

for the year ended 31 December 2002

CONSOLIDATED CASH FLOW STATEMENT

	2002 HK\$'000	2001 HK\$'000
OPERATING ACTIVITIES		
Profit from operations	381,698	413,227
Adjustments for:		
Decrease in interest receivable and other accounts	19,642	246,487
Decrease in other accounts and provisions	(43,274)	(417,674)
Net losses from disposal of property and equipment	231	843
Net gains from disposal of other securities	–	(15,926)
Net gains on disposal of held-to-maturity securities	–	(5,088)
Increase (decrease) in provisions against advances and other accounts	15,038	(109,334)
(Decrease) increase in interest in suspense	(4,009)	42,966
Dividend income on equity securities	(15,456)	(5,448)
Depreciation and amortisation	43,442	48,428
Interest expenses on certificates of deposit issued	–	864
Interest income on certificates of deposit held	(38,220)	(4,048)
Interest income on investment in securities	(30,856)	(64,620)
Operating cash flows before movements in working capital	328,236	130,677
Decrease (increase) in placements with banks and other financial institutions (repayable beyond three months)	760,657	(591,292)
(Increase) decrease in bills receivable	(24,853)	153,572
Decrease in trade bills	8,002	28,555
Increase in other advances to customers	(705,412)	(537,328)
(Increase) decrease in advances to banks and other financial institutions	(28,352)	500,484
Increase in trading securities	(13,659)	(2,545)
(Decrease) increase in deposits from customers	(193,468)	1,577,123
Decrease in certificates of deposit issued	–	(23,398)
Exchange adjustments	112	(133)
Cash generated from operations	131,263	1,235,715
Interest paid on certificates of deposit issued	–	(1,278)
Hong Kong Profits Tax refunded	10,461	1,833
Hong Kong Profits Tax paid	(1,672)	(30,224)
Overseas tax paid	(699)	(2,828)
NET CASH FROM OPERATING ACTIVITIES	139,353	1,203,218

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2002

	<i>Note</i>	2002 HK\$'000	2001 HK\$'000
INVESTING ACTIVITIES			
Interest received on certificates of deposit held		35,743	3,365
Interest received on investments in securities		28,230	54,602
Dividends received on equity securities		15,456	5,448
Purchase of held-to-maturity securities		(1,280,561)	(444,055)
Purchase of certificates of deposit held		(900,562)	(440,220)
Purchase of other securities		(34,180)	(37,443)
Purchase of property and equipment		(84,763)	(88,711)
Purchase of investment properties		–	(5,936)
Advances to an associate		(2,727)	(15,372)
Advances to jointly controlled entities		(2,875)	(18,250)
Acquisition of investment in jointly controlled entities		–	(24,500)
Proceeds from disposal of other securities		49,676	19,194
Proceeds from disposal of held-to-maturity securities		218,291	64,842
Proceeds from disposal of certificates of deposit held		38,988	92,475
Proceeds from disposal of property and equipment		71	4,881
NET CASH USED IN INVESTING ACTIVITIES		<u>(1,919,213)</u>	<u>(829,680)</u>
FINANCING			
Ordinary dividend paid		(195,750)	(217,500)
CASH USED IN FINANCING ACTIVITIES		<u>(195,750)</u>	<u>(217,500)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(1,975,610)	156,038
CASH AND CASH EQUIVALENTS AT 1 JANUARY		<u>15,925,644</u>	<u>15,769,606</u>
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	24	<u><u>13,950,034</u></u>	<u><u>15,925,644</u></u>