



United Asia Fund

Semi Annual Report

for the period 1st January to
30th June 2009

United Asia Fund

(Constituted under a Trust Deed in the Republic of Singapore)

MANAGER

UOB Asset Management Limited
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Company Registration No. : 198600120Z

OPERATIONS ADDRESS

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DIRECTORS OF UOB ASSET MANAGEMENT

Terence Ong Sea Eng
Yeo Eng Cheong
Thio Boon Kiat

TRUSTEE

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A) Fund Performance

| Fund Performance/ Benchmark Returns | 3 mth % Growth | 6 mth % Growth | 1 yr % Growth | 3 yr Ann Comp Ret | 5 yr Ann Comp Ret | 10 yr Ann Comp Ret | Since Inception 20 April 1992 Ann Comp Ret |
|--|----------------------|----------------------|---------------------|----------------------------|----------------------------|-----------------------------|---|
| United Asia Fund | 20.53 | 27.19 | -15.45 | 0.10 | 7.47 | 4.49 | 7.04 |
| Benchmark | 26.03 | 34.03 | -13.98 | 0.39 | 7.49 | 2.56 | 4.99 |

Source: Lipper, a Thomson Reuters Company

Note: The performance returns of the Fund are in Singapore dollars based on a NAV-to-NAV basis with net dividends reinvested. The benchmark of the Fund: MSCI AC Far East ex-Japan Total Net Return Index (SGD adjusted).

For the six months ended 30 June 2009, the unit price of the Fund **rose 27.2%** on a net asset value basis, compared with a 34.0% increase in the benchmark MSCI AC Far East ex-Japan index in Singapore dollar terms.

The underperformance of the fund was attributed to its defensive positioning aimed at preserving capital in the midst of the global financial turmoil. Our bias towards more stable sectors, such as **Consumer Staples, Telecom Services** and **Utilities** impeded performance during the period as these sectors underperformed during the sharp market turnaround in March to May 2009. Our underweight in **Financials** and **Technology** stocks, which are more vulnerable to slowdown in economic activity, also hurt relative performance as these sectors outperformed during the rally.

The fund was lifted by selected stock picks like **Anta Sports** and **Genting Bhd** (consumer discretionary), **Keppel Corp** (conglomerate), **DBS Group** (financials), **China BlueChemical** (materials) and **Hon Hai Precision** (technology). However, our investments in more defensive stocks detracted from performance against the benchmark. These included **KT&G, Singapore Press Holdings, MRT** (defensive staples), **China Mobile, Chung Hwa Telecom** (telecom services), **Beijing Enterprises, CLP Holdings** (utilities) which mostly generated positive but relatively lower returns than the benchmark.

As at end June 2009, the fund had the following sector allocation: **Financials** (32.3%), **Consumers** (13.7%), **Industrials** (12.4%), **Info Technology** (10.0%), **Materials** (8.7%), **Energy** (6.8%), **Telecom Services** (4.5%), **Utilities** (3.9%), **Property Trust** (1.0%) and the remainder in cash (6.7%).

In terms of regional asset allocation, our position is as follows: **China** (34.3%), **South Korea** (14.9%), **Singapore** (12.3%), **Hong Kong** (11.0%), **Taiwan** (9.8%), **Indonesia** (4.6%), **Others** (6.4%) and the remainder in cash (6.7%).

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Market Review

Asian equity markets experienced sharp volatility in the first half of 2009, ending the first six months of the year higher and reversing some of the sharp losses of 2008. Markets were sold down in the first two months of the year amid concerns of deterioration in the global economy, elevated risk aversion and rumours of bank nationalization in the US. Export-oriented Asian countries showed fundamental weakness with exports data continuing to deteriorate against the backdrop of falling global demand. Governments around the world including Asia downgraded growth forecasts early in the year and at the same time introduced aggressive fiscal stimulus measures as well as interest rate cuts to support domestic growth.

March marked a turning point with markets paring their losses after the US Treasury unveiled a much-awaited plan to get rid of the toxic assets in the banking system to aid a recovery in the financial industry. Further measures from the US to clean up its financial system, fiscal stimulus to boost its economy and the conclusion of the G20 leaders' meeting aimed at restarting the global economy helped to lift overall sentiment.

Markets continued to pick up strongly through to May with double-digit month-on-month price increases, supported by favourable economic data such as an improvement in regional exports growth, the global Purchasing Managers' Index and a pick-up in housing sales volumes. Markets started pricing in expectations that the pace of global economic contraction had slowed and economic activity was turning out to be better than the worst-case outlook that had been projected.

However, markets again reversed course in June as renewed concerns surfaced about the global economy and the World Bank lowered its global growth forecast to 2.9% in 2009. Investors were also concerned that Asian markets had run up too fast, ahead of economic fundamentals, and inflation fears again resurfaced on the back of rising global oil prices.

Fund Strategy and Outlook

Globally synchronised rate cuts and liquidity injections as well as positive market response to G-20 meetings and the much touted US bank stress test results appear to have improved risk appetite and overall credit conditions. The recent GDP data releases affirm that the economies in China, Indonesia, Korea and Taiwan bottomed in the last quarter of 2008. The economies of Singapore, Malaysia and Thailand are also likely to have bottomed since then.

We view that liquidity conditions could continue to keep equity markets buoyant in the near term. Over the medium to longer term, the concern is that inflation returns before growth has yet to normalise. The authorities may then have to restrain fiscal and monetary expansion. In view of the increased liquidity, we favour the asset reflation trades that we expect will benefit in the near-term.

In terms of sector strategy, we are overweight in the **Consumer** sector, maintaining exposure to the Chinese consumer discretionary space. Recent data especially in China has shown a pick up in activity (for example in auto sales and property transactions) indicating that consumer sentiment has improved. We believe that domestic spending will continue to recover into the second half of 2009 as the effects of the government stimulus package finally trickles down to the consumer. Our preferred stocks in the sector include **Anta Sports**, **Hyundai Motor** and **Geely Automobile**.

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We have a *neutral* position in the **Industrials** sector, as this sector will be a beneficiary of the recovery in the economy and the various fiscal stimulus programmes. We favour companies that are positioned to benefit from increased infrastructure spending and resilient domestic demand in China such as transport companies and toll roads, for example **Zhejiang Expressway**.

We have an overweight position in the **Conglomerates** sector and favour companies which would benefit from a recovery of the global economy such as port operators and the offshore and marine companies. Our stock picks in this space include **Keppel Corp** and **Sembcorp Industries**.

We raise our weight in **Financials** to *overweight* as asset reflation and the high liquidity environment should benefit banks, exchanges and insurers. Asian banks are in much better shape than their Western counterparts and are well-positioned to benefit from recovery in economic growth. We believe that most of the capital raising among Asian banks is now over, and the focus has moved to growth. Asset quality deterioration and muted loan growth have already been priced in and earnings may surprise on the upside if asset quality deterioration is not as bad as feared. Our preferred stocks include **China Construction Bank** and **DBS Group**.

We are positive on the **Property** sector as being the clearest beneficiary of loose monetary conditions and lower interest rates. Transaction volumes in Asia including China have improved and anecdotal evidence suggests that prices in China are firming. Return of credit availability, higher liquidity and historical low interest rates should be supportive of the property market. Stocks we prefer in the sector include **China Overseas Land** and **Sun Hung Kai Properties**.

We maintain our *underweight* stance in the **Technology** sector given that weakness in demand from the US and Europe will weigh on the sector. While there are signs of inventory restocking giving support to demand currently, there is no firm evidence that this is translating to final end-user demand. Moreover, current utilisation rates are still at very low levels. Hence, the current rally in technology stocks could prove to be temporary if final demand does not come through. Our preferred stocks include **Taiwan Semiconductor Manufacturing** and **Hon Hai Precision**.

We reduce the **Telecom** sector to an *underweight* position as we view the sector to be relatively defensive with little near term catalysts. Our stock selection is based on 1) sustainable attractive dividend yield 2) earnings growth, especially in countries where the mobile penetration rate is still low and rural expansion is ongoing; 3) strong balance sheets, particularly those in net cash position; and 4) stable regulatory regimes. Stocks we prefer include **PT Telkom** and **Chunghwa Telecom**.

We raise the **Materials** sector to *neutral* weight as the underlying demand and supply fundamentals seem supportive of the price run-ups we have seen. We view that prices of certain materials such as copper have been supported by buying from the Chinese government but that this could soon cease. We favour the fertiliser stocks as government policy towards developing the agricultural sector will boost farmers' income and this supports the increasing use of fertilisers over the longer term. We prefer **China BlueChemical**.

Our exposure to the **Energy** sector is a neutral one as the valuations of many energy companies have overshot in our view and do not offer attractive risk-adjusted returns. We prefer the exploration and production oil plays to the integrated plays on the view that oil prices are likely to be supported given production cuts by the Organisation of Petroleum Exporting Countries and the overall tight supply in the industry. Our preferred pick in the sector is **CNOOC**.

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We have a neutral weight in the **Utilities** sector as we view the earnings profile of utilities stocks as relatively resilient and we view that contraction in electricity demand has bottomed on the back of a recovery in global economy. The earnings of independent power producers in China and Malaysian are expected to improve significantly off a low base with the decline in domestic coal prices and interest rate cuts. We prefer **Tenaga** in the sector.

In summary, we favour the asset reflation trades that will benefit from increased liquidity. Hence we raise our position in **Financials** and **Real Estate** to overweight. We also maintain our overweight position in the **Consumer** sector as demand remains resilient, for instance in China. We have also raised our weighting in **Energy**, **Industrials** and **Materials** to neutral as these sectors would benefit from a recovery in the economy and also from the various fiscal stimulus programmes. We have trimmed our positions in the defensive sectors like **Telecom** and **Utilities**. We keep our underweight position in **Technology** as we are skeptical about the extend of the final sell-through demand.

In terms of regional asset allocation, we are overweight on **China** as we view the country to be the first to come out of the crisis and see the most resilient economic growth in the region. The government has great latitude in pushing through policies as we see in the rapid expansion of credit growth on top of government fiscal stimulus in the form of its RMB4 trillion fiscal stimulus plan. We are also positive on the **Singapore** market as we view that the economic contraction will not be as bad as feared and the economy is well-positioned to benefit from recovery in global economy. The government has revised its 2009 GDP forecast upwards to -4% to -6% from -6% to -9% on the back of better than expected 2Q09 GDP numbers. **Indonesia** also has good medium-term prospects with President Susilo Bambang Yudhoyono being re-elected for a second term, raising the potential for Indonesia to push through economic policy reforms that can unleash the potential of its huge domestic population.

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B) Investments at fair value and as a percentage of NAV as at 30 June 2009 under review classified by

| | Fair Value (S\$) | % of NAV |
|---|---------------------|---------------|
| i) Country | | |
| China | 59,142,997 | 34.33 |
| Hong Kong | 19,025,557 | 11.04 |
| Indonesia | 7,942,323 | 4.61 |
| Malaysia | 3,321,575 | 1.93 |
| Philippines | 888,674 | 0.52 |
| Singapore | 21,186,470 | 12.30 |
| South Korea | 25,620,254 | 14.87 |
| Taiwan | 16,946,622 | 9.84 |
| Thailand | 6,531,529 | 3.79 |
| Portfolio of investments | 160,606,001 | 93.23 |
| Other net assets | 11,656,134 | 6.77 |
| Total | 172,262,135 | 100.00 |
| ii) Industry | | |
| Consumer Discretionary | 17,849,897 | 10.36 |
| Consumer Staples | 5,744,466 | 3.33 |
| Energy | 11,737,665 | 6.81 |
| Financials | 55,591,841 | 32.27 |
| Industrials | 21,361,924 | 12.40 |
| Information Technology | 17,210,027 | 9.99 |
| Materials | 15,054,619 | 8.74 |
| Property Trust | 1,714,440 | 1.00 |
| Telecommunication Services | 7,698,944 | 4.47 |
| Utilities | 6,642,178 | 3.86 |
| Portfolio of investments | 160,606,001 | 93.23 |
| Other net assets | 11,656,134 | 6.77 |
| Total | 172,262,135 | 100.00 |
| iii) Asset Class | | |
| Equities | 160,606,001 | 93.23 |
| Other net assets | 11,656,134 | 6.77 |
| Total | 172,262,135 | 100.00 |
| iv) Credit rating of debt securities | | |
| N/A | | |

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C) Top Ten Holdings

The top 10 holdings as at 30 June 2009 and 30 June 2008

10 largest holdings at 30 June 2009

| | Fair Value (S\$) | Percentage of total net assets attributable to unitholders % |
|---|---------------------|--|
| CHINA CONSTRUCTION BANK - H | 5,527,422 | 3.21 |
| DBS GROUP HOLDINGS LIMITED | 5,513,040 | 3.20 |
| TAIWAN SEMICONDUCTOR COMPANY LIMITED | 4,420,455 | 2.57 |
| INDUSTRIAL & COMMERCIAL BANK OF CHINA - H | 4,269,860 | 2.48 |
| ANTA SPORTS PRODUCTS LIMITED | 4,247,729 | 2.47 |
| SAMSUNG ELECTRONICS COMPANY LIMITED | 4,130,041 | 2.40 |
| HYUNDAI MOTOR COMPANY | 3,872,551 | 2.25 |
| PTT PUBLIC COMPANY LIMITED | 3,467,649 | 2.01 |
| HONG KONG EXCHANGES AND CLEARING LIMITED | 3,451,655 | 2.00 |
| POSCO | 3,429,590 | 1.99 |

10 largest holdings at 30 June 2008

| | Fair Value (S\$) | Percentage of total net assets attributable to unitholders % |
|--|---------------------|--|
| CHINA MOBILE LIMITED | 8,209,452 | 3.57 |
| SAMSUNG ELECTRONICS COMPANY LIMITED | 8,117,740 | 3.53 |
| CHINA BLUECHEMICAL LIMITED | 7,809,565 | 3.40 |
| CHINA COAL ENERGY COMPANY | 7,356,882 | 3.20 |
| TAIWAN SEMICONDUCTOR COMPANY LIMITED | 6,915,422 | 3.01 |
| HON HAI PRECISION INDUSTRY | 6,697,934 | 2.92 |
| HONG KONG EXCHANGES AND CLEARING LIMITED | 6,549,266 | 2.85 |
| HANG LUNG PROPERTIES LIMITED | 5,651,567 | 2.46 |
| HYUNDAI DEVELOPMENT COMPANY | 5,507,075 | 2.40 |
| BEIJING ENTERPRISES HOLDINGS | 5,310,922 | 2.31 |

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H) The amount and terms of related-party transactions for the period 01 January 2009 to 30 June 2009 (continued)

ii) Purchase/holdings of UOBAM unit trusts by UOB or its affiliated companies as at 30 June 2009

Holdings of United Asia Fund as at 30 June 2009 were as follows:-

| <u>Affiliated Companies</u> | <u>No. of Units</u> | <u>Unit Price</u> <u>SGD</u> | <u>Market Value</u> <u>SGD</u> |
|--|---------------------|---------------------------------|-----------------------------------|
| (a) United Overseas Insurance - Singapore Insurance Fund | 1,027,155.64 | 1.450 | 1,489,375.68 |
| (b) United Overseas Insurance - Shareholders' Fund | 397,605.20 | 1.450 | 576,527.54 |
| (c) UOB Life Assurance Limited | 118,230.46 | 1.450 | 171,434.17 |
| (d) UOB Smart Asia Fund | 26,149,111.93 | 1.450 | 37,916,212.30 |
| (e) UOBAM Trust - United Asia Active Allocation Fund | 12,628,124.91 | 1.450 | 18,310,781.12 |
| (f) UOBAM Trust Lifelink Asia Fund | 731,985.93 | 1.450 | 1,061,379.60 |
| (g) UOBAM - Uni Asia Equity | 1,373,666.79 | 1.450 | 1,991,816.85 |

iii) Investment in Initial Public Offerings managed by UOB Group.

N/A

iv) As at 30 June 2009 the brokerage income earned by UOB Kay Hian Pte Ltd was SGD 4,628

I) Expense ratios

| | |
|--------------|-------|
| 30 June 2009 | 1.75% |
| 30 June 2008 | 1.68% |

Note : The expense ratio is computed in accordance with the IMAS guidelines on disclosure of expense ratios dated 25 May 2005. Brokerage and other transaction costs, interest expense, foreign exchange gains/losses, tax deducted at source or arising on income received and dividends paid to unitholders are not included in the expense ratio. The Fund does not pay any performance fees.

J) Turnover ratios

| | |
|--------------|---------|
| 30 June 2009 | 103.35% |
| 30 June 2008 | 43.34% |

Note : The turnover ratio is calculated in accordance with the formula stated in the "Code on Collective Investment Schemes"

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K) Any material information that will adversely impact the valuation of the scheme such as contingent liabilities of open contracts

N/A

L) For schemes which invest more than 30% of their deposited property in another scheme, the following key information on the second-mentioned scheme (“the underlying scheme”)¹ should be disclosed as well

- i) top 10 holdings at fair value and as percentage of NAV as at 30 June 2009 and 30 June 2008

N/A

- ii) expense ratios for the period ended 30 June 2009 and 30 June 2008. A footnote should state (where applicable) that the expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from or arising out of income received.

N/A

- iii) turnover ratios for the period ended 30 June 2009 and 30 June 2008

N/A

M) Soft dollar commissions/arrangements

UOB Asset Management has entered into soft dollars arrangements with selected brokers from whom products and services are received from third parties. The product and services relate essentially to computer hardware and software to the extent that they are used to support the investment decision making process, research and advisory services, economic and political analyses, portfolio analyses including performance measurements, market analyses, data and quotation services, all of which are believed to be helpful in the overall discharge of UOB Asset Management’s duties to clients. As such services generally benefit all of UOB Asset Management’s clients in terms of input into the investment decision making process, the soft credits utilised are not allocated on a specific client basis. The Manager confirms that trades were executed on the best available terms and there was no churning of trades.

¹ where the underlying scheme is managed by a foreign manager which belongs to the same group of companies as, or has a formal arrangement or investment agreement with, the Singapore manager, the above information should be disclosed on the underlying scheme. In other cases, such information on the underlying scheme should be disclosed only if it is readily available to the Singapore manager.

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STATEMENT OF TOTAL RETURN

For the half year ended 30 June 2009 (Un-audited)

| | Notes | 30 June 2009 \$ | 30 June 2008 \$ |
|---|-------|-----------------------|-----------------------|
| Income | | | |
| Dividend | | 2,523,685 | 4,189,018 |
| Interest | | 6,853 | 12,664 |
| | | 2,530,538 | 4,201,682 |
| Less: Expenses | | | |
| Management fee | 11 | 960,537 | 1,935,325 |
| Trustee fee | 11 | 96,054 | 193,533 |
| Audit fee | | 6,444 | 7,145 |
| Registrar fee | 11 | 8,026 | 7,984 |
| Valuation fee | 11 | 96,054 | 193,533 |
| Custody fee | | 52,499 | 88,569 |
| Interest expenses | | 241 | 8,531 |
| Other expenses | | 20,393 | 22,625 |
| | | 1,240,248 | 2,457,245 |
| Net income | | 1,290,290 | 1,744,437 |
| Net gains or losses on value of investments | | | |
| Net realised losses on investments | | (58,888,909) | (213,183) |
| Net change in fair value on investments | | 94,171,109 | (106,795,203) |
| Net realised loss on financial derivatives | | - | (477,897) |
| Net foreign exchange losses | | (464,134) | (812,780) |
| Net gains/(losses) on value of investments | | 34,818,066 | (108,299,063) |
| Total return/(deficit) for the period before tax | | 36,108,356 | (106,554,626) |
| Less : Income tax | 3 | (176,420) | (282,827) |
| (Less)/Add : Capital gain tax (expense)/refund | | (41,674) | 83,700 |
| Total return/(deficit) for the period | | 35,890,262 | (106,753,753) |

The accompanying notes form an integral part of these financial statements.

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BALANCE SHEET

As at 30 June 2009 (Un-audited)

| | Notes | 30 June 2009 \$ | 31 December 2008 \$ |
|--|-------|-----------------------|---------------------------|
| ASSETS | | | |
| Portfolio of investments | | 160,606,001 | 120,277,211 |
| Receivables | 4 | 2,173,953 | 111,845 |
| Sales awaiting settlement | | - | 2,221,290 |
| Cash and bank balances | 5 | 16,053,144 | 10,201,169 |
| Total Assets | | 178,833,098 | 132,811,515 |
| LIABILITIES | | | |
| Payables | 6 | 1,093,073 | 657,513 |
| Purchases awaiting settlement | | 5,477,890 | 214,278 |
| Net assets attributable to unitholders | 7 | 172,262,135 | 131,939,724 |
| Total Liabilities | | 178,833,098 | 132,811,515 |

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PORTFOLIO STATEMENT

As at 30 June 2009 (Un-audited)

| | Holdings at 30 June 2009 | Fair value at 30 June 2009 \$ | Percentage of total net assets attributable to unitholders at 30 June 2009 % |
|--|--------------------------------|--|--|
| By Geography - Primary Quoted Equities | | | |
| CHINA | | | |
| ANTA SPORTS PRODUCTS LIMITED | 2,361,900 | 4,247,729 | 2.47 |
| BEIJING ENTERPRISES HOLDINGS | 367,000 | 2,638,735 | 1.53 |
| CHINA BLUECHEMICAL LIMITED | 4,441,258 | 3,367,449 | 1.96 |
| CHINA CONSTRUCTION BANK - H | 4,932,900 | 5,527,422 | 3.21 |
| CHINA LIFE INSURANCE COMPANY LIMITED | 465,283 | 2,489,493 | 1.45 |
| CHINA MOBILE LIMITED | 223,500 | 3,238,980 | 1.88 |
| CHINA OVERSEAS LAND AND INVESTMENT LIMITED | 632,000 | 2,107,985 | 1.22 |
| CHINA PETROLEUM AND CHEMICAL CORPORATION (SINOPEC) | 2,102,000 | 2,312,156 | 1.34 |
| CHINA RESOURCES LAND LIMITED | 739,508 | 2,378,182 | 1.38 |
| CHINA SHENHUA ENERGY COMPANY LIMITED | 404,069 | 2,139,329 | 1.24 |
| CHINA SOUTH LOCOMOTIVE AND ROLLING STOCK - H | 1,500,000 | 1,271,792 | 0.74 |
| CNOOC LIMITED | 1,135,000 | 2,036,987 | 1.18 |
| DALIAN PORT (PDA) COMPANY LIMITED | 2,680,000 | 1,571,569 | 0.91 |
| DONGFANG ELECTRICAL MACHINE - H | 439,000 | 2,262,782 | 1.31 |
| GEELY AUTOMOBILE HOLDINGS LIMITED | 13,071,000 | 3,393,069 | 1.97 |
| HUANENG POWER INTERNATIONAL INC INDUSTRIAL & COMMERCIAL | 1,226,400 | 1,250,529 | 0.73 |
| BANK OF CHINA - H | 4,234,000 | 4,269,860 | 2.48 |
| PETROCHINA COMPANY LIMITED | 1,109,249 | 1,781,544 | 1.03 |
| PING AN INSURANCE COMPANY | 305,300 | 2,987,632 | 1.73 |
| SHANDONG CHENMING PAPER HOLDINGS - B | 2,786,006 | 2,684,731 | 1.56 |
| SINFERT HOLDINGS LIMITED | 3,666,100 | 2,683,857 | 1.56 |
| ZHEJIANG EXPRESSWAY | 2,177,718 | 2,501,185 | 1.45 |
| TOTAL CHINA | | 59,142,997 | 34.33 |

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PORTFOLIO STATEMENT

As at 30 June 2009 (Un-audited)

| | Holdings at 30 June 2009 | Fair value at 30 June 2009 \$ | Percentage of total net assets attributable to unitholders at 30 June 2009 % |
|---|--------------------------------|--|--|
| By Geography - Primary (continued) | | | |
| Quoted Equities | | | |
| HONG KONG | | | |
| BAWANG INTERNATIONAL | 320,000 | 142,232 | 0.08 |
| BOC HONG KONG LIMITED | 1,310,000 | 3,317,417 | 1.93 |
| CHEUNG KONG (HOLDINGS) LIMITED | 165,900 | 2,760,534 | 1.60 |
| CLP HOLDINGS LIMITED | 190,900 | 1,832,475 | 1.07 |
| HANG LUNG PROPERTIES LIMITED | 595,200 | 2,795,567 | 1.62 |
| HONG KONG EXCHANGES AND CLEARING LIMITED | 153,000 | 3,451,655 | 2.00 |
| MTR CORPORATION | 372,000 | 1,625,653 | 0.94 |
| SUN HUNG KAI PROPERTIES LIMITED | 170,953 | 3,100,024 | 1.80 |
| TOTAL HONG KONG | | 19,025,557 | 11.04 |
| INDONESIA | | | |
| PT BANK DANAMON | 3,162,000 | 2,152,074 | 1.25 |
| PT INDOCEMENT | 2,629,000 | 2,888,992 | 1.68 |
| PT PERUSAHAAN GAS NEGARA | 4,222,000 | 1,870,778 | 1.08 |
| PT TELKOMUNIKASI INDONESIA | 969,000 | 1,030,479 | 0.60 |
| TOTAL INDONESIA | | 7,942,323 | 4.61 |
| MALAYSIA | | | |
| GENTING BERHAD | 702,000 | 1,633,179 | 0.95 |
| TENAGA NASIONAL | 536,000 | 1,688,396 | 0.98 |
| TOTAL MALAYSIA | | 3,321,575 | 1.93 |
| PHILIPPINES | | | |
| AYALA LAND INCORPORATED | 3,648,000 | 888,674 | 0.52 |

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|--|--------------------------------|--|--|
| By Geography - Primary (continued) | | | |
| Quoted Equities | | | |
| SINGAPORE | | | |
| ASCENDAS REAL ESTATE INVT TRUST | 1,092,000 | 1,714,440 | 1.00 |
| DBS GROUP HOLDINGS LIMITED | 468,000 | 5,513,040 | 3.20 |
| KEPPEL CORPORATION LIMITED | 481,000 | 3,318,900 | 1.93 |
| SEMBCORP INDUSTRIES LIMITED | 815,000 | 2,461,300 | 1.43 |
| SINGAPORE PRESS HLDGS LIMITED | 552,000 | 1,744,320 | 1.01 |
| UNITED OVERSEAS BANK LIMITED | 99,000 | 1,449,360 | 0.84 |
| VENTURE CORPORATION LIMITED | 290,000 | 2,024,200 | 1.17 |
| WILMAR INTERNATIONAL LIMITED | 591,000 | 2,960,910 | 1.72 |
| TOTAL SINGAPORE | | 21,186,470 | 12.30 |
| SOUTH KOREA | | | |
| GS ENGINEERING AND CONSTRUCTION CORPORATION | 36,450 | 3,064,435 | 1.78 |
| HANA FINANCIAL GROUP INCORPORATED | 82,190 | 2,558,531 | 1.48 |
| HYUNDAI DEVELOPMENT COMPANY | 14,100 | 645,573 | 0.37 |
| HYUNDAI MOTOR COMPANY | 46,000 | 3,872,551 | 2.25 |
| KB FINANCIAL GROUP INCORPORATED | 47,750 | 2,319,160 | 1.35 |
| KT&G CORPORATION | 32,290 | 2,641,324 | 1.53 |
| LOTTE SHOPPING COMPANY | 9,960 | 2,959,049 | 1.72 |
| POSCO | 7,128 | 3,429,590 | 1.99 |
| SAMSUNG ELECTRONICS COMPANY LIMITED | 6,151 | 4,130,041 | 2.40 |
| TOTAL SOUTH KOREA | | 25,620,254 | 14.87 |

The accompanying notes form an integral part of these financial statements.

United Asia Fund

(Constituted under a Trust Deed in the Republic of Singapore)

PORTFOLIO STATEMENT

As at 30 June 2009 (Un-audited)

| | Holdings at 30 June 2009 | Fair value at 30 June 2009 \$ | Percentage of total net assets attributable to unitholders at 30 June 2009 % |
|---|--------------------------------|--|--|
| By Geography - Primary (continued) | | | |
| Quoted Equities | | | |
| TAIWAN | | | |
| CHINATRUST FINANCIAL HOLDINGS | 2,818,000 | 2,461,351 | 1.43 |
| CHUNGHWA TELECOM COMPANY LIMITED | 506,649 | 1,461,680 | 0.85 |
| HON HAI PRECISION INDUSTRY | 468,850 | 2,088,924 | 1.21 |
| QUANTA COMPUTER INCORPORATED | 790,000 | 1,843,529 | 1.07 |
| SILICONWARE PRECISION INDUSTRIES COMPANY LIMITED | 954,000 | 1,601,291 | 0.93 |
| TAIWAN MOBILE COMPANY LIMITED | 798,000 | 1,967,805 | 1.14 |
| TAIWAN SEMICONDUCTOR COMPANY LIMITED | 1,835,300 | 4,420,455 | 2.57 |
| WISTRON CORPORATION | 458,200 | 1,101,587 | 0.64 |
| TOTAL TAIWAN | | 16,946,622 | 9.84 |
| THAILAND | | | |
| KASIKORNBANK PCL - NVDR | 555,100 | 1,562,278 | 0.91 |
| LAND AND HOUSES PUB - NVDR | 6,930,800 | 1,501,602 | 0.87 |
| PTT PUBLIC COMPANY LIMITED | 354,900 | 3,467,649 | 2.01 |
| TOTAL THAILAND | | 6,531,529 | 3.79 |
| Portfolio of investments | | 160,606,001 | 93.23 |
| Other net assets | | 11,656,134 | 6.77 |
| Net assets attributable to unitholders | | 172,262,135 | 100.00 |

The accompanying notes form an integral part of these financial statements.

United Asia Fund

(Constituted under a Trust Deed in the Republic of Singapore)

PORTFOLIO STATEMENT

As at 30 June 2009 (Un-audited)

| | Percentage of total net assets attributable to unitholders at 30 June 2009 % | Percentage of total net assets attributable to unitholders at 31 December 2008 % |
|---|---|---|
| By Geography - Primary (Summary) | | |
| Quoted Equities | | |
| China | 34.33 | 35.79 |
| Hong Kong | 11.04 | 12.63 |
| India | - | 1.83 |
| Indonesia | 4.61 | 0.70 |
| Malaysia | 1.93 | 1.46 |
| Philippines | 0.52 | 0.25 |
| Singapore | 12.30 | 11.13 |
| South Korea | 14.87 | 9.65 |
| Taiwan | 9.84 | 13.26 |
| Thailand | 3.79 | 3.94 |
| Vietnam | - | 0.52 |
| Portfolio of investments | 93.23 | 91.16 |
| Other net assets | 6.77 | 8.84 |
| Net assets attributable to unitholders | 100.00 | 100.00 |

The accompanying notes form an integral part of these financial statements.

United Asia Fund

(Constituted under a Trust Deed in the Republic of Singapore)

PORTFOLIO STATEMENT

As at 30 June 2009 (Un-audited)

| | Fair value at 30 June 2009 \$ | Percentage of total net assets attributable to unitholders at 30 June 2009 % | Percentage of total net assets attributable to unitholders at 31 December 2008 % |
|--|--|--|--|
| By Industry - Secondary Quoted Equities | | | |
| Consumer Discretionary | 17,849,897 | 10.36 | 4.86 |
| Consumer Staples | 5,744,466 | 3.33 | 1.85 |
| Energy | 11,737,665 | 6.81 | 7.24 |
| Financials | 55,591,841 | 32.27 | 23.55 |
| Industrials | 21,361,924 | 12.40 | 17.79 |
| Information Technology | 17,210,027 | 9.99 | 11.90 |
| Materials | 15,054,619 | 8.74 | 6.84 |
| Property Trust | 1,714,440 | 1.00 | 1.21 |
| Telecommunication Services | 7,698,944 | 4.47 | 12.31 |
| Unit Trust | - | - | 1.41 |
| Utilities | 6,642,178 | 3.86 | 2.20 |
| Portfolio of investments | 160,606,001 | 93.23 | 91.16 |
| Other net assets | 11,656,134 | 6.77 | 8.84 |
| Net assets attributable to unitholders | 172,262,135 | 100.00 | 100.00 |

The accompanying notes form an integral part of these financial statements.

United Asia Fund

(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2009 (Un-audited)

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

United Asia Fund (the "Fund") is a Singapore-registered trust fund constituted by a Trust Deed dated 25 January 1992 between UOB Asset Management Limited (the "Manager") and British and Malayan Trustees Limited (the "Trustee"). The Deed is governed by the laws of the Republic of Singapore.

The primary activity of the Fund is that of investment trading. The Fund's investment objective is to invest in shares listed or traded on the stock exchanges of Hong Kong SAR, Taiwan, Indonesia, Malaysia, Thailand, the Philippines, Singapore and other Asian countries.

2. Significant accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, modified by the revaluation of financial assets at fair value through profit or loss, and in accordance with the Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" ("RAP 7") issued by the Institute of Certified Public Accountants of Singapore.

The financial statements are expressed in Singapore dollars.

(b) Recognition of income

Dividend income is recognised when the right to receive payment is established. Interest income is recognised on a time proportion basis using the effective interest method.

(c) Investments

Investments are classified as financial assets at fair value through profit or loss.

(i) *Initial recognition*

Purchase of investments are recognized on the trade date. Investments are recorded at fair value on initial recognition.

(ii) *Subsequent measurement*

Investments are subsequently carried at fair value. Net change in fair value on investments are included in the Statement of Total Return in the period in which they arise.

United Asia Fund

(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2009 (Un-audited)

2. Significant accounting policies (continued)

(c) Investments (continued)

(iii) *Derecognition*

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sale of investments are computed on the basis of the difference between the weighted average cost and selling price net of transaction costs, and are taken up in the Statement of Total Return.

(d) Basis of valuation of investments

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price for these investments held by the Fund is the current market quoted bid price.

(e) Foreign currency translation

(i) *Functional and presentation currency*

The Fund's investors are mainly from Singapore with the subscriptions and redemptions of the units denominated in Singapore dollars and United States dollars.

The performance of the Fund is measured and reported to the investors in Singapore dollars. The Manager considers the Singapore dollars as the currency of the primary economic environment in which the Fund operates. The financial statements are presented in Singapore dollars, which is the Fund's functional and presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period/year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Total Return. Translation differences on non-monetary financial assets and liabilities are also recognised in the Statement of Total Return within the fair value net gain or loss.

United Asia Fund

(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2009 (Un-audited)

2. Significant accounting policies (continued)

(f) Expenses charged to the Fund

All direct expenses relating to the Fund are charged directly to the Statement of Total Return. In addition, certain expenses shared by all unit trusts managed by the Manager are allocated to each Fund based on the respective Fund's net asset value.

3. Income tax

| | 30 June 2009 \$ | 30 June 2008 \$ |
|----------------------|-----------------------|-----------------------|
| Overseas income tax | 142,829 | 266,116 |
| Singapore income tax | 33,591 | 16,711 |
| Total income tax | <u>176,420</u> | <u>282,827</u> |

The Fund was granted the status of a Designated Unit Trust and, therefore, the following income is exempt from tax in accordance with section 35(12) of the Income Tax Act (Cap 134):

- (i) gains or profits derived from Singapore or elsewhere from the disposal of securities;
- (ii) interest (other than interest for which tax has been deducted under Section 45 of the Singapore Income Tax Act); and
- (iii) dividends derived from outside Singapore and received in Singapore.

The Singapore income tax represents tax deducted at source for Singapore sourced dividends. The overseas income tax represents tax withheld on foreign sourced income.

United Asia Fund

(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2009 (Un-audited)

4. Receivables

| | 30 June 2009 | 31 December 2008 |
|-----------------------------|------------------|---------------------|
| | \$ | \$ |
| Amount due from unitholders | 1,915,102 | 60,127 |
| Dividend receivable | 258,825 | 51,587 |
| Interest receivable | 26 | 78 |
| Other receivable | - | 53 |
| | 2,173,953 | 111,845 |

5. Cash and bank balances

| | 30 June 2009 | 31 December 2008 |
|--|-------------------|---------------------|
| | \$ | \$ |
| Cash at bank | 11,053,144 | 3,700,688 |
| Fixed deposit with a financial institution | 5,000,000 | 6,500,481 |
| | 16,053,144 | 10,201,169 |

The weighted average effective interest rate of the fixed deposits with the financial institution as at 30 June 2009 is 0.1875% per annum (31 December 2008: 0.4375%), maturing within 6 days (31 December 2008: 6 days) from the balance sheet date.

6. Payables

| | 30 June 2009 | 31 December 2008 |
|--------------------------------------|------------------|---------------------|
| | \$ | \$ |
| Amount due to unitholders | 325,085 | 127,425 |
| Amount due to Manager | 691,616 | 467,784 |
| Amount due to Trustee | 49,624 | 42,243 |
| Other creditors and accrued expenses | 26,748 | 20,061 |
| | 1,093,073 | 657,513 |

United Asia Fund

(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2009 (Un-audited)

7. Net assets attributable to unitholders

| | 30 June 2009 \$ | 31 December 2008 \$ |
|--|-----------------------|---------------------------|
| At the beginning of the financial period/year | 131,939,724 | 357,169,296 |
| Operations | | |
| Change in net assets attributable to unitholders resulting from operations | 35,890,262 | (178,787,473) |
| Unitholders' contributions/(withdrawals) | | |
| Creation of units | 15,268,527 | 65,026,640 |
| Cancellation of units | (10,836,378) | (111,468,739) |
| Change in net assets attributable to unitholders resulting from net creation and cancellation of units | 4,432,149 | (46,442,099) |
| Total increase/(decrease) in net assets attributable to unitholders | 40,322,411 | (225,229,572) |
| At the end of the financial period/year | 172,262,135 | 131,939,724 |
| Units in issue (Note 8) | 118,934,447 | 116,244,693 |
| | \$ | \$ |
| Net assets attributable to unitholders per unit | 1.45 | 1.14 |

8. Units in issue

| | 30 June 2009 | 31 December 2008 |
|---------------------------------------|--------------------|---------------------|
| Units at beginning of the period/year | 116,244,693 | 146,526,074 |
| Units created | 11,244,118 | 36,549,925 |
| Units cancelled | (8,554,364) | (66,831,306) |
| Units at end of the period/year | 118,934,447 | 116,244,693 |

United Asia Fund

(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2009 (Un-audited)

9. Distribution to unitholders

The Manager does not propose any distribution to unitholders for the financial period ended 30 June 2009 (31 December 2008: NIL).

10. Financial risk management

The Fund's activities expose it to a variety of financial risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Fund's overall risk management programme seeks to minimise potential adverse effects on the Fund's financial performance. The Fund may use financial futures contracts, financial options contracts and/or currency forward contracts subject to the terms of the Prospectus to moderate certain risk exposures. Specific guidelines on exposures to individual securities and certain industries are in place for the Fund at any time as part of the overall financial risk management to reduce the Fund's risk exposures.

The Fund's assets principally consist of financial instruments such as equity investments, money market investments and cash. They are held in accordance with the published investment policies of the Fund. The allocation of assets between the various types of investments is determined by the Manager to achieve their investment objectives.

(a) Market risk

Market risk is the risk of loss arising from uncertainty concerning movements in market prices and rates, including observable variables such as interest rates, credit spreads, exchange rates, and others that may be only indirectly observable such as volatilities and correlations. Market risk includes such factors as changes in economic environment, consumption pattern and investor's expectation etc. which may have significant impact on the value of the investments. The Fund's investments are substantially dependent on changes in market prices. The Fund's investments are monitored by the Manager on a regular basis so as to assess changes in fundamentals and valuation. Although the Manager makes reasonable efforts in the choice of investments, events beyond reasonable control of the Manager could affect the prices of the underlying investments and hence the asset value of the Fund. Guidelines are set to reduce the Fund's risk exposures to market volatility such as diversifying the portfolio by investing across various geographies, alternatively, the Fund may be hedged using derivative strategies.

(i) Foreign exchange risk

The Fund has securities denominated in currencies other than the Singapore dollar and it may be affected favourably or unfavourably by exchange rate regulations or changes in the exchange rates between the Singapore dollar and such other currencies. The Manager may at his discretion, implement a currency management strategy either to reduce currency volatility or to hedge the currency exposures of the Fund.

United Asia Fund

(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2009 (Un-audited)

10. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

The table below summarises the on-balance sheet exposure to currency risks for the Fund.

As at 30 June 2009

| | SGD \$ | HKD \$ | TWD \$ | KRW \$ | Others \$ | Total \$ |
|--|----------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| Assets | | | | | | |
| Portfolio of investments | 21,186,470 | 78,168,554 | 16,946,622 | 25,620,254 | 18,684,101 | 160,606,001 |
| Receivables | 1,813,813 | 11,463 | 31,017 | - | 317,660 | 2,173,953 |
| Cash and bank balances | 11,687,888 | 302,324 | 3,649,871 | 974 | 412,087 | 16,053,144 |
| Total Assets | 34,688,171 | 78,482,341 | 20,627,510 | 25,621,228 | 19,413,848 | 178,833,098 |
| Liabilities | | | | | | |
| Payables | 1,059,659 | 4,190 | - | - | 29,224 | 1,093,073 |
| Purchases awaiting settlement | - | 1,896,901 | - | 2,124,982 | 1,456,007 | 5,477,890 |
| Net assets attributable to unitholders | 172,262,135 | - | - | - | - | 172,262,135 |
| Total Liabilities | 173,321,794 | 1,901,091 | - | 2,124,982 | 1,485,231 | 178,833,098 |
| Net currency exposure | (138,633,623) | 76,581,250 | 20,627,510 | 23,496,246 | 17,928,617 | |

United Asia Fund

(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2009 (Un-audited)

10. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

As at 31 December 2008

| | SGD \$ | HKD \$ | TWD \$ | KRW \$ | Others \$ | Total \$ |
|--|----------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| Assets | | | | | | |
| Portfolio of investments | 16,137,010 | 63,463,751 | 17,144,345 | 12,736,064 | 10,796,041 | 120,277,211 |
| Receivables | 60,258 | 51,587 | - | - | - | 111,845 |
| Sales awaiting settlement | 747,110 | 1,474,180 | - | - | - | 2,221,290 |
| Cash and bank balances | 7,549,960 | - | 530,548 | - | 2,120,661 | 10,201,169 |
| Total Assets | 24,494,338 | 64,989,518 | 17,674,893 | 12,736,064 | 12,916,702 | 132,811,515 |
| Liabilities | | | | | | |
| Payables | 657,513 | - | - | - | - | 657,513 |
| Purchases awaiting settlement | 214,278 | - | - | - | - | 214,278 |
| Net assets attributable to unitholders | 131,939,724 | - | - | - | - | 131,939,724 |
| Total Liabilities | 132,811,515 | - | - | - | - | 132,811,515 |
| Net currency exposure | (108,317,177) | 64,989,518 | 17,674,893 | 12,736,064 | 12,916,702 | |

Investments, which is the significant item in the balance sheet is exposed to currency risk and other price risk. The other price risk sensitivity analysis includes the impact of currency risk on non-monetary investments. The Fund's net financial assets comprise significantly non-monetary investments, hence currency risk sensitivity analysis has not been performed on the remaining financial assets.

United Asia Fund

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NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2009 (Un-audited)

10. Financial risk management (continued)

(a) Market risk (continued)

(ii) Price risk

Price risk is the risk of potential adverse changes to the value of financial investments because of changes in market conditions and volatility in security prices.

The table below summarises the impact of increases/decreases from the Fund's underlying investments in equities on the Fund's net assets attributable to unitholders at 30 June 2009 and 31 December 2008. The analysis is based on the assumption that the index components within the benchmark increased/ decreased by a reasonable possible shift, with all other variables held constant and that the fair value of Fund's investments moved according to the historical correlation with the index.

| Benchmark components | 30 June 2009 | | 31 December 2008 | |
|---|---|-----------|---|----|
| | Net impact to net assets attributable to unitholders | | Net impact to net assets attributable to unitholders | |
| | \$ | % | \$ | % |
| MSCI AC Far East ex-Japan Total Net Return Index (SGD adjusted) | 30,836,352 | 20 | 22,612,116 | 20 |

(iii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Fund's financial assets and liabilities are largely non-interest bearing. Hence, the Fund is not subjected to risk due to fluctuations in the prevailing levels of market interest rates.

(b) Liquidity risk

The Fund is exposed to daily cash redemptions and disbursements for the settlements of purchases. The Manager therefore ensures that the Fund maintains sufficient cash and cash equivalents and that it is able to obtain cash from the sale of investments held to meet its liquidity requirements. Reasonable efforts will be taken to invest in securities which are traded in a relatively active market and which can be readily disposed of.

United Asia Fund

(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2009 (Un-audited)

10. Financial risk management (continued)

(b) Liquidity risk (continued)

The Fund's investments in listed securities are considered to be readily realisable as they are listed on established regional stock exchanges.

The table below analyses the Fund's financial liabilities and net settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

As at 30 June 2009

| | Less than 3 months \$ | 3 months to 1 year \$ | 1-5 years \$ | Above 5 years \$ |
|--|-----------------------------|-----------------------------|--------------------|------------------------|
| Payables | 1,093,073 | - | - | - |
| Purchases awaiting settlement | 5,477,890 | - | - | - |
| Net assets attributable to unitholders | 172,262,135 | - | - | - |

As at 31 December 2008

| | Less than 3 months \$ | 3 months to 1 year \$ | 1-5 years \$ | Above 5 years \$ |
|--|-----------------------------|-----------------------------|--------------------|------------------------|
| Payables | 657,513 | - | - | - |
| Purchases awaiting settlement | 214,278 | - | - | - |
| Net assets attributable to unitholders | 131,939,724 | - | - | - |

(c) Credit risk

The Fund takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Fund's credit risk is concentrated on cash and bank balances, and amounts or securities receivable on the sale and purchase of investments respectively. In order to mitigate exposure to credit risk, all transactions in listed securities are settled/paid for upon delivery and transacted with approved counterparties using an approved list of brokers that are regularly assessed and updated by the Investment Manager.

United Asia Fund

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NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2009 (Un-audited)

10. Financial risk management (continued)

(c) Credit risk (continued)

The table below summarizes the credit rating of banks and custodians in which the Fund's assets are held as at 30 June 2009 and 31 December 2008.

As at 30 June 2009

| | Amount \$ | Credit rating | Source of credit rating |
|-------------------------------------|--------------|------------------|----------------------------|
| Bank | | | |
| State Street Bank & Trust Co. | 11,038,776 | B | Moody's |
| United Overseas Bank Limited | 14,368 | B | Moody's |
| Oversea-Chinese Banking Corporation | 5,000,000 | B | Moody's |

As at 31 December 2008

| | Amount \$ | Credit rating | Source of credit rating |
|-------------------------------------|--------------|------------------|----------------------------|
| Bank | | | |
| State Street Bank & Trust Co. | 3,691,408 | B+ | Moody's |
| United Overseas Bank Limited | 9,280 | B | Moody's |
| Oversea-Chinese Banking Corporation | 6,500,481 | B | Moody's |

All investments are held in custody with State Street Bank & Trust Co., whose credit rating assigned by Moody's at 30 June 2009 is B (31 December 2008 : B+). The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

(d) Capital management

The Fund's capital is represented by the net assets attributable to unitholders. The Fund strives to invest the subscriptions of redeemable participating units in investments that meet the Fund's investment objectives while maintaining sufficient liquidity to meet unitholder redemptions.

United Asia Fund

(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2009 (Un-audited)

11. Related party transactions

- (a) The Manager and the Trustee of the Fund are UOB Asset Management Limited and British and Malayan Trustees Limited respectively. UOB Asset Management Limited is a subsidiary of United Overseas Bank Limited.

Management and valuation fees are paid to the Manager, while trustee fee is paid to the Trustee and the registrar fee is paid to HSBC Securities Services (Transfer Agency) Pte Ltd, a subsidiary of HSBC Holdings Plc. These fees paid or payable by the Fund shown in the Statement of Total Return and in the respective Notes to the Financial Statements are on terms set out in the Trust Deed. All other related party transactions are shown elsewhere in the financial statements.

- (b) As at the end of the financial period/year, the Fund maintained the following accounts with a related party:

| | 30 June 2009 | 31 December 2008 |
|-------------------------------------|-------------------------|---------------------|
| | \$ | \$ |
| <u>United Overseas Bank Limited</u> | | |
| Bank balances | 14,368 | 9,279 |

- (c) The following transactions took place during the financial period between the Fund and United Overseas Bank Limited at terms agreed between the parties as follows:

| | 30 June 2009 | 30 June 2008 |
|------------------|-------------------------|-----------------|
| | \$ | \$ |
| Bank charges | 60 | 50 |
| Interest expense | - | 10 |

- (d) UOB Kay Hian Pte Ltd is an affiliate company of United Overseas Bank Limited.

During the financial period, the Fund has brokerage fee paid or payable to UOB Kay Hian Pte Ltd as follows:

| | 30 June 2009 | 30 June 2008 |
|-------------------|-------------------------|-----------------|
| | \$ | \$ |
| Brokerage charges | 4,628 | 3,096 |

United Asia Fund

(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2009 (Un-audited)

12. Financial ratios

| | 30 June 2009 | 30 June 2008 |
|-----------------------------|-----------------|-----------------|
| Expense ratio ¹ | 1.75% | 1.68% |
| Turnover ratio ² | 103.35% | 43.34% |

¹ The expense ratio is computed in accordance with the IMAS guidelines on disclosure of expense ratios dated 25 May 2005. Brokerage and other transaction costs, interest expense, foreign exchange gains/losses, tax deducted at source or arising on income received and dividends paid to unitholders are not included in the expense ratio. The Fund does not pay any performance fees.

² The turnover ratio is calculated in accordance with the formula stated in the "Code on Collective Investment Schemes".

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