

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December, 2000

(Expressed in Hong Kong dollars)

		2000		1999	
	Note	\$'000	\$'000	\$'000	\$'000
Net cash inflow from operating activities	(a)		198,147		183,768
Returns on investments and servicing of finance					
Interest received		15,546		19,282	
Interest paid		(102,541)		(103,083)	
Interest element of finance lease rentals		(114)		(159)	
Dividends received from non-trading securities					
– listed		893		806	
– unlisted		1,872		1,036	
Dividends paid		(11,813)		(26,579)	
			(96,157)		(108,697)
Net cash outflow from returns on investments and servicing of finance					
Taxation					
Hong Kong Profits Tax paid		(7,359)		(24,326)	
Hong Kong Profits Tax refunded		–		8,756	
Overseas tax (paid)/refunded		(4,957)		12,794	
			(12,316)		(2,776)
Tax paid					
Investing activities					
Purchase of fixed assets		(71,076)		(148,325)	
Disposal of fixed assets		1,706		76	
Disposal of listed non-trading securities		20,931		–	
Disposal of interest in associate		65,388		–	
Return of investment in non-trading securities		–		4,723	
Sale of mortgage servicing rights		–		3,720	
Further capital contributions to associates		–		(846)	
			16,949		(140,652)
Net cash inflow/(outflow) from investing activities					
Net cash inflow/(outflow) before financing			106,623		(68,357)
Financing					
New bank loans		–		670,178	
Repayment of bank loans		(62,458)		(759,481)	
Capital element of finance lease rentals		(1,510)		(2,135)	
			(63,968)		(91,438)
Net cash outflow from financing	(b)				
Increase/(decrease) in cash and cash equivalents			42,655		(159,795)
Cash and cash equivalents at 1st January			209,832		365,418
Disposal on cessation of mortgage servicing and origination business	(d)		48,080		–
Effect of foreign exchange rates			(14,598)		4,209
Cash and cash equivalents at 31st December	(c)		285,969		209,832

CONSOLIDATED CASH FLOW STATEMENT

(Continued)

For the year ended 31st December, 2000

(Expressed in Hong Kong dollars)

Notes to the Consolidated Cash Flow Statement

(a) Reconciliation of profit from ordinary activities before taxation to net cash inflow from operating activities

	2000	1999
	\$'000	\$'000
Profit from ordinary activities before taxation	101,641	62,302
Share of profits less losses of associates	(72,751)	(44,588)
Provision for decline in value of assets of mortgage servicing and origination business	–	79,170
Loss on cessation of mortgage servicing and origination business	14,398	–
Profit on disposal of associate	(12,634)	–
Goodwill realised on liquidation of subsidiary	–	20
Depreciation and amortisation	74,688	55,886
Loss on disposal of fixed assets	1,841	488
Decline in carrying amount of land	–	1,308
Interest income	(15,200)	(20,172)
Interest and finance lease charges	89,874	97,322
Dividend from non-trading securities		
– listed	(893)	(806)
– unlisted	(1,872)	(1,036)
Net charge/(write back) of impairment losses on non-trading securities	5,289	(3,201)
Profit on disposal of non-trading securities	(10,484)	–
Net unrealised loss/(gain) on trading securities	10,301	(18,016)
Increase in trading securities	(13,368)	(58,663)
(Increase)/decrease in inventories	(21,987)	41,732
Increase in debtors, deposits and prepayments	(13,158)	(18,472)
Increase in creditors and accrued charges	45,755	36,188
Decrease/(increase) in amounts due from fellow subsidiaries	12,740	(7,486)
Increase in amounts due to fellow subsidiaries	6,195	5,312
Increase in amounts due from associates	(2,187)	(23,561)
(Decrease)/increase in amount due to immediate holding company	(41)	41
	<u>198,147</u>	<u>183,768</u>

(b) Analysis of changes in financing during the year

	Finance lease obligations	Bank loans
	\$'000	\$'000
Balance at 1st January, 1999	3,645	1,460,972
Cash flows from financing	(2,135)	(89,303)
Effect of foreign exchange rates	–	82,912
	<u>1,510</u>	<u>1,454,581</u>
Balance at 31st December, 1999		
Balance at 1st January, 2000	1,510	1,454,581
Cash flow from financing	(1,510)	(62,458)
Disposal on cessation of mortgage servicing and origination business (<i>note (d)</i>)	–	(144,366)
Effect of foreign exchange rates	–	(181,607)
	<u>–</u>	<u>1,066,150</u>

(c) Analysis of the balances of cash and cash equivalents as shown in the consolidated balance sheet

	2000	1999
	\$'000	\$'000
Cash and bank balances	337,613	363,109
Bank loans and overdrafts repayable within three months	(51,644)	(153,277)
	<u>285,969</u>	<u>209,832</u>

CONSOLIDATED CASH FLOW STATEMENT

(Continued)

For the year ended 31st December, 2000

(Expressed in Hong Kong dollars)

Notes to the Consolidated Cash Flow Statement (Continued)

(d) Cessation of mortgage servicing and origination business

	2000 \$'000
<i>Net assets disposed of:</i>	
Interest in associates	29,874
Purchased mortgage servicing rights	6,148
Non-trading securities	8,083
Trading securities	49,418
Debtors, deposits and prepayments	90,808
Tax recoverable	22,244
Deferred taxation	(1,391)
Creditors and accrued charges	(7,323)
Bank loans included under cash equivalents	(48,080)
Other bank loans	(144,366)
Release of capital reserves	1,194
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	6,609
Additional provision for cessation costs	7,789
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Loss on cessation of mortgage servicing and origination business	14,398
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