

STATEMENT OF OPERATIONS

For the year ended 31st December 2006

	Note	2006 HK\$	2005 HK\$
Revenue			
Dividends		925,210,301	1,017,229,096
Bank interest	7(c)	8,422,898	7,032,291
Transaction fee	4(a)	240,000	300,000
Other income	4(b)	6,109,459	7,275,833
Net gain on investments	3	7,819,869,472	1,183,438,411
Total investment income		<u>8,759,852,130</u>	<u>2,215,275,631</u>
Expenses			
Management fee	7(a)	12,638,058	13,385,160
Trustee fee	7(b)	12,638,058	13,385,160
Index license fee	8(c)	3,993,272	4,227,942
Transaction costs on investments		7,474,791	1,505,726
Registrar fee	8(a)	2,031,922	2,341,714
Publication and printing expenses		1,792,205	1,847,155
Conversion agent fee	8(b)	392,000	440,000
Audit fee		109,000	109,000
Legal and professional fees		–	50,000
Bank charges		54,824	43,874
Other operating expenses		778,516	788,167
Total operating expenses		<u>41,902,646</u>	<u>38,123,898</u>
Net operating profit		<u>8,717,949,484</u>	<u>2,177,151,733</u>
Finance costs			
Distributions to holders of redeemable units		<u>(859,795,725)</u>	<u>(947,796,250)</u>
		7,858,153,759	1,229,355,483
Adjustments from bid market prices to last traded market prices	5	<u>(49,959,963)</u>	<u>58,590,272</u>
Increase in net assets attributable to holders of redeemable units from operations		<u>7,808,193,796</u>	<u>1,287,945,755</u>

The notes on pages 10 to 19 form part of these financial statements.