

Consolidated cash flow statement

for the year ended 31 December in HK\$ million	Note	2002	2001 (Note 42D)
Cash flows from operating activities			
Operating profit from railway and related operations			
before depreciation		4,014	4,053
Adjustments for:			
Decrease in provision for staff housing loans		(1)	(2)
Decrease in provision for obsolete stock		(1)	(1)
Loss on disposals of fixed assets		17	6
Project study and deferred expenditures written off		209	–
Gain on disposal of investment in a non-controlled subsidiary		–	(12)
Exchange loss/(gain)		1	(4)
Operating profit from railway and related operations			
before working capital changes		4,239	4,040
(Increase)/Decrease in debtors, deposits and payments in advance		(80)	82
Decrease in stores and spares		3	15
Increase in creditors, accrued charges and provisions		66	18
Net cash generated from operating activities		4,228	4,155
Cash flows from investing activities			
Capital expenditure			
– Tseung Kwan O Extension Project		(2,336)	(3,033)
– Property development projects		(377)	(746)
– Purchase of assets and other capital projects		(2,474)	(2,834)
Receipts from property developers		2,646	350
Proceeds from properties sold		127	–
Receipts on disposal of fixed assets		1	–
Proceeds received on reduction of investment			
in a non-controlled subsidiary		9	25
Acquisition of subsidiaries, net of cash acquired	34	6	–
Loans made under Staff Housing Loan Scheme		–	(3)
Principal repayments under Staff Housing Loan Scheme		44	513
Net cash used in investing activities		(2,354)	(5,728)
Cash flows from financing activities			
Shares issued		37	18
Drawdown of loans		3,731	11,153
Repayment of loans		(1,399)	(6,843)
Reduction in capital element of finance lease		(142)	(133)
Collection/(Release) of refundable deposits and			
asset replacement reserve funds		4	(2)
Interest paid		(1,690)	(1,869)
Interest received		27	22
Interest element of finance lease rental payments		(58)	(68)
Finance charges paid		(19)	(68)
Dividend paid		(847)	(601)
Net cash (used in)/generated from financing activities		(356)	1,609
Net increase in cash and cash equivalents		1,518	36
Cash and cash equivalents at 1 January		166	130
Cash and cash equivalents at 31 December	25	1,684	166

The notes on pages 76 to 120 form part of these accounts.