

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 UNITS IN ISSUE

	Year ended 30.6.2004 US\$	Year ended 30.6.2003 US\$
Balance brought forward	1,811,897.96	4,507,423.79
Units issued	126.65	3,725.10
Units redeemed	(585,376.60)	(2,699,250.93)
Balance carried forward	<u>1,226,648.01</u>	<u>1,811,897.96</u>

The Fund paid US\$8,040,733 (2003: US\$25,358,363) in aggregate for the units redeemed and received US\$2,325 (2003: US\$37,444) in aggregate for the units issued during the year.

7. TRUSTEE FEE AND ADMINISTRATION FEE

The Trustee is entitled to receive in arrears a monthly trustee fee from the Fund, accrued on and calculated as at each dealing day at the rate of 0.08% per annum of the net asset value of the Fund. The Trustee may increase the rate of the trustee fee up to 1% per annum by giving not less than three months notice of the increase to the Manager and the unitholders. For the year ended 30 June 2004, a trustee fee of US\$17,026 (2003: US\$18,755) was incurred by the Fund, of which US\$1,335 (2003: US\$1,323) remained payable at 30 June 2004.

Also in its capacity as Registrar, the Trustee is entitled to receive in arrears a monthly administration fee from the Fund, accrued on and calculated at each dealing day at the rate of 0.12% per annum of the net asset value of the Fund, subject to a minimum fee of US\$ 1,000 per month. For the year ended 30 June 2004, an administration fee of US\$25,538 (2003: US\$28,132) was incurred by the Fund, of which US\$2,003 (2003: US\$1,985) remained payable as at 30 June 2004.

8 TRANSACTIONS WITH THE MANAGER AND ITS CONNECTED PERSONS

The following is a summary of the transactions entered into during the year between the Fund and the Manager and its connected persons. Connected persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong. All such transactions were entered into in the ordinary course of business and on normal commercial terms.

(a) As at 30 June 2004, 43,743.99 units (2003: 43,743.99) were held by Colonial First State Investment Managers Limited, a related company of the Manager.

(b) Subscription charge

The Manager is entitled to a preliminary charge of 2% relating to unit subscriptions in the Fund.

(c) Management fee

The Manager is entitled to receive in arrears a monthly management fee from the Fund, accrued on and calculated at each dealing day at the rate of 1.5% per annum of the net asset value of the Fund. The Manager may increase the rate of management fee payable in respect of the Fund up to 2.25% per annum by giving not less than three months written notice of increase to the Trustee and the unitholders. For the year ended 30 June 2004, a management fee of US\$319,234 (2003: US\$351,648) was incurred by the Fund, of which US\$25,082 remained payable at 30 June 2004 (2003: US\$24,811).

9. NET INCOME/LOSS PER UNIT

Net income/loss per unit was calculated based on the net income for the year of US\$ 8,655,339 (net loss for the year ended 30 June 2003: US\$1,402,958) and the weighted average number of units for the year of 1,351,126.32 (2003: 2,423,026.14).