

# Far East Holdings International Limited

(Incorporated in Hong Kong with limited liability)

## Interim Results

The Board of Directors of Far East Holdings International Limited (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (together the "Group") for the six months ended 30th June, 1997:-

	<b>Six months ended 30-6-1997 HK\$'000</b>	Six months ended 30-6-1996 HK\$'000
Turnover	<b>109,385</b>	227,541
Operating Profit/(Loss) before exceptional items	<b>3,397</b>	(6,160)
Exceptional items (Note 1)	<b>(8,892)</b>	27,865
(Loss)/Profit from ordinary activities before taxation	<b>(5,495)</b>	21,705
Taxation (Note 2)	<b>(3,255)</b>	(9,430)
(Loss)/Profit from ordinary activities after taxation	<b>(8,750)</b>	12,275
Profit attributable to minority interests	<b>(888)</b>	(6,867)
(Loss)/Profit attributable to shareholders	<b>(9,638)</b>	5,408
Interim dividends	<b>—</b>	—
(Loss)/Profit retained for the period	<b>(9,638)</b>	5,408
(Loss)/Earnings per share (Note 3)	<b>(3.23 cents)</b>	1.81 cents

Notes:

1. Exceptional items represent:-

	<b>Six months ended 30-6-1997 HK\$'000</b>	<b>Six months ended 30-6-1996 HK\$'000</b>
Provision for diminution in value of listed securities (made)/written back	<b>(1,286)</b>	32,672
Loss on foreign exchange forward contracts	<b>(8,473)</b>	(4,803)
Profit/(Loss) on sales of listed securities and futures contracts	<b>867</b>	(4)
	<b><u>(8,892)</u></b>	<b><u>27,865</u></b>

2. Provision for Hong Kong profits tax is calculated at the rate of 16.5% (1996 - 16.5%) based on the estimated assessable profits for the period. Overseas subsidiaries provide for taxation at the prevailing rates of taxation applicable to the countries in which they operate. No provision for deferred tax has been made for the Company as the effect of timing differences is immaterial. No provision for deferred tax is required for subsidiaries as there are deferred tax debits which will be recognized only when they become crystallized.

The tax charges comprise:-

	<b>Six months ended 30-6-1997 HK\$'000</b>	<b>Six months ended 30-6-1996 HK\$'000</b>
Company and subsidiaries		
Hong Kong	<b>(1,780)</b>	—
Overseas	<b>(1,475)</b>	(9,430)
	<b><u>(3,255)</u></b>	<b><u>(9,430)</u></b>

3. The calculation of (loss)/earnings per share is based on the Group's loss attributable to shareholders of HK\$9,638,639 (1996 - profit of 5,407,526) for the period and on 298,568,905 ordinary shares (1996 - 298,568,905 ordinary shares) in issue during the period.