

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended 31 March 2011
(expressed in Hong Kong Dollars)

| | Note | 2011 \$'000 | \$'000 | 2010 \$'000 | \$'000 |
|---|------|------------------|------------------|--------------------|------------------|
| Cash flows from operating activities | | | | | |
| Operating surplus before income tax | | 2,208,787 | | 7,018,311 | |
| Adjustments for: | | | | | |
| Interest income | | (49,474) | | (25,319) | |
| Depreciation and amortisation | | 19,840 | | 20,092 | |
| Loss on disposal of property, plant and equipment | | 2,695 | | 1,142 | |
| Gain on financial assets at fair value through profit or loss | | (11,705) | | (29,240) | |
| Provision for Urban Renewal Trust Fund | | 500,000 | | - | |
| Write back of impairment on properties and committed projects | | (349,610) | | (498,579) | |
| Operating surplus before working capital changes | | <u>2,320,533</u> | | <u>6,486,407</u> | |
| Decrease / (increase) in receivables from property developers | | 410,500 | | (4,696,150) | |
| (Increase) / decrease in jointly controlled development projects | | (20,390) | | 52,753 | |
| Increase in properties under development | | (1,872,566) | | (6,106,176) | |
| Decrease in building rehabilitation loans | | 12,961 | | 15,202 | |
| (Increase) / decrease in trade and other receivables | | (58,570) | | 509,814 | |
| Decrease in properties held for sale | | - | | 1,032 | |
| Increase in trade and other payables | | 575,435 | | 250,455 | |
| Increase in financial assets at fair value through profit or loss | | (50,000) | | (349,913) | |
| Cash generated from / (used in) operations | | <u>1,317,903</u> | | <u>(3,836,576)</u> | |
| Interest received | | 47,238 | | 24,164 | |
| Interest paid | | (31,200) | | (15,728) | |
| Net cash generated from / (used in) operating activities | | | 1,333,941 | | (3,828,140) |
| Cash flows from investing activities | | | | | |
| Decrease / (increase) in bank deposits with maturities more than 3 months | | 69,000 | | (1,798,000) | |
| Purchase of property, plant and equipment | | (25,976) | | (6,798) | |
| Proceeds from sale of property, plant and equipment | | 13 | | 9 | |
| Net cash generated from / (used in) investing activities | | | 43,037 | | (1,804,789) |
| Cash flows from financing activity | | | | | |
| Proceeds from issuance of debt securities | | - | | 1,500,000 | |
| Net cash generated from financing activity | | | - | | 1,500,000 |
| Net increase / (decrease) in cash and cash equivalents | | | 1,376,978 | | (4,132,929) |
| Cash and cash equivalents at 1 April | | | <u>2,622,842</u> | | <u>6,755,771</u> |
| Cash and cash equivalents at 31 March | | | <u>3,999,820</u> | | <u>2,622,842</u> |
| Analysis of cash and bank balances | | | | | |
| Cash and cash equivalents | | | 3,999,820 | | 2,622,842 |
| Other bank deposits with maturities more than 3 months | | | 1,832,000 | | 1,901,000 |
| Cash and bank balances at 31 March | 20 | | <u>5,831,820</u> | | <u>4,523,842</u> |

The notes on pages 93 to 131 form part of these consolidated financial statements.