

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 1998

	Note	1998 US\$'000	1997 US\$'000
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	A	<b>47,211</b>	15,085
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets		(376,958)	(154,705)
Proceeds from disposal of fixed assets		32,852	610
Purchase of long term investment		(10,658)	(36,645)
Acquisition of SCSL	B	-	53,968
Acquisition of remaining interest in an existing subsidiary		-	(52)
<b>Net cash outflow from investing activities</b>		<b>(354,764)</b>	(136,824)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
(Decrease) / Increase in amount due to former holding company		(20,918)	80,368
Proceeds from borrowings		283,235	85,000
Repayment of borrowings		(101,912)	-
Proceeds from issue of shares to minority shareholder of a subsidiary		-	23
Proceeds from issue of shares		262,500	-
<b>Net cash inflow from financing activities</b>		<b>422,905</b>	165,391
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	C	<b>115,352</b>	43,652

The notes set out on pages 29 to 44 form an integral part of these financial statements.

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

	1998 US\$'000	1997 US\$'000
<b>A NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		
Income before taxation and exceptional items but after charging net interest expense	<b>23,308</b>	13,645
Adjustments for:		
Share of associates' income	-	(18,847)
Provision for doubtful debts	<b>1,375</b>	711
Amortisation of goodwill on consolidation	<b>51</b>	50
Amortisation of reserve on consolidation	<b>(119)</b>	(86)
Interest income	<b>(3,955)</b>	(143)
Depreciation of fixed assets	<b>34,682</b>	28,414
Interest expense	<b>4,776</b>	559
(Gain) / Loss on disposal of fixed assets	<b>(3,549)</b>	256
Assets written off	<b>33</b>	223
	<b>33,294</b>	11,137
Operating income before working capital changes	<b>56,602</b>	24,782
Increase in stocks	<b>(3,034)</b>	(4,786)
Decrease / (Increase) in debtors	<b>6,559</b>	(9,777)
(Decrease) / Increase in creditors	<b>(4,053)</b>	20,543
Changes in net intercompany balances	-	477
	<b>(528)</b>	6,457
Cash inflow from operations	<b>56,074</b>	31,239
Tax paid	<b>(1,114)</b>	(991)
Interest paid	<b>(5,599)</b>	(829)
Interest received	<b>3,955</b>	143
Cash inflow before exceptional items	<b>53,316</b>	29,562
Expenses incurred in relation to the start up of a cruise ship	<b>(6,105)</b>	(3,849)
Expenses incurred in relation to proposed cruise infrastructure facilities now written off	-	(2,045)
Additional drydocking costs due to the need to comply with prevailing International Safety Management Code	-	(8,583)
	<b>47,211</b>	15,085

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**1998**                      1997  
**US\$'000**                      US\$'000

**B ACQUISITION OF STAR CRUISE SERVICES LIMITED ("SCSL") IN 1997**

Net assets acquired:

Fixed assets	-	(1,130)
Reserve arising on consolidation	-	27,575
	-	26,445
Net working capital	-	(27,278)
	-	(833)
Net assets previously accounted for as associates	-	27,641
	-	26,808
Bank balances of subsidiaries acquired	-	27,160
	-	53,968

**C ANALYSIS OF CASH AND CASH EQUIVALENTS**

At 1 January	<b>33,683</b>	14,419
Net inflow before adjustments for the effect of exchange rate changes	<b>115,352</b>	43,652
Effect of currency translation	<b>1,129</b>	(24,388)
	<b>150,164</b>	33,683
At 31 December	<b>150,164</b>	33,683
Represented by:		
Bank balances and deposits	<b>150,164</b>	33,977
Bank overdraft	-	(294)
	<b>150,164</b>	33,683

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