

CONSOLIDATED CASH FLOW STATEMENT

For The Year Ended December 31, 2000

	2000 HK\$ Million	1999 Restated HK\$ Million
Net cash inflow from operating activities (Note a)	5,499	6,691
Returns on investments and servicing of finance		
Interest paid	(1,995)	(2,386)
Interest received	284	319
Dividends received from associates	43	53
Dividends received from investments in securities	164	142
Dividends paid	(1,908)	(964)
Dividends paid to minority shareholders	(545)	(761)
Net cash outflow from returns on investments and servicing of finance	(3,957)	(3,597)
Taxation		
Hong Kong profits tax paid	(327)	(243)
Overseas tax paid	(4)	(20)
Rebate of profits tax	-	57
Tax paid	(331)	(206)
Investing activities		
Purchase of fixed assets	(1,456)	(2,486)
Purchase of subsidiaries (Note b)	(1,266)	(1,145)
Increase in investment in associates	(64)	(31)
Purchase of non-trading securities	(1,710)	(2,782)
Proceeds from sale of investment properties	-	55
Proceeds from sale of other fixed assets	6	5
Proceeds from disposal of a subsidiary (Note c)	175	4,138
Proceeds from disposal of associates	357	-
Net advances to associates	(314)	(2,192)
Proceeds from sale of non-trading securities	5,052	6,901
Repayment from / (advances) to deferred debtors	73	(60)
Net cash inflow from investing activities	853	2,403
Net cash inflow before financing	2,064	5,291

CONSOLIDATED CASH FLOW STATEMENT
(Continued)
For The Year Ended December 31, 2000

	2000 HK\$ Million	1999 Restated HK\$ Million
Financing		
Proceeds from issue of ordinary share capital	1	1,796
Net (repayment) / draw down of long term loans	(3,940)	7,645
Net repayment of short term loans and overdrafts	(3,131)	(7,590)
Uplift / (placement) of bank deposits	787	(733)
Draw down / (repayment) of advances from minority interests	<u>5</u>	<u>(71)</u>
Net cash (outflow) / inflow from financing (Note d)	<u>(6,278)</u>	<u>1,047</u>
(Decrease) / increase in cash and cash equivalents	(4,214)	6,338
Effect of foreign exchange rates	20	-
Cash and cash equivalents at January 1	<u>6,405</u>	<u>67</u>
Cash and cash equivalents at December 31	<u>2,211</u>	<u>6,405</u>
Analysis of the balance of cash and cash equivalents		
Deposits and cash	2,213	6,407
Bank loans, overdrafts and other loans	<u>(2)</u>	<u>(2)</u>
	<u>2,211</u>	<u>6,405</u>

CONSOLIDATED CASH FLOW STATEMENT
(Continued)
For The Year Ended December 31, 2000

Notes to the consolidated cash flow statement

a. Reconciliation of operating profit to net cash inflow from operating activities

	2000 HK\$ Million	1999 Restated HK\$ Million
Operating profit	5,391	5,079
Interest income	(276)	(259)
Dividends receivable from investments in securities	(164)	(142)
Depreciation	912	884
Amortisation	120	109
Other provisions	302	298
Gain on disposal of a subsidiary	(54)	-
Loss on disposal of investment properties	-	50
Loss on sale of other fixed assets	12	16
Other net income	(739)	(1,088)
Exchange adjustments	(21)	30
(Increase) / decrease in properties held for sale	(248)	83
(Increase) / decrease in properties under development for sale	(102)	1,490
(Increase) / decrease in spare parts and consumables	(34)	47
Decrease / (increase) in held-to-maturity securities	79	(3)
Decrease in debtors	449	332
Increase in creditors	8	257
Net movement in provision for planned maintenance	16	23
Payments deferred	(141)	(509)
Decrease in other deferred liabilities	(11)	(6)
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Net cash inflow from operating activities	<u>5,499</u>	<u>6,691</u>

CONSOLIDATED CASH FLOW STATEMENT
(Continued)
For The Year Ended December 31, 2000

Notes to the consolidated cash flow statement (Continued)

b. Purchase of subsidiaries

	2000 HK\$ Million	1999 Restated HK\$ Million
Net assets acquired		
Fixed assets	-	3,100
Deferred debtors	-	208
Current assets	-	350
Current liabilities	-	(318)
Other deferred liabilities	-	(15)
Deferred taxation	-	(9)
Minority interests	1,519	(1,100)
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	1,519	2,216
(Capital reserve) / goodwill	(136)	9
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	1,383	2,225
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Satisfied by :		
Cash consideration	1,266	1,147
Consideration settled by net assets of a subsidiary disposed (Note c)	117	-
Decrease in interest in associates	-	1,078
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	1,383	2,225
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Analysis of the net outflow of cash and cash equivalents in respect of the purchase of subsidiaries		
Cash consideration	1,266	1,147
Deposits and cash acquired	-	(2)
Net outflow of cash and cash equivalents in respect of the purchase of subsidiaries	<hr/>	<hr/>
	1,266	1,145
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CONSOLIDATED CASH FLOW STATEMENT
(Continued)
For The Year Ended December 31, 2000

Notes to the consolidated cash flow statement (Continued)

c. Disposal of a subsidiary

	2000 HK\$ Million	1999 Restated HK\$ Million
Net assets disposed of		
Long term investments	-	17
Current assets	296	-
Current liabilities	(1)	-
Minority interests	(57)	286
	<u>238</u>	<u>303</u>
Gain on disposal	54	3,762
Goodwill realised upon disposal	-	73
	<u>292</u>	<u>4,138</u>
Satisfied by :		
Cash consideration received net of transaction costs	175	4,138
Net assets of a subsidiary acquired (Note b)	117	-
	<u>292</u>	<u>4,138</u>

Analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries

Cash consideration received net of transaction costs	175	4,138
Deposits and cash disposed of	-	-
Net inflow of cash and cash equivalents	<u>175</u>	<u>4,138</u>
in respect of the disposal of subsidiaries		

CONSOLIDATED CASH FLOW STATEMENT
(Continued)
For The Year Ended December 31, 2000

Notes to the consolidated cash flow statement (Continued)

d. Analysis of changes in financing during the year

	Share capital (including share premium) HK\$Million	Long term loans HK\$Million	Short term loans HK\$Million	Minority interests HK\$Million	Club debentures HK\$Million	Total HK\$Million
Balance at January 1, 1999						
- as previously reported	7,538	21,891	7,764	3,924	220	41,337
- prior period adjustment (Note 8)	-	-	-	(21)	-	(21)
	<u>7,538</u>	<u>21,891</u>	<u>7,764</u>	<u>3,903</u>	<u>220</u>	<u>41,316</u>
- as restated	7,538	21,891	7,764	3,903	220	41,316
Issue of shares for cash	1,796	-	-	-	-	1,796
Scrip issue in lieu of cash dividend	841	-	-	-	-	841
Cash inflow / (outflow) from financing	-	7,645	(7,590)	(71)	-	(16)
Purchase of subsidiaries (Note b)	-	-	-	1,100	-	1,100
Disposal of subsidiaries (Note c)	-	-	-	286	-	286
Dividends paid to minority interests	-	-	-	(761)	-	(761)
Minority interests' share of capital and revenue reserves in subsidiaries	-	-	-	946	-	946
Exchange adjustments	-	17	-	-	-	17
Reclassification and other adjustments	-	(3,214)	3,235	(35)	-	(14)
Balance at December 31, 1999 and January 1, 2000	<u>10,175</u>	<u>26,339</u>	<u>3,409</u>	<u>5,368</u>	<u>220</u>	<u>45,511</u>
Issue of shares for cash	1	-	-	-	-	1
Cash inflow / (outflow) from financing	-	(3,940)	(3,131)	5	-	(7,066)
Purchase of subsidiaries (Note b)	-	-	-	(1,519)	-	(1,519)
Disposal of subsidiaries (Note c)	-	-	-	(57)	-	(57)
Dividends paid to minority interests	-	-	-	(545)	-	(545)
Minority interests' share of capital and revenue reserves in subsidiaries	-	-	-	807	-	807
Exchange adjustments	-	19	-	1	-	20
Reclassification and other adjustments	-	(5,566)	5,566	(56)	-	(56)
Balance at December 31, 2000	<u>10,176</u>	<u>16,852</u>	<u>5,844</u>	<u>4,004</u>	<u>220</u>	<u>37,096</u>