financial assets bear floating interest rates and 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 2014					
	Fixed interest rates					
	Within	Over	Floating	Non- interest		
	1 year	1 - 5 years	interest rate	bearing	Total	Interest rate
			(Million Baht)			(% p.a.)
Financial assets						
Cash and cash equivalents	1,900	-	210	325	2,435	0.50 - 2.25
Trade and other receivables	-	-	-	1,620	1,620	-
	1,900	-	210	1,945	4,055	
Financial liabilities						
Trade and other payables	-	-	-	12,075	12,075	-
Long-term loans	700	1,800	-	-	2,500	3.59 - 3.71
Debentures	2,300	9,050	-	-	11,350	3.47 - 4.60
	3,000	10,850	-	12,075	25,925	

Consolidated financial statements

As at 31 December 2013

	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	-	-	241	566	807	0.75 - 2.50
Trade and other receivables	-	-	-	1,411	1,411	-
	-	-	241	1,977	2,218	
Financial liabilities						
Short-term loans from financial institutions	1,360	-	-	-	1,360	2.45 - 2.90
Trade and other payables	-	-	-	11,057	11,057	-
Long-term loans	500	1,600	-	-	2,100	3.70 - 3.71
Debentures	-	6,300	-	-	6,300	3.85 - 4.60
	1,860	7,900	-	11,057	20,817	

Separate financial statements

As at 31 December 2014

	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	1,900	-	27	254	2,181	0.50 - 2.25
Trade and other receivables	-	-	-	1,567	1,567	-
Short-term loan to related parties	1,869	-	-	-	1,869	4.50 - 4.75
	3,769	-	27	1,821	5,617	
Financial liabilities						
Trade and other payables	-	-	-	11,093	11,093	-
Short-term loan from related party	90	-	-	-	90	2.25 - 2.75
Long-term loan	700	1,800	-	-	2,500	3.59 - 3.71
Debentures	2,300	9,050	-	-	11,350	3.47 - 4.60
	3,090	10,850	-	11,093	25,033	

	Separate financial statements					
	As at 31 December 2013					
	Fixed interest rates					
	Within 1 year	Over 1 - 5 years	Floating interest rate (Million Baht)	Non- interest bearing	Total	Interest rate (% p.a.)
Financial assets						
Cash and cash equivalents	-	-	150	537	687	0.75 - 2.50
Trade and other receivables	-	-	-	1,409	1,409	-
Short-term loan to related party	654	-	-	-	654	4.50
	654	-	150	1,946	2,750	
Financial liabilities						
Short-term loans from financial institutions	1,360	-	-	-	1,360	2.45 - 2.90
Trade and other payables	-	-	-	10,064	10,064	-
Short-term loan from related party	90	-	-	-	90	2.75 - 3.00
Long-term loan	500	1,600	-	-	2,100	3.70 - 3.71
Debentures	-	6,300	-	-	6,300	3.85 - 4.60
	1,950	7,900	-	10,064	19,914	

Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies.

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

Consolidated and separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	-	-	0.81	0.69	33.1132	32.9494
CNY	-	-	-	2.89	5.3519	5.4756

Foreign exchange contracts outstanding are summarised below

Consolidated and separate financial statements					
As at 31 December 2014					
Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
	(Million)	(Million)	Bought	Sold	
			(Baht per 1 foreign currency unit)		
USD	2.50	-	33.05 - 33.20	-	Within June 2015

Consolidated and separate financial statements					
As at 31 December 2013					
Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
	(Million)	(Million)	Bought	Sold	
			(Baht per 1 foreign currency unit)		
USD	3.00	-	32.97	-	Within March 2014

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 2014 and 2013.

33. Reclassification

As described in Note 3 to the financial statements, the reclassifications from the adoption of TFRIC 13 Customer Loyalty Programmes are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the year ended		For the year ended	
	31 December 2013		31 December 2013	
	As previously		As previously	
	As reclassified	reported	As reclassified	reported
Statement of comprehensive income				
Profit or loss:				
Sales income	40,006,636	40,111,641	39,828,914	39,933,593
Selling expenses	7,990,492	8,095,497	7,803,861	7,908,540

The reclassifications had no effect to previously reported profit or shareholders' equity.

34. Events after the reporting period

34.1 On 24 February 2015, the Company issued unsubordinated and unsecured debentures by issuing 1,000,000 units at Baht 1,000 each, a total of Baht 1,000 million. The debentures have fixed interest rate at 3.05% per annum, with a maturity of 3 years starting from date of issuance.

34.2 On 24 February 2015, 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 approve allocations of the Company's dividend payment from operating results of July 2014 to December 2014 as follows:
 - Paid dividend by the Company's ordinary shares in the ratio of 15 existing shares per 1 dividend share, not exceeding 822,000,000 shares, or in the total amount not exceeding Baht 822 million or shall be converted as dividend payment at Baht 0.06667 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 0.06667 per share.
 - Paid dividend by cash at the rate of Baht 0.07333 per share or in the total amount not exceeding Baht 904 million.

The payment of such stock dividend and cash dividend shall be made within 8 May 2015.

As the Extraordinary General Meeting of the Company's shareholders held on 15 October 2014 has the resolution to approve interim dividend payment to the shareholders as stock dividend of Baht 0.125000 per share and cash dividend of Baht 0.013889 per share. The interim dividend was paid on 13 November 2014. As a result, total dividend per share for the year 2014 is Baht 0.278889 per share (before taking dilution effect).

2. To decrease the registered capital of the Company from Baht 12,329,396,991 to Baht 12,329,315,446 by cancelling the registered ordinary shares remaining after the stock dividend allocation of 81,545 ordinary shares with a par value of Baht 1 each, previously made in accordance with the resolution of the Extraordinary General Shareholders Meeting no. 1/2014.
3. To increase the registered capital from the previous registered capital of Baht 12,329,315,446 to be the new registered capital of Baht 13,151,315,446 by issuing an additional 822,000,000 ordinary shares at the par value of Baht 1 each to support the payment of a stock dividend.

35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2015.



Home Product Center Plc.

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Greater Bangkok :

Chaengwatthana	0 2962 6955
Ekamai-Ramindra	0 2933 5000
Fashion Island	0 2947 6365
Future Mart	0 2689 0844
Latphrao	0 2983 7444
Lumlukka	0 2997 4800
Mega Bangna	0 2186 8811
Paradise Park	0 2746 0377
Petchkasem	0 2444 4699
Ploenchit	0 2655 3400
Prachachuen	0 2955 5888
Phutthamonthon	0 2444 5566
Rama II	0 2895 6555
Ramkhamhaeng	0 2735 4999
Rangsit	0 2958 5699
Ratchadaphisek	0 2641 2900
Ratchapruk	0 2423 3222
Rattana Thibet	0 2921 2400
Sukhaphiban 3	0 2976 9114
Suvarnabhumi	0 2325 1200
The Mall Bangkai	0 2454 9299

Central :

Ayutthaya	0 3524 9499
Lopburi	0 3661 4100
Saraburi	0 3622 4444

North-East :

Buriram	0 4469 0755
Chaiyaphum	0 4405 1800
Loi	0 4284 5800
Khao Yai	0 4432 8799
Khonkaen	0 4336 5365
Korat - Hua Thalee	0 4492 0500
Nakhonratchasima	0 4428 2550
Roi-et	0 4352 4988
Sakon Nakhon	0 4273 0090
Surin	0 4451 9988
Ubonratchathani	0 4534 4700
Udonthani	0 4230 9000

East :

Chachoengsao	0 3881 2600
Chanthaburi	0 3941 9000
Chonburi	0 3878 5111
North - Pattaya	0 3819 0300
Pattaya	0 3836 0422
Prachinburi	0 3748 2222
Rayong	0 3880 9333
Sriracha	0 3811 0111

North :

Chiangmai	0 5385 1229
Chiangmai - Hangdong	0 5344 7939
Chiangmai - Sansai	0 5335 2456
Chiangrai	0 5360 4444
Lampang	0 5481 1499
Nakhonsawan	0 5637 1300
Phitsanulok	0 5528 9009
Phrae	0 5453 2222
Phetchabun	0 5671 9555

West :

Hua Hin	0 3252 6000
Kanchanaburi	0 3460 2700
Mahachai	0 3446 9688
Nakhonpathom	0 3421 3200
Prachuapkhiri Khan	0 3265 2123
Ratchaburi	0 3232 0999
Suphanburi	0 3554 3777

South :

Chumphon	0 7765 8900
Had Yai	0 7446 9055
Had Yai-Kanchanavanich	0 7421 0999
Krabi	0 7581 0499
Nakhonsitamarat	0 7532 4740
Phuket	0 7625 5181
Phuket - Chalong	0 7660 2399
Phuket - Thalang	0 7639 0400
Samui	0 7723 1900
Suratthani	0 7791 2474
Trang	0 7522 4466



Mega Home Center Co.,Ltd.

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