

CONSOLIDATED CASH FLOW STATEMENT

	2003 HK\$'000	2002 HK\$'000
OPERATING ACTIVITIES		
Profit from operations	369,780	381,698
Adjustments for:		
Decrease in interest receivable and other accounts	75,957	19,642
Decrease in other accounts and provisions	(118,855)	(43,274)
Net losses from disposal of property and equipment	2,664	231
Net gains from disposal of other securities	(22,192)	–
Provision for diminution in value of other investments	7,809	–
(Decrease) increase in provisions against advances and other accounts	(44,050)	15,038
Decrease in interest in suspense	(16,217)	(4,009)
Dividend income on equity securities	(6,788)	(15,456)
Depreciation and amortisation	45,586	43,442
Interest income on certificates of deposit held	(24,586)	(38,220)
Interest income on investment in securities	(65,929)	(30,856)
Operating cash flows before movements in working capital	203,179	328,236
Decrease in placements with banks and other financial institutions (with original maturity over three months)	163,425	760,657
Increase in bills receivable	(9,776)	(24,853)
(Increase) decrease in trade bills	(14,713)	8,002
Increase in other advances to customers	(510,241)	(705,412)
Decrease (increase) in advances to banks and other financial institutions	623	(28,352)
Increase in trading securities	(34,975)	(13,659)
Increase (decrease) in deposits from customers	99,338	(193,468)
Exchange adjustments	(2,567)	112
Cash (used in) generated from operations	(105,707)	131,263
Hong Kong Profits Tax refunded	–	10,461
Hong Kong Profits Tax paid	(20,195)	(1,672)
Overseas tax paid	(2,438)	(699)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	(128,340)	139,353

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2003

	<i>Note</i>	2003 HK\$'000	2002 HK\$'000
INVESTING ACTIVITIES			
Interest received on certificates of deposit held		26,338	35,743
Interest received on investments in securities		57,002	28,230
Dividends received on equity securities		6,788	15,456
Purchase of held-to-maturity securities		(1,743,536)	(1,280,561)
Purchase of certificates of deposit held		(356,322)	(900,562)
Purchase of other securities		(27,567)	(34,180)
Purchase of property and equipment		(42,925)	(84,763)
Advances to an associate		(33,825)	(2,727)
Repayment from (advances to) jointly controlled entities		795	(2,875)
Proceeds from disposal of other securities		43,529	49,676
Proceeds from redemption of held-to-maturity securities		196,119	218,291
Proceeds from disposal of certificates of deposit held		401,683	38,988
Proceeds from disposal of property and equipment		349	71
NET CASH USED IN INVESTING ACTIVITIES		<u>(1,471,572)</u>	<u>(1,919,213)</u>
FINANCING ACTIVITY			
Ordinary dividend paid		(217,500)	(195,750)
CASH USED IN FINANCING ACTIVITY		<u>(217,500)</u>	<u>(195,750)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,817,412)	(1,975,610)
CASH AND CASH EQUIVALENTS AT 1 JANUARY		<u>13,950,034</u>	<u>15,925,644</u>
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	25	<u><u>12,132,622</u></u>	<u><u>13,950,034</u></u>