

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2000

in HK \$ million	2000	1999
Net Cash Inflow from Consolidated Activities		
(note a)	1,048	1,149

Returns on Investments and Servicing of Finance		
Dividend income from associated companies	738	1,252
Income from investments	1,562	1,403
Interest received	617	93
Interest paid	(1,380)	(1,310)
Dividends paid	(1,668)	(5,744)
	<u> </u>	<u> </u>
Net Cash Outflow from Returns on Investments and Servicing of Finance	(131)	(4,306)

Taxation		
Hong Kong profits tax and overseas tax paid	(120)	(88)

Investing Activities		
Purchase of subsidiary companies (net of cash and cash equivalents acquired) (note b)	(1,611)	-
Purchase of additional interests in a subsidiary company	(61)	-
Purchase of fixed assets	(1,639)	(380)
Investment in associated companies	(1,131)	(114)
Increase in investments	(248)	(138)
Proceeds on disposal of fixed assets	34	38
Proceeds on disposal of interest in an associated company	20	12,781
Proceeds on disposal of investments	1,770	2,335
Increase in amount due from a substantial shareholder	(567)	-
Decrease in amount due to a previous shareholder of a subsidiary company	(45)	-
Loans to associated companies	(685)	(633)
	<u> </u>	<u> </u>
Net Cash (Outflow)/ Inflow from Investing Activities	(4,163)	13,889

CONSOLIDATED CASH FLOW STATEMENT
(Continued)
for the year ended 31 December 2000

in HK \$ million	2000	1999
Net Cash (Outflow)/ Inflow before Financing	(3,366)	10,644

Financing (note c)		
Repurchase of shares	(1,004)	-
Issue of shares	4,038	-
Expenses on issue of shares	(97)	-
New borrowings	626	122
Repayment of loans	(4,053)	(3,536)
Increase in minority interests	443	2
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Net Cash Outflow from Financing	(47)	(3,412)

(Decrease) / Increase in Cash and Cash Equivalents	(3,413)	7,232
Cash and Cash Equivalents at 1 January	7,543	301
Effect of Foreign Exchange Rate Changes	(3)	10
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Cash and Cash Equivalents at 31 December	4,127	7,543
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Analysis of the Balances of Cash and Cash Equivalents		
Cash and bank deposits	5,201	8,044
Bank loans , other loans and overdrafts (note d)	(1,074)	(501)
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	4,127	7,543
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CONSOLIDATED CASH FLOW STATEMENT
(Continued)
for the year ended 31 December 2000

NOTES TO CONSOLIDATED CASH FLOW STATEMENT

a Reconciliation of profit from consolidated activities to net cash inflow from consolidated activities

in HK \$ million	2000	1999
Profit from consolidated activities after net finance charges	1,831	1,169
Net interest expense	568	1,053
Income from investments	(1,664)	(1,493)
Depreciation and amortisation	452	356
Loss on disposal of fixed assets	3	6
Net gain from investments	(111)	(225)
Provision for diminution in value of unlisted investments	1	-
(Increase)/decrease in inventories	(96)	191
Increase in debtors, accounts receivable, deposits and prepayments	(290)	(87)
Increase in creditors, accounts payable and accruals	326	217
Effect of foreign exchange rates	28	(38)
Net cash inflow from consolidated activities	<u>1,048</u>	<u>1,149</u>

CONSOLIDATED CASH FLOW STATEMENT
(Continued)
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b Purchase of subsidiary companies

in HK \$ million	2000
Net assets acquired	
Fixed assets	59
Inventories	118
Accounts receivable and prepayments	143
Cash and bank deposits	17
Bank overdrafts	(7)
Creditors and accrued charges	(202)
Deferred taxation	(1)
Minority interests	(2)
	125
Less: Interest in associated companies	(4)
Goodwill	1,500
	1,621
Satisfied by:	
Cash paid	1,621

Analysis of the net outflow of cash and cash equivalents in respect of the purchase of subsidiary companies

in HK \$ million	2000
Cash consideration	1,621
Cash and bank deposits acquired	(17)
Bank overdrafts acquired	7
	7
Net outflow of cash and cash equivalents in respect of the purchase of subsidiary companies	1,611

The subsidiary companies acquired during the year contributed HK\$74 million to the Group's net operating cash inflows, received HK\$1 million in respect of the net returns on investments and servicing of finance, paid HK\$1 million in respect of taxation, received HK\$2 million from financing activities and utilised HK\$102 million for investing activities.

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c Analysis of changes in financing during the year

in HK \$ million	<i>Share Capital</i>		<i>Long term borrowings</i>		<i>Minority interests</i>	
	<i>(including premium)</i>					
	2000	1999	2000	1999	2000	1999
Balance at 1 January	21,732	21,732	18,062	21,476	1,381	1,269
Issue of shares, net of expenses	3,941	-	-	-	-	-
Repurchase of shares	(1,004)	-	-	-	-	-
Premium on shares repurchased paid out of retained profits	991	-	-	-	-	-
Effect of foreign exchange difference	-	-	-	-	3	6
Net cash (outflow)/inflow from financing	-	-	(3,427)	(3,414)	443	2
Minority interests' share of retained profit for the year	-	-	-	-	111	104
Purchase of additional interests in a subsidiary company	-	-	-	-	(61)	-
Balance at 31 December	<u>25,660</u>	<u>21,732</u>	<u>14,635</u>	<u>18,062</u>	<u>1,877</u>	<u>1,381</u>

d Reconciliation of the balance of cash and cash equivalents in respect of bank loans, other loans and overdrafts

in HK \$ million	2000	1999
Bank loans, other loans and overdrafts	2,752	1,952
Bank loans, other loans and overdrafts over three months to maturity	<u>(1,678)</u>	<u>(1,451)</u>
Bank loans, other loans and overdrafts within three months to maturity	<u>1,074</u>	<u>501</u>