

Value Partners China Greenchip Fund Limited

(Incorporated as an exempted company in the Cayman Islands with limited liability)

CONDENSED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30TH JUNE 2004

| | (Unaudited) | |
|---|---------------------|-------------------|
| | 2004 | 2003 |
| | HK\$ | HK\$ |
| Operating activities | | |
| Net (loss)/income before tax | (42,491,087) | 103,199,064 |
| Adjustments for: | | |
| Interest on bank deposits and investments | (102,958) | (592,258) |
| Dividend income | (4,810,378) | (5,755,933) |
| Net realised gain on sale of available-for-sale securities | (97,804,972) | (30,895,680) |
| Net realised gain on sale of derivative financial instruments | (1,962,729) | - |
| Net change in unrealised appreciation/depreciation in value of available-for-sale securities | 141,579,885 | (84,686,052) |
| Net change in unrealised appreciation/depreciation in value of derivative financial instruments | 264,759 | - |
| Operating loss before working capital changes | (5,327,480) | (18,730,859) |
| Decrease in other accounts receivable | 384 | - |
| (Decrease)/increase in other creditors and accruals | (47,133,627) | 14,210,684 |
| Cash used in operations | (52,460,723) | (4,520,175) |
| Interest received | 102,846 | 689,745 |
| Dividend received | 6,444,598 | 6,321,950 |
| Net cash (outflow)/inflow from operating activities | <u>(45,913,279)</u> | <u>2,491,520</u> |
| Investing activities | | |
| Purchase of available-for-sale securities | (351,204,246) | (164,758,551) |
| Purchase of derivative financial instruments | (527,927) | - |
| Sale of available-for-sale securities | 502,204,733 | 171,118,651 |
| Sale of derivative financial instruments | 1,982,250 | - |
| Net cash inflow from investing activities | <u>152,454,810</u> | <u>6,360,100</u> |
| Net increase in cash and cash equivalents | 106,541,531 | 8,851,620 |
| Cash and cash equivalents at beginning of the period | 96,917,542 | 14,711,909 |
| Cash and cash equivalents at end of the period | <u>203,459,073</u> | <u>23,563,529</u> |
| Cash and cash equivalents is represented by: | | |
| Bank balances | <u>203,459,073</u> | <u>23,563,529</u> |