

# Consolidated Cash Flow Statement

| for the year ended 31 December in HK\$ million   | Note | 2012           | 2011           |
|--|------|----------------|----------------|
| <b>Cash flows from operating activities</b>  |      |                |                |
| Cash generated from operations   | 49   | 14,701         | 12,489         |
| Receipt of government subsidy for Shenzhen Metro Longhua Line operation                  |      | 637            | 638            |
| Current tax paid   |      |                |                |
| – Hong Kong Profits Tax paid   |      | (1,699)        | (1,949)        |
| – Mainland of China and overseas tax paid  |      | (100)          | (154)          |
| <b>Net cash generated from operating activities</b>                                      |      | <b>13,539</b>  | <b>11,024</b>  |
| <b>Cash flows from investing activities</b>  |      |                |                |
| Capital expenditure  |      |                |                |
| – Purchase of assets for Hong Kong transport and related operations                      |      | (2,327)        | (2,102)        |
| – West Island Line Project   |      | (2,897)        | (3,111)        |
| – South Island Line (East) Project   |      | (2,480)        | (1,467)        |
| – Kwun Tong Line Extension Project   |      | (976)          | (450)          |
| – Shenzhen Metro Longhua Line Project  |      | (852)          | (1,385)        |
| – Property development projects  |      | (1,440)        | (1,075)        |
| – Property renovation and fitting out works  |      | (104)          | (255)          |
| – Other capital projects   |      | (49)           | (198)          |
| Net cash (payment)/receipt in respect of entrustment works of Shatin to Central Link     |      | (148)          | 170            |
| Fixed annual payment   |      | (750)          | (750)          |
| Variable annual payment  |      | (647)          | (45)           |
| Receipts in respect of property development  |      | 5,677          | 1,593          |
| Receipt of loan repayment from a property developer                                      |      | –              | 2,000          |
| Increase in bank deposits with more than three months to maturity when placed or pledged |      | (831)          | (3,063)        |
| Purchase of investments in securities  |      | (260)          | (160)          |
| Proceeds from sale or redemption of investments in securities                            |      | 2,846          | 1,094          |
| Proceeds from disposal of fixed assets   |      | 8              | 5              |
| Investment in an associate   |      | (2,734)        | –              |
| Receipt of loan repayment from an associate  |      | 24             | 29             |
| Settlement of loan repayment to an associate   |      | –              | (29)           |
| Dividends received from non-controlled subsidiaries and an associate                     |      | 465            | 144            |
| <b>Net cash used in investing activities</b>   |      | <b>(7,475)</b> | <b>(9,055)</b> |
| <b>Cash flows from financing activities</b>  |      |                |                |
| Proceeds from shares issued under share option schemes                                   |      | 186            | 34             |
| Drawdown of loans  |      | 808            | 1,392          |
| Proceeds from issuance of capital market instruments                                     |      | 5,998          | 2,198          |
| Repayment of loans   |      | (6,319)        | (1,111)        |
| Repayment of capital market instruments  |      | (102)          | (500)          |
| Interest paid  |      | (727)          | (603)          |
| Interest received  |      | 342            | 194            |
| Finance charges paid   |      | (53)           | (12)           |
| Dividends paid to equity shareholders of the Company                                     |      | (4,398)        | (3,754)        |
| Dividends paid to holders of non-controlling interests                                   |      | (121)          | (88)           |
| <b>Net cash used in financing activities</b>   |      | <b>(4,386)</b> | <b>(2,250)</b> |
| Net increase/(decrease) in cash and cash equivalents                                     |      | <b>1,678</b>   | (281)          |
| Cash and cash equivalents at 1 January   |      | 3,427          | 3,708          |
| Cash and cash equivalents at 31 December   | 38   | 5,105          | 3,427          |

The notes on pages 161 to 239 form part of the accounts.