

# First State *Global Growth Funds*



March 2008

Dear Fellow Investors

The second half of 2007 took us on a rollercoaster ride as the unraveling of the US subprime issue triggered concerns of a global credit crunch. Volatility was the key word as markets all over the world grappled with the impact of the issue on not just the financial sector, but the economy as a whole. The US Federal Reserve and other central banks rushed to cut interest rates and inject liquidity into the financial system in a bid to restore balance. Most, if not all, of the gains from the first half of the year were erased.

Over the year, the US market underperformed while European markets on the whole turned in a strong performance on robust earnings growth and plentiful liquidity. In Asia, the MSCI Asia ex-Japan Index registered a return of 40.5% in US dollar terms over the year. India was the best performing market amidst strong economic growth momentum. Structural changes will continue to drive consumption growth and support investment spending. China also did well despite tightening measures aimed at cooling the economy. IPO activity remained strong with many new issues continuing to perform well in the aftermarket.

Commodities were a hot topic in 2007 as we witnessed record prices set for oil and gold. The oil price remains buoyant on strong demand, while gold (commonly regarded as a hedge against inflation) continues to rise on inflationary fears. Our **First State Global Resources** fund was aided by diversified miners such as BHP Billiton and Rio Tinto which rose with commodity prices. We remain positive on the long-term outlook for the sector which will be supported by firm global economic growth driven by China and India.

Our **First State Asia Innovation and Technology Fund** continued its winning streak as it picked up another award for its 3-year performance in The Edge-Lipper Singapore Fund Awards. We were also recognized as the 'Most Improved Retail Fund House' in Singapore by Asia Asset Management. This is a proud achievement as it signifies the trust that investors like yourself have in us despite the difficult environment we were operating in.

Into 2008, we expect volatility to continue as concerns about global demand and the sub-prime losses are likely to linger. It is particularly important to stick to our strict buy-sell discipline and focus on companies with growth opportunities which have not been recognized by the market.

On behalf of First State Investments, I would like to thank you for your continued support of our funds. If you have any questions pertaining to our funds, please contact our distributors or contact us through our Investor Services hotline at (65) 6580 1390 or email us at [info@firststate.com.sg](mailto:info@firststate.com.sg).

Yours faithfully



Lindsay Mann  
Regional Head, Asia

*Note: All performance returns are sourced from Lipper.*

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\* Eligible for CPFIS-OA investments

\*\* Eligible for both CPFIS-OA and SA investments

# Delisted from CPFIS with effect from 14 January 2008

^ Delisted from CPFIS with effect from 14 March 2008

*The CPF interest rate for the Ordinary Account (OA) is based on the 12-month fixed deposit and month-end savings rates of the major local banks. Under the CPF Act, the Board pays a minimum interest of 2.5% per annum when this interest formula yields a lower rate. From 1 Jan 2008, the new interest rate for the Special, Medisave and Retirement Accounts (SMRA) will be pegged to the yield of 10-year Singapore government bond plus 1%. For 2008 and 2009, the minimum interest rate for the SMRA will be 4.0% per annum. After 2009, the 2.5% per annum minimum interest rate, as prescribed by the CPF Act, will apply to the SMRA. In addition, from 1 January 2008, the CPF Board will pay an extra interest rate of 1% per annum on the first \$60,000 of a CPF member's combined balances, including up to \$20,000 in the OA. From 1 April 2008, the first \$20,000 in both the Ordinary and Special Accounts will not be allowed to be invested under the CPF Investment Scheme.*

**Annual Report for the financial year ended 31 December 2007**  
**First State Asia Innovation and Technology Fund**

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**MANAGER'S REPORT**

**for the period from 1 January to 31 December 2007**

**Historical performance\***

*in Singapore dollars*

	<b>Fund</b>	<b>Benchmark</b>
	<b>%</b>	<b>%</b>
3-mth	-4.8	-8.5
6-mth	1.1	-9.3
1-year	27.3	-4.8
3-year	22.3	5.0
5-year	17.1	10.5
Since Inception – 26 November 1999	-2.2	-5.8

*(Calculated since date of first valuation)*

Note : The Fund invests all or substantially all of its assets in the First State Asia Innovation and Technology Fund (a Dublin-domiciled fund) with effect from 18 October 2002.

The performance prior to 18 October 2002 is in relation to the Fund before its conversion to a feeder fund. Performance for 1 year and above has been annualised.

The benchmark of the Fund is the MSCI All Country Asia Information Technology Index. It was changed from MSCI All Country Asia-Pacific Index from 1 November 2001 due to the discontinuation of the MSCI All Country Asia-Pacific Index.

\* Source : Lipper, First State Investments. No initial charges with income reinvested in Singapore dollars.

## **MANAGER'S REPORT**

The Asian technology sector provided a positive return in 2007 with the MSCI AC Asia IT Index rising by 2.9% in US dollar terms. However, the sector significantly underperformed the MSCI AC Asia Pacific ex-Japan Index return of 37.2%.

The sector began the year on a subdued note following a strong fourth quarter in 2006 as investor sentiment became more cautious on concerns about rising inflation and the global economic outlook. Sentiment improved during the middle of the year as several new products were launched, including Sony's Playstation 3, Apple's iPhone, Nintendo's Wii console and the Vista operating system from Microsoft. However, demand continued to lag as the impact of the US subprime crisis had a direct impact on Asian exports.

The launch of Windows Vista was positive for the personal computer industry as it is expected to trigger a PC replacement cycle among consumers. The rising penetration of TFT LCD television as well as falling prices stimulated demand. Increased functionality in camera phones, handsets and MP3 players continued to drive growth in consumer electronics.

Performance was helped in particular by South Korean stocks **Seoul Semiconductor**, which gained from strong LED demand as well as new product launches; and materials producer **TK Corp**, which rose on strong capacity expansion in the petrochemical and shipbuilding industries. On the negative side, Taiwanese stock **Kinsus Interconnect** suffered from worries that global semiconductor demand would be negatively affected by a US economic slowdown; and **Samsung Electronics** declined due to an oversupply in memory chips.

Over the year, significant purchases included integrated circuit designers **Faraday** and **Mediatek**, as well as leading TFT LCD display manufacturer **LG Philips** which is benefiting from higher demand. We sold **Seoul Semiconductor** and **Alcor Micro Corp** as their valuations became stretched following a period of strong outperformance. We also sold **Samsung Techwin** as demand in the US declined.

### **Outlook**

The outlook for the technology sector is mixed with a number of positive and negative factors featuring. The US subprime crisis appears to be more serious than originally expected and is likely to lead to a slowdown in US consumption. This will adversely affect the Asian export industry, which is likely to impact the technology sector harder than others. However, further interest rate cuts by the Federal Reserve are expected and these may help revive the economy. Many technology companies have also diversified their product range and end markets and are less susceptible to a slowdown in one particular area.

**Annual Report for the financial year ended 31 December 2007**  
**First State Asia Innovation and Technology Fund**

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**DISTRIBUTION OF INVESTMENTS**  
**As at 31 December 2007**

	<b>Holdings</b>	<b>Market Value S\$</b>	<b>% of NAV</b>
<b>FIRST STATE ASIA INNOVATION AND TECHNOLOGY FUND</b>			
<b>Dublin</b>			
First State Asia Innovation and Technology Fund	2,429,503	95,624,277	99.7
Total investments		95,624,277	99.7
Other net assets		332,854	0.3
Total net assets attributable to unitholders		95,957,131	100.0

**Annual Report for the financial year ended 31 December 2007**  
**First State Asia Innovation and Technology Fund**

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**DISTRIBUTION OF INVESTMENTS (UNDERLYING FUND)**

	<b>Market Value S\$</b>	<b>% of NAV</b>
<b>Top 10 holdings (as at 31 December 2007)</b>		
Samsung Electronics Co Ltd	7,388,418	3.7
AU Optronics Corp	4,911,456	2.5
Shinsegae Co	4,861,048	2.5
China Merchants Hldgs Intl	4,693,493	2.4
Gamuda Bhd	4,527,647	2.3
LG Household & Health Care	4,436,408	2.3
Yuhan Corp	4,414,953	2.2
Epistar Corp	4,317,474	2.2
Taiwan Semiconductor Mfg Co Ltd	4,260,111	2.2
LG Philips LCD Co Ltd	4,214,790	2.1
<b>Top 10 holdings (as at 31 December 2006)</b>		
Samsung Electronics Co Ltd	5,988,875	7.6
Powertech Technology Inc	2,951,437	3.8
AU Optronics Corp	2,647,996	3.4
Everlight Electronics Co Ltd	2,518,650	3.2
Taiwan Semiconductor Mfg Co Ltd	2,431,289	3.1
TK Corp	2,272,535	2.9
Seoul Semiconductor Co Ltd	2,031,503	2.6
Shinsegae Co	1,945,955	2.5
Epistar Corp	1,808,044	2.3
MJC Probe Inc	1,769,721	2.3

**Annual Report for the financial year ended 31 December 2007**  
**First State Asia Innovation and Technology Fund**

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**DISCLOSURES**

**Subscriptions** S\$66,050,054

**Redemptions** S\$51,569,388

	<b>31 December 2007</b>	<b>31 December 2006</b>
<b>Portfolio Turnover</b> (Including that of the Underlying Fund)	82.0%	144.9%
<b>Expense Ratio**</b> (Including that of the Underlying Fund)	2.25%	2.25%

**Disclosures on the Underlying Fund**

<b>Portfolio Turnover</b>	82.1%	131.7%
<b>Expense Ratio**</b>	2.00%	2.02%

*\*\* In accordance with IMAS guidelines, expense ratio is stated on an annualised basis.*

The expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of other funds, tax deducted at source or arising out of income received and dividends and other distributions paid to unitholders.

## Annual Report for the financial year ended 31 December 2007 First State Asia Innovation and Technology Fund

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### Related Party Transactions

For the financial year ended 31 December 2007

Interest received from HSBC	S\$ 794
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### Bank balances outstanding with HSBC as at 31 December 2007

	S\$ equivalent
Singapore Dollar	33,150
United States Dollar	280,770

### Foreign exchange transacted with HSBC for the financial year ended 31 December 2007

<u>Purchases</u>		<u>Sales</u>	
Currency	Amount	Currency	Amount
Singapore Dollar	20,702,626	Singapore Dollar	31,303,044
United States Dollar	20,720,079	United States Dollar	13,843,616

### Others

As at 31 December 2007, the Fund did not hold any bonds, derivatives or other unit trusts, other than the First State Asia Innovation and Technology Fund Class I shares, constituting 99.7% of the Fund's Net Asset Value and at a market value of S\$95,624,277. In addition, the Fund did not hold any investment constituting more than 5% of a company's outstanding share capital and / or debt issue. The Fund did not have exposure to listed companies and its subsidiaries (including equity and debt securities, deposit placements and securities lending) exceeding 10% of its Net Asset Value. There were also no borrowings, outstanding currency forward contracts or material information that would adversely impact the valuation of the Fund.

The Irish Financial Services Regulatory Authority ("IFSRA"), the home regulator of the Underlying Fund – First State Asia Innovation and Technology Fund of First State Asia Innovation and Technology Fund approved the conversion of First State Asia Innovation and Technology Fund to UCITS III on 30 December 2005.

There are no significant changes, including any changes in the investment objective, policy and scope made to the First State Asia Innovation and Technology Fund after the conversion.

### Soft dollar commissions

In order to align with the policy of First State Investments internationally, the Investment Manager has ceased all of its soft dollar arrangements previously made with brokers with effect from 13 June 2005.

**Annual Report for the financial year ended 31 December 2007**  
**First State Asian Growth Fund**

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**MANAGER'S REPORT**  
**for the period from 1 January to 31 December 2007**

**Historical performance\***  
*in Singapore dollars*

	<b>Fund</b>	<b>Benchmark</b>
	<b>%</b>	<b>%</b>
3-mth	3.0	-2.2
6-mth	13.6	12.7
1-year	33.7	31.6
3-year	25.2	26.9
5-year	25.7	27.1
10-year	11.8	11.5
Since Inception – 10 October 1984	12.3	n.a

*(Calculated since date of first valuation)*

Note : The Fund invests all or substantially all of its assets in the First State Asian Growth Fund (a Dublin-domiciled fund) with effect from 18 October 2002.

The performance prior to 18 October 2002 is in relation to the Fund before its conversion to a feeder fund. Performance for 1 year and above has been annualised.

The benchmark of the Fund is the MSCI All Country Asia ex-Japan Index. It was changed from MSCI All Country Far East ex-Japan Index from 2 November 2005 in order to include India in the benchmark to be more consistent with the Fund's investment scope.

\* Source : Lipper. No initial charges with income reinvested in Singapore dollars.

## **MANAGER'S REPORT**

The Asia-ex Japan region outperformed global markets over the twelve month period to December 2007. The MSCI Asia ex-Japan Index rose 40.5% in US dollar terms, while the MSCI World Index increased 9.6% and the MSCI Emerging Markets Index 39.8%.

India was the best performing market over the year as investors continued to be attracted by the positive growth environment and high quality companies. China was also very strong as many new retail investors entered the market and initial public offerings (IPOs) performed well. Taiwan continued to underperform as technology stocks lagged on weak demand and investors became concerned that the market was vulnerable to a global economic slowdown in 2008.

At a sector level, Energy and Materials continued their long run of outperformance as investors anticipated that commodity prices would remain at higher levels for longer. Industrials and Telecom Services were also strong. On the negative side, Information Technology again underperformed as there was no significant rebound in demand for technology products, and Consumer Discretionary lagged on concerns about slower economic growth in 2008.

Fund performance was helped by our holdings in **IOI Corp** (Malaysia: Consumer Staples), which outperformed as the palm oil price continued to rally; and **Keppel Corp** (Singapore: Industrials), which rose on strong demand for offshore and marine capital equipment. **Hong Kong & China Gas** (Hong Kong: Utilities) gained strongly as investors became increasingly positive about the company's prospects in Mainland China; and **CNOOC** (China: Energy) outperformed as the price of oil continued to rally.

On the negative side, our holding in Malaysian pay television supplier **Astro All Asia Networks** hurt performance as the company's overseas investments were disappointing; and **E.Sun Financial** (Taiwan) underperformed on ongoing concerns about asset quality following the unsecured lending problems of the banking sector. Information technology stocks **Samsung Electronics** (South Korea) and **Taiwan Semiconductor** lagged as the demand outlook for technology products remained unclear.

Over the year, we purchased **Tenaga Nasional** (Utilities), a Malaysian electric utilities company implementing a much improved commercial strategy; and **Hindustan Unilever** (Consumer Staples), a solid Indian consumer company with a new management team. We sold **Hyundai Mobis** (South Korea: Consumer Discretionary) on corporate governance worries; and **Standard Chartered** (Hong Kong) as part of our strategy of reducing our exposure to the financials sector.

### **Outlook**

After five years of strong returns, we believe 2008 will be more challenging as markets are impacted by continuing concerns about global demand and subprime losses. Asia's ability to decouple from these conditions remains unclear. Inflationary pressures persist as food and energy prices continue to rise. We believe it is important to maintain our strict buy-sell discipline and continue to favour domestic consumption as a major theme, especially those companies with strong industry franchises which have significant pricing power. In light of global uncertainties, we are also focusing on companies with solid cash flow generation and attractive yields. We remain positive on the long-term outlook in absolute and relative terms.

**Annual Report for the financial year ended 31 December 2007**  
**First State Asian Growth Fund**

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**DISTRIBUTION OF INVESTMENTS**  
**As at 31 December 2007**

	<b>Holdings</b>	<b>Market Value S\$</b>	<b>% of NAV</b>
<b>FIRST STATE ASIAN GROWTH FUND</b>			
<b>Dublin</b>			
First State Asian Growth Fund	1,372,127	56,465,696	99.1
Total investments		56,465,696	99.1
Other net assets		534,528	0.9
Total net assets attributable to unitholders		57,000,224	100.0

**Annual Report for the financial year ended 31 December 2007**  
**First State Asian Growth Fund**

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**DISTRIBUTION OF INVESTMENTS (UNDERLYING FUND)**

	Market Value S\$	% of NAV
<b>Top 10 holdings (as at 31 December 2007)</b>		
Hong Kong & China Gas	15,105,471	5.9
Cheung Kong Hldgs Ltd	12,618,018	4.9
IOI Corp	11,202,068	4.4
Swire Pacific	11,070,734	4.3
Samsung Electronics Co Ltd	10,597,405	4.1
Hang Lung Group Ltd	9,627,138	3.7
Taiwan Semiconductor Mfg Co Ltd	9,354,537	3.6
China Resources Enterprise Ltd	9,067,375	3.5
Shinsegae Co	7,777,004	3.0
Tenaga Nasional	7,701,840	3.0
<b>Top 10 Holdings (as at 31 December 2006)</b>		
Keppel Corp Ltd	8,338,376	4.0
Oversea-Chinese Banking Corp	8,247,176	3.9
Cheung Kong Hldgs Ltd	7,715,423	3.7
IOI Corp	7,478,137	3.5
Samsung Electronics Co Ltd	7,375,479	3.5
China Resources Enterprise Ltd	7,150,778	3.4
Fraser & Neave Ltd	7,056,238	3.3
China Telecom Corp Ltd	6,873,729	3.3
Powertech Technology Inc	6,082,283	2.9
CNOOC Ltd	5,864,286	2.8

**Annual Report for the financial year ended 31 December 2007**  
**First State Asian Growth Fund**

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**DISCLOSURES**

**Subscriptions** S\$32,085,336

**Redemptions** S\$86,680,699

	<b>31 December 2007</b>	<b>31 December 2006</b>
<b>Portfolio Turnover</b> (Including that of the Underlying Fund)	60.7%	50.3%
<b>Expense Ratio**</b> (Including that of the Underlying Fund)	1.92%	1.94%

**Disclosures on the Underlying Fund**

<b>Portfolio Turnover</b>	60.4%	56.1%
<b>Expense Ratio**</b>	1.70%	1.74%

*\*\* In accordance with IMAS guidelines, expense ratio is stated on an annualised basis.*

The expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of other funds, tax deducted at source or arising out of income received and dividends and other distributions paid to unitholders.

## Annual Report for the financial year ended 31 December 2007

### First State Asian Growth Fund

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#### Related Party Transactions

For the financial year ended 31 December 2007

Interest received from HSBC	S\$ 979
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#### Bank balances outstanding with HSBC as at 31 December 2007

	S\$ equivalent
Singapore Dollar	182,932
United States Dollar	217,248

#### Foreign exchange transacted with HSBC for the financial year ended 31 December 2007

<u>Purchases</u>		<u>Sales</u>	
Currency	Amount	Currency	Amount
Singapore Dollar	64,412,984	Great Britain Pound	14
United States Dollar	5,604,690	Singapore Dollar	8,445,687
		United States Dollar	42,529,725

#### Others

As at 31 December 2007, the Fund did not hold any bonds, derivatives or other unit trusts, other than the First State Asian Growth Fund Class I shares, constituting 99.1% of the Fund's Net Asset Value and at a market value of S\$56,465,696. In addition, the Fund did not hold any investment constituting more than 5% of a company's outstanding share capital and / or debt issue. The Fund did not have exposure to listed companies and its subsidiaries (including equity and debt securities, deposit placements and securities lending) exceeding 10% of its Net Asset Value. There were also no borrowings, outstanding currency forward contracts or material information that would adversely impact the valuation of the Fund.

The Irish Financial Services Regulatory Authority ("IFSR"), the home regulator of the Underlying Fund – First State Asian Growth Fund of First State Asian Growth Fund approved the conversion of First State Asian Growth Fund to UCITS III on 30 December 2005.

There are no significant changes, including any changes in the investment objective, policy and scope made to the First State Asian Growth Fund after the conversion.

#### Soft dollar commissions

In order to align with the policy of First State Investments internationally, the Investment Manager has ceased all of its soft dollar arrangements previously made with brokers with effect from 13 June 2005.

**Annual Report for the financial year ended 31 December 2007**  
**First State Bridge**

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**MANAGER'S REPORT**  
**for the period from 1 January to 31 December 2007**

**Historical performance\***  
*in Singapore dollars*

	<b>Fund</b>	<b>Benchmark</b>
	<b>%</b>	<b>%</b>
3-mth	-1.3	-1.7
6-mth	2.4	4.8
1-year	12.9	13.5
3-year	12.1	13.9
Since Inception – 14 July 2003	13.4	12.2

*(Calculated since date of first valuation)*

Note : The Fund invests all or substantially all of its assets in the First State Asian Equity Plus Fund, a Dublin-domiciled fund (in relation to the equity portion) and the First State Asian Quality Bond Fund, a Dublin-domiciled fund (in relation to the fixed income portion).

Performance for 1 year and above has been annualised.

The benchmark of the Fund is a composite comprising 50% MSCI All Country Asia Pacific ex-Japan Index (Unhedged) and 50% JP Morgan Asia Credit Investment Grade Index (hedged to S\$).

\* Source : Lipper, First State Investments. No initial charges with income reinvested in Singapore dollars.

## **MANAGER'S REPORT**

Asian markets performed strongly again in 2007 with the MSCI Asia Pacific ex-Japan Index rising by 37.2% in US dollar terms, significantly outperforming the MSCI World Index which increased by 9.6%. Despite rising concerns about the impact of the credit crunch on the global economy, markets responded positively to interest rate cuts by the Federal Reserve and expectations of further reductions in 2008.

India was the best performing market over the year as investors continued to be attracted by the positive growth environment and high quality companies. China was also very strong as many new retail investors entered the market and initial public offerings (IPOs) performed well. Taiwan continued to underperform as technology stocks lagged on weak demand and investors became concerned that the market was vulnerable to a global economic slowdown in 2008.

Most Asian economies decoupled from a slowing US economy in 2007, continuing to improve their sovereign credit profiles. In particular, the credit ratings and/or outlook of China, India, Indonesia, Hong Kong, and South Korea were upgraded by Moody's and/or S&P. Rising domestic consumption, expanding infrastructure investment and booming trade among emerging countries sustained strong economic growth in Asia and in China in particular. Non-Japan Asian countries continued to record rising trade surpluses in 2007, leading to total foreign exchange reserves increasing by almost one-third. Asian banks remained robust with very small exposures to US subprime or CDO investments relative to their strong capital bases and liquidity positions.

US dollar Asian bonds, however, did not perform in line with strong macro-economic fundamentals in Asia, as their credit spreads were negatively impacted by the ripple effects from the US credit market turmoil. The credit spread of JACI Index widened by 116 basis points (bps) to 236 bps in 2007.

### **Outlook**

After five years of strong returns, we believe 2008 will be more challenging as markets are impacted by continuing concerns about global demand and subprime losses. We believe it is important to maintain our strict buy-sell discipline. We continue to favour domestic consumption as a major theme, especially those companies with strong industry franchises which have significant pricing power. In light of global uncertainties, we are also focusing on companies with solid cash flow generation and attractive yields.

Asian credit spreads which were negatively impacted by selling pressure from the US credit turmoil, have retraced to levels last seen in 2001 and 2002 when Asia was still suffering from the negative effects of the Asian financial crisis. The strong economic and credit improvements in Asia over the last five years have been disregarded by the market and as a result Asian credits are currently offering attractive yields. Looking ahead, we expect solid Asian macro-economic fundamentals to return to centre-stage and sustain a recovery in the Asian US dollar bond market in 2008.

**Annual Report for the financial year ended 31 December 2007**  
**First State Bridge**

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**DISTRIBUTION OF INVESTMENTS**  
**As at 31 December 2007**

	<b>Holdings</b>	<b>Market Value S\$</b>	<b>% of NAV</b>
<b>FIRST STATE BRIDGE</b>			
<b>Dublin</b>			
First State Asian Equity Plus Fund	13,369,968	624,024,260	50.8
First State Asian Quality Bond Fund	35,435,508	595,179,363	48.5
Total investments		1,219,203,623	99.3
Other net assets		9,002,912	0.7
Total net assets attributable to unitholders		<u>1,228,206,535</u>	<u>100.0</u>

**Annual Report for the financial year ended 31 December 2007**  
**First State Bridge**

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**DISTRIBUTION OF INVESTMENTS (UNDERLYING FUNDS)**

	Market Value S\$	% of NAV
<b>Top 10 holdings (as at 31 December 2007)</b>		
<b>Equities</b>		
Wesfarmers Ltd	63,286,690	3.1
Taiwan Semiconductor Mfg Co Ltd	53,667,463	2.6
Cheung Kong Hldgs Ltd	53,091,916	2.6
Singapore Telecommunications	51,203,910	2.5
Hang Lung Group Ltd	47,717,119	2.4
Wing Hang Bank Ltd	44,697,689	2.2
Hopewell Highway Infrastructure Ltd	44,602,788	2.2
Jardine Matheson Hldgs Ltd	44,226,160	2.2
Oversea-Chinese Banking Corp	43,884,859	2.2
Chunghwa Telecom Co Ltd	41,587,672	2.1

**Fixed Income**

Gain Silver Finance 6.375% 25/08/2016	23,542,222	4.0
Singapore Treasury Bill 0% 31/01/2008	22,581,965	3.8
Shinhan Bank 6.819% VRN 20/09/2036	20,045,684	3.4
Woori Bank 6.208% VRN 02/05/2037	18,831,065	3.2
Goldman Sachs 6.25% 01/09/2017	16,977,949	2.9
Gazprombank 6.5% 23/09/2015	16,904,538	2.8
Malaysian T-Bill 0% 08/05/2008	16,886,366	2.8
Morgan Stanley 6.125% 28/08/2017	16,754,843	2.8
United Overseas Bank 5.375% 03/09/19	15,276,672	2.6
Singapore (Govt) 1.5% 01/04/2008	15,064,896	2.5

**Top 10 holdings (as at 31 December 2006)**

**Equities**

Toll Hldgs Ltd	24,911,607	2.6
Oversea-Chinese Banking Corp	24,467,515	2.6
HSBC Hldgs Plc	22,904,984	2.4
Li & Fung Ltd	21,155,671	2.2
Philippine Long Distance Telephone	19,562,603	2.1
Housing Development Finance Corp	19,548,429	2.1
PTT Pcl	18,619,710	2.0
Brambles Ltd	18,417,920	2.0
Fraser & Neave Ltd	17,434,385	1.9
Hopewell Highway Infrastructure Ltd	17,288,321	1.8

**Annual Report for the financial year ended 31 December 2007**  
**First State Bridge**

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**DISTRIBUTION OF INVESTMENTS (UNDERLYING FUNDS)**

	Market Value S\$	% of NAV
<b>Top 10 holdings (as at 31 December 2006) (continued)</b>		
<b>Fixed Income</b>		
Hutchison Whampoa Intl Ltd (Reg S) 7.45% 24/11/2033	16,868,609	7.6
Bangkok Bank Pub Co (Hk) 9.025% 15/03/2029 (Reg S)	8,441,133	3.8
Shimao Property Hldgs Ltd (Reg S) 8% 01/12/2016	7,899,829	3.6
Shimao Property Hldgs Ltd (Reg S) (Reg) Frn 01/12/2011	6,961,800	3.2
Gazprombank (Br) 6.5% 23/09/2015	6,795,607	3.1
CMHI Finance Cayman Inc (Reg S) 5.375% 09/03/2015	6,215,450	2.8
Chartered Semiconductor (Reg) 6.375% 03/08/2015	6,174,898	2.8
Southern Bank Var 30/06/2014	5,731,030	2.6
RSHB Capital (Reg) Stp 21/09/2016	5,559,960	2.5
Kuznetski (B Of Moscow) (Reg) Stp 25/11/2015	5,522,044	2.5

**Annual Report for the financial year ended 31 December 2007**  
**First State Bridge**

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**DISCLOSURES**

<b>Subscriptions</b>	S\$1,034,105,852
<b>Redemptions</b>	S\$318,703,366

	<b>31 December 2007</b>	<b>31 December 2006</b>
<b>Portfolio Turnover</b> (Including that of the Underlying Funds)	158.0%	119.2%
<b>Expense Ratio**</b> (Including that of the Underlying Funds)	1.60%	1.61%

**Disclosures on the Underlying Funds**

<b>Portfolio Turnover</b>		
First State Asian Equity Plus Fund	52.3%	73.2%
First State Asian Quality Bond Fund	270.9%	62.4%
<b>Expense Ratio**</b>		
First State Asian Equity Plus Fund	1.67%	1.74%
First State Asian Quality Bond Fund	1.16%	1.16%

*\*\* In accordance with IMAS guidelines, expense ratio is stated on an annualised basis.*

The expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of other funds, tax deducted at source or arising out of income received and dividends and other distributions paid to unitholders.

## Annual Report for the financial year ended 31 December 2007

### First State Bridge

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#### Related Party Transactions

For the financial year ended 31 December 2007

Interest received from HSBC	S\$ 8,348
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#### Bank balances outstanding with HSBC as at 31 December 2007

	S\$ equivalent
Singapore Dollar	6,699,013
United States Dollar	1,124,160

#### Foreign exchange transacted with HSBC for the financial year ended 31 December 2007

<u>Purchases</u>		<u>Sales</u>	
Currency	Amount	Currency	Amount
Singapore Dollar	1,844,566,354	Singapore Dollar	2,136,751,077
United States Dollar	1,428,857,585	United States Dollar	1,239,098,201

#### Others

As at 31 December 2007, the Fund did not hold any bonds, derivatives or other unit trusts, other than the First State Asian Quality Bond Fund Class I shares (constituting 48.5% of the Fund's Net Asset Value and at a market value of S\$595,179,363) and First State Asian Equity Plus Fund Class I shares (constituting 50.8% of the Fund's Net Asset Value and at a market value of S\$624,024,260). In addition, the Fund did not hold any investment constituting more than 5% of a company's outstanding share capital and / or debt issue. The Fund did not have exposure to listed companies and its subsidiaries (including equity and debt securities, deposit placements and securities lending) exceeding 10% of its Net Asset Value. There were also no borrowings, outstanding currency forward contracts or material information that would adversely impact the valuation of the Fund.

The Irish Financial Services Regulatory Authority ("IFSRA"), the home regulator of the Underlying Funds - First State Asian Equity Plus Fund and First State Asian Quality Bond Fund of First State Bridge approved the conversion of First State Asian Equity Plus Fund and First State Asian Quality Bond Fund to UCITS III on 30 December 2005.

There are no significant changes, including any changes in the investment objective, policy and scope made to the First State Asian Equity Plus Fund and First State Asian Quality Bond Fund after the conversion.

#### Soft dollar commissions

In order to align with the policy of First State Investments internationally, the Investment Manager has ceased all of its soft dollar arrangements previously made with brokers with effect from 13 June 2005.

**Annual Report for the financial year ended 31 December 2007**  
**First State Dividend Advantage**

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**MANAGER'S REPORT**  
**for the period from 1 January to 31 December 2007**

**Historical performance\***  
*in Singapore dollars*

	<b>Fund</b>	<b>Benchmark</b>
	<b>%</b>	<b>%</b>
3-mth	-2.2	-3.5
6-mth	4.9	9.0
1-year	26.6	28.5
3-year	22.6	24.9
Since Inception – 20 December 2004 <i>(Calculated since date of first valuation)</i>	22.9	25.7

Note : The Fund invests all or substantially all of its assets in the First State Asian Equity Plus Fund, a Dublin-domiciled fund.

Performance for 1 year and above has been annualised.

The benchmark of the Fund is the MSCI All Country Asia Pacific ex-Japan Index.

\* Source : Lipper. No initial charges with income reinvested in Singapore dollars.

## Annual Report for the financial year ended 31 December 2007

### First State Dividend Advantage

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#### MANAGER'S REPORT

Asian markets performed strongly again in 2007 with the MSCI Asia Pacific ex-Japan Index rising by 37.2% in US dollar terms, significantly outperforming the MSCI World Index which increased by 9.6%. Despite rising concerns about the impact of the credit crunch on the global economy, markets responded positively to interest rate cuts by the Federal Reserve and expectations of further reductions in 2008.

India was the best performing market over the year as investors continued to be attracted by the positive growth environment and high quality companies. China was also very strong as many new retail investors entered the market and initial public offerings (IPOs) performed well. Taiwan continued to underperform as technology stocks lagged on weak demand and investors became concerned that the market was vulnerable to a global economic slowdown in 2008.

At a sector level, Energy and Materials continued their long run of outperformance as investors anticipated that commodity prices would remain at higher levels for longer. Industrials and Telecom Services were also strong. On the negative side, Information Technology again underperformed as there was no significant rebound in demand for technology products, and Consumer Discretionary lagged on concerns about slower economic growth in 2008.

Performance was positively impacted by oil and gas companies **CNOOC** (China) and **PTT** (Thailand) which rose strongly as the oil price approached \$100 per barrel by year end. **IOI Corp** (Malaysia: Consumer Staples) outperformed as the palm oil price continued to rally. On the negative side, **E.Sun Financial** (Taiwan) underperformed on ongoing concerns about asset quality following unsecured lending problems in the banking sector; and **Advantech** (Taiwan: Information Technology) lagged with the technology sector as the demand outlook remained unclear.

Significant new purchases over the year included **Singapore Telecom**, which is growing earnings from its investments in emerging market telecom companies and has strong cash generation from businesses in Australia and Singapore. We also purchased **Jardine Matheson** (Hong Kong), which has a quality domestic consumption franchise; and **Swire Pacific** (Hong Kong: Financials) which should benefit from further falls in US interest rates. We sold a number of holdings in the Financials sector to reduce exposure including **HSBC** (Hong Kong), **Standard Chartered** (China) and **Link REIT** (Hong Kong: Financials).

#### Outlook

After five years of strong returns, we believe 2008 will be more challenging as markets are impacted by continuing concerns about global demand and subprime losses. We believe it is important to maintain our strict buy-sell discipline. We continue to favour domestic consumption as a major theme, especially those companies with strong industry franchises which have significant pricing power. In light of global uncertainties, we are also focusing on companies with solid cash flow generation and attractive yields.

**Annual Report for the financial year ended 31 December 2007**  
**First State Dividend Advantage**

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**DISTRIBUTION OF INVESTMENTS**  
**As at 31 December 2007**

	<b>Holdings</b>	<b>Market Value S\$</b>	<b>% of NAV</b>
<b>FIRST STATE DIVIDEND ADVANATGE</b>			
<b>Dublin</b>			
First State Asian Equity Plus Fund	16,170,922	754,754,813	98.7
Total investments		<hr/> 754,754,813	<hr/> 98.7
Other net assets		9,739,509	1.3
Total net assets attributable to unitholders		<hr/> 764,494,322	<hr/> 100.0

**Annual Report for the financial year ended 31 December 2007**  
**First State Dividend Advantage**

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**DISTRIBUTION OF INVESTMENTS (UNDERLYING FUND)**

	Market Value S\$	% of NAV
<b>Top 10 holdings (as at 31 December 2007)</b>		
Wesfarmers Ltd	63,286,690	3.1
Taiwan Semiconductor Mfg Co Ltd	53,667,463	2.6
Cheung Kong Hldgs Ltd	53,091,916	2.6
Singapore Telecommunications	51,203,910	2.5
Hang Lung Group Ltd	47,717,119	2.4
Wing Hang Bank Ltd	44,697,689	2.2
Hopewell Highway Infrastructure Ltd	44,602,788	2.2
Jardine Matheson Hldgs Ltd	44,226,160	2.2
Oversea-Chinese Banking Corp	43,884,859	2.2
Chunghwa Telecom Co Ltd	41,587,672	2.1
<b>Top 10 holdings (as at 31 December 2006)</b>		
Toll Hldgs Ltd	24,911,607	2.6
Oversea-Chinese Banking Corp	24,467,515	2.6
HSBC Hldgs Plc	22,904,984	2.4
Li & Fung Ltd	21,155,671	2.2
Philippine Long Distance Telephone	19,562,603	2.1
Housing Development Finance Corp	19,548,429	2.1
PTT Pcl	18,619,710	2.0
Brambles Ltd	18,417,920	2.0
Fraser & Neave Ltd	17,434,385	1.9
Hopewell Highway Infrastructure Ltd	17,288,321	1.8

**Annual Report for the financial year ended 31 December 2007**  
**First State Dividend Advantage**

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**DISCLOSURES**

**Subscriptions** S\$553,522,471

**Redemptions** S\$295,028,889

	<b>31 December 2007</b>	<b>31 December 2006</b>
<b>Portfolio Turnover</b> (Including that of the Underlying Fund)	52.4%	124.9%
<b>Expense Ratio**</b> (Including that of the Underlying Fund)	1.88%	1.88%

**Disclosures on the Underlying Fund**

<b>Portfolio Turnover</b>	52.3%	73.2%
<b>Expense Ratio**</b>	1.67%	1.74%

*\*\* In accordance with IMAS guidelines, expense ratio is stated on an annualised basis.*

The expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of other funds, tax deducted at source or arising out of income received and dividends and other distributions paid to unitholders.

## Annual Report for the financial year ended 31 December 2007

### First State Dividend Advantage

#### Related Party Transactions

##### Bank balances outstanding with HSBC as at 31 December 2007

	S\$ equivalent
Singapore Dollar	2,629,699
United States Dollar	722,224

##### Foreign exchange transacted with HSBC for the financial year ended 31 December 2007

<u>Purchases</u>		<u>Sales</u>	
Currency	Amount	Currency	Amount
Singapore Dollar	59,776,771	Singapore Dollar	253,051,831
United States Dollar	168,411,000	United States Dollar	39,575,339

#### Others

As at 31 December 2007, the Fund did not hold any bonds, derivatives or other unit trusts, other than the First State Asian Equity Plus Fund Class I shares (Dist), constituting 98.7% of the Fund's Net Asset Value and at a market value of S\$754,754,813. In addition, the Fund did not hold any investment constituting more than 5% of a company's outstanding share capital and / or debt issue. The Fund did not have exposure to listed companies and its subsidiaries (including equity and debt securities, deposit placements and securities lending) exceeding 10% of its Net Asset Value. There were also no borrowings, outstanding currency forward contracts or material information that would adversely impact the valuation of the Fund.

The Irish Financial Services Regulatory Authority ("IFSRA"), the home regulator of the Underlying Fund – First State Asian Equity Plus Fund of First State Dividend Advantage approved the conversion of First State Asian Equity Plus Fund to UCITS III on 30 December 2005.

There are no significant changes, including any changes in the investment objective, policy and scope made to the First State Asian Equity Plus Fund after the conversion.

#### Soft dollar commissions

In order to align with the policy of First State Investments internationally, the Investment Manager has ceased all of its soft dollar arrangements previously made with brokers with effect from 13 June 2005.

**Annual Report for the financial year ended 31 December 2007**  
**First State GEM Leaders**

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**MANAGER'S REPORT**  
**for the period from 1 January to 31 December 2007**

**Historical performance\***  
*in Singapore dollars*

	<b>Fund</b>	<b>Benchmark</b>
	<b>%</b>	<b>%</b>
3-mth	0.6	0.5
6-mth	5.4	11.7
1-year	21.1	30.9
3-year	23.4	30.0
Since Inception – 5 July 2004	24.5	32.5

*(Calculated since date of first valuation)*

Note : The Fund invests all or substantially all of its assets in the First State Global Emerging Markets Leaders Fund (a sub-fund of the England and Wales domiciled umbrella fund known as First State Investments ICVC).

Performance for 1 year and above has been annualised.

The benchmark of the Fund is the MSCI Emerging Markets Index.

\* Source : Lipper. No initial charges with income reinvested in Singapore dollars.

## **MANAGER'S REPORT**

Emerging markets again provided very positive returns in 2007 with the MSCI Emerging Markets Index rising 39.8% in US dollar terms, significantly outperforming the MSCI World Index which rose by 9.6%.

Latin America was again the strongest performing region driven in particular by stellar performance by Brazil which benefited from positive economic fundamentals and strong commodity prices. Asian markets also performed strongly as China and India rose on buoyant investor confidence about growth prospects. The technology heavy market of Taiwan lagged as the demand outlook for IT products remained unclear. EMEA underperformed as both Russia and South Africa were subdued on rising political concerns.

At a sector level, Energy and Materials continued to outperform as the oil price and other commodities remained strong. Telecom Services again performed well as investors sought stocks with earnings security. Information Technology was the worst performing sector as a pick-up in demand failed to come through.

Performance was positively impacted by **Hong Kong & China Gas** (Hong Kong: Utilities) which gained strongly as investors became increasingly positive about the company's prospects in Mainland China; and **IOI Corp** (Malaysia: Consumer Staples) which rose as the palm oil price continued to rally. On the negative side, **E.Sun Financial** (Taiwan) underperformed on ongoing concerns about asset quality following the unsecured lending problems of the banking sector and **Cosan** (Brazil: Materials) lagged on falling sugar prices.

Significant new purchases over the year included **Hong Kong & China Gas**, a leading Hong Kong-based gas distributor building an impressive business in Mainland China, which will deliver significant value for shareholders in the medium term. We also bought **Taiwan Semiconductor** (Information Technology) as a meeting with management confirmed that its profitability is likely to rise significantly in the next few years; and **Hindustan Unilever**, a solid Indian consumer franchise with a new management team. Major sales included oil and gas stocks **Petrobras** (Brazil), **PTT** (Thailand) and **Bumiputra-Commerce** (Malaysia: Financials) as they all reached valuation targets.

### **Outlook**

Volatility is likely to continue until further clarity emerges on the impact of the credit crunch on the global economy. On the back of surging commodity prices, cyclical stocks trading on high valuations remain vulnerable to uncertainty about end-demand. Inflationary pressures persist as food and energy prices continue to rise. Many emerging market policy makers are aware of the inflationary threat but it could prove difficult to control. We continue to question whether risks are being priced into current world stock market valuations. However, the long-term outlook for the asset class is positive in absolute and relative terms. Emerging markets continue to offer high levels of economic growth and an increasing number of well-managed companies focused on long-term shareholder value.

**Annual Report for the financial year ended 31 December 2007**  
**First State GEM Leaders**

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**DISTRIBUTION OF INVESTMENTS**  
**As at 31 December 2007**

	<b>Holdings</b>	<b>Market Value S\$</b>	<b>% of NAV</b>
<b>FIRST STATE GEM LEADERS</b>			
<b>England and Wales</b>			
First State Global Emerging Markets Leaders Fund	2,443,097	16,495,768	99.2
Total investments		16,495,768	99.2
Other net assets		135,206	0.8
Total net assets attributable to unitholders		16,630,974	100.0

**Annual Report for the financial year ended 31 December 2007**  
**First State GEM Leaders**

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**DISTRIBUTION OF INVESTMENTS (UNDERLYING FUND)**

	Market Value S\$	% of NAV
<b>Top 10 holdings (as at 31 December 2007)</b>		
Hong Kong & China Gas	50,116,063	6.1
AngloGold Ashanti	38,861,481	4.8
InBev NV	33,689,093	4.1
Hindustan Unilever	33,100,864	4.0
LUKOIL Hldgs	30,826,686	3.8
Taiwan Semiconductor Mfg Co Ltd	28,066,981	3.4
Samsung Electronics Co Ltd	27,963,062	3.4
IOI Corp	24,359,303	3.0
Chunghwa Telecom Co Ltd	23,997,994	2.9
Genting Bhd	23,245,688	2.8
<b>Top 10 holdings (as at 31 December 2006)</b>		
China Telecommunications Corp	28,951,899	5.2
Genting Bhd	24,940,065	4.4
Interbrew	22,976,980	4.1
AngloGold Ashanti	22,189,807	4.0
China Resources Enterprise	19,821,064	3.5
Petroleo Brasil	16,795,775	3.0
IOI Corp	16,407,607	2.9
Samsung Electronics Co Ltd	13,979,042	2.5
Delta Electronics	13,268,664	2.4
PTT Pcl	13,016,073	2.3

**Annual Report for the financial year ended 31 December 2007**  
**First State GEM Leaders**

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**DISCLOSURES**

<b>Subscriptions</b>	S\$17,433,074
<b>Redemptions</b>	S\$19,570,706

	<b>31 December 2007</b>	<b>31 December 2006</b>
<b>Portfolio Turnover</b> (Including that of the Underlying Fund)	87.6%	77.9%
<b>Expense Ratio**</b> (Including that of the Underlying Fund)	1.89%	1.80%

**Disclosures on the Underlying Fund**

<b>Portfolio Turnover</b>	87.6%	58.7%
<b>Expense Ratio**</b>	1.58%	1.63%

*\*\* In accordance with IMAS guidelines, expense ratio is stated on an annualised basis.*

The expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of other funds, tax deducted at source or arising out of income received and dividends and other distributions paid to unitholders.

## Annual Report for the financial year ended 31 December 2007

### First State GEM Leaders

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#### Related Party Transactions

##### Bank balances outstanding with HSBC as at 31 December 2007

	S\$ equivalent
Great Britian Pound	28,106
Singapore Dollar	80,432
United States Dollar	6,902

##### Foreign exchange transacted with HSBC for the financial year ended 31 December 2007

<u>Purchases</u>		<u>Sales</u>	
Currency	Amount	Currency	Amount
Great Britian Pound	1,925,026	Great Britian Pound	2,640,392
Singapore Dollar	7,883,996	Singapore Dollar	6,264,932
United States Dollar	506,096	United States Dollar	200,895

#### Others

As at 31 December 2007, the Fund did not hold any bonds, derivatives or other unit trusts, other than the First State Global Emerging Markets Leaders Fund Class A shares, constituting 99.2% of the Fund's Net Asset Value and at a market value of S\$16,495,768. In addition, the Fund did not hold any investment constituting more than 5% of a company's outstanding share capital and / or debt issue. The Fund did not have exposure to listed companies and its subsidiaries (including equity and debt securities, deposit placements and securities lending) exceeding 10% of its Net Asset Value. There were also no borrowings, outstanding currency forward contracts or material information that would adversely impact the valuation of the Fund.

#### Soft dollar commissions

In order to align with the policy of First State Investments internationally, the Investment Manager has ceased all of its soft dollar arrangements previously made with brokers with effect from 13 June 2005.

**Annual Report for the financial year ended 31 December 2007**  
**First State Global 100 Growth Fund**

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**MANAGER'S REPORT**  
**for the period from 1 January to 31 December 2007**

**Historical performance\***  
*in Singapore dollars*

	<b>Fund</b>	<b>Benchmark</b>
	<b>%</b>	<b>%</b>
3-mth	-1.4	-5.3
6-mth	-2.5	-5.8
1-year	7.6	2.8
3-year	8.2	8.6
5-year	9.6	13.2
Since Inception – 24 August 1998	3.1	3.9

*(Calculated since date of first valuation)*

Note : The Fund invests all or substantially all of its assets in the First State Global 100 Fund (a Dublin-domiciled fund) with effect from 18 October 2002.

The performance prior to 18 October 2002 is in relation to the Fund before its conversion to a feeder fund. Performance for 1 year and above has been annualised.

The benchmark of the Fund is the MSCI World Index.

\* Source : Lipper. No initial charges with income reinvested in Singapore dollars.

## **MANAGER'S REPORT**

Global markets performed reasonably in 2007 with the MSCI World Index rising by 9.6% in US dollar terms. Investors were concerned about the impact of the credit crunch on the global economy, but heartened by interest rate cuts by the Federal Reserve and expectations of further reductions in 2008.

The US market underperformed as the housing sector deteriorated and the subprime debacle disrupted credit markets. Investors became increasingly pessimistic about the outlook for the US economy in 2008. European markets performed very strongly, in particular Germany, on robust earnings growth and plentiful liquidity, while the UK lagged slightly on concerns about the housing market and inflationary pressures. Japan was a significant underperformer as the economy continued to disappoint.

At a sector level, Energy and Materials outperformed strongly as the oil price approached \$100 per barrel and investors anticipated that commodity prices would remain at high levels for a longer period. The Financials sector underperformed significantly on asset quality concerns following the subprime problems.

Performance was helped by our position in **Vestas Wind Systems** (Europe: Industrials) which rose significantly as the company announced a series of new orders for wind turbines. US footwear company **Crocs** outperformed strongly as earnings growth estimates continued to be upgraded. On the negative side, **Roche** (Europe: Health Care) lagged following the delay of approval for a cancer drug; and **Symantec** (US: Information Technology) on concerns about its products and marketing strategy.

Significant new positions over the year included construction company **Shaw Group** which specialises in power station construction and should benefit from the need for new capacity in the US. **EFG Eurobank** (Greece) was bought for its relatively defensive earnings profile within the banking sector. Significant sales included global banking group **HSBC**, which had outperformed its sector and we believed there was better relative value elsewhere; and **Puma** (Europe: Consumer Discretionary) which reached our valuation target.

### **Outlook**

Volatility is likely to continue until further clarity emerges about the impact of the credit crunch on the global economy. An economic slowdown is expected in 2008, the depth and duration of which will depend largely on policy responses in the US and Europe, and the ability of the rest of world to decouple from the US. Weakness in the US housing sector and the impact on the overall economy will be closely monitored. We maintain our bottom-up approach focused on finding companies with growth opportunities which have not been recognised by the market. We believe that despite a difficult environment we will be able to identify stocks which will perform well.

**Annual Report for the financial year ended 31 December 2007**  
**First State Global 100 Growth Fund**

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**DISTRIBUTION OF INVESTMENTS**  
**As at 31 December 2007**

	<b>Holdings</b>	<b>Market Value S\$</b>	<b>% of NAV</b>
<b>FIRST STATE GLOBAL 100 GROWTH FUND</b>			
<b>Dublin</b>			
First State Global 100 Fund	3,815,570	46,603,567	99.3
Total investments		46,603,567	99.3
Other net assets		322,265	0.7
Total net assets attributable to unitholders		46,925,832	100.0

**Annual Report for the financial year ended 31 December 2007**  
**First State Global 100 Growth Fund**

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**DISTRIBUTION OF INVESTMENTS (UNDERLYING FUND)**

	Market Value S\$	% of NAV
<b>Top 10 holdings (as at 31 December 2007)</b>		
Nintendo Co Ltd	2,502,626	2.8
Vestas Wind Systems	2,203,764	2.5
Shaw Group	1,977,938	2.2
EFG Eurobank	1,953,508	2.2
SPX	1,900,366	2.1
Precision Castparts Corp	1,767,029	2.0
Henderson Land Development	1,742,953	2.0
Assurant Inc	1,741,059	2.0
DaimlerChrysler AG	1,698,199	1.9
E. ON	1,632,703	1.8
<b>Top 10 holdings (as at 31 December 2006)</b>		
AXA Ltd	2,864,458	2.7
Bank of America Corp	2,802,974	2.6
HSBC Hldgs Plc	2,794,961	2.6
BNP Paribas	2,720,863	2.6
Chevron Corp	2,683,847	2.5
Puma AG	2,636,922	2.5
Intercontinental Hotels Group	2,542,174	2.4
Telenor Asa	2,508,608	2.4
Royal Bank of Scotland Group Plc	2,423,661	2.3
Exelon Corp	2,246,449	2.1

**Annual Report for the financial year ended 31 December 2007**  
**First State Global 100 Growth Fund**

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**DISCLOSURES**

<b>Subscriptions</b>	S\$1,176,810
<b>Redemptions</b>	S\$21,472,116

	<b>31 December 2007</b>	<b>31 December 2006</b>
<b>Portfolio Turnover</b> (Including that of the Underlying Fund)	184.6%	67.3%
<b>Expense Ratio**</b> (Including that of the Underlying Fund)	2.04%	2.19%
<b>Expense Ratio***</b> (Including that of the Underlying Fund)	1.88%	N.A

**Disclosures on the Underlying Fund**

<b>Portfolio Turnover</b>	185.5%	80.5%
<b>Expense Ratio**</b>	1.68%	1.72%

\*\* *In accordance with IMAS guidelines, expense ratio is stated on an annualised basis.*

\*\*\* *As requested by CPF Board, the Manager has performed a special audit on the 6-month annualised expense ratio for the period 1 July 2007 to 31 December 2007.*

The expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of other funds, tax deducted at source or arising out of income received and dividends and other distributions paid to unitholders.

## Annual Report for the financial year ended 31 December 2007

### First State Global 100 Growth Fund

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#### Related Party Transactions

##### Bank balances outstanding with HSBC as at 31 December 2007

	S\$ equivalent
Singapore Dollar	122,488
United States Dollar	92,835

##### Foreign exchange transacted with HSBC for the financial year ended 31 December 2007

<u>Purchases</u>		<u>Sales</u>	
Currency	Amount	Currency	Amount
Singapore Dollar	20,037,021	Singapore Dollar	13,309,892

#### Others

As at 31 December 2007, the Fund did not hold any bonds, derivatives or other unit trusts, other than the First State Global 100 Fund Class I shares, constituting 99.3% of the Fund's Net Asset Value and at a market value of S\$46,603,567. In addition, the Fund did not hold any investment constituting more than 5% of a company's outstanding share capital and / or debt issue. The Fund did not have exposure to listed companies and its subsidiaries (including equity and debt securities, deposit placements and securities lending) exceeding 10% of its Net Asset Value. There were also no borrowings, outstanding currency forward contracts or material information that would adversely impact the valuation of the Fund.

The Irish Financial Services Regulatory Authority ("IFSRA"), the home regulator of the Underlying Fund – First State Global 100 Fund of First State Global 100 Growth Fund approved the conversion of First State Global 100 Fund to UCITS III on 30 December 2005.

There are no significant changes, including any changes in the investment objective, policy and scope made to the First State Global 100 Fund after the conversion.

#### Soft dollar commissions

In order to align with the policy of First State Investments internationally, the Investment Manager has ceased all of its soft dollar arrangements previously made with brokers with effect from 13 June 2005.

# Annual Report for the financial year ended 31 December 2007

## First State Global Balanced Fund

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### MANAGER'S REPORT

#### for the period from 1 January to 31 December 2007

#### Historical performance\*

*in Singapore dollars*

	Fund	Benchmark
	%	%
3-mth	-0.4	-3.7
6-mth	0.5	-2.1
1-year	6.4	2.9
3-year	4.3	4.5
5-year	6.9	9.0
Since Inception – 4 January 1999	2.9	4.1

*(Calculated since date of first valuation)*

Note : The Fund invests all or substantially all of its assets in the First State Global 100 Fund, a Dublin-domiciled fund (in relation to the equity portion) and the First State Global Bond Fund, a Dublin-domiciled fund (in relation to the fixed income portion) with effect from 18 October 2002.

The performance prior to 18 October 2002 is in relation to the Fund before its conversion to a feeder fund. Performance for 1 year and above has been annualised.

The benchmark of the Fund is a composite comprising 60% MSCI World Index and 40% Citigroup World Government Bond Index<sup>#</sup> (Unhedged). It was changed from a composite comprising 50% MSCI World Index and 50% Citigroup World Government Bond Index<sup>#</sup> (Unhedged) with effect from 1 January 2002 to reflect a change in the Fund's allocation policy.

The First State Global Balanced Fund was previously known as the "Fortune Fund" with original inception date of 13 March 1995. With the liberalisation of the CPF investment guidelines in 1998, and our communication to all unitholders, the "Fortune Fund" changed its investment objective and strategy from an Asia-focused strategy to a global balanced strategy with effect from 4 January 1999.

<sup>#</sup> *Previously known as Salomon Smith Barney World Government Bond Index and was renamed Citigroup World Government Bond Index with effect from 14 April 2003.*

\* *Source : Lipper, First State Investments. No initial charges with income reinvested in Singapore dollars.*

## **Annual Report for the financial year ended 31 December 2007**

### **First State Global Balanced Fund**

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#### **MANAGER'S REPORT**

Global markets performed reasonably in 2007 with the MSCI World Index rising by 9.6% in US dollar terms. Investors were concerned about the impact of the credit crunch on the global economy, but heartened by interest rate cuts by the Federal Reserve and expectations of further reductions in 2008.

The US market underperformed as the housing sector deteriorated and the subprime debacle disrupted credit markets. Investors became increasingly pessimistic about the outlook for the US economy in 2008. European markets performed very strongly, in particular Germany, on robust earnings growth and plentiful liquidity, while the UK lagged slightly on concerns about the housing market and inflationary pressures. Japan was a significant underperformer as the economy continued to disappoint.

Government bond markets benefited from a flight to less risky assets as the subprime debacle in the US precipitated a global credit crunch and raised concerns of a significant economic slowdown.

The benchmark 10-year Treasury bond yield began the year at 4.71% and over the first half of the year, reasonably strong economic data pushed yields up to 5.02%. During the second half, in response to the subprime debacle and developing global credit crunch, the market rallied strongly with yields falling to 3.94% at the end of November, before closing the year at 4.02%.

The European economy continued to show robust growth in the first half and the European Central Bank increased interest rates by 25 basis points (bps) in March and again in June taking rates to 4.0%. The benchmark 10-year Bund yield finished the first half at 4.57%. Yields fell somewhat in the second half but the Consumer Price Index rose to a six-year high of 3.1% and interest rates remained at 4.0%.

In Japan during the first half, reasonable economic data, with particular strength in the property market, pushed the yield on the benchmark 10-year JGB towards 2.00% and the Bank of Japan increased its Target Rate by 50 bps to 0.5%. However, in the second half, in response to the credit crunch and slower momentum in the domestic economy, yields fell to 1.51% by the end of December.

#### **Outlook**

Volatility is likely to continue until further clarity emerges about the impact of the credit crunch on the global economy. An economic slowdown is expected in 2008, the depth and duration of which will depend largely on policy responses in the US and Europe, and the ability of the rest of the world to decouple from the US. Weakness in the US housing sector and the impact on the overall economy will be closely monitored. We maintain our bottom-up approach focused on finding companies with growth opportunities which have not been recognised by the market. We believe that despite a difficult environment, we will be able to identify stocks which will perform well.

## **Annual Report for the financial year ended 31 December 2007**

### **First State Global Balanced Fund**

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In Europe, the economic indicators are starting to rollover; nevertheless the European Central Bank is maintaining its hawkish inflation fighting bias. In Japan, the data has been poor but the Bank of Japan currently has little room for manoeuvre with official rates being so low. The aggressive bond market rally in the second half of 2007 has pushed yields in many markets below our fair value estimates. As such we have started to build a short US duration position.

**Annual Report for the financial year ended 31 December 2007**  
**First State Global Balanced Fund**

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**DISTRIBUTION OF INVESTMENTS**  
**As at 31 December 2007**

	<b>Holdings</b>	<b>Market Value S\$</b>	<b>% of NAV</b>
<b>FIRST STATE GLOBAL BALANCED FUND</b>			
<b>Dublin</b>			
First State Global 100 Fund	1,389,691	16,973,763	57.8
First State Global Bond Fund	543,831	12,058,470	41.1
Total investments		29,032,233	98.9
Other net assets		329,732	1.1
Total net assets attributable to unitholders		29,361,965	100.0

**Annual Report for the financial year ended 31 December 2007**  
**First State Global Balanced Fund**

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**DISTRIBUTION OF INVESTMENTS (UNDERLYING FUNDS)**

	Market Value S\$	% of NAV
<b>Top 10 holdings (as at 31 December 2007)</b>		
<b>Equities</b>		
Nintendo Co Ltd	2,502,626	2.8
Vestas Wind Systems	2,203,764	2.5
Shaw Group	1,977,938	2.2
EFG Eurobank	1,953,508	2.2
SPX	1,900,366	2.1
Precision Castparts Corp	1,767,029	2.0
Henderson Land Development	1,742,953	2.0
Assurant Inc	1,741,059	2.0
DaimlerChrysler AG	1,698,199	1.9
E. ON	1,632,703	1.8

**Fixed Income**

Bundesrepublik Dt 5% 04/07/2012	4,178,832	12.7
Bundesrepub Deutschland 4% 04/07/2016	2,645,043	8.0
US Treasury 4.625% 31/07/2009	1,848,313	5.6
US Treasury 5% 15/08/2011	1,839,425	5.6
France (Govt) 3.25% 25/04/2016	1,573,715	4.8
Japan Finance Corp 1.35% 26/11/2013	1,502,946	4.6
Deutsche Bahn Fin 1.65% 01/12/2014	1,498,051	4.5
Development Bank of Japan 1.75% 17/03/17	1,319,616	4.0
Dev Bank Japan 1.7% 20/09/2022	1,299,814	3.9
UK Treasury 5% 07/03/2025	1,132,843	3.4

**Top 10 holdings (as at 31 December 2006)**

**Equities**

AXA Ltd	2,864,458	2.7
Bank of America Corp	2,802,974	2.6
HSBC Hdgs Plc	2,794,961	2.6
BNP Paribas	2,720,863	2.6
Chevron Corp	2,683,847	2.5
Puma AG	2,636,922	2.5
Intercontinental Hotels Group	2,542,174	2.4
Telenor Asa	2,508,608	2.4
Royal Bank of Scotland Group Plc	2,423,661	2.3
Exelon Corp	2,246,449	2.1

**Annual Report for the financial year ended 31 December 2007**  
**First State Global Balanced Fund**

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**DISTRIBUTION OF INVESTMENTS (UNDERLYING FUNDS)**

	Market Value S\$	% of NAV
<b>Top 10 holdings (as at 31 December 2006) (continued)</b>		
<b>Fixed Income</b>		
German Treasury Bill Ser 0806 14/02/2007	2,618,467	8.5
US Treasury Bill 08/02/2007	2,290,995	7.5
Bundesrepub. Deutschland Ser 06 (Br) 4% 04/07/2016	1,725,741	5.6
Deutsche Bahn Finance Bv Emtn (Br) 1.65% 01/12/2014	1,478,228	4.8
German Treasury Bill (Br) Ser 0706 17/01/2007	1,211,745	4.0
UK (Gilts) 5% 07/03/2025	1,177,011	3.8
US Treasury Bond 6.25% 15/08/2023	1,132,161	3.7
Italy (Rep of) 5% 01/08/2034	1,041,159	3.4
Netherlands Gov Series 1&2A 8.25% 15/02/2007	1,016,456	3.3
Bundesrepub. Deutschland (Br) Ser 0301 4.75% 04/07/2034	1,008,458	3.3

**Annual Report for the financial year ended 31 December 2007**  
**First State Global Balanced Fund**

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**DISCLOSURES**

<b>Subscriptions</b>	S\$22,748,046
<b>Redemptions</b>	S\$27,050,034

	<b>31 December 2007</b>	<b>31 December 2006</b>
<b>Portfolio Turnover</b> (Including that of the Underlying Funds)	53.2%	92.0%
<b>Expense Ratio**</b> (Including that of the Underlying Funds)	1.74%	1.65%

**Disclosures on the Underlying Funds**

<b>Portfolio Turnover</b>		
First State Global 100 Fund	185.5%	80.5%
First State Global Bond Fund	132.0%	150.4%
<b>Expense Ratio**</b>		
First State Global 100 Fund	1.68%	1.72%
First State Global Bond Fund	1.27%	1.29%

*\*\* In accordance with IMAS guidelines, expense ratio is stated on an annualised basis.*

The expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of other funds, tax deducted at source or arising out of income received and dividends and other distributions paid to unitholders.

# Annual Report for the financial year ended 31 December 2007

## First State Global Balanced Fund

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### Related Party Transactions

#### Bank balances outstanding with HSBC as at 31 December 2007

	S\$ equivalent
Singapore Dollar	75,049
United States Dollar	88,214

#### Foreign exchange transacted with HSBC for the financial year ended 31 December 2007

<u>Purchases</u>		<u>Sales</u>	
Currency	Amount	Currency	Amount
Singapore Dollar	10,076,443	Singapore Dollar	4,722,323
United States Dollar	3,136,022	United States Dollar	6,740,000

### Others

As at 31 December 2007, the Fund did not hold any bonds, derivatives or other unit trusts, other than the First State Global Bond Fund Class I shares (constituting 41.1% of the Fund's Net Asset Value and at a market value of S\$12,058,470) and First State Global 100 Fund Class I shares (constituting 57.8% of the Fund's Net Asset Value and at a market value of S\$16,973,763). In addition, the Fund did not hold any investment constituting more than 5% of a company's outstanding share capital and / or debt issue. The Fund did not have exposure to listed companies and its subsidiaries (including equity and debt securities, deposit placements and securities lending) exceeding 10% of its Net Asset Value. There were also no borrowings, outstanding currency forward contracts or material information that would adversely impact the valuation of the Fund.

The Irish Financial Services Regulatory Authority ("IFSRA"), the home regulator of the Underlying Funds – First State Global Bond Fund and First State Global 100 Fund of First State Global Balanced Fund approved the conversion of First State Global Bond Fund and First State Global 100 Fund to UCITS III on 30 December 2005.

There are no significant changes, including any changes in the investment objective, policy and scope made to the First State Global Bond Fund and First State Global 100 Fund after the conversion.

### Soft dollar commissions

In order to align with the policy of First State Investments internationally, the Investment Manager has ceased all of its soft dollar arrangements previously made with brokers with effect from 13 June 2005.

# Annual Report for the financial year ended 31 December 2007

## First State Global Property Investments

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### MANAGER'S REPORT

#### for the period from 1 January to 31 December 2007

#### Historical performance\*

*in Singapore dollars*

	<b>Fund</b>	<b>Benchmark</b>
	<b>%</b>	<b>%</b>
3-mth	-16.6	-12.7
6-mth	-17.5	-13.3
1-year	-19.5	-12.9
Since Inception – 11 April 2005	8.5	12.1

*(Calculated since date of first valuation)*

Note : Performance for 1 year and above has been annualised.

The benchmark of the Fund for the period under review is the Citigroup BMI World Property Index.

It was changed from the Citigroup BMI World Property Index to the UBS Global Real Estate Investors Index with effect from 1 March 2008. The new benchmark is a more accurate representation of our investment strategy for relative comparison purposes.

\* Source : Lipper. No initial charges with income reinvested in Singapore dollars.

# Annual Report for the financial year ended 31 December 2007

## First State Global Property Investments

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### MANAGER'S REPORT

Global listed property markets performed poorly in 2007 as the subprime debacle in the US produced a global credit crunch and raised concerns about a slowdown in the global economy. Over the twelve months to 31 December 2007, the Citigroup BMI World Property Index fell by 7.3% in US dollar terms.

US property markets declined over the year as the housing market entered a significant slump in activity. The escalation of the subprime debacle further undermined confidence in the sector and the ensuing credit crunch reduced the ability of property companies to source capital. European markets were also subdued as they were influenced by the US and concerns about the global economy.

Asian markets outperformed significantly as economies remained robust and property fundamentals were supportive. Hong Kong was positively impacted by cuts in US interest rates and expectations of further declines in 2008. The Japanese property market also showed continuing signs of improvement despite a mixed economy.

Performance was positively impacted by a number of Hong Kong-listed companies: **Kerry Properties** (Diversified), **Agile Property** (Residential) and **China Overseas Land** (Diversified) all rose strongly on positive sentiment towards stocks exposed to China and falling US interest rates. On the negative side, **Centro Properties** (Australia: Retail) underperformed as it announced that it was unable to refinance debt amid the global credit crunch; and **Terrace Hill Group**, a small-cap UK property investment and development company, was sold off with the UK real estate sector despite the company's ability to create value in a declining market.

Major purchases over the year included US regional shopping mall REIT **Simon Property Group** and **Boardwalk REIT** which is Canada's largest owner and operator of apartments. We also bought **Taubman Centers** (US) which develops and operates regional shopping centres. We sold US broadcast tower owner **American Tower** given a deteriorating outlook for the wireless communications market; and US office REIT **Maguire Properties** as we believed it was paying too much to acquire assets in downtown Los Angeles and Orange County. We also sold **Ascendas REIT** (Singapore: Industrials) on valuation grounds.

### Outlook

In the short run, negative sentiment towards financials has the potential to drive listed property securities even lower as the US economy continues to slow, fuelling concerns about the likely detrimental impact on global growth. Access to finance following a re-pricing of risk will remain challenging although substantial interest rate cuts by the Federal Reserve should cushion the slowdown. On the upside, long-term fundamentals are positive. The global property universe is expanding, encouraging investors into the sector. Underlying property demand is on the rise as the process of urbanization spreads through emerging economies. Firm property fundamentals remain in many markets and the sector benefits from relatively stable cash flows and reliable distribution yields.

**Annual Report for the financial year ended 31 December 2007**  
**First State Global Property Investments**

**PORTFOLIO STATEMENT**

	Holdings at 31 December 2007	Fair Value at 31 December 2007 \$	Percentage of total net assets attributable to unitholders at 31 December 2007
<b>Primary - by geography</b>			
<b>Equities</b>			
<b>Quoted</b>			
<b>Australia</b>			
Babcock & Brown Japan Property	46,542	82,145	0.26
Centro Retail Group	58,410	74,166	0.24
Challenger Kenedix Japan Trust	90,000	122,277	0.39
Goodman Group	71,965	438,614	1.41
ING Real Estate Community Living	317,166	483,268	1.55
Rubicon Japan Trust	270,000	246,840	0.79
		1,447,310	4.64
<b>British Virgin</b>			
Eastern Property Holding Limited	1,197	150,528	0.48
<b>Canada</b>			
Allied Properties Real Estate	12,627	384,785	1.23
Boardwalk Real Estate Investment Trust	9,052	593,457	1.90
Brookfield Properties Corp	15,200	422,719	1.36
Canadian Real Estate Investment Trust	7,000	298,039	0.96
Primaris Retail Real Estate	4,487	120,328	0.39
		1,819,328	5.84
<b>Cayman Islands</b>			
Agile Property Holdings Limited	295,000	767,342	2.46
<b>China</b>			
Capitaretail China Trust	47,500	100,700	0.32
<b>Cyprus</b>			
AFI Development PLC	21,433	294,140	0.94
<b>Finland</b>			
Citycon	71,371	557,601	1.79
<b>France</b>			
Klepierre	12,150	904,890	2.90
STE De La Tour Eiffel	6,150	1,229,230	3.94
Unibail Holding	4,050	1,293,118	4.16
		3,427,238	11.00

**Annual Report for the financial year ended 31 December 2007**  
**First State Global Property Investments**

**PORTFOLIO STATEMENT**

	Holdings at 31 December 2007	Fair Value at 31 December 2007 \$	Percentage of total net assets attributable to unitholders at 31 December 2007
<b>Primary - by geography (continued)</b>			
<b>Germany</b>			
Alstria Office	19,526	427,078	1.37
Deutsche Euroshop	6,400	322,628	1.03
		749,706	2.40
<b>Great Britain</b>			
Big Yellow Group PLC	24,017	655,251	2.10
Brixton PLC	26,000	219,374	0.70
Hammerson PLC	18,086	529,466	1.70
Land Securities Group PLC	20,458	889,499	2.86
Local Shopping REIT PLC	68,518	205,729	0.66
Sergo PLC	29,538	400,595	1.28
Terrace Hill Group PLC	125,001	230,967	0.74
		3,130,881	10.04
<b>Guernsey</b>			
Eurocastle Investment Ltd	5,522	195,810	0.62
Mapeley Ltd	4,589	198,731	0.64
Sumit Germany Ltd	135,479	226,499	0.73
		621,040	1.99
<b>Hong Kong</b>			
Champion REIT	354,000	295,132	0.94
China Overseas Land & Inv ORD	185,000	551,135	1.77
China Overseas Land & Inv WTS	20,666	16,004	0.05
Hang Lung Properties Ltd	49,000	328,628	1.05
Kerry Properties Ltd	95,878	1,112,859	3.57
		2,303,758	7.38
<b>India</b>			
Ishaan Real Estate PLC	144,897	443,427	1.42
<b>Isle of Man</b>			
Unitech Corporation Parks	129,872	423,693	1.36
<b>Italy</b>			
Risanamento	14,200	110,686	0.35
<b>Japan</b>			
Aeon Mall Co Ltd	7,100	269,686	0.86

**Annual Report for the financial year ended 31 December 2007**  
**First State Global Property Investments**

**PORTFOLIO STATEMENT**

	Holdings at 31 December 2007	Fair Value at 31 December 2007 \$	Percentage of total net assets attributable to unitholders at 31 December 2007
<b>Primary - by geography (continued)</b>			
Fukuoka REIT	23	225,367	0.72
Japan Real Estate Investment Corp	18	182,864	0.59
Mitsui Fudosan Co Ltd	18,400	570,969	1.83
Nippon Building Fund Inc REIT	11	220,951	0.71
Pacific Management Corp	174	248,685	0.80
Tokyu REIT Inc	34	455,292	1.46
		2,173,814	6.97
<b>Netherlands</b>			
Eurocommerc CVA	3,115	234,184	0.75
Plaza Centers	26,416	174,456	0.56
		408,640	1.31
<b>Singapore</b>			
Ascendas India	144,613	185,105	0.59
CapitaLand Ltd	51,000	319,770	1.03
CapitaMall Trust Reit	190,000	655,500	2.10
Mapletree Logistics Trust	180,000	194,400	0.62
		1,354,775	4.34
<b>United States of America</b>			
Alexandria Real Estate Equities Inc	4,000	582,863	1.87
AMB Property Corp	4,650	385,066	1.23
American Campus Communities	4,400	169,430	0.54
Biomed Realty Trust Inc	9,950	332,229	1.06
BRE Properties Class A	4,200	243,868	0.78
Digital Realty Trust Inc	10,700	591,277	1.90
Dupont Fabros	3,181	89,431	0.29
Essex Property Trust Inc	2,000	281,024	0.90
Extra Space Storage Inc	12,000	247,519	0.79
Host Hotels & Resorts Inc	18,900	465,516	1.49
Kimco Realty Corp	10,000	524,987	1.68
Macerich Co Ltd	2,500	256,170	0.82
Morgans Hotel	12,250	341,741	1.10
Nationwide Health Properties Inc	4,000	181,375	0.58
Prologis	17,500	1,600,438	5.13
Simon Property Group	10,250	1,286,906	4.14
SL Green Realty Corp	2,850	383,158	1.23
Starwood Hotel	4,850	308,599	0.99
Sunstone Hotel	15,800	416,567	1.33

**Annual Report for the financial year ended 31 December 2007**  
**First State Global Property Investments**

**PORTFOLIO STATEMENT**

	Holdings at 31 December 2007	Fair Value at 31 December 2007 \$	Percentage of total net assets attributable to unitholders at 31 December 2007
<b>Primary - by geography (continued)</b>			
Taubman Centers Inc Reit	6,300	447,303	1.43
Vornado Realty Trust Inc	9,950	1,264,773	4.05
		10,400,239	33.33
<b>Portfolio of investments</b>		30,684,847	98.36
<b>Other net assets</b>		511,020	1.64
<b>Net assets attributable to unitholders</b>		31,195,867	100.00

Percentage of Total Net Assets at 31 December 2007	Percentage of Total Net Assets at 31 December 2006
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**Primary - by geography (summary)**

**Equities**

**Quoted**

Australia	4.64	5.43
British Virgin	0.48	-
Canada	5.83	3.74
Cayman Islands	2.46	-
China	0.32	3.44
Cyprus	0.94	-
Finland	1.79	2.70
France	11.00	14.55
Germany	2.40	0.87
Great Britain	10.04	10.00
Guernsey	1.99	2.60
Hong Kong	7.38	5.28
India	1.42	0.20
Isle of Man	1.36	2.10
Italy	0.35	-
Japan	6.97	10.64
Netherlands	1.31	1.97
Singapore	4.34	-
United States of America	33.33	33.47
<b>Portfolio of investments</b>	98.36	96.99
<b>Other net assets</b>	1.64	3.01
<b>Net assets attributable to unitholders</b>	100.00	100.00

**Annual Report for the financial year ended 31 December 2007**  
**First State Global Property Investments**

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	Fair Value at 31 December 2007	Percentage of total net assets attributable to unitholders at 31 December 2007	Percentage of total net assets attributable to unitholders at 31 December 2006
<b>Secondary - by industry</b>			
Cable & Wire	185,105	0.59	3.60
Diversified Resources	181,375	0.58	0.63
Finance	195,810	0.63	1.16
Hotel	1,532,423	4.91	4.65
Investments	1,460,197	4.68	6.36
Property	4,051,258	12.99	8.74
Property Development	247,519	0.79	-
Property Trust	801,783	2.57	3.56
Real Estate	13,865,540	44.45	44.05
Real Estate Investment Trust	7,921,232	25.39	18.39
Retail	120,328	0.39	-
Transport - Air	-	-	3.07
Unit Trust	122,277	0.39	2.06
Warehousing	-	-	0.72
<b>Portfolio of investments</b>	30,684,847	98.36	96.99
<b>Other net assets/(liabilities)</b>	511,020	1.64	3.01
<b>Net assets attributable to unitholders</b>	31,195,867	100.00	100.00

**Annual Report for the financial year ended 31 December 2007**  
**First State Global Property Investments**

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**DISTRIBUTION OF INVESTMENTS**

	<b>Market Value S\$</b>	<b>% of NAV</b>
<b>Top 10 holdings (as at 31 December 2007)</b>		
Prologis	1,600,438	5.1
Unibail Hldg	1,293,118	4.1
Simon Property Group	1,286,906	4.1
Vornado Realty Trust Inc	1,264,773	4.1
STE De La Tour Eiffel	1,229,230	3.9
Kerry Properties Ltd	1,112,859	3.6
Klepierre	904,890	2.9
Land Securities Group PLC	889,499	2.9
Agile Property Hldgs Ltd	767,342	2.5
CapitaMall Trust Reit	655,500	2.1

**Top 10 Holdings (as at 31 December 2006)**

Klepierre	3,607,348	6.1
STE De La Tour Eiffel	3,432,782	5.9
Land Securities Group PLC	3,078,057	5.2
Vornado Realty Trust Inc	2,878,836	4.9
Host Hotels Resorts Inc	2,730,500	4.7
Prologis	2,523,201	4.3
American Tower Corp Class A	2,114,099	3.6
Beijing Capital Intl Airport Co Ltd	1,801,707	3.1
Maguire Properties Inc	1,656,736	2.8
Citycon	1,587,115	2.7

# Annual Report for the financial year ended 31 December 2007

## First State Global Property Investments

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### DISCLOSURES

Subscriptions S\$33,974,033

Redemptions S\$50,802,745

	31 December 2007	31 December 2006
Portfolio Turnover	121.4%	54.2%
Expense Ratio**	1.92%	1.89%

*\*\* In accordance with IMAS guidelines, expense ratio is stated on an annualised basis.*

The expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of other funds, tax deducted at source or arising out of income received and dividends and other distributions paid to unitholders.

## Annual Report for the financial year ended 31 December 2007

### First State Global Property Investments

#### Related party transactions

##### For the financial year ended 31 December 2007

	S\$
Security processing fees paid to HSBC	70,269
Sub-custodian fees paid to HSBC	21,824
Interest received from HSBC	5,438

##### Bank balances outstanding with HSBC as at 31 December 2007

	S\$ equivalent
Australian Dollar	1,123
Canadian Dollar	65,192
Euro	4,280
Great Britain Pound	5,918
Hong Kong Dollar	1,101
Singapore Dollar	467,931
United States Dollar	9,374

##### Foreign exchange transacted with HSBC for the financial year ended 31 December 2007

<u>Purchases</u>		<u>Sales</u>	
Currency	Amount	Currency	Amount
Australian Dollar	3,443,682	Australian Dollar	4,297,556
Canadian Dollar	1,207,980	Canadian Dollar	885,561
Euro	2,307,588	Euro	5,047,956
Great Britain Pound	1,920,000	Great Britain Pound	1,921,367
Hong Kong Dollar	9,171,233	Hong Kong Dollar	35,169,958
Japanese Yen	174,731,436	Japanese Yen	458,010,887
Singapore Dollar	49,445,848	New Zealand Dollar	37,409
United States Dollar	6,888,681	Singapore Dollar	29,689,359
		United States Dollar	10,102,983

#### Others

As at 31 December 2007, the Fund did not hold any bonds, derivatives or other unit trusts. In addition, the Fund did not hold any investment constituting more than 5% of a company's outstanding share capital and / or debt issue. The Fund did not have exposure to listed companies and its subsidiaries (including equity and debt securities, deposit placements and securities lending) exceeding 10% of its Net Asset Value. There were also no borrowings, outstanding currency forward contracts or material information that would adversely impact the valuation of the Fund.

#### Soft dollar commissions

In order to align with the policy of First State Investments internationally, the Investment Manager has ceased all of its soft dollar arrangements previously made with brokers with effect from 13 June 2005.

# Annual Report for the financial year ended 31 December 2007

## First State Global Resources

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### MANAGER'S REPORT

for the period from 1 January to 31 December 2007

#### Historical performance\*

*in Singapore dollars*

	<b>Fund</b>	<b>Benchmark</b>
	<b>%</b>	<b>%</b>
3-mth	1.4	5.2
6-mth	16.8	22.2
1-year	46.9	57.4
Since Inception – 5 September 2005	31.7	44.5

*(Calculated since date of first valuation)*

Note : The Fund invests all or substantially all of its assets in class B shares of the First State Global Resources Fund (a sub-fund of the England and Wales domiciled umbrella fund known as First State Investments ICVC).

Performance for 1 year and above has been annualised.

The benchmark of the Fund was changed with effect from 1 November 2007 to a composite comprising 75% HSBC Global Mining Accumulation Index and 25% MSCI All Country World Energy Index. The new benchmark is intended to better reflect the Fund's investment scope.

- Inception to 31 October 2007: HSBC Global Mining Index
- From 01 November 2007: 75% HSBC Global Mining Accumulation Index and 25% MSCI All Country World Energy Index

\* Source : Lipper, First State Investments. No initial charges with income reinvested in Singapore dollars.

## **MANAGER'S REPORT**

Global resources continued to make substantial gains in the year to 31 December 2007. The HSBC Global Mining Index increased by 53.7% in US dollar terms and the MSCI AC Energy Index by 34.2%.

Commodity prices ended the year mixed with falls in most base metals in the second half of 2007. Prices of aluminium (-14.1%), nickel (-14.1%) and zinc (-44.0%) were driven lower by rising supply, a falling US dollar and concerns over global economic growth. However, prices of copper (+5.5%), lead (+53.2%), platinum (+35.7%) and tin (+42.7%) all rose.

The oil price also increased strongly over the year, rising 57.3% to \$96 per barrel. Continuing tension in the oil rich nations of Nigeria, Turkey and Iraq and strong demand underpinned the rising price despite concerns about the weakening global economic outlook. The price of gold also rose significantly over 2007, up 31.0% to \$833.1 per ounce influenced by a lower US dollar, inflationary fears and investor nervousness.

Significant contributors to performance included large diversified mining groups such as **BHP Billiton**, **Rio Tinto** and **Vale** (formerly CVRD) which continued to benefit from high prices for base metals and bulk commodities. Coal miner **China Shenhua** outperformed on robust demand for electricity and higher thermal coal prices. On the negative side, **Moto Goldmines** underperformed on concerns that the company could lose a major project in the Democratic Republic of Congo; and Colombian mining group **Coalcorp** suffered from a strong Colombian peso and higher production costs. Australian gold miner **BMA Gold** was suspended from listing early in the year with administrators called in due to a debt default. While disappointing, the small size of the position had little material impact on performance.

Over the period, major acquisitions included **BG Group** (UK) which explores, produces and distributes gas, oil and liquefied natural gas; **Rio Tinto** which offers high quality diversified resources exposure; and diversified miner **Xstrata** (UK) which is benefiting from larger nickel and copper production and higher base metal prices. We sold aluminium producer **Alcan** (Canada) as Rio Tinto made a bid for the company; and **Gold Fields** (South Africa) as profit fell after production was lower due to operational difficulties at a number of mines. We also sold building materials group **Rinker** on concerns that the housing slump in the US would significantly impact earnings.

### **Outlook**

In light of our generally cautionary stance on the outlook for commodities, we believe it is prudent to hold a diversified, high quality resources exposure in our portfolios. More specifically, we favour the size, quality and relative valuations of Vale, Rio Tinto and BHP Billiton. These mining companies are focused on expanding production volumes and are more able to cope with swings in commodity prices. The companies also have exposure to bulk commodity markets, such as iron ore and coal, where products are priced yearly, rather than daily, and offer more earnings security.

**Annual Report for the financial year ended 31 December 2007**  
**First State Global Resources**

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**DISTRIBUTION OF INVESTMENTS**  
**As at 31 December 2007**

	<b>Holdings</b>	<b>Market Value S\$</b>	<b>% of NAV</b>
<b>FIRST STATE GLOBAL RESOURCES</b>			
<b>England and Wales</b>			
First State Global Resources Fund	72,815,430	702,565,982	98.0
<b>Dublin</b>			
First State Global Resources Fund	510,797	11,791,142	1.6
Total investments		714,357,124	99.6
Other net assets		2,499,784	0.4
Total net assets attributable to unitholders		716,856,908	100.0

**Annual Report for the financial year ended 31 December 2007**  
**First State Global Resources**

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**DISTRIBUTION OF INVESTMENTS (UNDERLYING FUND)**

	Market Value S\$	% of NAV
<b>Top 10 holdings (as at 31 December 2007)</b>		
CVRD	124,524,927	9.3
Rio Tinto	121,650,460	9.1
BHP Billiton PLC	79,296,450	5.9
Nexen Inc	41,518,521	3.1
China Shenhua Energy	38,540,913	2.9
Xstrata	36,173,677	2.7
GoldCorp Inc	35,107,290	2.6
Anglo American	33,723,587	2.5
BG Group PLC	31,457,299	2.4
Lihir Gold	31,198,522	2.3
<b>Top 10 Holdings (as at 31 December 2006)</b>		
CVRD	57,710,071	9.9
BHP Billiton PLC	53,730,602	9.2
Rio Tinto	52,781,300	9.0
China Shenhua Energy	29,758,286	5.1
Anglo American	29,111,413	5.0
Alumina	19,435,293	3.3
Barrick Gold	17,812,560	3.0
Alcoa	17,013,034	2.9
Addax Petroleum	15,075,615	2.6
GoldCorp Inc	13,258,002	2.3

## Annual Report for the financial year ended 31 December 2007 First State Global Resources

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### DISCLOSURES

Subscriptions	S\$730,645,283
Redemptions	S\$362,226,109

	31 December 2007	31 December 2006
<b>Portfolio Turnover</b> (Including that of the Underlying Fund)	44.8%	70.8%
<b>Expense Ratio**</b> (Including that of the Underlying Fund)	1.75%	1.85%

#### Disclosures on the Underlying Fund

<b>Portfolio Turnover</b>	44.8%	48.9%
<b>Expense Ratio**</b>	0.90%	0.92%

\*\* In accordance with IMAS guidelines, expense ratio is stated on an annualised basis.

The expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of other funds, tax deducted at source or arising out of income received and dividends and other distributions paid to unitholders.

## Annual Report for the financial year ended 31 December 2007

### First State Global Resources

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#### Related party transactions

##### Bank balances outstanding with HSBC as at 31 December 2007

	S\$ equivalent
Great Britan Pound	1,403
Singapore Dollar	4,379,503
United States Dollar	708,445

##### Foreign exchange transacted with HSBC for the financial year ended 31 December 2007

<u>Purchases</u>		<u>Sales</u>	
Currency	Amount	Currency	Amount
Great Britan Pound	136,445,000	Great Britan Pound	17,359,000
Singapore Dollar	83,902,121	Singapore Dollar	430,235,966
United States Dollar	12,779,260	United States Dollar	22,590,123

#### Others

As at 31 December 2007, the Fund did not hold any bonds, derivatives or other unit trusts, other than the First State Global Resources Fund Class B shares (constituting 98.0% of the Fund's Net Asset Value and at a market value of S\$702,565,982) and First State Global Resources Fund Class III shares (constituting 1.6% of the Fund's Net Asset Value and at a market value of S\$11,791,142). In addition, the Fund did not hold any investment constituting more than 5% of a company's outstanding share capital and / or debt issue. The Fund did not have exposure to listed companies and its subsidiaries (including equity and debt securities, deposit placements and securities lending) exceeding 10% of its Net Asset Value. There were also no borrowings, outstanding currency forward contracts or material information that would adversely impact the valuation of the Fund.

#### Soft dollar commissions

In order to align with the policy of First State Investments internationally, the Investment Manager has ceased all of its soft dollar arrangements previously made with brokers with effect from 13 June 2005.

**Annual Report for the financial year ended 31 December 2007**  
**First State Regional China Fund**

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**MANAGER'S REPORT**  
**for the period from 1 January to 31 December 2007**

**Historical performance\***  
*in Singapore dollars*

	<b>Fund</b>	<b>Benchmark</b>
	<b>%</b>	<b>%</b>
3-mth	-4.7	-5.3
6-mth	12.7	14.6
1-year	39.8	29.3
3-year	31.6	23.2
5-year	34.1	24.5
10-year	13.8	8.1
Since Inception – 1 November 1993	11.1	n.a.

*(Calculated since date of first valuation)*

Note : The Fund invests all or substantially all of its assets in the First State Greater China Growth Fund (a Dublin-domiciled fund) with effect from 18 October 2002.

The performance prior to 18 October 2002 is in relation to the Fund before its conversion to a feeder fund. Performance for 1 year and above has been annualised.

The benchmark of the Fund is the MSCI Golden Dragon Index. It was changed from CLSA China World Index and CLSA China B Index with effect from 2 January 2001 as the previous benchmark was not reflective of the Fund's investment scope. It did not have any weighting in Taiwan.

\* Source : Lipper. No initial charges with income reinvested in Singapore dollars.

## Annual Report for the financial year ended 31 December 2007

### First State Regional China Fund

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#### Manager's report

Over the year to 31 December 2007, Greater Chinese equities performed very strongly. The MSCI Golden Dragon Index rose by 38.0% in US dollar terms, outperforming the MSCI World Index return of 9.6%.

China was again the best performing market (+66.2%) providing very positive returns. Although new stock account creation peaked in April, initial public offering (IPO) activity remained strong with many new issues continuing to perform very well in the aftermarket. The People's Bank of China raised interest rates six times over the year and reserve requirements for banks were increased to a 20-year high to contain loan growth. Overall, however, investors remained very positive about the growth prospects of the Mainland markets.

Hong Kong also performed very positively (+41.2%). The market rose moderately in the first half of the year as attention continued to focus on the Chinese Mainland, but in the second half it gained strongly as the Federal Reserve cut interest rates and fundamentals improved for the property sector. The economy continued to grow robustly with unemployment at a very low level.

Taiwan was again the worst performing market (+9.1%) as the demand outlook for the technology sector remained unclear and investors became concerned about the impact of a slowdown in global growth in 2008.

Our performance was helped by stocks in the Energy sector: **China Oilfield Services** and **CNOOC** both rose very strongly as the price of oil continued to rally. **China Resources Power** (Utilities) also outperformed as investors anticipated growing demand for energy in China. On the negative side, **Advantech** (Information Technology) performed poorly on a weak pricing environment in the technology sector. **Prime Success International**, a footwear retailer, lagged as earnings were weaker than expected due to changes in store format; and **Foxconn International** (Information Technology) underperformed on concerns about mobile handset growth.

Over the year significant new positions included **Jardine Matheson**, a holding company trading at an attractive discount to its portfolio of strong business franchises; and **Mint Group**, an auto-component company with exposure to robust demand in China. **HSBC**, **Link REIT** and **Standard Chartered** were sold to reduce exposure to financial stocks as concerns about asset quality rose.

#### Outlook

We remain positive on China's economic outlook with rising wages boosting domestic consumption which we believe will become the key economic driver as investment and exports slow. The government's austerity measures may have a short-term negative impact on sentiment. However, over the longer term, a more moderate rate of growth is preferred with market leaders emerging as weaker participants exit the market. Valuations for exporters and manufacturers are generally more attractive, and those with technological leadership and cost advantages will benefit from long-term outsourcing to China and market share gains. The Hong Kong economy is expected to remain strong. Unemployment is at a multi-year low, wages are increasing and Hong Kong is a beneficiary of lower US interest rates.

**Annual Report for the financial year ended 31 December 2007**  
**First State Regional China Fund**

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**DISTRIBUTION OF INVESTMENTS**  
**As at 31 December 2007**

	<b>Holdings</b>	<b>Market Value S\$</b>	<b>% of NAV</b>
<b>FIRST STATE REGIONAL CHINA FUND</b>			
<b>Dublin</b>			
First State Greater China Growth Fund	7,338,620	563,476,146	99.1
Total investments		563,476,146	99.1
Other net assets		5,063,932	0.9
Total net assets attributable to unitholders		568,540,078	100.0

**Annual Report for the financial year ended 31 December 2007**  
**First State Regional China Fund**

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**DISTRIBUTION OF INVESTMENTS (UNDERLYING FUND)**

	Market Value S\$	% of NAV
<b>Top 10 holdings (as at 31 December 2007)</b>		
China Resources Power Hldgs Co Ltd	35,952,891	4.8
Cheung Kong Hldgs Ltd	30,181,658	4.1
China Mengniu Dairy Co Ltd	26,956,001	3.6
Hang Lung Group Ltd	24,314,249	3.3
Jardine Matheson Hldgs Ltd	23,024,767	3.1
CNOOC Ltd	22,629,156	3.0
Taiwan Semiconductor Mfg Co Ltd	22,341,950	3.0
Hon Hai Precision Industries	21,109,766	2.8
Swire Pacific	21,066,240	2.8
China Resources Enterprise Ltd	20,221,487	2.7

**Top 10 Holdings (as at 31 December 2006)**

CNOOC Ltd	20,820,551	4.0
Ping An Insurance (Group) Co of China Ltd	18,815,482	3.6
Hon Hai Precision Industry	18,175,355	3.5
Cheung Kong Hldgs Ltd	15,563,218	3.0
Yantai Changyu Pioneer Wine Co	15,547,031	3.0
China Vanke Co Ltd	15,361,969	3.0
China Mengniu Dairy Co Ltd	14,317,603	2.8
China Merchants Bank Co Ltd	13,842,463	2.7
Li & Fung Ltd	13,507,626	2.6
Anhui Expressway Co Ltd	12,616,148	2.4

## Annual Report for the financial year ended 31 December 2007 First State Regional China Fund

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### DISCLOSURES

Subscriptions S\$511,956,006

Redemptions S\$500,364,434

	31 December 2007	31 December 2006
<b>Portfolio Turnover</b> (Including that of the Underlying Fund)	67.7%	84.1%
<b>Expense Ratio**</b> (Including that of the Underlying Fund)	1.86%	1.86%

#### Disclosures on the Underlying Fund

<b>Portfolio Turnover</b>	67.7%	55.0%
<b>Expense Ratio**</b>	1.66%	1.68%

*\*\* In accordance with IMAS guidelines, expense ratio is stated on an annualised basis.*

The expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of other funds, tax deducted at source or arising out of income received and dividends and other distributions paid to unitholders.

## Annual Report for the financial year ended 31 December 2007

### First State Regional China Fund

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#### Related party transactions

For the financial year ended 31 December 2007

Interest received from HSBC	S\$ 60,315
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#### Bank balances outstanding with HSBC as at 31 December 2007

	S\$ equivalent
Great Britain Pound	4
Singapore Dollar	-279,509
United States Dollar	2,502,780

#### Foreign exchange transacted with HSBC for the financial year ended 31 December 2007

<u>Purchases</u>		<u>Sales</u>	
Currency	Amount	Currency	Amount
Singapore Dollar	144,849,948	Singapore Dollar	133,287,785
United States Dollar	89,139,492	United States Dollar	95,298,789

#### Others

As at 31 December 2007, the Fund did not hold any bonds, derivatives or other unit trusts, other than the First State Greater China Growth Fund Class I shares constituting 99.1% of the Fund's Net Asset Value and at a market value of S\$563,476,146. In addition, the Fund did not hold any investment constituting more than 5% of a company's outstanding share capital and / or debt issue. The Fund did not have exposure to listed companies and its subsidiaries (including equity and debt securities, deposit placements and securities lending) exceeding 10% of its Net Asset Value. There were also no borrowings, outstanding currency forward contracts or material information that would adversely impact the valuation of the Fund.

The Irish Financial Services Regulatory Authority ("IFSRA"), the home regulator of the Underlying Fund – First State Greater China Growth Fund of First State Regional China Fund approved the conversion of First State Greater China Growth Fund to UCITS III on 30 December 2005.

There are no significant changes, including any changes in the investment objective, policy and scope made to the First State Greater China Growth Fund after the conversion.

#### Soft dollar commissions

In order to align with the policy of First State Investments internationally, the Investment Manager has ceased all of its soft dollar arrangements previously made with brokers with effect from 13 June 2005.

**Annual Report for the financial year ended 31 December 2007**  
**First State Regional India Fund**

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**MANAGER'S REPORT**  
**for the period from 1 January to 31 December 2007**

**Historical performance\***  
*in Singapore dollars*

	<b>Fund</b>	<b>Benchmark</b>
	<b>%</b>	<b>%</b>
3-mth	19.2	19.6
6-mth	30.7	39.5
1-year	50.2	62.0
3-year	39.8	46.9
5-year	42.5	44.7
10-year	17.3	20.7
Since Inception – 22 August 1994	10.6	13.0

*(Calculated since date of first valuation)*

Note : The Fund invests all or substantially all of its assets in the First State Indian Subcontinent Fund (a Dublin-domiciled fund) with effect from 18 October 2002.

The performance prior to 18 October 2002 is in relation to the Fund before its conversion to a feeder fund. Performance for 1 year and above has been annualised.

The benchmark of the Fund is the MSCI India Index.

\* Source : Lipper. No initial charges with income reinvested in Singapore dollars.

## **MANAGER'S REPORT**

The Indian equity market performed very strongly again in 2007. The MSCI India Index rose by 73.1%, significantly outperforming the MSCI World Index return of 9.6%.

The Indian market continued to rise on very positive sentiment among domestic and retail investors despite a worsening external environment from the late summer on concerns about a global credit crunch following the subprime debacle. However, substantial falls in US interest rates and expectations of further reductions in 2008 kept risk appetite in India at high levels.

The economy remained very robust with GDP growth of above 8% and the rupee appreciated on very substantial foreign inflows. Indian companies continued to deliver very positive earnings growth. On the negative side, inflationary pressures remain a concern.

Our performance was positively impacted by **Bharat Heavy Electricals**, India's largest engineering company, which outperformed as its order book was strengthened further; and **Housing Development Finance** which benefited from robust growth in the Indian mortgage market. On the negative side, **Shree Cement** underperformed following anti-inflationary measures introduced by the government to curb cement prices; and **Mahindra & Mahindra Financial Services** lagged on valuation concerns and rising interest rates.

Significant purchases over the year included **Reliance Industries** which has accelerated the roll-out of its refinery expansion and announced the possibility of larger-than-expected gas reserves; and **Grasim Industries**, the country's largest cement manufacturer that will benefit from substantial infrastructure spending. Major sales included **ICICI Bank** on fears that rising non-performing loans may impact near term profitability, and information technology group **Wipro** on valuation concerns and a deteriorating outlook for earnings given the strengthening rupee.

### **Outlook**

Liquidity remains strong with domestic investors augmenting foreign interest. However, the stock market is very susceptible to a reversal in risk appetite and may be prone to sharp corrections. Volatility is expected to continue during 2008. Economic growth momentum remains robust and structural changes will continue to drive consumption growth and prop-up investment spending. Growth is expected to remain well above the global average. Nevertheless, many challenges remain, including slowing global demand, tighter domestic liquidity, inflation and constraints on skilled manpower.

Valuations of Indian equities are demanding and leave little room for disappointment. We continue to construct our portfolio from the 'bottom-up', focusing on companies which offer quality in terms of management, franchises and financials. Given the deteriorating global picture we will give greater emphasis to earnings visibility and stronger cash flows. The fund maintains a high exposure to the Consumer sectors.

**Annual Report for the financial year ended 31 December 2007**  
**First State Regional India Fund**

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**DISTRIBUTION OF INVESTMENTS**  
**As at 31 December 2007**

	<b>Holdings</b>	<b>Market Value S\$</b>	<b>% of NAV</b>
<b>FIRST STATE REGIONAL INDIA FUND</b>			
<b>Dublin</b>			
First State Indian Subcontinent Fund	2,642,935	160,640,688	96.9
Total investments		160,640,688	96.9
Other net assets		5,214,903	3.1
Total net assets attributable to unitholders		165,855,591	100.0

**Annual Report for the financial year ended 31 December 2007**  
**First State Regional India Fund**

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**DISTRIBUTION OF INVESTMENTS (UNDERLYING FUND)**

	Market Value S\$	% of NAV
<b>Top 10 holdings (as at 31 December 2007)</b>		
Reliance Industries Ltd	13,840,878	4.7
Housing Development Finance Corp Ltd	13,823,756	4.7
Grasim Industries Ltd	10,433,076	3.6
Infosys Technologies Ltd	9,990,874	3.4
Tata Consultancy Services	9,800,927	3.3
HDFC Bank Ltd	9,679,280	3.3
Indian Hotels	9,192,096	3.1
Sun Pharmaceuticals	8,326,456	2.8
Bharat Heavy Electricals	8,215,862	2.8
Cairn Energy	7,545,640	2.6
<b>Top 10 Holdings (as at 31 December 2006)</b>		
Housing Development Finance Corp Ltd	11,269,834	4.9
Infosys Technologies Ltd	10,581,308	4.6
Colgate Palmolive (India) Ltd	10,106,638	4.4
Nestle India Ltd	9,854,731	4.3
Bharti Airtel Ltd	9,403,283	4.1
ICICI Bank Ltd	7,857,717	3.4
Bharat Heavy Electricals	7,572,799	3.3
Wipro Ltd	7,339,301	3.2
Hindalco Industries Ltd	6,038,836	2.7
Motor Industries Co Ltd	5,827,251	2.6

**Annual Report for the financial year ended 31 December 2007**  
**First State Regional India Fund**

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**DISCLOSURES**

**Subscriptions** S\$133,131,503

**Redemptions** S\$135,109,494

	<b>31 December 2007</b>	<b>31 December 2006</b>
<b>Portfolio Turnover</b> (Including that of the Underlying Fund)	75.0%	103.6%
<b>Expense Ratio**</b> (Including that of the Underlying Fund)	2.00%	2.03%

**Disclosures on the Underlying Fund**

<b>Portfolio Turnover</b>	75.4%	87.9%
<b>Expense Ratio**</b>	1.77%	1.82%

*\*\* In accordance with IMAS guidelines, expense ratio is stated on an annualised basis.*

The expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of other funds, tax deducted at source or arising out of income received and dividends and other distributions paid to unitholders.

## Annual Report for the financial year ended 31 December 2007 First State Regional India Fund

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### Related party transactions

For the financial year ended 31 December 2007

Interest received from HSBC	S\$ 13,927
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### Bank balances outstanding with HSBC as at 31 December 2007

	S\$ equivalent
Singapore Dollar	4,531,521
United States Dollar	65,650

### Foreign exchange transacted with HSBC for the financial year ended 31 December 2007

<u>Purchases</u>		<u>Sales</u>	
Currency	Amount	Currency	Amount
Singapore Dollar	59,000,401	Singapore Dollar	40,483,250
United States Dollar	27,381,756	United States Dollar	38,947,628

### Others

As at 31 December 2007, the Fund did not hold any bonds, derivatives or other unit trusts, other than the First State Indian Subcontinent Fund Class I shares, constituting 96.9% of the Fund's Net Asset Value and at a market value of S\$160,640,688. In addition, the Fund did not hold any investment constituting more than 5% of a company's outstanding share capital and / or debt issue. The Fund did not have exposure to listed companies and its subsidiaries (including equity and debt securities, deposit placements and securities lending) exceeding 10% of its Net Asset Value. There were also no borrowings, outstanding currency forward contracts or material information that would adversely impact the valuation of the Fund.

The Irish Financial Services Regulatory Authority ("IFSRA"), the home regulator of the Underlying Fund – First State Indian Subcontinent Fund of First State Regional India Fund approved the conversion of First State Indian Subcontinent Fund to UCITS III on 30 December 2005.

There are no significant changes, including any changes in the investment objective, policy and scope made to the First State Indian Subcontinent Fund after the conversion.

### Soft dollar commissions

In order to align with the policy of First State Investments internationally, the Investment Manager has ceased all of its soft dollar arrangements previously made with brokers with effect from 13 June 2005.

**Annual Report for the financial year ended 31 December 2007**  
**First State Singapore Growth Fund**

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**MANAGER'S REPORT**  
**for the period from 1 January to 31 December 2007**

**Historical performance\***  
*in Singapore dollars*

	<b>Fund</b>	<b>Benchmark</b>
	<b>%</b>	<b>%</b>
3-mth	-0.5	-2.4
6-mth	-1.0	1.0
1-year	25.6	24.8
3-year	23.0	22.6
5-year	22.8	22.7
10-year	12.5	11.7
Since Inception – 28 July 1969	9.4	n.a.

*(Calculated since date of first valuation )*

Note : The Fund invests all or substantially all of its assets in the First State Singapore and Malaysia Growth Fund (a Dublin-domiciled fund) with effect from 18 October 2002.

The performance prior to 18 October 2002 is in relation to the Fund before its conversion to a feeder fund. Performance for 1 year and above has been annualised.

The benchmark of the Fund is the market capitalisation weighted of MSCI Singapore Free Index and MSCI Malaysia Index. It was changed from DBS 50 Index and KLCI with effect from 1 December 2001 due to the discontinuation of the DBS 50 Index.

\* Source : Lipper, First State Investments. No initial charges with income reinvested in Singapore dollars.

## **MANAGER'S REPORT**

Both Singapore and Malaysia provided very positive returns over 2007. The MSCI Malaysia Index rose 46.1% in US dollar terms outperforming the MSCI AC Asia Pacific ex-Japan Index return of 37.2%, while the MSCI Singapore Index (+28.4%) underperformed. Global markets were volatile over the year. In the first six months, investor sentiment remained positive. However, during the third quarter, the US subprime debacle negatively impacted markets. As a result, the US cut interest rates in response to an escalating credit crunch, but several global banks announced significant write-downs due to subprime losses, adversely impacting markets towards the end of the year.

In Singapore, property stocks performed positively in the first half of the year until July, when the development charge was increased from 50% to 70%. This was compounded in October when the government removed the deferred payment scheme, negatively impacting market sentiment. However, the Consumer Staples sector performed well during the year as the price of palm oil reached record highs by December.

In Malaysia the consumer sectors were very strong during the year on palm oil strength. However, concerns about the impact of a slowdown in the US on demand caused the Information Technology sector to underperform.

The performance of the fund was helped by **Keppel Corp** which rose on strong demand for offshore and marine capital equipment; and **IOI Corp**, as the palm oil price reached record levels. **Fraser & Neave** benefited from strong Chinese and Singapore property markets and **Bumiputra Commerce** rose due to robust revenues from its investment banking arm.

Fund performance was hurt by our position in **Astro All Asia Networks** as the company's overseas investments were disappointing. **Ascott Residence Trust** and the **Ascott Group** declined as Real Estate Investment Trusts and their managers fell out of favour. **WTK Holdings** lagged due to falling plywood prices after weak housing starts in Japan.

Over the year, the fund made a number of purchases including residential property developer **Guocoland**, following a positive meeting with management; and **Jardine Mathieson** as the company has controlling stakes in a number of strong businesses and its shares were attractively priced. We sold our position in **Uchi Technologies** over concerns about dependency on one large customer; and **Manila Water** to lock in profits following a recent run of strong performance.

### **Outlook**

Market volatility is set to continue until further clarity emerges on the impact of the credit crunch and US subprime losses on the global economy. Investor sentiment in the West is declining and it is unlikely that Singapore and Malaysia will avoid being impacted by the resulting slowdown in Western consumption given the significant contribution of export industries to GDP. We continue to focus on well-managed companies, favouring domestic sectors in Malaysia, and on companies which have developed regional or global businesses. It is likely that the subprime crisis in the West will take years to resolve and we are therefore increasingly focused on companies with strong operating cash flows which will be well positioned for more turbulent economic conditions.

**Annual Report for the financial year ended 31 December 2007**  
**First State Singapore Growth Fund**

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**DISTRIBUTION OF INVESTMENTS**  
**As at 31 December 2007**

	<b>Holdings</b>	<b>Market Value S\$</b>	<b>% of NAV</b>
<b>FIRST STATE SINGAPORE GROWTH FUND</b>			
<b>Dublin</b>			
First State Singapore and Malaysia Growth Fund	1,701,530	80,105,161	99.4
Total investments		80,105,161	99.4
Other net assets		459,680	0.6
Total net assets attributable to unitholders		80,564,841	100.0

**Annual Report for the financial year ended 31 December 2007**  
**First State Singapore Growth Fund**

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**DISTRIBUTION OF INVESTMENTS (UNDERLYING FUND)**

	Market Value S\$	% of NAV
<b>Top 10 holdings (as at 31 December 2007)</b>		
Oversea-Chinese Banking Corp	6,758,155	4.4
Sime Darby Bhd	6,568,927	4.3
Keppel Corp Ltd	6,285,396	4.1
United Overseas Bank Ltd	6,140,951	4.0
Tenaga Nasional	5,317,228	3.5
IOI Corp	4,307,814	2.8
Fraser & Neave Ltd	4,050,577	2.6
Guocoland Ltd	3,964,046	2.6
DBS Group Hldgs Ltd	3,911,762	2.5
Petra Foods Ltd	3,910,194	2.5
<b>Top 10 Holdings (as at 31 December 2006)</b>		
Keppel Corp Ltd	4,460,061	6.5
Oversea-Chinese Banking Corp	3,748,426	5.5
United Overseas Bank Ltd	3,594,853	5.2
Fraser & Neave Ltd	2,961,321	4.3
Bumiputra-Commerce Hldgs	2,424,266	3.5
IOI Corp	2,189,894	3.2
Golden Hope Plantations	1,860,930	2.7
Lafarge Malayan Cement	1,857,328	2.7
Great Eastern Hldgs Ltd	1,838,994	2.7
Genting Bhd	1,824,521	2.7

**Annual Report for the financial year ended 31 December 2007**  
**First State Singapore Growth Fund**

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**DISCLOSURES**

**Subscriptions** S\$40,275,126

**Redemptions** S\$35,897,661

	<b>31 December 2007</b>	<b>31 December 2006</b>
<b>Portfolio Turnover</b> (Including that of the Underlying Fund)	72.5%	39.8%
<b>Expense Ratio**</b> (Including that of the Underlying Fund)	1.93%	1.96%

**Disclosures on the Underlying Fund**

<b>Portfolio Turnover</b>	72.6%	41.1%
<b>Expense Ratio**</b>	1.75%	1.75%

*\*\* In accordance with IMAS guidelines, expense ratio is stated on an annualised basis.*

The expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains or losses, front or back end loads arising from the purchase or sale of other funds, tax deducted at source or arising out of income received and dividends and other distributions paid to unitholders.

## Annual Report for the financial year ended 31 December 2007 First State Singapore Growth Fund

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### Related party transactions

For the financial year ended 31 December 2007

Interest received from HSBC	S\$ 221
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### Bank balances outstanding with HSBC as at 31 December 2007

	S\$ equivalent
Singapore Dollar	338,642
United States Dollar	8,524

### Foreign exchange transacted with HSBC for the financial year ended 31 December 2007

<u>Purchases</u>		<u>Sales</u>	
Currency	Amount	Currency	Amount
Singapore Dollar	13,980,730	Singapore Dollar	17,079,321
United States Dollar	11,164,295	United States Dollar	9,344,950

### Others

As at 31 December 2007, the Fund did not hold any bonds, derivatives or other unit trusts, other than the First State Singapore and Malaysia Growth Fund Class I shares, constituting 99.4% of the Fund's Net Asset Value and at a market value of S\$80,105,161. In addition, the Fund did not hold any investment constituting more than 5% of a company's outstanding share capital and / or debt issue. The Fund did not have exposure to listed companies and its subsidiaries (including equity and debt securities, deposit placements and securities lending) exceeding 10% of its Net Asset Value. There were also no borrowings, outstanding currency forward contracts or material information that would adversely impact the valuation of the Fund.

The Irish Financial Services Regulatory Authority ("IFSRA"), the home regulator of the Underlying Fund – First State Singapore and Malaysia Growth Fund of First State Singapore Growth Fund approved the conversion of First State Singapore and Malaysia Growth Fund to UCITS III on 30 December 2005.

There are no significant changes, including any changes in the investment objective, policy and scope made to First State Singapore and Malaysia Growth Fund after the conversion.

### Soft dollar commissions

In order to align with the policy of First State Investments internationally, the Investment Manager has ceased all of its soft dollar arrangements previously made with brokers with effect from 13 June 2005.

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Audited Financial Statements

**FIRST STATE GLOBAL GROWTH FUNDS**

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

***31 December 2007***

# First State Global Growth Funds

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

## General Information

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### Manager

First State Investments (Singapore)  
1 Temasek Avenue, #17-01 Millenia Tower  
Singapore 039192

### Directors of the Manager

Lindsay Robert Mann  
Paul Gerard Gately

### Trustee/Custodian

HSBC Institutional Trust Services (Singapore) Limited  
21 Collyer Quay, #14-01 HSBC Building  
Singapore 049315

### Registrar

First State Investments (Singapore)  
1 Temasek Avenue, #17-01 Millenia Tower  
Singapore 039192

### Auditors

Ernst & Young

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Statements of Total Return	90
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Notes to the Financial Statements	115

## **First State Global Growth Funds**

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

### **Report of the Trustee**

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The Trustee is under a duty to take into custody and hold the assets of the sub-funds of First State Global Growth Funds comprising First State Singapore Growth Fund, First State Asian Growth Fund, First State Regional China Fund, First State Regional India Fund, First State Global Balanced Fund, First State Global 100 Growth Fund, First State Asia Innovation and Technology Fund, First State Bridge, First State GEM Leaders, First State Dividend Advantage, First State Global Property Investments and First State Global Resources (collectively, the “Fund”) in trust for the unitholders. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes (collectively referred to as the “laws and regulations”), the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting period and report thereon to unitholders in an annual report which shall contain the matters prescribed by the laws and regulations as well as, the recommendations of the Recommended Accounting Practice 7 “Reporting Framework for Units Trusts” issued by the Institute of Certified Public Accountants of Singapore and the provisions of the Trust Deed.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the year covered by these financial statements, set out on pages 90 to 134, comprising the Statements of Total Return, Balance Sheets, Portfolio Statements and Notes to Financial Statements, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed, laws and regulations and otherwise in accordance with the provisions of the Trust Deed.

For and on behalf of the Trustee,  
HSBC Institutional Trust Services (Singapore) Limited

Authorised signatory  
13 March 2008

## **First State Global Growth Funds**

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

### **Statement by the Manager**

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In the opinion of the directors of First State Investments (Singapore), the accompanying financial statements as set out on pages 90 to 134, comprising the Statements of Total Return, Balance Sheets, Portfolio Statements and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of the sub-funds of First State Global Growth Funds comprising First State Singapore Growth Fund, First State Asian Growth Fund, First State Regional China Fund, First State Regional India Fund, First State Global Balanced Fund, First State Global 100 Growth Fund, First State Asia Innovation and Technology Fund, First State Bridge, First State GEM Leaders, First State Dividend Advantage, First State Global Property Investments and First State Global Resources (collectively, the "Fund") as at 31 December 2007 and the total return for the financial year then ended in accordance with the recommendations of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore and the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of the directors of First State Investments (Singapore)

Lindsay Robert Mann  
Director

13 March 2008

# **First State Global Growth Funds**

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

## **Independent Auditors' Report to the Unitholders of First State Global Growth Funds**

---

We have audited the financial statements of the sub-funds of First State Global Growth Funds comprising First State Singapore Growth Fund, First State Asian Growth Fund, First State Regional China Fund, First State Regional India Fund, First State Global Balanced Fund, First State Global 100 Growth Fund, First State Asia Innovation and Technology Fund, First State Bridge, First State GEM Leaders, First State Dividend Advantage, First State Global Property Investments and First State Global Resources (collectively, the "Fund"), which comprise the Balance Sheets and Portfolio Statements as at 31 December 2007, the Statements of Total Return for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 90 to 134.

### *Manager's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

## **First State Global Growth Funds**

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

### **Independent Auditors' Report to the Unitholders of First State Global Growth Funds (cont'd)**

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#### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2007 and the total return for the financial year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

ERNST & YOUNG  
Certified Public Accountants

Singapore  
13 March 2008

## First State Global Growth Funds

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

### Statements of Total Return

For the year ended 31 December 2007

	Note	First State Singapore Growth Fund	
		2007 \$	2006 \$
<b>Income</b>			
Interest		221	-
Others		37,000	2,432
		<hr/>	<hr/>
		37,221	2,432
<b>Less: Expenses</b>			
Management fees		1,151,271	844,379
Management fee rebates from the underlying fund		(1,146,728)	(837,997)
Registration fees		12,921	8,443
Trustee's fees		57,563	42,219
Audit fees		5,927	4,896
Others		98,536	60,608
		<hr/>	<hr/>
		179,490	122,548
<b>Net loss</b>		(142,269)	(120,116)
<b>Net gains or losses on value of investments</b>			
Net realised gains on investments sold		8,687,784	5,684,788
Net change in fair value on investments		6,763,554	9,952,376
Net foreign exchange loss		(126,962)	(103,018)
<b>Net gains on value of investments</b>		<hr/>	<hr/>
		15,324,376	15,534,146
<b>Total return for the year before taxation</b>		<hr/>	<hr/>
		15,182,107	15,414,030
<b>Taxation</b>		-	-
<b>Total return for the year after taxation before distribution</b>		<hr/>	<hr/>
		15,182,107	15,414,030
<b>Less: Distribution</b>		-	-
<b>Total return for the year</b>		<hr/>	<hr/>
		15,182,107	15,414,030

The accounting policies and explanatory notes form an integral part of the financial statements.

## First State Global Growth Funds

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

### Statements of Total Return

For the year ended 31 December 2007

First State Asian Growth Fund		First State Regional China Fund	
2007	2006	2007	2006
\$	\$	\$	\$
979	2,832	60,315	11,448
27,979	1,684	14,595	-
28,958	4,516	74,910	11,448
952,668	1,345,940	7,085,907	4,500,611
(951,401)	(1,341,980)	(7,055,448)	(4,478,704)
11,649	9,983	47,079	36,865
47,633	67,297	354,295	225,031
5,927	4,896	5,927	4,852
93,112	99,378	531,185	293,566
159,588	185,514	968,945	582,221
(130,630)	(180,998)	(894,035)	(570,773)
35,762,352	13,909,776	81,579,647	8,167,253
(18,073,961)	(4,292,076)	(66,681,415)	97,567,100
(80,340)	(190,078)	(259,892)	(454,659)
17,608,051	18,011,774	148,520,954	105,279,694
17,477,421	17,830,776	147,626,919	104,708,921
-	-	-	-
17,477,421	17,830,776	147,626,919	104,708,921
-	-	-	-
17,477,421	17,830,776	147,626,919	104,708,921

## First State Global Growth Funds

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

### Statements of Total Return

For the year ended 31 December 2007

	Note	First State Regional India Fund	
		2007 \$	2006 \$
<b>Income</b>			
Interest		13,927	10,862
Others		4,871	38,320
		<hr/>	<hr/>
		18,798	49,182
<b>Less: Expenses</b>			
Management fees		1,659,896	1,838,702
Management fee rebates from the underlying fund		(1,645,770)	(1,831,412)
Registration fees		20,080	26,738
Trustee's fees		82,995	91,935
Audit fees		5,927	4,896
Others		146,571	141,576
		<hr/>	<hr/>
		269,699	272,435
<b>Net loss</b>		<hr/>	<hr/>
		(250,901)	(223,253)
<b>Net gains or losses on value of investments</b>			
Net realised gains on investments sold		31,620,364	23,559,681
Net change in fair value on investments		17,386,681	4,888,819
Net foreign exchange loss		(334,040)	(426,157)
		<hr/>	<hr/>
<b>Net gains on value of investments</b>		48,673,005	28,022,343
<b>Total return for the year before taxation</b>		<hr/>	<hr/>
		48,422,104	27,799,090
<b>Taxation</b>		<hr/>	<hr/>
		-	-
<b>Total return for the year after taxation before distribution</b>		<hr/>	<hr/>
		48,422,104	27,799,090
<b>Distribution</b>		<hr/>	<hr/>
		-	-
<b>Total return for the year</b>		<hr/>	<hr/>
		48,422,104	27,799,090

The accounting policies and explanatory notes form an integral part of the financial statements.

## First State Global Growth Funds

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

### Statements of Total Return

For the year ended 31 December 2007

First State Global Balanced Fund		First State Global 100 Growth Fund	
2007	2006	2007	2006
\$	\$	\$	\$
-	277	-	282
488	1,086	61,933	-
488	1,363	61,933	282
377,339	408,501	946,269	1,221,258
(391,368)	(422,128)	(824,839)	(1,043,078)
11,175	9,609	10,670	10,989
22,640	24,510	41,405	52,340
5,927	4,896	5,927	4,896
48,171	34,403	87,768	90,432
73,884	59,791	267,200	336,837
(73,396)	(58,428)	(205,267)	(336,555)
3,455,698	1,656,503	7,463,095	6,310,889
(1,490,912)	(938,973)	(2,668,130)	(2,348,495)
(54,712)	(56,761)	(166,073)	(172,871)
1,910,074	660,769	4,628,892	3,789,523
1,836,678	602,341	4,423,625	3,452,968
-	-	-	-
1,836,678	602,341	4,423,625	3,452,968
-	-	-	-
1,836,678	602,341	4,423,625	3,452,968

## First State Global Growth Funds

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

### Statements of Total Return

For the year ended 31 December 2007

	Note	First State Asia Innovation and Technology Fund 2007 \$	2006 \$
<b>Income</b>			
Dividends		-	-
Interest		794	344
Others		-	-
		794	344
<b>Less: Expenses</b>			
Management fees		1,416,545	1,207,723
Management fee rebates from the underlying fund		(1,409,939)	(1,202,288)
Registration fees		14,852	13,262
Trustee's fees		60,709	51,760
Audit fees		5,927	4,896
Others		126,781	91,131
		214,875	166,484
<b>Net (loss)/profit</b>		(214,081)	(166,140)
<b>Net gains or losses on value of investments</b>			
Net realised gains on investments sold		8,550,662	5,094,006
Net change in fair value on investments		7,184,156	(1,827,950)
Net realised gain on forward foreign exchange contracts		-	-
Net change in fair value on outstanding forward foreign exchange contracts		-	-
Net foreign exchange loss		(12,423)	(135,663)
<b>Net gains on value of investments</b>		15,722,395	3,130,393
<b>Total return for the year before taxation</b>		15,508,314	2,964,253
<b>Taxation</b>		-	-
<b>Total return for the year after taxation before distribution</b>		15,508,314	2,964,253
<b>Distribution</b>	4	-	-
<b>Total return for the year</b>		15,508,314	2,964,253

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

## First State Global Growth Funds

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

### Statements of Total Return

For the year ended 31 December 2007

First State Bridge		First State GEM Leaders	
2007	2006	2007	2006
\$	\$	\$	\$
9,142,064	5,099,975	-	-
8,348	9,267	-	-
28,394	110	13,000	-
<hr/>	<hr/>	<hr/>	<hr/>
9,178,806	5,109,352	13,000	-
9,630,402	4,775,642	239,078	262,638
(9,604,500)	(4,758,384)	(236,469)	(258,964)
96,183	63,820	9,679	11,053
577,824	286,538	11,954	13,132
5,927	4,896	5,927	4,896
729,500	354,335	40,432	28,593
<hr/>	<hr/>	<hr/>	<hr/>
1,435,336	726,847	70,601	61,348
<hr/>	<hr/>	<hr/>	<hr/>
7,743,470	4,382,505	(57,601)	(61,348)
95,309,482	31,365,910	2,948,751	1,850,533
(40,279,487)	(941,280)	106,456	1,267,101
20,301,217	10,707,830	-	-
(353,509)	2,629,659	-	-
(5,162,173)	(2,681,392)	(56,576)	(46,969)
<hr/>	<hr/>	<hr/>	<hr/>
69,815,530	41,080,727	2,998,631	3,070,665
<hr/>	<hr/>	<hr/>	<hr/>
77,559,000	45,463,232	2,941,030	3,009,317
-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>
77,559,000	45,463,232	2,941,030	3,009,317
(43,031,073)	(15,388,489)	-	-
<hr/>	<hr/>	<hr/>	<hr/>
34,527,927	30,074,743	2,941,030	3,009,317

## First State Global Growth Funds

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

### Statements of Total Return

For the year ended 31 December 2007

	Note	First State Dividend Advantage	
		2007 \$	2006 \$
<b>Income</b>			
Dividends		14,433,290	10,057,082
Interest		-	-
Others		-	-
		14,433,290	10,057,082
<b>Less: Expenses</b>			
Management fees		8,568,167	5,581,270
Management fee rebates from the underlying fund		(8,541,506)	(5,560,618)
Registration fees		51,528	36,594
Trustee's fees		428,408	279,063
Audit fees		5,926	4,852
Custody fees		-	-
Others		664,404	398,895
		1,176,927	740,056
<b>Net profit/(loss)</b>		13,256,363	9,317,026
<b>Net gains or losses on value of investments</b>			
Net realised gains on investments sold		144,095,789	57,914,666
Net change in fair value on investments		(29,958,322)	5,630,418
Net realised gain on forward foreign exchange contracts		-	-
Net change in fair value on outstanding forward foreign exchange contracts		-	-
Net foreign exchange loss		(3,504,522)	(1,781,400)
<b>Net gains/(losses) on value of investments</b>		110,632,945	61,763,684
<b>Total return for the year before taxation</b>		123,889,308	71,080,710
<b>Taxation</b>	3	-	-
<b>Total return for the year after taxation before distribution</b>		123,889,308	71,080,710
<b>Distribution</b>	4	(37,673,246)	(22,147,341)
<b>Total return for the year</b>		86,216,062	48,933,369

The accounting policies and explanatory notes form an integral part of the financial statements.

## First State Global Growth Funds

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

### Statements of Total Return

For the year ended 31 December 2007

First State Global Property Investments		First State Global Resources	
2007	2006	2007	2006
\$	\$	\$	\$
1,736,562	1,230,675	-	-
5,438	3,089	-	-
6,236	8,731	17,256	-
<hr/>	<hr/>	<hr/>	<hr/>
1,748,236	1,242,495	17,256	-
<hr/>	<hr/>	<hr/>	<hr/>
844,437	658,446	5,566,511	3,100,488
-	-	(3,124,941)	(1,733,629)
12,454	10,671	39,182	33,953
98,518	76,819	278,326	155,022
7,849	8,860	5,926	4,613
21,824	11,007	-	-
100,507	59,676	403,365	227,208
<hr/>	<hr/>	<hr/>	<hr/>
1,085,589	825,479	3,168,369	1,787,615
<hr/>	<hr/>	<hr/>	<hr/>
662,647	417,016	(3,151,113)	(1,787,615)
<hr/>	<hr/>	<hr/>	<hr/>
8,017,965	4,829,271	11,183,473	13,269,083
(17,309,976)	7,239,231	116,496,866	23,949,742
-	-	-	-
-	-	-	-
(376,670)	(269,060)	(571,336)	(697,065)
<hr/>	<hr/>	<hr/>	<hr/>
(9,668,681)	11,799,442	127,109,003	36,521,760
<hr/>	<hr/>	<hr/>	<hr/>
(9,006,034)	12,216,458	123,957,890	34,734,145
<hr/>	<hr/>	<hr/>	<hr/>
(266,446)	(219,682)	-	-
<hr/>	<hr/>	<hr/>	<hr/>
(9,272,480)	11,996,776	123,957,890	34,734,145
<hr/>	<hr/>	<hr/>	<hr/>
(1,417,082)	(3,291,609)	-	-
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(10,689,562)	8,705,167	123,957,890	34,734,145
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## First State Global Growth Funds

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

### Balance Sheets

As at 31 December 2007

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		First State Singapore Growth Fund	
	Note	2007	2006
		\$	\$
<b>ASSETS</b>			
Portfolio of investments		80,105,161	60,663,731
Receivables	5	395,175	1,390,557
Cash and bank balances		347,166	205,104
<b>Total assets</b>		<b>80,847,502</b>	<b>62,259,392</b>
<b>LIABILITIES</b>			
Payables	7	282,661	1,254,123
Net assets attributable to unitholders	8	80,564,841	61,005,269
<b>Total liabilities</b>		<b>80,847,502</b>	<b>62,259,392</b>

The accounting policies and explanatory notes form an integral part of the financial statements.

## First State Global Growth Funds

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

### Balance Sheets

As at 31 December 2007

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First State Asian Growth Fund		First State Regional China Fund	
2007	2006	2007	2006
\$	\$	\$	\$
56,465,696	93,990,229	563,476,146	405,809,280
849,208	1,845,970	9,631,593	9,350,814
400,180	358,195	2,223,275	4,609,354
<hr/>		<hr/>	
57,715,084	96,194,394	575,331,014	419,769,448
<hr/>		<hr/>	
714,860	2,076,228	6,790,936	10,447,861
57,000,224	94,118,166	568,540,078	409,321,587
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57,715,084	96,194,394	575,331,014	419,769,448
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## First State Global Growth Funds

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

### Balance Sheets

As at 31 December 2007

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		First State Regional India Fund	
	Note	2007	2006
		\$	\$
<b>ASSETS</b>			
Portfolio of investments		160,640,688	118,488,234
Receivables	5	18,741,928	1,813,252
Cash and bank balances		4,597,171	1,072,205
<b>Total assets</b>		<b>183,979,787</b>	<b>121,373,691</b>
<b>LIABILITIES</b>			
Payables	7	18,124,196	1,962,213
Net assets attributable to unitholders	8	165,855,591	119,411,478
<b>Total liabilities</b>		<b>183,979,787</b>	<b>121,373,691</b>

The accounting policies and explanatory notes form an integral part of the financial statements.

## First State Global Growth Funds

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

### Balance Sheets

As at 31 December 2007

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First State Global Balanced Fund		First State Global 100 Growth Fund	
2007	2006	2007	2006
\$	\$	\$	\$
29,032,233	31,610,320	46,603,567	62,537,625
1,519,646	488,942	317,439	610,088
163,263	130,603	215,323	297,186
<hr/>		<hr/>	
30,715,142	32,229,865	47,136,329	63,444,899
<hr/>		<hr/>	
1,353,177	402,590	210,497	647,386
29,361,965	31,827,275	46,925,832	62,797,513
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30,715,142	32,229,865	47,136,329	63,444,899
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## First State Global Growth Funds

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

### Balance Sheets

As at 31 December 2007

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	Note	First State Asia Innovation and Technology Fund	
		2007 \$	2006 \$
<b>ASSETS</b>			
Portfolio of investments		95,624,277	65,557,277
Receivables	5	1,031,943	824,302
Cash and bank balances		313,920	293,842
Financial derivatives, at fair value	6	-	-
<b>Total assets</b>		<u>96,970,140</u>	<u>66,675,421</u>
<b>LIABILITIES</b>			
Financial derivatives, at fair value	6	-	-
Payables	7	1,013,009	707,270
Net assets attributable to unitholders	8	95,957,131	65,968,151
<b>Total liabilities</b>		<u>96,970,140</u>	<u>66,675,421</u>

The accounting policies and explanatory notes form an integral part of the financial statements.

## First State Global Growth Funds

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

### Balance Sheets

As at 31 December 2007

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First State Bridge		First State GEM Leaders	
2007	2006	2007	2006
\$	\$	\$	\$
1,219,203,623	472,480,626	16,495,768	15,712,453
27,195,548	8,021,856	181,597	634,542
7,823,173	2,628,104	115,440	229,467
113,328	2,632,558	-	-
<hr/>	<hr/>	<hr/>	<hr/>
1,254,335,672	485,763,144	16,792,805	16,576,462
<hr/>	<hr/>	<hr/>	<hr/>
466,837	2,899	-	-
25,662,300	7,484,123	161,831	748,886
1,228,206,535	478,276,122	16,630,974	15,827,576
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1,254,335,672	485,763,144	16,792,805	16,576,462
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## First State Global Growth Funds

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

### Balance Sheets

As at 31 December 2007

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		First State Dividend Advantage	
	Note	2007	2006
		\$	\$
<b>ASSETS</b>			
Portfolio of investments		754,754,813	416,816,408
Receivables	5	22,608,091	7,006,874
Cash and bank balances		3,351,923	897,717
<b>Total assets</b>		<u>780,714,827</u>	<u>424,720,999</u>
<b>LIABILITIES</b>			
Payables	7	16,220,505	4,936,321
Net assets attributable to unitholders	8	764,494,322	419,784,678
<b>Total liabilities</b>		<u>780,714,827</u>	<u>424,720,999</u>

The accounting policies and explanatory notes form an integral part of the financial statements.

## First State Global Growth Funds

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

### Balance Sheets

As at 31 December 2007

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First State Global Property Investments		First State Global Resources	
2007	2006	2007	2006
\$	\$	\$	\$
30,684,847	56,945,641	714,357,124	222,960,405
249,949	1,105,781	18,647,990	5,734,232
554,919	1,092,612	5,089,351	513,544
<hr/>		<hr/>	
31,489,715	59,144,034	738,094,465	229,208,181
<hr/>		<hr/>	
293,848	429,893	21,237,557	4,728,337
31,195,867	58,714,141	716,856,908	224,479,844
<hr/>		<hr/>	
31,489,715	59,144,034	738,094,465	229,208,181
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## First State Global Growth Funds

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

### Portfolio Statements

As at 31 December 2007

	Holdings at 31 December 2007	Fair value at 31 December 2007 \$	Percentage of total net assets attributable to unitholders at 31 December 2007 %	Percentage of total net assets attributable to unitholders at 31 December 2006 %
<b>First State Singapore Growth Fund</b>				
First State Global Umbrella Fund plc – First State Singapore and Malaysia Growth Fund Class I	1,701,530	80,105,161	99.43	99.44
<b>Portfolio of investments</b>		80,105,161	99.43	99.44
<b>Other net assets</b>		459,680	0.57	0.56
<b>Net assets attributable to unitholders</b>		80,564,841	100.00	100.00
<b>First State Asian Growth Fund</b>				
First State Global Umbrella Fund plc – First State Asian Growth Fund Class I	1,372,127	56,465,696	99.06	99.86
<b>Portfolio of investments</b>		56,465,696	99.06	99.86
<b>Other net assets</b>		534,528	0.94	0.14
<b>Net assets attributable to unitholders</b>		57,000,224	100.00	100.00
<b>First State Regional China Fund</b>				
First State Global Umbrella Fund plc – First State Greater China Growth Fund Class I	7,338,620	563,476,146	99.11	99.14
<b>Portfolio of investments</b>		563,476,146	99.11	99.14
<b>Other net assets</b>		5,063,932	0.89	0.86
<b>Net assets attributable to unitholders</b>		568,540,078	100.00	100.00
<b>First State Regional India Fund</b>				
First State Global Umbrella Fund plc – First State Indian Subcontinent Fund Class I	2,642,935	160,640,688	96.86	99.23
<b>Portfolio of investments</b>		160,640,688	96.86	99.23
<b>Other net assets</b>		5,214,903	3.14	0.77
<b>Net assets attributable to unitholders</b>		165,855,591	100.00	100.00

The accounting policies and explanatory notes form an integral part of the financial statements.

## First State Global Growth Funds

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

### Portfolio Statements

As at 31 December 2007

	Holdings at 31 December 2007	Fair value at 31 December 2007 \$	Percentage of total net assets attributable to unitholders at 31 December 2007 %	Percentage of total net assets attributable to unitholders at 31 December 2006 %
<b><u>First State Global Balanced Fund</u></b>				
First State Global Umbrella Fund plc – First State Global Bond Fund Class I	543,831	12,058,470	41.07	38.92
First State Global Umbrella Fund plc – First State Global 100 Fund Class I	1,389,691	16,973,763	57.81	60.40
<b>Portfolio of investments</b>		29,032,233	98.88	99.32
<b>Other net assets</b>		329,732	1.12	0.68
<b>Net assets attributable to unitholders</b>		29,361,965	100.00	100.00
<b><u>First State Global 100 Growth Fund</u></b>				
First State Global Umbrella Fund plc – First State Global 100 Fund Class I	3,815,570	46,603,567	99.31	99.59
<b>Portfolio of investments</b>		46,603,567	99.31	99.59
<b>Other net assets</b>		322,265	0.69	0.41
<b>Net assets attributable to unitholders</b>		46,925,832	100.00	100.00
<b><u>First State Asia Innovation and Technology Fund</u></b>				
First State Global Umbrella Fund plc – First State Asia Innovation and Technology Fund Class I	2,429,503	95,624,277	99.65	99.38
<b>Portfolio of investments</b>		95,624,277	99.65	99.38
<b>Other net assets</b>		332,854	0.35	0.62
<b>Net assets attributable to unitholders</b>		95,957,131	100.00	100.00
<b><u>First State Bridge</u></b>				
First State Global Umbrella Fund plc – First State Asian Equity Plus Fund Class I	13,369,968	624,024,260	50.81	52.43
First State Global Umbrella Fund plc – First State Asian Quality Bond Fund Class I	35,435,508	595,179,363	48.46	46.36
<b>Portfolio of investments</b>		1,219,203,623	99.27	98.79
<b>Other net assets</b>		9,002,912	0.73	1.21
<b>Net assets attributable to unitholders</b>		1,228,206,535	100.00	100.00

The accounting policies and explanatory notes form an integral part of the financial statements.

## First State Global Growth Funds

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

### Portfolio Statements

As at 31 December 2007

	Holdings at 31 December 2007	Fair value at 31 December 2007 \$	Percentage of total net assets attributable to unitholders at 31 December 2007 %	Percentage of total net assets attributable to unitholders at 31 December 2006 %
<b><u>First State GEM Leaders</u></b>				
First State Investments ICVC – First State Global Emerging Markets Leaders Fund Class I	2,443,097	16,495,768	99.19	99.27
<b>Portfolio of investments</b>		16,495,768	99.19	99.27
<b>Other net assets</b>		135,206	0.81	0.73
<b>Net assets attributable to unitholders</b>		16,630,974	100.00	100.00
<b><u>First State Dividend Advantage</u></b>				
First State Global Umbrella Fund plc – First State Asian Equity Plus Fund Class I	16,170,922	754,754,813	98.73	99.29
<b>Portfolio of investments</b>		754,754,813	98.73	99.29
<b>Other net assets</b>		9,739,509	1.27	0.71
<b>Net assets attributable to unitholders</b>		764,494,322	100.00	100.00
<b><u>First State Global Property Investments</u></b>				
<b>(a) Primary - by geography</b>				
<b>Quoted</b>				
<b>Australia</b>				
Babcock & Brown Japan Property	46,542	82,145	0.26	0.39
Centro Retail Group	58,410	74,166	0.24	0.12
CFS Retail Property Trust	-	-	-	0.62
CFS Retail Property Trust (new)	-	-	-	0.03
Challenger Diversified Prope	-	-	-	0.35
Challenger Kenedix Japan Trust	90,000	122,277	0.39	-
Galileo Japan Trust	-	-	-	0.27
Goodman Group	71,965	438,614	1.41	-
GPT Group	-	-	-	0.64
ING Real Estate Community Living	317,166	483,268	1.55	-
Macquarie Countrywide Trust	-	-	-	0.34
Macquarie Goodman Group	-	-	-	1.65
Rubicon America Trust	-	-	-	0.19
Rubicon Japan Trust	270,000	246,840	0.79	0.83
		1,447,310	4.64	5.43

The accounting policies and explanatory notes form an integral part of the financial statements.

## First State Global Growth Funds

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

### Portfolio Statements

As at 31 December 2007

	Holdings at 31 December 2007	Fair value at 31 December 2007 \$	Percentage of total net assets attributable to unitholders at 31 December 2007 %	Percentage of total net assets attributable to unitholders at 31 December 2006 %
<b>First State Global Property Investments</b>				
<b>(a) Primary - by geography (continued)</b>				
<b>British Virgin</b>				
Eastern Proptry Holding Limited	1,197	150,528	0.48	-
<b>Canada</b>				
Allied Properties Real Estate	12,627	384,785	1.23	0.75
Boardwalk Real Estate Investment Trust	9,052	593,457	1.90	-
Brookfield Properties Corp	15,200	422,719	1.36	2.33
Canadian Real Estate Investment Trust	7,000	298,039	0.96	-
Crombie Real Estate Investment	-	-	-	0.66
Primaris Retail Real Estate	4,487	120,328	0.39	-
		1,819,328	5.84	3.74
<b>Cayman Islands</b>				
Agile Property Holdings Limited	295,000	767,342	2.46	-
<b>China</b>				
Beijing Capital Intl Airport Co Ltd	-	-	-	3.07
Capitaretail China Trust	47,500	100,700	0.32	-
Guangzhou R&F Properties Co Ltd	-	-	-	0.37
		100,700	0.32	3.44
<b>Cyprus</b>				
AFI Development PLC	21,433	294,140	0.94	-
<b>Finland</b>				
Citycon	71,371	557,601	1.79	2.70
<b>France</b>				
Klepierre	12,150	904,890	2.90	6.14
Mercialy	-	-	-	0.97
STE De La Tour Eiffel	6,150	1,229,230	3.94	5.85
Unibail Holding	4,050	1,293,118	4.15	1.59
		3,427,238	11.00	14.55

The accounting policies and explanatory notes form an integral part of the financial statements.

## First State Global Growth Funds

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

### Portfolio Statements

As at 31 December 2007

	Holdings at 31 December 2007	Fair value at 31 December 2007 \$	Percentage of total net assets attributable to unitholders at 31 December 2007 %	Percentage of total net assets attributable to unitholders at 31 December 2006 %
<b>First State Global Property Investments</b>				
<b>(a) Primary - by geography (continued)</b>				
<b>Germany</b>				
Alstria Office	19,526	427,078	1.37	-
Deutsche Euroshop	6,400	322,628	1.03	0.87
		749,706	2.40	0.87
<b>Great Britain</b>				
Big Yellow Group PLC	24,017	655,251	2.10	0.72
British Land Co PLC	-	-	-	1.94
Brixton PLC	26,000	219,374	0.70	-
Hammerson PLC	18,086	529,466	1.70	-
Land Securities Group PLC	20,458	889,499	2.86	5.24
Local Shopping REIT PLC	68,518	205,729	0.66	-
Sergo PLC	29,538	400,595	1.28	-
Slough Estates PLC	-	-	-	1.21
Terrace Hill Group PLC	125,001	230,967	0.74	-
Unite Group PLC	-	-	-	0.89
		3,130,881	10.04	10.00
<b>Guernsey</b>				
Eurocastle Investment Ltd	5,522	195,810	0.62	1.16
Mapeley Ltd	4,589	198,731	0.64	0.63
Sumit Germany Ltd	135,479	226,499	0.73	0.81
		621,040	1.99	2.60
<b>Hong Kong</b>				
Agile Property Holdings Ltd	-	-	-	0.98
Champion REIT	354,000	295,132	0.94	1.52
China Overseas Land & Inv ORD	185,000	551,135	1.77	0.96
China Overseas Land & Inv WTS	20,666	16,004	0.05	0.05
Hang Lung Properties Ltd	49,000	328,628	1.05	0.16
Kerry Properties Ltd	95,878	1,112,859	3.57	1.61
		2,303,758	7.38	5.28
<b>India</b>				
Ishaan Real Estate PLC	144,897	443,427	1.42	0.20

The accounting policies and explanatory notes form an integral part of the financial statements.

## First State Global Growth Funds

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

### Portfolio Statements

As at 31 December 2007

	Holdings at 31 December 2007	Fair value at 31 December 2007 \$	Percentage of total net assets attributable to unitholders at 31 December 2007 %	Percentage of total net assets attributable to unitholders at 31 December 2006 %
<b>First State Global Property Investments</b>				
<b>(a) Primary - by geography (continued)</b>				
<b>Isle of Man</b>				
Unitech Corporation Parks	129,872	423,693	1.36	2.10
<b>Italy</b>				
Risanamento	14,200	110,686	0.35	-
<b>Japan</b>				
Aeon Mall Co Ltd	7,100	269,686	0.86	2.54
Fukuoka REIT	23	225,367	0.72	-
Frontier Real Estate Investment Corp	-	-	-	1.07
Japan Real Estate Investment Corp	18	182,864	0.59	1.02
Japan Real Estate Investment Corp REIT	-	-	-	0.09
Mitsubishi Estate Co Ltd	-	-	-	1.15
Mitsui Fudosan Co Ltd	18,400	570,969	1.83	1.79
Nippon Building Fund Inc REIT	11	220,951	0.71	0.41
Nippon Commercial Investment Corp	-	-	-	0.51
Pacific Management Corp	174	248,685	0.80	1.49
Tokyu REIT Inc	34	455,292	1.46	0.57
		2,173,814	6.97	10.64
<b>Netherlands</b>				
Eurocommerc CVA	3,115	234,184	0.75	-
Plaza Centers	26,416	174,456	0.56	0.24
Rodamco Europe	-	-	-	1.73
		408,640	1.31	1.97
<b>Singapore</b>				
Ascendas India	144,613	185,105	0.59	-
CapitaLand Ltd	51,000	319,770	1.03	-
CapitaMall Trust Reit	190,000	655,500	2.10	-
Mapletree Logistics Trust	180,000	194,400	0.62	-
		1,354,775	4.34	-

The accounting policies and explanatory notes form an integral part of the financial statements.

## First State Global Growth Funds

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

### Portfolio Statements

As at 31 December 2007

	Holdings at 31 December 2007	Fair value at 31 December 2007 \$	Percentage of total net assets attributable to unitholders at 31 December 2007 %	Percentage of total net assets attributable to unitholders at 31 December 2006 %
<b>First State Global Property Investments</b>				
<b>(a) Primary - by geography (continued)</b>				
<b>United States of America</b>				
Alexandria Real Estate Equities Inc	4,000	582,863	1.87	1.25
AMB Property Corp	4,650	385,066	1.23	-
American Campus Communities	4,400	169,430	0.54	0.41
American Tower Corp Class A	-	-	-	3.60
Biomed Realty Trust Inc	9,950	332,229	1.06	-
BRE Properties Class A	4,200	243,868	0.78	-
Developers Diversified Realty Corporation	-	-	-	0.63
Digital Realty Trust Inc	10,700	591,277	1.90	1.69
Dupont Fabros	3,181	89,431	0.29	-
Essex Property Trust Inc	2,000	281,024	0.90	0.84
Extra Space Storage Inc	12,000	247,519	0.79	-
Host Hotels & Resorts Inc	18,900	465,516	1.49	4.65
Kimco Realty Corp	10,000	524,987	1.68	2.35
Macerich Co Ltd	2,500	256,170	0.82	0.70
Maguire Properties Inc	-	-	-	2.82
Morgans Hotel	12,250	341,741	1.10	-
Nationwide Health Properties Inc	4,000	181,375	0.58	-
Prologis	17,500	1,600,438	5.13	4.30
Prologis European Properties	-	-	-	1.44
Reckson Associates Realty Corp	-	-	-	1.31
Regency Centers Corp	-	-	-	1.02
Simon Property Group	10,250	1,286,906	4.14	-
SL Green Realty Corp	2,850	383,158	1.23	1.56
Starwood Hotel	4,850	308,599	0.99	-
Sunstone Hotel	15,800	416,567	1.33	-
Taubman Centers Inc Reit	6,300	447,303	1.43	-
Vornado Realty Trust Inc	9,950	1,264,773	4.05	4.90
		10,400,240	33.33	33.47
<b>Portfolio of investments</b>		30,684,847	98.36	96.99
<b>Other net assets</b>		511,020	1.64	3.01
<b>Net assets attributable to unitholders</b>		31,195,867	100.00	100.00

The accounting policies and explanatory notes form an integral part of the financial statements.

## First State Global Growth Funds

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

### Portfolio Statements

As at 31 December 2007

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	Percentage of total net assets attributable to unitholders at 31 December 2007 %	Percentage of total net assets attributable to unitholders at 31 December 2006 %
<b><u>First State Global Property Investments</u></b>		
<b>(a) Primary - by geography (summary)</b>		
<b>Quoted</b>		
Australia	4.64	5.43
British Virgin	0.48	-
Canada	5.84	3.74
Cayman Islands	2.46	-
China	0.32	3.44
Cyprus	0.94	-
Finland	1.79	2.70
France	11.00	14.55
Germany	2.40	0.87
Great Britain	10.04	10.00
Guernsey	1.99	2.60
Hong Kong	7.38	5.28
India	1.42	0.20
Isle of Man	1.36	2.10
Italy	0.35	-
Japan	6.97	10.64
Netherlands	1.31	1.97
Singapore	4.34	-
United States of America	33.33	33.47
<b>Portfolio of investments</b>	98.36	96.99
<b>Other net assets</b>	1.64	3.01
<b>Net assets attributable to unitholders</b>	100.00	100.00

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The accounting policies and explanatory notes form an integral part of the financial statements.

## First State Global Growth Funds

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

### Portfolio Statements

As at 31 December 2007

	Fair Value at 31 December 2007 \$	Fair value at 31 December 2006 \$	Percentage of total net assets attributable to unitholders at 31 December 2007 %	Percentage of total net assets attributable to unitholders at 31 December 2006 %
<b>First State Global Property Investments</b>				
<b>(b) Secondary - by industry</b>				
Cable & Wire	185,105	2,114,099	0.59	3.60
Diversified Resources	181,375	367,086	0.58	0.63
Finance	195,810	682,229	0.63	1.16
Hotel	1,532,423	2,730,500	4.91	4.65
Investments	1,460,197	3,733,309	4.68	6.36
Property	4,051,258	5,132,398	12.99	8.74
Property Development	247,519	-	0.79	-
Property Trust	801,783	2,089,583	2.57	3.56
Real Estate	13,865,540	25,861,349	44.45	44.05
Real Estate Investment Trust	7,921,232	10,799,596	25.39	18.39
Retail	120,328	-	0.39	-
Transport - Air	-	1,801,707	-	3.07
Unit Trust	122,277	1,210,677	0.39	2.06
Warehousing	-	423,108	-	0.72
<b>Portfolio of investments</b>	<b>30,684,847</b>	<b>56,945,641</b>	<b>98.36</b>	<b>96.99</b>
<b>Other net assets/(liabilities)</b>	<b>511,020</b>	<b>1,768,500</b>	<b>1.64</b>	<b>3.01</b>
<b>Net assets attributable to unitholders</b>	<b>31,195,867</b>	<b>58,714,141</b>	<b>100.00</b>	<b>100.00</b>
<b>First State Global Resources</b>				
First State Investments ICVC - First State Global Resources Fund Class B	72,815,430	702,565,982	98.01	95.72
First State Global Umbrella Fund plc - First State Global Resources Fund Class III	510,797	11,791,142	1.64	3.60
<b>Portfolio of investments</b>		<b>714,357,124</b>	<b>99.65</b>	<b>99.32</b>
<b>Other net assets</b>		<b>2,499,784</b>	<b>0.35</b>	<b>0.68</b>
<b>Net assets attributable to unitholders</b>		<b>716,856,908</b>	<b>100.00</b>	<b>100.00</b>

Note: As all the sub-funds, except for First State Global Property Investments, are invested wholly or substantially into other underlying funds which are mostly domiciled in Ireland and denominated in United States dollars, it is not meaningful to classify the investments into investment funds by industry or geography.

The accounting policies and explanatory notes form an integral part of the financial statements.

# First State Global Growth Funds

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

## Notes to the Financial Statements

31 December 2007

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

### 1. Corporate information

First State Global Growth Funds (“GGFD”) is a Singapore domiciled umbrella fund constituted by a Trust Deed dated 16 April 1998 (the “Original Deed”). The Original Deed (as modified by the various supplemental deeds, the Amended and Restated Deed dated 1 October 2002, the First Amending Deed dated 12 May 2003, the Second Amending Deed dated 1 July 2003, the Third Amending Deed dated 18 May 2004, the Fourth Amending Deed dated 3 November 2004, the Fifth Amending Deed dated 16 February 2005, the Sixth Amending Deed dated 11 July 2005, the Seventh Amending Deed dated 2 November 2005 and the Eighth Amending and Restating Deed dated 2 November 2007) are referred to as the “Deed”. The parties to the Deed are First State Investments (Singapore) (the “Manager”) and HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”). The Original Deed and the Deed are governed by the laws of the Republic of Singapore.

These financial statements cover sub-funds which have been launched prior to 31 December 2007.

The financial statements of GGFD for the year ended 31 December 2007 comprise the following sub-funds, each of which has a separate investment objective.

#### **Sub-funds**

First State Singapore Growth Fund (“SPGF”)  
First State Asian Growth Fund (“APGF”)  
First State Regional China Fund (“RCFD”)  
First State Regional India Fund (“RIFD”)  
First State Global Balanced Fund (“GBFD”)  
First State Global 100 Growth Fund (“G100”)  
First State Asia Innovation and Technology Fund (“AIAT”)  
First State Bridge (“BRDG”)  
First State GEM Leaders (“GEML”)  
First State Dividend Advantage (“DIVA”)  
First State Global Property Investments (“GLPR”)  
First State Global Resources (“GRES”)

#### **Sub-funds within GGFD      Underlying funds within First State Global Umbrella Fund p.l.c (“GUFDF”)**

SPGF	First State Singapore and Malaysia Growth Fund
APGF	First State Asian Growth Fund
RCFD	First State Greater China Growth Fund
RIFD	First State Indian Subcontinent Fund
GBFD	First State Global Bond Fund and First State Global 100 Fund
G100	First State Global 100 Fund
AIAT	First State Asia Innovation and Technology Fund
BRDG	First State Asian Equity Plus Fund and First State Asian Quality Bond Fund
DIVA	First State Asian Equity Plus Fund
GRES	First State Global Resources Fund

## First State Global Growth Funds

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

### Notes to the Financial Statements

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#### 1. Corporate information (continued)

<b>Sub-funds within GGF</b>	<b>Underlying fund within First State Investments ICVC</b>
GEML	First State Global Emerging Markets Leaders Fund
GRES	First State Global Resources Fund

GUF is an open-ended investment company incorporated under the laws of the Republic of Ireland and structured as an umbrella fund. GUF is managed by First State Investments (Hong Kong) Limited, a related corporation of the Manager, incorporated in Hong Kong.

First State Investments ICVC is an open-ended investment company incorporated under the laws of England and Wales and structured as an umbrella fund. First State Investments ICVC which is managed by First State Investment Management (UK) Limited, incorporated in the United Kingdom, is a related corporation of the Manager.

The financial statements of the sub-funds are expressed in Singapore dollars ("SGD" or "\$S").

#### 2. Summary of significant accounting policies

##### (a) **Basis of preparation**

The financial statements are prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the revised Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore in May 2005.

##### (b) **Foreign currencies**

Foreign currency transactions during the financial year are translated into Singapore dollars at the rates of exchange ruling on the transaction dates. Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange ruling at the balance sheet date. Differences on exchange are included in the Statement of Total Return.

##### (c) **Income recognition**

Income is recognised in the Statement of Total Return as follows :

- (i) Interest income from bank balances is recognised on an accrual basis; and
- (ii) Dividend income is recorded gross in the period in which the dividend is declared payable by the investee company.

##### (d) **Investments**

Investments are stated at the net asset value of the underlying fund at the balance sheet date, except for GLPR whose investments are stated at the quoted market bid prices of securities held at the close of the business on the balance sheet date.

The net appreciation or diminution in the value of investments has been calculated by comparing the book cost, calculated on a weighted average basis, with the net asset values of the underlying investments at the balance sheet date. Book cost includes the cost of the investment and purchase related expenses, e.g. brokerage and stamp duties. The resulting net appreciation or diminution in the value of investments is taken directly to the Statement of Total Return.

## First State Global Growth Funds

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

### Notes to the Financial Statements

31 December 2007

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#### 2. Summary of significant accounting policies (continued)

##### (d) Investments (continued)

The realised gains or losses on sale of investments are calculated as the difference between the sales proceeds and book cost calculated on a weighted average basis. The realised gains or losses are taken directly to the Statement of Total Return.

##### (e) Expenses

All fees, services and other charges to be borne by the sub-funds under the Trust Deed, including management fees, trustee fees, custodian fees and preliminary expenses are charged to the Statement of Total Return.

##### (f) Financial derivatives

Financial derivative contracts are carried at fair value. Fair values are obtained from quoted market prices. The financial year end fair values represent the net unrealised gains or losses on revaluation of financial derivative contracts at the balance sheet date. The fair values of the financial derivatives are shown in the balance sheet as "Fair value on financial derivatives". Realised and unrealised gains and losses are recognised in the Statement of Total Return.

#### 3. Taxation

	First State Global Property Investments	
	2007	2006
	\$	\$
Based on the income for the year:		
Withholding tax on foreign sourced income	(264,525)	(219,682)
Withholding tax on Singapore sourced income	(1,921)	-
Taxation charge for the year	<u>(266,446)</u>	<u>(219,682)</u>

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

- gains or profits derived from Singapore or elsewhere from the disposal of securities;
- interest (other than interest for which tax has been deducted under Section 45 of the Income Tax Act);
- dividends derived from outside Singapore and received in Singapore;
- gains or profits derived from foreign exchange transactions, transactions in futures contracts, transactions in interest rate or currency forwards, swaps or option contracts and transactions in forwards, swaps or option contracts relating to any securities or financial index; and
- distributions from foreign unit trusts derived from outside Singapore and received in Singapore.

## First State Global Growth Funds

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

### Notes to the Financial Statements

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#### 4. Distribution

	<b>First State Bridge 2007</b>		
	<b>Entitlement cut off date</b>	<b>Payment date</b>	<b>Distribution amount \$</b>
Final dividend at 2.12 cents per unit	30 April 2007	17 May 2007	9,113,333
Final dividend at 4.62 cents per unit	31 October 2007	15 November 2007	33,917,740
			<u>43,031,073</u>

	<b>First State Bridge 2006</b>		
	<b>Entitlement cut off date</b>	<b>Payment date</b>	<b>Distribution amount \$</b>
Final dividend at 3 cents per unit	28 April 2006	23 May 2006	8,759,348
Final dividend at 1.94 cents per unit	31 October 2006	23 November 2006	6,629,141
			<u>15,388,489</u>

	<b>First State Dividend Advantage 2007</b>		
	<b>Entitlement cut off date</b>	<b>Payment date</b>	<b>Distribution amount \$</b>
Final dividend at 1.28 cents per unit	29 December 2006	18 January 2007	4,207,338
Final dividend at 3.96 cents per unit	30 March 2007	19 April 2007	14,523,043
Final dividend at 2.97 cents per unit	29 June 2007	19 July 2007	11,972,790
Final dividend at 1.56 cents per unit	28 September 2007	18 October 2007	6,970,075
			<u>37,673,246</u>

	<b>First State Dividend Advantage 2006</b>		
	<b>Entitlement cut off date</b>	<b>Payment date</b>	<b>Distribution amount \$</b>
Final dividend at 1.14 cents per unit	30 December 2005	19 January 2006	3,046,159
Final dividend at 2.37 cents per unit	31 March 2006	20 April 2006	7,277,508
Final dividend at 2.23 cents per unit	30 June 2006	20 July 2006	7,673,131
Final dividend at 1.16 cents per unit	29 September 2006	19 October 2006	4,150,543
			<u>22,147,341</u>

	<b>First State Global Property Investments 2007</b>		
	<b>Entitlement cut off date</b>	<b>Payment date</b>	<b>Distribution amount \$</b>
Final dividend at 4.80 cents per unit	30 November 2007	13 December 2007	1,417,082

# First State Global Growth Funds

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

## Notes to the Financial Statements

31 December 2007

### 4. Distribution (continued)

	First State Global Property Investments		
	Entitlement cut off date	2006 Payment date	Distribution amount \$
Final dividend at 8.56 cents per unit	30 November 2006	14 December 2006	3,291,609

### 5. Receivables

	First State Singapore Growth Fund		First State Asian Growth Fund	
	2007 \$	2006 \$	2007 \$	2006 \$
Amounts receivable for creation of units	86,177	697,354	532,958	783,853
Amounts receivable on cancellation of units in underlying fund	-	480,627	104,073	730,922
Management fee rebates receivable from the underlying fund	308,998	212,576	212,177	331,195
	<u>395,175</u>	<u>1,390,557</u>	<u>849,208</u>	<u>1,845,970</u>

	First State Regional China Fund		First State Regional India Fund	
	2007 \$	2006 \$	2007 \$	2006 \$
Amounts receivable for creation of units	7,510,000	8,035,956	18,242,747	1,042,653
Amounts receivable on cancellation of units in underlying fund	-	-	-	304,039
Management fee rebates receivable from the underlying fund	2,107,260	1,314,858	494,310	465,888
Other receivables	14,333	-	4,871	672
	<u>9,631,593</u>	<u>9,350,814</u>	<u>18,741,928</u>	<u>1,813,252</u>

	First State Global Balanced Fund		First State Global 100 Growth Fund	
	2007 \$	2006 \$	2007 \$	2006 \$
Amounts receivable for creation of units	1,368,740	389,825	600	800
Amounts receivable on cancellation of units in underlying funds	53,481	-	130,091	374,674
Management fee rebates receivable from the underlying funds	96,937	99,117	186,748	234,614
Other receivables	488	-	-	-
	<u>1,519,646</u>	<u>488,942</u>	<u>317,439</u>	<u>610,088</u>

## First State Global Growth Funds

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

### Notes to the Financial Statements

31 December 2007

#### 5. Receivables (continued)

	First State Asia Innovation and Technology Fund		First State Bridge	
	2007	2006	2007	2006
	\$	\$	\$	\$
Amounts receivable for creation of units	361,631	247,819	23,675,674	6,636,555
Amounts receivable on cancellation of units in underlying funds	226,936	300,968	-	-
Management fee rebates receivable from the underlying funds	443,376	275,515	3,519,874	1,385,301
	1,031,943	824,302	27,195,548	8,021,856

	First State GEM Leaders		First State Dividend Advantage	
	2007	2006	2007	2006
	\$	\$	\$	\$
Amounts receivable for creation of units	66,944	504,912	19,910,989	5,222,582
Amounts receivable on cancellation of units in underlying fund	51,967	72,275	-	264,115
Management fee rebates receivable from the underlying fund	62,154	57,355	2,692,693	1,520,177
Other receivables	532	-	4,409	-
	181,597	634,542	22,608,091	7,006,874

	First State Global Property Investments		First State Global Resources	
	2007	2006	2007	2006
	\$	\$	\$	\$
Amounts receivable for creation of units	81,421	959,855	17,356,140	4,347,940
Amounts receivable on cancellation of units in underlying funds	53,698	-	-	891,387
Management fee rebates receivable from the underlying funds	-	-	1,283,960	494,905
Dividends receivables	114,830	145,926	-	-
Other receivables	-	-	7,890	-
	249,949	1,105,781	18,647,990	5,734,232

## First State Global Growth Funds

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

### Notes to the Financial Statements

31 December 2007

#### 6. Fair value of financial derivatives contracts

Financial derivative contracts comprise forward foreign exchange contracts for the sale and purchase of foreign currencies.

The contract or underlying principal amounts of these financial derivative and their corresponding gross positive and negative fair values at the balance sheet date are as follows:

	First State Bridge		
	Notional amount \$	2007 Fair value assets \$	Fair value liabilities \$
Forward foreign exchange contracts	594,808,647	113,328	466,837

  

	First State Bridge		
	Notional amount \$	2006 Fair value assets \$	Fair value liabilities \$
Forward foreign exchange contracts	227,106,195	2,632,558	2,899

#### 7. Payables

	First State Singapore Growth Fund		First State Asian Growth Fund	
	2007 \$	2006 \$	2007 \$	2006 \$
Payables to unitholders for cancellation of units	115,776	769,332	473,533	1,398,720
Amounts payable on purchase of units from underlying fund	-	348,570	50,591	414,599
Accrued expenses	166,885	136,221	189,525	262,909
Other payables	-	-	1,211	-
	282,661	1,254,123	714,860	2,076,228

  

	First State Regional China Fund		First State Regional India Fund	
	2007 \$	2006 \$	2007 \$	2006 \$
Payables to unitholders for cancellation of units	3,811,251	4,176,071	5,520,465	1,644,130
Amounts payable on purchase of units from underlying fund	1,566,868	4,546,764	12,030,480	-
Accrued expenses	1,412,817	1,725,026	573,251	318,083
	6,790,936	10,447,861	18,124,196	1,962,213

  

	First State Global Balanced Fund		First State Global 100 Growth Fund	
	2007 \$	2006 \$	2007 \$	2006 \$
Payables to unitholders for cancellation of units	553,248	301,287	129,883	544,546
Amounts payable on purchase of units from underlying funds	745,852	49,138	-	-
Accrued expenses	54,077	52,165	80,614	102,840
	1,353,177	402,590	210,497	647,386

## First State Global Growth Funds

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

### Notes to the Financial Statements

31 December 2007

#### 7. Payables (continued)

	First State Asia Innovation and Technology Fund		First State Bridge	
	2007	2006	2007	2006
	\$	\$	\$	\$
Payables to unitholders for cancellation of units	792,738	583,556	8,442,021	4,255,565
Amounts payable on purchase of units from underlying funds	-	-	13,795,375	1,999,286
Accrued expenses	215,714	123,714	3,369,463	1,228,880
Other payables	4,557	-	55,441	392
	<u>1,013,009</u>	<u>707,270</u>	<u>25,662,300</u>	<u>7,484,123</u>

At 31 December 2007, included in other payables for BRDG is an amount of \$55,441 (2006: \$392) relating to unrealised loss on spot foreign exchange contracts with a total principal amount of \$13,642,000 (2006: \$1,094,608).

	First State GEM Leaders		First State Dividend Advantage	
	2007	2006	2007	2006
	\$	\$	\$	\$
Payables to unitholders for cancellation of units	115,965	562,199	1,834,854	3,043,239
Amounts payable on purchase of units from underlying fund	-	150,572	12,377,388	781,595
Accrued expenses	45,866	36,115	2,008,263	1,111,487
	<u>161,831</u>	<u>748,886</u>	<u>16,220,505</u>	<u>4,936,321</u>

	First State Global Property Investments		First State Global Resources	
	2007	2006	2007	2006
	\$	\$	\$	\$
Payables to unitholders for cancellation of units	138,269	250,908	4,903,393	3,024,914
Amounts payable on purchase of units from underlying funds	64,241	-	15,038,746	1,162,417
Accrued expenses	91,338	178,985	1,295,418	541,006
	<u>293,848</u>	<u>429,893</u>	<u>21,237,557</u>	<u>4,728,337</u>

## First State Global Growth Funds

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

### Notes to the Financial Statements

31 December 2007

#### 8. Net assets attributable to unitholders

	First State Singapore Growth Fund		First State Asian Growth Fund	
	2007 \$	2006 \$	2007 \$	2006 \$
<b>At the beginning of the year</b>	61,005,269	56,094,876	94,118,166	102,080,184
<b>Operations</b>				
Change in net assets attributable to unitholders resulting from operations	15,182,107	15,414,030	17,477,421	17,830,776
<b>Unitholders' contribution/ (withdrawals)</b>				
Creation of units	40,275,126	5,462,839	32,085,336	15,138,883
Cancellation of units	(35,897,661)	(15,966,476)	(86,680,699)	(40,931,677)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	4,377,465	(10,503,637)	(54,595,363)	(25,792,794)
Total increase/(decrease) in net assets attributable to unitholders	19,559,572	4,910,393	(37,117,942)	(7,962,018)
<b>At the end of the year</b>	<b>80,564,841</b>	<b>61,005,269</b>	<b>57,000,224</b>	<b>94,118,166</b>
<b>Units in issue (Note 9)</b>	<b>36,994,020</b>	<b>35,233,703</b>	<b>30,787,077</b>	<b>68,090,129</b>
<b>Net asset attributable to unitholders per unit</b>	<b>2.1777</b>	<b>1.7314</b>	<b>1.8514</b>	<b>1.3822</b>

## First State Global Growth Funds

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

### Notes to the Financial Statements

31 December 2007

#### 8. Net assets attributable to unitholders (continued)

	First State Regional China Fund		First State Regional India Fund	
	2007 \$	2006 \$	2007 \$	2006 \$
<b>At the beginning of the year</b>	409,321,587	216,772,528	119,411,478	122,939,218
<b>Operations</b>				
Change in net assets attributable to unitholders resulting from operations	147,626,919	104,708,921	48,422,104	27,799,090
<b>Unitholders' contribution/ (withdrawals)</b>				
Creation of units	511,956,006	244,240,937	133,131,503	88,992,609
Cancellation of units	(500,364,434)	(156,400,799)	(135,109,494)	(120,319,439)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	11,591,572	87,840,138	(1,977,991)	(31,326,830)
Total increase/(decrease) in net assets attributable to unitholders	159,218,491	192,549,059	46,444,113	(3,527,740)
<b>At the end of the year</b>	568,540,078	409,321,587	165,855,591	119,411,478
<b>Units in issue (Note 9)</b>	264,966,412	267,233,917	45,554,796	49,379,250
<b>Net asset attributable to unitholders per unit</b>	2.1457	1.5316	3.6407	2.4182

## First State Global Growth Funds

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

### Notes to the Financial Statements

31 December 2007

#### 8. Net assets attributable to unitholders (continued)

	First State Global Balanced Fund		First State Global 100 Growth Fund	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>At the beginning of the year</b>	31,827,275	36,509,667	62,797,513	81,405,776
<b>Operations</b>				
Change in net assets attributable to unitholders resulting from operations	1,836,678	602,341	4,423,625	3,452,968
<b>Unitholders' contribution/ (withdrawals)</b>				
Creation of units	22,748,046	5,015,656	1,176,810	741,610
Cancellation of units	(27,050,034)	(10,300,389)	(21,472,116)	(22,802,841)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(4,301,988)	(5,284,733)	(20,295,306)	(22,061,231)
Total decrease in net assets attributable to unitholders	(2,465,310)	(4,682,392)	(15,871,681)	(18,608,263)
<b>At the end of the year</b>	29,361,965	31,827,275	46,925,832	62,797,513
<b>Units in issue (Note 9)</b>	35,711,288	41,184,813	37,106,269	53,542,648
<b>Net asset attributable to unitholders per unit</b>	0.8222	0.7727	1.2646	1.1728

## First State Global Growth Funds

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

### Notes to the Financial Statements

31 December 2007

#### 8. Net assets attributable to unitholders (continued)

	First State Asia Innovation and Technology Fund		First State Bridge	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>At the beginning of the year</b>	65,968,151	68,447,953	478,276,122	291,912,859
<b>Operations</b>				
Change in net assets attributable to unitholders resulting from operations	15,508,314	2,964,253	34,527,927	30,074,743
<b>Unitholders' contribution/ (withdrawals)</b>				
Creation of units	66,050,054	18,456,071	1,034,105,852	300,393,344
Cancellation of units	(51,569,388)	(23,900,126)	(318,703,366)	(144,104,824)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	14,480,666	(5,444,055)	715,402,486	156,288,520
Total increase/(decrease) in net assets attributable to unitholders	29,988,980	(2,479,802)	749,930,413	186,363,263
<b>At the end of the year</b>	95,957,131	65,968,151	1,228,206,535	478,276,122
<b>Units in issue (Note 9)</b>	121,190,246	106,154,877	847,154,875	356,149,871
<b>Net asset attributable to unitholders per unit</b>	0.7917	0.6214	1.4498	1.3429

## First State Global Growth Funds

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

### Notes to the Financial Statements

31 December 2007

#### 8. Net assets attributable to unitholders (continued)

	First State GEM Leaders		First State Dividend Advantage	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>At the beginning of the year</b>	15,827,576	18,822,947	419,784,678	302,238,540
<b>Operations</b>				
Change in net assets attributable to unitholders resulting from operations	2,941,030	3,009,317	86,216,062	48,933,369
<b>Unitholders' contribution/ (withdrawals)</b>				
Creation of units	17,433,074	10,737,569	553,522,471	249,428,355
Cancellation of units	(19,570,706)	(16,742,257)	(295,028,889)	(180,815,586)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(2,137,632)	(6,004,688)	258,493,582	68,612,769
Total increase/(decrease) in net assets attributable to unitholders	803,398	(2,995,371)	344,709,644	117,546,138
<b>At the end of the year</b>	16,630,974	15,827,576	764,494,322	419,784,678
<b>Units in issue (Note 9)</b>	8,162,519	9,412,413	506,916,354	328,698,269
<b>Net asset attributable to unitholders per unit</b>	2.0374	1.6815	1.5081	1.2771

## First State Global Growth Funds

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#### 8. Net assets attributable to unitholders (continued)

	First State Global Property Investments		First State Global Resources	
	2007 \$	2006 \$	2007 \$	2006 \$
<b>At the beginning of the year</b>	58,714,141	58,215,642	224,479,844	180,365,771
<b>Operations</b>				
Change in net assets attributable to unitholders resulting from operations	(10,689,562)	8,705,167	123,957,890	34,734,145
<b>Unitholders' contribution/ (withdrawals)</b>				
Creation of units	33,974,033	31,538,864	730,645,283	229,480,657
Cancellation of units	(50,802,745)	(39,745,532)	(362,226,109)	(220,100,729)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(16,828,712)	(8,206,668)	368,419,174	9,379,928
Total (decrease)/increase in net assets attributable to unitholders	(27,518,274)	498,499	492,377,064	44,114,073
<b>At the end of the year</b>	<u>31,195,867</u>	<u>58,714,141</u>	<u>716,856,908</u>	<u>224,479,844</u>
<b>Units in issue (Note 9)</b>	<u>29,211,198</u>	<u>42,453,837</u>	<u>399,845,667</u>	<u>183,956,256</u>
<b>Net asset attributable to unitholders per unit</b>	<u>1.0679</u>	<u>1.3830</u>	<u>1.7928</u>	<u>1.2202</u>

## First State Global Growth Funds

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#### 9. Units in issue

	First State Singapore Growth Fund		First State Asian Growth Fund	
	2007	2006	2007	2006
Units at beginning of year	35,233,703	42,324,082	68,090,129	89,710,413
Units created	19,277,222	3,602,878	19,445,398	12,886,715
Units cancelled	(17,516,905)	(10,693,257)	(56,748,450)	(34,506,999)
Units at end of year	36,994,020	35,233,703	30,787,077	68,090,129

	First State Regional China Fund		First State Regional India Fund	
	2007	2006	2007	2006
Units at beginning of year	267,233,917	196,192,254	49,379,250	63,263,352
Units created	270,286,743	211,578,867	44,697,472	44,881,099
Units cancelled	(272,554,248)	(140,537,204)	(48,521,926)	(58,765,201)
Units at end of year	264,966,412	267,233,917	45,554,796	49,379,250

	First State Global Balanced Fund		First State Global 100 Growth Fund	
	2007	2006	2007	2006
Units at beginning of year	41,184,813	48,200,324	53,542,648	73,219,660
Units created	27,967,899	6,844,938	941,620	5,952,659
Units cancelled	(33,441,424)	(13,860,449)	(17,377,999)	(25,629,671)
Units at end of year	35,711,288	41,184,813	37,106,269	53,542,648

	First State Asia Innovation and Technology Fund		First State Bridge	
	2007	2006	2007	2006
Units at beginning of year	106,154,877	115,831,235	356,149,871	233,110,433
Units created	84,344,345	38,546,276	712,839,573	236,159,390
Units cancelled	(69,308,976)	(48,222,634)	(221,834,569)	(113,119,952)
Units at end of year	121,190,246	106,154,877	847,154,875	356,149,871

	First State GEM Leaders		First State Dividend Advantage	
	2007	2006	2007	2006
Units at beginning of year	9,412,413	13,569,770	328,698,269	267,206,871
Units created	9,143,548	8,228,157	387,025,827	225,777,911
Units cancelled	(10,393,442)	(12,385,514)	(208,807,742)	(164,286,513)
Units at end of year	8,162,519	9,412,413	506,916,354	328,698,269

## First State Global Growth Funds

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31 December 2007

#### 9. Units in issue (continued)

	First State Global Property Investments		First State Global Resources	
	2007	2006	2007	2006
Units at beginning of year	42,453,837	51,182,997	183,956,256	173,427,872
Units created	24,099,057	23,718,317	455,639,026	228,390,707
Units cancelled	(37,341,696)	(32,447,477)	(239,749,615)	(217,862,323)
Units at end of year	29,211,198	42,453,837	399,845,667	183,956,256

#### 10. Related party transactions

In addition to related party transactions shown elsewhere in the financial statements, including management fees charged by the Manager and trustee fees charged by the Trustee, the significant transactions that took place during the financial year between the sub-funds and related parties and significant balances with related parties at the end of the financial year, at terms agreed between the parties and within the provisions of the Trust Deed, are as follows :

	First State Singapore Growth Fund		First State Asian Growth Fund	
	2007	2006	2007	2006
	\$	\$	\$	\$
Bank balances with a related party of the Trustee	347,166	205,104	400,180	358,195
Interest income from a related party of the Trustee	221	-	979	2,832
	First State Regional China Fund		First State Regional India Fund	
	2007	2006	2007	2006
	\$	\$	\$	\$
Bank balances with a related party of the Trustee	2,223,275	4,609,354	4,597,171	1,072,205
Interest income from a related party of the Trustee	60,315	11,448	13,927	10,862
	First State Global Balanced Fund		First State Global 100 Growth Fund	
	2007	2006	2007	2006
	\$	\$	\$	\$
Bank balances with a related party of the Trustee	163,263	130,603	215,323	297,186
Interest income from a related party of the Trustee	-	277	-	282

## First State Global Growth Funds

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### Notes to the Financial Statements

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#### 10. Related party transactions (continued)

	First State Asia Innovation and Technology Fund		First State Bridge	
	2007	2006	2007	2006
	\$	\$	\$	\$
Bank balances with a related party of the Trustee	313,920	293,842	7,823,173	2,628,104
Interest income from a related party of the Trustee	794	344	8,348	9,267
	First State GEM Leaders		First State Dividend Advantage	
	2007	2006	2007	2006
	\$	\$	\$	\$
Bank balances with a related party of the Trustee	115,440	229,467	3,351,923	897,717
Interest income from a related party of the Trustee	-	-	-	-
	First State Global Property Investments		First State Global Resources	
	2007	2006	2007	2006
	\$	\$	\$	\$
Bank balances with a related party of the Trustee	554,919	1,092,612	5,089,351	513,544
Interest income from a related party of the Trustee	5,438	3,089	-	-
Sub-custodian fee charged by a related party of the Trustee	21,824	11,007	-	-
Security processing fee charged by a related party of the Trustee	70,269	23,268	-	-

#### 11. Financial ratios

	First State Singapore Growth Fund		First State Asian Growth Fund	
	2007	2006	2007	2006
	%	%	%	%
Expense ratio *	1.93	1.95	1.92	1.93
Turnover ratio**	23.97	5.06	24.96	7.43

## First State Global Growth Funds

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

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#### 11. Financial ratios (continued)

	First State Regional China Fund		First State Regional India Fund	
	2007 %	2006 %	2007 %	2006 %
Expense ratio *	1.86	1.86	2.00	2.03
Turnover ratio **	36.90	7.05	55.73	17.49
	First State Global Balanced Fund		First State Global 100 Growth Fund	
	2007 %	2006 %	2007 %	2006 %
Expense ratio *	1.74	1.72	2.04	2.19
Turnover ratio **	45.18	8.65	2.63	1.73
	First State Asia Innovation and Technology Fund		First State Bridge	
	2007 %	2006 %	2007 %	2006 %
Expense ratio *	2.25	2.25	1.60	1.61
Turnover ratio **	29.02	14.83	269.36	160.74
	First State GEM Leaders		First State Dividend Advantage	
	2007 %	2006 %	2007 %	2006 %
Expense ratio *	1.89	1.96	1.88	1.88
Turnover ratio **	50.85	26.74	565.64	311.11
	First State Global Property Investments		First State Global Resources	
	2007 %	2006 %	2007 %	2006 %
Expense ratio *	1.92	1.87	1.75	1.77
Turnover ratio **	98.43	60.78	14.96	44.80

\* The expense ratio is calculated in accordance with IMAS guidelines on the disclosure of expense ratios dated 25 May 2005, and is expressed as the sum of the expense ratios of the sub-funds and their respective underlying funds. The expense ratios of the underlying funds are unaudited.

The expense ratio of First State Global 100 Growth Fund for 2007 includes the impact of the reduction in the management fee rate from 1.75% p.a. to 1.50% p.a. with effect from 1 November 2007.

\*\* The turnover ratio is calculated using the lesser of purchases and sales of underlying investments of the sub-fund expressed as a percentage of the daily average value of the sub-fund, which is in accordance with the formula stated in the "Code on Collective Investment Schemes".

## **First State Global Growth Funds**

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

### **Notes to the Financial Statements**

31 December 2007

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#### **12. Financial instruments**

The overall responsibility for the implementation of the Fund's financial risk management policies lies with the Manager. These policies are stated in the prospectus of the Fund. The main risks arising from the Fund's activities are credit risk, equity price risk, foreign currency risk, interest rate risk and liquidity risk. The Manager reviews and agrees policies for managing each of these risks and they are summarised below :

##### ***Credit risk***

The Fund has no significant concentration of credit risk. The Fund attempts to minimise its credit risk by evaluating and monitoring the credit exposure to its receivables. The carrying amounts of receivables and cash and bank balances represent the Fund's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

##### ***Equity price risk***

The carrying values of investments are based on quoted market prices as of the balance sheet date. Market prices are subject to fluctuation and, consequently, the amount realised in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investment, the relative price of alternative investments and general market conditions. Furthermore, amounts realised in the sale of a particular security may be affected by the relative quantity of the security being sold.

The Manager manages the exposure to equity price risk by constructing a diversified portfolio from which it expects the underlying companies it invests in to perform differently in reaction to different risk influences. The Manager monitors the equity price risk in the Fund's portfolios through both the volatility of the underlying holdings and their combined volatility, both at an absolute level and relative to each Fund's benchmark. The Manager expects portfolios to carry a certain level of equity price risk and uses such risk measurement to highlight unintended risks in the portfolio.

##### ***Foreign currency risk***

The Fund has investments, receivables, cash and bank balances and payables denominated in foreign currencies, and the Fund may be affected favourably or unfavourably by exchange rate regulations or changes in the exchange rates between the Singapore dollar and such other foreign currencies.

The Fund may utilise forward foreign exchange contracts to hedge its foreign exchange exposures. Where possible, foreign investment are funded in the functional currencies of the respective locations to mitigate structural foreign currency exposures.

## **First State Global Growth Funds**

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

### **Notes to the Financial Statements**

*31 December 2007*

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#### **12. Financial instruments (continued)**

##### ***Interest rate risk***

The Fund places its surplus cash and bank balances with reputable banks, and as a result, is exposed to changes in the prevailing level of interest rates.

As interest income derived from deposits with banks is not deemed to be a major source of income to the Fund, the Fund is not adversely exposed to material movements in interest rates.

##### ***Liquidity risk***

The Fund's liquid assets are mainly in the form of cash and bank balances. The Manager ensures that the Fund maintains sufficient liquid assets to meet its liquidity requirements.

##### ***Fair values of financial assets and liabilities***

The financial assets and liabilities of the Fund comprise investments, receivables, cash and bank balances, and payables. The fair values of these financial assets and liabilities of the Fund as at the balance sheet date approximate their carrying amounts as shown in the balance sheet.

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