

Home Product Center Public Company Limited and its subsidiary
Balance sheets

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2008	31 December 2007	30 June 2008	31 December 2007
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	5	138,141	235,075	123,049	219,650
Trade accounts receivable - net	2, 5	80,580	143,582	77,441	136,534
Inventories - net	3	2,719,972	2,547,569	2,719,972	2,547,569
Revenue Department receivable		11,004	43,004	11,004	43,004
Other receivables	5	217,932	236,433	219,861	237,222
Other current assets		63,246	58,192	48,674	40,119
Total current assets		3,230,875	3,263,855	3,200,001	3,224,098
Non-current assets					
Investment in subsidiary	4	-	-	4,999	4,999
Property, plant and equipments - net	6	8,345,721	8,339,582	8,333,478	8,326,001
Leasehold rights and software - net	7	610,396	629,585	610,389	629,577
Property foreclosed		4,174	4,174	4,174	4,174
Rental guarantee deposits		36,845	34,619	36,845	34,619
Other non-current assets		10,716	2,469	2,353	2,469
Total non-current assets		9,007,852	9,010,429	8,992,238	9,001,839
Total assets		12,238,727	12,274,284	12,192,239	12,225,937

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)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2008	31 December 2007	30 June 2008	31 December 2007
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	8	438,687	555,000	438,687	555,000
Trade accounts payable	5	3,359,357	3,206,355	3,358,096	3,202,571
Current portion of liabilities under financial lease agreements	9	11,831	12,936	11,831	12,936
Short-term loans from related party	5	-	-	50,000	50,000
Current portion of debentures	10	660,000	500,000	660,000	500,000
Current portion of long-term loans	11	400,000	400,000	400,000	400,000
Payables from purchases of assets		55,724	142,470	55,724	142,470
Accrued expenses		271,433	239,123	252,748	218,637
Corporate income tax payable		154,949	136,843	154,949	136,843
Deposit received for goods		429,023	387,675	429,023	387,675
Other payables	5	172,468	153,505	168,716	147,233
Other current liabilities		92,237	73,789	90,729	72,059
Total current liabilities		6,045,709	5,807,696	6,070,503	5,825,424
Non-current liabilities					
Liabilities under financial lease agreements					
- net of current portion	9	8,856	10,289	8,856	10,289
Debentures - net of current portion	10	340,000	500,000	340,000	500,000
Long-term loans - net of current portion	11	825,000	975,000	825,000	975,000
Rental received in advance		553,617	564,403	553,617	564,403
Other non-current liabilities		83,073	93,418	22,372	33,318
Total non-current liabilities		1,810,546	2,143,110	1,749,845	2,083,010
Total liabilities		7,856,255	7,950,806	7,820,348	7,908,434

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)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2008	31 December 2007	30 June 2008	31 December 2007
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital	12, 13				
Registered share capital					
1,986,468,146 ordinary shares of Baht 1 each					
(31 December 2007: 1,988,546,860 ordinary shares					
of Baht 1 each)		1,986,468	1,988,547	1,986,468	1,988,547
Issued and paid-up share capital					
1,933,174,425 ordinary shares of Baht 1 each					
(31 December 2007: 1,924,920,422 ordinary shares					
of Baht 1 each)		1,933,174	1,924,920	1,933,174	1,924,920
Share premium		566,071	555,694	566,071	555,694
Retained earnings					
Appropriated - statutory reserve		149,900	130,700	149,900	130,700
Unappropriated		1,733,325	1,712,162	1,722,746	1,706,189
Equity attributable to the Company's shareholders		4,382,470	4,323,476	4,371,891	4,317,503
Minority interest - equity attributable to					
minority shareholders of subsidiary		2	2	-	-
Total shareholders' equity		4,382,472	4,323,478	4,371,891	4,317,503
Total liabilities and shareholders' equity		12,238,727	12,274,284	12,192,239	12,225,937
		-	-	-	-

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 30 June 2008 and 2007

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2008	2007	2008	2007
			(Restated)		(Restated)
Revenues					
Sale of goods	5	4,468,351	3,784,018	4,468,728	3,784,195
Rental and service income	5	122,607	114,860	96,466	82,589
Other income	5	138,970	106,613	142,852	110,062
Total revenues		4,729,928	4,005,491	4,708,046	3,976,846
Expenses					
Cost of sales	5	3,428,139	2,910,495	3,428,139	2,910,495
Administrative expenses	5	979,102	837,942	959,782	816,922
Total expenses		4,407,241	3,748,437	4,387,921	3,727,417
Income before interest expenses and income tax		322,687	257,054	320,125	249,429
Interest expenses	5	(29,755)	(47,090)	(30,179)	(47,686)
Corporate income tax	14	(92,893)	(41,782)	(92,146)	(39,315)
Net income for the period		200,039	168,182	197,800	162,428
Net income attributable to:					
Equity holders of the parent		200,038	168,181	197,800	162,428
Minority interests of the subsidiary		1	1		
		200,039	168,182		

(Unit: Baht)

Earnings per share	15				
Basic earnings per share					
Net income attributable to equity holders of the parent		0.10	0.09	0.10	0.08
Diluted earnings per share					
Net income attributable to equity holders of the parent		0.10	0.09	0.10	0.08

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

Home Product Center Public Company Limited and its subsidiary

Income statements

For the six-month periods ended 30 June 2008 and 2007

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2008	2007	2008	2007
			(Restated)		(Restated)
Revenues					
Sale of goods	5	8,668,420	7,564,987	8,669,035	7,565,231
Rental and service income	5	300,394	278,844	248,106	213,361
Other income	5	259,785	208,905	267,467	215,918
Total revenues		9,228,599	8,052,736	9,184,608	7,994,510
Expenses					
Cost of sales	5	6,634,687	5,827,110	6,634,687	5,827,110
Administrative expenses	5	1,961,800	1,720,873	1,922,945	1,679,943
Total expenses		8,596,487	7,547,983	8,557,632	7,507,053
Income before interest expenses and income tax		632,112	504,753	626,976	487,457
Interest expenses	5	(63,364)	(93,709)	(64,212)	(94,876)
Corporate income tax	14	(181,898)	(105,401)	(180,520)	(100,107)
Net income for the period		386,850	305,643	382,244	292,474
Net income attributable to:					
Equity holders of the parent		386,850	305,641	382,244	292,474
Minority interests of the subsidiary		-	2		
		386,850	305,643		

(Unit: Baht)

Earnings per share	15				
Basic earnings per share					
Net income attributable to equity holders of the parent		0.20	0.16	0.20	0.15
Diluted earnings per share					
Net income attributable to equity holders of the parent		0.20	0.16	0.19	0.15

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 2008 and 2007

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	2008	2007
		(Restated)
Cash flows from operating activities		
Net income before tax	568,748	411,044
Adjustments to reconcile net income to net cash provided by (paid for) operating activities: -		
Depreciation and amortisation	356,088	314,606
Minority interest	-	2
Allowance for doubtful accounts (reversal)	2,658	(481)
Allowance for stock obsolescence	22,265	19,444
Loss from sales of assets	1,343	2,577
Allowance for impairment of assets	12,620	14,000
Unrealised exchange losses - net	164	131
Interest expenses	63,364	93,709
Income from operating activities before changes in operating assets and liabilities	1,027,250	855,032
Decrease (increase) in operating assets		
Trade accounts receivable - net	60,344	53,451
Inventories - net	(194,668)	(140,139)
Revenue Department receivable	32,000	(20,412)
Rental guarantee deposit	(2,226)	(100)
Other receivables	18,501	(32,603)
Other current assets	(5,054)	18,585
Other non-current assets	(8,246)	431
Increase (decrease) in operating liabilities		
Trade accounts payable	152,838	6,816
Other payables	18,963	(7,140)
Deposit received for goods	41,348	56,405
Accrued expenses	32,248	(11,825)
Other current liabilities	18,448	44,422
Rental received in advance	(10,786)	(11,316)
Other non-current liabilities	(10,345)	(7,322)
Cash from operating activities	1,170,615	804,285
Cash paid for interest expenses	(62,012)	(93,663)
Cash paid for corporate income tax	(165,082)	(107,672)
Net cash flows from operating expenses	943,521	602,950

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 six-month periods ended 30 June 2008 and 2007

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007 (Restated)	2008	2007 (Restated)
Cash flows from investing activities				
Decrease in current investment	-	525,000	-	525,000
Acquisition of software	(570)	(4,746)	(570)	(4,746)
Settlement of payables from purchases of assets	(142,470)	(224,475)	(142,470)	(224,475)
Proceeds from sales of assets	452	193	449	193
Acquisition of assets	(301,160)	(945,961)	(300,475)	(945,453)
Net cash used in investing activities	(443,748)	(649,989)	(443,066)	(649,481)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	(116,313)	916,628	(116,313)	916,628
Increase in short-term loans from related party	-	-	-	20,000
Decrease in liabilities under financial lease agreements	(2,538)	(2,826)	(2,538)	(2,826)
Increase in debentures	500,000	-	500,000	-
Repayment of debentures	(500,000)	-	(500,000)	-
Repayment of long-term loans	(150,000)	(701,000)	(150,000)	(701,000)
Converted warrants to share capital	18,631	4,766	18,631	4,766
Dividend paid	(346,487)	(230,439)	(346,487)	(230,439)
Net cash from (used in) financing activities	(596,707)	(12,871)	(596,707)	7,129
Net decrease in cash and cash equivalents	(96,934)	(59,910)	(96,601)	(48,071)
Cash and cash equivalents at beginning of period	235,075	169,968	219,650	142,324
Cash and cash equivalents at end of period	138,141	110,058	123,049	94,253

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 2008 and 2007

(Unit: Thousand Baht)

	Consolidated financial statements					
	Issued and paid-up share capital	Share premium	Retained earnings		Minority interest	Total
			Appropriated	Unappropriated		
Balance as at 1 January 2007						
(Previously reported by an other auditor)	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)
Balance as at 1 January 2007 (as restated)	1,919,818	555,694	95,400	1,267,526	1	3,838,439
Converted warrants to share capital	4,766	-	-	-	-	4,766
Statutory reserve	-	-	14,800	(14,800)	-	-
Dividend paid (Note 19)	-	-	-	(230,439)	-	(230,439)
Net income for the period (restated)	-	-	-	305,641	-	305,641
Minority interest	-	-	-	-	2	2
Balance as at 30 June 2007 (as restated)	<u>1,924,584</u>	<u>555,694</u>	<u>110,200</u>	<u>1,327,928</u>	<u>3</u>	<u>3,918,409</u>
 Balance as at 1 January 2008	 1,924,920	 555,694	 130,700	 1,712,162	 2	 4,323,478
Converted warrants to share capital	8,254	10,377	-	-	-	18,631
Statutory reserve	-	-	19,200	(19,200)	-	-
Dividend paid (Note 19)	-	-	-	(346,487)	-	(346,487)
Net income for the period	-	-	-	386,850	-	386,850
Balance as at 30 June 2008	<u>1,933,174</u>	<u>566,071</u>	<u>149,900</u>	<u>1,733,325</u>	<u>2</u>	<u>4,382,472</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 2008 and 2007

(Unit: Thousand Baht)

	Separate financial statements				
	Issued and paid-up share capital	Share premium	Retained earnings		Total
			Appropriated	Unappropriated	
Balance as at 1 January 2007					
(Previously reported by an other auditor)	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)
Balance as at 1 January 2007 (as restated)	1,919,818	555,694	95,400	1,267,153	3,838,065
Converted warrants to share capital	4,766	-	-	-	4,766
Statutory reserve	-	-	14,800	(14,800)	-
Dividend paid (Note 19)	-	-	-	(230,439)	(230,439)
Net income for the period (restated)	-	-	-	292,474	292,474
Balance as at 30 June 2007 (as restated)	<u>1,924,584</u>	<u>555,694</u>	<u>110,200</u>	<u>1,314,388</u>	<u>3,904,866</u>
 Balance as at 1 January 2008	 1,924,920	 555,694	 130,700	 1,706,189	 4,317,503
Converted warrants to share capital	8,254	10,377	-	-	18,631
Statutory reserve	-	-	19,200	(19,200)	-
Dividend paid (Note 19)	-	-	-	(346,487)	(346,487)
Net income for the period	-	-	-	382,244	382,244
Balance as at 30 June 2008	<u>1,933,174</u>	<u>555,694</u>	<u>149,900</u>	<u>1,722,746</u>	<u>4,371,891</u>

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