

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2007	31 December 2006	30 June 2007	31 December 2006
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
ASSETS					
Current assets					
Cash and cash equivalents	5	110,058	169,968	94,253	142,324
Current investment - promissory notes		-	525,000	-	525,000
Trade accounts receivable - net	2, 5	83,877	136,847	77,417	131,450
Inventories - net	3	2,695,479	2,574,784	2,695,479	2,574,784
Revenue Department receivable		100,342	79,930	100,342	79,930
Other receivables	5	248,229	215,626	249,962	220,864
Other current assets	5	55,727	74,312	38,256	59,869
Total current assets		3,293,712	3,776,467	3,255,709	3,734,221
Non-current assets					
Investment in subsidiary	4	-	-	4,999	4,999
Property, plant and equipments - net	6	8,110,870	7,437,381	8,099,092	7,424,616
Leasehold rights and software - net	7	628,044	645,993	628,036	645,986
Property foreclosed		4,174	4,174	4,174	4,174
Rental guarantee deposits		27,308	27,208	27,308	27,208
Other non-current assets		1,350	1,781	1,350	1,781
Total non-current assets		8,771,746	8,116,537	8,764,959	8,108,764
TOTAL ASSETS		12,065,458	11,893,004	12,020,668	11,842,985

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	
		30 June 2007 (Unaudited but reviewed)	31 December 2006 (Audited)	30 June 2007 (Unaudited but reviewed)	31 December 2006 (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	8	916,628	-	916,628	-
Trade accounts payable	5	3,084,335	3,077,388	3,082,551	3,074,412
Current portion of liabilities under hire purchase agreements	9	17,268	19,049	17,268	19,049
Short-term loans from related party	5	-	-	60,000	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		36,210	224,475	36,210	224,475
Accrued expenses		204,251	219,079	185,517	201,496
Corporate income tax payable		82,759	84,974	79,842	84,975
Deposit received for goods		347,974	291,569	347,974	291,569
Other payables	5	147,115	154,255	143,541	148,179
Other current liabilities		103,713	59,291	100,664	57,436
Total current liabilities		5,740,253	4,559,080	5,770,195	4,570,591
Non-current liabilities					
Liabilities under hire purchase agreements - net of current portion	9	14,023	15,068	14,023	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	1,125,000	1,697,000	1,125,000	1,697,000
Rental received in advance		575,759	587,075	575,759	587,075
Other non-current liabilities		109,915	117,237	48,726	56,081
Total non-current liabilities		2,324,697	3,416,380	2,263,508	3,355,224
TOTAL LIABILITIES		8,064,950	7,975,460	8,033,703	7,925,815

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	
		30 June 2007 (Unaudited but reviewed)	31 December 2006 (Audited)	30 June 2007 (Unaudited but reviewed)	31 December 2006 (Audited)
Shareholders' equity					
Share capital	12,13				
Registered share capital					
1,988,546,860 ordinary shares of Baht 1 each (31 December 2006: 1,938,146,860 ordinary shares of Baht 1 each)		1,988,547	1,938,147	1,988,547	1,938,147
Issued and paid-up share capital					
1,924,584,097 ordinary shares of Baht 1 each (31 December 2006: 1,919,818,404 ordinary shares of Baht 1 each)		1,924,584	1,919,818	1,924,584	1,919,818
Share premium		555,694	555,694	555,694	555,694
Retained earnings					
Appropriated - statutory reserve		110,200	95,400	110,200	95,400
Unappropriated		1,410,027	1,346,631	1,396,487	1,346,258
Equity attributable to the Company's shareholders		4,000,505	3,917,543	3,986,965	3,917,170
Minority interest - equity attributable to minority shareholders of subsidiary		3	1	-	-
Total shareholders' equity		4,000,508	3,917,544	3,986,965	3,917,170
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		12,065,458	11,893,004	12,020,668	11,842,985
		0	0	0	0

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 30 JUNE 2007 AND 2006

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2007	2006	2007	2006
					(Restated)
Revenues					
Sale of goods	5	3,784,018	3,457,202	3,784,195	3,457,537
Rental and service income	5	114,860	93,670	82,589	67,399
Other income	5	106,613	92,642	110,062	92,762
Total revenues		<u>4,005,491</u>	<u>3,643,514</u>	<u>3,976,846</u>	<u>3,617,698</u>
Expenses					
Cost of sales	5	2,908,993	2,642,584	2,908,993	2,642,584
Administrative expenses	5	837,942	729,899	816,922	703,026
Total expenses		<u>3,746,935</u>	<u>3,372,483</u>	<u>3,725,915</u>	<u>3,345,610</u>
Income before interest expenses and income tax		<u>258,556</u>	<u>271,031</u>	<u>250,931</u>	<u>272,088</u>
Interest expenses	5	(47,090)	(49,674)	(47,686)	(49,740)
Corporate income tax	14	(41,782)	(63,626)	(39,315)	(63,626)
Income after income tax		<u>169,684</u>	<u>157,731</u>	<u>163,930</u>	<u>158,722</u>
Net income attributable to minority interest		(1)	-	-	-
Net income for the period		<u><u>169,683</u></u>	<u><u>157,731</u></u>	<u><u>163,930</u></u>	<u><u>158,722</u></u>
					(Unit: Baht)
Earnings per share	15				
Basic earnings per share					
Net income		<u>0.09</u>	<u>0.17</u>	<u>0.09</u>	<u>0.17</u>
Diluted earnings per share					
Net income		<u>0.09</u>	<u>0.16</u>	<u>0.08</u>	<u>0.17</u>

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

(UNAUDITED BUT REVIEWED)

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

INCOME STATEMENTS

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2007 AND 2006

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2007	2006	2007	2006 (Restated)
Revenues					
Sale of goods	5	7,564,987	6,595,908	7,565,231	6,596,329
Rental and service income	5	278,844	205,915	213,361	168,011
Other income	5	208,905	166,154	215,918	166,613
Total revenues		8,052,736	6,967,977	7,994,510	6,930,953
Expenses					
Cost of sales	5	5,824,116	5,059,899	5,824,116	5,059,899
Administrative expenses	5	1,720,873	1,438,854	1,679,943	1,390,917
Total expenses		7,544,989	6,498,753	7,504,059	6,450,816
Income before interest expenses and income tax		507,747	469,224	490,451	480,137
Interest expenses	5	(93,709)	(81,350)	(94,876)	(81,498)
Corporate income tax	14	(105,401)	(112,139)	(100,107)	(112,139)
Income after income tax		308,637	275,735	295,468	286,500
Net income attributable to minority interest		(2)	-	-	-
Net income for the period		308,635	275,735	295,468	286,500
(Unit: Baht)					
Earnings per share					
<i>15</i>					
Basic earnings per share					
Net income		0.16	0.29	0.15	0.30
Diluted earnings per share					
Net income		0.16	0.29	0.15	0.30

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 SIX-MONTH PERIODS ENDED 30 JUNE 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	308,635	275,735	295,468	286,500
Adjustments to reconcile net income to net cash provided by (paid for) operating activities: -				
Depreciation and amortisation	314,606	224,407	313,112	223,411
Minority interest	2	-	-	-
Reversal of allowance for doubtful accounts	(481)	-	(481)	-
Allowance for stock obsolescence	19,444	42,804	19,444	42,804
Loss from sales of assets	2,577	4,144	2,577	4,144
Allowance for impairment of assets	14,000	-	14,000	-
Unrealised exchange losses - net	131	786	131	786
Income from operating activities before changes in operating assets and liabilities	658,914	547,876	644,251	557,645
Decrease (increase) in operating assets				
Trade accounts receivable - net	53,451	17,357	54,514	25,664
Inventories - net	(343,124)	(734,641)	(343,124)	(734,641)
Revenue Department receivable	(20,412)	(40,173)	(20,412)	(40,173)
Rental guarantee deposit	(100)	(250)	(100)	(250)
Other receivables	(32,602)	(281)	(29,098)	(7,318)
Other current assets	18,585	(15,076)	21,614	(7,021)
Other non-current assets	431	(182)	431	(182)
Increase (decrease) in operating liabilities				
Trade accounts payable	209,799	584,540	210,992	577,482
Other payables	(7,139)	(23,315)	(4,638)	(31,937)
Accrued interest expenses	46	129	46	129
Deposit received for goods	56,405	19,778	56,405	19,778
Accrued expenses	(14,873)	35,978	(16,025)	27,434
Corporate income tax payable	(2,216)	5,288	(5,134)	5,288
Other current liabilities	44,422	14,660	43,228	13,369
Rental received in advance	(11,315)	100,883	(11,315)	100,883
Other non-current liabilities	(7,322)	31,025	(7,354)	7,024
Net cash from operating activities	602,950	543,596	594,281	513,174

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 (Continued)

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 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	-	525,000	-
Acquisition of software	(4,746)	(46,013)	(4,746)	(46,003)
Acquisition of leasehold rights	-	(64,667)	-	(64,667)
Settlement of payables from purchases of assets	(224,475)	(300,704)	(224,475)	(300,704)
Proceeds from sales of assets	193	284	193	284
Acquisition of assets	(945,961)	(1,158,402)	(945,453)	(1,145,806)
Net cash used in investing activities	(649,989)	(1,569,502)	(649,481)	(1,556,896)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loan from financial institution	916,628	(168,338)	916,628	(168,338)
Increase in short-term loans from related party	-	-	20,000	20,000
Increase in long-term loans	-	1,500,000	-	1,500,000
Increase in liabilities under hire purchase contracts	(2,826)	(4,033)	(2,826)	(4,033)
Repayment of long-term loans	(701,000)	(136,000)	(701,000)	(136,000)
Converted warrants to share capital	4,766	7,216	4,766	7,216
Dividend paid	(230,439)	(190,817)	(230,439)	(190,817)
Net cash from (used in) financing activities	(12,871)	1,008,028	7,129	1,028,028
Net decrease in cash and cash equivalents	(59,910)	(17,878)	(48,071)	(15,694)
Cash and cash equivalents at beginning of period	169,968	96,915	142,324	59,714
Cash and cash equivalents at end of period	110,058	79,037	94,253	44,020
Supplemental disclosure of cash flows information				
Cash paid during the periods for: -				
Interest expenses	93,663	81,221	94,830	81,369
Corporate income tax	107,672	108,694	105,222	106,851

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 SIX-MONTH PERIODS ENDED 30 JUNE 2007 AND 2006

(Unit: Thousand Baht)

Consolidated financial statements

	Issued and		Retained earnings		Minority interest	Total
	paid-up share capital	Share premium	Appropriated	Unappropriated		
Balance as at 1 January 2006	947,310	555,694	64,400	959,836	1	2,527,241
Converted warrants to share capital	7,217	-	-	-	-	7,217
Dividend paid (Note 19)	-	-	-	(190,817)	-	(190,817)
Statutory reserve	-	-	13,900	(13,900)	-	-
Net income for the period	-	-	-	275,735	-	275,735
Minority interest	-	-	-	-	(1)	(1)
Balance as at 30 June 2006	<u>954,527</u>	<u>555,694</u>	<u>78,300</u>	<u>1,030,854</u>	<u>-</u>	<u>2,619,375</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	4,766	-	-	-	-	4,766
Dividend paid (Note 19)	-	-	-	(230,439)	-	(230,439)
Statutory reserve	-	-	14,800	(14,800)	-	-
Net income for the period	-	-	-	308,635	-	308,635
Minority interest	-	-	-	-	2	2
Balance as at 30 June 2007	<u>1,924,584</u>	<u>555,694</u>	<u>110,200</u>	<u>1,410,027</u>	<u>3</u>	<u>4,000,508</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 SIX-MONTH PERIODS ENDED 30 JUNE 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	7,217	-	-	-	7,217
Dividend paid (Note 19)	-	-	-	(190,817)	(190,817)
Statutory reserve	-	-	13,900	(13,900)	-
Net income for the period (restated)	-	-	-	286,500	286,500
Balance as at 30 June 2006 (as restated)	954,527	555,694	78,300	1,043,159	2,631,680
Balance as at 1 January 2007	1,919,818	555,694	95,400	1,346,258	3,917,170
Converted warrants to share capital	4,766	-	-	-	4,766
Dividend paid (Note 19)	-	-	-	(230,439)	(230,439)
Statutory reserve	-	-	14,800	(14,800)	-
Net income for the period	-	-	-	295,468	295,468
Balance as at 30 June 2007	1,924,584	555,694	110,200	1,396,487	3,986,965

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