



United Asia Fund

Annual Report

for the financial year ended
31st December 2009

United Asia Fund

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

MANAGER

UOB Asset Management Ltd
Registered Address:
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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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AUDITORS

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SOLICITORS TO THE MANAGER

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SOLICITORS TO THE TRUSTEE

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United Asia Fund

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A) Fund Performance

	3 mth	6 mth	1 yr	3 yr	5 yr	10 yr	Since
Fund Performance/ Benchmark Returns	% Growth	% Growth	% Growth	Ann Comp Ret	Ann Comp Ret	Ann Comp Ret	Inception 20 April 1992 Ann Comp Ret
United Asia Fund	11.11	28.28	63.16	0.79	10.33	5.42	8.35
Benchmark	6.06	22.79	64.57	1.40	9.39	3.82	6.07

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 year ended 31 December 2009, the Fund **rose 63.2%** on a net-asset-value basis, compared with a 64.6% increase in the benchmark MSCI AC Far East ex-Japan index in Singapore dollar terms.

The portfolio underperformed due to its defensive positioning aimed at preserving capital in the midst of the global financial turmoil in 1H09. The average 10% cash holdings during the period dampened performance as the market staged a strong recovery rally since March 2009. Our bias towards more stable sectors, such as **Consumer Staples (KT&G, SPH, SMRT)**, **Telecom Services (China Mobile, Chung Hwa Telecom)** and **Utilities (Beijing Enterprises, CLP Holdings)** also impeded performance.

We closely track important economic indicators, such as US PMI Indices, Retail Sales, US Housing Market, Consumer Confidence numbers, as signposts for economic recovery to augment our investment stance. Our reading of these indicators turned positive in the later part of the first half, and we have since turned bullish. We repositioned the Fund into beneficiaries of Asian consumption growth, such as **Geely Automobile, Anta Sports, Hyundai Motor, Genting Singapore**, which performed very well. The Fund outperformed strongly as a result and recovered much of the earlier underperformance in the second half of the year.

As at end December 2009, the Fund had the following regional asset allocation: **China** (44.7%), **South Korea** (16.0%), **Singapore** (4.7%), **Hong Kong** (10.4%), **Taiwan** (15.3%), **Indonesia** (4.9%), Others (1.9%) and the remainder in cash (2.1%).

Market Review

Asian equity markets had a sterling year with returns of more than 60%, although the ride was a rough one marked by extreme volatility and uncertainty particularly in the first part of the year. Economic conditions looked difficult at the start of the year with little signs of improvement and the market continued the sharp losses of 2008 with a sell-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.

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. The second quarter of the year saw a significant rally in the equity markets with "green shoots" appearing in the economy.

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Returns in the second half of the year were relatively subdued compared to the second quarter as Asian economies showed clear signs of recovery and monetary policy was loosened to the extent that some authorities in the region started to become concerned about asset inflation. Almost all the countries in the region were out of recession by the end of August with leading economic indicators in expansion territory, indicating that economies were well on the road to recovery.

Towards the later part of the year, central banks started getting increasingly concerned about asset bubbles in the region brought on by the loose monetary condition. Hong Kong, South Korea and China for example introduced measures to cap lending to the real estate sector. Central banks also started talking publicly about exit strategies from their loose monetary policy stances. The Reserve Bank of Australia was the first among G20 countries to hike rates in October and ended the year with another two rate hikes.

In summary, after a difficult time for the markets in the first few months of the year, the rest of the year was marked by increased investor confidence as the recovery trade took shape and excessive risk premium got compressed. Corporate earnings recovered in this period and the market index crossed above its pre-Lehman October 2008 level around mid-July 2009. By the end of the year, the market was starting increasingly to ponder the implications of monetary policy tightening.

Fund Strategy and Outlook

As Asian economies emerge from recession in 2010, we expect company earnings to also record sizeable growth. We expect continued low interest rates, at least in the earlier part of the year, to cause Asian asset values to continue to rise. Although valuations are now not as cheap as they were at trough levels in 2009 and on Asia ex-Japan price-to-earnings estimates are near mean valuation levels, we believe earnings upgrades will provide scope to drive stock prices further. We therefore focus on stocks that will see strong earnings growth and with the potential for upside surprises, which we believe will be needed to generate further equity returns.

In terms of sector strategy, we are *overweight* in the **Consumer** and **Energy** sectors. We also have a more positive view on **Technology**. We *underweight* **Industrials** and relatively slower growth sectors like **Utilities** and **Telecom**. We are *neutral* on the **Materials**, **Conglomerates**, **Financials** and **Real Estate** sectors.

We maintain an *overweight* position in the **Consumer** sector and favour the consumer discretionary space with a renewed focus on the gaming sector. Over the long term, we believe the gaming sector will benefit from an increased penetration rate in China where gaming spending per capita currently stands at less than 2%. As infrastructure (high speed rails and the Zhuhai Bridge) improves in Macau, the mass market in the gaming sector is likely to see strong growth over the next few years. With government policy also tilted towards limiting gaming supply, this bodes well for earnings of companies within the sector. Our preferred stocks in the sector include **SJM** and **Alliance Global**.

We upgrade the **Technology** sector to *overweight* as most technology companies expect the decline in revenue in the first quarter of 2010 to be less than the typical seasonal declines, which potentially could lead to further earnings and margins re-rating. Our strategy is to focus on companies with potential earnings surprises. These could come from (1) strong demand in the run-up to the Chinese New Year (2) inventory re-stocking (3) recovery of corporate IT and capex spending and (4) strong take up of e-book readers. We continue to prefer the hardware to the semiconductor segment and stocks that we favour include **Compal Electronics** and **Prime View**.

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We are *overweight* the **Energy** sector and prefer the coal sector, as the economic-led demand recovery bodes well for the industry. We expect oil prices to be range-bound after the strong rally of almost 100% from the bottom in January 2009, but think prices are unlikely to drop significantly due to oil supply discipline and the stabilisation of economic activity. The postponement of new exploration and production projects will pose a serious supply problem for the oil industry in the longer term, and this support for oil prices will be positive for existing players. We prefer **China Coal** and **ITMG**.

We are *neutral* on the **Materials** sector. Government measures to control capacity expansion in the cement industry would be beneficial for companies with the capability to withstand consolidation in the sector. In addition, valuations in some cement companies with quality earnings look attractive. We also see strong demand recovery from property construction, which would cushion the slowdown in cement demand from the sectors outside property. We prefer **POSCO**.

We are *neutral* on the **Conglomerates** sector. We see opportunities in the gas distribution business in China as the Chinese government's policy to encourage low-cost clean energy, coupled with increased gas supply from the second West-East gas pipeline project will drive downstream gas distribution growth in China. We favour **Beijing Enterprises**.

We are *neutral* on the **Financials** sector. Banks are the key beneficiaries of improving economic growth, ample liquidity and continuing government stimulus in Asia, but we acknowledge concerns in rising global capital adequacy standards within the sector. We there maintain our preference for non-banks (insurers and exchanges) who would be clearer beneficiaries of asset reflation and strong liquidity. We favour **Hong Kong Exchanges and Clearing** and **China Life**, the largest life insurance company in China.

We are *neutral* on the **Real Estate** sector. The continued low interest rates and improving credit conditions will keep the asset reflation theme in play and benefit the sector, but we view that policy risk will be an overhang as policy makers across the region voice concern about asset bubbles. We favour **Sun Hung Kai Properties**.

We are *underweight* the **Industrial** sector as the shift in growth focus away from fixed asset investments to the consumer sector in China would detract from performance in the sector. Within the sector we favour the Korean construction players such as **GS Engineering & Construction** that are likely to receive a boost from the Middle East economies re-starting mega construction projects as well as a recovering Korean housing market.

We are *underweight* in the **Telecom** sector given its defensive nature and lower prospects for earnings growth surprises. Within the sector, we base our stock selections on companies with (1) catalysts for upward earnings revision (2) merger and acquisition prospects (3) potential positive newsflow and (4) attractive valuations relative to the sector. We prefer **Total Access Communication**.

We are *underweight* in the **Utilities** sector given its defensive nature. Within the sector we expect the securing of new gas supply will underpin the earnings growth of Indonesian gas distributors and favour **Perusahaan Gas Negara**.

In summary, our key strategy going forward will be to focus on Asia's robust domestic demand which we believe will drive corporate earnings growth and valuation expansion. Our focus will be on picking stocks that will generate strong earnings growth and have the potential to surprise on the upside.

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B) Investments at fair value and as a percentage of NAV as at 31 December 2009 under review classified by

	Fair Value (S\$)	% of NAV
i) Country		
China	97,372,614	44.74
Hong Kong	22,592,244	10.38
Indonesia	10,561,057	4.85
Malaysia	515,410	0.24
Philippines	2,085,204	0.96
Singapore	10,214,180	4.70
South Korea	34,761,735	15.97
Taiwan	33,236,914	15.27
Thailand	1,692,711	0.78
Portfolio of investments	213,032,069	97.89
Other net assets	4,595,508	2.11
Total	217,627,577	100.00
ii) Industry		
Consumer Discretionary	30,901,852	14.20
Consumer Staples	8,805,870	4.05
Energy	22,454,934	10.32
Financials	61,826,177	28.41
Industrials	24,001,986	11.02
Information Technology	41,881,003	19.25
Materials	13,129,604	6.03
Telecommunication Services	4,992,145	2.30
Unit Trust	2,078,280	0.95
Utilities	2,960,218	1.36
Portfolio of investments	213,032,069	97.89
Other net assets	4,595,508	2.11
Total	217,627,577	100.00
iii) Asset Class		
Equities	213,032,069	97.89
Other net assets	4,595,508	2.11
Total	217,627,577	100.00
iv) Credit rating of debt securities		
N/A		

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C) Top Ten Holdings

The top 10 holdings as at 31 December 2009 and 31 December 2008

10 largest holdings at 31 December 2009

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
CHINA COAL ENERGY COMPANY	9,209,519	4.23
SAMSUNG ELECTRONICS COMPANY LIMITED	8,871,607	4.08
CHINA CONSTRUCTION BANK - H	8,087,589	3.72
POSCO	6,529,834	3.00
TAIWAN SEMICONDUCTOR COMPANY LIMITED	6,302,224	2.90
HON HAI PRECISION INDUSTRY	5,957,349	2.74
COMPAL ELECTRONICS	5,631,800	2.59
CHINA LIFE INSURANCE COMPANY LIMITED	5,473,568	2.52
SHINHAN FINANCIAL GROUP	5,125,075	2.35
GOME ELECTRICAL APPLIANCES HOLDINGS LTD	4,789,332	2.20

10 largest holdings at 31 December 2008

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
CHINA MOBILE LIMITED	7,231,448	5.48
BEIJING ENTERPRISES HOLDINGS	5,874,390	4.45
CHINA BLUECHEMICAL LIMITED	5,697,571	4.32
CHUNGHWA TELECOM COMPANY LIMITED	4,504,266	3.41
SAMSUNG ELECTRONICS COMPANY LIMITED	4,127,050	3.13
TAIWAN SEMICONDUCTOR COMPANY LIMITED	3,509,561	2.66
CHINA COAL ENERGY COMPANY	3,440,980	2.61
HONG KONG EXCHANGES AND CLEARING LIMITED	3,420,531	2.59
ANTA SPORTS PRODUCTS LIMITED	3,166,268	2.40
PETROCHINA COMPANY LIMITED	3,150,978	2.39

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D) Exposure to derivatives

i) Fair value of derivative contracts and as a percentage of NAV as at 31 December 2009

N/A

ii) Net gains/(losses) on derivative contracts realised during the financial year ended 31 December 2009

N/A

iii) Net gains/(losses) on outstanding derivative contracts marked to market as at 31 December 2009

N/A

E) Amount and percentage of net asset value (NAV) invested in other schemes as at 31 December 2009

	Fair Value (S\$)	% of NAV
UNITED SSE 50 CHINA ETF	2,078,280	0.95

F) Amount and percentage of borrowings to net asset value (NAV) as at 31 December 2009

N/A

G) Amount of redemptions and subscriptions for the financial year ended 31 December 2009

Total amount of redemptions	SGD	36,139,182
Total amount of subscriptions	SGD	37,234,334

H) The amount and terms of related-party transactions for the financial year ended 31 December 2009

i) As at 31 December 2009 the Fund maintained current accounts with the United Overseas Bank Limited as follows :

Bank balances	SGD	27,014
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H) The amount and terms of related-party transactions for the financial year ended 31 December 2009 (continued)

- ii) Purchase/holdings of UOBAM unit trusts by UOB or its affiliated companies as at 31 December 2009

Holdings of United Asia Fund as at 31 December 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	2,258,682.73	1.860	4,201,149.88
b) United Overseas Insurance - Shareholders' Fund	890,216.03	1.860	1,655,801.82
c) UOB Life Assurance Limited	107,839.16	1.860	200,580.84
d) UOB Smart Asia Fund	25,223,187.75	1.860	46,915,129.22
e) United Asia Active Allocation Fund	12,717,454.87	1.860	23,654,466.06
f) UOBAM Trust Lifelink Asia Fund	707,637.33	1.860	1,316,205.43
g) UOBAM - Uni Asia Equity	1,373,666.79	1.860	2,555,020.23
h) United Overseas Insurance - Overseas Insurance Fund	61,576.35	1.860	114,532.01

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

N/A

- iv) As at 31 December 2009 the brokerage income earned by UOB Kay Hian Pte Ltd was SGD 15,857.

I) Expense ratios

31 December 2009	1.68%
31 December 2008	1.74%

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.

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J) Turnover ratios

31 December 2009	178.53%
31 December 2008	79.86%

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

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 31 December 2009 and 31 December 2008

N/A

- ii) expense ratios for the financial year ended 31 December 2009 and 31 December 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 financial year ended 31 December 2009 and 31 December 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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REPORT OF THE TRUSTEE

The Trustee is under a duty to take into custody and to hold the assets of United Asia Fund (the “Fund”) in trust for the unitholders. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes (collectively referred to as the “laws and regulations”), the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting year and report thereon to unitholders in an annual report which shall contain the matters prescribed by the laws and regulations as well as the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” issued by the Institute of Certified Public Accountants of Singapore and the Trust Deed.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the financial year covered by these financial statements, set out on pages 13 to 32 comprising the Statement of Total Return, Balance Sheet, Portfolio Statement and Notes to the Financial Statements, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed, laws and regulations and otherwise in accordance with the provisions of the Trust Deed.

As of 13 November 2009, the Trustee of the Fund has changed from British and Malayan Trustees Limited to BNP Paribas Trust Services Singapore Limited (the “Trustee”).

For and on behalf of the Trustee
BNP PARIBAS TRUST SERVICES SINGAPORE LIMITED

Authorised signatory

22 March 2010

United Asia Fund

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

STATEMENT BY THE MANAGER

In the opinion of the directors of UOB Asset Management Ltd, the accompanying financial statements set out on pages 13 to 32, comprising the Statement of Total Return, Balance Sheet, Portfolio Statement and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of the Fund as at 31 December 2009 and the total return for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager
UOB ASSET MANAGEMENT LTD

TERENCE ONG
Authorised signatory

22 March 2010

United Asia Fund

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

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF UNITED ASIA FUND

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

We have audited the financial statements of United Asia Fund (the "Fund") set out on pages 13 to 32, which comprise the Balance Sheet and Portfolio Statement as at 31 December 2009, the Statement of Total Return for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Manager's Responsibility for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2009 and the total return for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants

Singapore, 22 March 2010

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STATEMENT OF TOTAL RETURN

For the financial year ended 31 December 2009

	Notes	2009 \$	2008 \$
Income			
Dividends		4,447,617	7,028,994
Interest		7,188	17,673
Other income		-	1,919
		4,454,805	7,048,586
Less: Expenses			
Management fee	11	2,197,295	3,118,819
Trustee fee	11	198,829	311,882
Audit fee		14,635	14,931
Registrar fee	11	16,093	16,007
Valuation fee	11	219,730	311,882
Custody fee		92,647	156,028
Interest expenses		4,266	10,119
Other expenses		175,378	101,805
		2,918,873	4,041,473
Net income		1,535,932	3,007,113
Net gains or losses on value of investments			
Net realised loss on investments		(33,398,826)	(36,917,423)
Net change in fair value on investments		117,704,385	(142,363,839)
Net realised loss on financial derivatives		-	(477,897)
Net foreign exchange loss		(776,299)	(1,479,389)
Net gain/(loss) on value of investments		83,529,260	(181,238,548)
Total return/(deficit) for the year before tax		85,065,192	(178,231,435)
Less : Income tax	3	(430,725)	(638,197)
(Less)/Add : Capital gain tax (expense)/refund		(41,766)	82,159
Total return/(deficit) for the year		84,592,701	(178,787,473)

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

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BALANCE SHEET

As at 31 December 2009

	Notes	2009 \$	2008 \$
ASSETS			
Portfolio of investments		213,032,069	120,277,211
Receivables	4	602,247	111,845
Sales awaiting settlement		-	2,221,290
Cash and bank balances	5	7,669,683	10,201,169
Total Assets		221,303,999	132,811,515
LIABILITIES			
Payables	6	1,316,502	657,513
Purchases awaiting settlement		2,359,920	214,278
Net assets attributable to unitholders	7	217,627,577	131,939,724
Total Liabilities		221,303,999	132,811,515

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PORTFOLIO STATEMENT

As at 31 December 2009

	Holdings at 31 December 2009	Fair value at 31 December 2009 \$	Percentage of total net assets attributable to unitholders at 31 December 2009 %
By Geography - Primary			
Quoted Equities			
CHINA			
BEIJING ENTERPRISES HOLDINGS	268,000	2,727,056	1.25
CHINA AGRI-INDUSTRIES HOLDINGS	1,860,000	3,408,133	1.57
CHINA BLUECHEMICAL LIMITED	1,319,258	1,122,666	0.52
CHINA CITIC BANK	3,500,000	4,195,165	1.93
CHINA COAL ENERGY COMPANY	3,582,000	9,209,519	4.23
CHINA CONSTRUCTION BANK - H	6,706,900	8,087,589	3.72
CHINA LIFE INSURANCE COMPANY LIMITED	788,283	5,473,568	2.52
CHINA MOBILE LIMITED	146,500	1,931,043	0.89
CHINA OVERSEAS LAND AND INVESTMENT LIMITED	172,000	509,489	0.23
CHINA PACIFIC INSURANCE (GRP) CO LTD-H	77,600	434,153	0.20
CHINA RESOURCES LAND LIMITED	157,508	499,643	0.23
CHINA SHENHUA ENERGY COMPANY LIMITED	404,069	2,776,453	1.28
CNOOC LIMITED	1,809,000	3,989,412	1.83
COSCO PACIFIC	892,000	1,600,522	0.73
DIGITAL CHINA HOLDINGS LTD	2,023,000	3,794,711	1.74
DONGFANG ELECTRICAL MACHINE - H	439,000	3,282,748	1.51
GEELY AUTOMOBILE HOLDINGS LIMITED	4,440,000	3,424,645	1.57
GOME ELECTRICAL APPLIANCES HOLDINGS LTD	9,380,000	4,789,332	2.20
HAIER ELECTRONICS GROUP CO LTD	3,247,000	2,968,908	1.36
HENGDELI HOLDINGS LIMITED	6,414,000	3,344,602	1.54
INDUSTRIAL & COMMERCIAL BANK OF CHINA - H	2,651,000	3,086,340	1.42
MINMETALS LAND LIMITED	9,220,000	3,789,482	1.74
PETROCHINA COMPANY LIMITED	1,109,249	1,869,828	0.86
PING AN INSURANCE COMPANY	305,300	3,756,119	1.73
REXLOT HOLDINGS LIMITED	28,775,000	4,532,707	2.08
SHANDONG CHENMING PAPER HOLDINGS - B	3,368,206	3,531,020	1.62
SINO-OCEAN LAND HOLDINGS LIMITED	1,218,000	1,581,210	0.73
UNITED SSE 50 CHINA ETF	828,000	2,078,280	0.95
ZHEJIANG EXPRESSWAY	1,750,718	2,272,785	1.04
361 DEGREES INTERNATIONAL LTD	4,039,000	3,305,486	1.52
TOTAL CHINA		97,372,614	44.74

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

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As at 31 December 2009

	Holdings at 31 December 2009	Fair value at 31 December 2009 \$	Percentage of total net assets attributable to unitholders at 31 December 2009 %
By Geography - Primary (continued)			
Quoted Equities			
HONG KONG			
BAWANG INTERNATIONAL	3,388,000	3,312,533	1.52
BOC HONG KONG LIMITED	626,000	2,003,917	0.92
CHEUNG KONG (HOLDINGS) LIMITED	121,900	2,220,367	1.02
HANG LUNG PROPERTIES LIMITED	595,200	3,297,671	1.52
HONG KONG EXCHANGES AND CLEARING LIMITED	153,000	3,861,688	1.77
SJM HOLDINGS LIMITED	5,569,000	4,305,545	1.98
SUN HUNG KAI PROPERTIES LIMITED	170,953	3,590,523	1.65
TOTAL HONG KONG		22,592,244	10.38
INDONESIA			
PT BANK DANAMON	3,162,000	2,138,136	0.98
PT INDO TAMBANGRAYA MEGAH	510,000	2,408,308	1.11
PT PERUSAHAAN GAS NEGARA	4,222,000	2,444,808	1.12
PT TAMBANG BATUBARA BUKIT ASAM TBK	854,000	2,201,414	1.01
PT TELKOMUNIKASI INDONESIA	969,000	1,368,391	0.63
TOTAL INDONESIA		10,561,057	4.85
MALAYSIA			
TENAGA NASIONAL	150,000	515,410	0.24
PHILIPPINES			
ALLIANCE GLOBAL GROUP INC	16,747,000	2,085,204	0.96
SINGAPORE			
CAPITALAND LTD	1,036,000	4,351,200	2.00
DBS GROUP HOLDINGS LIMITED	79,000	1,215,020	0.56
KEPPEL CORPORATION LIMITED	150,000	1,233,000	0.57
NOBLE GROUP LTD	1,054,000	3,414,960	1.57
TOTAL SINGAPORE		10,214,180	4.70

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 31 December 2009

	Holdings at 31 December 2009	Fair value at 31 December 2009 \$	Percentage of total net assets attributable to unitholders at 31 December 2009 %
By Geography - Primary (continued)			
Quoted Equities			
SOUTH KOREA			
GS ENGINEERING AND CONSTRUCTION CORPORATION	26,920	3,505,259	1.61
HYUNDAI MOTOR COMPANY	29,000	4,230,627	1.95
LG DISPLAY COMPANY LIMITED	100,090	4,730,403	2.17
POSCO	8,778	6,529,834	3.00
SAMSUNG ELECTRONICS COMPANY LIMITED	9,221	8,871,607	4.08
SHINHAN FINANCIAL GROUP	98,400	5,125,075	2.35
TONG YANG LIFE INSURANCE CO LTD	104,800	1,768,930	0.81
TOTAL SOUTH KOREA		34,761,735	15.97
TAIWAN			
CATHAY FINANCIAL HOLDING	1,767,000	4,630,374	2.12
CHROMA ATE INC	915,000	2,911,818	1.34
COMPAL ELECTRONICS	2,893,000	5,631,800	2.59
FAR EASTERN NEW CENTURY CORPORATION	1,241,000	2,176,174	1.00
HON HAI PRECISION INDUSTRY	895,850	5,957,349	2.74
PRIME VIEW INTERNATIONAL CO. LTD	996,000	3,681,091	1.69
TAIWAN CEMENT CORPORATION	1,304,000	1,946,084	0.89
TAIWAN SEMICONDUCTOR COMPANY LIMITED	2,229,476	6,302,224	2.90
TOTAL TAIWAN		33,236,914	15.27
THAILAND			
TOTAL ACCESS COMMUNICATION - NVDR	1,124,400	1,692,711	0.78
Portfolio of investments		213,032,069	97.89
Other net assets		4,595,508	2.11
Net assets attributable to unitholders		217,627,577	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 31 December 2009

	Percentage of total net assets attributable to unitholders at 31 December 2009 %	Percentage of total net assets attributable to unitholders at 31 December 2008 %
By Geography – Primary (Summary)		
Quoted Equities		
China	44.74	35.79
Hong Kong	10.38	12.63
India	-	1.83
Indonesia	4.85	0.70
Malaysia	0.24	1.46
Philippines	0.96	0.25
Singapore	4.70	11.13
South Korea	15.97	9.65
Taiwan	15.27	13.26
Thailand	0.78	3.94
Vietnam	-	0.52
Portfolio of investments	97.89	91.16
Other net assets	2.11	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 31 December 2009

	Fair value at 31 December 2009 \$	Percentage of total net assets attributable to unitholders at 31 December 2009 %	Percentage of total net assets attributable to unitholders at 31 December 2008 %
By Industry – Secondary Quoted Equities			
Consumer Discretionary	30,901,852	14.20	4.86
Consumer Staples	8,805,870	4.05	1.85
Energy	22,454,934	10.32	7.24
Financials	61,826,177	28.41	23.55
Industrials	24,001,986	11.02	17.79
Information Technology	41,881,003	19.25	11.90
Materials	13,129,604	6.03	6.84
Property Trust	-	-	1.21
Telecommunication Services	4,992,145	2.30	12.31
Unit Trust	2,078,280	0.95	1.41
Utilities	2,960,218	1.36	2.20
Portfolio of investments	213,032,069	97.89	91.16
Other net assets	4,595,508	2.11	8.84
Net assets attributable to unitholders	217,627,577	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 financial year ended 31 December 2009

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 Ltd (the “Manager”) and BNP Paribas Trust Services Singapore 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.

As of 13 November 2009, the Trustee of the Fund has changed from British and Malayan Trustees Limited to BNP Paribas Trust Services Singapore Limited (the “Trustee”).

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.

United Asia Fund

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2009

2. Significant accounting policies (continued)

(c) Investments (continued)

(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 year in which they arise.

(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 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 financial year ended 31 December 2009

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

	2009 \$	2008 \$
Overseas income tax	390,414	600,202
Singapore income tax	40,311	37,995
Total Income tax	<u>430,725</u>	<u>638,197</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.

4. Receivables

	2009 \$	2008 \$
Amount due from unitholders	602,247	60,127
Dividend receivable	-	51,587
Interest receivable	-	78
Other receivable	-	53
	<u>602,247</u>	<u>111,845</u>

United Asia Fund

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2009

5. Cash and bank balances

	2009	2008
	\$	\$
Cash at bank	7,669,683	3,700,688
Fixed deposit with a financial institution	-	6,500,481
	<u>7,669,683</u>	<u>10,201,169</u>

There were no fixed deposits with the financial institution as at 31 December 2009.

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

6. Payables

	2009	2008
	\$	\$
Amount due to unitholders	441,736	127,425
Amount due to Manager	838,381	467,784
Amount due to Trustee	12,938	42,243
Other creditors and accrued expenses	23,447	20,061
	<u>1,316,502</u>	<u>657,513</u>

United Asia Fund

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2009

7. Net assets attributable to unitholders

	2009 \$	2008 \$
At the beginning of the financial year	131,939,724	357,169,296
Operations		
Change in net assets attributable to unitholders resulting from operations	84,592,701	(178,787,473)
Unitholders' contributions/(withdrawals)		
Creation of units	37,234,334	65,026,640
Cancellation of units	(36,139,182)	(111,468,739)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	1,095,152	(46,442,099)
Total increase/(decrease) in net assets attributable to unitholders	85,687,853	(225,229,572)
At the end of the financial year	217,627,577	131,939,724
Units in issue (Note 8)	117,227,279	116,244,693
	\$	\$
Net assets attributable to unitholders per unit	1.86	1.14

8. Units in issue

	2009	2008
Units at beginning of the year	116,244,693	146,526,074
Units created	24,581,054	36,549,925
Units cancelled	(23,598,468)	(66,831,306)
Units at end of the year	117,227,279	116,244,693

United Asia Fund

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2009

9. Distribution to unitholders

The Manager does not propose any distribution to unitholders for the financial year ended 31 December 2009 (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 Singapore dollars and it may be affected favourably or unfavourably by exchange rate regulations or changes in the exchange rates between the Singapore dollars 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 financial year ended 31 December 2009

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 31 December 2009

	SGD \$	HKD \$	TWD \$	KRW \$	Others \$	Total \$
Assets						
Portfolio of investments	12,292,460	117,886,578	33,236,914	34,761,735	14,854,382	213,032,069
Receivables	602,247	-	-	-	-	602,247
Cash and bank balances	5,580,702	-	1,737,384	13	351,584	7,669,683
Total Assets	18,475,409	117,886,578	34,974,298	34,761,748	15,205,966	221,303,999
Liabilities						
Payables	1,273,426	6,067	-	-	37,009	1,316,502
Purchases awaiting settlement	-	2,359,920	-	-	-	2,359,920
Net assets attributable to unitholders	217,627,577	-	-	-	-	217,627,577
Total Liabilities	218,901,003	2,365,987	-	-	37,009	221,303,999
Net currency exposure	(200,425,594)	115,520,591	34,974,298	34,761,748	15,168,957	

United Asia Fund

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2009

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 financial year ended 31 December 2009

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 31 December 2009 and 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	2009		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)	44,736,734	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 financial year ended 31 December 2009

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 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 31 December 2009

	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	Above 5 years \$
Payables	1,316,502	-	-	-
Purchases awaiting settlement	2,359,920	-	-	-
Net assets attributable to unitholders	217,627,577	-	-	-

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2009

10. Financial risk management (continued)

(c) Credit risk (continued)

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

As at 31 December 2009

	Credit rating	Source of credit rating
<u>Bank</u>		
State Street Bank & Trust Co.	B	Moody's
United Overseas Bank Limited	B	Moody's
<u>Custodian</u>		
State Street Bank & Trust Co.	B	Moody's

As at 31 December 2008

	Credit rating	Source of credit rating
<u>Bank</u>		
State Street Bank & Trust Co.	B+	Moody's
United Overseas Bank Limited	B	Moody's
Oversea-Chinese Banking Corporation	B	Moody's
<u>Custodian</u>		
State Street Bank & Trust Co.	B+	Moody's

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

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2009

11. Related party transactions

- (a) The Manager and the Trustee of the Fund are UOB Asset Management Ltd and BNP Paribas Trust Services Singapore Limited respectively. UOB Asset Management Ltd 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 year, the Fund maintained the following accounts with a related party:

	2009 \$	2008 \$
<u>United Overseas Bank Limited</u>		
Bank balances	<u>27,014</u>	9,279

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

	2009 \$	2008 \$
Bank charges	60	50
Interest income	-	7,580
Interest expense	-	30

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

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

	2009 \$	2008 \$
Brokerage charges	<u>15,857</u>	8,078

United Asia Fund

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2009

12. Financial ratios

	2009	2008
Expense ratio ¹	1.68%	1.74%
Turnover ratio ²	178.53%	79.86%

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".

