

## CONSOLIDATED CASH FLOW STATEMENT

for the years ended 31st December, in dollar thousands

	Note	2002	2001
<b>Operating activities</b>			
Profit from ordinary activities before taxation		43,580	95,534
Adjustments for:			
Depreciation of fixed assets		80,913	79,132
Interest expense		6,924	23,340
Interest income		(5,250)	(12,807)
Loss on disposal of fixed assets		425	200
Foreign exchange loss/(gain)		24	(51)
<b>Operating profit before changes in working capital</b>		<b>126,616</b>	<b>185,348</b>
Increase in products in hand and in process		(611)	(7,497)
Decrease in materials and supplies		8,851	5,238
(Increase)/decrease in trade and other receivables		(15,277)	168
(Increase)/decrease in net amounts due from holding company and fellow subsidiaries		(9,226)	50,703
(Decrease)/increase in trade and other payables		(28,273)	3,727
Increase in retirement benefit liability		542	–
Increase in leased factory maintenance provision		4,078	4,078
<b>Cash generated from operations</b>		<b>86,700</b>	<b>241,765</b>
Tax paid			
Hong Kong profits tax refunded		–	972
Overseas tax paid		(5,342)	(1,985)
<b>Net cash from operating activities</b>		<b>81,358</b>	<b>240,752</b>
<b>Investing activities</b>			
Payment for purchase of fixed assets		(9,529)	(25,161)
Proceeds from sales of fixed assets		449	3,539
Purchase of held to maturity securities		(2)	(28,272)
Proceeds on disposal of held to maturity securities		7	–
Interest received		3,814	12,198
<b>Net cash used in investing activities</b>		<b>(5,261)</b>	<b>(37,696)</b>
<b>Financing activities</b>			
Proceeds from new bank loan		272,998	–
Repayment of bank loans		(272,982)	(195,005)
Interest paid		(7,872)	(23,998)
Dividends paid		(44,828)	(160,636)
Dividends paid to minority shareholders		–	(773)
<b>Net cash used in financing activities</b>		<b>(52,684)</b>	<b>(380,412)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>23,413</b>	<b>(177,356)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>241,444</b>	<b>418,836</b>
<b>Effect of foreign exchange rates changes</b>		<b>(8)</b>	<b>(36)</b>
<b>Cash and cash equivalents at end of year</b>	19	<b>264,849</b>	<b>241,444</b>

The Notes on pages 33 to 51 form part of these financial statements.