

Consolidated Cash Flow Statement

For the year ended 31st December, 2002

	Note	2002 \$ Million	2001 \$ Million
Operating activities			
Cash generated from operations	(a)	2,124	668
Advance to jointly controlled entities		(1,621)	(3,215)
Dividend/repayment from jointly controlled entities		4,134	1,371
Dividend from associates		3,795	3,687
Dividend from investments in securities		55	71
Interest received		393	919
Repayment/(advance) of long term loans		(63)	39
Dividend paid to shareholders		(3,706)	(3,706)
Dividend paid to minorities		(12)	(5)
Profits tax paid		(64)	(262)
Net cash from/(used in) operating activities		5,035	(433)
Investing activities			
Spin-off of subsidiaries	(b)	(22)	–
Increase of interest in subsidiaries		(15)	(20)
Increase of interest in jointly controlled entities		(328)	–
Restructure of interests in jointly controlled entities and associates	(c)	210	–
Advance to jointly controlled entities		(119)	(458)
Advance to associates		(126)	(328)
Purchase of long term investments		(625)	(3,187)
Disposal/redemption of long term investments		242	357
Addition of fixed assets		(654)	(293)
Disposal of fixed assets		4	3
Net cash used in investing activities		(1,433)	(3,926)
Financing activities			
Borrowing of bank and other loans		5,581	11,180
Repayment of bank and other loans		(8,089)	(7,855)
Funding from minorities		407	1,416
Interest paid		(920)	(1,236)
Net cash from/(used in) financing activities		(3,021)	3,505
Net increase/(decrease) in cash and cash equivalents		581	(854)
Cash and cash equivalents at 1st January		1,575	2,429
Cash and cash equivalents at 31st December	(d)	2,156	1,575

Notes:

(a) **Cash generated from operations**

	2002 \$ Million	2001 \$ Million
Profit before taxation	10,162	8,410
Interest income	(404)	(832)
Interest expenses	650	776
Dividend income from investments in securities	(64)	(74)
Share of results of jointly controlled entities	(606)	(587)
Share of results of associates	(8,333)	(7,023)
Profit on spin-off of subsidiaries	(1,001)	–
Provision for property projects	–	1,500
Revaluation deficit of investment properties	825	186
(Gain)/loss on long term investments	(91)	34
Depreciation	104	60
(Increase)/decrease in investments in securities	(274)	2,141
Increase in stock of properties	(2,739)	(2,121)
Increase/(decrease) in customers' deposits received	2,679	(1,162)
Increase in debtors, deposits and prepayments	(31)	(634)
Increase/(decrease) in creditors and accruals	1,236	(3)
Exchange difference and other items	11	(3)
	2,124	668

(b) **Spin-off of subsidiaries**

During the year, CK Life Sciences Int'l., (Holdings) Inc., a subsidiary, was spin-off and became an associate.

	\$ Million
Changes in assets and liabilities	
Decrease in fixed assets	(211)
Decrease in debtors, deposits and prepayments	(157)
Decrease in bank balances and deposits	(22)
Decrease in creditors and accruals	13
Decrease in minority interests	151
Increase in interest in listed associates	1,227
Profit on spin-off of subsidiaries	1,001
Net cash outflow in respect of spin-off of subsidiaries	
Decrease in bank balances and deposits	(22)

Consolidated Cash Flow Statement *(continued)*

(c) Restructure of interests in jointly controlled entities and associates

During the year, the Group increased its interests in jointly controlled entities and associates which became subsidiaries and the transactions were accounted for as follows:

	\$ Million
Changes in assets and liabilities	
Increase in fixed assets	2,767
Increase in long term loans	34
Increase in stock of properties	47
Increase in debtors, deposits and prepayments	85
Increase in bank balances and deposits	273
Increase in creditors and accruals	(244)
Increase in minority interests	(22)
Decrease in interest in jointly controlled entities	(2,694)
Decrease in interest in associates	(183)
Cash consideration paid	63
Net cash inflow in respect of restructure of interests in jointly controlled entities and associates	
Increase in bank balances and deposits	273
Less: cash consideration paid	(63)
	210

(d) Cash and cash equivalents

	2002 \$ Million	2001 \$ Million
Bank balances and deposits	2,156	1,575