

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED

BALANCE SHEETS

AS AT DECEMBER 31, 2003 AND 2002

Assets	Note	2003	Baht	2002
Current assets				
Cash and cash equivalents	2	36,291,871.62		84,051,092.97
Accounts receivable - net	3	121,235,696.40		140,699,262.83
Inventories	4	1,702,343,067.98		1,245,873,765.03
Receivable - Revenue Department		51,025,422.80		34,630,180.32
Other current assets		119,413,481.05		92,145,069.31
Total current assets		<u>2,030,309,539.85</u>		<u>1,597,399,370.46</u>
Non-current assets				
Fixed deposit	5	14,651,345.07		32,001,821.73
Property, plant and equipment - net	6	2,032,773,477.50		1,277,468,483.06
Deferred leasehold	7	301,706,134.46		209,844,454.63
Real estate foreclosed		4,174,122.40		2,674,122.40
Rentention for lease		25,824,626.20		17,385,426.20
Other non-current assets		5,427,200.48		8,879,440.59
Total non-current assets		<u>2,384,556,906.11</u>		<u>1,548,253,748.61</u>
Total assets		<u><u>4,414,866,445.96</u></u>		<u><u>3,145,653,119.07</u></u>

Notes to financial statements are parts of these financial statements.

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED

BALANCE SHEETS (Cont.)

AS AT DECEMBER 31, 2003 AND 2002

Liabilities and shareholders' equity	Note	2003	Baht	2002
Current liabilities				
Bank overdrafts and short-term loans				
from financial institutions	8	527,110,595.17		140,198,886.13
Accounts payable		1,996,511,486.66		1,427,041,608.83
Current portion of long-term debt	10, 11	54,034,985.99		83,415,317.00
Leasehold payable	9	0.00		15,500,000.00
Assets payable		57,983,621.77		76,136,616.03
Deposits for goods		132,960,603.90		68,221,496.23
Other payables		64,600,083.48		49,069,337.31
Other current liabilities		192,293,235.03		88,005,823.66
Total current liabilities		<u>3,025,494,612.00</u>		<u>1,947,589,085.19</u>
Non-current liabilities				
Long-term loans	10	21,416,678.00		38,833,341.00
Decoration payable	11	0.00		7,084,990.00
Other non-current liabilities		52,144,325.96		6,971,472.42
Total non-current liabilities		<u>73,561,003.96</u>		<u>52,889,803.42</u>
Total liabilities		<u>3,099,055,615.96</u>		<u>2,000,478,888.61</u>

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED

BALANCE SHEETS (Cont.)

AS AT DECEMBER 31, 2003 AND 2002

Liabilities and shareholders' equity (Cont.)	Note	2003	Baht	2002
Shareholders' equity				
Share capital				
Authorized share capital				
987,500,000 common shares of Baht 1 each		987,500,000.00		987,500,000.00
Issued and paid-up share capital				
753,000,000 common shares of Baht 1 each	13	753,000,000.00		
750,000,000 common shares of Baht 1 each	12			750,000,000.00
Premium on share capital	13	190,121,460.61		184,121,460.61
Retained earnings				
Appropriated				
Legal reserve	15	20,000,000.00		9,500,000.00
Unappropriated		352,689,369.39		201,552,769.85
Total shareholders' equity		1,315,810,830.00		1,145,174,230.46
Total liabilities and shareholders' equity		4,414,866,445.96		3,145,653,119.07

Notes to financial statements are parts of these financial statements.

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	Note	2003	Baht	2002
Revenues				
Sales		6,752,971,593.68		4,563,640,553.81
Other income		113,740,096.46		50,824,676.42
Total revenues		6,866,711,690.14		4,614,465,230.23
Expenses				
Cost of sales		5,327,226,153.34		3,657,744,263.36
Selling and administrative expenses		1,235,450,405.11		794,692,667.26
Total expenses		6,562,676,558.45		4,452,436,930.62
Profit before interest expenses and income tax		304,035,131.69		162,028,299.61
Interest expenses		(24,985,942.16)		(22,956,469.78)
Income tax		(72,412,589.99)		(29,794,504.39)
Net profit		206,636,599.54		109,277,325.44
Basic earnings per share	16			
Net profit		0.27		0.18
Diluted earnings per share	16			
Net profit		0.26		0.18

Notes to financial statements are parts of these financial statements.

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

(Unit : Baht)

	Note	Issued and paid-up share capital	Premium on share capital	Legal reserve	Retained earnings (Deficit)	Total
Beginning balance as at						
January 1, 2002		375,000,000.00	184,121,460.61	2,000,000.00	99,775,444.41	660,896,905.02
Increase of common						
share	12	375,000,000.00	0.00	0.00	0.00	375,000,000.00
Legal reserve		0.00	0.00	7,500,000.00	(7,500,000.00)	0.00
Net profit		0.00	0.00	0.00	109,277,325.44	109,277,325.44
Beginning balance as at						
December 31, 2002		750,000,000.00	184,121,460.61	9,500,000.00	201,552,769.85	1,145,174,230.46
Warrants to purchase						
common shares	13	3,000,000.00	6,000,000.00	0.00	0.00	9,000,000.00
Legal reserve		0.00	0.00	10,500,000.00	(10,500,000.00)	0.00
Dividend paid	14	0.00	0.00	0.00	(45,000,000.00)	(45,000,000.00)
Net profit		0.00	0.00	0.00	206,636,599.54	206,636,599.54
Beginning balance as at						
December 31, 2003		753,000,000.00	190,121,460.61	20,000,000.00	352,689,369.39	1,315,810,830.00

Notes to financial statements are parts of these financial statements.

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	2003	Baht	2002
Cash flows from operating activities			
Net profit	206,636,599.54		109,277,325.44
Adjustment net profit (loss) to cash receipt (disbursement)			
Depreciation	135,248,392.05		79,096,432.82
Amortization of leasehold	8,904,621.87		7,134,691.03
Increase (Decrease) in allowance for damaged goods	25,772,977.56		3,465,803.32
(Gain) Loss from sales of assets	6,850,146.40		153,064.07
Unrealized (gain) loss from exchange rate	0.00		(1,373,921.48)
(Increase) Decrease in accounts and notes receivable	17,963,566.43		(59,365,044.36)
(Increase) Decrease in inventories	(482,242,280.51)		(429,389,130.70)
(Increase) Decrease in other current assets	(27,268,411.74)		(57,293,652.41)
(Increase) Decrease in receivable - Revenue Department	(16,395,242.48)		(7,210,840.50)
(Increase) Decrease in retention for lease	(8,439,200.00)		0.00
(Increase) Decrease in other non-current assets	3,452,240.11		(622,446.58)
Increase (Decrease) in accounts payable	569,469,877.83		467,869,744.93
Increase (Decrease) in other payables	15,530,746.17		11,510,235.40
Increase (Decrease) in accrued interest expenses	(367,550.30)		(1,173,595.63)
Increase (Decrease) in deposit from sales of goods	64,739,107.67		(14,721,960.49)
Increase (Decrease) in other current liabilities	104,654,961.67		55,906,569.12
Increase (Decrease) in other non-current liabilities	45,172,853.54		2,897,143.68
Net cash provided (used in) operating activities	669,683,405.81		166,160,417.66

HOME PRODUCT CENTER PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS (Cont.)
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	2003	Baht	2002
Cash flows from investing activities			
Fixed deposit	17,350,476.66		(32,000,009.05)
Sales of assets	1,554,466.83		314,122.10
(Increase) Decrease in deferred leasehold	(100,766,301.70)		(59,756,618.00)
Paid for assets payable	(76,136,616.03)		(179,990,869.21)
Purchase of fixed assets	(840,974,377.95)		(233,011,455.48)
Net cash provided (used in) investing activities	(998,972,352.19)		(504,444,829.64)
Cash flows form financing activities			
Received (Paid) for bank overdrafts and short-term loans from financial institutions	386,911,709.04		135,198,886.13
Paid for promissory notes	(15,500,000.00)		0.00
Received from long-term loans	63,300,000.00		63,300,000.00
Paid for long-term loans	(108,679,996.01)		(409,543,207.97)
Paid for loans of financial lease agreement	(8,501,988.00)		(8,502,048.00)
Warrants - to purchase common shares	9,000,000.00		0.00
Received from increase share capital	0.00		375,000,000.00
Dividend paid	(45,000,000.00)		0.00
Net cash provided (used in) financing activities	281,529,725.03		155,453,630.16
Net increase (decrease) in cash and cash equivalents	(47,759,221.35)		(182,830,781.82)
Cash and cash equivalents at the beginning of the period	84,051,092.97		266,881,874.79
Cash and cash equivalents at the end of the period	36,291,871.62		84,051,092.97
Additional disclosure of cash flows information			
Cash paid during the period			
	2003	Baht	2002
Interest expenses	25,353,492.46		24,130,065.41
Income tax	10,595,034.37		10,778,533.53

Notes to financial statements are parts of these financial statements.