

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2013
(expressed in Hong Kong Dollars)

| | <u>Note</u> | <u>2013</u> | | <u>2012</u> | |
|--|-------------|--------------------|------------------|------------------|------------------|
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Cash flows from operating activities | | | | | |
| Operating surplus before income tax | | 4,436,594 | | 2,584,046 | |
| Adjustments for: | | | | | |
| Share of surplus / upfront premium from property developer in the form of assets | | (228,523) | | (52,662) | |
| Interest income | | (144,432) | | (153,182) | |
| Depreciation and amortisation | | 20,711 | | 19,245 | |
| Gain on disposal of property, plant and equipment | | (18) | | (1) | |
| Net foreign exchange gains | | (9,190) | | (16,110) | |
| Gain on financial assets at fair value through profit or loss | | (19,920) | | (12,395) | |
| (Write back of) / provision for impairment on properties and committed projects | | <u>(1,727,182)</u> | | <u>552,623</u> | |
| Operating surplus before working capital changes | | 2,328,040 | | 2,921,564 | |
| (Increase) / decrease in receivables from property developers | | (2,014,390) | | 4,059,700 | |
| Changes in balances with jointly controlled development projects | | (155,742) | | 148,951 | |
| Increase in properties under development | | (3,800,696) | | (3,222,151) | |
| Decrease / (increase) in building rehabilitation loans | | 21,409 | | (4,228) | |
| Decrease / (increase) in prepayments | | 152,059 | | (167,923) | |
| (Increase) / decrease in trade and other receivables | | (56,220) | | 3,623 | |
| Increase in trade and other payables | | 527,962 | | 67,833 | |
| Contribution to Urban Renewal Trust Fund | | - | | (500,000) | |
| Increase in financial assets at fair value through profit or loss | | <u>(344,282)</u> | | <u>(354,029)</u> | |
| Cash (used in) / generated from operations | | (3,341,860) | | 2,953,340 | |
| Interest received | | 221,412 | | 67,892 | |
| Interest paid | | <u>(38,022)</u> | | <u>(33,401)</u> | |
| Net cash (used in) / generated from operating activities | | | (3,158,470) | | 2,987,831 |
| Cash flows from investing activities | | | | | |
| Decrease / (increase) in bank deposits with maturities more than 3 months | | 1,255,168 | | (2,827,168) | |
| Purchase of property, plant and equipment | | (18,686) | | (32,061) | |
| Proceeds from sale of property, plant and equipment | | <u>18</u> | | <u>4</u> | |
| Net cash generated from / (used in) investing activities | | | 1,236,500 | | (2,859,225) |
| Cash flows from financing activity | | | | | |
| Redemption of debt securities | | (1,500,000) | | - | |
| Proceeds from issuance of debt securities | | <u>3,100,000</u> | | <u>200,000</u> | |
| Net cash generated from financing activity | | | <u>1,600,000</u> | | <u>200,000</u> |
| Net (decrease) / increase in cash and cash equivalents | | | (321,970) | | 328,606 |
| Cash and cash equivalents at 1 April | | | 4,344,536 | | 3,999,820 |
| Exchange gain on cash and cash equivalents | | | <u>9,190</u> | | <u>16,110</u> |
| Cash and cash equivalents at 31 March | | | <u>4,031,756</u> | | <u>4,344,536</u> |
| Analysis of cash and bank balances | | | | | |
| Cash and cash equivalents | | | 4,031,756 | | 4,344,536 |
| Other bank deposits with maturities more than 3 months | | | <u>3,404,000</u> | | <u>4,659,168</u> |
| Cash and bank balances at 31 March | 19 | | <u>7,435,756</u> | | <u>9,003,704</u> |

The notes on pages 107 to 142 form part of these consolidated financial statements.