

consolidated cash flow statement

for the half-year ended 30 June in HK\$ million	2002 (Unaudited)	2001 (Unaudited)
Cash flows from operating activities		
Operating profit from railway and related operations before depreciation	2,054	2,021
Adjustments for:		
Decrease in provision for staff housing loans	–	(2)
Loss on disposals of fixed assets	1	2
Gain on disposal of investment in a non-controlled subsidiary	–	(12)
Exchange gain	–	(4)
Operating profit from railway and related operations before working capital changes	2,055	2,005
(Increase)/Decrease in debtors, deposits and payments in advance	(6)	252
Increase in stores and spares	(3)	(10)
Increase in creditors, accrued charges and provisions	975	65
<i>Net cash from operating activities</i>	3,021	2,312
Cash flows from investing activities		
Capital expenditure		
– Airport Railway Project	(228)	(172)
– Tseung Kwan O Extension Project	(1,547)	(1,776)
– Purchase of assets and other capital projects	(1,037)	(1,288)
– Property development projects	(190)	(364)
Receipts from property developers	331	100
Receipts from properties sold	69	–
Decrease in investments in a non-controlled subsidiary	9	16
Loans made under Staff Housing Loan Scheme	–	(3)
Principal repayments under Staff Housing Loan Scheme	23	437
<i>Net cash used in investing activities</i>	(2,570)	(3,050)
Cash flows from financing activities		
Shares issued	20	1
Drawdown of loans	3,731	5,425
Repayment of loans	(1,092)	(3,309)
Reduction in capital element of finance lease	(70)	(65)
Collection/(Release) of refundable deposits and asset replacement reserve funds	4	(1)
Interest paid	(788)	(987)
Interest received	6	18
Interest element of finance lease rental payments	(30)	(36)
Finance charges paid	(13)	(30)
Dividend paid	(708)	(250)
<i>Net cash from financing activities</i>	1,060	766
Net increase in cash and cash equivalents	1,511	28
Cash and cash equivalents at 1 January	166	130
Cash and cash equivalents at 30 June	1,677	158
Analysis of the balances of cash and cash equivalents		
Cash at banks and in hand	1,706	179
Bank overdrafts	(29)	(21)
	1,677	158

The notes on pages 20 to 27 form part of this interim financial report.