

Consolidated cash flow statement

for the half-year ended 30 June <i>in HK\$ million</i>	2004 (Unaudited)	2003 (Unaudited)
Cash flows from operating activities		
Operating profit from railway and related operations before depreciation	2,218	1,816
Adjustments for:		
Decrease in provision for obsolete stock	(10)	–
Loss on disposal of fixed assets	4	5
Project study expenses	29	5
Amortisation of deferred income from lease transaction	(3)	(1)
Exchange loss/(gain)	5	(1)
Operating profit from railway and related operations before working capital changes	2,243	1,824
(Increase)/Decrease in debtors, deposits and payments in advance	(55)	9
Increase in stores and spares	(7)	(10)
Increase in creditors, accrued charges and provisions	121	659
Cash generated from operations	2,302	2,482
Overseas tax paid	(1)	–
Net cash generated from operating activities	2,301	2,482
Cash flows from investing activities		
Capital expenditure		
– Tseung Kwan O Extension Project	(64)	(420)
– Disneyland Resort Line	(383)	(177)
– Tung Chung Cable Car Project	(182)	(22)
– Property development projects	(107)	(79)
– Purchase of assets and other capital projects	(966)	(886)
Receipts from property developers	266	17
Proceeds from properties sold	757	25
Principal repayments under Staff Housing Loan Scheme	8	8
Net cash used in investing activities	(671)	(1,534)
Cash flows from financing activities		
Shares issued	52	15
Drawdown of loans	6,379	1,593
Repayment of loans	(6,667)	(2,536)
Reduction in capital element of finance lease	(55)	(51)
Receipts of deferred income from lease transaction	–	137
Collection of refundable deposits and asset replacement reserve funds	6	–
Interest paid	(619)	(855)
Interest received	5	10
Interest element of finance lease rental payments	(20)	(24)
Finance charges paid	(10)	(15)
Dividend paid	(704)	(281)
Net cash used in financing activities	(1,633)	(2,007)
Net decrease in cash and cash equivalents	(3)	(1,059)
Cash and cash equivalents at 1 January	364	1,684
Cash and cash equivalents at 30 June	361	625
Analysis of the balances of cash and cash equivalents		
Cash and cash equivalents	367	642
Bank overdrafts	(6)	(17)
	361	625

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