

**Home Product Center Public Company Limited and its subsidiary**

**Balance sheets**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2008	31 December 2007	31 March 2008	31 December 2007
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	5	120,500	235,075	105,192	219,650
Trade accounts receivable - net	2, 5	110,281	143,582	107,302	136,534
Inventories - net	3	2,749,762	2,547,569	2,749,762	2,547,569
Revenue Department receivable		15,801	43,004	15,801	43,004
Other receivables	5	175,978	236,433	177,843	237,222
Other current assets		56,151	58,192	43,050	40,119
<b>Total current assets</b>		<b>3,228,473</b>	<b>3,263,855</b>	<b>3,198,950</b>	<b>3,224,098</b>
<b>Non-current assets</b>					
Investment in subsidiary	4	-	-	4,999	4,999
Property, plant and equipments - net	6	8,350,148	8,339,582	8,337,067	8,326,001
Leasehold rights and software - net	7	619,871	629,585	619,864	629,577
Property foreclosed		4,174	4,174	4,174	4,174
Rental guarantee deposits		33,861	34,619	33,845	34,619
Other non-current assets		10,746	2,469	2,927	2,469
<b>Total non-current assets</b>		<b>9,018,800</b>	<b>9,010,429</b>	<b>9,002,876</b>	<b>9,001,839</b>
<b>Total assets</b>		<b>12,247,273</b>	<b>12,274,284</b>	<b>12,201,826</b>	<b>12,225,937</b>

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 2008	31 December 2007	31 March 2008	31 December 2007
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from					
financial institutions	8	498,560	555,000	498,560	555,000
Trade accounts payable	5	3,355,023	3,206,355	3,353,149	3,202,571
Current portion of liabilities under financial lease					
agreements	9	12,237	12,936	12,237	12,936
Short-term loans from related party	5	-	-	50,000	50,000
Current portion of debentures	10	500,000	500,000	500,000	500,000
Current portion of long-term loans	11	400,000	400,000	400,000	400,000
Payables from purchases of assets		66,559	142,470	66,559	142,470
Accrued expenses		253,426	239,123	237,001	218,637
Corporate income tax payable		211,976	136,843	211,976	136,843
Deposit received for goods		632,601	387,675	632,601	387,675
Other payables	5	147,918	153,505	141,787	147,233
Other current liabilities		89,158	73,789	87,416	72,059
<b>Total current liabilities</b>		<b>6,167,458</b>	<b>5,807,696</b>	<b>6,191,286</b>	<b>5,825,424</b>
<b>Non-current liabilities</b>					
Liabilities under financial lease agreements					
- net of current portion	9	10,864	10,289	10,864	10,289
Debentures - net of current portion	10	-	500,000	-	500,000
Long-term loans - net of current portion	11	900,000	975,000	900,000	975,000
Rental received in advance		558,975	564,403	558,975	564,403
Other non-current liabilities		99,627	93,418	38,695	33,318
<b>Total non-current liabilities</b>		<b>1,569,466</b>	<b>2,143,110</b>	<b>1,508,534</b>	<b>2,083,010</b>
<b>Total liabilities</b>		<b>7,736,924</b>	<b>7,950,806</b>	<b>7,699,820</b>	<b>7,908,434</b>

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 2008 (Unaudited but reviewed)	31 December 2007 (Audited)	31 March 2008 (Unaudited but reviewed)	31 December 2007 (Audited)
<b>Shareholders' equity</b>					
Share capital	12, 13				
Registered share capital					
1,988,546,860 ordinary shares of Baht 1 each		1,988,547	1,988,547	1,988,547	1,988,547
Issued and paid-up share capital					
1,924,980,422 ordinary shares of Baht 1 each (31 December 2007: 1,924,920,422 ordinary shares of Baht 1 each)		1,924,980	1,924,920	1,924,980	1,924,920
Share premium		555,694	555,694	555,694	555,694
Retained earnings					
Appropriated - statutory reserve		140,000	130,700	140,000	130,700
Unappropriated		1,889,673	1,712,162	1,881,332	1,706,189
<b>Equity attributable to the Company's shareholders</b>		<b>4,510,347</b>	<b>4,323,476</b>	<b>4,502,006</b>	<b>4,317,503</b>
<b>Minority interest - equity attributable to minority shareholders of subsidiary</b>		<b>2</b>	<b>2</b>	<b>-</b>	<b>-</b>
<b>Total shareholders' equity</b>		<b>4,510,349</b>	<b>4,323,478</b>	<b>4,502,006</b>	<b>4,317,503</b>
<b>Total liabilities and shareholders' equity</b>		<b>12,247,273</b>	<b>12,274,284</b>	<b>12,201,826</b>	<b>12,225,937</b>
		-	-	-	-

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

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Directors  
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(Unaudited but reviewed)

## Home Product Center Public Company Limited and its subsidiary

## Income statements

For the three-month periods ended 31 March 2008 and 2007

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007 (Restated)	2008	2007 (Restated)
<b>Revenues</b>					
Sale of goods	5	4,200,069	3,780,969	4,200,307	3,781,036
Rental and service income	5	177,787	163,984	151,640	130,772
Other income	5	123,731	102,292	127,531	105,856
<b>Total revenues</b>		<b>4,501,587</b>	<b>4,047,245</b>	<b>4,479,478</b>	<b>4,017,664</b>
<b>Expenses</b>					
Cost of sales	5	3,206,549	2,916,615	3,206,549	2,916,615
Administrative expenses	5	985,614	882,931	966,079	863,021
<b>Total expenses</b>		<b>4,192,163</b>	<b>3,799,546</b>	<b>4,172,628</b>	<b>3,779,636</b>
<b>Income before interest expenses and income tax</b>		<b>309,424</b>	<b>247,699</b>	<b>306,850</b>	<b>238,028</b>
Interest expenses	5	(33,609)	(46,619)	(34,033)	(47,190)
Corporate income tax	14	(89,004)	(63,619)	(88,374)	(60,792)
<b>Net income for the period</b>		<b>186,811</b>	<b>137,461</b>	<b>184,443</b>	<b>130,046</b>
<b>Net income attributable to:</b>					
Equity holders of the parent		186,811	137,460	184,443	130,046
Minority interests of the subsidiary		-	1		
		<b>186,811</b>	<b>137,461</b>		

(Unit: Baht)

<b>Earnings per share</b>		15	
Basic earnings per share			
Net income attributable to equity holders of the parent		0.10	0.07
Diluted earnings per share			
Net income attributable to equity holders of the parent		0.10	0.07

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

(Unaudited but reviewed)

**Home Product Center Public Company Limited and its subsidiary****Statements of cash flows****For the three-month periods ended 31 March 2008 and 2007**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007 (Restated)	2008	2007 (Restated)
<b>Cash flows from operating activities</b>				
Net income before tax	275,815	201,080	272,817	190,838
Adjustments to reconcile net income to net cash provided by (paid for) operating activities: -				
Depreciation and amortisation	175,631	147,867	174,677	147,126
Minority interest	-	1	-	-
Allowance for doubtful accounts	3,466	-	3,466	-
Allowance for stock obsolescence	10,775	9,649	10,775	9,649
Loss from sales of assets	811	838	716	838
Allowance for impairment of assets	8,660	11,250	8,660	11,250
Unrealised exchange losses - net	48	138	48	138
Interest expenses	33,609	46,619	34,033	47,190
Income from operating activities before changes in operating assets and liabilities	508,815	417,442	505,192	407,029
Decrease (increase) in operating assets				
Trade accounts receivable - net	29,835	10,403	25,766	11,281
Inventories - net	(212,968)	(360,767)	(212,968)	(360,767)
Revenue Department receivable	27,203	(14,174)	27,203	(14,174)
Rental guarantee deposit	758	(140)	774	(140)
Other receivables	60,456	(26,221)	59,379	(20,983)
Other current assets	2,468	10,518	(2,504)	7,422
Other non-current assets	(8,277)	364	(458)	364
Increase (decrease) in operating liabilities				
Trade accounts payable	148,620	337,476	150,530	338,281
Other payables	(5,587)	34,632	(5,446)	35,552
Deposit received for goods	244,926	140,799	244,926	140,799
Accrued expenses	16,026	(2,019)	20,088	(1,617)
Other current liabilities	15,369	25,998	15,357	24,724
Rental received in advance	(5,428)	(5,882)	(5,428)	(5,882)
Other non-current liabilities	6,209	(4,983)	5,377	(6,374)
Cash from operating activities	828,425	563,446	827,788	555,515
Cash paid for interest expenses	(35,506)	(47,238)	(35,930)	(47,808)
Cash paid for corporate income tax	(13,871)	(11,687)	(13,241)	(10,572)
<b>Net cash flows from operating activities</b>	<b>779,048</b>	<b>504,521</b>	<b>778,617</b>	<b>497,135</b>

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 2008 and 2007

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007 (Restated)	2008	2007 (Restated)
<b>Cash flows from investing activities</b>				
Decrease in current investment	-	525,000	-	525,000
Acquisition of software	(212)	(985)	(212)	(985)
Settlement of payables from purchases of assets	(142,470)	(224,475)	(142,470)	(224,475)
Proceeds from sales of assets	287	161	284	161
Acquisition of assets	(119,724)	(652,987)	(119,173)	(652,898)
<b>Net cash used in investing activities</b>	<b>(262,119)</b>	<b>(353,286)</b>	<b>(261,571)</b>	<b>(353,197)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	(56,440)	424,000	(56,440)	424,000
Increase in short-term loans from related party	-	-	-	15,000
Increase (decrease) in liabilities under hire purchase contracts	(124)	425	(124)	425
Repayment of debentures	(500,000)	-	(500,000)	-
Repayment of long-term loans	(75,000)	(626,000)	(75,000)	(626,000)
Converted warrants to share capital	60	506	60	506
<b>Net cash used in financing activities</b>	<b>(631,504)</b>	<b>(201,069)</b>	<b>(631,504)</b>	<b>(186,069)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(114,575)</b>	<b>(49,834)</b>	<b>(114,458)</b>	<b>(42,131)</b>
Cash and cash equivalents at beginning of period	235,075	169,968	219,650	142,324
<b>Cash and cash equivalents at end of period</b>	<b>120,500</b>	<b>120,134</b>	<b>105,192</b>	<b>100,193</b>

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

(Unaudited but reviewed)

**Home Product Center Public Company Limited and its subsidiary**  
**Statements of changes in shareholders' equity**  
**For the three-month periods ended 31 March 2008 and 2007**

(Unit: Thousand Baht)

	Consolidated financial statements					
	Issued and paid-up share capital	Share premium	Retained earnings		Minority interest	Total
			Appropriated	Unappropriated		
<b>Balance as at 1 January 2007</b>						
<b>(Previously reported by an other auditor)</b>	1,919,818	555,694	95,400	1,346,631	1	3,917,544
Cumulative effect of prior periods error adjustment for recording of purchase discount (Note 1.6)	-	-	-	(79,105)	-	(79,105)
<b>Balance as at 1 January 2007 (as restated)</b>	1,919,818	555,694	95,400	1,267,526	1	3,838,439
Converted warrants to share capital	506	-	-	-	-	506
Statutory reserve	-	-	6,600	(6,600)	-	-
Net income for the period (restated)	-	-	-	137,460	-	137,460
Minority interest	-	-	-	-	1	1
<b>Balance as at 31 March 2007 (as restated)</b>	<u>1,920,324</u>	<u>555,694</u>	<u>102,000</u>	<u>1,398,386</u>	<u>2</u>	<u>3,976,406</u>
<b>Balance as at 1 January 2008</b>	1,924,920	555,694	130,700	1,712,162	2	4,323,478
Converted warrants to share capital	60	-	-	-	-	60
Statutory reserve	-	-	9,300	(9,300)	-	-
Net income for the period	-	-	-	186,811	-	186,811
<b>Balance as at 31 March 2008</b>	<u>1,924,980</u>	<u>555,694</u>	<u>140,000</u>	<u>1,889,673</u>	<u>2</u>	<u>4,510,349</u>

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

(Unaudited but reviewed)

**Home Product Center Public Company Limited and its subsidiary**  
**Statements of changes in shareholders' equity**  
**For the three-month periods ended 31 March 2008 and 2007**

(Unit: Thousand Baht)

	Separate financial statements				
	Issued and paid-up share capital	Share premium	Retained earnings		Total
			Appropriated	Unappropriated	
<b>Balance as at 1 January 2007</b>					
<b>(Previously reported by an other auditor)</b>	1,919,818	555,694	95,400	1,346,258	3,917,170
Cumulative effect of prior periods error adjustment for recording of purchase discount (Note1.6)	-	-	-	(79,105)	(79,105)
<b>Balance as at 1 January 2007 (as restated)</b>	<u>1,919,818</u>	<u>555,694</u>	<u>95,400</u>	<u>1,267,153</u>	<u>3,838,065</u>
Converted warrants to share capital	506	-	-	-	506
Statutory reserve	-	-	6,600	(6,600)	-
Net income for the period (restated)	-	-	-	130,046	130,046
<b>Balance as at 31 March 2007 (as restated)</b>	<u>1,920,324</u>	<u>555,694</u>	<u>102,000</u>	<u>1,390,599</u>	<u>3,968,617</u>
<b>Balance as at 1 January 2008</b>	1,924,920	555,694	130,700	1,706,189	4,317,503
Converted warrants to share capital	60	-	-	-	60
Statutory reserve	-	-	9,300	(9,300)	-
Net income for the period	-	-	-	184,443	184,443
<b>Balance as at 31 March 2008</b>	<u>1,924,980</u>	<u>555,694</u>	<u>140,000</u>	<u>1,881,332</u>	<u>4,502,006</u>

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