

BEA Capital Growth Fund

ANNUAL REPORT (Audited)
For the year ended 31 December 2009

Investment Manager:



BEA CAPITAL GROWTH FUND
FOR THE YEAR ENDED 31 DECEMBER 2009

| CONTENTS | PAGE(S) |
|--|---------|
| INVESTMENT REPORT | |
| – MARKET REVIEW | 1-4 |
| – INVESTMENT INCOME AND PERFORMANCE | 5-6 |
| – PERFORMANCE TABLE | 7-12 |
| – INVESTMENT PORTFOLIO | 13-27 |
| – STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO | 28-29 |
| TRUSTEE’S REPORT | 30 |
| INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS | 31-32 |
| INDEPENDENT AUDITOR’S REPORTS ON COMPLIANCE | 33-34 |
| STATEMENT OF ASSETS AND LIABILITIES | 35-38 |
| STATEMENT OF COMPREHENSIVE INCOME | 39-40 |
| STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS | 41-42 |
| CASH FLOW STATEMENT | 43-46 |
| NOTES ON THE FINANCIAL STATEMENTS | 47-90 |
| MANAGEMENT AND ADMINISTRATION | |

BEA CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

MARKET REVIEW

Asian Equities

China's loan mix improved in 3Q09. Bill financing and short-term loans rose sharply in 1Q09 then declined sharply in 2-3Q09, indicating that short-term financing was over. An increase in medium to long-term loans, especially in fixed asset investment, will improve loan quality over the medium to longer term. China's overall policy tone changed in early December during the Central Economic Work Conference when officials stressed that 2010 economic policies would gradually shift from "growth" to "quality and structural improvement". The politburo's focus would be on the continuation of "appropriate loose monetary and stimulative fiscal policies". The CPI rose 0.6% YoY in November 2009, the first YoY growth since January 2009, driven mainly by food components. Policymakers now seem to face a new dilemma, which is that fostering economic growth will exacerbate rising concerns over inflation and potential asset bubbles.

Hong Kong's residential property transactions were robust in 3Q09. In particular, high-end luxury property performed strongly, due in large part to mainland buyers and a limited supply of new property. In early September, the Hong Kong Monetary Authority advised banks to be mindful of their mortgage loan terms, as ultra-low interest rates could increase risks in the banking system and the economy. HSBC announced that it will relocate its CEO office to Hong Kong, reflecting its confidence in the Greater China market. Hong Kong's domestic economy showed stronger-than-expected recovery in 4Q09. November's unemployment rate fell to 5.1% from its peak of 5.4% in August. In addition, retail sales rebounded significantly in 4Q09 on the back of an improvement in domestic sentiment and increased spending by mainland tourists. Although the government has implemented some measures to cool down the property market, the impact could be short-lived given the abundant liquidity in the market.

Taiwan's CPI was below expectations in September, down 0.86% YoY, suggesting that the domestic economy remained weak. Exports had declined by 12.7% in September. With the new cabinet in place, President Ma seems to be enjoying a slight increase in popularity, but his decision to allow the Dalai Lama to visit Taiwan adversely affected cross-strait relations. Taiwan's exports rebounded in December, increasing by 46.9% for the month. As expected, the export sector rebounded with export orders climbing for a second consecutive month by 37.1% in November. Actual exports also witnessed their highest increase in the last 15 months, up 19.4% YoY in November.

BEA CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

MARKET REVIEW (CONTINUED)

Asian Equities (continued)

South Korea's economy has been steadily recovering in 3Q09. Consumer confidence in September remained flat from the previous month, but was still at the highest level in over seven years. Big exporters in areas like semiconductors and automobiles have occupied a larger share of the global market during the past year thanks to a weaker won vs. the US dollar and Japanese yen. However, the won continuously appreciated against the dollar in September due to a stronger-than-expected current account surplus and the purchase of Korean equities by foreigners. South Korea's November current account posted a US\$4.3 billion surplus, exhibiting strong momentum following October's current account surplus of US\$4.9 billion, thanks in large part to a robust export sector. But higher dependency on exports compels us to remain neutral on the Korean equity market due to its greater reliance on global economic recovery.

Singapore's 4Q09 GDP grew 3.5% YoY but contracted by 6.8% QoQ due to a relapse in manufacturing. This resulted in a 2009 full-year GDP contraction of 2.1%, in line with the government's forecast of a 2 to 2.5% decline. Strong confidence in a domestic recovery, alongside ample global liquidity, supported capital inflows and SGD strength.

Malaysia's industrial output turned around sooner than expected with a marginal rise of 0.7% YoY in October. This reaffirms the view that the economy will post positive GDP growth in 4Q09, in line with the regional economy. The Malaysian government announced its 2010 budget plans on 23 October 2009. Medium-term fiscal consolidation was a priority of the Najib Administration.

Thailand's economic indicators improved in 4Q09, signalling a sustained course of recovery. Political stability reinforcing consumer confidence persists, we think the demand for durable goods in Thailand may outpace consumption growth in 2010. If political stability continues, foreign investment will flow back into Thailand.

BEA CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

MARKET REVIEW (CONTINUED)

Global Bonds

Government bonds have rallied alongside global equities in 3Q09, reflecting investor uncertainty over the future of the recovery. Policymakers have been concerned that interest rates will remain low for an extended period of time. In the UK, two-year gilt yields reached an all-time low, as the Bank of England surprised observers by voting to expand the size of its asset purchase programme by £50 billion. In the US, Treasuries posted their first two-month gain. However, investors have become increasingly concerned that the Federal Reserve may begin its exit strategy and start to tighten monetary policy and eventually start raising interest rates. Consumer spending and retail sales data have remained weak. In Europe, GDP data released in mid-August showed that both the French and German economies had officially emerged from recession in 2Q09 – reducing demand for the safety of government debt. The bond market extends the period of consolidation due to lack of market direction.

Bond yields edged higher towards the end of 2009 as Treasury prices slumped. The Federal Reserve has kept its key interest rate between 0% and 0.25% since December 2008 in an effort to stimulate the economy. In its most recent policy statement, the Fed suggested it would hold interest rates near historic lows because of economic weakness and the low risk of inflation. But as the economy shows signs of a sustainable upturn, the risk of inflation will rise. And that will mean lower bond prices and higher Treasury yields. On 11 December 2009, the Greek Government scrambled to put together an emergency plan to rein in its runaway finances amid fears that a debt crisis could reignite turmoil in world markets. Investors have become particularly jittery since state-run Dubai World, stuck with almost US\$60 billion in debt, surprisingly announced a suspension of payments.

BEA CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

MARKET REVIEW (CONTINUED)

Hong Kong Dollar Bonds

The inaugural issue of the Hong Kong Government's bonds under the Institutional Bond Issuance Programme has been well received by institutional investors, with the bid-to-cover ratio reaching 6.45, according to the Hong Kong Monetary Authority on 2 September 2009. By ensuring an ongoing supply of government bonds denominated in Hong Kong dollars under the Programme, a greater number of institutional investors will be interested and able to participate in the local debt market, increasing the depth and breadth of the Hong Kong market. China has been boosting international use of the RMB, and on 28 September, it launched RMB Sovereign Bonds in Hong Kong. Although worth only RMB6 billion (US\$878.5 million), the bond issue marked a key milestone in the internationalisation of the RMB. The bond issue helped improve the liquidity and diversification of the local bond market and the operation of the currency.

With strong fund inflows due to the reopening of the QDII programme and the low interest rate environment, asset prices in Hong Kong remain high in 4Q09. Fund inflows have led to strong recovery in property and stock markets. So far, they have not led to the formation of asset bubbles. Although the government has implemented some measures to cool down the property market, the impact could be short-lived given the abundant liquidity in the market. The HK dollar bond yields stayed in low ranges.

BEA CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

INVESTMENT INCOME AND PERFORMANCE

| | BEA Asia Strategic Growth Fund | | | |
|--|--------------------------------|--------------|------------|------------|
| | 2009 | 2008 | 2007 | 2006 |
| | US\$ | US\$ | US\$ | US\$ |
| Net gains/(losses) excluding capital appreciation/(depreciation) | 31,189 | (356,345) | (602,401) | (175,228) |
| Capital appreciation/(depreciation) – realised and unrealised | 44,681,084 | (54,348,741) | 32,437,193 | 18,761,483 |
| | ===== | ===== | ===== | ===== |

| | BEA Greater China Growth Fund | | | |
|--|-------------------------------|---------------|-------------|---------------------|
| | 2009 | 2008 | 2007 | 2006 ⁽²⁾ |
| | HK\$ | HK\$ | HK\$ | HK\$ |
| Net gains/(losses) excluding capital appreciation/(depreciation) | 2,507,231 | 2,597,181 | (2,958,275) | (1,497,614) |
| Capital appreciation/(depreciation) – realised and unrealised | 192,653,795 | (193,303,138) | 77,663,477 | 18,129,011 |
| | ===== | ===== | ===== | ===== |

(1) The comparative figures for BEA Hong Kong Dollar (HK\$) Bond Fund cover the period from 6 November 2007 to 31 December 2008.

(2) The comparative figures for BEA Greater China Growth Fund cover the period from 1 September 2006 to 31 December 2006.

| BEA Global Bond Fund | | | | BEA Hong Kong Growth Fund | | | |
|----------------------|-------------|-------------|-------------|---------------------------|---------------|-------------|------------|
| 2009 | 2008 | 2007 | 2006 | 2009 | 2008 | 2007 | 2006 |
| US\$ | US\$ | US\$ | US\$ | HK\$ | HK\$ | HK\$ | HK\$ |
| 19,953 | (1,922,729) | (2,487,032) | (1,491,187) | 17,607,532 | 17,083,035 | 2,236,748 | 2,789,654 |
| 4,373,275 | 3,635,475 | 4,484,768 | 2,562,439 | 484,396,527 | (617,349,809) | 232,385,813 | 54,397,642 |
| ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== |

BEA Hong Kong Dollar
(HK\$) Bond Fund

| 2009 | 2008 ⁽¹⁾ |
|-----------|---------------------|
| HK\$ | HK\$ |
| (245,405) | (449,438) |
| 1,914,467 | 7,343,282 |
| ===== | ===== |

BEA CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

PERFORMANCE TABLE

(a) Total net asset value (at last trade market prices) and net asset value (at last trade market prices) per unit

| Sub-funds | As at 31 December 2009 | |
|---------------------------------------|------------------------|--------------------------|
| | Total net asset value | Net asset value per unit |
| BEA Asia Strategic Growth Fund | | |
| – Class A (US\$) | 69,133,104 | 30.76 |
| – Class B (US\$) | 50,195,540 | 27.76 |
| – Class C (US\$) | 1,445,455 | 27.76 |
| BEA Global Bond Fund | | |
| – Class A (US\$) | 60,266,700 | 12.79 |
| – Class B (US\$) | 26,141,926 | 12.11 |
| – Class C (US\$) | – | – |
| BEA Hong Kong Growth Fund | | |
| – Class A (HK\$) | 740,908,239 | 211.20 |
| – Class B (HK\$) | 453,820,856 | 198.26 |
| – Class C (HK\$) | – | – |
| BEA Greater China Growth Fund | | |
| – Class A (HK\$) | 320,787,711 | 156.02 |
| – Class B (HK\$) | 168,121,997 | 148.31 |
| – Class C (HK\$) | – | – |
| BEA Hong Kong Dollar (HK\$) Bond Fund | | |
| – Class A (HK\$) | 116,776,855 | 108.73 |
| – Class B (HK\$) | 5,428,974 | 107.33 |
| – Class C (HK\$) | – | – |

| As at 31 December 2008 | | As at 31 December 2007 | | As at 31 December 2006 | |
|------------------------|--------------------------|------------------------|--------------------------|------------------------|--------------------------|
| Total net asset value | Net asset value per unit | Total net asset value | Net asset value per unit | Total net asset value | Net asset value per unit |
| 27,597,062 | 18.17 | 51,988,454 | 37.01 | 36,671,738 | 26.55 |
| 30,689,188 | 16.66 | 70,539,558 | 34.51 | 42,465,019 | 25.16 |
| 826,510 | 16.66 | 2,284,658 | 34.51 | 1,754,434 | 25.16 |
| 37,630,240 | 12.24 | 13,999,839 | 11.64 | 13,416,887 | 11.08 |
| 25,672,262 | 11.70 | 33,782,007 | 11.23 | 32,472,737 | 10.79 |
| – | – | – | – | – | – |
| 550,831,139 | 129.90 | 756,270,116 | 242.73 | 185,921,178 | 161.62 |
| 284,862,166 | 123.94 | 513,552,909 | 235.41 | 7,006,152 | 159.55 |
| – | – | – | – | – | – |
| 145,272,599 | 90.52 | 90,086,854 | 171.65 | 7,020,890 | 118.50 |
| 102,778,236 | 87.48 | 219,803,491 | 168.65 | 123,600,980 | 118.37 |
| – | – | – | – | – | – |
| 94,693,162 | 106.96 | – | – | – | – |
| 5,665,733 | 106.45 | – | – | – | – |
| – | – | – | – | – | – |

BEA CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

PERFORMANCE TABLE (CONTINUED)

(b) Fund Expense Ratio ("FER")

| Sub-funds | Transaction costs for the year ended 31 December 2009 | FER for the year ended 31 December 2009 |
|--------------------------------|---|---|
| BEA Asia Strategic Growth Fund | | |
| – Class A (US\$) | 344,513 | 0.19% |
| – Class B (US\$) | 318,496 | 1.80% |
| – Class C (US\$) | 8,673 | 1.80% |
| BEA Global Bond Fund | | |
| – Class A (US\$) | – | 0.09% |
| – Class B (US\$) | – | 1.02% |
| – Class C (US\$) | – | – |

BEA CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

PERFORMANCE TABLE (CONTINUED)

(b) Fund Expense Ratio ("FER") (continued)

| Sub-funds | Transaction costs for the year ended 31 December 2009 | FER for the year ended 31 December 2009 |
|---------------------------------------|---|---|
| BEA Hong Kong Growth Fund | | |
| – Class A (HK\$) | 2,287,804 | 0.10% |
| – Class B (HK\$) | 1,299,335 | 1.71% |
| – Class C (HK\$) | – | – |
| BEA Greater China Growth Fund | | |
| – Class A (HK\$) | 1,695,454 | 0.21% |
| – Class B (HK\$) | 1,018,552 | 1.84% |
| – Class C (HK\$) | – | – |
| BEA Hong Kong Dollar (HK\$) Bond Fund | | |
| – Class A (HK\$) | – | 0.18% |
| – Class B (HK\$) | – | 1.01% |
| – Class C (HK\$) | – | – |

BEA CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

PERFORMANCE TABLE (CONTINUED)

(c) Highest and lowest prices

| Sub-funds | 2009 | | | 2008 | | | 2007 | | |
|---------------------------------------|------------------------------|----------------------------------|---|------------------------------|----------------------------------|---|------------------------------|----------------------------------|---|
| | Highest issue price per unit | Lowest redemption price per unit | Net annualised investment return (Note) % | Highest issue price per unit | Lowest redemption price per unit | Net annualised investment return (Note) % | Highest issue price per unit | Lowest redemption price per unit | Net annualised investment return (Note) % |
| BEA Asia Strategic Growth Fund | | | | | | | | | |
| - Class A (US\$) | 30.76 | 15.44 | 69.29 | 36.50 | 14.32 | (50.91) | 42.70 | 25.32 | 39.40 |
| - Class B (US\$) | 27.76 | 14.13 | 66.63 | 34.03 | 13.17 | (51.72) | 39.92 | 23.92 | 37.16 |
| - Class C (US\$) | 27.76 | 14.13 | 66.63 | 34.03 | 13.17 | (51.72) | 39.92 | 23.92 | 37.16 |
| BEA Global Bond Fund | | | | | | | | | |
| - Class A (US\$) | 13.36 | 11.42 | 4.49 | 12.73 | 11.28 | 5.15 | 11.68 | 10.99 | 5.05 |
| - Class B (US\$) | 12.66 | 10.89 | 3.50 | 12.26 | 10.80 | 4.19 | 11.28 | 10.65 | 4.08 |
| - Class C (US\$) | - | - | - | - | - | - | - | - | - |
| BEA Hong Kong Growth Fund | | | | | | | | | |
| - Class A (HK\$) | 218.79 | 108.41 | 62.59 | 243.89 | 99.59 | (46.48) | 278.57 | 153.55 | 50.19 |
| - Class B (HK\$) | 205.78 | 103.12 | 59.96 | 236.44 | 95.30 | (47.35) | 270.94 | 151.08 | 47.55 |
| - Class C (HK\$) | - | - | - | - | - | - | - | - | - |
| BEA Greater China Growth Fund | | | | | | | | | |
| - Class A (HK\$) | 156.18 | 80.01 | 72.36 | 170.00 | 69.52 | (47.26) | 198.56 | 112.45 | 44.85 |
| - Class B (HK\$) | 148.62 | 77.11 | 69.54 | 167.02 | 67.39 | (48.13) | 195.65 | 112.00 | 42.48 |
| - Class C (HK\$) | - | - | - | - | - | - | - | - | - |
| BEA Hong Kong Dollar (HK\$) Bond Fund | | | | | | | | | |
| - Class A (HK\$) | 109.36 | 106.39 | 1.65 | 107.04 | 99.81 | 6.96 | - | - | - |
| - Class B (HK\$) | 108.02 | 105.50 | 0.83 | 106.53 | 100.31 | 6.45 | - | - | - |
| - Class C (HK\$) | - | - | - | - | - | - | - | - | - |

Note: The net annualised investment return represents the percentage change in unit price during each of these years except for the net investment return in the first financial period which was calculated as the percentage change in unit price between the unit price at the period end date and the initial offer price.

BEA Asia Strategic Growth Fund commenced to issue Class A units on 15 April 2003 and Classes B and C units on 8 September 2003.

BEA Global Bond Fund commenced to issue Classes A and B units on 1 March 2004.

| 2006 | | | 2005 | | | 2004 | | | 2003 | | |
|------------------------------|----------------------------------|--|------------------------------|----------------------------------|--|------------------------------|----------------------------------|--|------------------------------|----------------------------------|--|
| Highest issue price per unit | Lowest redemption price per unit | Net annualised investment return (Note) % | Highest issue price per unit | Lowest redemption price per unit | Net annualised investment return (Note) % | Highest issue price per unit | Lowest redemption price per unit | Net annualised investment return (Note) % | Highest issue price per unit | Lowest redemption price per unit | Net annualised investment return (Note) % |
| 26.55 | 19.93 | 30.02 | 20.43 | 16.15 | 23.83 | 16.49 | 12.95 | 10.97 | 14.86 | 9.65 | 48.60 |
| 25.17 | 19.06 | 27.91 | 19.68 | 15.80 | 21.87 | 16.33 | 12.80 | 9.13 | 14.79 | 12.69 | 11.88 |
| 25.17 | 19.06 | 27.91 | 19.68 | 15.80 | 21.87 | 16.33 | 12.80 | 9.13 | 14.79 | 12.69 | 11.88 |
| 11.17 | 10.56 | 3.07 | 10.77 | 10.36 | 3.27 | 10.44 | 9.78 | 4.10 | - | - | - |
| 10.88 | 10.35 | 2.08 | 10.62 | 10.26 | 2.42 | 10.36 | 9.76 | 3.20 | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - |
| 161.62 | 111.84 | 45.13 | 113.97 | 97.34 | 11.36 | - | - | - | - | - | - |
| 159.59 | 110.99 | 59.55 | 113.11 | 96.88 | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - |
| 118.50 | 99.04 | 18.50 | - | - | - | - | - | - | - | - | - |
| 118.38 | 99.04 | 18.37 | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - |

Note (continued):

BEA Hong Kong Growth Fund commenced to issue Classes A and B units on 10 December 2004.

BEA Greater China Growth Fund commenced to issue Class A units on 6 December 2006 and Class B units on 1 September 2006.

BEA Hong Kong Dollar (HK\$) Bond Fund commenced to issue Class A units on 6 November 2007 and Class B units on 2 June 2008.

BEA CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2009

INVESTMENT PORTFOLIO

BEA ASIA STRATEGIC GROWTH FUND

| | Holding shares | Market value US\$ | % of net assets |
|---|-------------------|-------------------------|--------------------|
| Listed/Quoted investments (98.31%) | | | |
| Equities (95.87%) | | | |
| CHINA & HONG KONG (34.12%) | | | |
| Angang Steel Co Ltd – H | 500,000 | 1,105,072 | 0.92 |
| Bank of Communications Co Ltd – H | 550,000 | 638,995 | 0.53 |
| BBMG Corp – H | 500,000 | 545,444 | 0.45 |
| Beijing Enterprises Water Group Ltd | 4,300,000 | 1,430,533 | 1.19 |
| Brilliance China Automotive Holdings Ltd | 3,300,000 | 927,642 | 0.77 |
| China Construction Bank Corp – H | 4,500,000 | 3,864,529 | 3.21 |
| China High Speed Transmission Equipment Group Co Ltd | 250,000 | 609,273 | 0.51 |
| China Life Insurance Co Ltd – H | 700,000 | 3,461,571 | 2.87 |
| China Mengniu Dairy Co Ltd | 250,000 | 889,731 | 0.74 |
| China Minsheng Banking Corp Ltd – H | 850,000 | 955,752 | 0.79 |
| China Mobile Ltd | 290,000 | 2,722,320 | 2.26 |
| China Oilfield Services Ltd – H | 620,000 | 744,305 | 0.62 |
| China Petroleum and Chemical Corp – H | 600,000 | 535,386 | 0.44 |
| China Resources Land Ltd | 200,000 | 451,829 | 0.37 |
| China Shenhua Energy Co Ltd – H | 530,000 | 2,593,567 | 2.15 |
| CNOOC Ltd | 2,080,000 | 3,266,784 | 2.71 |
| Dongfang Electric Corp Ltd – H | 170,000 | 905,334 | 0.75 |
| Geely Automobile Holdings Ltd | 2,700,000 | 1,483,143 | 1.23 |
| Hidili Industry International Development Ltd | 870,000 | 1,093,789 | 0.91 |
| Industrial and Commercial Bank of China Ltd – H | 4,625,000 | 3,834,710 | 3.18 |
| Lenovo Group Ltd | 1,300,000 | 809,656 | 0.67 |
| Ping An Insurance (Group) Co of China Ltd – H | 200,000 | 1,752,384 | 1.45 |

BEA CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2009 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA ASIA STRATEGIC GROWTH FUND (CONTINUED)

| | Holding shares | Market value US\$ | % of net assets |
|---|-------------------|-------------------------|--------------------|
| Listed/Quoted investments (98.31%) (continued) | | | |
| Equities (95.87%) (continued) | | | |
| CHINA & HONG KONG (34.12%) (continued) | | | |
| Shandong Chenming Paper Holdings Ltd – H | 1,450,000 | 1,093,789 | 0.91 |
| Shanghai Industrial Holdings Ltd | 200,000 | 1,018,678 | 0.85 |
| Shenguan Holdings Group Ltd | 1,316,800 | 1,197,068 | 0.99 |
| Shimao Property Holdings Ltd | 600,000 | 1,137,309 | 0.94 |
| Tencent Holdings Ltd | 95,000 | 2,066,562 | 1.71 |
| INDONESIA (3.67%) | | | |
| PT Astra International Tbk | 280,000 | 1,028,880 | 0.85 |
| PT Bank Mandiri Tbk | 1,850,000 | 919,839 | 0.76 |
| PT Bumi Resources Tbk | 2,000,000 | 510,505 | 0.42 |
| PT Indocement Tunggal Prakarsa Tbk | 400,000 | 582,826 | 0.48 |
| PT Perusahaan Gas Negara | 1,700,000 | 700,614 | 0.58 |
| PT Telekomunikasi Indonesia Tbk | 700,000 | 703,539 | 0.58 |
| KOREA (24.15%) | | | |
| CJ CheilJedang Corp | 4,000 | 708,750 | 0.59 |
| Daewoo Securities Co Ltd | 27,000 | 460,903 | 0.38 |
| Duksan Hi – Metal Co Ltd | 80,000 | 902,359 | 0.75 |
| Hankook Tire Co Ltd | 40,000 | 879,887 | 0.73 |
| Hyundai Engineering & Construction Co Ltd | 16,500 | 1,009,709 | 0.84 |
| Hyundai Mobis | 9,700 | 1,429,470 | 1.19 |
| Hyundai Motor Co | 15,000 | 1,568,757 | 1.30 |
| Hyundai Steel Co | 8,000 | 598,116 | 0.50 |
| KB Financial Group Inc | 34,455 | 1,774,915 | 1.47 |
| Korea Electric Power Corp | 25,000 | 735,760 | 0.61 |
| Korea Exchange Bank | 43,900 | 546,394 | 0.45 |
| KT&G Corp | 9,000 | 500,187 | 0.41 |

BEA CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2009 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA ASIA STRATEGIC GROWTH FUND (CONTINUED)

| | Holding shares | Market value US\$ | % of net assets |
|---|-------------------|-------------------------|--------------------|
| Listed/Quoted investments (98.31%) (continued) | | | |
| Equities (95.87%) (continued) | | | |
| KOREA (24.15%) (continued) | | | |
| LG Chem Ltd | 7,000 | 1,379,469 | 1.14 |
| LG Electronics Inc | 7,000 | 732,087 | 0.61 |
| Lotte Midopa Co Ltd | 75,000 | 761,690 | 0.63 |
| NHN Corp | 4,000 | 662,076 | 0.55 |
| POSCO | 5,000 | 2,666,454 | 2.21 |
| Samsung C&T Corp | 13,000 | 630,355 | 0.52 |
| Samsung Electro – Mechanics Co Ltd | 10,045 | 933,335 | 0.77 |
| Samsung Electronics Co Ltd | 10,000 | 6,897,344 | 5.72 |
| Samsung Fire & Marine Insurance Co Ltd | 4,000 | 688,006 | 0.57 |
| Samsung Heavy Industries Co Ltd | 23,000 | 480,091 | 0.40 |
| Shinhan Financial Group Co Ltd | 30,000 | 1,120,170 | 0.93 |
| SK Energy Co Ltd | 6,500 | 657,322 | 0.55 |
| SK Telecom Co Ltd | 2,700 | 395,560 | 0.33 |
| MALAYSIA (4.89%) | | | |
| AirAsia Bhd | 820,000 | 328,000 | 0.27 |
| AMMB Holdings Bhd | 500,000 | 724,088 | 0.60 |
| CIMB Group Holdings Bhd | 250,000 | 937,226 | 0.78 |
| Gamuda Bhd | 600,000 | 455,475 | 0.38 |
| Genting Bhd | 450,000 | 959,124 | 0.80 |
| KNM Group Bhd | 2,115,000 | 472,402 | 0.39 |
| Sime Darby Bhd | 300,000 | 784,818 | 0.65 |
| Tanjong PLC | 100,000 | 491,679 | 0.41 |
| Tenaga Nasional Bhd | 302,800 | 740,866 | 0.61 |

BEA CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2009 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA ASIA STRATEGIC GROWTH FUND (CONTINUED)

| | Holding shares | Market value US\$ | % of net assets |
|---|-------------------|-------------------------|--------------------|
| Listed/Quoted investments (98.31%) (continued) | | | |
| Equities (95.87%) (continued) | | | |
| SINGAPORE (8.48%) | | | |
| Capitaland Ltd | 285,000 | 854,918 | 0.71 |
| DBS Group Holdings Ltd | 150,000 | 1,647,699 | 1.37 |
| Ezra Holdings Ltd | 400,000 | 645,652 | 0.54 |
| Genting Singapore PLC | 660,000 | 608,085 | 0.50 |
| SembCorp Industries Ltd | 300,000 | 788,496 | 0.65 |
| Singapore Airport Terminal Services Ltd | 500,000 | 974,907 | 0.81 |
| Singapore Exchange Ltd | 150,000 | 891,343 | 0.74 |
| Singapore Telecommunications Ltd | 500,000 | 1,107,037 | 0.92 |
| United Overseas Bank Ltd | 140,000 | 1,967,811 | 1.63 |
| Wilmar International Ltd | 160,000 | 734,787 | 0.61 |
| TAIWAN (20.56%) | | | |
| AU Optronics Corp | 1,374,200 | 1,664,850 | 1.38 |
| Cathay Financial Holding Co Ltd | 465,500 | 868,855 | 0.72 |
| Cheng Shin Rubber Industry Co Ltd | 200,000 | 459,590 | 0.38 |
| Chicony Electronics Co Ltd | 400,000 | 970,455 | 0.81 |
| China Steel Corp | 450,000 | 463,576 | 0.39 |
| E Sun Financial Holding Co Ltd | 2,400,000 | 997,967 | 0.83 |
| EVA Airways Corp | 1,831,857 | 807,540 | 0.67 |
| Far Eastern New Century Corp | 510,000 | 637,001 | 0.53 |
| First Financial Holding Co Ltd | 900,000 | 557,136 | 0.46 |
| Fubon Financial Holding Co Ltd | 850,000 | 1,043,067 | 0.87 |
| Gintech Energy Corp | 200,000 | 583,398 | 0.48 |
| Goldsun Development & Construction Co Ltd | 1,681,500 | 775,430 | 0.64 |
| Hon Hai Precision Industry Co Ltd | 640,000 | 3,031,420 | 2.51 |
| HTC Corp | 50,000 | 572,143 | 0.48 |
| KGI Securities Co Ltd | 1,000,000 | 594,028 | 0.49 |

BEA CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2009 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA ASIA STRATEGIC GROWTH FUND (CONTINUED)

| | Holding shares | Market value US\$ | % of net assets |
|---|-------------------|-------------------------|--------------------|
| Listed/Quoted investments (98.31%) (continued) | | | |
| Equities (95.87%) (continued) | | | |
| TAIWAN (20.56%) (continued) | | | |
| Largan Precision Co Ltd | 70,000 | 921,369 | 0.76 |
| MediaTek Inc | 73,000 | 1,271,252 | 1.05 |
| Motech Industries Inc | 147,000 | 698,577 | 0.58 |
| Radiant Opto-Electronics Corp | 400,000 | 582,148 | 0.48 |
| Synnex Technology International Corp | 560,000 | 1,215,069 | 1.01 |
| Taiwan Semiconductor Manufacturing Co Ltd | 1,506,349 | 3,032,948 | 2.52 |
| TXC Corp | 700,000 | 1,286,853 | 1.07 |
| Wistron Corp | 450,000 | 873,690 | 0.72 |
| Young Fast Optoelectronics Co Ltd | 80,000 | 879,162 | 0.73 |
| Non-voting depository receipts (2.44%) | | | |
| THAILAND (2.44%) | | | |
| CP ALL PCL – NVDR | 600,000 | 444,578 | 0.37 |
| Kasikornbank PCL – NVDR | 450,000 | 1,144,068 | 0.95 |
| PTT PCL – NVDR | 123,000 | 907,695 | 0.75 |
| Quality Houses PCL – NVDR | 5,600,000 | 443,498 | 0.37 |
| Total listed/quoted investments | | 118,542,300 | 98.31 |
| | | ===== | ===== |
| Total investments at cost | | 96,295,770 | |
| | | ===== | |

Note: Investments are accounted for on a trade date basis.

BEA CAPITAL GROWTH FUND
INVESTMENT REPORT
AS AT 31 DECEMBER 2009 (CONTINUED)
INVESTMENT PORTFOLIO (CONTINUED)

BEA GLOBAL BOND FUND

| | Nominal value | Market value US\$ | % of net assets |
|---|------------------|-------------------------|--------------------|
| Listed/Quoted investments (96.84%) | | | |
| Bonds (96.84%) | | | |
| Denominated in Australian Dollar (8.13%) | | | |
| Australian Government Bond 5.25% 15/08/2010 | 1,000,000 | 923,042 | 1.07 |
| Kreditanstalt fuer Wiederaufbau 5.50% 15/08/2010 | 1,900,000 | 1,754,402 | 2.03 |
| Nordic Investment Bank 5.375% 18/01/2011 | 3,900,000 | 3,605,765 | 4.18 |
| Queensland Treasury Corp 6.00% 14/10/2015 | 800,000 | 735,318 | 0.85 |
| Denominated in British Pound (3.99%) | | | |
| United Kingdom Gilt 4.50% 07/03/2013 | 1,000,000 | 1,746,989 | 2.02 |
| United Kingdom Gilt 4.50% 07/03/2019 | 1,000,000 | 1,695,204 | 1.97 |
| Denominated in Canadian Dollar (1.63%) | | | |
| Canadian Government Bond 4.00% 01/06/2017 | 500,000 | 498,842 | 0.58 |
| International Bank for Reconstruction and Development 4.30% 15/12/2012 | 900,000 | 908,712 | 1.05 |
| Denominated in Danish Krone (0.52%) | | | |
| Denmark Government Bond 4.00% 15/11/2017 | 1,260,000 | 254,352 | 0.30 |
| Denmark Government Bond 6.00% 15/11/2011 | 900,000 | 189,459 | 0.22 |

BEA CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2009 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA GLOBAL BOND FUND (CONTINUED)

| | Nominal value | Market value US\$ | % of net assets |
|---|------------------|-------------------------|--------------------|
| Listed/Quoted investments (96.84%) (continued) | | | |
| Bonds (96.84%) (continued) | | | |
| Denominated in Euro (38.33%) | | | |
| Bundesobligation 2.25% 11/04/2014 | 6,000,000 | 8,806,578 | 10.20 |
| Bundesobligation 2.50% 10/10/2014 | 8,000,000 | 11,642,309 | 13.49 |
| Bundesrepub Deutschland 4.00% 04/01/2018 | 3,000,000 | 4,742,426 | 5.50 |
| Bundesrepub Deutschland 4.25% 04/07/2017 | 1,000,000 | 1,582,328 | 1.83 |
| Bundesschatzanweisungen 1.50% 10/06/2011 | 4,000,000 | 5,853,345 | 6.78 |
| France Government Bond OAT 3.50% 25/04/2015 | 300,000 | 459,481 | 0.53 |
| Denominated in Japanese Yen (26.22%) | | | |
| Depfa ACS Bank 1.65% 20/12/2016 | 250,000,000 | 2,293,568 | 2.66 |
| Development Bank of Japan 1.70% 20/09/2022 | 150,000,000 | 1,636,128 | 1.90 |
| Dexia Municipal Agency 1.55% 31/10/2013 | 300,000,000 | 3,289,271 | 3.81 |
| European Investment Bank 1.25% 20/09/2012 | 295,000,000 | 3,291,346 | 3.81 |
| European Investment Bank 2.15% 18/01/2027 | 125,000,000 | 1,381,530 | 1.60 |
| Japan Finance Org for Municipal Enterprises 1.35% 26/11/2013 | 250,000,000 | 2,807,781 | 3.25 |
| Kreditanstalt fuer Wiederaufbau 1.35% 20/01/2014 | 340,000,000 | 3,840,430 | 4.45 |
| Nordic Investment Bank 1.70% 27/04/2017 | 360,000,000 | 4,089,838 | 4.74 |
| Denominated in New Zealand Dollars (0.44%) | | | |
| New Zealand Government Bond 6.00% 15/04/2015 | 500,000 | 375,624 | 0.44 |

BEA CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2009 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA GLOBAL BOND FUND (CONTINUED)

| | Nominal value | Market value US\$ | % of net assets |
|---|------------------|-------------------------|--------------------|
| Listed/Quoted investments (96.84%) (continued) | | | |
| Bonds (96.84%) (continued) | | | |
| Denominated in Norwegian Krone (2.10%) | | | |
| European Investment Bank 6.00% 06/08/2010 | 10,000,000 | 1,813,457 | 2.10 |
| Denominated in Swedish Krona (0.24%) | | | |
| Sweden Government Bond 5.50% 08/10/2012 | 1,335,000 | 208,816 | 0.24 |
| Denominated in US Dollar (15.24%) | | | |
| Government of the Cayman Islands 5.95% 24/11/2019 | 1,000,000 | 997,740 | 1.16 |
| Hana Bank 6.50% 09/04/2012 | 1,100,000 | 1,200,423 | 1.39 |
| Industrial Bank of Korea 7.125% 23/04/2014 | 1,750,000 | 1,983,893 | 2.30 |
| Korea National Oil Corp 5.375% 30/07/2014 | 2,300,000 | 2,483,812 | 2.88 |
| Qtel International Finance Ltd 6.50% 10/06/2014 | 900,000 | 978,793 | 1.13 |
| The State of Qatar 5.25% 20/01/2020 | 1,000,000 | 1,010,073 | 1.17 |
| The State of Qatar 6.40% 20/01/2040 | 1,500,000 | 1,518,460 | 1.76 |
| US Treasury Note 3.125% 31/10/2016 | 3,000,000 | 2,978,088 | 3.45 |
| Total listed/quoted investments | | 83,577,623 | 96.84 |
| | | ===== | ===== |
| Total investments at cost | | 79,078,165 | |
| | | ===== | |

Note: Investments are accounted for on a trade date basis.

BEA CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2009 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA HONG KONG GROWTH FUND

| | Holding shares | Market value HK\$ | % of net assets |
|---|-------------------|-------------------------|--------------------|
| Listed/Quoted investments (97.98%) | | | |
| Equities (97.98%) | | | |
| HONG KONG (97.98%) | | | |
| Angang Steel Co Ltd – H | 504,000 | 8,638,560 | 0.72 |
| BBMG Corp – H | 600,000 | 5,076,000 | 0.42 |
| BOC Hong Kong (Holdings) Ltd | 1,412,000 | 24,964,160 | 2.09 |
| Bank of China Ltd – H | 5,790,000 | 24,260,100 | 2.03 |
| Bank of Communications Co Ltd – H | 3,536,000 | 31,859,360 | 2.67 |
| Beijing Enterprises Holdings Ltd | 210,000 | 11,802,000 | 0.99 |
| Beijing Enterprises Water Group Ltd | 5,734,000 | 14,793,720 | 1.24 |
| Brilliance China Automotive Holdings Ltd | 4,000,000 | 8,720,000 | 0.73 |
| CNOOC Ltd | 4,153,000 | 50,583,540 | 4.24 |
| Cheung Kong (Holdings) Ltd | 359,000 | 36,115,400 | 3.02 |
| China Coal Energy Co – H | 920,000 | 13,064,000 | 1.09 |
| China Construction Bank Corp – H | 15,813,000 | 105,314,580 | 8.82 |
| China High Speed Transmission Equipment Group Co Ltd | 300,000 | 5,670,000 | 0.47 |
| China Life Insurance Co Ltd – H | 2,073,000 | 79,499,550 | 6.66 |
| China Minsheng Banking Corp Ltd – H | 992,500 | 8,654,600 | 0.72 |
| China Mobile Ltd | 859,000 | 62,535,200 | 5.24 |
| China Petroleum and Chemical Corp – H | 4,396,000 | 30,420,320 | 2.55 |
| China Shenhua Energy Co Ltd – H | 1,061,000 | 40,264,950 | 3.37 |
| China State Construction International Holdings Ltd | 2,538,000 | 8,350,020 | 0.70 |
| China Unicom (Hong Kong) Ltd | 1,138,748 | 11,706,329 | 0.98 |
| Dongfang Electric Corp Ltd – H | 172,000 | 7,103,600 | 0.59 |
| Esprit Holdings Ltd | 359,978 | 18,682,858 | 1.56 |
| GCL Poly Energy Holdings Ltd | 2,000,000 | 4,640,000 | 0.39 |
| Geely Automobile Holdings Ltd | 970,000 | 4,132,200 | 0.35 |
| HSBC Holdings PLC | 989,200 | 88,434,480 | 7.40 |
| Hang Lung Properties Ltd | 730,000 | 22,338,000 | 1.87 |

BEA CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2009 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA HONG KONG GROWTH FUND (CONTINUED)

| | Holding shares | Market value HK\$ | % of net assets |
|---|-------------------|-------------------------|--------------------|
| Listed/Quoted investments (97.98%) (continued) | | | |
| Equities (97.98%) (continued) | | | |
| HONG KONG (97.98%) (continued) | | | |
| Hang Seng Bank Ltd | 129,000 | 14,822,100 | 1.24 |
| Henderson Land Development Co Ltd | 383,000 | 22,443,800 | 1.88 |
| Hong Kong Exchanges and Clearing Ltd | 127,000 | 17,703,800 | 1.48 |
| Hong Kong and China Gas Co Ltd | 448,490 | 8,745,555 | 0.73 |
| Hutchison Whampoa Ltd | 439,000 | 23,464,550 | 1.96 |
| Industrial and Commercial Bank of China Ltd – H | 13,387,000 | 86,078,410 | 7.21 |
| Lenovo Group Ltd | 2,250,000 | 10,867,500 | 0.91 |
| MTR Corp Ltd | 254,000 | 6,819,900 | 0.57 |
| PICC Property and Casualty Co Ltd – H | 900,000 | 6,300,000 | 0.53 |
| PetroChina Co Ltd – H | 3,086,000 | 28,730,660 | 2.41 |
| Ping An Insurance (Group) Co of China Ltd – H | 410,000 | 27,859,500 | 2.33 |
| SJM Holdings Ltd | 2,230,000 | 9,522,100 | 0.80 |
| Shandong Chenming Paper Holdings Ltd – H | 1,938,500 | 11,340,225 | 0.95 |
| Shanghai Industrial Holdings Ltd | 198,000 | 7,821,000 | 0.65 |
| Shanghai Jin Jiang International Hotels (Group) Co Ltd – H | 4,648,000 | 10,458,000 | 0.88 |
| Shenguan Holdings Group Ltd | 1,910,000 | 13,465,500 | 1.13 |
| Shimao Property Holdings Ltd | 870,000 | 12,789,000 | 1.07 |
| Sino Land Co Ltd | 390,000 | 5,912,400 | 0.50 |
| Sinopharm Medicine Holding Co Ltd – H | 279,000 | 7,672,500 | 0.64 |
| Sun Hung Kai Properties Ltd | 310,000 | 35,960,000 | 3.01 |
| Swire Pacific Ltd 'A' | 205,500 | 19,378,650 | 1.62 |
| Tencent Holdings Ltd | 210,000 | 35,427,000 | 2.97 |
| The Wharf (Holdings) Ltd | 319,750 | 14,308,813 | 1.20 |
| Towngas China Co Ltd | 1,518,000 | 4,751,340 | 0.40 |
| Total listed/quoted investments | | 1,170,265,830 | 97.98 |
| | | ===== | ===== |
| Total investments at cost | | 1,077,785,031 | |
| | | ===== | |

Note: Investments are accounted for on a trade date basis.

BEA CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2009 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA GREATER CHINA GROWTH FUND

| | Holding shares | Market value HK\$ | % of net assets |
|---|-------------------|-------------------------|--------------------|
| Listed/Quoted investments (98.17%) | | | |
| Equities (98.17%) | | | |
| CHINA & HONG KONG (69.65%) | | | |
| Angang Steel Co Ltd – H | 330,000 | 5,656,200 | 1.16 |
| Bank of Communications Co Ltd – H | 500,000 | 4,505,000 | 0.92 |
| BBMG Corp – H | 260,000 | 2,199,600 | 0.45 |
| Beijing Enterprises Water Group Ltd | 3,430,000 | 8,849,400 | 1.81 |
| BOC Hong Kong (Holdings) Ltd | 580,000 | 10,254,400 | 2.10 |
| Brilliance China Automotive Holdings Ltd | 2,400,000 | 5,232,000 | 1.07 |
| Cheung Kong (Holdings) Ltd | 80,000 | 8,048,000 | 1.65 |
| China Coal Energy Co – H | 670,000 | 9,514,000 | 1.95 |
| China Construction Bank Corp – H | 3,320,000 | 22,111,200 | 4.53 |
| China High Speed Transmission Equipment Group Co Ltd | 260,000 | 4,914,000 | 1.01 |
| China Life Insurance Co Ltd – H | 550,000 | 21,092,500 | 4.32 |
| China Mengniu Dairy Co Ltd | 230,000 | 6,348,000 | 1.30 |
| China Minsheng Banking Corp Ltd – H | 540,500 | 4,713,160 | 0.97 |
| China Mobile Ltd | 225,000 | 16,380,000 | 3.35 |
| China Petroleum and Chemical Corp – H | 720,000 | 4,982,400 | 1.02 |
| China Shenhua Energy Co Ltd – H | 335,000 | 12,713,250 | 2.60 |
| China State Construction International Holdings Ltd | 1,400,000 | 4,606,000 | 0.94 |
| China Unicom (Hong Kong) Ltd | 470,000 | 4,831,600 | 0.99 |
| CNOOC Ltd | 1,240,000 | 15,103,200 | 3.09 |
| Dongfang Electric Corp Ltd – H | 140,000 | 5,782,000 | 1.18 |
| Esprit Holdings Ltd | 153,705 | 7,977,290 | 1.63 |
| GCL Poly Energy Holdings Ltd | 1,000,000 | 2,320,000 | 0.48 |
| Geely Automobile Holdings Ltd | 500,000 | 2,130,000 | 0.44 |

BEA CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2009 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA GREATER CHINA GROWTH FUND (CONTINUED)

| | Holding shares | Market value HK\$ | % of net assets |
|---|-------------------|-------------------------|--------------------|
| Listed/Quoted investments (98.17%) (continued) | | | |
| Equities (98.17%) (continued) | | | |
| CHINA & HONG KONG (69.65%) (continued) | | | |
| Hang Lung Properties Ltd | 226,000 | 6,915,600 | 1.42 |
| Henderson Land Development Co Ltd | 25,000 | 1,465,000 | 0.30 |
| Hidili Industry International Development Ltd | 500,000 | 4,875,000 | 1.00 |
| Hong Kong Exchanges and Clearing Ltd | 32,000 | 4,460,800 | 0.91 |
| Hutchison Whampoa Ltd | 80,000 | 4,276,000 | 0.88 |
| Industrial and Commercial Bank of China Ltd – H | 3,340,000 | 21,476,200 | 4.40 |
| Kerry Properties Ltd | 140,000 | 5,530,000 | 1.13 |
| Lenovo Group Ltd | 1,750,000 | 8,452,500 | 1.73 |
| MTR Corp Ltd | 204,000 | 5,477,400 | 1.12 |
| NWS Holdings Ltd | 270,000 | 3,850,200 | 0.79 |
| PICC Property and Casualty Co Ltd – H | 520,000 | 3,640,000 | 0.75 |
| Ping An Insurance (Group) Co of China Ltd – H | 170,000 | 11,551,500 | 2.36 |
| Shandong Chenming Paper Holdings Ltd – H | 1,230,000 | 7,195,500 | 1.47 |
| Shanghai Industrial Holdings Ltd | 120,000 | 4,740,000 | 0.97 |
| Shanghai Jin Jiang International Hotels (Group) Co Ltd – H | 1,732,000 | 3,897,000 | 0.80 |
| Shenguan Holdings Group Ltd | 1,311,200 | 9,243,960 | 1.89 |
| Shimao Property Holdings Ltd | 440,000 | 6,468,000 | 1.32 |
| Sino Land Co Ltd | 400,000 | 6,064,000 | 1.24 |
| Sinopharm Medicine Holding Co Ltd – H | 125,800 | 3,459,500 | 0.71 |
| SJM Holdings Ltd | 1,000,000 | 4,270,000 | 0.87 |
| Sun Hung Kai Properties Ltd | 70,000 | 8,120,000 | 1.66 |
| Tencent Holdings Ltd | 47,000 | 7,928,900 | 1.62 |
| The Wharf (Holdings) Ltd | 105,750 | 4,732,313 | 0.97 |
| Towngas China Co Ltd | 600,000 | 1,878,000 | 0.38 |

BEA CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2009 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA GREATER CHINA GROWTH FUND (CONTINUED)

| | Holding shares | Market value HK\$ | % of net assets |
|---|-------------------|-------------------------|--------------------|
| Listed/Quoted investments (98.17%) (continued) | | | |
| Equities (98.17%) (continued) | | | |
| TAIWAN (28.52%) | | | |
| AU Optronics Corp | 1,081,500 | 10,161,128 | 2.08 |
| Cathay Financial Holding Co Ltd | 499,500 | 7,230,253 | 1.48 |
| Cheng Shin Rubber Industry Co Ltd | 140,000 | 2,494,934 | 0.51 |
| Chicony Electronics Co Ltd | 130,000 | 2,445,957 | 0.50 |
| E Sun Financial Holding Co Ltd | 1,400,000 | 4,514,642 | 0.93 |
| EVA Airways Corp | 1,002,300 | 3,426,577 | 0.70 |
| Far Eastern New Century Corp | 395,352 | 3,829,521 | 0.78 |
| First Financial Holding Co Ltd | 735,499 | 3,530,945 | 0.72 |
| Fubon Financial Holding Co Ltd | 520,000 | 4,948,649 | 1.01 |
| Goldsun Development & Construction Co Ltd | 1,659,641 | 5,935,398 | 1.22 |
| Hon Hai Precision Industry Co Ltd | 438,902 | 16,122,184 | 3.30 |
| KGI Securities Co Ltd | 1,300,000 | 5,988,811 | 1.23 |
| Largan Precision Co Ltd | 24,000 | 2,449,836 | 0.50 |
| MediaTek Inc | 55,088 | 7,439,708 | 1.52 |
| Motech Industries Inc | 90,000 | 3,316,880 | 0.68 |
| Neo Solar Power Corp | 350,000 | 6,848,339 | 1.40 |
| Radiant Opto – Electronics Corp | 597,400 | 6,742,618 | 1.38 |
| Synnex Technology International Corp | 380,000 | 6,394,208 | 1.31 |
| Taiwan Semiconductor Manufacturing Co Ltd | 1,085,325 | 16,946,865 | 3.47 |
| TXC Corp | 700,000 | 9,979,736 | 2.04 |
| Wistron Corp | 175,380 | 2,640,677 | 0.54 |
| Young Fast Optoelectronics Co Ltd | 70,000 | 5,965,778 | 1.22 |
| Total listed/quoted investments | | 479,584,217 | 98.17 |
| | | ===== | ===== |
| Total investments at cost | | 423,341,938 | |
| | | ===== | |

Note: Investments are accounted for on a trade date basis.

BEA CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2009 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA HONG KONG DOLLAR (HK\$) BOND FUND

| | Nominal value | Market value HK\$ | % of net assets |
|--|------------------|-------------------------|--------------------|
| Listed/Quoted investments (96.54%) | | | |
| Bonds (83.39%) | | | |
| Denominated in Hong Kong Dollar (83.39%) | | | |
| Australia and New Zealand Banking Group Ltd 0% 22/01/2016 | 6,000,000 | 4,738,800 | 3.88 |
| Bank of Scotland PLC 5.33% 13/07/2011 | 5,000,000 | 5,371,584 | 4.40 |
| Bauhinia MBS Ltd 4.28% 06/12/2011 | 6,000,000 | 6,338,589 | 5.19 |
| CLP Power Hong Kong Financing Ltd 4.35% 30/01/2015 | 3,000,000 | 3,163,525 | 2.59 |
| CLP Power Hong Kong Financing Ltd 4.93% 13/01/2014 | 3,000,000 | 3,264,422 | 2.67 |
| Hong Kong Airport Authority 4.48% 26/02/2010 | 5,000,000 | 5,049,638 | 4.13 |
| Hong Kong Government 0.43% 17/08/2011 | 20,000,000 | 20,003,720 | 16.37 |
| Hong Kong Government 4.20% 17/09/2012 | 5,850,000 | 6,414,468 | 5.25 |
| Hong Kong Treasury Bill 0% 23/06/2010 | 22,000,000 | 21,982,840 | 17.99 |
| Kowloon-Canton Railway Corp 4.65% 10/06/2013 | 5,000,000 | 5,517,719 | 4.52 |
| MTR Corp Ltd 4.50% 03/06/2013 | 3,000,000 | 3,299,881 | 2.70 |
| Nordic Investment Bank 3.77% 12/07/2010 | 5,000,000 | 5,180,327 | 4.24 |
| Sun Hung Kai Properties Ltd 2.39% 01/06/2012 | 5,000,000 | 5,110,563 | 4.18 |
| Swire Pacific MTN Financing Ltd 4.93% 28/03/2013 | 3,000,000 | 3,206,010 | 2.62 |
| Westpac Banking Corp 5.15% 14/06/2011 | 3,000,000 | 3,246,358 | 2.66 |

BEA CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2009 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA HONG KONG DOLLAR (HK\$) BOND FUND (CONTINUED)

| | Nominal value | Market value HK\$ | % of net assets |
|---|------------------|-------------------------|--------------------|
| Listed/Quoted investments (96.54%) (continued) | | | |
| Certificate of deposit (13.15%) | | | |
| Denominated in Hong Kong Dollar (13.15%) | | | |
| Industrial & Commercial Bank of China (Asia) Ltd 4.44% 10/5/2010 | 5,500,000 | 5,605,740 | 4.59 |
| Rabobank 4.55% 21/03/2013 | 5,000,000 | 5,361,856 | 4.39 |
| Westpac Banking Corp 4.40% 17/05/2010 | 5,000,000 | 5,094,123 | 4.17 |
| Total listed/quoted investments | | 117,950,163 | 96.54 |
| | | ===== | ===== |
| Total investments at cost | | 115,968,511 | |
| | | ===== | |

Note: Investments are accounted for on a trade date basis.

BEA CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2009 (CONTINUED)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO

BEA ASIA STRATEGIC GROWTH FUND

| | % of net assets | |
|---------------------------------|-----------------|--------------|
| | 2009 | 2008 |
| Equities: | | |
| – China and Hong Kong | 34.12 | 33.19 |
| – Indonesia | 3.67 | 1.60 |
| – Korea | 24.15 | 26.84 |
| – Malaysia | 4.89 | 4.59 |
| – Singapore | 8.48 | 8.30 |
| – Taiwan | 20.56 | 16.71 |
| Non-voting depository receipts: | | |
| – Thailand | 2.44 | 1.97 |
| | <u>98.31</u> | <u>93.20</u> |
| | ===== | ===== |

BEA GLOBAL BOND FUND

| | % of net assets | |
|----------------------|-----------------|--------------|
| | 2009 | 2008 |
| Australian Dollar | 8.13 | 2.09 |
| British Pound | 3.99 | 6.21 |
| Canadian Dollar | 1.63 | 0.71 |
| Danish Krone | 0.52 | 0.69 |
| Euro | 38.33 | 29.72 |
| Japanese Yen | 26.22 | 32.94 |
| New Zealand Dollar | 0.44 | 0.50 |
| Norwegian Krone | 2.10 | - |
| Swedish Krona | 0.24 | 0.30 |
| United States Dollar | 15.24 | 22.92 |
| | <u>96.84</u> | <u>96.08</u> |
| | ===== | ===== |

BEA CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2009 (CONTINUED)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (CONTINUED)

BEA HONG KONG GROWTH FUND

| | % of net assets | |
|----------|-----------------|-------|
| | 2009 | 2008 |
| Equities | 97.98 | 90.24 |
| | ===== | ===== |

BEA GREATER CHINA GROWTH FUND

| | % of net assets | |
|---------------------|-----------------|-------|
| | 2009 | 2008 |
| China and Hong Kong | 69.65 | 67.11 |
| Taiwan | 28.52 | 24.33 |
| | ----- | ----- |
| | 98.17 | 91.44 |
| | ===== | ===== |

BEA HONG KONG DOLLAR (HK\$) BOND FUND

| | % of net assets | |
|---------------------------|-----------------|-------|
| | 2009 | 2008 |
| Hong Kong Dollar | | |
| – Bonds | 83.39 | 72.15 |
| – Certificates of deposit | 13.15 | 27.47 |
| | ----- | ----- |
| | 96.54 | 99.62 |
| | ===== | ===== |

BEA CAPITAL GROWTH FUND

REPORT OF THE TRUSTEE TO THE UNITHOLDERS OF BEA CAPITAL GROWTH FUND (“THE FUND”)

We hereby confirm that:

- (1) In our opinion, the Manager of the Fund and its sub-funds has in all material respects managed the Fund and its sub-funds in accordance with the provisions of the Trust Deed dated 22 September 2000, as amended, for the year ended 31 December 2009.
- (2) We have not become aware of any failures by the Custodian, the Manager or their delegates to comply with the obligations imposed on them with respect to the Fund for the year ended 31 December 2009, except to the extent that such failures have been previously reported to the Hong Kong Mandatory Provident Fund Schemes Authority (“the Authority”);
- (3) We are not aware of any events of a significant nature relating to the Fund and its sub-funds that occurred during the year ended 31 December 2009 which have not been reported to the Authority;
- (4) The provisions of the constitutive documents, the Hong Kong Mandatory Provident Fund Schemes Ordinance, the Hong Kong Mandatory Provident Fund Schemes (General) Regulation, the Hong Kong Code on MPF Investment Funds, the Hong Kong Code on Unit Trusts and Mutual Funds and other relevant guidelines issued by the Hong Kong Mandatory Provident Fund Schemes Authority have been complied with in all material respects in respect of the Fund for the year ended 31 December 2009, except to the extent that any non-compliance has been previously reported to the Authority;
- (5) There are no material changes which have not been reported to the Authority during the year ended 31 December 2009; and
- (6) We have supervised, and exercised proper control over all persons appointed or engaged for the purposes of the Fund and its sub-funds during the year ended 31 December 2009.

For and on behalf of
Bank of East Asia (Trustees) Limited

12 April 2010

BEA CAPITAL GROWTH FUND

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF BEA CAPITAL GROWTH FUND ("THE FUND")

We have audited the financial statements of the sub-funds within the Fund ("the sub-funds") set out on pages 35 to 90, which comprise the statement of assets and liabilities as at 31 December 2009, and the statement of comprehensive income, the statement of changes in net assets attributable to unitholders and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

The Manager's and the Trustee's responsibility for the financial statements

The Manager and the Trustee are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("the HKICPA"), the relevant disclosure provisions of the Trust Deed as amended, the relevant disclosure provisions of the Hong Kong Mandatory Provident Fund Schemes Ordinance ("the Ordinance"), the Hong Kong Mandatory Provident Fund Schemes (General) Regulation ("the Regulation"), the Hong Kong Code on MPF Investment Funds ("the MPF Code"), the Hong Kong Code on Unit Trusts and Mutual Funds ("the Code") and other relevant guidelines issued by the Hong Kong Mandatory Provident Fund Schemes Authority ("the Authority"). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true 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. This report is made solely to you, in accordance with section 102 of the Regulation, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing and with reference to Practice Note 860.1 "The Audit of Retirement Schemes" issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

BEA CAPITAL GROWTH FUND

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF BEA CAPITAL GROWTH FUND ("THE FUND") (CONTINUED)

Auditor's responsibility (continued)

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 judgement, 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 of the Fund and its sub-funds relevant to the preparation and true 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 internal control of the Fund and its sub-funds. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustee, 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:

- (1) the financial statements give a true and fair view of the disposition of the sub-funds as at 31 December 2009 and of the financial transactions of the sub-funds for the year then ended in accordance with Hong Kong Financial Reporting Standards;
- (2) the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed as amended, the relevant disclosure provisions of the Ordinance, the Regulation, the MPF Code, the Code and other relevant guidelines issued by the Authority; and
- (3) we have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of our audit.

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

12 April 2010

BEA CAPITAL GROWTH FUND

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE TO THE TRUSTEE OF BEA CAPITAL GROWTH FUND ("THE FUND")

We have audited the financial statements of the sub-funds within the Fund set out on pages 35 to 90 for the year ended 31 December 2009 in accordance with Hong Kong Standards on Auditing and with reference to Practice Note 860.1 "The Audit of retirement schemes" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and have issued an unqualified auditor's report thereon.

Pursuant to section 102 of the Hong Kong Mandatory Provident Fund Schemes (General) Regulation ("the Regulation"), we are required to report whether the sub-funds complied with certain requirements of the Hong Kong Mandatory Provident Fund Schemes Ordinance ("the Ordinance") and the Regulation.

Respective responsibilities of the Trustee and auditor

The Regulation requires the Trustee to ensure that:

- (a) proper accounting and other records are kept in respect of the assets of the sub-funds and all financial transactions entered into in relation to the sub-funds;
- (b) the requirements specified in the guidelines made by the Hong Kong Mandatory Provident Fund Schemes Authority ("the Authority") under section 28 of the Ordinance with respect to forbidden investment practices and the requirements of sections 37(2), 51 and 52 of, and Schedule 1 to, the Regulation are complied with; and
- (c) the assets of the sub-funds are not subject to any encumbrance, otherwise than as permitted by Section 65 of the General Regulation.

It is our responsibility to report solely to you on the sub-funds' compliance with the above requirements based on the results of the procedures performed by us, in accordance with section 102 of the Regulation, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Basis of conclusion

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance engagement other than audits or reviews of historical financial information" and with reference to Practice Note 860.1 "The audit of retirement schemes" issued by the HKICPA. We have performed such procedures as we considered necessary for the purpose of reporting on the sub-funds' compliance with the above requirements.

BEA CAPITAL GROWTH FUND

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE TO THE TRUSTEE OF BEA CAPITAL GROWTH FUND ("THE FUND") (CONTINUED)

Conclusion

Based on the foregoing:

In our opinion:

- (1) proper accounting and other records have been kept during the year ended 31 December 2009 in respect of the assets of the sub-funds and all financial transactions entered into in relation to the sub-funds;
- (2) the requirements of specified in the guidelines made by the Authority under section 28 of the Ordinance with respect to forbidden investment practices and the requirements of sections 37(2), 51 and 52 and Schedule 1 to the Regulation and the relevant guidelines issued in respect of those sections have been complied with in all material respects by the sub-funds as at 31 March 2009, 30 June 2009 and 31 December 2009.

We report that as at 31 December 2009 the assets of the sub-funds were not subject to any encumbrance, otherwise than as permitted by section 65 of the Regulation.

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

12 April 2010

BEA CAPITAL GROWTH FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT 31 DECEMBER 2009

| | | <u>BEA Asia Strategic Growth Fund</u> | |
|---|--------------|---------------------------------------|-------------------|
| | Note | 2009 US\$ | 2008 US\$ |
| Assets | | | |
| Investments | 6(a),7,10(e) | 118,542,300 | 55,091,706 |
| Derivative financial instruments | 8 | - | - |
| Amounts due from brokers | | - | - |
| Dividends and other receivables | | 31,558 | 17,580 |
| Cash at banks | 10(d) | 2,131,039 | 3,907,766 |
| | | <u>120,704,897</u> | <u>59,017,052</u> |
| Total assets | | 120,704,897 | 59,017,052 |
| Liabilities | | | |
| Amounts due to brokers | | - | - |
| Amounts payable on redemption | | 19,971 | - |
| Accruals and other payables | | 106,804 | 83,517 |
| | | <u>126,775</u> | <u>83,517</u> |
| Total liabilities (excluding net assets attributable to unitholders) | | 126,775 | 83,517 |
| Net assets attributable to unitholders | | 120,578,122 | 58,933,535 |
| | | ===== | ===== |
| Represented by: | | | |
| Adjustment from bid market prices to last traded market prices | 4 | (195,977) | (179,225) |
| Net assets attributable to unitholders (at last traded market prices) | 4 | 120,774,099 | 59,112,760 |

| BEA Global Bond Fund | | BEA Hong Kong Growth Fund | | BEA Greater China Growth Fund | | BEA Hong Kong Dollar (HK\$) Bond Fund | |
|----------------------|-------------------|---------------------------|--------------------|-------------------------------|--------------------|--|--------------------|
| 2009 US\$ | 2008 US\$ | 2009 HK\$ | 2008 HK\$ | 2009 HK\$ | 2008 HK\$ | 2009 HK\$ | 2008 HK\$ |
| 83,577,623 | 60,821,430 | 1,170,265,830 | 754,117,503 | 479,584,217 | 226,824,858 | 117,950,163 | 99,973,032 |
| - | 109,017 | - | - | - | - | - | - |
| - | - | 1,640,156 | - | 615,059 | - | - | - |
| 91 | 12 | 867,678 | 1,102,301 | 221,961 | 4,567 | 445 | 1,407 |
| 2,766,138 | 2,412,778 | 27,448,629 | 80,459,809 | 10,945,651 | 20,903,151 | 4,289,605 | 499,208 |
| <u>86,343,852</u> | <u>63,343,237</u> | <u>1,200,222,293</u> | <u>835,679,613</u> | <u>491,366,888</u> | <u>247,732,576</u> | <u>122,240,213</u> | <u>100,473,647</u> |
| | | | | | | | |
| - | - | 4,809,015 | - | 2,404,508 | - | - | - |
| - | - | 215,797 | 355,763 | - | 107,510 | - | - |
| 35,224 | 40,735 | 842,774 | 661,604 | 420,839 | 320,234 | 61,697 | 117,252 |
| <u>35,224</u> | <u>40,735</u> | <u>5,867,586</u> | <u>1,017,367</u> | <u>2,825,347</u> | <u>427,744</u> | <u>61,697</u> | <u>117,252</u> |
| | | | | | | | |
| 86,308,628 | 63,302,502 | 1,194,354,707 | 834,662,246 | 488,541,541 | 247,304,832 | 122,178,516 | 100,356,395 |
| ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== |
| (99,998) | - | (374,388) | (1,031,059) | (368,167) | (746,003) | (27,313) | (2,500) |
| 86,408,626 | 63,302,502 | 1,194,729,095 | 835,693,305 | 488,909,708 | 248,050,835 | 122,205,829 | 100,358,895 |

BEA CAPITAL GROWTH FUND

STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 2009 (CONTINUED)

| | Note | BEA Asia Strategic Growth Fund | |
|---|------|--------------------------------|---------------|
| | | 2009 | 2008 |
| | | US\$ | US\$ |
| Number of units outstanding | 4 | | |
| – Class A | | 2,247,386.324 | 1,518,986.053 |
| – Class B | | 1,808,127.830 | 1,841,578.633 |
| – Class C | | 52,067.717 | 49,596.708 |
| Net asset value per unit (at last traded market prices) | 4 | | |
| – Class A | | 30.76 | 18.17 |
| – Class B | | 27.76 | 16.66 |
| – Class C | | 27.76 | 16.66 |

Approved and authorised for issue by the Trustee and the Manager on

)
) For and on behalf of
) Bank of East Asia (Trustees) Limited
)
)
) For and on behalf of
) BEA Union Investment Management Limited
)

The notes on pages 47 to 90 form part of these financial statements.

| BEA Global Bond Fund | | BEA Hong Kong Growth Fund | | BEA Greater China Growth Fund | | BEA Hong Kong Dollar (HK\$) Bond Fund | |
|----------------------|---------------|---------------------------|---------------|-------------------------------|---------------|--|--------------|
| 2009 US\$ | 2008 US\$ | 2009 HK\$ | 2008 HK\$ | 2009 HK\$ | 2008 HK\$ | 2009 HK\$ | 2008 HK\$ |
| 4,712,966.807 | 3,074,987.431 | 3,508,064.706 | 4,240,536.265 | 2,056,030.233 | 1,604,798.725 | 1,073,959.232 | 885,289.041 |
| 2,159,052.858 | 2,194,912.700 | 2,289,054.459 | 2,298,429.568 | 1,133,560.378 | 1,174,842.930 | 50,583.982 | 53,223.503 |
| - | - | - | - | - | - | - | - |
| 12.79 | 12.24 | 211.20 | 129.90 | 156.02 | 90.52 | 108.73 | 106.96 |
| 12.11 | 11.70 | 198.26 | 123.94 | 148.31 | 87.48 | 107.33 | 106.45 |
| - | - | - | - | - | - | - | - |

BEA CAPITAL GROWTH FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009

| | | BEA Asia Strategic Growth Fund | |
|---|-------|--------------------------------|--------------|
| | | 2009 | 2008 |
| | | US\$ | US\$ |
| Income | | | |
| Dividend income | | 1,829,667 | 2,189,158 |
| Interest on bank deposits | | 1,200 | 40,118 |
| Other income | | 85 | 5,069 |
| Net gain/(loss) on investments | 9 | 44,681,084 | (54,348,741) |
| Exchange (loss)/gain | | (41,369) | (617,881) |
| | | 46,470,667 | (52,732,277) |
| Expenses | | | |
| Investment management fees | 10(a) | 612,933 | 783,376 |
| Trustee's fees | 10(b) | 51,078 | 65,281 |
| Safe custody and bank charges | | 106,750 | 71,675 |
| Audit fee | | 5,648 | 20,241 |
| Pre-operating expenses | | - | - |
| Registrar's fees | 10(c) | 37,235 | 36,080 |
| Printing and publication expenses | | 4,820 | 4,086 |
| Legal and other professional fees | | 5,593 | 2,419 |
| Transaction costs | | 671,682 | 604,392 |
| Other operating expenses | | 4,533 | 3,377 |
| | | 1,500,272 | 1,590,927 |
| Total operating expenses | | 1,500,272 | 1,590,927 |
| Profit/(loss) before tax | | 44,970,395 | (54,323,204) |
| Overseas withholding tax | 12 | (258,122) | (381,882) |
| Change in net assets attributable to unitholders from operations | | 44,712,273 | (54,705,086) |
| | | ===== | ===== |

(1) The comparative figures for BEA Hong Kong Dollar (HK\$) Bond Fund cover the period from 6 November 2007 to 31 December 2008.

The notes on pages 47 to 90 form part of these financial statements.

| BEA Global Bond Fund | | BEA Hong Kong Growth Fund | | BEA Greater China Growth Fund | | BEA Hong Kong Dollar (HK\$) Bond Fund | |
|----------------------|--------------|---------------------------|---------------|-------------------------------|---------------|--|-----------------------------|
| 2009 US\$ | 2008 US\$ | 2009 HK\$ | 2008 HK\$ | 2009 HK\$ | 2008 HK\$ | 2009 HK\$ | 2008 ⁽¹⁾ HK\$ |
| - | - | 28,564,257 | 28,376,589 | 9,062,190 | 9,364,489 | - | - |
| 1,025 | 20,349 | 21,448 | 609,475 | 5,167 | 116,583 | 579 | 55,025 |
| - | - | 1,343,162 | - | 84,487 | - | - | - |
| 4,373,275 | 3,635,475 | 484,396,527 | (617,349,809) | 192,653,795 | (193,303,138) | 1,914,467 | 7,343,282 |
| 328,986 | (1,590,072) | - | - | 79,655 | (717,721) | - | - |
| 4,703,286 | 2,065,752 | 514,325,394 | (588,363,745) | 201,885,294 | (184,539,787) | 1,915,046 | 7,398,307 |
| 216,472 | 260,953 | 5,583,946 | 6,210,078 | 2,049,832 | 2,456,646 | 47,197 | 26,119 |
| 21,647 | 26,095 | 465,329 | 517,507 | 204,983 | 245,665 | 4,720 | 2,612 |
| 20,632 | 14,208 | 530,553 | 503,892 | 452,737 | 358,491 | 37,983 | 51,050 |
| 5,618 | 16,094 | 53,800 | 150,660 | 43,800 | 127,160 | 43,800 | 99,160 |
| - | - | - | - | - | - | - | 232,741 |
| 36,266 | 30,790 | 369,045 | 364,042 | 179,670 | 146,793 | 53,001 | 59,302 |
| 2,825 | 1,656 | 25,938 | 20,319 | 25,938 | 20,319 | 25,938 | 8,572 |
| 5,824 | 2,440 | 27,346 | 18,907 | 27,346 | 18,907 | 27,345 | 18,907 |
| - | - | 3,587,139 | 3,857,971 | 2,714,006 | 1,714,980 | - | - |
| 774 | 770 | 6,000 | 6,000 | 35,133 | 41,836 | 6,000 | 6,000 |
| 310,058 | 353,006 | 10,649,096 | 11,649,376 | 5,733,445 | 5,130,797 | 245,984 | 504,463 |
| 4,393,228 | 1,712,746 | 503,676,298 | (600,013,121) | 196,151,849 | (189,670,584) | 1,669,062 | 6,893,844 |
| - | - | (1,672,239) | (253,653) | (990,823) | (1,035,373) | - | - |
| 4,393,228 | 1,712,746 | 502,004,059 | (600,266,774) | 195,161,026 | (190,705,957) | 1,669,062 | 6,893,844 |
| ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== |

BEA CAPITAL GROWTH FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE YEAR ENDED 31 DECEMBER 2009

| | Note | BEA Asia Strategic Growth Fund | |
|--|------|--------------------------------|--------------|
| | | 2009 US\$ | 2008 US\$ |
| Net assets attributable to unitholders at beginning of the year/period | | 58,933,535 | 124,519,628 |
| Proceeds on subscription of units | 4 | 38,218,480 | 34,813,639 |
| Payments on redemption of units | 4 | (21,286,166) | (45,694,646) |
| | | <hr/> | <hr/> |
| Change in net assets attributable to unitholders from operations | | 75,865,849 | 113,638,621 |
| | | <hr/> | <hr/> |
| Net assets attributable to unitholders at end of the year/period | | 120,578,122 | 58,933,535 |
| | | ===== | ===== |

(1) The comparative figures for BEA Hong Kong Dollar (HK\$) Bond Fund cover the period from 6 November 2007 to 31 December 2008.

The notes on pages 47 to 90 form part of these financial statements.

| BEA Global Bond Fund | | BEA Hong Kong Growth Fund | | BEA Greater China Growth Fund | | BEA Hong Kong Dollar (HK\$) Bond Fund | |
|----------------------------|----------------------------|------------------------------|--------------------------------|-------------------------------|------------------------------|--|-----------------------------|
| 2009 US\$ | 2008 US\$ | 2009 HK\$ | 2008 HK\$ | 2009 HK\$ | 2008 HK\$ | 2009 HK\$ | 2008 ⁽¹⁾ HK\$ |
| 63,302,502 | 47,781,846 | 834,662,246 | 1,268,252,640 | 247,304,832 | 309,653,622 | 100,356,395 | - |
| 32,490,905 (13,878,007) | 32,290,631 (18,482,721) | 232,389,628 (374,701,226) | 526,516,402 (359,840,022) | 87,911,242 (41,835,559) | 214,895,151 (86,537,984) | 25,631,444 (5,478,385) | 119,221,886 (25,759,335) |
| 81,915,400 4,393,228 | 61,589,756 1,712,746 | 692,350,648 502,004,059 | 1,434,929,020 (600,266,774) | 293,380,515 195,161,026 | 438,010,789 (190,705,957) | 120,509,454 1,669,062 | 93,462,551 6,893,844 |
| 86,308,628 | 63,302,502 | 1,194,354,707 | 834,662,246 | 488,541,541 | 247,304,832 | 122,178,516 | 100,356,395 |
| ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== |

BEA CAPITAL GROWTH FUND

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

| | BEA Asia Strategic Growth Fund | | BEA Global Bond Fund | |
|---|--------------------------------|---------------------|----------------------|---------------------|
| | 2009 US\$ | 2008 US\$ | 2009 US\$ | 2008 US\$ |
| Operating activities | | | | |
| Profit/(loss) before tax | 44,970,395 | (54,323,204) | 4,393,228 | 1,712,746 |
| Adjustments for: | | | | |
| – Interest on bank deposits | (1,200) | (40,118) | (1,025) | (20,349) |
| – Dividend income | (1,829,667) | (2,189,158) | – | – |
| Operating profit/(loss) before working capital changes | 43,139,528 | (56,552,480) | 4,392,203 | 1,692,397 |
| Net (increase)/decrease in investments | (63,450,594) | 63,909,163 | (22,756,193) | (15,045,689) |
| Net (increase)/decrease in amounts due from brokers | – | 48,890 | – | – |
| Net increase in other receivables | (22) | – | – | – |
| Net decrease/(increase) in derivative financial instruments | – | – | 109,017 | (494,932) |
| Net increase/(decrease) in amounts due to brokers | – | (3,587,392) | – | – |
| Net increase/(decrease) in accruals and other payables | 22,452 | (47,630) | (5,511) | (1,321) |
| Cash (used in)/generated from operations | (20,288,636) | 3,770,551 | (18,260,484) | (13,849,545) |
| Dividend received net of withholding tax | 1,558,239 | 1,962,226 | – | – |
| Interest received | 1,385 | 40,519 | 946 | 20,337 |
| Net cash (used in)/generated from operating activities | (18,729,012) | 5,773,296 | (18,259,538) | (13,829,208) |

(1) The comparative figures for BEA Hong Kong Dollar (HK\$) Bond Fund cover the period from 6 November 2007 to 31 December 2008.

| BEA Hong Kong Growth Fund | | BEA Greater China Growth Fund | | BEA Hong Kong Dollar (HK\$) Bond Fund | |
|---------------------------|---------------|-------------------------------|---------------|--|---------------------|
| 2009 | 2008 | 2009 | 2008 | 2009 | 2008 ⁽¹⁾ |
| HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ |
| 503,676,298 | (600,013,121) | 196,151,849 | (189,670,584) | 1,669,062 | 6,893,844 |
| (21,448) | (609,475) | (5,167) | (116,583) | (579) | (55,025) |
| (28,564,257) | (28,376,589) | (9,062,190) | (9,364,489) | - | - |
| 475,090,593 | (628,999,185) | 187,084,492 | (199,151,656) | 1,668,483 | 6,838,819 |
| (416,148,327) | 451,781,582 | (252,759,359) | 68,501,181 | (17,977,131) | (99,973,032) |
| (1,640,156) | 1,946,900 | (615,059) | 438,146 | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 4,809,015 | (6,991) | 2,404,508 | (1,112,078) | - | - |
| 181,170 | (266,606) | 100,605 | (124,664) | (55,555) | 117,252 |
| 62,292,295 | (175,544,300) | (63,784,813) | (131,449,071) | (16,364,203) | (93,016,961) |
| 27,119,488 | 27,342,608 | 7,849,967 | 8,350,366 | - | - |
| 28,601 | 607,051 | 9,173 | 113,094 | 1,541 | 53,618 |
| 89,440,384 | (147,594,641) | (55,925,673) | (122,985,611) | (16,362,662) | (92,963,343) |

BEA CAPITAL GROWTH FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

| | BEA Asia Strategic Growth Fund | | BEA Global Bond Fund | |
|--|--------------------------------|---------------------|----------------------|-------------------|
| | 2009 US\$ | 2008 US\$ | 2009 US\$ | 2008 US\$ |
| Financing activities | | | | |
| Proceeds on subscription of units | 38,218,480 | 34,813,639 | 32,490,905 | 32,290,631 |
| Payments on redemption of units | (21,266,195) | (46,046,924) | (13,878,007) | (18,482,721) |
| Net cash generated from/(used in) financing activities | <u>16,952,285</u> | <u>(11,233,285)</u> | <u>18,612,898</u> | <u>13,807,910</u> |
| Net (decrease)/increase in cash and cash equivalents | <u>(1,776,727)</u> | <u>(5,459,989)</u> | <u>353,360</u> | <u>(21,298)</u> |
| Cash and cash equivalents at beginning of the year/period | <u>3,907,766</u> | <u>9,367,755</u> | <u>2,412,778</u> | <u>2,434,076</u> |
| Cash and cash equivalents at end of the year/period | <u>2,131,039</u> | <u>3,907,766</u> | <u>2,766,138</u> | <u>2,412,778</u> |
| Supplemental cash flow information | | | | |
| Proceeds from sale of investments | 89,594,073 | 101,856,325 | 198,917,177 | 57,915,865 |
| Payments for purchase of investments | (108,363,583) | (92,295,902) | (219,406,045) | (71,248,443) |

(1) The comparative figures for BEA Hong Kong Dollar (HK\$) Bond Fund cover the period from 6 November 2007 to 31 December 2008.

| BEA Hong Kong Growth Fund | | BEA Greater China Growth Fund | | BEA Hong Kong Dollar (HK\$) Bond Fund | |
|------------------------------|------------------------------|-------------------------------|-----------------------------|--|-----------------------------|
| 2009 HK\$ | 2008 HK\$ | 2009 HK\$ | 2008 HK\$ | 2009 HK\$ | 2008 ⁽¹⁾ HK\$ |
| 232,389,628 (374,841,192) | 526,516,402 (361,686,876) | 87,911,242 (41,943,069) | 217,142,452 (86,484,933) | 25,631,444 (5,478,385) | 119,221,886 (25,759,335) |
| (142,451,564) | 164,829,526 | 45,968,173 | 130,657,519 | 20,153,059 | 93,462,551 |
| (53,011,180) | 17,234,885 | (9,957,500) | 7,671,908 | 3,790,397 | 499,208 |
| 80,459,809 | 63,224,924 | 20,903,151 | 13,231,243 | 499,208 | - |
| 27,448,629 | 80,459,809 | 10,945,651 | 20,903,151 | 4,289,605 | 499,208 |
| 594,712,147 | 510,273,440 | 374,191,006 | 183,011,405 | 62,363,050 | 47,864,800 |
| (526,463,947) | (675,841,667) | (434,296,570) | (307,813,362) | (82,012,411) | (144,265,510) |

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS

1 The Fund

BEA Capital Growth Fund (“the Fund”) was established by Trust Deed dated 22 September 2000 and supplemental trust deeds dated 11 September 2003 and 11 August 2006.

The Fund is an umbrella fund which offers five investment funds (collectively “the sub-funds”) with different investment objectives and policies. Each investment fund may offer three classes of units, Class A, Class B and Class C. There is a minimum amount for initial investment and subsequent holding for Class B and Class C units. The sub-funds of the Fund are:

| | | |
|---------------------------------------|---|------------------------------|
| BEA Asia Strategic Growth Fund | – | launched on 15 April 2003 |
| BEA Global Bond Fund | – | launched on 1 March 2004 |
| BEA Hong Kong Growth Fund | – | launched on 10 December 2004 |
| BEA Greater China Growth Fund | – | launched 1 September 2006 |
| BEA Hong Kong Dollar (HK\$) Bond Fund | – | launched on 6 November 2007 |

The Fund and the sub-funds are authorised by the Hong Kong Securities and Futures Commission (“the HKSF”) under Section 104 of the Hong Kong Securities and Futures Ordinance (“the HKSF”) and approved by the Hong Kong Mandatory Provident Fund Schemes Authority (“the MPFA”) under Section 6 of the Hong Kong Mandatory Provident Fund Schemes (General) Regulation (“the Regulation”) as approved pooled investment funds (“APIFs”).

The Trust Deed does not contain any requirement that a combined set of financial statements for the Fund itself be prepared. These financial statements are prepared for the sub-funds only.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently and are consistent with those used in the previous year, unless otherwise stated.

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

2 Summary of significant accounting policies (continued)

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong, the relevant provisions of the Trust Deed as amended, the Hong Kong Mandatory Provident Fund Schemes Ordinance (“the Ordinance”), the General Regulation, the Hong Kong Code on Unit Trusts and Mutual Funds and other relevant guidelines issued by the MPFA. A summary of the significant accounting policies adopted by the Fund is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the sub-funds for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is historical cost except that financial instruments classified as designated at fair value through profit or loss are stated at their value as explained in the accounting policies set out below.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

2 Summary of significant accounting policies (continued)

(c) Investments

All investments have been classified by the sub-funds as “financial assets at fair value through profit or loss” at inception.

Purchases and sales of investments are accounted for on the trade date basis. Investments are initially recognised at fair value, excluding transaction costs which are expensed as incurred, and are subsequently re-measured at fair value. Realised and unrealised gains and losses on investments are included in profit or loss in the year in which they arise. Investments are derecognised when the rights to receive cash flows from the investments have expired or the sub-funds have transferred substantially all risks and rewards of ownership.

Investments that are listed or traded on an exchange are fair valued based on quoted bid prices.

Investments which are not listed on an exchange are valued by using quotes from brokers.

Debt securities are fair valued based on quoted prices inclusive of accrued interests.

(d) Forward foreign exchange contracts

Outstanding forward foreign exchange contracts are valued at the year end date by reference to the forward rate of exchange applicable to the outstanding term of the contracts. Unrealised gains and losses on outstanding contracts and realised gains and losses on closed contracts are included in profit or loss under the heading “exchange (loss)/gain”.

(e) Income and expenses

Interest income is recognised as it accrues using effective interest method. Dividend income is recognised when the underlying securities are quoted ex-dividend. Dividend is presented gross of any non-recoverable withholding taxes, which are presented separately in profit or loss. Interest income on debt securities is included in gain on investments. All other income and expenses are accounted for on an accruals basis.

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

2 Summary of significant accounting policies (continued)

(f) Units in issue

The sub-funds classify capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

A puttable financial instrument is classified as an equity instrument if it has all of the following features:

- It entitles the holder to a pro-rata share of the sub-fund's net assets in the event of the sub-fund's liquidation.
- The instrument is in the class of instruments that is subordinate to all other classes of instruments.
- All financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features.
- The instrument does not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro-rata share of the sub-fund's net assets.
- The total expected cash flows attributable to the instrument over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the sub-fund over the life of the instrument.

In addition to the instrument having all the above features, the sub-fund must have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the sub-funds and
- The effect of substantially restricting or fixing the residual return to the puttable instrument holders.

All redeemable units issued by the sub-funds provide the investors with the right to require redemption for cash at a value proportionate to the investor's share in the corresponding sub-fund's net assets at each daily redemption date and also in the event of the corresponding sub-fund's liquidation.

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

2 Summary of significant accounting policies (continued)

(f) Units in issue (continued)

Each sub-fund has created multiple classes of units, which rank pari passu in all material respects but have different terms and conditions as set out in the Explanatory Memorandum, which include minimum investment amounts, management fees, preliminary charges, realisation charges, switching fees, holders' service fees and distribution policy. Those redeemable units are the most subordinate classes of financial instruments in the sub-funds. However, as the different classes of redeemable units do not have identical features, they do not meet the criteria for equity classification and therefore are classified as financial liabilities. They are measured at the present value of the redemption amounts.

The sub-funds continuously assess the classification of the redeemable units. If the redeemable units subsequently have all the features and meet the conditions set out in paragraphs 16A and 16B of HKAS 32, the sub-funds will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

(g) Foreign currencies translation

(i) Functional and presentation currency

Items included in the sub-funds' financial statements are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The financial statements of BEA Asia Strategic Growth Fund and BEA Global Bond Fund are presented in United States dollar, which is these sub-funds' functional and presentation currency. The financial statements of BEA Hong Kong Growth Fund, BEA Greater China Growth Fund and BEA Hong Kong Dollar (HK\$) Bond Fund are presented in Hong Kong dollar, which is these sub-funds' 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 profit or loss.

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

2 Summary of significant accounting policies (continued)

(h) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise bank deposits with maturities of three months or less from the date of placement net of bank overdrafts, if any.

(i) Financial assets and liabilities not at fair value

Financial assets that are classified as loans and receivables include dividends and other receivables and amounts due from brokers.

Financial liabilities that are not at fair value through profit or loss include accruals and other payables, amounts due to brokers and amounts payable on redemption.

(j) Related parties

For the purposes of these financial statements, a party is considered to be related to the sub-funds if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the sub-funds or exercise significant influence over the sub-funds in making financial and operating policy decisions, or has joint control over the sub-funds;
- (ii) the sub-funds and the party are subject to common control;
- (iii) the party is a subsidiary, an associate of the sub-funds or a joint venture in which the sub-funds are venturers;
- (iv) the party is a member of key management personnel of the sub-funds, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the sub-funds.

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

2 Summary of significant accounting policies (continued)

(k) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as BEA Union Investment Management Limited (“the Manager”).

3 Changes in accounting policies

The HKICPA has issued certain new and revised HKFRSs that are first effective for the current accounting period. Of these, the following developments are relevant to the sub-funds’ financial statements:

- HKAS 1 (revised 2007), *Presentation of Financial Statements*
- Amendments to HKFRS 7, *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*
- Amendments to HKAS 32, *Financial Instruments: Presentation and HKAS 1, Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*
- HKFRS 8, *Operating Segments*

The principal effect of these developments is as follows:

(a) HKAS 1 (Revised 2007), *Presentation of Financial Statements*

The revised HKAS 1 separates owner and non-owner changes in equity and prohibits the presentation of items of income and expenses (i.e. “non-owner changes in equity”) in the statement of changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, the revised standard introduces the statement of comprehensive income. All items of non-owner changes in equity are presented either in one single performance statement (the statement of comprehensive income), or in two statements (the income statement and statement of comprehensive income). The sub-funds chose to present one single statement of comprehensive income. The application of the revised standard did not have a material effect on the sub-funds’ financial statements as the sub-funds have no components of other comprehensive income other than profit or loss for the period.

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

3 Changes in accounting policies (continued)

(b) Amendments to HKFRS 7, *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*

The amendments to HKFRS 7 require fair value measurements to be disclosed by the source of inputs, using a three-level hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Specific disclosures are required when fair value measurements are categorised as Level 3 in the fair value hierarchy. The amendments require that any significant transfers between Level 1 and Level 2 of the fair value hierarchy be disclosed separately, distinguishing between transfers into and out of each level. Furthermore changes in valuation techniques from one period to another, including the reasons therefore, are required to be disclosed for each class of financial instruments. Revised disclosures in respect of fair values of financial instruments are included in note 7.

In addition, the amendments revise the specified minimum liquidity risk disclosures including: the contractual maturity of non-derivative and derivative financial liabilities, and a description of how this is managed. The adoption of the amendment does not result in additional disclosures in these financial statements as the sub-funds do not have derivative financial liabilities.

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

3 Changes in accounting policies (continued)

(c) Amendments to HKAS 32, *Financial Instruments: Presentation and HKAS 1, Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*

The amendment to HKAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. Those criteria include: the puttable instruments must entitle the holder to a pro-rata share of net assets; the puttable instruments must be the most subordinated class and their features must be identical; there must be no contractual obligations to deliver cash or another financial asset other than the obligation on the issuer to repurchase; and the total expected cash flows from the puttable instrument over its life must be based substantially on the profit or loss of the issuer. The application of the amended requirements did not have any impact on the sub-funds' financial statements. While the redeemable units issued by the sub-funds are puttable instruments, they continue to be classified as financial liabilities as they do not meet the conditions for equity classification under the amendments.

(d) HKFRS 8, *Operating Segments*

HKFRS 8 replaces HKAS 14 and expands the scope to include entities that file, or are in the process of filing, their financial statements with securities commissions or other regulatory organisations for the purposes of issuing any class of instruments in a public market. The standard is applicable to these financial statements as the sub-funds are authorised by the HKSFCA under Section 104 of the HKSFCA to issue units to the public in Hong Kong and are required to file these financial statements with the SFC.

The standard requires disclosure of information about the sub-funds' operating segments and replaces the requirement of HKAS 14 to determine primary (business) and secondary (geographical) reporting segments. For management purposes, each of the sub-funds is organised into one operating segment.

The sub-funds have not applied any new or revised HKFRSs that is not yet effective for the current accounting period.

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

4 Capital management and units in issue

The sub-funds' capital is represented by the net assets attributable to unitholders. The sub-funds have no restrictions on the subscription and redemption of units. Subscriptions and redemptions of units during the year are shown on the statement of changes in net assets attributable to unitholders. In order to achieve the investment objectives, the sub-funds endeavor to invest subscriptions received in accordance with the investment policies as outlined in note 6. Redemptions are met by disposals of investments where necessary.

In accordance with the provisions of the Trust Deed dated 22 September 2000, and supplemental trust deeds dated 11 September 2003 and 11 August 2006, listed investments and investments with prices quoted in over the counter markets or by market makers are stated at the last traded price on the valuation day for the purpose of determining net asset value per unit for subscriptions and redemptions and for various fee calculation. However, as stated in note 2(c) the accounting policy of the sub-funds for the purpose of financial statements preparation in compliance with HKFRSs is to value its investments at the relevant bid market prices on the year end date. The difference between the valuation of these investment positions as prescribed by HKFRS and as disclosed in note 2(c), and the valuation methodology indicated in the Fund's Trust Deed resulted in a decrease in value of investments of the sub-funds as at the year end reported in the financial statements, as follows:

| | 2009 | 2008 |
|---------------------------------------|-----------------------|-------------------------|
| BEA Asia Strategic Growth Fund | US\$ 195,977 ===== | US\$ 179,225 ===== |
| BEA Global Bond Fund | US\$ 99,998 ===== | US\$ – ===== |
| BEA Hong Kong Growth Fund | HK\$ 374,388 ===== | HK\$ 1,031,059 ===== |
| BEA Greater China Growth Fund | HK\$ 368,167 ===== | HK\$ 746,003 ===== |
| BEA Hong Kong Dollar (HK\$) Bond Fund | HK\$ 27,313 ===== | HK\$ 2,500 ===== |

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

4 Capital management and units in issue (continued)

Movement of units in issue

| | BEA Asia Strategic Growth Fund | | BEA Global Bond Fund | |
|---|--------------------------------|-----------------|----------------------|-----------------|
| | 2009 Units | 2008 Units | 2009 Units | 2008 Units |
| Class A | | | | |
| Balance at the beginning of the year/period | 1,518,986.053 | 1,404,657.251 | 3,074,987.431 | 1,203,086.096 |
| Units issued | 1,623,646.230 | 1,316,741.539 | 2,648,117.007 | 2,416,483.562 |
| Units redeemed | (895,245.959) | (1,202,412.737) | (1,010,137.631) | (544,582.227) |
| Balance at the end of the year/period | 2,247,386.324 | 1,518,986.053 | 4,712,966.807 | 3,074,987.431 |
| | ===== | ===== | ===== | ===== |
| Class B | | | | |
| Balance at the beginning of the year/period | 1,841,578.633 | 2,044,242.655 | 2,194,912.700 | 3,009,070.363 |
| Units issued | 66,003.455 | 251,516.758 | 72,857.209 | 222,072.429 |
| Units redeemed | (99,454.258) | (454,180.780) | (108,717.051) | (1,036,230.092) |
| Balance at the end of the year/period | 1,808,127.830 | 1,841,578.633 | 2,159,052.858 | 2,194,912.700 |
| | ===== | ===== | ===== | ===== |
| Class C | | | | |
| Balance at the beginning of the year/period | 49,596.708 | 66,209.585 | - | - |
| Units issued | 7,253.913 | 1,591.578 | - | - |
| Units redeemed | (4,782.904) | (18,204.455) | - | - |
| Balance at the end of the year/period | 52,067.717 | 49,596.708 | - | - |
| | ===== | ===== | ===== | ===== |

(1) The comparative figures for BEA Hong Kong Dollar (HK\$) Bond Fund cover the period from 6 November 2007 to 31 December 2008.

| BEA Hong Kong Growth Fund | | BEA Greater China Growth Fund | | BEA Hong Kong Dollar (HK\$) Bond Fund | |
|---------------------------|-----------------|-------------------------------|---------------|--|---------------------|
| 2009 | 2008 | 2009 | 2008 | 2009 | 2008 ⁽¹⁾ |
| Units | Units | Units | Units | Units | Units |
| 4,240,536.265 | 3,115,724.098 | 1,604,798.725 | 524,823.106 | 885,289.041 | - |
| 920,283.595 | 2,518,723.972 | 451,231.508 | 1,283,413.878 | 209,195.924 | 1,094,426.423 |
| (1,652,755.154) | (1,393,911.805) | - | (203,438.259) | (20,525.733) | (209,137.382) |
| <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| 3,508,064.706 | 4,240,536.265 | 2,056,030.233 | 1,604,798.725 | 1,073,959.232 | 885,289.041 |
| ===== | ===== | ===== | ===== | ===== | ===== |
| 2,298,429.568 | 2,181,496.709 | 1,174,842.930 | 1,303,291.765 | 53,223.503 | - |
| 618,740.875 | 715,409.446 | 286,222.124 | 382,060.795 | 28,058.372 | 93,350.902 |
| (628,115.984) | (598,476.587) | (327,504.676) | (510,509.630) | (30,697.893) | (40,127.399) |
| <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| 2,289,054.459 | 2,298,429.568 | 1,133,560.378 | 1,174,842.930 | 50,583.982 | 53,223.503 |
| ===== | ===== | ===== | ===== | ===== | ===== |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| - | - | - | - | - | - |
| ===== | ===== | ===== | ===== | ===== | ===== |

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

4 Capital management and units in issue (continued)

Number of units in issue as at 31 December

| | BEA Asia Strategic Growth Fund | | BEA Global Bond Fund | |
|---|--------------------------------|---------------|----------------------|---------------|
| | 2009 Units | 2008 Units | 2009 Units | 2008 Units |
| Net assets attributable to unitholders (at last traded price) | | | | |
| Class A units | 69,133,104 | 27,597,062 | 60,266,700 | 37,630,240 |
| Class B units | 50,195,540 | 30,689,188 | 26,141,926 | 25,672,262 |
| Class C units | 1,445,455 | 826,510 | - | - |
| Net assets attributable to unitholders (at last traded price) per unit | | | | |
| Class A units | 30.76 | 18.17 | 12.79 | 12.24 |
| Class B units | 27.76 | 16.66 | 12.11 | 11.70 |
| Class C units | 27.76 | 16.66 | - | - |

| BEA Hong Kong Growth Fund | | BEA Greater China Growth Fund | | BEA Hong Kong Dollar (HK\$) Bond Fund | |
|---------------------------|-------------|-------------------------------|-------------|--|---------------------|
| 2009 | 2008 | 2009 | 2008 | 2009 | 2008 ⁽¹⁾ |
| Units | Units | Units | Units | Units | Units |
| 740,908,239 | 550,831,139 | 320,787,711 | 145,272,599 | 116,776,855 | 94,693,162 |
| ===== | ===== | ===== | ===== | ===== | ===== |
| 453,820,856 | 284,862,166 | 168,121,997 | 102,778,236 | 5,428,974 | 5,665,733 |
| ===== | ===== | ===== | ===== | ===== | ===== |
| - | - | - | - | - | - |
| ===== | ===== | ===== | ===== | ===== | ===== |
| 211.20 | 129.90 | 156.02 | 90.52 | 108.73 | 106.96 |
| ===== | ===== | ===== | ===== | ===== | ===== |
| 198.26 | 123.94 | 148.31 | 87.48 | 107.33 | 106.45 |
| ===== | ===== | ===== | ===== | ===== | ===== |
| - | - | - | - | - | - |
| ===== | ===== | ===== | ===== | ===== | ===== |

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

4 Capital management and units in issue (continued)

Number of units in issue as at 31 December (continued)

As a result of the ability to issue and redeem units, the capital of the sub-funds can vary depending on the demand for subscriptions and redemptions to the sub-funds. The sub-funds are not subject to externally imposed capital requirements and restrictions on the issue and redeem of units.

The sub-funds' objectives for managing capital are:

- To safeguard capital while achieve returns by investing in accordance with the sub-funds' investment objectives, descriptions, risk exposures and expected returns indicated in the Explanatory Memorandum.
- To maintain sufficient liquidity to meet the expenses of the sub-funds, and to meet redemption requests as they arise.
- To maintain sufficient size to make the operation of the sub-funds cost-efficient.

The Manager manages the capital of the sub-funds in accordance with the sub-funds' investment objectives and policies. With a view to protecting the interests of unitholders, the Manager is entitled at its discretion and with the approval of the Trustee to limit the number of units in any sub-fund redeemed on any dealing day to 10% of the total number of units of that sub-fund in issue.

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

5 Critical accounting estimates and assumptions

Bank of East Asia (Trustees) Limited (“the Trustee”) makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Fair value of investments

Certain sub-funds hold a number of unlisted debt securities that are valued by reference to broker quotes. In determining the fair value of such investments, the Trustee exercises judgments and estimates on the sources of brokers and the quantity and quality of quotes used. Such quotes adopted to fair value the investments may be indicative and not executable or legally binding. As such, broker quotes do not necessarily indicate the price at which the security could actually be traded at as of 31 December 2009. Actual transacted prices may differ from the quotes provided by the brokers. The Trustee considers that in the absence of any other reliable market sources, the broker quotes available to them reflect the best estimate of fair value.

6 Financial risk management

Strategy in using financial instruments

The investment objective of BEA Asia Strategic Growth Fund is to provide investors with long term capital growth in US dollar terms through investing in a diversified portfolio consisting primarily of listed securities of companies whose principal business activities are conducted in the Asia Pacific region. The maximum exposure of BEA Asia Strategic Growth Fund to any one of the Singapore, Malaysia, Korea, Taiwan or China markets will not exceed 50% of the sub-fund’s assets. The maximum exposure of the sub-fund to any one of Thailand, Indonesia, the Philippines and India markets will not exceed 30% of the sub-fund’s assets. The sub-fund may enter into financial futures and options contracts for hedging purposes only.

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

6 Financial risk management (continued)

Strategy in using financial instruments (continued)

The investment objective of BEA Global Bond Fund is to provide investors with total investment return over the medium to long term through investing into a diversified range of global bonds denominated in various major currencies. The sub-fund's assets will normally be invested between 20% to 100% in government bonds, 0% to 50% in corporate bonds and 0% to 50% in other structured products. Investments will be made mainly in the United States, Europe and Asia, but may include other markets. Actual allocation may vary as market and other conditions change. The Manager and its delegates may acquire financial futures contracts for hedging purpose only.

The investment objective of BEA Hong Kong Growth Fund is to provide investors with long term capital growth in HK dollar terms through investing in a diversified portfolio consisting primarily of securities of companies, either listed in or with operations or interests principally, in Hong Kong. At any one time, up to 100% of the assets of the sub-fund may be invested in equity securities. The sub-fund may enter into financial futures and options contracts for hedging purposes only.

The investment objective of BEA Greater China Growth Fund is to provide investors with long term capital growth through investing in a portfolio consisting of listed securities of companies that derive or are expected to derive a significant portion of their revenues from goods produced or sold, investments made or services performed in Greater China, which includes the People's Republic of China (PRC), the Special Administrative Regions of Hong Kong and Macau and Taiwan. The sub-fund will have not less than 80% of the assets invested directly in equities. Any remaining assets will be held in cash and cash equivalents. In addition, at least 30% of the assets of the sub-fund will be held in Hong Kong dollar currency investments as measured by effective currency exposure.

The investment objective of BEA Hong Kong Dollar (HK\$) Bond Fund is to provide investors with long term capital growth in HK dollar terms through investing in a portfolio consisting primarily of HK dollar denominated interest bearing securities. If the Manager considers that conditions so require and it is in the interests of unitholders to do so, a substantial portion of the portfolio may be held in cash. The Manager anticipates a majority of the portfolio will be invested in bonds issued by governments, quasi-governmental organisations, multilateral international agencies and blue chip corporations. The value of the portfolio's holding of HK dollar denominated securities shall not be less than 70% of the net asset value of BEA Hong Kong Dollar (HK\$) Bond Fund. BEA Hong Kong Dollar (HK\$) Bond Fund may enter into financial futures contracts for hedging purposes only.

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

6 Financial risk management (continued)

Strategy in using financial instruments (continued)

The sub-funds' activities expose them to a variety of financial risks: market risk (including currency risk, fair value and cash flow interest rate risk and price risk), credit risk and liquidity risk.

The sub-funds are exposed to various risks which are discussed below.

(a) Market risk

Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and price risk. The sub-fund's strategies on the management of market risk are driven by the sub-fund's investment objectives.

The sub-funds' market price risk is managed on a regular basis by the Manager in accordance with policies and procedures in place. The sub-funds' overall market position is monitored on a yearly basis by the Trustee. Details of the nature of the sub-funds' investment portfolios at the date of the statement of assets and liabilities are disclosed in the investment report.

(i) Currency risk

The sub-funds hold assets and liabilities denominated in currencies other than their functional currencies and are therefore exposed to currency risk that the exchange rate may change in a manner that has an adverse effect on the value of the sub-funds' assets and liabilities.

The fluctuations in the rate of exchange between the currency in which the asset or liability is denominated and the functional currency could result in an appreciation or depreciation in the fair value of that asset or liability. The Manager monitors all the sub-funds' foreign currency positions on a daily basis. BEA Hong Kong Growth Fund and BEA Hong Kong Dollar (HK\$) Bond Fund are not subject to currency risk as their assets and liabilities are denominated in Hong Kong dollars ("HKD") only, which is also their functional currency.

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

6 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis

Each sub-fund's net exposure to each currency other than United States dollars ("USD") and Hong Kong dollars ("HKD") at the date of statement of assets and liabilities and their estimated impact to net assets attributable to unitholders and change in net assets attributable to unitholders from operations had the USD or HKD weakened by 5% (2008: 5%) are illustrated below. The analysis is performed on the same basis as 2008.

As at 31 December

| | 2009 | | 2008 | |
|--------------------------------|--------------------|--|--------------------|--|
| | Net assets US\$ | Estimated increase had the USD weakened by 5% US\$ | Net assets US\$ | Estimated increase had the USD weakened by 5% US\$ |
| BEA Asia Strategic Growth Fund | | | | |
| British Pound | 118 | 6 | 106 | 5 |
| Indonesian Rupiah | 4,456,552 | 222,828 | 944,534 | 47,227 |
| Korean Won | 29,119,166 | 1,455,958 | 15,872,163 | 793,608 |
| Malaysian Ringgit | 5,911,296 | 295,565 | 2,766,305 | 138,315 |
| Singapore Dollar | 10,283,229 | 514,161 | 4,973,418 | 248,671 |
| Thai Baht | 2,939,840 | 146,992 | 1,163,360 | 58,168 |
| New Taiwan Dollar | 26,155,259 | 1,307,763 | 9,890,062 | 494,503 |

BEA CAPITAL GROWTH FUND
NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

6 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis (continued)

As at 31 December

| | 2009 | | 2008 | |
|----------------------|--------------------|--|--------------------|--|
| | Net assets US\$ | Estimated increase had the USD weakened by 5% US\$ | Net assets US\$ | Estimated increase had the USD weakened by 5% US\$ |
| BEA Global Bond Fund | | | | |
| Australian Dollar | 7,088,103 | 354,405 | 1,320,346 | 66,107 |
| Canadian Dollar | 1,435,695 | 71,785 | 460,624 | 23,031 |
| Danish Krone | 464,225 | 23,211 | 434,087 | 21,704 |
| Euro | 33,508,432 | 1,675,422 | 18,925,689 | 946,284 |
| British Pound | 3,572,816 | 178,641 | 3,960,850 | 198,043 |
| Japanese Yen | 23,788,354 | 1,189,418 | 21,168,074 | 1,058,404 |
| Norwegian Krone | 1,907,843 | 95,392 | 146 | 7 |
| New Zealand Dollar | 386,947 | 19,347 | 319,810 | 15,991 |
| Swedish Krona | 217,884 | 10,894 | 198,234 | 9,912 |

| | 2009 | | 2008 | |
|-------------------------------|--------------------|--|--------------------|--|
| | Net assets HK\$ | Estimated increase had the HKD weakened by 5% HK\$ | Net assets HK\$ | Estimated increase had the HKD weakened by 5% HK\$ |
| BEA Greater China Growth Fund | | | | |
| New Taiwan Dollar | 147,137,895 | 7,356,895 | 61,679,747 | 3,083,987 |

As HKD is pegged to USD, the sub-funds do not expect any significant movement in USD/HKD exchange rate. A 5% appreciation of USD against the above currencies would have resulted in an equal but opposite effect on the financial statements, on the basis that all other variables remain constant.

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

6 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk

Interest rate risk arises from change in interest rates which may inversely affect the value of debt instruments and therefore result in potential gain or loss to the sub-funds.

Except for the BEA Global Bond Fund and BEA Hong Kong Dollar (HK\$) Bond Fund, all other sub-funds did not have any interest bearing liabilities as at year end and interest bearing assets were limited to bank deposits; accordingly it is considered that they did not have significant direct interest rate risk exposure.

The Manager monitors all the sub-funds' direct exposure to interest rate risk on a monthly basis.

The following table illustrates the interest rate risk exposure of BEA Global Bond Fund and BEA Hong Kong Dollar (HK\$) Bond Fund. It includes their interest rate sensitivity gaps and the period in which the interest rates of interest bearing assets and interest bearing liabilities reprice (the earlier of contractual re-pricing or maturity date) as at year/period end.

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

6 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

BEA Global Bond Fund

As at 31 December 2009

| | Up to 1 year US\$ | 1-5 years US\$ | Over 5 years US\$ | Non interest bearing US\$ | Total US\$ |
|---|----------------------|-------------------|----------------------|---------------------------------|-------------------|
| Assets | | | | | |
| Cash at banks | 2,766,138 | – | – | – | 2,766,138 |
| Investments | 4,490,901 | 52,837,722 | 26,249,000 | – | 83,577,623 |
| Other assets | – | – | – | 91 | 91 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total assets | 7,257,039 | 52,837,722 | 26,249,000 | 91 | 86,343,852 |
| | | | | ===== | ===== |
| Liabilities (excluding net assets attributable to unitholders) | | | | | |
| Other liabilities | – | – | – | 35,224 | 35,224 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | | | | ===== | ===== |
| Total interest sensitivity gap | 7,257,039 | 52,837,722 | 26,249,000 | | |
| | ===== | ===== | ===== | | |

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

6 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

BEA Global Bond Fund (continued)

As at 31 December 2008

| | Up to 1 year US\$ | 1-5 years US\$ | Over 5 years US\$ | Non interest bearing US\$ | Total US\$ |
|---|----------------------|-------------------|----------------------|---------------------------------|-------------------|
| Assets | | | | | |
| Cash at banks | 2,412,778 | - | - | - | 2,412,778 |
| Investments | 1,417,478 | 21,791,144 | 37,612,808 | - | 60,821,430 |
| Other assets | - | - | - | 109,029 | 109,029 |
| Total assets | 3,830,256 | 21,791,144 | 37,612,808 | 109,029 | 63,343,237 |
| Liabilities (excluding net assets attributable to unitholders) | | | | | |
| Other liabilities | - | - | - | 40,735 | 40,735 |
| Total interest sensitivity gap | 3,830,256 | 21,791,144 | 37,612,808 | | |

At year end, should the relevant market interest rates have been increased/decreased by a certain percentage with all other variables held constant, the estimated impact on the net assets attributable to unitholders is shown in the table below.

| | % of possible reasonable shift +/- | Estimated increase/ (decrease) 2009 US\$ | Estimated increase/ (decrease) 2008 US\$ |
|----------------------|------------------------------------|--|--|
| BEA Global Bond Fund | + 0.25% | (948,779) | (1,017,054) |

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

6 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

BEA Hong Kong Dollar (HK\$) Bond Fund

As at 31 December 2009

| | Up to 1 year HK\$ | 1-5 years HK\$ | Over 5 years HK\$ | Non interest bearing HK\$ | Total HK\$ |
|---|-----------------------------|-----------------------------|-----------------------------|---------------------------------|-----------------------------|
| Assets | | | | | |
| Cash at banks | 4,289,605 | - | - | - | 4,289,605 |
| Investments | 42,912,669 | 67,135,169 | 7,902,325 | - | 117,950,163 |
| Other assets | - | - | - | 445 | 445 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total assets | 47,202,274 | 67,135,169 | 7,902,325 | 445 | 122,240,213 |
| | | | | ===== | ===== |
| Liabilities (excluding net assets attributable to unitholders) | | | | | |
| Other liabilities | - | - | - | 61,697 | 61,697 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | | | | ===== | ===== |
| Total interest sensitivity gap | 47,202,274 | 67,135,169 | 7,902,325 | | |
| | ===== | ===== | ===== | | |

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

6 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

BEA Hong Kong Dollar (HK\$) Bond Fund (continued)

As at 31 December 2008

| | Up to 1 year HK\$ | 1-5 years HK\$ | Over 5 years HK\$ | Non interest bearing HK\$ | Total HK\$ |
|---|----------------------|-------------------|----------------------|---------------------------------|--------------------|
| Assets | | | | | |
| Cash at banks | 499,208 | - | - | - | 499,208 |
| Investments | 32,222,162 | 56,335,586 | 11,415,284 | - | 99,973,032 |
| Other assets | - | - | - | 1,407 | 1,407 |
| Total assets | 32,721,370 | 56,335,586 | 11,415,284 | 1,407 | 100,473,647 |
| Liabilities (excluding net assets attributable to unitholders) | | | | | |
| Other liabilities | - | - | - | 117,252 | 117,252 |
| Total interest sensitivity gap | 32,721,370 | 56,335,586 | 11,415,284 | | |

At year end, should the relevant market interest rates have been increased/decreased by a certain percentage with all other variables held constant, the estimated impact on the net assets attributable to unitholders are shown in the table below.

| | % of possible reasonable shift +/- | Estimated increase (decrease) 2009 HK\$ | Estimated increase (decrease) 2008 HK\$ |
|--|---|---|---|
| BEA Hong Kong Dollar (HK\$) Bond Fund | + 0.25% | (523,729) | (549,595) |

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

6 Financial risk management (continued)

(a) Market risk (continued)

(iii) Other price risk

Price risk is the risk that value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market.

The breakdown of investments held by the sub-funds is shown in investment report.

Each sub-fund's market risk is managed through (i) deliberate securities selection and (ii) diversification of the investment portfolio. The Manager monitors all sub-funds' market positions on a daily basis.

Sensitivity analysis

The Manager projects the possible movement of the underlying benchmark indices ("the potential movement") based on historical experience. If the underlying benchmark indices had changed by the following percentages, which are based on the Manager's best estimate of the potential movement as at the date of the statement of assets and liabilities, with all other variables held constant, it is estimated that the net assets attributable to unitholders and change in net assets attributable to unitholders from operations would have changed accordingly as shown below. The analysis is performed on the same basis as 2008.

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

6 Financial risk management (continued)

(a) Market risk (continued)

(iii) Other price risk (continued)

| | Relevant benchmark index | % of possible reasonable shift +/- | Estimated impact increase/(decrease) | |
|---------------------------------------|-------------------------------------|------------------------------------|--------------------------------------|------------|
| | | | 2009 US\$ | 2008 US\$ |
| BEA Asia Strategic Growth Fund | MSCI AC Daily TR Net FE x JP HK USD | 5% | 5,848,039 | 2,778,300 |
| BEA Global Bond Fund | ML Global Government Index II | 5% | 3,683,163 | 63,303 |
| | | | HK\$ | HK\$ |
| BEA Hong Kong Growth Fund | Hang Seng Index Total Return | 5% | 56,134,671 | 37,188,352 |
| BEA Greater China Growth Fund | MSCI AC Golden Dragon Net USD | 5% | 23,938,536 | 11,906,440 |
| BEA Hong Kong Dollar (HK\$) Bond Fund | Hong Kong HSBC Bond Index | 5% | 1,936,044 | 3,109,481 |

An equal change in the opposite direction would have changed the net assets attributable to unitholders and change in net assets attributable to unitholders from operations for the year by an equal but opposite amount.

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

6 Financial risk management (continued)

(b) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. All transactions in listed securities are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made when the sub-funds' custodians have received payments.

For purchase, payments are made once securities have been received by the sub-funds' custodians. The trade will fall if either party fails to meet their obligation.

The Manager monitors the sub-funds' credit position on a monthly basis. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of assets and liabilities.

At the date of the statement of assets and liabilities, only BEA Global Bond Fund and BEA Hong Kong (HK\$) Bond Fund held debt securities. The credit quality of these debt securities are expressed as a percentage of investments below:

| | 2009 | 2008 |
|--|--------|--------|
| | % | % |
| BEA Global Bond Fund | | |
| Portfolio by rating category of debt securities | | |
| Rating | | |
| AAA | 81.63 | 90.33 |
| AA+ | 0.88 | - |
| AA | 5.32 | 7.98 |
| AA- | 4.22 | - |
| A | 5.34 | - |
| A- | 2.61 | - |
| Unrated | - | 1.69 |
| | 100.00 | 100.00 |
| | ===== | ===== |

BEA CAPITAL GROWTH FUND
NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

6 Financial risk management (continued)

(b) Credit risk (continued)

| | 2009 | 2008 |
|---|--------|--------|
| | % | % |
| BEA Hong Kong Dollar (HK\$) Bond Fund | | |
| Portfolio by rating category of debt securities | | |
| Rating | | |
| AAA | 11.30 | 23.16 |
| AA+ | 65.77 | 30.36 |
| AA | 3.19 | 11.66 |
| AA- | – | 7.51 |
| A+ | 5.27 | – |
| A | 11.32 | 16.24 |
| A- | 3.15 | 4.45 |
| Aa1 | – | 6.62 |
| | <hr/> | <hr/> |
| | 100.00 | 100.00 |
| | ===== | ===== |
| Portfolio by rating category of the issue of certificates of deposit | | |
| Rating | | |
| AAA | 33.38 | 19.75 |
| AA | 31.72 | 18.78 |
| A+ | – | 18.58 |
| A | 34.90 | – |
| A- | – | 24.48 |
| BBB- | – | 18.41 |
| | <hr/> | <hr/> |
| | 100.00 | 100.00 |
| | ===== | ===== |

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

6 Financial risk management (continued)

(b) Credit risk (continued)

The sub-funds' investments are held by the custodians and the majority of the sub-funds' cash is deposited with The Bank of East Asia, Limited and The Bank of New York Mellon ("the Banks"). Bankruptcy or insolvency of the custodians and the Banks may cause to sub-funds' rights with respect to the assets held by the custodians and the Banks to be delayed or limited. The Manager monitors the credit quality of the custodians and the Banks on an on-going basis.

At both 31 December 2009 and 2008, there were no significant concentrations of credit risk.

(c) Liquidity risk

Liquidity risk arises from the risk that the sub-funds may not be able to convert investments into cash to meet liquidity needs in a timely manner. The sub-funds' exposure to liquidity risk arises because of the possibility that the sub-funds could be required to pay their liabilities or redeem their units earlier than expected. The sub-funds are exposed to daily cash redemption of their redeemable units. Units are redeemable at the holders' option based on the sub-funds' net asset value per unit at the time of redemption.

The sub-funds' policy is to regularly monitor current and expected liquidity requirements to ensure that they maintain sufficient reserves of cash and readily realisable marketable securities to meet their liquidity requirements in the short and longer term.

The sub-funds invest the majority of assets in investments that are traded in an active market, and can be readily disposed of, the Manager monitors the sub-funds' liquidity position on a daily basis.

As at 31 December 2009 and 2008, all the financial liabilities of the sub-funds are repayable on demand or due within three months.

(d) Fair value estimation

As at 31 December 2009 and 2008, the carrying values of assets and liabilities are a reasonable approximation of their fair values.

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

7 Financial instruments at fair value through profit or loss

(a) Breakdown of investments

The breakdown of the sub-funds' investments as of 31 December by investment type is illustrated below.

| | 2009 | | 2008 | |
|-------------------------------------|--------------------|-----------------|-------------------|-----------------|
| | US\$ | % of net assets | US\$ | % of net assets |
| BEA Asia Strategic Growth Fund | | | | |
| Listed/quoted investments | | | | |
| – Equities | 115,602,461 | 95.87 | 53,928,346 | 91.23 |
| – Non-voting depository receipts | 2,939,839 | 2.44 | 1,163,360 | 1.97 |
| | <u>118,542,300</u> | <u>98.31</u> | <u>55,091,706</u> | <u>93.20</u> |
| | ===== | ===== | ===== | ===== |
| BEA Global Bond Fund | | | | |
| Listed/quoted investments | | | | |
| – Debt securities | 83,577,623 | 96.84 | 60,821,430 | 96.08 |
| | ===== | ===== | ===== | ===== |

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

7 Financial instruments at fair value through profit or loss (continued)

(a) Breakdown of investments (continued)

| | 2009 | | 2008 | |
|---------------------------------------|--------------------|-----------------|-------------------|-----------------|
| | HK\$ | % of net assets | HK\$ | % of net assets |
| BEA Hong Kong Growth Fund | | | | |
| Listed/quoted investments | | | | |
| – Equities | 1,170,265,830 | 97.98 | 754,117,503 | 90.24 |
| | ===== | ===== | ===== | ===== |
| BEA Greater China Growth Fund | | | | |
| Listed/quoted investments | | | | |
| – Equities | 479,584,217 | 98.17 | 226,824,858 | 91.44 |
| | ===== | ===== | ===== | ===== |
| BEA Hong Kong Dollar (HK\$) Bond Fund | | | | |
| Listed/quoted investments | | | | |
| – Bonds | 101,888,444 | 83.39 | 72,407,621 | 72.15 |
| – Certificates of deposit | 16,061,719 | 13.15 | 27,565,411 | 27.47 |
| | <u>117,950,163</u> | <u>96.54</u> | <u>99,973,032</u> | <u>99.62</u> |
| | ===== | ===== | ===== | ===== |

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

7 Financial instruments at fair value through profit or loss (continued)

(b) Fair value hierarchy

The following table summaries the inputs used to value the sub-funds' investments as of 31 December 2009.

| | BEA Asia Strategic Growth Fund 2009 US\$ | BEA Global Bond Fund 2009 US\$ | BEA Hong Kong Growth Fund 2009 HK\$ | BEA Greater China Growth Fund 2009 HK\$ | BEA Hong Kong Dollar (HK\$) Bond Fund 2009 HK\$ |
|---------|--|--|---|---|--|
| Level 1 | 118,542,300 | - | 1,170,265,830 | 479,584,217 | - |
| Level 2 | - | 83,577,623 | - | - | 117,950,163 |
| Level 3 | - | - | - | - | - |
| | <u>118,542,300</u> | <u>83,577,623</u> | <u>1,170,265,830</u> | <u>479,584,217</u> | <u>117,950,163</u> |
| | ----- | ----- | ----- | ----- | ----- |

The sub-funds measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

7 Financial instruments at fair value through profit or loss (continued)

(b) Fair value hierarchy (continued)

When fair values of listed and quoted investments at the reporting date are based on quoted market prices or binding dealer price quotations in an active market, without any deduction for transactions, the instruments are included within Level 1 of the hierarchy. When fair values of debt securities at the reporting date represent quoted prices on markets that are considered less than active, those debt securities are included within Level 2 of the hierarchy.

Certificates of deposits are valued using amortised cost, which approximates fair value. To the extent the inputs are observable and timely, the values would be categorised in Level 2 of the fair value hierarchy.

8 Derivative financial instruments

Derivative financial instruments represent outstanding forward foreign exchange contracts as at the year end date as follows:

As at 31 December 2009 and 31 December 2008, all sub-funds did not have any outstanding forward foreign exchange contracts, except for the following:

BEA Global Bond Fund

As at 31 December 2008

| Contract to deliver | In exchange for | Settlement date | Fair value US\$ |
|---------------------|-----------------|-----------------|--------------------|
| Open contracts: | | | |
| EUR8,000,000 | US\$ 11,227,200 | 9 January 2009 | 109,017 ===== |

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

9 Net gain/(loss) on investments

| | BEA Asia Strategic Growth Fund | | BEA Global Bond Fund | |
|--|--------------------------------|--------------|----------------------|--------------|
| | 2009 US\$ | 2008 US\$ | 2009 US\$ | 2008 US\$ |
| Net movement in unrealised gain/(loss) on investments | 44,160,927 | (47,250,561) | 236,817 | 1,090,306 |
| Realised gain/(loss) on sale of investments | 520,157 | (7,098,180) | 4,136,458 | 2,545,169 |
| | 44,681,084 | (54,348,741) | 4,373,275 | 3,635,475 |
| | ===== | ===== | ===== | ===== |

- (1) The comparative figures for BEA Hong Kong Dollar (HK\$) Bond Fund cover the period from 6 November 2007 to 31 December 2008.

| BEA Hong Kong Growth Fund | | BEA Greater China Growth Fund | | BEA Hong Kong Dollar (HK\$) Bond Fund | |
|---------------------------|---------------|-------------------------------|---------------|--|-----------------------------|
| 2009 HK\$ | 2008 HK\$ | 2009 HK\$ | 2008 HK\$ | 2009 HK\$ | 2008 ⁽¹⁾ HK\$ |
| 455,790,553 | (547,418,099) | 190,120,244 | (167,053,301) | (1,409,180) | 3,390,832 |
| 28,605,974 | (69,931,710) | 2,533,551 | (26,249,837) | 3,323,647 | 3,952,450 |
| 484,396,527 | (617,349,809) | 192,653,795 | (193,303,138) | 1,914,467 | 7,343,282 |
| ===== | ===== | ===== | ===== | ===== | ===== |

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

10 Transactions with related parties

The following is a summary of transactions with related parties during the year. All transactions were entered into in the ordinary course of business and on normal commercial terms.

(a) Investment management fees

The Manager is entitled to receive a management fee in respect of each class of units calculated as a percentage of the net asset value of that part of the relevant sub-fund relating to the relevant class of units as follows:

| | Class A % p.a. | Class B % p.a. | Class C % p.a. |
|---------------------------------------|-------------------|-------------------|-------------------|
| BEA Asia Strategic Growth Fund | Nil | 1.50 | 1.50 |
| BEA Global Bond Fund | Nil | 0.85 | 0.95 |
| BEA Hong Kong Growth Fund | Nil | 1.50 | 1.50 |
| BEA Greater China Growth Fund | Nil | 1.50 | 1.50 |
| BEA Hong Kong Dollar (HK\$) Bond Fund | Nil | 0.75 | 0.85 |

Same rates have been applied for 2009 and 2008. The fee is calculated and accrued on each dealing day and is paid monthly in arrears.

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

10 Transactions with related parties (continued)

(a) Investment management fees (continued)

The investment management fees charged for the year for each sub-fund are disclosed in the statement of comprehensive income. As at 31 December, the investment management fees payable for each sub-fund is as below:

| | 2009 | 2008 |
|---------------------------------------|-----------------------|-----------------------|
| BEA Asia Strategic Growth Fund | US\$ 64,378 ===== | US\$ 41,204 ===== |
| BEA Global Bond Fund | US\$ 19,180 ===== | US\$ 19,451 ===== |
| BEA Hong Kong Growth Fund | HK\$ 574,515 ===== | HK\$ 390,605 ===== |
| BEA Greater China Growth Fund | HK\$ 210,117 ===== | HK\$ 137,226 ===== |
| BEA Hong Kong Dollar (HK\$) Bond Fund | HK\$ 3,436 ===== | HK\$ 3,966 ===== |

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

10 Transactions with related parties (continued)

(b) Trustee's fees

The Trustee is entitled to receive a trustee fee in respect of each class of units calculated as a percentage of the net asset value of that part of the relevant sub-fund relating to the relevant class of units as follows:

| | Class A % p.a. | Class B % p.a. | Class C % p.a. |
|---------------------------------------|-------------------|-------------------|-------------------|
| BEA Asia Strategic Growth Fund | Nil | 0.125 | 0.125 |
| BEA Global Bond Fund | Nil | 0.085 | 0.085 |
| BEA Hong Kong Growth Fund | Nil | 0.125 | 0.125 |
| BEA Greater China Growth Fund | Nil | 0.150 | 0.150 |
| BEA Hong Kong Dollar (HK\$) Bond Fund | Nil | 0.075 | 0.075 |

Same rates have been applied for 2009 and 2008. The fee is calculated and accrued on each dealing day and is paid monthly in arrears.

The trustee's fees charged for the year for each sub-fund are disclosed in the statement of comprehensive income. As at 31 December, trustee's fees payable for each sub-fund is as below:

| | 2009 | 2008 |
|---------------------------------------|----------------------|----------------------|
| BEA Asia Strategic Growth Fund | US\$ 5,365 ===== | US\$ 3,434 ===== |
| BEA Global Bond Fund | US\$ 1,918 ===== | US\$ 1,945 ===== |
| BEA Hong Kong Growth Fund | HK\$ 47,876 ===== | HK\$ 32,550 ===== |
| BEA Greater China Growth Fund | HK\$ 21,012 ===== | HK\$ 13,723 ===== |
| BEA Hong Kong Dollar (HK\$) Bond Fund | HK\$ 344 ===== | HK\$ 397 ===== |

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

10 Transactions with related parties (continued)

(c) Registrar's fees

The Trustee also acts as the registrar and is entitled to receive a registrar fee calculated as a percentage of the net asset value of the sub-funds at the following rates:

| | |
|---|-------------|
| For the first US\$50 million/HK\$390 million of NAV | 0.050% p.a. |
| For the next US\$10 million/HK\$78 million of NAV | 0.045% p.a. |
| For the next US\$10 million/HK\$78 million of NAV | 0.040% p.a. |
| For the next US\$10 million/HK\$78million of NAV | 0.035% p.a. |
| For the next US\$10 million/HK\$78 million of NAV | 0.030% p.a. |
| For the next US\$10 million/HK\$78million of NAV | 0.025% p.a. |
| For the remaining balance of NAV | 0.015% p.a. |

Same rates have been applied for 2009 and 2008. The fee is calculated and accrued on each dealing day and is paid monthly in arrears.

The registrar's fees charged for the year for each sub-fund are disclosed in the statement of comprehensive income. As at 31 December, registrar's fees payable for each sub-fund is as below:

| | 2009 | 2008 |
|---------------------------------------|----------------------|----------------------|
| BEA Asia Strategic Growth Fund | US\$ 3,839 ===== | US\$ 2,542 ===== |
| BEA Global Bond Fund | US\$ 3,334 ===== | US\$ 2,755 ===== |
| BEA Hong Kong Growth Fund | HK\$ 33,318 ===== | HK\$ 30,857 ===== |
| BEA Greater China Growth Fund | HK\$ 19,805 ===== | HK\$ 10,795 ===== |
| BEA Hong Kong Dollar (HK\$) Bond Fund | HK\$ 5,203 ===== | HK\$ 4,516 ===== |

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

10 Transactions with related parties (continued)

(d) Bank balances

Bank accounts are maintained with The Bank of East Asia, Limited which is the ultimate holding company of the Manager and the Trustee. The balances of these accounts are set out below:

| | BEA Asia Strategic Growth Fund | | BEA Global Bond Fund | |
|---------------------------------------|--------------------------------|--------------|----------------------|--------------|
| | 2009 US\$ | 2008 US\$ | 2009 US\$ | 2008 US\$ |
| Bank balance as at year/period end | 165,053 | 990,110 | 418,651 | 39,350 |
| | ===== | ===== | ===== | ===== |

Interest income on bank deposits and bank charges incurred are not disclosed as the Trustee and the Manager consider the amounts immaterial.

(e) Investments

As at year end, BEA Hong Kong Growth Fund held Nil (2008: 208,400) shares in The Bank of East Asia, Limited, the ultimate holding company of the Manager and the Trustee with a market value of HK\$Nil (2008: HK\$3,363,576).

11 Bank loans, overdrafts and other borrowings

The sub-funds had no bank loans, overdrafts or other borrowings as at 31 December 2009 and 31 December 2008.

12 Taxation

No provision for Hong Kong profits tax has been made as interest income, dividend income and realised gains and disposal of investments of the sub-funds are excluded from the charge to profits tax under sections 14, 26 or 26A of the Hong Kong Inland Revenue Ordinance.

Non-recoverable overseas withholding tax was charged on certain dividend and interest income received during the year.

13 Soft commission arrangements

During the years ended 31 December 2009 and 2008, the Manager and its delegates did not enter into any soft commission arrangements with brokers relating to dealings in the assets of the sub-funds.

| BEA Hong Kong Growth Fund | | BEA Greater China Growth | | BEA Hong Kong Dollar (HK\$) Bond Fund | |
|---------------------------|------------|--------------------------|-----------|--|---------------------|
| 2009 | 2008 | 2009 | 2008 | 2009 | 2008 ⁽¹⁾ |
| HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ |
| 4,710,766 | 33,326,995 | 1,330,412 | 3,984,537 | 2,490,674 | 1,357 |
| ===== | ===== | ===== | ===== | ===== | ===== |

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

14 Security lending arrangements

During the years ended 31 December 2009 and 2008, the sub-funds did not enter into any security lending arrangements.

15 Charge on the sub-funds' assets

- (a) The sub-funds have obtained overdrafts facility from The Bank of East Asia, Limited with effect from 25 March 2010. Information relating to this facility is set out below:

| | | % of net assets |
|---------------------------------------|-----------------|--------------------|
| BEA Asia Strategic Growth Fund | US\$ 5,000,000 | 10 |
| BEA Global Bond Fund | US\$ 6,000,000 | 10 |
| BEA Hong Kong Growth Fund | HK\$ 80,000,000 | 10 |
| BEA Greater China Growth Fund | HK\$ 80,000,000 | 10 |
| BEA Hong Kong Dollar (HK\$) Bond Fund | HK\$ 20,000,000 | 10 |

The overdraft facility available to each sub-fund is up to the lesser of the amounts stated above or the percentage of each sub-fund's net assets stated above.

The obligations of each sub-fund under these facilities are secured by charges on, inter alia, the securities and cash of the sub-funds.

- (b) Under the agreement related to charge over accounts and securities signed by The Bank of New York Mellon (as the sub-funds' sub-custodian) and the Trustee (as the custodian and the trustee of the sub-funds) dated 5 February 2010, the obligations of each sub-funds are secured by charges on, inter alia, the securities and cash of the sub-funds held from time to time with The Bank of New York Mellon.

BEA CAPITAL GROWTH FUND

NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)

16 Segment information

The Manager makes the strategic resource allocation on behalf of the sub-funds and determines the operating segments based on the internal reporting used to make strategic decisions. The Manager's asset allocation decisions for each sub-fund are based on one single, integrated investment strategy, and the sub-funds' performance is evaluated on an overall basis. Accordingly the Manager considers that each sub-fund has one single operating segment which is investing in a portfolio of financial instruments to generate investment returns in accordance with the investment objective stipulated in the Explanatory Memorandum. The investment objectives and the investment portfolios of each sub-fund are presented in note 7 and the investment report respectively.

There were no changes in the operating segment during the year.

The internal reporting provided to the Manager is the same as that disclosed in the statement of comprehensive income and statement of assets and liabilities.

17 Comparative figures

As a result of the application of certain new and revised HKFRSs, certain comparative figures have been adjusted to conform to current year's presentation or added to provide comparative amounts in respect of items disclosed for the first time in 2009. Further details of these developments are disclosed in note 3.

18 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2009

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the accounting year ended 31 December 2009 and which have not been adopted in these financial statements.

The sub-funds are in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far they have concluded that the adoption of them is unlikely to have a significant impact on the sub-funds' result of operations and financial position.

MANAGEMENT AND ADMINISTRATION

Trustee and Registrar

Bank of East Asia (Trustees) Limited

32nd Floor, BEA Tower
Millennium City 5
418 Kwun Tong Road
Kwun Tong, Kowloon
Hong Kong

Manager

BEA Union Investment Management Limited

5th Floor, The Bank of East Asia Building
10 Des Voeux Road Central
Hong Kong

Auditor

KPMG

8th Floor, Prince's Building
10 Chater Road
Central
Hong Kong

Legal Adviser

Deacons

5th Floor, Alexandra House
18 Chater Road
Central
Hong Kong

