

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December, 2003

	Note	2003 HK\$'000	2002 HK\$'000
Cash flows from operating activities			
Cash from/(used in) operations	38(a)	869,265	(197,642)
Interest received		77,899	78,456
Dividends received from:			
Listed investments		13,722	5,372
Unlisted investments		976	—
Dividends received from associates		7,945	—
Taxes paid:			
Hong Kong		(1,490)	(5,766)
Overseas		(9,927)	(8,639)
Net cash from/(used in) operating activities		958,390	(128,219)
Cash flows from investing activities			
Return of capital in an associate		25,478	—
Receipts from disposals of:			
Fixed assets		3,613	1,004
Investment properties		156,291	—
Investment securities		80,602	—
Subsidiaries	38(b)	—	3,345,786
Payments to acquire:			
Fixed assets		(10,102)	(14,125)
Investment securities		(28,622)	(159,046)
Held-to-maturity securities		(67,077)	(433,904)
Associates		(24,154)	(8,900)
Deposits refunded from/(paid for) long term investments		267	(74,342)
Additions to properties under development		(14,448)	(18,982)
Repayment from/(Advances to) associates		(1,044)	36,843
Acquisition of subsidiaries, net of cash acquired	38(c)	(34,043)	(193,415)
Increase in interest in subsidiaries		(24,469)	(1,873,925)
Net cash from investing activities		62,292	606,994

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Cash flows from financing activities		
Drawdown of bank loans – <i>Note (a)</i>	618,306	842,600
Repayment of bank loans – <i>Note (a)</i>	(761,004)	(680,982)
Advance from/(Repayment to) minority shareholders of subsidiaries	(19,478)	1,822
Issue of shares by subsidiaries to minority shareholders	–	4,039
Repayment of loan note	(58,500)	(15,000)
Interest paid	(39,636)	(64,827)
Dividends and distributions paid to minority shareholders of subsidiaries	(30,047)	(727,157)
Net cash used in financing activities	(290,359)	(639,505)
Net increase/(decrease) in cash and cash equivalents	730,323	(160,730)
Cash and cash equivalents at beginning of year	1,228,940	716,865
Reclassified from assets less liabilities attributable to banking operations to cash and cash equivalents	–	652,859
Exchange realignments	3,629	19,946
Cash and cash equivalents at end of year	1,962,892	1,228,940
Analysis of balances of cash and cash equivalents:		
Cash and bank balances – <i>Note (b)</i>	1,962,892	1,228,940

Note:

- (a) The amounts exclude bank loans drawn down by the Group for lending to its margin clients in respect of the securities broking businesses. All such bank loans were fully repaid during the year.
- (b) Reconciliation of cash and bank balances:

	2003 HK\$'000	2002 HK\$'000
Cash and bank balances with original maturity of three months or less	1,962,892	1,228,940
Placements with banks and other financial institutions with original maturity of over three months	–	309,221
Total cash and bank balances at end of the year	1,962,892	1,538,161