

**HOME PRODUCT CENTER PUBLIC
COMPANY LIMITED AND SUBSIDIARIES
AUDITOR'S REPORT AND FINANCIAL STATEMENTS
AS AT MARCH 31, 2006 (UNAUDITED/REVIEWED ONLY)
AND AS AT DECEMBER 31, 2005 (AUDITED)**

AUDITOR'S REPORT

To The Shareholders of

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED

I have reviewed the consolidated balance sheets of HOME PRODUCT CENTER PUBLIC COMPANY LIMITED AND SUBSIDIARIES as at March 31, 2006, the related consolidated statements of income, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for three months ended March 31, 2006 and I have reviewed the balance sheets of HOME PRODUCT CENTER PUBLIC COMPANY LIMITED as at March 31, 2006, the related statement of income, statement of changes in shareholders' equity and statement of cash flows for three months ended March 31, 2006. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to issue a report on these financial statements based on my review.

I conducted my review in accordance with auditing standards applicable to review engagements. Those standards require that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. Accordingly, I do not express an opinion on these financial statements.

Based on my review, nothing has come to my attention that causes me to believe that the financial statements are not presented fairly, in all material respects in accordance with generally accepted accounting principles.

The consolidated financial statements of HOME PRODUCT CENTER PUBLIC COMPANY LIMITED AND SUBSIDIARIES and the financial statements of HOME PRODUCT CENTER PUBLIC COMPANY LIMITED as at December 31, 2005 were audited by the other auditor in the same office who expressed an unqualified opinion in report dated February 23, 2006. The consolidated balance sheets and the balance sheets as at December 31, 2005, presented for comparison purpose, is a partial of the audited and reported financial statements of such other auditor.

The statement of income, statement of changes in shareholders' equity and statement of cash flows for three months ended March 31, 2005 of HOME PRODUCT CENTER PUBLIC COMPANY LIMITED are the partial of the interim financial statements, were reviewed by the same other auditor whose report dated May 4, 2005, stated nothing has come to attention that causes her to believe that the financial statements are not presented fairly, in all material respects in accordance with generally accepted accounting principles.

Office of D I A International Auditing

(Mrs. Vilairat Rojnuckarin)

C.P.A. Thailand

Registration No. 3104

May 9, 2006

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT MARCH 31, 2006 (UNAUDITED/REVIEWED ONLY)

AND AS AT DECEMBER 31, 2005 (AUDITED)

Baht : Thousand

Assets	Note	Consolidated		Parent company	
		March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005
Current assets					
Cash and cash equivalents	3	78,389	96,915	50,368	59,714
Deposit with financial institutions - promissory notes	4	1,260,000	0	1,220,000	0
Accounts receivable - net	5	181,370	145,689	173,533	145,689
Inventories	6	2,769,354	2,321,256	2,769,354	2,321,256
Receivable - Revenue Department		68,779	60,310	68,779	60,310
Other current assets		233,323	240,893	235,022	240,569
Total current assets		4,591,215	2,865,063	4,517,056	2,827,538
Non-current assets					
Investment in subsidiaries	8	0	0	0	3,459
Property, plant and equipment - net	7	5,798,387	5,568,760	5,790,744	5,567,992
Intangible assets	9	607,397	563,181	607,397	563,181
Real estate foreclosed		4,174	4,174	4,174	4,174
Deposit for lease		25,631	25,421	25,631	25,421
Other non-current assets		1,837	1,451	1,837	1,451
Total non-current assets		6,437,426	6,162,987	6,429,783	6,165,678
Total assets		11,028,641	9,028,050	10,946,839	8,993,216

Notes to financial statements are parts of these financial statements.

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT MARCH 31, 2006 (UNAUDITED/REVIEWED ONLY)

AND AS AT DECEMBER 31, 2005 (AUDITED)

Baht : Thousand

Liabilities and shareholders' equity	Note	Consolidated		Parent company	
		March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	10	0	241,338	0	241,338
Accounts payable		3,204,563	2,788,711	3,190,573	2,787,879
Current portion of long-term debt	11, 13	224,239	223,799	224,239	223,799
Assets payable		181,892	303,294	181,892	303,294
Deposits for goods		462,350	258,906	462,350	258,906
Other payables		50,972	134,709	54,976	134,709
Other current liabilities		416,122	299,305	399,097	298,967
Total current liabilities		4,540,138	4,250,062	4,513,127	4,248,892
Non-current liabilities					
Long-term liabilities under hire purchase					
agreement	11	17,486	17,188	17,486	17,188
Debentures	12	1,000,000	1,000,000	1,000,000	1,000,000
Long-term loans	13	2,075,000	626,000	2,075,000	626,000
Rental received in advance	19	603,373	497,057	603,373	497,057
Equity loss from investments					
in subsidiaries	8	0	0	6,314	0
Other non-current liabilities		140,624	110,502	79,519	76,839
Total non-current liabilities		3,836,483	2,250,747	3,781,692	2,217,084
Total liabilities		8,376,621	6,500,809	8,294,819	6,465,976

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT MARCH 31, 2006 (UNAUDITED/REVIEWED ONLY)

AND AS AT DECEMBER 31, 2005 (AUDITED)

Baht : Thousand

Liabilities and shareholders' equity (Cont.)	Note	Consolidated		Parent company	
		March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005
Shareholders' equity					
Share capital					
Authorized share capital					
987,500,000 common shares of Baht 1 each		987,500	987,500	987,500	987,500
Issued and paid-up share capital					
954,086,490 common shares of Baht 1 each		954,086		954,086	
947,310,416 common shares of Baht 1 each			947,310		947,310
Paid-in capital					
Premium on share capital	17	555,694	555,694	555,694	555,694
Retained earnings					
Appropriated					
Legal reserve	16	70,400	64,400	70,400	64,400
Unappropriated		1,071,840	959,836	1,071,840	959,836
Total shareholders' equity		2,652,020	2,527,240	2,652,020	2,527,240
Minority interest		0	1	0	0
Total shareholders' equity including minority interest		2,652,020	2,527,241	2,652,020	2,527,240
Total liabilities and shareholders' equity		11,028,641	9,028,050	10,946,839	8,993,216

Notes to financial statements are parts of these financial statements.

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THREE MONTHS ENDED MARCH 31, 2006 AND 2005

(UNAUDITED/REVIEWED ONLY)

Baht : Thousand

	Note	Parent company	
		2006	2005
Revenues			
Sales		3,138,624	2,962,417
Other income		185,839	85,169
Total revenues		3,324,463	3,047,586
Expenses			
Cost of sales		2,417,315	2,318,773
Selling and administrative expenses		708,955	576,508
Equity loss from investments in subsidiaries		0	0
Total expenses		3,126,270	2,895,281
Profit before interest expenses and income tax		198,193	152,305
Interest expenses		(31,676)	(14,564)
Income tax		(48,513)	(36,301)
Profit before minority interest		118,004	101,440
Minority interest		0	0
Net profit		118,004	101,440
Basic earnings per share (Baht/share)			
Net profit	14	0.12	0.13
Diluted earnings per share (Baht/share)			
Net profit	14	0.12	0.12

Notes to financial statements are parts of these financial statements.

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THREE MONTHS ENDED MARCH 31, 2006 AND 2005
(UNAUDITED/REVIEWED ONLY)

Consolidated	Baht : Thousand						
	Note	Issued and paid- up share capital	Premium on share capital	Legal reserve	Retained earnings (Deficit)	Minority Interest	Total
Beginning balance as at January 1, 2005		756,089	190,121	39,100	624,470	0	1,609,780
Warrants to purchase - common shares		44,629	86,560	0	0	0	131,189
Appropriated - legal reserve		0	0	5,100	(5,100)	0	0
Net profit		0	0	0	101,440	0	101,440
Ending balance as at March 31, 2005		800,718	276,681	44,200	720,810	0	1,842,409
Beginning balance as at January 1, 2006		947,310	555,694	64,400	959,836	1	2,527,241
Warrants to purchase - common shares	17	6,776	0	0	0	0	6,776
Appropriated - legal reserve	16	0	0	6,000	(6,000)	0	0
Net profit		0	0	0	118,004	0	118,004
Ordinary shares - minority interest		0	0	0	0	(1)	(1)
Ending balance as at March 31, 2006		954,086	555,694	70,400	1,071,840	0	2,652,020

Notes to financial statements are parts of these financial statements.

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THREE MONTHS ENDED MARCH 31, 2006 AND 2005
(UNAUDITED/REVIEWED ONLY)

Parent company	Baht : Thousand				
Note	Issued and paid- up share capital	Premium on share capital	Legal reserve	Retained earnings (Deficit)	Total
Beginning balance as at January 1, 2005	756,089	190,121	39,100	624,470	1,609,780
Warrants to purchase - common shares	44,629	86,560	0	0	131,189
Appropriated - legal reserve	0	0	5,100	(5,100)	0
Net profit	0	0	0	101,440	101,440
Ending balance as at March 31, 2005	<u>800,718</u>	<u>276,681</u>	<u>44,200</u>	<u>720,810</u>	<u>1,842,409</u>
Beginning balance as at January 1, 2006	947,310	555,694	64,400	959,836	2,527,240
Warrants to purchase - common shares 17	6,776	0	0	0	6,776
Appropriated - legal reserve 16	0	0	6,000	(6,000)	0
Net profit	0	0	0	118,004	118,004
Ending balance as at March 31, 2006	<u><u>954,086</u></u>	<u><u>555,694</u></u>	<u><u>70,400</u></u>	<u><u>1,071,840</u></u>	<u><u>2,652,020</u></u>

Notes to financial statements are parts of these financial statements.

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THREE MONTHS ENDED MARCH 31, 2006 AND 2005

(UNAUDITED/REVIEWED ONLY)

Baht : Thousand

	Consolidated	Parent company	
	2006	2006	2005
Cash flows from operating activities			
Net profit	118,004	118,004	101,440
Adjustment net profit (loss) to cash receipt (disbursement)			
Equity (gain) loss from investments in subsidiaries	0	9,773	0
Depreciation	93,359	93,163	55,939
Amortization of intangible assets	8,890	8,890	6,591
Increase (Decrease) in allowance for damage goods	50	50	6,964
(Gain) Loss from sales of assets	346	346	5,136
(Increase) Decrease in accounts and notes receivable	(35,681)	(27,844)	(2,099)
(Increase) Decrease in inventories	(448,148)	(448,148)	(245,758)
(Increase) Decrease in other current assets	7,570	5,547	(15,529)
(Increase) Decrease in receivable - Revenue Department	(8,469)	(8,469)	19,506
(Increase) Decrease in deposit for lease	(210)	(210)	0
(Increase) Decrease in other non-current assets	(386)	(386)	2,141
Increase (Decrease) in accounts and notes payable	415,852	402,694	400,147
Increase (Decrease) in other payables	(83,737)	(79,733)	(30,793)
Increase (Decrease) in accrued interest expenses	214	214	2,061
Increase (Decrease) in deposit from sales of goods	203,444	203,444	217,246
Increase (Decrease) in other current liabilities	116,603	99,916	2,934
Increase (Decrease) in rental received in advance	106,316	106,316	(363)
Increase (Decrease) in other non-current liabilities	30,122	2,680	(1,656)
Net cash provided by (used in) operating activities	524,139	486,247	523,907

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Cont.)

FOR THREE MONTHS ENDED MARCH 31, 2006 AND 2005

(UNAUDITED/REVIEWED ONLY)

Baht : Thousand

	Consolidated	Parent company	
	2006	2006	2005
Cash flows from investing activities			
Sales of assets	158	158	392
(Increase) Decrease in intangible assets	(53,106)	(53,106)	(18,066)
Paid for assets payable	(303,293)	(303,293)	(31,645)
Purchase of fixed assets	(141,599)	(134,527)	(364,285)
Net cash provided by (used in) investing activities	(497,840)	(490,768)	(413,604)
Cash flows from financing activities			
Received (Paid) for bank overdrafts and short-term loans from financial institutions	(241,338)	(241,338)	(398,490)
Paid for promissory notes	0	0	(38,000)
Received from debentures	0	0	1,000,000
Received from long-term loans	1,500,000	1,500,000	0
Paid for long-term loans	(51,000)	(51,000)	(21,750)
Increase (Decrease) in long-term liabilities from hire purchase agreement	737	737	(808)
Warrants - to purchase common shares	6,776	6,776	131,188
Net cash provided by (used in) financing activities	1,215,175	1,215,175	672,140
Net increase (decrease) in cash and cash equivalents	1,241,474	1,210,654	782,443
Cash and cash equivalents at the beginning of the period	96,915	59,714	104,966
Cash and cash equivalents at the end of the period	1,338,389	1,270,368	887,409

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Cont.)

FOR THREE MONTHS ENDED MARCH 31, 2006 AND 2005

(UNAUDITED/REVIEWED ONLY)

Baht : Thousand

	Consolidated	Parent company	
	2006	2006	2005
Additional disclosure of cash flows information			
1. Cash paid during the period			
Interest expenses	31,544	31,544	12,503
Income tax	17,653	17,150	5,186
2. Cash and cash equivalents			

Cash and cash equivalents as at March 31, 2006 are included deposit with financial institutions in the form of promissory notes of Baht 1,260 million and Baht 1,220 million, respectively in the consolidated and the parent financial statements which are due at call (as at March 31, 2005, Baht 790 million in the parent financial statements).

Notes to financial statements are parts of these financial statements.

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2006 (UNAUDITED/REVIEWED ONLY)

AND AS AT DECEMBER 31, 2005 (AUDITED)

1 PREPARATION OF INTERIM FINANCIAL STATEMENTS BASIS

1.1 PREPARATION OF FINANCIAL STATEMENTS

Notes to interim financial statements have been prepared in conformity with the Accounting Standards no. 41 "Interim Financial Statements" for the purpose to provide an update information on the latest complete set of annual financial statements. Accordingly, it focuses on new activities, events, and circumstances and does not duplicate information previously reported. However, the balance sheets, statements of income, statements of changes in shareholders' equity and statements of cash flows are presented the same as previous annual financial statements. Therefore, this interim financial statements should access to the most recent annual financial statements.

These financial statements have been presented in accordance with the notification as issued by the Department of Business Development of the Ministry of Commerce dated September 14, 2001, regarding the abbreviate items must be shown in the financial statements for the public company limited and conformed with the generally accepted accounting principles.

The financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

1.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements have been prepared by using the accounting policy and estimates of the financial statements for the year ended December 31, 2005.

2. CONSOLIDATED FINANCIAL STATEMENTS PREPARATION BASIS

2.1 These financial statements are consolidated by including the accounts of its subsidiary which controlled by Home Product Center Public Company Limited. On May 26, 2005, the Company has invested in ordinary shares of Market Village Company Limited equal to 99.99% shareholding, therefore, the Company has prepared the consolidated financial statements in the second quarter of 2005.

2.2 Transactions between subsidiary companies

Transactions between Home Product Center Public Company Limited and its subsidiaries have been eliminated under the equity method as if Home Product Center Limited owns 100 percent shareholding in those subsidiaries,

and the interest of other shareholders is shown as "Minority interest". The significant outstanding balance and transactions between Home Product Center Public Company Limited and its subsidiaries were eliminated from the consolidated financial statements.

3. CASH AND CASH EQUIVALENTS

	Baht : Thousand			
	Consolidated		Parent company	
	March 31, 2006	December 31,2005	March 31, 2006	December 31,2005
Cash on hand	19,733	31,588	19,613	31,578
Current accounts	19,883	33,534	7,235	4,571
Savings deposit	38,772	31,792	23,519	23,564
Fixed deposit with 3 months maturity	1	1	1	1
Total	<u>78,389</u>	<u>96,915</u>	<u>50,368</u>	<u>59,714</u>

4. DEPOSIT WITH FINANCIAL INSTITUTIONS - PROMISSORY NOTES

These represent promissory notes issued by two finance company are due at call at the interest rate of 3.5 - 3.75% per annum.

5. ACCOUNTS RECEIVABLE - NET

	Baht : Thousand			
	Consolidated		Parent company	
	March 31, 2006	December 31,2005	March 31, 2006	December 31,2005
Accounts receivable	135,998	112,100	128,161	112,100
Cheque return receivable	22,364	22,450	22,364	22,450
Credit card and coupon receivable	46,105	34,236	46,105	34,236
Total	<u>204,467</u>	<u>168,786</u>	<u>196,630</u>	<u>168,786</u>
Less Allowance for doubtful accounts	(23,097)	(23,097)	(23,097)	(23,097)
Accounts receivable - net	<u>181,370</u>	<u>145,689</u>	<u>173,533</u>	<u>145,689</u>

Accounts receivable as at March 31, 2006 and December 31, 2005 on aging as follows :

	Baht : Thousand			
	Consolidated		Parent company	
	March 31, 2006	December 31,2005	March 31, 2006	December 31,2005
Undue	166,571	121,672	158,734	121,672
Overdue :				
- Not over 6 months	14,549	22,893	14,549	22,893
- Over 6 months to 12 months	74	1,223	74	1,223
- Over 12 months	23,273	22,998	23,273	22,998
	<u>204,467</u>	<u>168,786</u>	<u>196,630</u>	<u>168,786</u>
Less Allowance for doubtful accounts	(23,097)	(23,097)	(23,097)	(23,097)
Accounts receivable - net	<u><u>181,370</u></u>	<u><u>145,689</u></u>	<u><u>173,533</u></u>	<u><u>145,689</u></u>

During the year 2005, the Company written off accounts receivable and allowance for doubtful accounts of Baht 1.07 million.

6. INVENTORIES - NET

	Baht : Thousand			
	Consolidated		Parent company	
	March 31, 2006	December 31,2005	March 31, 2006	December 31,2005
Inventories	2,834,843	2,386,695	2,834,843	2,386,695
Less Allowance for damaged goods	(65,489)	(65,439)	(65,489)	(65,439)
Total	<u><u>2,769,354</u></u>	<u><u>2,321,256</u></u>	<u><u>2,769,354</u></u>	<u><u>2,321,256</u></u>

Inventories as at March 31, 2006 and December 31, 2005 are included valuation of goods that will be paid after sales for the amount of Baht 330.62 million and Baht 144.58 million, respectively. The Company recorded related companies payable and such goods at the same amount.

7. PROPERTY, PLANT AND EQUIPMENT - NET

	Consolidated financial statements				Baht : Thousand
	December 31, 2005	Increase	Disposal	Transfer in (out)	March 31, 2006
Cost :					
Land and improvement on land	1,411,233	62,300	0	0	1,473,533
Building, building on lease land and improvement on lease land	2,928,693	6,143	0	973,241	3,908,077
Accessories - computer	177,144	3,337	(388)	4,497	184,590
Office supplies	165,717	7,642	(37)	11,023	184,345
Furniture, fixtures and equipment	757,904	5,047	(550)	60,500	822,901
Vehicles	18,843	2,655	0	0	21,498
Building under construction on lease land	456,483	134,893	0	(554,023)	37,353
Computer system under installation	42,826	8,077	0	(4,497)	46,406
Furniture and equipment under installation	398,130	93,396	0	(490,741)	785
Total	6,356,973	323,490	(975)	0	6,679,488
Accumulated depreciation :					
Building, building on lease land and improvement on lease land	345,550	42,410	0	0	387,960
Computer system	91,237	10,570	(247)	0	101,560
Office supplies	72,750	7,922	(21)	0	80,651
Furniture, fixtures and equipment	273,002	31,456	(203)	0	304,255
Vehicles	5,674	1,001	0	0	6,675
Total	788,213	93,359	(471)	0	881,101
Net book value	5,568,760				5,798,387

7. PROPERTY, PLANT AND EQUIPMENT - NET

	Parent 's financial statements				Baht : Thousand
	December 31, 2005	Increase	Disposal	Transfer in (out)	March 31, 2005
Cost :					
Land and improvement on land	1,411,233	62,300	0	0	1,473,533
Building, building on lease land and improvement on lease land	2,928,693	6,143	0	973,241	3,908,077
Accessories - computer	177,144	3,144	(388)	4,497	184,397
Office supplies	165,717	3,494	(37)	11,023	180,197
Furniture, fixtures and equipment	757,673	4,001	(550)	60,500	821,624
Vehicles	18,299	2,655	0	0	20,954
Building under construction on lease land	456,483	134,183	0	(554,023)	36,643
Computer system under installation	42,826	7,103	0	(4,497)	45,432
Furniture and equipment under installatior	398,130	93,396	0	(490,741)	785
Total	6,356,198	316,419	(975)	0	6,671,642
Accumulated depreciation :					
Building, building on lease land and improvement on lease land	345,550	42,410	0	0	387,960
Computer system	91,237	10,564	(247)	0	101,554
Office supplies	72,750	7,776	(21)	0	80,505
Furniture, fixtures and equipment	272,997	31,439	(203)	0	304,233
Vehicles	5,672	974	0	0	6,646
Total	788,206	93,163	(471)	0	880,898
Net book value	<u>5,567,992</u>				<u>5,790,744</u>

Property, plant and equipment at book value before deducting accumulated depreciation in fully amount as at March 31, 2006 and December 31, 2005 amounting to Baht 38.52 million and Baht 34.47 million, respectively are still being operated

As at March 31, 2006 and December 31, 2005, the Company has mortgaged all leasehold (note 9.1) and building on lease land and part of furniture, fixtures and equipment for guauantee commitment and contingent liabilities with a bank for credit line of Baht 3,605 million and Baht 1,599 million, respectively.

8. INVESTMENT IN SUBSIDIARIES

Name of companies	Type of business	Thousand Baht	%	Thousand Baht	Thousand Baht
		Paid-up of share capital	Percentage of investments	Investments (Equity method)	Investments (Cost method)
		March 31, 2006	March 31, 2006	March 31, 2006	March 31, 2006
Market Village Co.,Ltd.	Space for lease	5,000	99.99	0	4,999
Total investment in subsidiaries				0	4,999

As at May 26, 2005, the Company has invested in ordinary shares of Market Village Co., Ltd..

The financial statements of such subsidiary was taken into consolidated financial statements and equity gain (loss) for the period ended March 31, 2006 was taken into computation under equity method from the reviewed financial statements by the auditor.

The financial statements for three months ended March 31, 2006 of Market Village Co., Ltd. which was brought into the computation of investment under equity method had capital deficiency. The Company recorded the investment balance equal to zero and recognized the excess of loss over investment in subsidiary of Baht 6.31 million as other liabilities in "excess loss from investments in subsidiaries".

9. INTANGIBLE ASSETS

Intangible assets consist of:

9.1 Leasehold

	Consolidated		Parent company	
	March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005
Deferred leasehold	556,100	438,035	556,100	438,035
Add Increase during the year	17,017	118,065	17,017	118,065
Less Accumulated amortization	(71,510)	(66,620)	(71,510)	(66,620)
Deferred leasehold - net	501,607	489,480	501,607	489,480

Amortization of leasehold : For three months ended March 31, 2006 amounting to 4,890 (Thousand Baht).

For three months ended March 31, 2005 amounting to 3,733 (Thousand Baht).

In 2006, the Company made payment for additional leasehold amount of Baht 17.02 million. The period of the lease is 24 years.

9.2 Computer programme

Baht : Thousand

	Consolidated		Parent company	
	March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005
Computer programme	105,492	94,125	105,492	94,125
Add Increase during the year	36,089	11,367	36,089	11,367
Less Accumulated amortization	(35,791)	(31,791)	(35,791)	(31,791)
Computer programme - net	105,790	73,701	105,790	73,701

Amortization of computer programme :

For three months ended March 31, 2006 amounting to 4,000 (Thousand Baht).

For three months ended March 31, 2005 amounting to 2,858 (Thousand Baht).

Total intangible assets	607,397	563,181	607,397	563,181
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10. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

The Company and subsidiary have overdrafts and short-term loans from financial institutions as follows :

Baht : Thousand

	Consolidated		Parent company	
	March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005
Bank overdrafts	0	1,338	0	1,338
Loans from finance companies	0	240,000	0	240,000
Total	0	241,338	0	241,338

10.1 As at March 31, 2006 and December 31, 2005, the Company has overdrafts line with several banks for credit lines of Baht 100 million and Baht 90 million, respectively and some of credit lines are guaranteed by leadshold and construction.

10.2 As at December 31, 2005 ,the Company has loans from 2 finance companies of Baht 240 million by issuing promissory notes of Baht 180 million, due at call and bill of exchange amount of Baht 60 million matured in January 2006.

11. LONG-TERM LIABILITIES UNDER HIRE PURCHASE AGREEMENT

Baht : Thousand

	Consolidated		Parent company	
	March 31, 2006	December 31,2005	March 31, 2006	December 31,2005
Long-term liabilities under				
hire purchase agreement	37,725	36,987	37,725	36,987
Less Current portion of				
long - term liabilities	(20,239)	(19,799)	(20,239)	(19,799)
Total	<u>17,486</u>	<u>17,188</u>	<u>17,486</u>	<u>17,188</u>

12. DEBENTURES

Debentures of Home Product Center Public Company Limited consist of :

	Number of debentures (Unit)	Amount (Thousand Baht)
	March 31, 2006	March 31, 2006
Unsecured Debentures		
- # 1/2548		
- # 1	500,000	500,000
- # 2	500,000	500,000
	<u>1,000,000</u>	<u>1,000,000</u>

According to the shareholders' extraordinary meeting no. 1/2003 held on June 27, 2003, the shareholders passed the resolution that the Company to issue and offer debentures in Baht or foreign currencies equalization in the amount not over 2 thousand million by offering to the individual or institute investors. On March 17, 2005, the Company issued the debentures amounting to Baht 1,000 million as details following :

Name of debentures	" The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2005 Series 1 Due 2008 "	" The Unsubordinated and Unsecured Debentures of Home Product Center Plc. No. 1/2005 Series 2 Due 2009 "
Amount of Baht	Baht 500 million	Baht 500 million
Period	3 (three) years from issuance date	4 (four) years from issuance date
Issuance date	March 17, 2005	March 17, 2005
Interest rate	At fixed rate of 5.00 % per annum	At fixed rate of 5.40 % per annum
Terms of interest	Pay every March, June, September and December of each year.	Pay every March, June, September and December of each year.
Principal repayment	On the redemption date March 17, 2008	On the redemption date March 17, 2009

13. LONG-TERM LOANS

Long - term loans of Home Product Center Public Company Limited consist of :

	Baht : Thousand	
	March 31, 2006	December 31, 2005
Long-term loans	2,279,000	830,000
Less Current portion of long-term debt	(204,000)	(204,000)
Long-term loans - net	<u>2,075,000</u>	<u>626,000</u>

As at March 31, 2006 and December 31, 2005, the Company has long - term loans from 2 and 1 commercial banks for 2 and 1 credit lines, respectively which consist of :

		Baht : Thousand			
No. of credit	Amount of credit line	Amount of Baht		Repayment Conditions per	
		March 31, 2006	December 31, 2005	installment/ per month	Interest Rate
1	1,000,000	779,000	830,000	Baht 17 million	*
2	1,500,000	1,500,000	0	Baht 25 million	**
Total		<u>2,279,000</u>	<u>830,000</u>		

The Company used real estate and leasehold right as guarantee for such credit lines (note 7, 9 and 10).

* : At 2.95 - 3.65% and MLR - spread at agreed rate since February 2006

** : At 6% in the first - third year and MLR - spread at agreed rate thereafter.

14. EARNINGS PER SHARE

Consolidated and parent's financial statements

	For three months ended March 31, 2006		
	Profit (Baht)	Number of share	Baht/share
Basic earnings per share			
Net profit of common shares	118,004,239.42	949,719,687	0.12
Effects of diluted potential common share			
- Exercise rights		6,972,905	
Diluted earnings per share			
Profit of common shareholders assumed as conversion to common share	118,004,239.42	956,692,592	0.12

Consolidated and parent's financial statements

	For three months ended March 31, 2005		
	Profit (Baht)	Number of share	Baht/share
Basic earnings per share			
Net profit of common shares	101,440,288.25	772,830,463	0.13
Effects of diluted potential common share			
- Exercise rights		71,723,509	
Diluted earnings per share			
Profit of common shareholders assumed as conversion to common share	101,440,288.25	844,553,972	0.12

15. COMMON SHARES

The weighted average number of common share in dividing net profit for the period ended March 31, 2006 and 2005 were 949,719,687 shares and 772,830,463 shares, respectively.

16. LEGAL RESERVE

According to the Public Company Limited Act, the Company has appropriated its reserve as a legal reserve not less than 5% of the annual net profit after deduction of deficit brought forward (if any) until the reserve reaches 10% of authorized share capital.

17. WARRANTS

17.1 Warrants issuance to the existing shareholders

As the Company's allotment 15,000,000 units of warrants to purchase ordinary shares of Company to employees of the Company (ESOP) No.1, as a result, the exercise price and ratio is to be 1 unit of warrant has a right to purchase 1.01521 ordinary shares at Baht 2.955 per share since September 15, 2004 onwards.

	Amount of unit	
	March 31,2006	December 31, 2005
Number of warrants brought forward	0	187,500,000
The number of exercised warrants up to March 31, 2006 - cumulative	0	(187,192,132)
Balance number of warrants	0	307,868

The aforementioned exercise right resulted increasing in common shares and premium on share capital as at December 31, 2005 of Baht 183.90 million and Baht 365.57 million, respectively.

The remaining warrants to purchase ordinary shares (HMPRO - W1), allotted to the existing shareholders as at December 30, 2005 for 307,868 units were expired on July 25, 2005. These HMPRO - W1 were delisted from the SET on July 26, 2005.

17.2 Warrant to the employees (including directors who is an employee)

In September 2004, the Company issued 15,000,000 units of warrant (the first) to the employees according to the resolution of the Annual General Meeting of Shareholders for the year 2004. Each unit of warrant has a right to purchase 1 ordinary share at Baht 1.00 each and exercise period is on every three months.

In February 2006, the Company issued 7,000,000 units of warrant (the second) to the employees according to the resolution of the Annual General Meeting of Shareholders for the year 2005. Each unit of warrant has a right to purchase 1 ordinary share at Baht 1.00 each and exercise period is on every three months.

As the Company's allotment 7,000,000 units of warrants to purchase ordinary shares of Company to employees of the Company (ESOP-W2) No. 2 , as a result, the exercise ratio of warrants to purchase ordinary shares to employees of the Company (ESOP-W1) No. 1 is to be 1 unit of warrant has a right to purchase 1.006 ordinary shares at Baht 1 per share since February 28, 2006 onwards.

	Amount of unit	
	March 31, 2006	December 31, 2005
Number of warrants brought forward	22,000,000	15,000,000
The number of exercised warrants up to March 31, 2006 - cumulative	(14,092,849)	(7,316,775)
Balance number of warrants	<u>7,907,151</u>	<u>7,683,225</u>

From such exercise right resulted increasing in common shares as at March 31, 2006 of Baht 14.09 million.

18. SHARES CAPITAL

According to the minutes of shareholders' general meeting for the year 2006 held on April 4, 2006, the company has resolved as follows :

1. Approved the cancellation of the allotment of unpaid ordinary shares including the shares the warrants not being exercised of the existing shareholders (HMPRO-W1) of 25,406,359 shares at par value of Baht 1 (one) in accordance with the resolutions of the Shareholders' Annual General Meeting for the year 2005 to offer by way of private placement and approved the details of new shares allotment as follows :

1.1) 15,000,000 shares reserved for exercising the warrants to be allocated to employees of the Company and subsidiaries (ESOP-W3)

1.2) 250,000 shares reserved for exercising the warrants to be allocated to employees of the Company No. 1/2005 (ESOP-W2) , which the Company may adjust the exercise right.

If there are remaining shares from the allocation of the shares in clause 1.1 and 1.2 as a result of the warrants not being issued or exercised, these remaining shares may be allotted at the discretion of the shareholders' meeting by the propose of the Board of Directors.

1.3) The allocation of 10,156,359 shares shall be cancelled.

2. Approved the issue of 15,000,000 units of warrants to purchase common shares to employees of the Company and subsidiaries (ESOP-W3), The Exercise proportion is allocated for 3 years term at 30, 35 and 35% in year 1, 2 and 3, respectively .

3. Approved the decrease of the registered capital 10,156,359 Baht due to the cancellation of the allocation of the remaining shares that were offered for private placement and the Company has presently not yet offered shares to the investor(s) according to clause 1.3 above. Therefore, it is not necessary to reserve such shares and the registered capital will be decreased from Baht 987,500,000 to Baht 977,343,641 divided into 977,343,641 ordinary shares at par value of Baht 1 each. Thus, the Company needs to amend clause 4 of the Memorandum of Association.

19. COMMITMENT AND CONTINGENT LIABILITIES

19.1 The Company has commitment on bank and 4 financial institutions of guarantee for leasing, purchased goods or hire of work and collateral against to the State Enterprise as at March 31, 2006 and December 31, 2005 of Baht 37.80 million and Baht 93.35 million, respectively.

19.2 The Company entered into 7 agreements for lease and sub-lease part of premise in 5 Department Store with two companies for the period of 29-30 years and received the advance payment of Baht 640.49 million. The agreements will be due in 2033 - 2035.

19.3 As at March 31, 2006 and December 31, 2005, the Company has commitment from opening letter of credit with 2 and 1 commercial banks amount of USD 0.56 million.

20. DIRECTORS' REMUNERATION

Directors' remuneration is all benefits paid to the Company's directors excluding salaries and related benefits which paid to executive director for the period of three months ended March 31, 2006 of Baht 1.50 million (for the period of three months ended March 31, 2005, for the amount of Baht 1.5 million) which was presented in selling and administrative expenses.

21. SUBSEQUENT EVENT

According to the minutes of shareholders' general meeting for the year 2006 held on April 4, 2006, the Company passed the resolution to pay dividend for the year 2005 at Baht 0.20 per share amounting to Baht 190.82 million which was paid in April 2006.

22. TRANSACTION WITH RELATED COMPANIES

The Company's financial statements are included the transaction with its related companies of which related by common shareholders and/or directorship. These transactions are determined the policy as follows :

<u>Type of inter - transaction</u>	<u>Pricing policy determination</u>
Trading transaction between the Company and subsidiaries with related companies	Price and benefits are concluded in the normal course of business or the agreement concerned for non - market value transactions.

Related companies	Relationship
- Land and Houses Public Company Limited and subsidiaries	- There are common shareholders and co-directors.
- Quality Houses Public Company Limited and subsidiaries	- There are common shareholders and co-directors.
- Quality Construction Products Public Company Limited and subsidiaries	- There are co-directors.
- Land and Houses Retail Bank Public Company Limited	- There are co-shareholders.
- The Siam Industrial Credit Public Company Limited	- There are co-directors.

Baht : Thousand

	Consolidated		Parent company	
	March 31, 2006	December 31,2005	March 31, 2006	December 31,2005
Deposit with financial institutions - promissory notes				
Land and Houses Retail Bank Plc.	1,000,000	0	1,000,000	0
The Siam industrial credit Plc.	260,000	0	220,000	0
Total	1,260,000	0	1,220,000	0
Accounts receivable				
Land and Houses Plc. and subsidiaries	17,879	26,962	17,879	26,962
Quality Houses Plc. and subsidiaries	2,462	11,075	2,462	11,075
Market Village Co., Ltd.	0	0	2,189	0
Total	20,341	38,037	22,530	38,037
Accounts payable				
Quality Construction Products Plc. and subsidiaries	1,247	823	1,247	823
Market Village Co., Ltd.	0	0	4,360	0
Total	1,247	823	5,607	823
Other receivables				
Market Village Co., Ltd.	0	0	7,365	0
Total	0	0	7,365	0

Baht : Thousand

	Consolidated		Parent company	
	March 31, 2006	March 31, 2005	March 31, 2006	March 31, 2005
Sales of goods				
Land and Houses Plc. and subsidiaries	20,092	84,792	20,092	84,792
Quality Houses Plc. and subsidiaries	3,152	22,843	3,152	22,843
Market Village Co., Ltd.	0	0	2,189	0
Total	23,244	107,635	25,433	107,635
Other income				
Market Village Co., Ltd.	0	0	7,365	0
Total	0	0	7,365	0
Interest income				
Land and Houses Plc. and subsidiaries	96	0	96	0
The Siam Industrial Credit Plc.	23	0	23	0
Total	119	0	119	0
Purchase of goods				
Quality Construction Products Plc. and subsidiaries	1,603	450	1,603	450
Total	1,603	450	1,603	450
Selling and administrative expenses				
Market Village Co., Ltd.	0	0	4,360	0
Total	0	0	4,360	0
Interest expenses				
Market Village Co., Ltd.	0	0	82	0
Total	0	0	82	0

23. DISCLOSURE AND PRESENTATION OF FINANCIAL INSTRUMENTS

23.1 Accounting Policy

The significant accounting policies and method adopted the basis of recognition and measurement relating to each class of financial assets and financial liabilities have been disclosed in note 3.

23.2 Credit risk

Credit risk derives from failure by counterparties to discharge their obligations resulting in financial loss to the Company. Financial assets shown in balance sheets at the book value deducted by allowance for doubtful accounts is maximum value of credit risk.

For off-balance sheets, the Company expect that the accounts of credit risk is immaterial.

23.3 Interest rate risk

The Company may retain an exposure to interest rate risk relates to its loans from banks which indicated floating interest rate from February 2006 thereafter. So that the changes in interest rate will affect to the Company.

23.4 Fair value of financial instruments

Financial assets shown in balance sheets consist of cash on hand, cash at banks, accounts receivable, other receivables and deposit for lease. Financial liabilities shown in balance sheets consist of bank overdrafts, short-term loans from financial institutions, accounts payable, assets payable, decoration and hire purchase payable and long-term loans carrying value equal to the estimated fair value. Parts of long-term loans carry interest at the rate close to current market rates. However, long-term loans of Baht 2,500 million and debentures of Baht 1,000 million were presented in balance sheet for the amount of Baht 2,279 million and Baht 1,000 million, respectively (at the interest rate as stated in note 12 and 13), had fair value approximately of Baht 2,246.75 million and Baht 999.35 million, respectively. Fair value are estimated by using present value of cash flow at the rate of 7.25% per annum (interest rate is the average rate of credit providing of 4 commercial bank). The management believes that there is no material risk financial instruments.

24. INTERIM FINANCIAL STATEMENTS APPROVAL

These interim financial statements have been approved to be publicized by the Company's Board of Directors on May 9, 2006.