

Value Partners China Greenchip Fund Limited

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

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2005

| | 2005 <i>HK\$</i> | 2004 <i>HK\$</i> |
|--|----------------------------|----------------------------|
| Cash flows from operating activities | | |
| Profit for the year | 99,033,656 | 11,970,615 |
| Adjustments for: | | |
| Dividends | (20,900,619) | (13,069,004) |
| Interest on financial assets at fair value through profit or loss and bank deposits | (4,344,367) | (1,225,301) |
| Net realised and unrealised gain on financial assets at fair value through profit or loss | (54,110,274) | (10,438,551) |
| Withholding tax on dividends and other investment income | 20,193 | 12,651 |
| Income tax credit | (51,161,390) | – |
| Operating loss before working capital changes | (31,462,801) | (12,749,590) |
| Decrease in other receivables | – | 384 |
| Increase/(decrease) in management fee and performance fee payable, and accruals and other payables | 15,201,552 | (45,161,859) |
| Cash used in operations | (16,261,249) | (57,911,065) |
| Dividends received | 18,739,289 | 14,393,713 |
| Interest on financial assets at fair value through profit or loss and bank deposits received | 4,223,612 | 1,068,652 |
| Withholding tax on dividends and other investment income paid | (20,193) | (12,651) |
| Payments on purchase of financial assets at fair value through profit or loss | (435,127,738) | (545,105,500) |
| Proceeds from sale of financial assets at fair value through profit or loss | 343,340,950 | 646,887,168 |
| Net cash (outflow)/inflow from operating activities | (85,105,329) | 59,320,317 |
| Cash flows from financing activities | | |
| Payments on repurchase of own shares | (852,634) | – |
| Net (decrease)/increase in cash and cash equivalents | (85,957,963) | 59,320,317 |
| Cash and cash equivalents at 1st January | 156,237,859 | 96,917,542 |
| Cash and cash equivalents at 31st December, representing bank balances | <u>70,279,896</u> | <u>156,237,859</u> |

The notes on pages 29 to 48 are an integral part of these financial statements.