

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2007	31 December 2006	31 March 2007	31 December 2006
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
ASSETS					
Current assets					
Cash and cash equivalents	5	120,134	169,968	100,193	142,324
Current investment - promissory notes		-	525,000	-	525,000
Trade accounts receivable - net	2, 5	126,444	136,847	120,169	131,450
Inventories - net	3	3,213,993	2,861,383	3,213,993	2,861,383
Revenue Department receivable		94,104	79,930	94,104	79,930
Other receivables	5	241,847	215,626	241,847	220,864
Other current assets	5	63,795	74,312	52,447	59,869
Total current assets		3,860,317	4,063,066	3,822,753	4,020,820
Non-current assets					
Investment in subsidiary	4	-	-	4,999	4,999
Property, plant and equipments - net	6	8,034,316	7,437,381	8,022,203	7,424,616
Leasehold rights and software - net	7	634,161	645,993	634,153	645,986
Property foreclosed		4,174	4,174	4,174	4,174
Rental guarantee deposits		27,348	27,208	27,348	27,208
Other non-current assets		1,417	1,781	1,417	1,781
Total non-current assets		8,701,416	8,116,537	8,694,294	8,108,764
TOTAL ASSETS		12,561,733	12,179,603	12,517,047	12,129,584

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

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS (Continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2007 (Unaudited but reviewed)	31 December 2006 (Audited)	31 March 2007 (Unaudited but reviewed)	31 December 2006 (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	8	424,000	-	424,000	-
Trade accounts payable	5	3,701,601	3,363,987	3,699,430	3,361,011
Current portion of liabilities under hire purchase agreements	9	19,162	19,049	19,162	19,049
Short-term loans from related party	5	-	-	55,000	40,000
Current portion of debentures	10	500,000	-	500,000	-
Current portion of long-term loans	11	300,000	429,000	300,000	429,000
Payables from purchases of assets		91,245	224,475	91,245	224,475
Accrued expenses		216,500	219,079	199,260	201,496
Corporate income tax payable		136,848	84,974	135,194	84,975
Deposit received for goods		432,369	291,569	432,369	291,569
Other payables		188,887	154,255	183,731	148,179
Other current liabilities		85,289	59,291	82,161	57,436
Total current liabilities		6,095,901	4,845,679	6,121,552	4,857,190
Non-current liabilities					
Liabilities under hire purchase agreements - net of current portion	9	15,380	15,068	15,380	15,068
Debentures - net of current portion	10	500,000	1,000,000	500,000	1,000,000
Long-term loans - net of current portion	11	1,200,000	1,697,000	1,200,000	1,697,000
Rental received in advance		581,193	587,075	581,193	587,075
Other non-current liabilities		112,256	117,237	49,708	56,081
Total non-current liabilities		2,408,829	3,416,380	2,346,281	3,355,224
TOTAL LIABILITIES		8,504,730	8,262,059	8,467,833	8,212,414

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

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS (Continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2007 (Unaudited but reviewed)	31 December 2006 (Audited)	31 March 2007 (Unaudited but reviewed)	31 December 2006 (Audited)
Shareholders' equity					
Share capital	12,13				
Registered share capital					
1,938,146,860 ordinary shares of Baht 1 each		1,938,147	1,938,147	1,938,147	1,938,147
Issued and paid-up share capital					
1,920,324,386 ordinary shares of Baht 1 each (31 December 2006: 1,919,818,404 ordinary shares of Baht 1 each)		1,920,324	1,919,818	1,920,324	1,919,818
Share premium		555,694	555,694	555,694	555,694
Retained earnings					
Appropriated - statutory reserve		102,000	95,400	102,000	95,400
Unappropriated		1,478,983	1,346,631	1,471,196	1,346,258
Equity attributable to the Company's shareholders		4,057,001	3,917,543	4,049,214	3,917,170
Minority interest - equity attributable to minority shareholders of subsidiary		2	1	-	-
Total shareholders' equity		4,057,003	3,917,544	4,049,214	3,917,170
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		12,561,733	12,179,603	12,517,047	12,129,584
		0	0	0	0

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

.....
DIRECTORS
.....

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

INCOME STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2007 AND 2006

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2007	2006	2007	2006 (Restated)
Revenues					
Sale of goods	5	3,780,969	3,138,706	3,781,036	3,138,792
Rental and service income	5	163,984	112,245	130,772	100,612
Other income	5	102,292	73,512	105,856	73,851
Total revenues		<u>4,047,245</u>	<u>3,324,463</u>	<u>4,017,664</u>	<u>3,313,255</u>
Expenses					
Cost of sales	5	2,915,123	2,417,315	2,915,123	2,417,315
Administrative expenses	5	882,931	708,955	863,021	687,891
Total expenses		<u>3,798,054</u>	<u>3,126,270</u>	<u>3,778,144</u>	<u>3,105,206</u>
Income before interest expenses and income tax		249,191	198,193	239,520	208,049
Interest expenses	5	(46,619)	(31,676)	(47,190)	(31,758)
Corporate income tax	14	(63,619)	(48,513)	(60,792)	(48,513)
Income after income tax		138,953	118,004	131,538	127,778
Net income attributable to minority interest		(1)	-	-	-
Net income for the period		<u>138,952</u>	<u>118,004</u>	<u>131,538</u>	<u>127,778</u>
					(Unit: Baht)
Earnings per share	15				
Basic earnings per share					
Net income		<u>0.07</u>	<u>0.12</u>	<u>0.07</u>	<u>0.13</u>
Diluted earnings per share					
Net income		<u>0.07</u>	<u>0.12</u>	<u>0.07</u>	<u>0.13</u>

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

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2007 AND 2006

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006 (Restated)
Cash flows from operating activities				
Net income for the periods	138,952	118,004	131,538	127,778
Adjustments to reconcile net income to net cash provided by (paid for) operating activities: -				
Depreciation and amortisation	147,867	102,938	147,126	102,742
Minority interest	1	(1)	-	-
Allowance for stock obsolescence	9,649	23,494	9,649	23,494
Loss from sales of assets	838	346	838	346
Allowance for impairment of assets	11,250	-	11,250	-
Unrealised exchange losses - net	138	462	138	462
Income from operating activities before changes in operating assets and liabilities	308,695	245,243	300,539	254,822
Decrease (increase) in operating assets				
Trade accounts receivable - net	10,403	(35,681)	11,281	(27,844)
Inventories - net	(362,259)	(471,592)	(362,259)	(471,592)
Revenue Department receivable	(14,174)	(8,468)	(14,174)	(8,468)
Rental guarantee deposit	(140)	(210)	(140)	(210)
Other receivables	(26,221)	31,809	(20,983)	24,443
Other current assets	10,518	(7,285)	7,422	(1,942)
Other non-current assets	364	(387)	364	(387)
Increase (decrease) in operating liabilities				
Trade accounts payable	337,476	415,390	338,281	402,232
Other payables	34,632	(84,093)	35,552	(79,733)
Accrued interest expenses	(559)	214	(618)	214
Deposit received for goods	140,799	203,444	140,799	203,444
Accrued expenses	(2,019)	49,347	(1,617)	33,152
Corporate income tax payable	51,873	31,372	50,220	31,372
Other current liabilities	25,998	19,099	24,724	18,250
Rental received in advance	(5,882)	106,316	(5,882)	106,316
Other non-current liabilities	(4,983)	30,122	(6,374)	2,680
Net cash from operating activities	504,521	524,640	497,135	486,749

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

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CASH FLOWS (Continued)

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2007 AND 2006

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006 (Restated)
Cash flows from investing activities				
Decrease in current investment	525,000	(1,260,000)	525,000	(1,220,000)
Acquisition of software	(985)	(53,106)	(985)	(53,106)
Settlement of payables from purchases of assets	(224,475)	(300,704)	(224,475)	(300,704)
Proceeds from sales of assets	161	158	161	158
Acquisition of assets	(652,987)	(144,928)	(652,898)	(137,857)
Net cash used in investing activities	(353,286)	(1,758,580)	(353,197)	(1,711,509)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loan from financial institution	424,000	(241,338)	424,000	(241,338)
Increase in short-term loans from related party	-	-	15,000	-
Increase in long-term loans	-	1,500,000	-	1,500,000
Increase in liabilities under hire purchase contracts	425	976	425	976
Repayment of long-term loans	(626,000)	(51,000)	(626,000)	(51,000)
Converted warrants to share capital	506	6,776	506	6,776
Net cash from (used in) financing activities	(201,069)	1,215,414	(186,069)	1,215,414
Net decrease in cash and cash equivalents	(49,834)	(18,526)	(42,131)	(9,346)
Cash and cash equivalents at beginning of period	169,968	96,915	142,324	59,714
Cash and cash equivalents at end of period	120,134	78,389	100,193	50,368
Supplemental disclosure of cash flows information				
Cash paid during the periods for: -				
Interest expenses	47,238	31,462	47,808	31,544
Corporate income tax	11,805	17,653	10,559	17,150

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

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2007 AND 2006

(Unit: Thousand Baht)

	Consolidated financial statements					
	Issued and paid-up		Retained earnings		Minority	Total
	share capital	Share premium	Appropriated	Unappropriated	interest	
Balance as at 1 January 2006	947,310	555,694	64,400	959,836	1	2,527,241
Converted warrants to share capital	6,776	-	-	-	-	6,776
Statutory reserve	-	-	6,000	(6,000)	-	-
Net income for the period	-	-	-	118,004	-	118,004
Minority interest	-	-	-	-	(1)	(1)
Balance as at 31 March 2006	<u>954,086</u>	<u>555,694</u>	<u>70,400</u>	<u>1,071,840</u>	<u>-</u>	<u>2,652,020</u>
Balance as at 1 January 2007	1,919,818	555,694	95,400	1,346,631	1	3,917,544
Converted warrants to share capital	506	-	-	-	-	506
Statutory reserve	-	-	6,600	(6,600)	-	-
Net income for the period	-	-	-	138,952	-	138,952
Minority interest	-	-	-	-	1	1
Balance as at 31 March 2007	<u>1,920,324</u>	<u>555,694</u>	<u>102,000</u>	<u>1,478,983</u>	<u>2</u>	<u>4,057,003</u>

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

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2007 AND 2006

(Unit: Thousand Baht)

	Separate financial statements				
	Issued and paid-up share capital	Share premium	Retained earnings		Total
			Appropriated	Unappropriated	
Balance as at 1 January 2006					
(Previously reported by other auditor)	947,310	555,694	64,400	959,836	2,527,240
Cumulative effect of the change in accounting policy for investment in subsidiary	-	-	-	1,540	1,540
Balance as at 1 January 2006 (Restated)	947,310	555,694	64,400	961,376	2,528,780
Converted warrants to share capital	6,776	-	-	-	6,776
Statutory reserve	-	-	6,000	(6,000)	-
Net income for the period (restated)	-	-	-	127,778	127,778
Balance as at 31 March 2006 (as restated)	<u>954,086</u>	<u>555,694</u>	<u>70,400</u>	<u>1,083,154</u>	<u>2,663,334</u>
Balance as at 1 January 2007	1,919,818	555,694	95,400	1,346,258	3,917,170
Converted warrants to share capital	506	-	-	-	506
Statutory reserve	-	-	6,600	(6,600)	-
Net income for the period	-	-	-	131,538	131,538
Balance as at 31 March 2007	<u>1,920,324</u>	<u>555,694</u>	<u>102,000</u>	<u>1,471,196</u>	<u>4,049,214</u>

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