

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 5. INVESTMENTS

The investments comprise equity securities listed on the stock exchanges of Hong Kong, Shenzhen and Singapore and have an original cost of US\$17,880,662 (2004: US\$16,435,227). A detailed portfolio listing is set out on pages 4 and 5.

As at 30 June 2005, the Fund investments included 2,075,041 shares of Skyworth Digital Holdings Ltd. ("Skyworth"). The management of Skyworth has been under investigation by the Independent Commission Against Corruption and trading in Skyworth's shares to the Stock Exchange of Hong Kong Limited has been suspended since 30 November 2004. The fair value of this investment as at the balance sheet date was estimated by the Manager to be US\$363,785, which was determined after applying an appropriate discount to the market price immediately prior to suspension.

### 6. UNITS IN ISSUE

	Year ended 30.6.2005	Year ended 30.6.2004
Balance brought forward...	1,226,648.01	1,811,897.96
Units issued .....	–	126.65
Units redeemed.....	(50,134.39)	(585,376.60)
Balance carried forward ....	<u>1,176,513.62</u>	<u>1,226,648.01</u>

The Fund paid US\$991,347 (2004: US\$8,040,733) in aggregate for the units redeemed. No units were issued during the year (2004: US\$2,325 received for unit issued).

### 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 2005, a trustee fee of US\$18,860 (2004: US\$17,026) was incurred by the Fund, of which US\$1,633 (2004: US\$1,335) remained payable at 30 June 2005.

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 2005, an administration fee of US\$28,290 (2004: US\$25,538) was incurred by the Fund, of which US\$2,449 (2004: US\$2,003) remained payable as at 30 June 2005.

### 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. Transactions disclosed below do not constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. All such transactions were entered into in the ordinary course of business and on normal commercial terms.

- (a) As at 30 June 2005, 43,743.99 units (2004: 43,743.99) were held by Colonial First State Investment Managers Limited, a related company of the Manager.