CONSOLIDATED CASH FLOW STATEMENT

for the years ended 31st December, in dollar thousands

Net cash inflow from operating activities(a)241,765204,753Returns on investments and servicing of finance12,19829,433Interest received12,198(23,998)(42,606)Dividends paid(160,636)(48,564)(773)-Net cash outflow from returns on investments and servicing of finance(173,209)(61,737)Taxation(173,209)(61,737)Hong Kong profits tax refund/(paid)972(3,882)Overseas tax paid(1,013)(9,068)Investing activities(1,013)(9,068)Purchase of fixed assets(25,161)(14,643)Proceeds on disposal of fixed assets3,539341Purchase of held to maturity securities(26,616)-Proceeds on disposal of held to maturity securities(76,510)(22,786)Net cash outflow from investing activities(76,510)(22,786)Net cash outflow from investing activities(195,005)(11,114)Proceeds on disposal of held to maturity securities(195,005)(11,314)Proceeds from new bank loan(b)-8,486Repayment of bank loans(b)(195,005)(11,314)(Decrease)/increase in cash and cash equivalents(203,972)99,848Cash and cash equivalents at beginning of year(18,857)111,162Effect of foreign exchange rate changes(36)122Cash and cash equivalents at end of year(c)214,828418,836		Note	2001	2000
Interest received12,198229,433Interest paid(23,998)(42,606)Dividends paid(160,636)(48,564)Dividends paid to minority shareholders(173,209)(61,737)Net cash outflow from returns on investments and servicing of finance(173,209)(61,737)Taxation(173,209)(61,737)Taxation(1,013)(9,068)Hong Kong profits tax refund/(paid)972(3,882)Overseas tax paid(1,013)(9,068)Investing activities(1,013)(9,068)Proceeds on disposal of fixed assets(25,161)(14,643)Proceeds on disposal of fixed assets(28,272)(18,857)Increase in bank deposits maturing in more than three months(26,616)-Proceeds on disposal of held to maturity securities(76,510)(22,786)Net cash outflow from investing activities(76,510)(22,786)Net cash outflow from investing activities(195,005)(11,314)Proceeds from new bank loan(b)-8,486Repayment of bank loans(b)(195,005)(11,314)(Decrease)/increase in cash and cash equivalents(203,972)99,848Cash and cash equivalents at beginning of year418,836318,866Effect of foreign exchange rate changes(36)122	Net cash inflow from operating activities	(a)	241,765	204,753
Interest paid(23,998)(42,606)Dividends paid(150,636)(48,564)Dividends paid to minority shareholders(773)-Net cash outflow from returns on investments and servicing of finance(173,209)(61,737)Taxation(173,209)(61,737)Hong Kong profits tax refund/(paid)972(3,882)Overseas tax paid(1,013)(9,068)Investing activities(1,013)(9,068)Purchase of fixed assets(25,161)(14,643)Purchase of fixed assets(25,161)(14,643)Purchase of fixed assets(28,510)(14,643)Purchase of held to maturity securities(26,616)-Proceeds on disposal of fixed assets(28,510)(22,786)Net cash outflow from investing activities(76,510)(22,786)Net cash outflow from investing activities(19,5005)(11,314)Proceeds from new bank loan(b)-8,486Repayment of bank loans(b)(195,005)(11,314)(Decrease)/increase in cash and cash equivalents(203,972)99,848Cash and cash equivalents at beginning of year418,836318,866Effect of foreign exchange rate changes(36)122	Returns on investments and servicing of finance			
Dividends paid(160,636)(48,564)Dividends paid to minority shareholders(773)-Net cash outflow from returns on investments and servicing of finance(173,209)(61,737)Taxation(173,209)(61,737)Hong Kong profits tax refund/(paid)972(3,882)Overseas tax paid(1,013)(9,068)Tax paid(1,013)(9,068)Investing activities(25,161)(14,643)Purchase of fixed assets3,539341Purchase of fixed assets(28,272)(18,857)Increase in bank deposits maturing in more than three months(26,616)-Proceeds on disposal of held to maturity securities(26,616)-Proceeds on disposal of held to maturity securities(27,373)(22,786)Net cash outflow from investing activities(0,61,737)(11,110)Proceeds from new bank loan(b)-8,486Repayment of bank loans(b)(195,005)(11,314)(Decrease)/increase in cash and cash equivalents(203,972)99,848Cash and cash equivalents at beginning of year418,836318,866Effect of foreign exchange rate changes(36)122	Interest received		12,198	<mark>29,433</mark>
Dividends paid to minority shareholders(773)-Net cash outflow from returns on investments and servicing of finance(173,209)(61,737)Taxation(173,209)(61,737)Hong Kong profits tax refund/(paid)972(3,882)Overseas tax paid(1,013)(9,068)Tax paid(1,013)(9,068)Investing activities(25,161)(14,643)Purchase of fixed assets(25,161)(14,643)Proceeds on disposal of fixed assets(28,272)(18,857)Increase in bank deposits maturing in more than three months(26,616)Proceeds on disposal of held to maturity securities(26,616)Proceeds on disposal of held to maturity securities(76,510)(22,786)Net cash outflow from investing activities(76,510)(22,786)Net cash outflow from investing activities(19,5005)(11,314)Proceeds from new bank loan(b)	Interest paid		(23,998)	(42,606)
Net cash outflow from returns on investments and servicing of finance(173,209)(61,737)Taxation Hong Kong profits tax refund/(paid) Overseas tax paid972(3,882)Tax paid(1,985)(5,186)Tax paid(1,013)(9,068)Investing activities Purchase of fixed assets(25,161)(14,643)Purchase of fixed assets(25,161)(14,643)Proceeds on disposal of fixed assets3,539341Purchase of held to maturity securities(28,272)(18,857)Increase in bank deposits maturing in more than three months(26,616)-Proceeds on disposal of held to maturity securities(76,510)(22,786)Net cash outflow from investing activities(76,510)(22,786)Net cash outflow/inflow before financing(195,005)(11,114)Proceeds from new bank loan Repayment of bank loans(b)-8,486 (19,800)Net cash outflow from financing(195,005)(11,314)(Decrease)/increase in cash and cash equivalents(203,972)99,848Cash and cash equivalents at beginning of year418,836318,866Effect of foreign exchange rate changes(36)122	Dividends paid		(160,636)	(48,564)
and servicing of finance(173,209)(61,737)TaxationHong Kong profits tax refund/(paid)972(3,882)Overseas tax paid(1,013)(9,068)Tax paid(1,013)(9,068)Investing activities(1,013)(9,068)Purchase of fixed assets3,539341Purchase of held to maturity securities(28,272)(18,857)Increase in bank deposits maturing in more than three months(26,616)-Proceeds on disposal of held to maturity securities(26,616)-Net cash outflow from investing activities(76,510)(22,786)Net cash outflow from investing activities(195,005)(11,314)Proceeds from new bank loan(b)-8,486Repayment of bank loans(b)(195,005)(11,314)(Decrease)/increase in cash and cash equivalents(203,972)99,848Cash and cash equivalents at beginning of year418,836318,866Effect of foreign exchange rate changes(36)122	Dividends paid to minority shareholders		(773)	
Taxation Hong Kong profits tax refund/(paid) Overseas tax paid972 (3,882) (1,985)(3,882) (5,186)Tax paid(1,013)(9,068)Investing activities Purchase of fixed assets(1,013)(9,068)Purchase of fixed assets(25,161)(14,643)Proceeds on disposal of fixed assets3,539341Purchase of held to maturity securities(28,272)(18,857)Increase in bank deposits maturing in more than three months(26,616)-Proceeds on disposal of held to maturity securities-10,373Net cash outflow from investing activities(76,510)(22,786)Net cash outflow from investing activities(195,005)(111,162)Financing Proceeds from new bank loan Repayment of bank loans(b)-8,486Repayment of bank loans(b)(195,005)(11,314)(Decrease)/increase in cash and cash equivalents(203,972)99,848Cash and cash equivalents at beginning of year418,836318,866Effect of foreign exchange rate changes(36)122	Net cash outflow from returns on investments			
Hong Kong profits tax refund/(paid)972(3,882)Overseas tax paid(1,985)(5,186)Tax paid(1,013)(9,068)Investing activities(25,161)(14,643)Purchase of fixed assets3,539341Purchase of held to maturity securities(28,272)(18,857)Increase in bank deposits maturing in more than three months(26,616)-Proceeds on disposal of held to maturity securities(26,616)-Proceeds on disposal of held to maturity securities(26,510)(22,786)Net cash outflow from investing activities(76,510)(22,786)Net cash outflow from investing activities(19,5005)(111,162)Financing(195,005)(19,800)(19,800)Net cash outflow from financing(b)-8,486Repayment of bank loans(b)(195,005)(11,314)(Decrease)/increase in cash and cash equivalents(203,972)99,848Cash and cash equivalents at beginning of year418,836318,866Effect of foreign exchange rate changes(36)122	and servicing of finance		(173,209)	(61,737)
Overseas tax paid(1,985)(5,186)Tax paid(1,013)(9,068)Investing activities(1,013)(9,068)Purchase of fixed assets(25,161)(14,643)Proceeds on disposal of fixed assets3,539341Purchase of held to maturity securities(28,272)(18,857)Increase in bank deposits maturing in more than three months(26,616)-Proceeds on disposal of held to maturity securities(76,510)(22,786)Net cash outflow from investing activities(76,510)(22,786)Net cash (outflow)/inflow before financing(8,967)111,162Financing Proceeds from new bank loan(b)-8,486Repayment of bank loans(b)(195,005)(11,314)(Decrease)/increase in cash and cash equivalents(203,972)99,848Cash and cash equivalents at beginning of year418,836318,866Effect of foreign exchange rate changes(36)122	Taxation			
Tax paid(1,013)(9,068)Investing activities(25,161)(14,643)Purchase of fixed assets3,539341Purchase of held to maturity securities(28,272)(18,857)Increase in bank deposits maturing in more than three months(26,616)-Proceeds on disposal of held to maturity securities(27,76)(22,786)Net cash outflow from investing activities(76,510)(22,786)Net cash outflow/inflow before financing(8,967)111,162Financing(8,967)(111,114)Proceeds from new bank loan(b)-8,486Repayment of bank loans(b)(195,005)(11,314)(Decrease)/increase in cash and cash equivalents(203,972)99,848Cash and cash equivalents at beginning of year418,836318,866Effect of foreign exchange rate changes(36)122	Hong Kong profits tax refund/(paid)		972	(3,882)
Investing activities(25,161)(14,643)Purchase of fixed assets3,539341Purchase of held to maturity securities(28,272)(18,857)Increase in bank deposits maturing in more than three months(26,616)-Proceeds on disposal of held to maturity securities-10,373Net cash outflow from investing activities(76,510)(22,786)Net cash (outflow)/inflow before financing(8,967)1111,162Financing-8,486Repayment of bank loans(b)-8,486Repayment of bank loans(b)(195,005)(11,314)(Decrease)/increase in cash and cash equivalents(203,972)99,848Cash and cash equivalents at beginning of year418,836318,866Effect of foreign exchange rate changes(36)122	Overseas tax paid		(1,985)	(5,186)
Purchase of fixed assets(25,161)(14,643)Proceeds on disposal of fixed assets3,539341Purchase of held to maturity securities(28,272)(18,857)Increase in bank deposits maturing in more than three months(26,616)-Proceeds on disposal of held to maturity securities(76,510)(22,786)Net cash outflow from investing activities(76,510)(22,786)Net cash (outflow)/inflow before financing(8,967)1111,162Financing8,486(195,005)(19,800)Net cash outflow from financing(b)-8,486Repayment of bank loans(b)(195,005)(11,314)(Decrease)/increase in cash and cash equivalents(203,972)99,848Cash and cash equivalents at beginning of year418,836318,866Effect of foreign exchange rate changes(36)122	Tax paid		(1,013)	(9,068)
Proceeds on disposal of fixed assets3,539341Purchase of held to maturity securities(28,272)(18,857)Increase in bank deposits maturing in more than three months(26,616)-Proceeds on disposal of held to maturity securities-10,373Net cash outflow from investing activities(76,510)(22,786)Net cash (outflow)/inflow before financing(8,967)111,162Financing(8,967)111,162Proceeds from new bank loan(b)-8,486Repayment of bank loans(b)(195,005)(19,800)Net cash outflow from financing(195,005)(11,314)(Decrease)/increase in cash and cash equivalents(203,972)99,848Cash and cash equivalents at beginning of year418,836318,866Effect of foreign exchange rate changes(36)122	Investing activities			
Purchase of held to maturity securities(28,272)(18,857)Increase in bank deposits maturing in more than three months(26,616)-Proceeds on disposal of held to maturity securities-10,373Net cash outflow from investing activities(76,510)(22,786)Net cash (outflow)/inflow before financing(8,967)111,162Financing-8,486Repayment of bank loans(b)-8,486(195,005)(19,800)(19,800)Net cash outflow from financing(195,005)(11,314)(Decrease)/increase in cash and cash equivalents(203,972)99,848Cash and cash equivalents at beginning of year418,836318,866Effect of foreign exchange rate changes(36)122	Purchase of fixed assets		(25,161)	(14,643)
Increase in bank deposits maturing in more than three months(26,616)-Proceeds on disposal of held to maturity securities10,373Net cash outflow from investing activities(76,510)(22,786)Net cash (outflow)/inflow before financing(8,967)111,162Financing(8,967)111,162Proceeds from new bank loan(b)-8,486Repayment of bank loans(b)(195,005)(19,800)Net cash outflow from financing(195,005)(11,314)(Decrease)/increase in cash and cash equivalents(203,972)99,848Cash and cash equivalents at beginning of year418,836318,866Effect of foreign exchange rate changes(36)122	Proceeds on disposal of fixed assets		3,539	341
Proceeds on disposal of held to maturity securities	Purchase of held to maturity securities		(28,272)	(18,857)
Net cash outflow from investing activities(76,510)(22,786)Net cash (outflow)/inflow before financing(8,967)111,162Financing Proceeds from new bank loan Repayment of bank loans(b)-8,486Repayment of bank loans(b)(195,005)(19,800)Net cash outflow from financing(195,005)(11,314)(Decrease)/increase in cash and cash equivalents(203,972)99,848Cash and cash equivalents at beginning of year418,836318,866Effect of foreign exchange rate changes(36)122	Increase in bank deposits maturing in more than three	months	(26,616)	_
Net cash (outflow)/inflow before financing(8,967)111,162Financing(8,967)111,162Proceeds from new bank loan(b)-8,486Repayment of bank loans(b)-8,486Net cash outflow from financing(195,005)(19,800)Net cash outflow from financing(195,005)(11,314)(Decrease)/increase in cash and cash equivalents(203,972)99,848Cash and cash equivalents at beginning of year418,836318,866Effect of foreign exchange rate changes(36)122	Proceeds on disposal of held to maturity securities			10,373
Financing Proceeds from new bank loan Repayment of bank loans(b)-8,486Repayment of bank loans(b)(195,005)(19,800)Net cash outflow from financing(195,005)(11,314)(Decrease)/increase in cash and cash equivalents(203,972)99,848Cash and cash equivalents at beginning of year418,836318,866Effect of foreign exchange rate changes(36)122	Net cash outflow from investing activities		(76,510)	(22,786)
Proceeds from new bank loan(b)-8,486Repayment of bank loans(b)(195,005)(19,800)Net cash outflow from financing(195,005)(11,314)(Decrease)/increase in cash and cash equivalents(203,972)99,848Cash and cash equivalents at beginning of year418,836318,866Effect of foreign exchange rate changes(36)122	Net cash (outflow)/inflow before financing		(8,967)	111,162
Repayment of bank loans(b)(195,005)(19,800)Net cash outflow from financing(195,005)(11,314)(Decrease)/increase in cash and cash equivalents(203,972)99,848Cash and cash equivalents at beginning of year418,836318,866Effect of foreign exchange rate changes(36)122	Financing			
Net cash outflow from financing(195,005)(11,314)(Decrease)/increase in cash and cash equivalents(203,972)99,848Cash and cash equivalents at beginning of year418,836318,866Effect of foreign exchange rate changes(36)122	Proceeds from new bank loan	(b)	-	8,486
(Decrease)/increase in cash and cash equivalents(203,972)99,848Cash and cash equivalents at beginning of year418,836318,866Effect of foreign exchange rate changes(36)122	Repayment of bank loans	(b)	(195,005)	(19,800)
Cash and cash equivalents at beginning of year418,836318,866Effect of foreign exchange rate changes(36)122	Net cash outflow from financing		(195,005)	(11,314)
Effect of foreign exchange rate changes (36) 122	(Decrease)/increase in cash and cash equivalents		(203,972)	99,848
	Cash and cash equivalents at beginning of year		418,836	318,866
Cash and cash equivalents at end of year(c)214,828418,836	Effect of foreign exchange rate changes		(36)	122
	Cash and cash equivalents at end of year	(c)	214,828	418,836

CONSOLIDATED CASH FLOW STATEMENT (Continued)

for the years ended 31st December, in dollar thousands

(a) RECONCILIATION OF PROFIT BEFORE TAXATION TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2001	2000
Profit before taxation	95,534	93,608
Interest income	(12,807)	(25,633)
Interest expenses	23,340	40,176
Depreciation of fixed assets	79,132	78,374
Amortisation	-	6,212
Loss on disposal of fixed assets	200	1,030
(Increase)/decrease in products in hand and in process	(7,497)	11,503
Decrease in materials and supplies	5,238	7,087
Decrease in trade and other receivables	168	13,039
Decrease in net amounts due from holding company		
and fellow sub <mark>sid</mark> aries	48,162	2,515
Increase/(decrease) in trade and other payables	6,268	(24,486)
Increase in leased factory maintenance provision	4,064	1,488
Exchange difference	(37)	(160)
Net cash inflow from operating activities	241,765	204,753

(b) ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Bank loans and advances repayable after three months	
	2001	2000
Balance at 1st January	468,307	477,729
Proceeds from new bank loan	-	8,486
Repayment of bank loans	(195,005)	(19,800)
Exchange difference	(295)	1,892
Balance at 31st December	273,007	468,307

(c) ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS

	2001	2000
Cash at bank and in hand	55,090	44,873
Deposits with banks maturing within three months	159,738	373,963
Cash and cash equivalents	214,828	418,836