

JASMINE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
BALANCE SHEETS
AS AT 31st DECEMBER, 1998 AND 1997

	Note	CONSOLIDATED		THE COMPANY ONLY	
		1,998 BAHT	1,997 BAHT	1,998 BAHT	1,997 BAHT
ASSETS					
CURRENT ASSETS					
Cash in hand and at banks	3	821,882,343	415,168,498	164,154,606	35,936,600
Short-term investments	4	124,322,863	300,000	1,000,000	-
Accounts receivable - trade					
Related parties	5, 6	2,387,758,216	2,361,019,592	251,495,420	383,379,795
Others	6	2,180,891,223	1,827,229,981	106,220,254	472,138,909
Total accounts receivable - trade		4,568,649,439	4,188,249,573	357,715,674	855,518,704
Less : Allowance for doubtful accounts		(71,421,660)	(173,368,241)	(67,306,474)	(166,359,133)
Accounts receivable - trade, net		4,497,227,779	4,014,881,332	290,409,200	689,159,571
Short-term loans and advance to related parties	5	1,044,221,014	669,504,597	891,950,177	1,138,796,775
Inventories	7	1,009,373,032	922,496,027	79,255,875	214,690,973
Other current assets					
Dividend receivable		-	-	358,997,487	358,997,487
Prepaid project costs		242,738,235	95,017,459	11,925,488	35,676,520
Unbilled receivable		210,635,102	536,775,631	76,044,590	176,377,460
Accounts receivable - others		42,313,954	311,962,418	8,808,469	36,695,514
Others		359,418,558	356,376,751	67,049,748	40,741,132
Total other current assets		855,105,849	1,300,132,259	522,825,782	648,488,113
TOTAL CURRENT ASSETS		8,352,132,880	7,322,482,713	1,949,595,640	2,727,072,032
INVESTMENTS AND LOANS					
Related parties					
Investments	8	5,835,642,092	7,528,190,747	8,575,013,824	10,182,724,178
Loans	9	497,963,557	428,582,619	497,963,557	428,582,619
Others	10	615,679,895	653,584,916	-	-
TOTAL INVESTMENTS AND LOANS		6,949,285,544	8,610,358,282	9,072,977,381	10,611,306,797
PROPERTY, PLANT AND EQUIPMENT - net	11	4,347,279,840	3,432,040,310	561,999,171	141,533,828
OFFICE CONDOMINIUMS - net		21,687,821	31,687,821	-	-
OTHER ASSETS					
Advance for investment projects	12	585,279,750	649,745,338	113,526,937	162,132,356
Deferred project cost - net	13	5,150,688,928	5,272,490,201	-	-
Deferred expenses - net	14	165,158,618	225,999,417	18,154,491	51,630,519
Excess of cost of investments over net book value of the subsidiary companies - net		328,973,794	327,045,923	-	-
Others		12,963,677	16,917,057	7,188,212	5,804,548
TOTAL OTHER ASSETS		6,243,064,767	6,492,197,936	138,869,640	219,567,423
TOTAL ASSETS		25,913,450,852	25,888,767,062	11,723,441,832	13,699,480,080

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

JASMINE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

BALANCE SHEETS (Continued)
AS AT 31st DECEMBER, 1998 AND 1997

	Note	CONSOLIDATED		THE COMPANY ONLY	
		1,998 BAHT	1,997 BAHT	1,998 BAHT	1,997 BAHT
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and loans from financial institutions		5,031,473,538	4,355,503,009	1,453,571,018	1,213,423,889
Accounts and note payable - trade					
Related parties	5	145,598,133	76,111	2,889,049	13,916,575
Others		1,660,765,180	1,175,176,165	60,770,182	145,287,567
Total accounts and note payable - trade		1,806,363,313	1,175,252,276	63,659,231	159,204,142
Current portion of long-term liabilities	15	3,392,600,287	411,740,303	-	-
Short-term loans and advance from related parties	5	438,084,350	3,306,536	984,957,144	1,906,620,956
Other current liabilities					
Advances received from customers		417,594,952	201,236,217	7,784,422	41,379,964
Corporate income tax payable		111,153,668	4,204,942	-	-
Accrued project costs		186,586,199	226,324,169	18,344,269	29,876,884
Accrued expenses		219,783,524	282,321,692	28,951,729	37,339,575
Others		209,407,654	237,093,575	44,913,138	36,758,871
Total other current liabilities		1,144,525,997	951,180,595	99,993,558	145,355,294
TOTAL CURRENT LIABILITIES		11,813,047,485	6,896,982,719	2,602,180,951	3,424,604,281
PROVISION FOR LOSS FROM GUARANTEE TO ASSOCIATED COMPANIES		404,281,603	262,760,737	404,281,603	262,760,737
LOAN FROM RELATED PARTY		-	-	612,273,943	581,182,464
LONG-TERM LIABILITIES - Net of current portion	15	8,223,165,900	12,710,816,292	3,044,427,000	3,790,985,926
TOTAL LIABILITIES		20,440,494,988	19,870,559,748	6,663,163,497	8,059,533,408
MINORITY INTEREST		412,677,529	378,260,642	-	-
SHAREHOLDERS' EQUITY					
Share capital					
Registered					
333,600,000 ordinary shares of Baht 10 each		3,336,000,000	3,336,000,000	3,336,000,000	3,336,000,000
Issued and fully paid					
333,600,000 ordinary shares of Baht 10 each		3,336,000,000	3,336,000,000	3,336,000,000	3,336,000,000
Share premium		4,139,366,000	4,139,366,000	4,139,366,000	4,139,366,000
Capital surplus from share premium of a subsidiary company		332,369,133	332,369,133	332,369,133	332,369,133
Translation adjustments	16	1,062,064,576	2,308,751,396	1,062,064,576	2,308,751,396
Retained earnings					
Appropriated - statutory reserve	17	271,801,706	231,501,438	145,877,618	145,877,618
Unappropriated (deficit)		(4,081,323,080)	(4,708,041,295)	(3,955,398,992)	(4,622,417,475)
TOTAL SHAREHOLDERS' EQUITY		5,060,278,335	5,639,946,672	5,060,278,335	5,639,946,672
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		25,913,450,852	25,888,767,062	11,723,441,832	13,699,480,080

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

DIRECTORS

JASMINE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
STATEMENTS OF EARNINGS
FOR THE YEAR ENDED 31st DECEMBER, 1998 AND 1997

	Note	CONSOLIDATED		THE COMPANY ONLY	
		1,998 BAHT	1,997 BAHT	1,998 BAHT	1,997 BAHT
REVENUES					
Sales and service income		5,532,740,563	5,518,121,176	380,401,845	676,554,572
Other income					
Management income		-	-	342,300,000	344,440,000
Gain on exchange rate		748,948,109	-	469,796,821	-
Interest income		451,667,719	450,467,258	240,742,706	258,668,662
Others		129,883,093	173,707,997	23,591,547	55,275,213
Total other income		1,330,498,921	624,175,255	1,076,431,074	658,383,875
TOTAL REVENUES		6,863,239,484	6,142,296,431	1,456,832,919	1,334,938,447
EXPENSES					
Cost of sales and service		3,246,076,666	3,451,623,174	372,644,780	561,728,936
Selling, servicing and administrative expenses		745,029,280	1,279,435,141	408,810,318	719,978,670
Interest expenses		1,588,076,469	1,323,624,245	564,992,951	593,004,938
Directors' remuneration	18	8,887,947	10,894,007	8,551,000	10,026,000
Other expenses					
Share of profit from investments in subsidiary companies		-	-	(501,474,916)	(167,954,669)
Share of loss from investments in associated companies		573,541,925	1,336,904,596	78,696,013	1,248,413,800
Total other expenses		573,541,925	1,336,904,596	(422,778,903)	1,080,459,131
TOTAL EXPENSES		6,161,612,287	7,402,481,163	932,220,146	2,965,197,675
EARNINGS (LOSS) BEFORE INCOME TAX		701,627,197	(1,260,184,732)	524,612,773	(1,630,259,228)
CORPORATE INCOME TAX	19	(149,895,954)	(255,714,948)	-	-
EARNINGS (LOSS) BEFORE MINORITY INTEREST		551,731,243	(1,515,899,680)	524,612,773	(1,630,259,228)
MINORITY INTEREST		(27,118,470)	210,125,315	-	-
EARNINGS (LOSS) BEFORE EXTRAORDINARY ITEM		524,612,773	(1,305,774,365)	524,612,773	(1,630,259,228)
EXTRAORDINARY ITEM - net of income tax	20	-	(4,140,089,416)	-	(3,815,604,553)
NET EARNINGS (LOSS) FOR THE YEAR		524,612,773	(5,445,863,781)	524,612,773	(5,445,863,781)
EARNINGS PER SHARE					
Earnings (loss) before extraordinary item		2	(4)	2	(5)
Extraordinary item		-	(12)	-	(11)
Net earnings (loss)		2	(16)	2	(16)

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

JASMINE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
 STATEMENTS OF RETAINED EARNINGS
 FOR THE YEAR ENDED 31st DECEMBER, 1998 AND 1997

	Note	CONSOLIDATED		THE COMPANY ONLY	
		1,998 BAHT	1,997 BAHT	1,998 BAHT	1,997 BAHT
RETAINED EARNINGS - UNAPPROPRIATED					
Balance brought forward from prior year (Deficit)		(4,708,041,295)	1,284,460,254	(4,622,417,475)	1,323,846,306
Add : Prior year's adjustment	21	142,405,710	-	142,405,710	-
Less : Appropriation of prior year's net earnings					
Transferred to statutory reserve		(40,300,268)	(46,237,768)	-	-
Dividends		-	(500,400,000)	-	(500,400,000)
Net earnings (loss) for the year		524,612,773	(5,445,863,781)	524,612,773	(5,445,863,781)
Total retained earnings - unappropriated (deficit)		<u>(4,081,323,080)</u>	<u>(4,708,041,295)</u>	<u>(3,955,398,992)</u>	<u>(4,622,417,475)</u>
RETAINED EARNINGS - APPROPRIATED					
Statutory reserve		271,801,706	231,501,438	145,877,618	145,877,618
Total retained earnings - appropriated		<u>271,801,706</u>	<u>231,501,438</u>	<u>145,877,618</u>	<u>145,877,618</u>
TOTAL RETAINED EARNINGS (DEFICIT)		<u>(3,809,521,374)</u>	<u>(4,476,539,857)</u>	<u>(3,809,521,374)</u>	<u>(4,476,539,857)</u>

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

JASMINE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31st DECEMBER, 1998 AND 1997

	CONSOLIDATED		THE COMPANY ONLY	
	1,998 BAHT	1,997 BAHT	1,998 BAHT	1,997 BAHT
SHARE CAPITAL				
ORDINARY SHARES				
Balance - beginning of the year	3,336,000,000	3,336,000,000	3,336,000,000	3,336,000,000
Increase during the year	-	-	-	-
Decrease during the year	-	-	-	-
Balance - end of the year	<u>3,336,000,000</u>	<u>3,336,000,000</u>	<u>3,336,000,000</u>	<u>3,336,000,000</u>
SHARE PREMIUM				
Balance - beginning of the year	4,139,366,000	4,139,366,000	4,139,366,000	4,139,366,000
Increase during the year	-	-	-	-
Decrease during the year	-	-	-	-
Balance - end of the year	<u>4,139,366,000</u>	<u>4,139,366,000</u>	<u>4,139,366,000</u>	<u>4,139,366,000</u>
CAPITAL SURPLUS FROM SHARE PREMIUM OF A SUBSIDIARY COMPANY				
Balance - beginning of the year	332,369,133	332,369,133	332,369,133	332,369,133
Increase during the year	-	-	-	-
Decrease during the year	-	-	-	-
Balance - end of the year	<u>332,369,133</u>	<u>332,369,133</u>	<u>332,369,133</u>	<u>332,369,133</u>
TRANSLATION ADJUSTMENTS				
Balance - beginning of the year	2,308,751,396	-	2,308,751,396	-
Increase during the year	-	2,308,751,396	-	2,308,751,396
Decrease during the year	(1,246,686,820)	-	(1,246,686,820)	-
Balance - end of the year	<u>1,062,064,576</u>	<u>2,308,751,396</u>	<u>1,062,064,576</u>	<u>2,308,751,396</u>
RETAINED EARNINGS				
APPROPRIATED				
Statutory reserve				
Balance - beginning of the year	231,501,438	185,263,670	145,877,618	145,877,618
Increase during the year	40,300,268	46,237,768	-	-
Decrease during the year	-	-	-	-
Balance - end of the year	<u>271,801,706</u>	<u>231,501,438</u>	<u>145,877,618</u>	<u>145,877,618</u>
UNAPPROPRIATED				
Balance - beginning of the year	(4,708,041,295)	1,284,460,254	(4,622,417,475)	1,323,846,306
Increase during the year	667,018,483	-	667,018,483	-
Decrease during the year	(40,300,268)	(5,992,501,549)	-	(5,946,263,781)
Balance - end of the year (deficit)	<u>(4,081,323,080)</u>	<u>(4,708,041,295)</u>	<u>(3,955,398,992)</u>	<u>(4,622,417,475)</u>
TOTAL SHAREHOLDERS' EQUITY	<u><u>5,060,278,335</u></u>	<u><u>3,331,195,276</u></u>	<u><u>5,060,278,335</u></u>	<u><u>3,331,195,276</u></u>

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

JASMINE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31st DECEMBER, 1998 AND 1997

	Note	CONSOLIDATED		THE COMPANY ONLY	
		1,998 BAHT	1,997 BAHT	1,998 BAHT	1,997 BAHT
Cash flows from (used in) operating activities :					
Net earnings (loss)		524,612,773	(5,445,863,781)	524,612,773	(5,445,863,781)
Adjustments to reconcile net earnings (loss) to net cash provided by (used for) operating activities :					
Unrealised loss from change of foreign exchange system (extraordinary items)	20	-	3,022,162,082	-	1,624,749,844
Share of extraordinary exchange loss of subsidiary companies	20	-	-	-	718,425,158
Share of extraordinary exchange loss of associated company	20	-	1,833,615,703	-	1,833,615,703
Share of profit from investments in subsidiary companies		-	-	(501,474,916)	(167,954,669)
Share of loss from investments in associated companies		573,541,925	1,336,904,596	78,696,013	1,248,413,800
Loss attributed to minority interest		27,118,470	(210,125,315)	-	-
Provision for loss from guarantee to an associated company		(23,885,711)	-	(23,885,710)	-
Provision for loss from investment in fixed assets		10,000,000	-	-	-
(Gain) loss on sales of investment		(80,332,783)	(53,116,824)	18,124,736	(33,258,319)
(Gain) loss on disposal of property, plant and equipment		(1,120,045)	3,065,388	828,022	(564,519)
Bad debt and other expenses written off		63,524,515	355,035,179	63,524,515	263,914,371
Depreciation and amortisation		965,732,727	653,734,189	60,610,115	68,619,829
		<u>2,059,191,871</u>	<u>1,495,411,217</u>	<u>221,035,548</u>	<u>110,097,417</u>
(Increase) decrease in accounts receivable - trade		(573,232,819)	(1,101,736,011)	307,863,999	51,321,466
(Increase) decrease in short-term loans to related parties		183,631,714	23,832,305	137,954,746	(989,646,338)
Increase in advance to related parties		(563,763,747)	(305,061,033)	(99,536,572)	(172,166,605)
(Increase) decrease in inventories		(52,594,471)	(274,422,096)	169,717,632	(73,594,411)
(Increase) decrease in prepaid project costs		(149,225,837)	508,374,355	22,245,971	(11,223,040)
(Increase) decrease in unbilled receivable		326,140,529	650,063,584	100,332,870	(74,916,263)
(Increase) decrease in accounts receivable - others		269,648,464	(61,240,122)	27,887,045	2,003,478
(Increase) decrease in other current assets		(3,041,807)	52,748,349	(26,308,616)	(5,881,450)
Increase in deferred charges		129,267	(112,012,074)	-	(1,307,400)
(Increase) decrease in other assets		3,953,380	13,924,424	(1,383,664)	5,662,068
Increase (decrease) in accounts payable - trade		631,111,037	64,680,083	(95,544,911)	121,959,298
Increase in advance from related parties		434,777,814	3,306,536	483,335,761	10,553,708
Increase (decrease) in advances received from customers		216,358,735	(190,051,125)	(33,595,542)	(35,993,836)
Increase (decrease) in corporate income tax payable		106,948,726	(228,619,304)	-	(197,889)
Increase (decrease) in accrued project costs		(39,737,970)	(75,275,038)	(11,532,615)	28,076,156
Increase (decrease) in accrued expenses		(62,538,168)	142,981,994	(8,387,846)	8,964,428
Increase (decrease) in other current liabilities		(27,685,921)	52,168,884	8,154,267	13,109,282
Net cash from (used in) operating activities		<u>2,760,070,797</u>	<u>659,074,928</u>	<u>1,202,238,073</u>	<u>(1,013,179,931)</u>

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

JASMINE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
STATEMENTS OF CASH FLOWS (Continued)
FOR THE YEAR ENDED 31st DECEMBER, 1998 AND 1997

	CONSOLIDATED		THE COMPANY ONLY	
	1,998 BAHT	1,997 BAHT	1,998 BAHT	1,997 BAHT
Cash flows from (used in) investing activities :				
Translation adjustment	(1,246,686,820)	2,312,621,821	(1,246,686,820)	2,308,751,396
Increase in cash in hand and at bank (pledged portion)	(24,085,028)	-	(24,085,028)	-
Increase in short-term investment (pledged portion)	(45,585,198)	(300,000)	(1,000,000)	-
Increase in loan to related party	(69,380,938)	(53,582,619)	(69,380,938)	(52,443,360)
Increase (decrease) in other investments	37,905,021	(366,034,916)	-	-
Investments in subsidiary companies	-	-	(100,960,000)	(90,830,000)
Investments in associated and related companies	1,147,795,575	(3,979,545,833)	1,381,684,368	(3,658,975,042)
Dividend received	5,922,312	424,421	920,968,551	805,559,809
Proceeds from sales of investments	353,433,912	216,801,133	24,513,888	170,981,583
Return of capital	-	-	93,970,000	-
Increase in excess of costs of investment over net book value of the subsidiary companies	(22,500,000)	(27,585,000)	-	-
(Increase) decrease in advance for investment projects	64,465,588	(280,225,930)	48,605,419	4,983,020
Proceeds from sales of property, plant and equipment	39,391,146	7,013,545	6,284,934	2,484,896
Purchases of property, plant and equipment	(1,504,317,447)	(2,164,330,475)	(454,712,386)	(22,247,262)
Increase in deferred project costs	(211,840,976)	(799,945,710)	-	-
Net cash from (used in) investing activities	<u>(1,475,482,853)</u>	<u>(5,134,689,563)</u>	<u>579,201,988</u>	<u>(531,734,960)</u>
Cash flows from (used in) financing activities :				
Increase (decrease) in bank overdrafts and loans from financial institutions	675,970,529	566,129,109	240,147,129	(943,691,164)
Increase (decrease) in short-term loans from related parties	-	-	(1,201,986,765)	1,794,156,087
Increase in long-term loans from related party	-	-	31,091,479	581,238,258
Increase (decrease) in long-term liabilities	(1,506,790,408)	2,950,528,691	(746,558,926)	454,593,353
Dividend paid to the Company's shareholders	-	(500,400,000)	-	(500,400,000)
Dividend paid to the subsidiary companies' minority interest shareholders	-	(36,401,283)	-	-
Cash received from increased share capital in respect of minority interest	7,298,417	34,606,078	-	-
Net cash from (used in) financing activities	<u>(823,521,462)</u>	<u>3,014,462,595</u>	<u>(1,677,307,083)</u>	<u>1,385,896,534</u>
Net increase (decrease) in cash and cash equivalents	461,066,482	(1,461,152,040)	104,132,978	(159,018,357)
Cash and cash equivalents at beginning of the year	415,168,498	1,876,320,538	35,936,600	194,954,957
Cash and cash equivalents at end of the year	<u>876,234,980</u>	<u>415,168,498</u>	<u>140,069,578</u>	<u>35,936,600</u>
Supplemental cash flows information :				
Cash paid during the year for :				
Corporate income tax	37,138,473	296,005,786	-	396,955
Interest expense	2,011,938,459	1,298,448,352	583,600,381	576,802,782

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