

# Far East Holdings International Limited

(Incorporated in Hong Kong with limited liability)

## Consolidated Cash Flow Statement

For the year ended 31st December, 1997

	<u>Note</u>	<u>1997</u> <u>HK\$</u>	<u>1996</u> <u>HK\$</u>
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	22	<u>(31,019,205)</u>	<u>(79,283,525)</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		3,822,190	2,260,903
Interest paid		(18,204,791)	(17,931,257)
Dividend received		941,392	1,420,155
Finance charges on obligation under hire-purchase contracts		<u>(380,374)</u>	<u>(441,514)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		<u>(13,821,583)</u>	<u>(14,691,713)</u>
TAXATION			
Hong Kong profits tax paid		(2,900,000)	-
Hong Kong profits tax refunded		-	111,730
Tax paid in other jurisdictions		<u>(9,766,489)</u>	<u>(15,945,702)</u>
TOTAL TAX PAID		<u>(12,666,489)</u>	<u>(15,833,972)</u>
INVESTING ACTIVITIES			
Net proceeds on disposal of investments		-	5,265,789
Net proceeds on disposal of fixed assets		239,460	4,942,273
Acquisition of fixed assets		(2,451,251)	(41,372,322)
(Decrease) increase in pledged bank deposits		(867,959)	4,959,146
Payments for acquisition of and advance to an associated company		(13,483,428)	-
Acquisition of investments		(424,647)	-
Deposits received on leisure-entertainment complex construction in progress net of additional investment therein		<u>60,589,423</u>	<u>-</u>
NET CASH INFLOW (OUTFLOW) FROM INVESTING ACTIVITIES		<u>43,601,598</u>	<u>(26,205,114)</u>
NET CASH OUTFLOW BEFORE FINANCING		<u>(13,905,679)</u>	<u>(136,014,324)</u>

## FINANCING

Shares subscribed by minority shareholders	-	2,600,516	
Repayment of obligations under hire-purchase contracts	(2,261,853)	(1,972,983)	
New bank loans	59,199,833	174,387,797	
Repayment of bank loans	(8,290,611)	(25,760,499)	
NET CASH INFLOW FROM FINANCING	23	<u>48,647,369</u>	<u>149,254,131</u>
INCREASE IN CASH AND CASH EQUIVALENTS		34,741,690	13,240,507
CASH AND CASH EQUIVALENTS AT 1ST JANUARY		20,732,131	8,474,647
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		<u>(18,767,755)</u>	<u>(983,023)</u>
CASH AND CASH EQUIVALENTS AT 31ST DECEMBER		<u>36,706,066</u>	<u>20,732,131</u>
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		6,429,300	10,539,478
Time deposits		46,861,238	26,002,392
Bank overdrafts		<u>(226,600)</u>	<u>(320,026)</u>
		53,063,938	36,222,044
Less: Pledged bank deposits		<u>(16,357,872)</u>	<u>(15,489,913)</u>
		<u>36,706,066</u>	<u>20,732,131</u>