

Consolidated Cash Flow Statement

For the year ended 31 December 2006

(Expressed in Hong Kong dollars)

	Note	2006 \$	2005 \$
Operating activities			
Profit before taxation		312,148,989	534,031,604
Adjustments for:			
– Interest income		(99,577,137)	(23,446,725)
– Dividend income		(8,052,855)	(40,528,983)
– Depreciation		7,358,383	8,138,444
– Exchange loss		–	1,162,155
– Revaluation surplus of investment properties		(20,181,916)	(181,896,112)
– Net gains on disposal of investment properties		–	(80,000)
– Net (gains)/losses on disposal of property and equipment		(367,201)	56,766
– Impairment losses of land and buildings written back		(4,323,425)	(2,556,101)
– Net impairment losses of interests in leasehold land held for own use under operating leases provided/ (written back)		4,770,448	(22,341,006)
– Net gains on disposal of available-for-sale securities		(37,582,869)	–
– Net gains on disposal of securities held for trading		(9,295,804)	(1,602,253)
– Net unrealized (gains)/losses on securities held for trading		(20,633,038)	3,561,292
– Goodwill arisen from acquisition of a subsidiary		(30,438)	(3,188)
– Losses on disposal of subsidiaries		1,101,819	–
– Loss on disposal of an associate		231	–
– Share of profits of associates		(699,789)	(3,025,190)
– Provision for doubtful debts		2,515,559	–
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Operating profit before changes in working capital		127,150,957	271,470,703
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For the year ended 31 December 2006

(Expressed in Hong Kong dollars)

	Note	2006 \$	2005 \$
(Increase)/decrease in statutory deposits		(49,073,682)	116,387
Decrease in insurance receivables		904,710,408	200,923,103
Decrease/(increase) in other receivables		194,322	(3,935,274)
Decrease in amount due from the immediate holding company		–	44,270
Decrease in amounts due from fellow subsidiaries		30,161,828	20,560,720
(Increase)/decrease in reinsurers' share of insurance funds		(427,204,272)	145,820,836
Increase/(decrease) in insurance funds		150,524,547	(474,127,779)
Decrease in insurance protection funds		(76,105)	(3,972,228)
Decrease in insurance payables		(6,767,191)	(76,271,680)
Increase in amount due to the immediate holding company		25,694	–
Increase in other payables		52,953,273	8,264,554
Increase in amounts due to fellow subsidiaries		104,561	4,845
Increase in amounts due from affiliated companies		(13,283,827)	–
Increase in amounts due from shareholders		(1,698,010)	–
Increase/(decrease) in working capital		640,571,546	(182,572,246)
Net cash generated from operations		767,722,503	88,898,457
Tax paid – PRC Income Tax paid		(10,277,856)	(8,160,386)
Net cash generated from operating activities		757,444,647	80,738,071

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For the year ended 31 December 2006

(Expressed in Hong Kong dollars)

	Note	2006 \$	2005 \$
Investing activities			
Dividend received from an associate		2,000,000	998,925
Dividend received from investments in securities		8,052,855	40,528,983
Interest received		98,722,405	21,418,188
Decrease in deposits with banks with original maturity more than three months		5,439,260	18,017,329
Proceeds from disposal of property and equipment		1,949,657	–
Proceeds from disposal of available-for-sale securities		40,521,709	–
Proceeds from disposal of securities held for trading		87,096,115	104,412,608
Proceeds from disposal of investment properties		–	1,260,000
Proceeds from disposal of subsidiaries		1,757,839	–
Proceeds from disposal of an associate		14,001,000	–
Payments for purchases of securities held for trading		(84,499,887)	(76,815,377)
Payments for purchases of available-for-sale securities		–	(23,400)
Payments for purchases of property and equipment		(6,668,057)	(6,018,001)
Net cash generated from investing activities		168,372,896	103,779,255
Financing activities			
Proceeds from issuance of new shares		1,056,039,410	–
Net increase in cash and cash equivalents		1,981,856,953	184,517,326
Effects of foreign exchange rate changes		15,382,166	4,569,696
Cash and cash equivalents at beginning of year		814,543,198	625,456,176
Cash and cash equivalents at end of year	24	2,811,782,317	814,543,198

The notes on pages 63 to 127 form part of these financial statements.