

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2006 AND 2005

Baht : Thousand

Assets	Note	Consolidated		Parent company	
		2006	2005 (Restated)	2006	2005 (Restated)
Current assets					
Cash and cash equivalents	6	169,968	96,915	142,325	59,714
Deposit with financial institutions - promissory notes		525,000	0	525,000	0
Accounts receivable - net	7	136,847	145,689	131,450	145,689
Inventories	8	2,861,383	2,321,256	2,861,383	2,321,256
Receivable - Revenue Department		79,930	60,310	79,930	60,310
Other current assets		315,393	240,893	306,114	240,569
Total current assets		4,088,521	2,865,063	4,046,202	2,827,538
Non-current assets					
Investment in subsidiaries	5, 9	0	0	4,999	4,999
Property, plant and equipment - net	10	7,437,380	5,568,760	7,424,616	5,567,992
Intangible assets	11	645,994	563,181	645,985	563,181
Real estate foreclosed		4,174	4,174	4,174	4,174
Deposit for lease		27,208	25,421	27,208	25,421
Other non-current assets		1,781	1,451	1,781	1,451
Total non-current assets		8,116,537	6,162,987	8,108,763	6,167,218
Total assets		12,205,058	9,028,050	12,154,965	8,994,756

Notes to financial statements are parts of these financial statements.

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (Cont.)

AS AT DECEMBER 31, 2006 AND 2005

Baht : Thousand

Liabilities and shareholders' equity	Note	Consolidated		Parent company	
		2006	2005 (Restated)	2006	2005 (Restated)
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	12	0	241,338	0	241,338
Accounts payable		3,363,987	2,788,711	3,361,011	2,787,879
Current portion of long-term debt	13, 15	448,201	223,799	448,201	223,799
Short-term loan from related party		0	0	40,000	0
Assets payable		226,855	303,294	226,855	303,294
Deposits for goods		291,569	258,906	291,569	258,906
Other payables		148,179	134,709	148,179	134,709
Other current liabilities		392,616	299,305	367,030	298,967
Total current liabilities		<u>4,871,407</u>	<u>4,250,062</u>	<u>4,882,845</u>	<u>4,248,892</u>
Non-current liabilities					
Long-term liabilities under hire					
purchase agreement	13	14,795	17,188	14,795	17,188
Debentures	14	1,000,000	1,000,000	1,000,000	1,000,000
Long-term loans	15	1,697,000	626,000	1,697,000	626,000
Rental received in advance	21.2	587,074	497,057	587,074	497,057
Other non-current liabilities		117,237	110,502	56,080	76,839
Total non-current liabilities		<u>3,416,106</u>	<u>2,250,747</u>	<u>3,354,949</u>	<u>2,217,084</u>
Total liabilities		<u>8,287,513</u>	<u>6,500,809</u>	<u>8,237,794</u>	<u>6,465,976</u>

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS (Cont.)

AS AT DECEMBER 31, 2006 AND 2005

		Baht : Thousand			
Liabilities and shareholders' equity (Cont.)	Note	Consolidated		Parent company	
		2006	2005 (Restated)	2006	2005 (Restated)
Shareholders' equity					
Share capital					
Authorized share capital					
1,938,146,860 common shares					
	19	1,938,147		1,938,147	
987,500,000 common shares					
			987,500		987,500
Issued and paid-up share capital					
1,919,818,404 common shares					
	20	1,919,819		1,919,819	
947,310,416 common shares					
			947,310		947,310
Paid-in capital					
Premium on share capital	19, 20	555,694	555,694	555,694	555,694
Retained earnings					
Appropriated					
Legal reserve	16	95,400	64,400	95,400	64,400
Unappropriated					
		1,346,631	959,836	1,346,258	961,376
Total shareholders' equity		3,917,544	2,527,240	3,917,171	2,528,780
Minority interest		1	1	0	0
Total shareholders' equity including minority interest		3,917,545	2,527,241	3,917,171	2,528,780
Total liabilities and shareholders' equity		12,205,058	9,028,050	12,154,965	8,994,756

Notes to financial statements are parts of these financial statements.

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

Baht : Thousand

	Note	Consolidated		Parent company	
		2006	2005 (Restated)	2006	2005 (Restated)
Revenues					
Sales		14,223,718	12,211,785	14,224,325	12,211,785
Other income		880,095	410,631	786,028	410,618
Total revenues		<u>15,103,813</u>	<u>12,622,416</u>	<u>15,010,353</u>	<u>12,622,403</u>
Expenses					
Cost of sales		10,967,071	9,575,650	10,967,071	9,575,650
Selling and administrative expenses		3,116,289	2,277,634	3,023,706	2,276,080
Total expenses		<u>14,083,360</u>	<u>11,853,284</u>	<u>13,990,777</u>	<u>11,851,730</u>
Profit before interest expenses and income tax		1,020,453	769,132	1,019,576	770,673
Interest expenses		(191,530)	(82,080)	(192,639)	(82,080)
Income tax		(220,310)	(182,258)	(220,237)	(182,258)
Profit before minority interest		608,613	504,794	606,700	506,335
Minority interest		0	(1)	0	0
Net profit		<u>608,613</u>	<u>504,795</u>	<u>606,700</u>	<u>506,335</u>
Basic earnings per share (Baht/share)					
Net profit	18	0.59	0.58	0.59	0.59
Diluted earnings per share (Baht/share)					
Net profit	18	0.59	0.58	0.59	0.58

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 THE YEARS ENDED DECEMBER 31, 2006 AND 2005

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	20	191,221	365,573	0	0	0	556,794
Appropriated - legal reserve	16	0	0	25,300	(25,300)	0	0
Dividend paid	22	0	0	0	(144,129)	0	(144,129)
Net profit		0	0	0	504,795	0	504,795
Ordinary shares - minority interest		0	0	0	0	1	1
Ending balance as at December 31, 2005		947,310	555,694	64,400	959,836	1	2,527,241
Warrants to purchase - common shares	20	17,870	0	0	0	0	17,870
Increase share capital	19	954,639	0	0	0	0	954,639
Appropriated - legal reserve	16	0	0	31,000	(31,000)	0	0
Dividend paid	22	0	0	0	(190,818)	0	(190,818)
Net profit		0	0	0	608,613	0	608,613
Ordinary shares - minority interest		0	0	0	0	0	0
Ending balance as at December 31, 2006		1,919,819	555,694	95,400	1,346,631	1	3,917,545

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 THE YEARS ENDED DECEMBER 31, 2006 AND 2005

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	20	191,221	365,573	0	0	556,794
Appropriated - legal reserve	16	0	0	25,300	(25,300)	0
Dividend paid	22	0	0	0	(144,129)	(144,129)
Net profit		0	0	0	506,335	506,335
Ending balance as at December 31, 2005		<u>947,310</u>	<u>555,694</u>	<u>64,400</u>	<u>961,376</u>	<u>2,528,780</u>
Ending balance as at December 31, 2005 as reported		947,310	555,694	64,400	959,836	2,527,240
Cumulative effects of change in accounting policy of equity recognition in subsidiaries	5	0	0	0	1,540	1,540
Beginning balance as at January 1, 2006		947,310	555,694	64,400	961,376	2,528,780
Warrants to purchase - common shares	20	17,870	0	0	0	17,870
Increase share capital	19	954,639	0	0	0	954,639
Appropriated - legal reserve	16	0	0	31,000	(31,000)	0
Dividend paid	22	0	0	0	(190,818)	(190,818)
Net profit		0	0	0	606,700	606,700
Ending balance as at December 31, 2006		<u>1,919,819</u>	<u>555,694</u>	<u>95,400</u>	<u>1,346,258</u>	<u>3,917,171</u>

Notes to financial statements are parts of these financial statements.

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

Baht : Thousand

	Consolidated		Parent company	
	2006	2005 (Restated)	2006	2005 (Restated)
Cash flows from operating activities				
Net profit	608,613	504,795	606,700	506,335
Adjustment net profit (loss) to cash receipt (disbursement)				
Depreciation	461,337	261,429	458,867	261,422
Amortization of intangible assets	38,918	30,472	38,917	30,472
Increase (Decrease) in allowance for doubtful accounts	2,144	1,929	2,144	1,929
Increase (Decrease) in allowance for damage goods	(3,026)	63	(3,026)	63
(Gain) Loss from sales of assets	10,344	19,505	10,333	19,505
(Increase) Decrease in accounts receivable	6,698	23,200	12,095	23,200
(Increase) Decrease in inventories	(537,101)	(153,344)	(537,101)	(153,344)
(Increase) Decrease in other current assets	(74,500)	(89,393)	(65,545)	(89,069)
(Increase) Decrease in receivable - Revenue Department	(19,620)	1,876	(19,620)	1,876
(Increase) Decrease in deposit for lease	(1,787)	1,769	(1,787)	1,769
(Increase) Decrease in other non-current assets	(330)	3,378	(330)	3,378
Increase (Decrease) in accounts payable	575,276	343,085	573,132	342,253
Increase (Decrease) in other payables	13,470	29,961	13,470	29,961
Increase (Decrease) in accrued interest expenses	921	2,124	921	2,124
Increase (Decrease) in deposit from sales of goods	32,663	75,929	32,663	75,929
Increase (Decrease) in other current liabilities	92,390	43,020	67,142	42,682
Increase (Decrease) in rental received in advance	90,017	416,026	90,017	416,026
Increase (Decrease) in other non-current liabilities	6,735	85,699	(20,759)	52,036
Net cash provided by (used in) operating activities	1,303,162	1,601,523	1,258,233	1,568,547
Cash flows from investing activities				
Increase in investment in subsidiaries	0	0	0	(4,999)
Sales of assets	1,446	4,739	1,446	4,739
(Increase) Decrease in intangible assets	(121,731)	(129,432)	(121,721)	(129,432)
Paid for assets payable	(303,294)	(18,700)	(303,294)	(18,700)
Purchase of fixed assets	(2,117,883)	(2,490,679)	(2,103,406)	(2,489,904)
Net cash provided by (used in) investing activities	(2,541,462)	(2,634,072)	(2,526,975)	(2,638,296)

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Cont.)

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

Baht : Thousand

	Consolidated		Parent company	
	2006	2005	2006	2005
Cash flows from financing activities		(Restated)		(Restated)
Received (Paid) for bank overdrafts and short-term loans from financial institutions	(241,338)	(158,809)	(241,338)	(158,809)
Paid for promissory notes	0	(38,000)	0	(38,000)
Increase (Decrease) in short-term loan from related party	0	0	40,000	0
Received from debentures	0	1,000,000	0	1,000,000
Received from long-term loans	1,500,000	0	1,500,000	0
Paid for long-term loans	(204,000)	(191,417)	(204,000)	(191,417)
Warrants - to purchase common shares	17,870	556,794	17,870	556,794
Dividend paid	(190,818)	(144,129)	(190,818)	(144,129)
Cash received from common shares	954,639	1	954,639	0
Net cash provided by (used in) financing activities	1,836,353	1,024,440	1,876,353	1,024,439
Net increase (decrease) in cash and cash equivalents	598,053	(8,109)	607,611	(45,310)
Cash and cash equivalents at the beginning of the period	96,915	105,024	59,714	105,024
Cash and cash equivalents at the end of the period	694,968	96,915	667,325	59,714
Additional disclosure of cash flows information				
1. Cash paid during the period				
Interest expenses	190,608	79,957	191,718	79,957
Income tax	222,150	179,466	217,902	179,292
Long-term liabilities from hire-purchase agreement	28,503	22,336	28,503	22,336
2. Cash and cash equivalents				

Cash and cash equivalents as at December 31, 2006 are included deposit with financial institutions in the form of promissory notes of Baht 525 million , in the consolidated and the parent financial statements which are due at call

Notes to financial statements are parts of these financial statements.