

Consolidated Cash Flow Statement

ENERCHINA HOLDINGS LIMITED

For the year ended 31 December 2002

	NOTES	2002 HK\$'000	2001 HK\$'000
OPERATING ACTIVITIES			
Loss before taxation		(81,662)	(140,299)
Adjustments for:			
Share of results of associates		(2,611)	34,433
Amortisation of goodwill		7,454	112
Amortisation of premium on acquisition of associates		3,655	6,662
Gain on deemed disposal of subsidiaries		–	(1,817)
Gain on disposal of other investments		–	(6,771)
Loss (gain) on disposal of investment properties		5,137	(1,813)
Deficit arising on revaluation of investment properties		30	6,110
Depreciation		11,577	430
Impairment loss of investment securities		13,300	47,965
Impairment loss of associates		–	41,555
Impairment loss of investment in an option		48,986	–
Loss on disposal of subsidiaries		2,135	–
Interest expense		5,666	1,710
Interest income		(843)	(4,030)
Operating cash flows before movements in working capital		12,824	(15,753)
Increase in inventories		(8,869)	–
Increase in debtors, deposits and prepayments		(7,573)	(22)
Increase in creditors and accrued charges		68,204	3,266
NET CASH FROM (USED IN) OPERATING ACTIVITIES		64,586	(12,509)
INVESTING ACTIVITIES			
Interest received		2,069	3,829
Dividend received from an associate		–	3,467
Purchase of investment in securities		(436)	(15,269)
Proceeds from disposal of investment in securities		–	29,762
Loan repayment from (advance to) a former associate		5,000	(5,000)
Repayment of amount due from an associate		5,265	2,212
Purchase of property, plant and equipment		(285,900)	(1,188)
Purchase of an option		–	(7,000)
Disposal of subsidiaries (net of cash and cash equivalents)	34	26,133	(31,856)
Refund of deposit for investment		–	50,000
Purchase of subsidiaries (net of cash and cash equivalents acquired)	33	(79,921)	(7,114)
Decrease (increase) in pledged bank deposits		3,749	(7,840)
Proceeds from disposal of investment properties		22,353	30,113
Deposit received for sale of a company		–	13,531

Consolidated Cash Flow Statement

For the year ended 31 December 2002

	NOTES	2002 HK\$'000	2001 HK\$'000
NET CASH (USED IN) FROM INVESTING ACTIVITIES		<u>(301,688)</u>	<u>57,647</u>
FINANCING ACTIVITIES			
Interest paid on banks and other borrowings		(14,501)	(1,709)
Interest on obligations under a hire purchase contract		–	(1)
Capital contribution from minority shareholders of subsidiaries		–	15,604
Repayment of bank loans		(134,729)	(14,335)
Repurchase of shares		–	(417)
Repayment of obligations under a hire purchase contract		–	(10)
New bank loans raised		303,630	–
Advance from a shareholder		4,286	–
Advance from an associate		<u>4,756</u>	<u>–</u>
NET CASH FROM (USED IN) FINANCING ACTIVITIES		<u>163,442</u>	<u>(868)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(73,660)	44,270
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		<u>158,896</u>	<u>114,626</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR – Bank balances and cash		<u><u>85,236</u></u>	<u><u>158,896</u></u>