for the year ended 31 December 2002

CONSOLIDATED CASH FLOW STATEMENT

	2002 HK\$'000	2001 HK\$'000
OPERATING ACTIVITIES		
Profit from operations	381,698	413,227
Adjustments for:		
Decrease in interest receivable and other accounts	19,642	246,487
Decrease in other accounts and provisions	(43,274)	(417,674)
Net losses from disposal of property and equipment	231	843
Net gains from disposal of other securities		(15,926)
Net gains on disposal of held-to-maturity securities	_	(5,088)
Increase (decrease) in provisions against advances and other accounts	15,038	(109,334)
(Decrease) increase in interest in suspense	(4,009)	42,966
Dividend income on equity securities	(15,456)	(5,448)
Depreciation and amortisation	43,442	48,428
Interest expenses on certificates of deposit issued		864
Interest income on certificates of deposit held	(38,220)	(4,048)
Interest income on investment in securities	(30,856)	(64,620)
Operating cash flows before movements in working capital	328,236	130,677
Decrease (increase) in placements with banks and other		
financial institutions (repayable beyond three months)	760,657	(591,292)
(Increase) decrease in bills receivable	(24,853)	153,572
Decrease in trade bills	8,002	28,555
Increase in other advances to customers	(705,412)	(537,328)
(Increase) decrease in advances to banks and other		
financial institutions	(28,352)	500,484
Increase in trading securities	(13,659)	(2,545)
(Decrease) increase in deposits from customers	(193,468)	1,577,123
Decrease in certificates of deposit issued	_	(23,398)
Exchange adjustments	112	(133)
Cash generated from operations	131,263	1,235,715
Interest paid on certificates of deposit issued	_	(1,278)
Hong Kong Profits Tax refunded	10,461	1,833
Hong Kong Profits Tax paid	(1,672)	(30,224)
Overseas tax paid	(699)	(2,828)
NET CASH FROM OPERATING ACTIVITIES	139,353	1,203,218

CONSOLIDATED CASH FLOW STATEMENT

HKS'000HKS'000INVESTING ACTIVITIESInterest received on certificates of deposit held35,7433,365Interest received on investments in securities28,23054,602Dividends received on equity securities15,4565,448Purchase of held-to-maturity securities(1,280,561)(444,055)Purchase of certificates of deposit held(900,552)(440,220)Purchase of other securities(34,180)(37,443)Purchase of other securities(34,180)(37,443)Purchase of other securities-(5,936)Advances to an associate(2,727)(15,372)Advances to jointly controlled entities-(24,500)Proceeds from disposal of other securities24,967619,194Proceeds from disposal of certificates of deposit held38,98892,475Proceeds from disposal of certificates of deposit held38,98892,475Proceeds from disposal of property and equipment714,881NET CASH USED IN INVESTING ACTIVITIES(1,919,213)(829,680)FINANCING(195,750)(217,500)Ordinary dividend paid(195,750)(217,500)CASH AND CASH EQUIVALENTS AT15,925,64415,925,6441 JANUARY15,925,64415,769,606CASH AND CASH EQUIVALENTS AT11,90,01415,925,644		Note	2002	2001
Interest received on certificates of deposit held35,7433,365Interest received on investments in securities28,23054,602Dividends received on equity securities15,4565,448Purchase of held-to-maturity securities(1,280,561)(444,055)Purchase of certificates of deposit held(900,562)(440,220)Purchase of other securities(34,180)(37,443)Purchase of property and equipment(84,763)(88,711)Purchase of investment properties–(5,936)Advances to an associate(2,727)(15,372)Advances to jointly controlled entities–(24,500)Proceeds from disposal of ther securities49,67619,194Proceeds from disposal of other securities218,29164,842Proceeds from disposal of property and equipment714.881NET CASH USED IN INVESTING ACTIVITIES(1,919,213)(829,680)FINANCING(195,750)(217,500)Ordinary dividend paid(195,750)(217,500)CASH AND CASH EQUIVALENTS AT 1 JANUARY15,925,64415,769,606CASH AND CASH EQUIVALENTS AT 1 JANUARY15,925,64415,769,606			HK\$'000	HK\$'000
Interest received on investments in securities28,23054,602Dividends received on equity securities15,4565,448Purchase of held-to-maturity securities(1,280,561)(444,055)Purchase of certificates of deposit held(900,562)(440,220)Purchase of other securities(34,180)(37,443)Purchase of property and equipment(84,763)(88,711)Purchase of investment properties-(5,936)Advances to an associate(2,727)(15,372)Advances to jointly controlled entities-(24,500)Proceeds from disposal of other securities49,67619,194Proceeds from disposal of other securities49,67619,194Proceeds from disposal of certificates of deposit held38,98892,475Proceeds from disposal of property and equipment714,881NET CASH USED IN INVESTING ACTIVITIES(1,919,213)(829,680)FINANCING(195,750)(217,500)Ordinary dividend paid(195,750)(217,500)CASH AND CASH EQUIVALENTS AT15,925,64415,769,606CASH AND CASH EQUIVALENTS AT15,925,64415,769,606	INVESTING ACTIVITIES			
Dividends received on equity securities15,4565,448Purchase of held-to-maturity securities(1,280,561)(444,055)Purchase of certificates of deposit held(900,562)(440,220)Purchase of other securities(34,180)(37,443)Purchase of property and equipment(84,763)(88,711)Purchase of investment properties–(5,936)Advances to an associate(2,727)(15,372)Advances to jointly controlled entities–(24,500)Proceeds from disposal of other securities49,67619,194Proceeds from disposal of ther securities218,29164,842Proceeds from disposal of property and equipment714,881NET CASH USED IN INVESTING ACTIVITIES(1,919,213)(829,680)FINANCING Ordinary dividend paid(195,750)(217,500)NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS AT 1 JANUARY(1,975,610)156,038CASH AND CASH EQUIVALENTS AT 1 JANUARY15,925,64415,769,606CASH AND CASH EQUIVALENTS AT15,925,64415,769,606	Interest received on certificates of deposit held		35,743	3,365
Purchase of held-to-maturity securities(1,280,561)(444,055)Purchase of certificates of deposit held(900,562)(440,220)Purchase of other securities(34,180)(37,443)Purchase of property and equipment(84,763)(88,711)Purchase of investment properties–(5,936)Advances to an associate(2,727)(15,372)Advances to jointly controlled entities(2,875)(18,250)Acquisition of investment in jointly controlled entities–(24,500)Proceeds from disposal of other securities49,67619,194Proceeds from disposal of other securities218,29164,842Proceeds from disposal of property and equipment714,881NET CASH USED IN INVESTING ACTIVITIES(1,919,213)(829,680)FINANCING(195,750)(217,500)Ordinary dividend paid(1,975,610)156,038CASH AND CASH EQUIVALENTS AT15,925,64415,769,606CASH AND CASH EQUIVALENTS AT15,925,64415,769,606	Interest received on investments in securities		28,230	54,602
Purchase of certificates of deposit held(900,562)(440,220)Purchase of other securities(34,180)(37,443)Purchase of property and equipment(84,763)(88,711)Purchase of investment properties-(5,936)Advances to an associate(2,727)(15,372)Advances to jointly controlled entities(2,875)(18,250)Acquisition of investment in jointly controlled entities-(24,500)Proceeds from disposal of other securities49,67619,194Proceeds from disposal of certificates of deposit held38,98892,475Proceeds from disposal of property and equipment714,881NET CASH USED IN INVESTING ACTIVITIES(1,919,213)(829,680)FINANCING Ordinary dividend paid(195,750)(217,500)NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS AT 1 JANUARY(1,975,610)156,038CASH AND CASH EQUIVALENTS AT 1 JANUARY15,925,64415,769,606CASH AND CASH EQUIVALENTS AT 1 JANUARY15,925,64415,769,606	Dividends received on equity securities		15,456	5,448
Purchase of other securities(34,180)(37,443)Purchase of property and equipment(84,763)(88,711)Purchase of investment properties–(5,936)Advances to an associate(2,727)(15,372)Advances to jointly controlled entities(2,875)(18,250)Acquisition of investment in jointly controlled entities–(24,500)Proceeds from disposal of other securities49,67619,194Proceeds from disposal of held-to-maturity securities218,29164,842Proceeds from disposal of certificates of deposit held38,98892,475Proceeds from disposal of property and equipment714,881NET CASH USED IN INVESTING ACTIVITIES(1,919,213)(829,680)FINANCING(195,750)(217,500)Ordinary dividend paid(195,750)(217,500)NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS AT 1 JANUARY(1,975,610)156,038CASH AND CASH EQUIVALENTS AT 1 JANUARY15,925,64415,769,606CASH AND CASH EQUIVALENTS AT 1 JANUARY15,925,64415,769,606	Purchase of held-to-maturity securities		(1,280,561)	(444,055)
Purchase of property and equipment(84,763)(88,711)Purchase of investment properties–(5,936)Advances to an associate(2,727)(15,372)Advances to jointly controlled entities(2,727)(15,372)Advances to jointly controlled entities(2,875)(18,250)Acquisition of investment in jointly controlled entities–(24,500)Proceeds from disposal of other securities49,67619,194Proceeds from disposal of held-to-maturity securities218,29164,842Proceeds from disposal of certificates of deposit held38,98892,475Proceeds from disposal of property and equipment714,881NET CASH USED IN INVESTING ACTIVITIES(1,919,213)(829,680)FINANCING(195,750)(217,500)Ordinary dividend paid(195,750)(217,500)CASH USED IN FINANCING ACTIVITIES(1,975,610)156,038CASH AND CASH EQUIVALENTS AT 1 JANUARY15,925,64415,769,606CASH AND CASH EQUIVALENTS AT15,925,64415,769,606	Purchase of certificates of deposit held		(900,562)	(440,220)
Purchase of investment properties–(5,936)Advances to an associate(2,727)(15,372)Advances to jointly controlled entities(2,875)(18,250)Acquisition of investment in jointly controlled entities–(24,500)Proceeds from disposal of other securities49,67619,194Proceeds from disposal of held-to-maturity securities218,29164,842Proceeds from disposal of certificates of deposit held38,98892,475Proceeds from disposal of property and equipment714,881NET CASH USED IN INVESTING ACTIVITIES(1,919,213)(829,680)FINANCING0rdinary dividend paid(195,750)(217,500)Ordinary dividend paid(195,750)(217,500)NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS(1,975,610)156,038CASH AND CASH EQUIVALENTS AT 1 JANUARY15,925,64415,769,606CASH AND CASH EQUIVALENTS AT15,925,64415,769,606	Purchase of other securities		(34,180)	(37,443)
Advances to an associate(2,727)(15,372)Advances to jointly controlled entities(2,875)(18,250)Acquisition of investment in jointly controlled entities-(24,500)Proceeds from disposal of other securities49,67619,194Proceeds from disposal of held-to-maturity securities218,29164,842Proceeds from disposal of certificates of deposit held38,98892,475Proceeds from disposal of property and equipment714,881NET CASH USED IN INVESTING ACTIVITIES(1,919,213)(829,680)FINANCING(195,750)(217,500)Ordinary dividend paid(195,750)(217,500)CASH USED IN FINANCING ACTIVITIES(1,975,610)156,038CASH AND CASH EQUIVALENTS AT 1 JANUARY15,925,64415,769,606CASH AND CASH EQUIVALENTS AT 1 JANUARY15,925,64415,769,606	Purchase of property and equipment		(84,763)	(88,711)
Advances to jointly controlled entities(2,875)(18,250)Acquisition of investment in jointly controlled entities-(24,500)Proceeds from disposal of other securities49,67619,194Proceeds from disposal of held-to-maturity securities218,29164,842Proceeds from disposal of certificates of deposit held38,98892,475Proceeds from disposal of property and equipment714,881NET CASH USED IN INVESTING ACTIVITIES(1,919,213)(829,680)FINANCING(195,750)(217,500)Ordinary dividend paid(195,750)(217,500)CASH USED IN FINANCING ACTIVITIES(1,975,610)156,038CASH AND CASH EQUIVALENTS AT 1 JANUARY15,925,64415,769,606CASH AND CASH EQUIVALENTS AT 1 JANUARY15,769,60615,769,606	Purchase of investment properties		_	(5,936)
Acquisition of investment in jointly controlled entities–(24,500)Proceeds from disposal of other securities49,67619,194Proceeds from disposal of held-to-maturity securities218,29164,842Proceeds from disposal of certificates of deposit held38,98892,475Proceeds from disposal of property and equipment714,881NET CASH USED IN INVESTING ACTIVITIES(1,919,213)(829,680)FINANCING(195,750)(217,500)Ordinary dividend paid(195,750)(217,500)CASH USED IN FINANCING ACTIVITIES(1,97,550)(217,500)NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS(1,975,610)156,038CASH AND CASH EQUIVALENTS AT 1 JANUARY15,925,64415,769,606CASH AND CASH EQUIVALENTS AT 1 UANUARY15,925,64415,769,606	Advances to an associate		(2,727)	(15,372)
Proceeds from disposal of other securities49,67619,194Proceeds from disposal of held-to-maturity securities218,29164,842Proceeds from disposal of certificates of deposit held38,98892,475Proceeds from disposal of property and equipment714,881NET CASH USED IN INVESTING ACTIVITIES(1,919,213)(829,680)FINANCING(195,750)(217,500)Ordinary dividend paid(195,750)(217,500)CASH USED IN FINANCING ACTIVITIES(195,750)(217,500)NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS(1,975,610)156,038CASH AND CASH EQUIVALENTS AT 1 JANUARY15,925,64415,769,606CASH AND CASH EQUIVALENTS AT15,925,64415,769,606	Advances to jointly controlled entities		(2,875)	(18,250)
Proceeds from disposal of held-to-maturity securities218,29164,842Proceeds from disposal of certificates of deposit held38,98892,475Proceeds from disposal of property and equipment714,881NET CASH USED IN INVESTING ACTIVITIES(1,919,213)(829,680)FINANCING Ordinary dividend paid(195,750)(217,500)CASH USED IN FINANCING ACTIVITIES(195,750)(217,500)NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS(1,975,610)156,038CASH AND CASH EQUIVALENTS AT 1 JANUARY15,925,64415,769,606CASH AND CASH EQUIVALENTS AT15,925,64415,769,606	Acquisition of investment in jointly controlled entities		_	(24,500)
Proceeds from disposal of certificates of deposit held38,98892,475Proceeds from disposal of property and equipment714,881NET CASH USED IN INVESTING ACTIVITIES(1,919,213)(829,680)FINANCING Ordinary dividend paid(195,750)(217,500)CASH USED IN FINANCING ACTIVITIES(195,750)(217,500)NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS(1,975,610)156,038CASH AND CASH EQUIVALENTS AT 1 JANUARY15,925,64415,769,606CASH AND CASH EQUIVALENTS AT 1 JANUARY15,925,64415,769,606	Proceeds from disposal of other securities		49,676	19,194
Proceeds from disposal of property and equipment714,881NET CASH USED IN INVESTING ACTIVITIES(1,919,213)(829,680)FINANCING Ordinary dividend paid(195,750)(217,500)CASH USED IN FINANCING ACTIVITIES(195,750)(217,500)NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS(1,975,610)156,038CASH AND CASH EQUIVALENTS AT 1 JANUARY15,925,64415,769,606CASH AND CASH EQUIVALENTS AT15,925,64415,769,606	Proceeds from disposal of held-to-maturity securities		218,291	64,842
NET CASH USED IN INVESTING ACTIVITIES(1,919,213)(829,680)FINANCING Ordinary dividend paid(195,750)(217,500)CASH USED IN FINANCING ACTIVITIES(195,750)(217,500)NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS(1,975,610)156,038CASH AND CASH EQUIVALENTS AT 1 JANUARY15,925,64415,769,606CASH AND CASH EQUIVALENTS AT15,925,64415,769,606	Proceeds from disposal of certificates of deposit held		38,988	92,475
FINANCING Ordinary dividend paid(195,750)(217,500)CASH USED IN FINANCING ACTIVITIES(195,750)(217,500)NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS(1,975,610)156,038CASH AND CASH EQUIVALENTS AT 1 JANUARY15,925,64415,769,606CASH AND CASH EQUIVALENTS AT15,925,64415,769,606	Proceeds from disposal of property and equipment		71	4,881
Ordinary dividend paid(195,750)(217,500)CASH USED IN FINANCING ACTIVITIES(195,750)(217,500)NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS(1,975,610)156,038CASH AND CASH EQUIVALENTS AT 1 JANUARY15,925,64415,769,606CASH AND CASH EQUIVALENTS AT15,925,64415,769,606	NET CASH USED IN INVESTING ACTIVITIES		(1,919,213)	(829,680)
CASH USED IN FINANCING ACTIVITIES(195,750)(217,500)NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS(1,975,610)156,038CASH AND CASH EQUIVALENTS AT 1 JANUARY15,925,64415,769,606CASH AND CASH EQUIVALENTS AT15,925,64415,769,606	FINANCING			
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS(1,975,610)156,038CASH AND CASH EQUIVALENTS AT 1 JANUARY15,925,64415,769,606CASH AND CASH EQUIVALENTS AT15,925,64415,769,606	Ordinary dividend paid		(195,750)	(217,500)
CASH EQUIVALENTS(1,975,610)156,038CASH AND CASH EQUIVALENTS AT 1 JANUARY15,925,64415,769,606CASH AND CASH EQUIVALENTS AT	CASH USED IN FINANCING ACTIVITIES		(195,750)	(217,500)
CASH AND CASH EQUIVALENTS AT 1 JANUARY 15,925,644 15,769,606 CASH AND CASH EQUIVALENTS AT	NET (DECREASE) INCREASE IN CASH AND			
1 JANUARY15,925,64415,769,606CASH AND CASH EQUIVALENTS AT	CASH EQUIVALENTS		(1,975,610)	156,038
CASH AND CASH EQUIVALENTS AT	CASH AND CASH EQUIVALENTS AT			
•	1 JANUARY		15,925,644	15,769,606
31 DECEMBED 24 13 050 034 15 025 644	CASH AND CASH EQUIVALENTS AT			
51 DECEMBER 24 15,550,054 15,523,044	31 DECEMBER	24	13,950,034	15,925,644