

# CONSOLIDATED CASH FLOW STATEMENT

| in HK\$ million  | Note | Half year ended<br>30 June 2019<br>(Unaudited) | Half year ended<br>30 June 2018<br>(Unaudited)<br>(Note) |
|--|------|--|--|
| <b>Cash flows from operating activities</b>  |      |  |  |
| Cash generated from operations   | 25   | 9,964  | 4,845  |
| Receipt of government subsidy for Shenzhen Metro Longhua Line operation                  |      | 608  | 645  |
| Purchase of tax reserve certificates   |      | (7)  | (6)  |
| Current tax paid   |      |  |  |
| – Hong Kong Profits Tax paid   |      | (308)  | (274)  |
| – Tax paid outside Hong Kong   |      | (214)  | (407)  |
| <b>Net cash generated from operating activities</b>                                      |      | <b>10,043</b>                                  | 4,803  |
| <b>Cash flows from investing activities</b>  |      |  |  |
| Capital expenditure  |      |  |  |
| – Purchase of assets for Hong Kong transport and related operations                      |      | (2,614)  | (2,653)  |
| – Shenzhen Metro Longhua Line Project and related operations                             |      | (44)   | (44)   |
| – Hong Kong railway extension projects   |      | (175)  | (233)  |
| – Hong Kong and Shenzhen property development  |      | (357)  | (298)  |
| – Investment property projects and fitting out work                                      |      | (112)  | (218)  |
| – Other capital projects   |      | (47)   | (51)   |
| Variable annual payment  |      | (2,305)  | (1,933)  |
| Receipts in respect of Hong Kong and Shenzhen property development                       |      | 4,580  | 1,089  |
| Increase in bank deposits with more than three months to maturity when placed or pledged |      | (3,797)  | (982)  |
| Purchase of investments in securities  |      | (70)   | (31)   |
| Proceeds from sale or redemption of investments in securities                            |      | 1  | 239  |
| Proceeds from disposal of fixed assets   |      | 3  | 2  |
| Investments in associate and joint venture   |      | (679)  | (669)  |
| Loan to an associate   |      | (123)  | –  |
| Loan from holders of non-controlling interests   |      | –  | 5  |
| <b>Net cash used in investing activities</b>   |      | <b>(5,739)</b>                                 | (5,777)  |
| <b>Cash flows from financing activities</b>  |      |  |  |
| Proceeds from shares issued under share option schemes                                   |      | 73   | 56   |
| Purchase of shares for Executive Share Incentive Scheme                                  |      | (88)   | (239)  |
| Proceeds from loans and capital market instruments                                       |      | 7,761  | 11,224   |
| Repayment of loans and capital market instruments  |      | (11,643)                                       | (14,812)   |
| Interest and finance charges paid  |      | (539)  | (621)  |
| Interest received  |      | 91   | 136  |
| Capital element of lease rentals paid  |      | (78)   | (5)  |
| Dividends paid to holders of non-controlling interests                                   |      | (34)   | (28)   |
| <b>Net cash used in financing activities</b>   |      | <b>(4,457)</b>                                 | (4,289)  |
| Net decrease in cash and cash equivalents  |      | (153)  | (5,263)  |
| Cash and cash equivalents at 1 January   |      | 8,865  | 13,939   |
| Effect of exchange rate changes  |      | (54)   | (232)  |
| Cash and cash equivalents at 30 June   |      | <b>8,658</b>                                   | 8,444  |
| <b>Analysis of the balances of cash and cash equivalents</b>                             |      |  |  |
| Cash, bank balances and deposits on the consolidated statement of financial position     |      | 21,617   | 13,837   |
| Bank deposits with more than three months to maturity when placed or pledged             |      | (12,954)                                       | (5,393)  |
| Bank overdrafts  |      | (5)  | –  |
| Cash and cash equivalents in the consolidated cash flow statement                        |      | <b>8,658</b>                                   | 8,444  |

Note:

The Group has applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 1.

The notes on pages 50 to 71 form part of this interim financial report.