

CONSOLIDATED CASH FLOW STATEMENT

For The Year Ended December 31, 2001

	2001 HK\$ Million	2000 HK\$ Million
Net cash inflow from operating activities (Note a)	4,482	5,499
Returns on investments and servicing of finance		
Interest paid	(1,360)	(1,995)
Interest received	246	284
Dividends received from associates	14	43
Dividends received from investments in securities	78	164
Dividends paid	(1,908)	(1,908)
Dividends paid to minority shareholders	(779)	(545)
Net cash outflow from returns on investments and servicing of finance	(3,709)	(3,957)
Taxation		
Hong Kong profits tax paid	(490)	(327)
Overseas tax paid	(5)	(4)
Tax paid	(495)	(331)
Investing activities		
Purchase of fixed assets	(1,945)	(1,456)
Purchase of subsidiaries (Note b)	(1,345)	(1,266)
Increase/(decrease) in investment in associates	59	(64)
Purchase of non-trading securities	(140)	(1,710)
Proceeds from sale of fixed assets	37	6
Proceeds from disposal of a subsidiary (Note c)	-	175
Placement of long term deposits	(468)	-
Net uplift of pledged deposits	693	787
Proceeds from disposals of associates	596	357
Net repayment from/(advances to) associates	938	(314)
Proceeds from sale of non-trading securities	695	5,052
Repayment from deferred debtors	37	73
Net cash (outflow)/inflow from investing activities	(843)	1,640
Net cash (outflow)/inflow before financing	(565)	2,851
Financing		
Proceeds from issue of ordinary share capital	6	1
Net drawdown/(repayment) of long term loans	6,421	(3,940)
Net repayment of short term loans and overdrafts	(5,234)	(3,131)
Advances from minority interests	5	5
Net cash inflow/(outflow) from financing (Note d)	1,198	(7,065)
Increase/(decrease) in cash and cash equivalents	633	(4,214)
Effect of foreign exchange rates	(2)	20
Cash and cash equivalents at January 1	2,211	6,405
Cash and cash equivalents at December 31	2,842	2,211
Analysis of the balance of cash and cash equivalents		
Deposits and cash	2,852	2,213
Bank loans, overdrafts and other loans	(10)	(2)
	2,842	2,211

CONSOLIDATED CASH FLOW STATEMENT continued

For The Year Ended December 31, 2001

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

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

	2001 HK\$ Million	2000 HK\$ Million
Operating profit	5,052	5,543
Interest income	(246)	(276)
Dividends receivable from investments in securities	(76)	(164)
Depreciation	946	912
Amortisation	140	120
Other provisions	(93)	203
Gain on disposal of a subsidiary (Note c)	–	(54)
Loss on sale of fixed assets	19	12
Other net loss/(income)	290	(776)
Exchange adjustments	13	(21)
Decrease/(increase) in properties held for sale	457	(248)
Decrease/(increase) in properties under development for sale	249	(102)
Increase in spare parts and consumables	(13)	(34)
Decrease in held-to-maturity securities	–	79
Increase in listed debt securities	(514)	–
(Increase)/decrease in trade and other receivables	(188)	316
(Decrease)/increase in trade and other payables	(1,591)	141
Increase in deferred items	(81)	(141)
Increase/(decrease) in other deferred liabilities	118	(11)
Net cash inflow from operating activities	4,482	5,499

b. Purchase of subsidiaries

	2001 HK\$ Million	2000 HK\$ Million
Net assets acquired		
Properties under development for sale	750	–
Associates	3	–
Minority interests	151	1,519
Goodwill/(negative goodwill)	441	(136)
	1,345	1,383
Satisfied by:		
Cash consideration	1,345	1,266
Consideration settled by net assets of a subsidiary disposed (Note c)	–	117
	1,345	1,383
Analysis of the net outflow of cash and cash equivalents in respect of the purchase of subsidiaries		
Cash consideration	1,345	1,266
Deposits and cash acquired	–	–
Net outflow of cash and cash equivalents in respect of the purchase of subsidiaries	1,345	1,266

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT continued

c. Disposal of a subsidiary

	2001 <i>HK\$ Million</i>	2000 <i>HK\$ Million</i>
Net assets disposed of		
Current assets	-	296
Current liabilities	-	(1)
Minority interests	-	(57)
	-	238
Gain on disposal	-	54
	-	292
Satisfied by:		
Cash consideration received net of transaction costs	-	175
Net assets of a subsidiary acquired (Note b)	-	117
	-	292
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
Deposits and cash disposed of	-	-
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	-	175

CONSOLIDATED CASH FLOW STATEMENT continued

For The Year Ended December 31, 2001

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, 2000						
– as previously reported	10,175	26,339	3,409	5,368	220	45,511
– prior period adjustment (Note 11b)	–	–	–	22	–	22
– as restated	10,175	26,339	3,409	5,390	220	45,533
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 and January 1, 2001	10,176	16,852	5,844	4,026	220	37,118
Issue of shares for cash	6	–	–	–	–	6
Cash inflow/(outflow) from financing	–	6,421	(5,234)	–	–	1,187
Purchase of subsidiaries (Note b)	–	–	–	(151)	–	(151)
Dividends paid to minority interests	–	–	–	(779)	–	(779)
Minority interests' share of capital and revenue reserves in subsidiaries	–	–	–	629	–	629
Reclassification and other adjustments	–	(6,254)	6,254	5	–	5
Balance at December 31, 2001	10,182	17,019	6,864	3,730	220	38,015