

# First State *Global Growth Funds*



March 2009

Dear Fellow Investors

From September last year, news of financial institutions failing grabbed prime space in the newspapers almost every other day. From US mortgage providers Fannie Mae and Freddie Mac to Lehman Brothers, we were awed at the speed at which these well-established names came crashing down. The US government was forced to step in to control the deepening financial crisis. AIG, the biggest US insurer by assets, had to be bailed out with US\$85 billion. In Singapore, thousands of investors in structured products linked to Lehman Brothers found themselves facing losses of up to 100%.

The crisis did not stop in the US. From Europe to Asia, markets declined significantly on concerns about the impact of the crisis on economic growth. Governments responded by slashing interest rates, bailing out financial institutions and announcing very large economic stimulus packages.

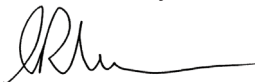
The dreaded “R” word – recession, started to surface as the effects of the turmoil in the financial industry spread to the wider economy. In the automobile industry for instance, the government had to provide aid in order to keep the companies in operation after cost-cutting measures including retrenchments failed to ensure their survival.

With companies’ profits down, our funds’ performance was not spared. Over the last quarter to end December, negative returns were recorded across the board. We believe that in such volatile times, it is all the important that we adhere to our rigorous stock selection process and focus on good quality and reasonably priced companies.

Our investment approach has proven once again, that over the longer term, we are able to reward investors with consistent outperformance over our peers. To share some good news amid the gloom, First State Regional China Fund was named the best fund in the Greater China Equity category over 10 years at The Edge-Lipper Fund Awards 2009 for the period up to end 2008; while First State Asian Growth Fund was the best fund in the Asia Pac ex Japan ex ASEAN Equity category at the Morningstar Fund Award.

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

# TABLE OF CONTENTS

	Page
<b>First State Asia Innovation Fund<sup>^</sup></b> <b>(Previously known as First State Asia Innovation and Technology Fund)</b>	
Manager's report	4
Distribution of investments	7
Disclosures	9
<b>First State Asian Growth Fund<sup>*</sup></b>	
Manager's report	11
Distribution of investments	14
Disclosures	16
<b>First State Bridge<sup>**</sup></b>	
Manager's report	18
Distribution of investments	20
Disclosures	23
<b>First State Dividend Advantage<sup>*</sup></b>	
Manager's report	25
Distribution of investments	28
Disclosures	30
<b>First State GEM Leaders<sup>+</sup></b>	
Manager's report	32
Distribution of investments	35
Disclosures	37
<b>First State Global Opportunities Fund<sup>*</sup></b> <b>(Previously known as First State Global 100 Growth Fund)</b>	
Manager's report	39
Distribution of investments	42
Disclosures	44
<b>First State Global Balanced Fund<sup>**</sup></b>	
Manager's report	46
Distribution of investments	49
Disclosures	52
<b>First State Global Infrastructure</b>	
Manager's report	54
Distribution of investments	56
Disclosures	58
<b>First State Global Property Investments</b>	
Manager's report	60
Portfolio statement	62
Distribution of investments	68
Disclosures	69

<b>First State Global Resources*</b>	
Manager's report	71
Distribution of investments	74
Disclosures	76
<b>First State Regional China Fund*</b>	
Manager's report	78
Distribution of investments	80
Disclosures	82
<b>First State Regional India Fund#</b>	
Manager's report	84
Distribution of investments	87
Disclosures	89
<b>First State Singapore Growth Fund+</b>	
Manager's report	91
Distribution of investments	93
Disclosures	95
<b>Audited Financial Statements</b>	
Report of the Trustee	100
Statement by the Manager	101
Independent Auditor's Report	102
Financial Statements	
Statements of Total Return	104
Balance Sheets	113
Portfolio Statements	122
Notes to the Financial Statements	135

\* 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

+ Delisted from CPFIS with effect from 1 November 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 January 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 2008

## First State Asia Innovation Fund

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### MANAGER'S REPORT

#### for the period from 1 January to 31 December 2008

#### Historical performance\*

*in Singapore dollars*

	<b>Fund</b>	<b>Benchmark</b>
	<b>%</b>	<b>%</b>
3-mth	-23.3	-18.5
6-mth	-36.1	-34.1
1-year	-49.6	-43.3
3-year	-12.3	-17.8
5-year	-2.4	-6.5
Since Inception – 26 November 1999	-9.1	-9.7

*(Calculated since date of first valuation)*

Note: The Fund invests all or substantially all of its assets in the First State Asia Innovation Fund (previously known as 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 MSCI All Country Asia ex Japan Free Index. It was changed from MSCI AC Asia Information Technology Index from 1 December 2008. The new benchmark is intended to be more consistent with the new investment scope of the Underlying Fund which took effect on 1 December 2008.

- Inception to 30 November 2008 : MSCI AC Asia Information Technology Index (Previously known as MSCI AC Asia Free Information Technology Index)
- From 1 December 2008 : MSCI AC Asia ex Japan Free Index

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

# Annual Report for the financial year ended 31 December 2008

## First State Asia Innovation Fund

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### MANAGER'S REPORT

Asian markets fell heavily in 2008 with global markets as the credit crunch precipitated a financial crisis in Western economies and caused a major slowdown in global growth. The MSCI Asia Pacific ex-Japan Index declined by 51.6% over the twelve months in US dollar terms, underperforming the MSCI World Index which was down by 40.3%.

Malaysia was the best performing market over the year as investors were attracted by its defensive characteristics. Taiwan also outperformed, especially in the early part of 2008 as the KMT won presidential elections. India underperformed as risk appetite collapsed and foreigners became significant sellers of the market, while South Korea lagged on concerns that it was heavily exposed to a global downturn.

At a sector level, the cyclical Energy, Industrials and Materials underperformed. Industrials lagged because of concerns about earnings given the outlook for the global economy, while Energy and Materials were impacted by collapsing commodity prices. On the positive side, the more defensive Consumer Staples, Telecom Services and Utilities sectors outperformed as investors sought companies with relatively predictable earnings.

Over the year, positive contributors included **China Mobile** (Telecom Services) which outperformed as investors sought defensive companies and **Unisteel Technology** (Singapore) which rose as it was bought out by private equity investors. On the negative side, in the Information Technology sector, **Mediatek** (Taiwan) declined on concerns about the impact of the liquidity crunch on its supply chain and **Samsung Electronics** (South Korea) on the subdued demand outlook.

Over the year, significant new positions included Hong Kong conglomerate **Cheung Kong** (Financials) which was looking attractively valued; and **President Chain Store**, as the Taiwanese convenience store operator should benefit from growth in its Chinese business. We also purchased **China Communications Services** as the telecoms equipment manufacturer will be a major beneficiary of the roll out of 3G mobile infrastructure in China. We sold **China Merchants** as the port business was likely to be impacted by a sharp slowdown in global trade and it was looking expensive. Malaysian construction group **Gamuda** was sold on concerns that rising raw material costs were putting pressure on margins and we took profits in **LG Household and Healthcare** (South Korea: Consumer Staples).

## **Annual Report for the financial year ended 31 December 2008**

### **First State Asia Innovation Fund**

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#### **Outlook**

The economic outlook is likely to deteriorate further as consumers and companies deleverage. Companies with high gearing are finding it difficult to refinance their debts. Market volatility should ease as a significant amount of negative news on the economy and earnings is already priced in. The fund retains its defensive strategy, focusing on companies with higher earnings visibility and strong balance sheets.

**Annual Report for the financial year ended 31 December 2008**  
**First State Asia Innovation Fund**

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**DISTRIBUTION OF INVESTMENTS**  
**As at 31 December 2008**

	<b>Holdings</b>	<b>Market Value S\$</b>	<b>% of NAV</b>
<b>FIRST STATE ASIA INNOVATION FUND</b>			
<b>Dublin</b>			
First State Asia Innovation Fund	1,884,378	37,330,121	99.4
Total investments		37,330,121	99.4
Other net assets		215,294	0.6
Total net assets attributable to unitholders		37,545,415	100.0

**Annual Report for the financial year ended 31 December 2008**  
**First State Asia Innovation 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 2008)</b>		
Taiwan Semiconductor Mfg Co Ltd	4,115,597	6.6
Samsung Electronics Co Ltd	3,459,500	5.5
Shinsegae Co Ltd	3,020,797	4.8
Yuhan Corp	2,540,149	4.0
Chunghwa Telecom Co Ltd	2,326,165	3.7
Powertech Technology Inc	2,266,149	3.6
Tencent Hldgs	2,260,539	3.6
Singapore Telecommunications	2,139,279	3.4
Cheung Kong Hldgs Ltd	2,071,219	3.3
Samsung Fire & Marine Insurance Co Ltd	1,990,583	3.2
<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

## Annual Report for the financial year ended 31 December 2008 First State Asia Innovation Fund

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### DISCLOSURES

**Subscriptions** S\$2,040,159

**Redemptions** S\$18,508,453

	<b>31 December 2008</b>	<b>31 December 2007</b>
<b>Portfolio Turnover</b> (Including that of the Underlying Fund)	71.8%	82.0%
<b>Expense Ratio**</b> (Including that of the Underlying Fund)	2.32%	2.25%

#### **Disclosures on the Underlying Fund -**

**Portfolio Turnover** 70.3% 82.1%

**Expense Ratio\*\*** 2.04% 2.00%

*\*\* 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 2008

## First State Asia Innovation Fund

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### Related Party Transactions

#### For the financial year ended 31 December 2008

	S\$
Bank service fees paid to HSBC	9,244
Interest expense paid to HSBC	13
Interest received from HSBC	645

#### Bank balances outstanding with HSBC as at 31 December 2008

	S\$ equivalent
Singapore Dollar	102,956
United States Dollar	41,590

#### Foreign exchange transacted with HSBC for the financial year ended 31 December 2008

<u>Purchases</u>		<u>Sales</u>	
Currency	Amount	Currency	Amount
Singapore Dollar	16,507,320	Singapore Dollar	156,032
United States Dollar	114,700	United States Dollar	11,674,000

### Others

As at 31 December 2008, the Fund did not hold any bonds, derivatives or other unit trusts, other than the First State Asia Innovation Fund Class I shares, constituting 99.4% of the Fund's Net Asset Value and at a market value of S\$37,330,121. In addition, the Fund did not hold any investment constituting more than 5% of a company's outstanding share capital and / or debt issue. 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 2008

## First State Asian Growth Fund

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### MANAGER'S REPORT

#### for the period from 1 January to 31 December 2008

#### Historical performance\*

*in Singapore dollars*

	<b>Fund</b>	<b>Benchmark</b>
	<b>%</b>	<b>%</b>
3-mth	-17.0	-20.9
6-mth	-28.4	-35.8
1-year	-42.0	-52.1
3-year	-2.0	-8.0
5-year	5.0	2.0
10-year	8.0	4.6
Since Inception – 10 October 1984	6.2	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.

# Annual Report for the financial year ended 31 December 2008

## First State Asian Growth Fund

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### MANAGER'S REPORT

Asia Pacific ex-Japan markets performed very poorly in 2008, underperforming the UK, US and Japanese markets in US dollar terms. The MSCI Asia ex-Japan Index fell by 52.2% in US dollar terms, underperforming the MSCI World Index which was down by 40.3%, but outperforming the MSCI Emerging Markets Index which dropped by 53.2%. Markets fell heavily as the global backdrop deteriorated. The credit crunch precipitated a financial crisis in the world banking system and a major slowdown in global growth.

Malaysia was the best performing market over the year as investors were attracted by its defensive characteristics. Taiwan also outperformed, especially in the early part of 2008 as the KMT won presidential elections. India underperformed as risk appetite collapsed and foreigners became significant sellers of the market, while South Korea lagged on concerns that it was heavily exposed to a global downturn.

At a sector level, the cyclical Energy, Industrials and Materials underperformed. Industrials lagged because of concerns about earnings given the outlook for the global economy, while Energy and Materials were impacted by collapsing commodity prices. On the positive side, the more defensive Consumer Staples, Telecom Services and Utilities sectors outperformed as investors sought companies with relatively predictable earnings.

Fund performance was helped by **Chinatrust Financial** as the Taiwanese market responded positively to the election victory of the KMT in presidential elections and **Lihir Gold** (Australia: Materials) which outperformed with the gold price. **China Merchants Bank** outperformed as investors focused on a consumption slowdown and not on bank asset quality in China, and **China Mobile** was strong as companies with relatively predictable earnings outperformed.

On the negative side, Hong Kong property stocks **Cheung Kong** and **Swire Pacific** were weak as property prices declined, while **IOI Corp** (Malaysia: Consumer Staples) underperformed with the falling palm oil price. **Hong Kong & China Gas** (Hong Kong: Utilities) lagged after a period of relative strength.

Significant purchases over the year included Australian gold miner **Lihir Gold** as we remain positive on the outlook for the gold price given global economic uncertainties. We also bought **China Mobile**, the dominant mobile operator in the Chinese market with growing cashflows and a strong balance sheet. We sold **HDFC Bank** (India: Financials) on valuation concerns and **Sembcorp Industries** (Singapore: Industrials) on worries about whether the company can execute its growth strategy successfully.

## **Annual Report for the financial year ended 31 December 2008**

### **First State Asian Growth Fund**

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#### **Outlook**

Given the attraction of global equities relative to cash, combined with our relatively pessimistic outlook on corporate earnings, we are focusing on companies offering good sustainable dividend yields. We are a little wary of the current rally as we believe that the global economic and political outlook is likely to deteriorate significantly before it starts to improve. We continue to believe that investment in Asian companies which offer quality in terms of management, business franchise and financial structure will deliver positive long-term returns.

**Annual Report for the financial year ended 31 December 2008**  
**First State Asian Growth Fund**

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**DISTRIBUTION OF INVESTMENTS**  
**As at 31 December 2008**

	<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	1,403,103	33,395,514	99.4
Total investments		33,395,514	99.4
Other net assets		213,187	0.6
Total net assets attributable to unitholders		33,608,701	100.0

**Annual Report for the financial year ended 31 December 2008**  
**First State Asian Growth 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 2008)</b>		
Lihir Gold	21,346,708	9.8
Taiwan Semiconductor Mfg Co Ltd	11,124,992	5.1
Cheung Kong Hldgs Ltd	10,955,660	5.0
Swire Pacific	10,859,931	5.0
Hong Kong & China Gas	9,513,823	4.4
Samsung Electronics Co Ltd	8,820,538	4.1
IOI Corp	7,903,373	3.6
Shinsegae Co Ltd	7,848,338	3.6
Chunghwa Telecom Co Ltd	7,168,311	3.3
Oversea-Chinese Banking Corp	7,124,722	3.3
<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

# Annual Report for the financial year ended 31 December 2008

## First State Asian Growth Fund

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### DISCLOSURES

**Subscriptions** S\$34,088,375

**Redemptions** S\$32,491,098

	<b>31 December 2008</b>	<b>31 December 2007</b>
<b>Portfolio Turnover</b> (Including that of the Underlying Fund)	28.9%	60.7%
<b>Expense Ratio**</b> (Including that of the Underlying Fund)	1.89%	1.92%

### Disclosures on the Underlying Fund -

<b>Portfolio Turnover</b>	28.5%	60.4%
<b>Expense Ratio**</b>	1.70%	1.70%

*\*\* 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 2008

## First State Asian Growth Fund

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### Related Party Transactions

#### For the financial year ended 31 December 2008

	S\$
Bank service fees paid to HSBC	6,668
Interest expense paid to HSBC	25
Expense ratio rebate received from Manager	37,681

#### Bank balances outstanding with HSBC as at 31 December 2008

	S\$ equivalent
Singapore Dollar	235,889
United States Dollar	88

#### Foreign exchange transacted with HSBC for the financial year ended 31 December 2008

<u>Purchases</u>		<u>Sales</u>	
Currency	Amount	Currency	Amount
Singapore Dollar	13,980,656	Singapore Dollar	14,812,240
United States Dollar	10,465,000	United States Dollar	9,856,000

### Others

As at 31 December 2008, the Fund did not hold any bonds, derivatives or other unit trusts, other than the First State Asian Growth Fund Class I shares, constituting 99.4% of the Fund's Net Asset Value and at a market value of S\$33,395,514. In addition, the Fund did not hold any investment constituting more than 5% of a company's outstanding share capital and / or debt issue. 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 2008

## First State Bridge

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### MANAGER'S REPORT

#### for the period from 1 January to 31 December 2008

#### Historical performance\*

*in Singapore dollars*

	<b>Fund</b>	<b>Benchmark</b>
	<b>%</b>	<b>%</b>
3-mth	-15.2	-12.1
6-mth	-24.0	-20.0
1-year	-30.1	-31.0
3-year	-4.2	-5.1
5-year	2.3	1.4
Since Inception – 14 July 2003	3.8	2.8

*(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.

# Annual Report for the financial year ended 31 December 2008

## First State Bridge

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### MANAGER'S REPORT

Asian markets fell very steeply in 2008 with the MSCI Asia Pacific ex-Japan Index declining by 51.6% in US dollar terms, underperforming the MSCI World Index which dropped by 40.3%. Markets fell on rising concerns about the impact of the financial crisis on global growth.

Malaysia was the best performing market over the year as investors were attracted by its defensive characteristics. Taiwan also outperformed, especially in the early part of 2008 as the KMT won presidential elections. India underperformed as risk appetite collapsed and foreigners became significant sellers of the market, while South Korea lagged on concerns that it was heavily exposed to a global downturn.

Asian economies did not decouple from Western ones as some commentators had anticipated but began to slow sharply during 2008 as exports fell steeply. Even the Chinese economy was negatively impacted as growth has come off the highs of recent years with GDP readings down from 13% at the end of 2007 to 9% at the end of 2008. Growth slowed in the wake of the global slowdown and domestic problems including the Sichuan earthquake. As a result, the government has reversed policy by cutting interest rates, reducing reserve requirements, and decreasing VAT and export tariffs. It also announced a RMB 4 trillion stimulus package aimed at boosting domestic consumption.

Over the period, the JP Morgan Asia Credit Investment Grade Index declined 6.28% as the spread widened by 408 basis points (bps) to 607 bps.

### Outlook

It will remain a challenging time for economies in 2009, with rising unemployment and poor external demand putting pressure on domestic consumption. Valuations have become more attractive, especially if you compare earnings or dividend yields against bond yields. We like companies with strong cash flows and dividend yields, such as Chunghwa Telecom, TSMC and MobileOne. We believe that Asia's balance sheet is healthy and long-term consumption potential remains.

Recent economic data has indicated the challenges Asia faces, in particular declining inflation coupled with dramatic falls in industrial production. Lower inflation across Asia should provide support for expectations of further central bank rate cuts in the coming months. The gradual return of liquidity and improving demand for riskier assets in early 2009 is an encouraging sign for Asian bond markets. Looking ahead, Asian countries are likely to continue to expand fiscal spending and loosen monetary policy which should be positive for Asian credits.

**Annual Report for the financial year ended 31 December 2008**  
**First State Bridge**

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**DISTRIBUTION OF INVESTMENTS**  
**As at 31 December 2008**

	<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	16,496,098	462, 976,341	47.9
First State Asian Quality Bond Fund	35,760,029	482,239,017	49.9
Total investments		945,215,358	97.8
Other net assets		20,680,364	2.2
Total net assets attributable to unitholders		965,895,722	100.0

# Annual Report for the financial year ended 31 December 2008

## First State Bridge

### DISTRIBUTION OF INVESTMENTS (UNDERLYING FUNDS)

	Market Value S\$	% of NAV
<b>Top 10 holdings (as at 31 December 2008)</b>		
<b>Equities</b>		
Chunghwa Telecom Co Ltd	69,072,090	4.9
Newcrest Mining Ltd	67,843,708	4.8
Taiwan Semiconductor Mfg Co Ltd	62,583,549	4.4
Shinsegae Co Ltd	54,615,284	3.9
Cheung Kong Hldgs Ltd	42,923,295	3.0
Brambles Ltd	38,143,977	2.7
Singapore Telecommunications	36,332,128	2.6
Jardine Matheson Hldgs Ltd	34,889,336	2.5
Hopewell Highway Infrastructure Ltd	33,785,356	2.4
Oversea-Chinese Banking Corp	32,705,839	2.3
<b>Fixed Income</b>		
US Treasury Note 3.75% 15/11/2018	28,101,604	5.8
CMHI Finance 7.125% 18/06/2018	28,025,210	5.8
Woori Bank 6.208% VRN 02/05/2037	25,557,464	5.3
United Overseas Bank Ltd 5.375% 03/09/19	24,382,244	5.0
Resona Bank 5.85% 15/04/2016	23,414,493	4.8
DBS Bank FRN 16/05/2017	22,255,678	4.6
SMFG Preferred Capital 8.75% 29/05/2049	21,075,890	4.4
Chuo Mitsui Trust & Bank 5.506% VRN 29/12/49	20,358,230	4.2
DBS Capital Funding Corp 7.657% VRN 31/03/2049	19,748,533	4.1
Shinsegae Co 6.125% 27/06/2011	16,542,792	3.4
<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

**Annual Report for the financial year ended 31 December 2008**  
**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>(continued)</b>		
<b>Fixed Income</b>		
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

# Annual Report for the financial year ended 31 December 2008

## First State Bridge

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### DISCLOSURES

**Subscriptions** S\$738,723,303

**Redemptions** S\$539,762,749

	<b>31 December 2008</b>	<b>31 December 2007</b>
<b>Portfolio Turnover</b> (Including that of the Underlying Funds)	108.2%	158.0%
<b>Expense Ratio**</b> (Including that of the Underlying Funds)	1.61%	1.60%

### Disclosures on the Underlying Funds -

<b>Portfolio Turnover</b>		
First State Asian Equity Plus Fund	37.4%	52.3%
First State Asian Quality Bond Fund	170.8%	270.9%
<b>Expense Ratio**</b>		
First State Asian Equity Plus Fund	1.67%	1.67%
First State Asian Quality Bond Fund	1.15%	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 2008

## First State Bridge

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### Related Party Transactions

#### For the financial year ended 31 December 2008

	S\$
Bank service fees paid to HSBC	23,537
Interest expense paid to HSBC	4,637
Interest received from HSBC	21,757

#### Bank balances outstanding with HSBC as at 31 December 2008

	S\$ equivalent
Singapore Dollar	644,648
United States Dollar	347,889

#### Foreign exchange transacted with HSBC for the financial year ended 31 December 2008

<u>Purchases</u>		<u>Sales</u>	
Currency	Amount	Currency	Amount
Singapore Dollar	3,370,721,509	Singapore Dollar	3,615,894,157
United States Dollar	2,545,737,711	United States Dollar	2,383,268,511

### Others

As at 31 December 2008, the Fund did not hold any bonds or other unit trusts, other than the First State Asian Quality Bond Fund Class I shares (constituting 49.9% of the Fund's Net Asset Value and at a market value of S\$482,239,017) and First State Asian Equity Plus Fund Class I shares (constituting 47.9% of the Fund's Net Asset Value and at a market value of S\$462,976,341). The Fund holds forward currency contracts and the net change in fair value is S\$18,218,478 or 1.89% of NAV. The total amount of realised loss on forward currency contracts is S\$41,797,809 for the year. In addition, the Fund did not hold any investment constituting more than 5% of a company's outstanding share capital and / or debt issue. There were also no borrowings, 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 2008

## First State Dividend Advantage

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### MANAGER'S REPORT for the period from 1 January to 31 December 2008

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

	<b>Fund</b> %	<b>Benchmark</b> %
3-mth	-15.5	-22.3
6-mth	-27.8	-37.8
1-year	-38.4	-51.5
3-year	-2.2	-8.5
Since Inception – 20 December 2004 <i>(Calculated since date of first valuation)</i>	3.5	-0.8

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 2008

## First State Dividend Advantage

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### MANAGER'S REPORT

Asian markets fell very steeply in 2008 with the MSCI Asia Pacific ex-Japan Index declining by 51.6% in US dollar terms, underperforming the MSCI World Index which dropped by 40.3%. Markets fell on rising concerns about the impact of the financial crisis on global growth.

Malaysia was the best performing market over the year as investors were attracted by its defensive characteristics. Taiwan also outperformed, especially in the early part of 2008 as the KMT won presidential elections. India underperformed as risk appetite collapsed and foreigners became significant sellers of the market, while South Korea lagged on concerns that it was heavily exposed to a global downturn.

At a sector level, the cyclical Energy, Industrials and Materials underperformed. Industrials lagged because of concerns about earnings given the outlook for the global economy, while Energy and Materials were impacted by collapsing commodity prices. On the positive side, the more defensive Consumer Staples, Telecom Services and Utilities sectors outperformed as investors sought companies with relatively predictable earnings.

Performance was positively impacted by Australian gold miner **Newcrest Mining** which outperformed with a rising gold price. **China Mobile** (Telecom Services) and **Café de Coral** (Hong Kong) outperformed as investors were attracted by their relatively resilient recurrent earnings bases. On the negative side, Hong Kong property stocks **Cheung Kong** and **Swire Pacific** were weak as property prices declined, and **IOI Corp** (Malaysia: Consumer Staples) underperformed with the falling palm oil price.

Significant new purchases over the year included **CLP** (Hong Kong: Utilities) for its defensive earnings stream and **Dairy Farm** (Singapore: Consumer Staples) for its strong cash generation. Singapore telecom group **MobileOne** was bought for its defensive characteristics and strong cash flow yield. In Australia, we sold **Wesfarmers** because of the company's exposure to the Australian consumer and **Toll Holdings** (Industrials) after poor progress on overseas expansion. We also sold **Hang Seng Bank** (Hong Kong: Financials), taking profits early in the year after a period of outperformance.

### Outlook

It will remain a challenging time for global economies in 2009, with rising unemployment and poor external demand putting pressure on domestic consumption. Valuations have become more attractive, especially if you compare earnings

## **Annual Report for the financial year ended 31 December 2008**

### **First State Dividend Advantage**

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or dividend yields against bond yields. We like companies with strong cash flows and dividend yields, such as Chunghwa Telecom, TSMC and MobileOne. We believe that Asia's balance sheet is healthy and long-term consumption potential remains.

**Annual Report for the financial year ended 31 December 2008**  
**First State Dividend Advantage**

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**DISTRIBUTION OF INVESTMENTS**  
**As at 31 December 2008**

	<b>Holdings</b>	<b>Market Value S\$</b>	<b>% of NAV</b>
<b>FIRST STATE DIVIDEND ADVANTAGE</b>			
<b>Dublin</b>			
First State Asian Equity Plus Fund	18,701,751	524,879,794	99.6
Total investments		524,879,794	99.6
Other net assets		2,135,612	0.4
Total net assets attributable to unitholders		527,015,406	100.0

**Annual Report for the financial year ended 31 December 2008**  
**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 2008)</b>		
Chunghwa Telecom Co Ltd	69,072,090	4.9
Newcrest Mining Ltd	67,843,708	4.8
Taiwan Semiconductor Mfg Co Ltd	62,583,549	4.4
Shinsegae Co Ltd	54,615,284	3.9
Cheung Kong Hldgs Ltd	42,923,295	3.0
Brambles Ltd	38,143,977	2.7
Singapore Telecommunications	36,332,128	2.6
Jardine Matheson Hldgs Ltd	34,889,336	2.5
Hopewell Highway Infrastructure Ltd	33,785,356	2.4
Oversea-Chinese Banking Corp	32,705,839	2.3
<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

## Annual Report for the financial year ended 31 December 2008 First State Dividend Advantage

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### DISCLOSURES

**Subscriptions** S\$257,019,450

**Redemptions** S\$134,307,316

	<b>31 December 2008</b>	<b>31 December 2007</b>
<b>Portfolio Turnover</b> (Including that of the Underlying Fund)	38.2%	52.4%
<b>Expense Ratio**</b> (Including that of the Underlying Fund)	1.90%	1.88%

### Disclosures on the Underlying Fund -

<b>Portfolio Turnover</b>	37.4%	52.3%
<b>Expense Ratio**</b>	1.67%	1.67%

*\*\* 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 2008

## First State Dividend Advantage

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### Related Party Transactions

For the financial year ended 31 December 2008

Bank service fees paid to HSBC	S\$ 49,183
Interest received from HSBC	157

### Bank balances outstanding with HSBC as at 31 December 2008

	S\$ equivalent
Singapore Dollar	459,761
United States Dollar	155,366

### Foreign exchange transacted with HSBC for the financial year ended 31 December 2008

<u>Purchases</u>		<u>Sales</u>	
Currency	Amount	Currency	Amount
Singapore Dollar	59,432,439	Singapore Dollar	138,211,211
United States Dollar	99,419,000	United States Dollar	41,879,000

### Others

As at 31 December 2008, 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 99.6% of the Fund's Net Asset Value and at a market value of S\$524,879,794. In addition, the Fund did not hold any investment constituting more than 5% of a company's outstanding share capital and / or debt issue. 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 2008

## First State GEM Leaders

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### MANAGER'S REPORT for the period from 1 January to 31 December 2008

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

	<b>Fund</b>	<b>Benchmark</b>
	<b>%</b>	<b>%</b>
3-mth	-20.2	-27.0
6-mth	-32.7	-43.8
1-year	-41.5	-53.0
3-year	-4.9	-9.1
Since Inception – 5 July 2004	5.2	5.1

*(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.

# Annual Report for the financial year ended 31 December 2008

## First State GEM Leaders

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### MANAGER'S REPORT

Emerging markets declined very steeply over the year to 31 December 2008 with the MSCI Emerging Markets Index falling by 53.2%, underperforming the MSCI World Index which was down by 40.3%. Markets declined as the credit crunch caused a crisis in the global financial system and a severe slowdown in growth.

Over the year, Asia and Latin America slightly outperformed, but still fell substantially. In Asia, Malaysia declined the least as investors were attracted by the defensive characteristics of the market. Chile outperformed in Latin America. EMEA was led down by Russia which was particularly weak on falling oil prices, rising political concerns and deleveraging.

At a sector level, Energy, Industrials and Materials were significant underperformers as concerns rose about a very abrupt slowdown in global economic activity. The defensive Health Care and Utilities sectors outperformed as investors sought companies with relatively defensive earnings.

Performance was positively impacted by **Tractebel Energia** (Brazil: Utilities) and **Walmart de Mexico** (Consumer Staples), which both outperformed as investors sought defensive companies with more predictable earnings. **Acer** (Taiwan: Information Technology) contributed positively through good market timing of our purchase and sale. On the negative side, holding **X5 Retail** (Russia: Consumer Staples) was negative as it underperformed with the weak Russian market and **China Resources Enterprise** (Consumer Discretionary) declined as it reported disappointing results due to subdued retail demand. **Hong Kong & China Gas** (Utilities) lagged following a period of relative outperformance.

Over the year, significant new positions included **America Movil** (Mexico), the dominant Latin American mobile phone company which had fallen to attractive valuation levels; and **All America Latina**, a Brazilian railway operator with proven management which was out of favour with the market due to worries about its growth outlook. We sold **Hindustan Unilever** (India: Consumer Staples) as we believe there are better investment opportunities elsewhere and **Hutchison Telecommunications** (Hong Kong) as it returned a large amount of cash to shareholders leaving a mature Israeli franchise and a less attractive rump.

### Outlook

Developed world policy makers' lax attitude to the value of paper money suggests that owning gold could become even more crucial in protecting investors from inflation. Following a sharp rally from the lows of October 2008, we are focusing on risks. The troughs may be revisited again in 2009 if policy makers appear

## **Annual Report for the financial year ended 31 December 2008**

### **First State GEM Leaders**

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to have failed in bolstering demand. Bonds look particularly vulnerable to an inflation scare, but risk appetite could also fall in the event of a rout in fixed income markets. Companies offering high sustainable dividend yields look especially attractive in an environment where policy makers are lowering interest rates or where currencies have already fallen very sharply.

**Annual Report for the financial year ended 31 December 2008**  
**First State GEM Leaders**

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**DISTRIBUTION OF INVESTMENTS**  
**As at 31 December 2008**

	<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	2,472,623	9,723,389	99.3
Total investments		9,723,389	99.3
Other net assets		71,608	0.7
Total net assets attributable to unitholders		9,794,997	100.0

**Annual Report for the financial year ended 31 December 2008**  
**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 2008)</b>		
AngloGold Ashanti	40,487,555	7.8
Taiwan Semiconductor Mfg Co Ltd	28,377,246	5.4
Hong Kong and China Gas	24,732,974	4.7
Inbev NV	22,928,877	4.4
Check Point Software Technologies Ltd	19,425,461	3.7
Shinsegae Co Ltd	17,402,219	3.3
IOI Corp	15,893,617	3.1
Chunghwa Telecom Co Ltd	15,170,870	2.9
China Resources Enterprise Ltd	14,798,913	2.8
LUKOIL Hldgs	13,944,208	2.7

**Top 10 holdings (as at 31 December 2007)**

Hong Kong and 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

# Annual Report for the financial year ended 31 December 2008

## First State GEM Leaders

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### DISCLOSURES

**Subscriptions** S\$7,877,637

**Redemptions** S\$17,155,018

	<b>31 December 2008</b>	<b>31 December 2007</b>
<b>Portfolio Turnover</b> (Including that of the Underlying Fund)	54.0%	87.6%
<b>Expense Ratio**</b> (Including that of the Underlying Fund)	1.96%	1.89%

### Disclosures on the Underlying Fund -

<b>Portfolio Turnover</b>	54.4%	87.6%
<b>Expense Ratio**</b>	1.63%	1.58%

*\*\* 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 2008

## First State GEM Leaders

### Related Party Transactions

#### For the financial year ended 31 December 2008

	S\$
Bank service fees paid to HSBC	10,335
Expense ratio rebate received from Manager	19,232
Interest received from HSBC	109

#### Bank balances outstanding with HSBC as at 31 December 2008

	S\$ equivalent
Great Britain Pound	3,705
Singapore Dollar	82,973
United States Dollar	1,849

#### Foreign exchange transacted with HSBC for the financial year ended 31 December 2008

<u>Purchases</u>		<u>Sales</u>	
Currency	Amount	Currency	Amount
Great Britain Pound	3,484,000	Great Britain Pound	3,371,000
Singapore Dollar	9,077,061	Singapore Dollar	9,659,304
United States Dollar	196,963	United States Dollar	83,155

### Others

As at 31 December 2008, 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 99.3% of the Fund's Net Asset Value and at a market value of S\$9,723,389. In addition, the Fund did not hold any investment constituting more than 5% of a company's outstanding share capital and / or debt issue. 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 2008

## First State Global Opportunities Fund

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### MANAGER'S REPORT

#### for the period from 1 January to 31 December 2008

#### Historical performance\*

*in Singapore dollars*

	<b>Fund</b>	<b>Benchmark</b>
	<b>%</b>	<b>%</b>
3-mth	-17.2	-21.0
6-mth	-30.9	-29.5
1-year	-41.7	-40.2
3-year	-12.9	-11.9
5-year	-5.2	-3.2
10-year	-2.7	-1.5
Since Inception – 24 August 1998	-2.4	-1.5

*(Calculated since date of first valuation)*

Note : The Fund invests all or substantially all of its assets in the First State Global Opportunities Fund (previously known as 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**

### **Market review**

Global markets declined significantly in 2008 as the credit crunch caused a financial crisis and a substantial slowdown in global growth. The MSCI World Index fell by 40.3% in US dollar terms. Governments responded by slashing interest rates, bailing out financial institutions and announcing very large economic stimulus packages.

The US market fell over the year, but outperformed as other regions suffered even more severe problems in their financial sectors. Japan outperformed despite a very weak economic backdrop as the Yen strengthened. European markets were very weak. The UK was hit by a collapse of confidence in the banking sector which had to be bailed out and a severe slowdown in the inflated property sector. France and Germany also disappointed as did peripheral European markets such as Greece and Ireland.

At a sector level, the defensive Consumer Staples, Health Care and Utilities outperformed as investors sought companies with relatively predictable earnings. The Materials sector was a significant underperformer as commodity prices collapsed on concerns about a major slowdown in global growth. Financials also lagged on concerns about deteriorating asset quality and funding difficulties.

Performance was helped by our position in **High Tech Computer** (Taiwan: Information Technology) which rose as sales growth accelerated ahead of expectations in an already strong Taiwanese market. **CRH** (Ireland: Materials) was strong on prospects for new President Obama's infrastructure stimulus package and auto parts retailer **AutoZone** rose as it benefits from an increase in car self-maintenance. On the negative side, a number of holdings in the Financials sector underperformed, including **Bank of America** (US) and **EFG Eurobank** (Europe). Financial stocks remained under pressure on concerns about asset quality and the prospect of further capital raisings. US footwear company **Crocs** lagged as the market questioned the sustainability of its growth against a backdrop of slowing consumption.

Significant new positions included **British American Tobacco** (UK) which offers high visibility of earnings at a more attractive valuation. We also bought **Exxon Mobil** (US: Energy) as it fell to an attractive valuation level. We sold **Vestas Wind Systems** (Europe) on concerns about the impact of the credit crunch on demand for their products and **Shaw Group** (US: Industrials) as the weakening oil price and tighter credit conditions increased the risk that construction projects would be delayed.

## **Annual Report for the financial year ended 31 December 2008**

### **First State Global Opportunities Fund**

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#### **Outlook**

While the long-term valuations of companies are attractive, the short-term outlook for markets remains uncertain. Corporate and economic data continues to be poor and the speed and severity of the slowdown has taken parts of the market by surprise. There is a growing consensus, led by comments from the incoming US administration, that strong and innovative measures will be taken to revive the economy. We continue to focus on stock selection and controlling asset allocation risks in the portfolio.

**Annual Report for the financial year ended 31 December 2008**  
**First State Global Opportunities Fund**

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**DISTRIBUTION OF INVESTMENTS**  
**As at 31 December 2008**

	<b>Holdings</b>	<b>Market Value S\$</b>	<b>% of NAV</b>
<b>FIRST STATE GLOBAL OPPORTUNITIES FUND</b>			
<b>Dublin</b>			
First State Global Opportunities Fund	3,392,467	24,047,466	99.2
Total investments		24,047,466	99.2
Other net assets		186,882	0.8
Total net assets attributable to unitholders		24,234,348	100.0

**Annual Report for the financial year ended 31 December 2008**  
**First State Global Opportunities Fund**

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**DISTRIBUTION OF INVESTMENTS (UNDERLYING FUND)**

	Market Value S\$	% of NAV
<b>Top 10 holdings (as at 31 December 2008)</b>		
JP Morgan Chase & Co	2,370,150	4.5
British American Tobacco Plc	2,060,846	4.0
Exxon Mobil Co	1,786,520	3.4
Apache Corp	1,702,430	3.3
Syngenta AG	1,537,733	3.0
Gilead Sciences Inc	1,450,232	2.8
Pernod Ricard SA	1,335,847	2.6
Baxter International Inc	1,312,091	2.5
CRH Plc	1,297,478	2.5
Microsoft Corp	1,223,764	2.3
<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

# Annual Report for the financial year ended 31 December 2008

## First State Global Opportunities Fund

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### DISCLOSURES

**Subscriptions** S\$765,619

**Redemptions** S\$5,131,777

	<b>31 December 2008</b>	<b>31 December 2007</b>
<b>Portfolio Turnover</b> (Including that of the Underlying Fund)	236.7%	184.6%
<b>Expense Ratio**</b> (Including that of the Underlying Fund)	1.90%	2.04%

### Disclosures on the Underlying Fund -

<b>Portfolio Turnover</b>	232.2%	185.5%
<b>Expense Ratio**</b>	1.75%	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 2008

## First State Global Opportunities Fund

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### Related Party Transactions

#### For the financial year ended 31 December 2008

Bank service fees paid to HSBC	S\$ 3,935
Interest expense paid to HSBC	66
Interest received from HSBC	50,330

#### Bank balances outstanding with HSBC as at 31 December 2008

	S\$ equivalent
Singapore Dollar	165,937
United States Dollar	16,652

#### Foreign exchange transacted with HSBC for the financial year ended 31 December 2008

<u>Purchases</u>		<u>Sales</u>	
Currency	Amount	Currency	Amount
Singapore Dollar	4,889,425	Singapore Dollar	438,126
United States Dollar	319,000	United States Dollar	3,485,000

### Others

As at 31 December 2008, the Fund did not hold any bonds, derivatives or other unit trusts, other than the First State Global Opportunities Fund Class I shares, constituting 99.2% of the Fund's Net Asset Value and at a market value of S\$24,047,466. In addition, the Fund did not hold any investment constituting more than 5% of a company's outstanding share capital and / or debt issue. 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 2008

## First State Global Balanced Fund

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### MANAGER'S REPORT

#### for the period from 1 January to 31 December 2008

#### Historical performance\*\*

*in Singapore dollars*

	<b>Fund</b>	<b>Benchmark</b>
	<b>%</b>	<b>%</b>
3-mth	-6.6	-9.1
6-mth	-15.2	-14.1
1-year	-23.8	-22.2
3-year	-6.1	-5.2
5-year	-1.9	-0.5
Since Inception – 4 January 1999	-0.2	1.2

*(Calculated since date of first valuation)*

Note : The Fund invests all or substantially all of its assets in the First State Global Opportunities Fund (previously known as 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\* (Unhedged). It was changed from a composite comprising 50% MSCI World Index and 50% Citigroup World Government Bond Index\* (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.

\* *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.*

## **MANAGER'S REPORT**

Global markets declined significantly in 2008 as the credit crunch caused a financial crisis and a substantial slowdown in global growth. The MSCI World Index fell by 40.3% in US dollar terms. Governments responded by slashing interest rates, bailing out financial institutions and announcing very large economic stimulus packages.

The US market fell over the year, but outperformed as other regions suffered even more severe problems in their financial sectors. Japan outperformed despite a very weak economic backdrop as the Yen strengthened. European markets were very weak. The UK was hit by a collapse of confidence in the banking sector which had to be bailed out and a severe slowdown in the inflated property sector. France and Germany also disappointed as did peripheral European markets such as Greece and Ireland.

US Treasury yields fell significantly over 2008 as the credit crunch precipitated a financial crisis and a severe slowdown in global growth. Over the year, 10-year yields dropped from 4.02% to 2.21%. In March the Federal Reserve was forced to organize the takeover of troubled investment bank Bear Stearns by JP Morgan and in September the bankruptcy of Lehman Brothers intensified liquidity problems within the global financial system.

The European bond market followed the US with yields falling on credit crunch concerns in the early part of the year before rising as markets focused on inflation. However, the European economic data was more resilient and the European Central Bank left official interest rates at 4% throughout the first half. Thereafter, rates were cut to 2.5% as the European economy slowed sharply and 10-year bond yields fell to 2.95% by year end.

In Japan, the bond market followed the same pattern with the benchmark 10-year JGB yield falling to 1.29% by the end of March on rising global risk aversion and weak domestic economic data. However, bond prices fell thereafter on rising inflationary concerns and reached 1.60% by the end of June. The deteriorating domestic economy and global backdrop drove yields down to 1.17% by the end of 2008.

### **Outlook**

While the long-term valuations of companies are attractive, the short-term outlook for markets remains uncertain. Corporate and economic data continues to be poor and the speed and severity of the slowdown has taken parts of the market by surprise. There is a growing consensus, led by comments from the

## **Annual Report for the financial year ended 31 December 2008**

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

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incoming US administration, that strong and innovative measures will be taken to revive the economy. We continue to focus on stock selection and controlling asset allocation risks in the portfolio.

The global economic outlook remains negative with severe weakness in all the major economies and a slowdown in emerging ones. Deflationary pressures are significant at the moment. However, the bond markets are faced with a vast increase in supply as governments seek to fund bank bail-out packages and stimulus plans. Looking further out, there are concerns about the inflationary impact of 'quantitative easing'. In terms of strategy, in the US we remained neutral in duration waiting for further confirmation that the trend to lower yields has reversed. In Europe, we took profits on our overweight duration position as yields appeared to stabilise after falling to very low historical levels and we are now neutral. In Japan, we continued to target a modest short duration position.

**Annual Report for the financial year ended 31 December 2008**  
**First State Global Balanced Fund**

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**DISTRIBUTION OF INVESTMENTS**  
**As at 31 December 2008**

	<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 Opportunities Fund	1,947,504	13,804,864	59.7
First State Global Bond Fund	389,664	9,257,615	40.0
Total investments		23,062,479	99.7
Other net assets		77,061	0.3
Total net assets attributable to unitholders		23,139,540	100.0

**Annual Report for the financial year ended 31 December 2008**  
**First State Global Balanced Fund**

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**DISTRIBUTION OF INVESTMENTS (UNDERLYING FUND)**

**Market Value**    **% of NAV**  
**S\$**

**Top 10 holdings (as at 31 December 2008)**

**Equities**

JP Morgan Chase & Co	2,370,150	4.5
British American Tobacco Plc	2,060,846	4.0
Exxon Mobil Co	1,786,520	3.4
Apache Corp	1,702,430	3.3
Syngenta AG	1,537,733	3.0
Gilead Sciences Inc	1,450,232	2.8
Pernod Ricard SA	1,335,847	2.6
Baxter International Inc	1,312,091	2.5
CRH Plc	1,297,478	2.5
Microsoft Corp	1,223,764	2.3

**Fixed Income**

US Treasury 4.625% 31/07/2009	3,027,953	10.7
France (Govt) 5.5% 25/04/2010	2,256,957	8.0
General Electric 1.45% 10/11/11	2,000,841	7.1
UK Treasury 5% 07/03/2025	1,656,132	5.9
Development Bank of Japan 1.75% 17/03/17	1,306,863	4.6
Bundesrepub Deutschland 4% 04/07/2016	1,244,151	4.4
US Treasury Bill 4% 15/08/2018	1,179,620	4.2
Bundesrepublik 4.75% 04/07/2034	1,168,751	4.1
Italy (Govt) 1.8% 23/02/2010	1,115,671	4.0
Deutsche Bahn Fin 1.65% 01/12/2014	1,009,563	3.6

**Top 10 holdings (as at 31 December 2007)**

**Equities**

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

**Annual Report for the financial year ended 31 December 2008**  
**First State Global Balanced 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> <b>(continued)</b>		
<b>Fixed Income</b>		
Bundesrepublik Dt 5% 04/07/2012	4,178,832	12.7
Bundesrepub Deutscheland 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

**Annual Report for the financial year ended 31 December 2008**  
**First State Global Balanced Fund**

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**DISCLOSURES**

**Subscriptions** S\$100,470,736

**Redemptions** S\$98,620,088

	<b>31 December 2008</b>	<b>31 December 2007</b>
<b>Portfolio Turnover</b> (Including that of the Underlying Funds)	191.9%	53.2%
<b>Expense Ratio**</b> (Including that of the Underlying Funds)	1.71%	1.74%

**Disclosures on the Underlying Funds -**

<b>Portfolio Turnover</b>		
First State Global Opportunities Fund	232.2%	185.5%
First State Global Bond Fund	128.0%	132.0%

<b>Expense Ratio**</b>		
First State Global Opportunities Fund	1.75%	1.68%
First State Global Bond Fund	1.31%	1.27%

*\*\* 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 2008 First State Global Balanced Fund

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### Related Party Transactions

#### For the financial year ended 31 December 2008

	S\$
Bank service fees paid to HSBC	8,027
Interest expense paid to HSBC	1,485
Expense ratio rebate received from Manager	29,661

#### Bank balances outstanding with HSBC as at 31 December 2008

	S\$ equivalent
Singapore Dollar	204,444
United States Dollar	54,692

#### Foreign exchange transacted with HSBC for the financial year ended 31 December 2008

<u>Purchases</u>		<u>Sales</u>	
Currency	Amount	Currency	Amount
Singapore Dollar	22,862,541	Singapore Dollar	25,133,541
United States Dollar	18,024,000	United States Dollar	16,329,000

### Others

As at 31 December 2008, the Fund did not hold any bonds, derivatives or other unit trusts, other than the First State Global Bond Fund Class I shares (constituting 40.0% of the Fund's Net Asset Value and at a market value of S\$9,257,615) and First State Global Opportunities Fund Class I shares (constituting 59.7% of the Fund's Net Asset Value and at a market value of S\$13,804,864). In addition, the Fund did not hold any investment constituting more than 5% of a company's outstanding share capital and / or debt issue. 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 2008

## First State Global Infrastructure

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### MANAGER'S REPORT

#### for the period from 3 March 2008 to 31 December 2008

#### Historical performance\*

*in Singapore dollars*

	<b>Fund</b>	<b>Benchmark</b>
	<b>%</b>	<b>%</b>
3-mth	-14.3	-14.4
6-mth	-28.0	-25.8
Since Inception – 3 March 2008	-31.8	-30.1

*(Calculated since date of first valuation)*

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

The benchmark of the Fund is the UBS Global Infrastructure and Utilities 50-50 Index. It was changed from S&P Global Infrastructure Index with effect from 1 June 2008 as the new benchmark is more representative of the Fund.

- Inception to 31 May 2008: S&P Global Infrastructure Index.
- From 01 June 2008: UBS Global Infrastructure and Utilities 50-50 Index

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

# Annual Report for the financial year ended 31 December 2008

## First State Global Infrastructure

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### MANAGER'S REPORT

The global listed infrastructure markets fell in 2008 with equity markets as the credit crunch precipitated a financial crisis and a significant slowdown in global growth. However, the asset class outperformed with the UBS Global Infrastructure & Utilities 50-50 Index declining by 37.5% in US dollar terms in the twelve months to 31 December 2008, while the MSCI Index was down by 40.3%.

Infrastructure assets declined as equity markets around the world fell on the deteriorating growth outlook as risk appetite collapsed and valuations declined steeply. But the asset class outperformed as investors were attracted by its defensive features. High barriers to entry, strong pricing power, sustainable growth and predictable cash flows made it a relatively safe haven in an uncertain financial world.

Performance was positively impacted by **California Water Service** (US: Water) and toll road operator **Transurban** (Australia) which both rose strongly as investors sought defensive companies with relatively predictable earnings. On the negative side, port operator **Hamburger Hafen** declined on concerns about the impact of a slowing global economy and **Flughafen Wien** lagged as passenger traffic and airline capacity continued to fall.

Major purchases over the period included **Enbridge Energy Partners** which owns and operates energy pipelines and start-up toll road **ConnectEast** following the market's over-reaction to early traffic statistics which pushed the stock down to attractive levels. We sold **Macquarie Airports** as a deeper than expected global recession led us to downgrade our earnings and valuation and **Red Electrica** following a period of outperformance.

### Outlook

We believe that in 2009, investors will seek opportunities in simple, easy to understand investments like infrastructure. The sector will be a prime beneficiary of government stimulus packages to boost economic growth. Listed infrastructure companies are well placed as earnings do not tend to be driven by the economic growth cycle. While the near-term economic outlook is dire, short-term market volatility has created an attractive investment opportunity to acquire high quality, long duration assets at prices well below fundamental value.

**Annual Report for the financial year ended 31 December 2008**  
**First State Global Infrastructure**

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**DISTRIBUTION OF INVESTMENTS**  
**As at 31 December 2008**

	<b>Holdings</b>	<b>Market Value S\$</b>	<b>% of NAV</b>
<b>FIRST STATE GLOBAL INFRASTRUCTURE</b>			
<b>England and Wales</b>			
First State Global Listed Infrastructure Fund	7,672,256	14,203,223	99.3
		<hr/>	
Total investments		14,203,223	99.3
Other net assets		102,328	0.7
Total net assets attributable to unitholders		<hr/>	<hr/>
		14,305,551	100.0

**Annual Report for the financial year ended 31 December 2008**  
**First State Global Infrastructure**

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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 2008)</b>		
American Tower Corp	7,973,693	6.4
Vinci SA	7,461,249	6.0
Abertis Infraestructuras SA	7,332,242	5.9
Gaz De France SA	6,561,179	5.2
Vopak	6,546,802	5.2
E.ON AG	6,469,291	5.2
Autostrade Meridionali S.p.A	5,216,355	4.2
Dominion Resources Inc	4,296,507	3.4
Macquarie Infrastructure Group	4,154,243	3.3
Public Services Enterprise Group	4,037,482	3.2

**Annual Report for the financial year ended 31 December 2008**  
**First State Global Infrastructure**

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**DISCLOSURES**  
**for the period from 16 January 2008 to 31 December 2008\*\***

**Subscriptions** S\$23,147,333

**Redemptions** S\$1,808,892

	<b>31 December 2008</b>	<b>31 December 2007</b>
<b>Portfolio Turnover</b> (Including that of the Underlying Fund)	39.3%	NA**
<b>Expense Ratio*</b> (Including that of the Underlying Fund)	2.19%	NA**

**Disclosures on the Underlying Fund -**  
**for the period from 1 January to 31 December 2008**

**Portfolio Turnover** 39.8% 3.5%^

**Expense Ratio\*** 1.61% 1.72%^

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

\*\* *The Fund was launched on 16 January 2008.*

^ *The Underlying Fund was incepted on 8 October 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 2008

## First State Global Infrastructure

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### Related Party Transactions

#### For the financial year ended 31 December 2008

Bank service fees paid to HSBC	S\$ 4,971
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#### Bank balances outstanding with HSBC as at 31 December 2008

	S\$ equivalent
Great Britian Pound	2,912
Singapore Dollar	88,191
United States Dollar	2,876

#### Foreign exchange transacted with HSBC for the financial year ended 31 December 2008

<u>Purchases</u>		<u>Sales</u>	
Currency	Amount	Currency	Amount
Great Britian Pound	8,094,626	Great Britian Pound	516,000
Singapore Dollar	1,987,162	Singapore Dollar	22,152,943
United States Dollar	45,000	United States Dollar	497,500

### Others

As at 31 December 2008, the Fund did not hold any bonds, derivatives or other unit trusts, other than the First State Global Listed Infrastructure Fund Class A shares, constituting 99.3% of the Fund's Net Asset Value and at a market value of S\$14,203,223. In addition, the Fund did not hold any investment constituting more than 5% of a company's outstanding share capital and / or debt issue. 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 2008

## First State Global Property Investments

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### MANAGER'S REPORT

#### for the period from 1 January to 31 December 2008

#### Historical performance\*

*in Singapore dollars*

	<b>Fund</b>	<b>Benchmark</b>
	<b>%</b>	<b>%</b>
3-mth	-33.0	-33.3
6-mth	-36.2	-34.4
1-year	-47.9	-46.0
3-year	-18.5	-15.3
Since Inception – 11 April 2005	-11.0	-7.9

*(Calculated since date of first valuation)*

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

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

- Inception to 29 February 2008: Citigroup BMI World Property Index
- From 01 March 2008: UBS Global Real Estate Investors Index

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

# Annual Report for the financial year ended 31 December 2008

## First State Global Property Investments

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### MANAGER'S REPORT

Global listed property markets fell substantially over 2008 with global equity markets as the credit crunch caused a financial crisis and a significant slowdown in economic growth.

The US property market remained under pressure as foreclosures rose steeply and transaction activity collapsed. The continuing credit crunch made it very difficult for companies to source funding. European markets were also weak as economies deteriorated and property prices fell. Real estate asset values declined dramatically as credit dried up and equity investors stayed away from the asset class, making it difficult to attribute 'true value' to real estate assets. Asian property companies suffered from very difficult credit conditions, slowing economic growth and falling property prices. In the first half, markets were focused on inflationary concerns as the oil price increased steeply, but interest rates were cut aggressively in the second half as the deflationary impact of the financial crisis became evident. Governments around the world responded by announcing significant stimulus packages to support domestic demand.

Performance was positively impacted by US REITs **Vornado Realty** (Office) and **Simon Property** (Retail). Both rose after delivering strong results and on expectations of fundamental improvement in the US property sector following a series of interest rate cuts. On the negative side, Hong Kong developer **Kerry Properties** fell significantly as it reported declining profits and **Agile Property** was unhelpful as the Chinese property market deteriorated significantly.

Major purchases over the period included **Boston Properties** (US: Office) which has a very strong management team and a high quality office portfolio, and retail-focused **Westfield Group** (Australia) which we purchased principally on valuation grounds. We sold **Morgans Hotel Group** (US: Hotels) on concerns about the outlook for the group's portfolio of luxury hotels and **Taubman Centers** (US: Retail) on valuation concerns following positive relative performance.

### Outlook

The global property market is likely to continue to be impacted by the economic slowdown and tight debt markets. Refinancing risk and access to credit is creating high levels of uncertainty and reduced confidence in the sector. Capital is being raised but at deeply discounted levels, leading to dilution and falling share prices. It is likely that in 2009 there will be differential performance between those trusts that have refinanced and anchored realistic earnings expectations and those that have not. Despite the weak short-term outlook, long-term fundamentals remain positive as underlying demand for property is on the rise as emerging markets experience urbanisation.

**Annual Report for the financial year ended 31 December 2008**  
**First State Global Property Investments**

**PORTFOLIO STATEMENT**

	Holdings at 31 December 2008	Fair Value at 31 December 2008 S\$	Percentage of total net assets attributable to unitholders at 31 December 2008 %
<b>Primary - by geography</b>			
<b>Equities</b>			
<b>Quoted</b>			
<b>Australia</b>			
Babcock & Brown Japan Property	-	-	-
Centro Retail Group	-	-	-
CFS Retail Property Trust	102,300	189,077	1.62
Challenger Kenedix Japan Trust	-	-	-
Goodman Group	-	-	-
ING Real Estate Community Living	-	-	-
Mirvac Group NPV (Staple)	39,568	49,682	0.43
Rubicon Japan Trust	-	-	-
Stockland	42,723	171,660	1.47
Westfield Group	55,316	719,559	6.16
		1,129,978	9.68
<b>Canada</b>			
Allied Properties Real Estate	9,042	130,959	1.12
Boardwalk Real Estate Investment Trust	7,065	210,669	1.81
Brookfield Properties Corp	-	-	-
Canadian Real Estate Investment Trust	5,740	151,196	1.30
Primaris Retail Real Estate	-	-	-
Riocan Real Estate	13,145	209,407	1.79
		702,231	6.02
<b>Cyprus</b>			
AFI Development PLC	19,543	18,302	0.16
<b>Finland</b>			
Citycon	37,191	121,407	1.04
<b>France</b>			
Klepierre	5,222	174,129	1.49
STE De La Tour Eiffel	3,186	214,390	1.84
Unibail Holding	3,038	646,451	5.54
		1,034,970	8.87

**Annual Report for the financial year ended 31 December 2008**  
**First State Global Property Investments**

**PORTFOLIO STATEMENT**

	Holdings at 31 December 2008	Fair Value at 31 December 2008 S\$	Percentage of total net assets attributable to unitholders at 31 December 2008 %
<b>Primary - by geography (continued)</b>			
<b>Germany</b>			
Alstria Office	9,655	96,874	0.83
Deutsche Euroshop	2,914	141,521	1.21
		238,395	2.04
<b>Great Britain</b>			
Big Yellow Group PLC	-	-	-
British Land Co PLC	14,103	160,966	1.38
Brixton PLC	9,690	26,495	0.23
Great Portland Estates PLC	9,356	50,389	0.43
Hammerson PLC	10,050	111,376	0.95
Land Securities Group PLC	14,141	269,781	2.31
Local Shopping REIT PLC	46,508	25,048	0.22
Sergo PLC	16,425	84,038	0.72
Terrace Hill Group PLC	110,840	43,624	0.37
		771,717	6.61
<b>Hong Kong</b>			
Champion REIT	-	-	-
China Overseas Land & Investments	117,666	235,363	2.02
Hang Lung Properties Ltd	36,500	113,993	0.98
Kerry Properties Ltd	25,757	98,637	0.84
Link Reit	87,000	206,693	1.77
		654,686	5.61
<b>India</b>			
Ishaan Real Estate PLC	107,897	72,079	0.62
<b>Isle of Man</b>			
Unitech Corporation Parks	100,404	16,638	0.14
<b>Japan</b>			
Aeon Mall Co Ltd	-	-	-
Fukuoka REIT	-	-	-
Japan Real Estate Investment Corp	7	88,448	0.76

**Annual Report for the financial year ended 31 December 2008**  
**First State Global Property Investments**

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**PORTFOLIO STATEMENT**

	Holdings at 31 December 2008	Fair Value at 31 December 2008 S\$	Percentage of total net assets attributable to unitholders at 31 December 2008 %
<b>Primary - by geography (continued)</b>			
Mitsui Estate Co Ltd	3,000	68,994	0.59
Mitsui Fudosan Co Ltd	5,400	125,305	1.07
Nippon Building Fund Inc REIT	19	291,408	2.50
Pacific Management Corp	-	-	-
Tokyu REIT Inc	25	218,536	1.87
		792,691	6.79
<b>Netherlands</b>			
Eurocommerc CVA	2,675	124,557	1.06
Plaza Centers	-	-	-
Wereldhave NV	645	81,380	0.70
		205,937	1.76
<b>Singapore</b>			
Ascendas India	105,613	48,054	0.41
CapitaLand Ltd	-	-	-
CapitaMall Trust REIT	34,500	54,510	0.47
Mapletree Logistics Trust	-	-	-
		102,564	0.88
<b>United States of America</b>			
Acadia Realty Trust REIT	4,542	93,381	0.80
Alexandria Real Estate Equities	3,119	271,150	2.32
AMB Property Corp	-	-	-
American Campus Communities	3,231	94,824	0.81
Biomed Realty Trust Inc	7,461	125,876	1.08
Boston Properties Inc	4,221	334,295	2.86
BRE Properties Class A	-	-	-
Corporate Office Properties Trust	2,262	99,822	0.86
Digital Realty Trust Inc	7,833	370,612	3.18
Douglas Emmett Inc	8,639	162,429	1.39
Dupont Fabros	-	-	-
Entertainment Properties Trust	1,614	69,110	0.59
Equity Residential REIT	8,754	376,100	3.22
Essex Property Trust Inc	1,909	209,415	1.79

**Annual Report for the financial year ended 31 December 2008**  
**First State Global Property Investments**

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	Holdings at 31 December 2008	Fair Value at 31 December 2008 S\$	Percentage of total net assets attributable to unitholders at 31 December 2008 %
<b>Primary - by geography (continued)</b>			
Extra Space Storage Inc	-	-	-
Federal Realty Investment Trust REIT	2,349	209,794	1.80
HCP Inc Com	8,837	353,565	3.03
Home Properties Inc	2,560	149,229	1.28
Host Hotels & Resorts Inc	-	-	-
Kimco Realty Corp	-	-	-
Macerich Co Ltd	-	-	-
Morgans Hotel	-	-	-
Nationwide Health Properties Inc	6,064	250,831	2.15
Prologis	-	-	-
Public Storage	4,733	542,048	4.64
Simon Property Group	7,797	596,725	5.11
SL Green Realty Corp	-	-	-
Starwood Hotels & Resorts	-	-	-
Sunstone Hotel Investors Inc	-	-	-
Tanger Factory Outlet Centers Inc	2,979	160,735	1.38
Taubman Centers Inc REIT	-	-	-
Ventas Inc Com	5,277	254,239	2.18
Vornado Realty Trust Inc	7,493	651,295	5.58
		<hr/> 5,375,475	<hr/> 46.05
<b>Unquoted</b>			
<b>Hong Kong</b>			
China Overseas Land & Investment Rights	4,706	2,432	0.02
		<hr/> 11,239,502	<hr/> 96.29
<b>Portfolio of investments</b>			
<b>Other net assets</b>		432,748	3.71
<b>Net assets attributable to unitholders</b>		<hr/> 11,672,250	<hr/> 100.00

**Annual Report for the financial year ended 31 December 2008**  
**First State Global Property Investments**

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	Percentage of total net assets attributable to unitholders at 31 December 2008 %	Percentage of total net assets attributable to unitholders at 31 December 2007 %
<b>Primary - by geography (summary)</b>		
<b>Equities</b>		
<b>Quoted</b>		
Australia	9.68	4.64
British Virgin	-	0.48
Canada	6.02	5.84
Cayman Islands	-	2.46
China	-	0.32
Cyprus	0.16	0.94
Finland	1.04	1.79
France	8.87	11.00
Germany	2.04	2.40
Great Britain	6.61	10.04
Guernsey	-	1.99
Hong Kong	5.61	7.33
India	0.62	1.42
Isle of Man	0.14	1.36
Italy	-	0.35
Japan	6.79	6.97
Netherlands	1.76	1.31
Singapore	0.88	4.34
United States of America	46.05	33.33
	96.27	98.31
<b>Unquoted</b>		
Hong Kong	0.02	0.05
	96.29	98.36
<b>Portfolio of investments</b>		
<b>Other net assets</b>	3.71	1.64
<b>Net assets attributable to unitholders</b>	100.00	100.00

**Annual Report for the financial year ended 31 December 2008**  
**First State Global Property Investments**

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	Fair Value at 31 December 2008 S\$	Percentage of total net assets attributable to unitholders at 31 December 2008 %	Percentage of total net assets attributable to unitholders at 31 December 2007 %
<b>Secondary - by industry</b>			
Cable & Wire	-	-	0.59
Diversified Resources	48,054	0.41	0.58
Finance	719,559	6.16	0.63
Healthcare	604,396	5.18	-
Hotel	-	-	4.91
Investments	258,014	2.21	4.68
Property	1,372,819	11.76	12.99
Property Development	-	-	0.79
Property Trust	209,415	1.79	2.57
Real Estate	3,707,906	31.77	44.45
Real Estate Investment Trust	4,130,262	35.39	25.39
Retail	-	-	0.39
Unit Trust	189,077	1.62	0.39
<b>Portfolio of investments</b>	11,239,502	96.29	98.36
<b>Other net assets</b>	432,748	3.71	1.64
<b>Net assets attributable to unitholders</b>	11,672,250	100.00	100.00

# Annual Report for the financial year ended 31 December 2008

## First State Global Property Investments

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### DISTRIBUTION OF INVESTMENTS

Market Value  
S\$ % of NAV

#### Top 10 holdings (as at 31 December 2008)

Westfield Group	719,559	6.2
Vornado Realty Trust Inc	651,295	5.6
Unibail Hldg	646,451	5.5
Simon Property Group	596,725	5.1
Public Storage	542,048	4.6
Equity Residential REIT	376,100	3.2
Digital Realty Trust Inc	370,612	3.2
HCP Inc Com	353,565	3.0
Boston Properties Inc	334,295	2.9
Nippon Building Fund Inc REIT	291,408	2.5

#### Top 10 holdings (as at 31 December 2007)

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

## Annual Report for the financial year ended 31 December 2008 First State Global Property Investments

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### DISCLOSURES

Subscriptions		S\$715,993
Redemptions		S\$7,779,522
	<b>31 December 2008</b>	<b>31 December 2007</b>
Portfolio Turnover	59.4%	121.4%
Expense Ratio**	2.04%	1.92%

*\*\* 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 2008

## First State Global Property Investments

### Related party transactions

#### For the financial year ended 31 December 2008

	S\$
Bank service fees paid to HSBC	3,448
Interest expense paid to HSBC	202
Security processing fees paid to HSBC	53,159
Sub-custodian fees paid to HSBC	7,875
Interest received from HSBC	2,608

#### Bank balances outstanding with HSBC as at 31 December 2008

	S\$ equivalent
Australian Dollar	3,338
Canadian Dollar	11,670
Euro	11,920
Great Britain Pound	8,000
Hong Kong Dollar	965
Japanese Yen	1,128
Singapore Dollar	266,061
United States Dollar	121,422

#### Foreign exchange transacted with HSBC for the financial year ended 31 December 2008

<u>Purchases</u>		<u>Sales</u>	
<b>Currency</b>	<b>Amount</b>	<b>Currency</b>	<b>Amount</b>
Australian Dollar	1,200,763	Australian Dollar	412,000
Canadian Dollar	458,900	Canadian Dollar	459,000
Euro	120,500	Euro	1,182,000
Great Britain Pound	147,000	Great Britain Pound	593,000
Hong Kong Dollar	1,880,000	Hong Kong Dollar	7,857,000
Japanese Yen	29,892,000	Japanese Yen	97,730,000
Singapore Dollar	11,422,654	Singapore Dollar	4,525,891
United States Dollar	1,249,047	United States Dollar	2,933,147

### Others

As at 31 December 2008, 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. 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 2008

## First State Global Resources

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### MANAGER'S REPORT for the period from 1 January to 31 December 2008

#### Historical performance\* in Singapore dollars

	<b>Fund</b>	<b>Benchmark</b>
	<b>%</b>	<b>%</b>
3-mth	-30.5	-29.6
6-mth	-59.6	-56.4
1-year	-57.7	-54.3
3-year	-10.0	-5.3
Since Inception – 5 September 2005	-6.5	0.2

*(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 is a composite comprising 75% HSBC Global Mining Accumulation Index and 25% MSCI All Country World Energy Index. It was changed from HSBC Global Mining Index from 1 November 2007. 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.

# Annual Report for the financial year ended 31 December 2008

## First State Global Resources

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### MANAGER'S REPORT

The global mining and energy markets had a very disappointing 2008. In the first half of the year, equities rose and investors were cautiously optimistic about continuing robust growth in China and strong demand for commodities. However, from May, the market was impacted by falling commodity prices on rising concerns about slowing global growth, particularly in the developed economies of the US, UK and Japan. Late in the year, a substantial slowdown in Chinese economic data rattled markets. The HSBC Global Mining Index fell by 58.2% in US dollar terms over the year and the MSCI Energy Index was down 41.9%.

Commodity prices declined heavily as global growth weakened and investors anticipated further deterioration in 2009. Copper (-54.0%), lead (-60.8%), nickel (-55.5%), zinc (-49.0%) and aluminium (-36.1%) all fell steeply over the year.

The oil price was volatile, reaching as high as \$140 per barrel in July, but then collapsed in the second half to end the year down 53.5% at \$44.6 per barrel. Platinum suffered, down 40%, as the forecast demand for catalysts from the automobile industry was dramatically reduced, and inventory was sold into the market. The gold price held up well, rising by 5.1% to \$875 per ounce. The precious metal continued to be viewed as a safe haven because of substantial global uncertainties.

Given tough market conditions, the fund fell significantly over the period. Even the large quality liquid names were sold off heavily by investors who were reducing exposure to equities and seeking safe havens such as cash and bonds.

The large diversified miners of **Rio Tinto**, **Xstrata**, **BHP Billiton** and **Vale** detracted from performance. Rio Tinto suffered especially when BHP Billiton abandoned its takeover offer, leaving the market concerned about its high debt levels. Xstrata was hurt by its leverage to base metals and concerns about the financial strength of its major shareholder, Glencore.

Other detractors included **Freeport-McMoRan** and **Century Aluminium**, which underperformed as a result of declines in copper and aluminium, respectively. Several smaller base metal companies also hurt performance, including **Karaga Zinc**, **Albidon** and **FNX Mining**.

Performance was positively impacted by gold stocks **Eldorado Gold**, **Goldcorp** and **Barrick Gold** as the gold price outperformed other asset classes over the year. **Exxon Mobil** also outperformed as investors were attracted by companies with strong balance sheets and relatively defensive earnings.

## Annual Report for the financial year ended 31 December 2008

### First State Global Resources

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Given challenging market conditions, the fund reduced exposure to smaller companies and those with debt refinancing issues. We added exposure to the oil sector, focusing on the large integrated oil companies that are attractively priced, have low gearing, reasonable dividends and growth originating from politically stable countries. **Exxon Mobil** was added given its high quality assets, superior balance sheet and strong operational performance. We increased weighting in the large North American pipeline companies that have little commodity price exposure.

A large amount of the fund remains invested in the large diversified miners. More specifically, we favour the size, quality and relative valuations of Vale, Rio Tinto, and BHP Billiton.

#### **Outlook**

Following the recent falls in the mining and energy sector, we believe that there is good value for the patient investor. However, with growth slowing and the financial sector yet to stabilise, conditions remain challenging. We have always emphasised the need to invest in quality companies at the low end of the cost curve. This has never been more important than at the present time when a significant proportion of the industry is not profitable. Many companies have already begun to make significant cuts in production, staff and costs to stay in business. We continue to monitor the balance sheet of companies and stress test their ability to meet financing obligations at lower commodity prices. The good news is that authorities globally have acted quickly to ensure that conditions improve over time.

**Annual Report for the financial year ended 31 December 2008**  
**First State Global Resources**

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**DISTRIBUTION OF INVESTMENTS**  
**As at 31 December 2008**

	<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	79,779,220	325,689,970	97.7
<b>Dublin</b>			
First State Global Resources Fund	515,774	5,149,689	1.5
Total investments		330,839,658	99.2
Other net assets		2,542,208	0.8
Total net assets attributable to unitholders		333,381,867	100.0

**Annual Report for the financial year ended 31 December 2008**  
**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 2008)</b>		
BHP Billiton Plc (UK)	51,336,425	8.6
Vale (formerly known as CVRD)	49,325,299	8.3
Rio Tinto (UK)	34,548,821	5.8
Exxon Mobil Corp	33,458,662	5.6
Goldcorp Inc	29,484,952	4.9
Barrick Gold Corp	24,780,059	4.1
Lihir Gold	23,846,187	4.0
Eldorado Gold Corp	22,672,726	3.8
Petrobras	19,623,355	3.3
Legacy Energy	19,247,879	3.2
<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

**Annual Report for the financial year ended 31 December 2008**  
**First State Global Resources**

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**DISCLOSURES**

<b>Subscriptions</b>		S\$1,004,442,282
<b>Redemptions</b>		S\$876,679,067
	<b>31 December 2008</b>	<b>31 December 2007</b>
<b>Portfolio Turnover</b> (Including that of the Underlying Fund)	62.3%	44.8%
<b>Expense Ratio**</b> (Including that of the Underlying Fund)	1.77%	1.75%
<b>Disclosures on the Underlying Fund -</b>		
<b>Portfolio Turnover</b>	62.7%	44.8%
<b>Expense Ratio**</b>	0.90%	0.90%

*\*\* 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 2008

## First State Global Resources

### Related party transactions

#### For the financial year ended 31 December 2008

	S\$
Bank service fees paid to HSBC	43,312
Expense ratio rebate received from Manager	17,874

#### Bank balances outstanding with HSBC as at 31 December 2008

	S\$ equivalent
Great Britan Pound	2,763
Singapore Dollar	300,040
United States Dollar	98,575

#### Foreign exchange transacted with HSBC for the financial year ended 31 December 2008

<u>Purchases</u>		<u>Sales</u>	
Currency	Amount	Currency	Amount
Great Britan Pound	130,762,000	Great Britan Pound	90,312,000
Singapore Dollar	240,969,826	Singapore Dollar	373,384,777
United States Dollar	13,573,688	United States Dollar	2,731,000

### Others

As at 31 December 2008, the Fund did not hold any bonds, derivatives or other unit trusts, other than the First State Global Resources Fund Class B shares (constituting 97.7% of the Fund's Net Asset Value and at a market value of S\$325,689,970) and First State Global Resources Fund Class III shares (constituting 1.5% of the Fund's Net Asset Value and at a market value of \$5,149,689). In addition, the Fund did not hold any investment constituting more than 5% of a company's outstanding share capital and / or debt issue. 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 2008

## First State Regional China Fund

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### MANAGER'S REPORT

#### for the period from 1 January to 31 December 2008

#### Historical performance\*

*in Singapore dollars*

	<b>Fund</b>	<b>Benchmark</b>
	<b>%</b>	<b>%</b>
3-mth	-16.4	-16.1
6-mth	-33.5	-33.4
1-year	-45.4	-49.2
3-year	1.9	-5.5
5-year	8.0	0.8
10-year	10.9	2.3
Since Inception – 1 November 1993 <i>(Calculated since date of first valuation)</i>	6.0	n.a.

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 2008

## First State Regional China Fund

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### MANAGER'S REPORT

Over the year to 31 December 2008, Greater China equity markets fell heavily. The MSCI Golden Dragon Index declined by 49.4% in US dollar terms, underperforming the MSCI World Index which was down by 40.3%.

Taiwan (-45.9%) fell substantially over the year but was the best performing market in Greater China. The Taiwanese market performed well earlier in the year as investors anticipated that the victory of the KMT in presidential elections would be positive for relations with Mainland China and the economy. China (-47.7%) and Hong Kong (-51.2%) underperformed. China fell steeply as the economy slowed significantly as global growth faltered, despite market boosting measures from the government. Hong Kong was led lower by the property sector as prices declined and the outlook for 2009 deteriorated.

At a sector level, Consumer Staples, Telecom Services and Utilities outperformed as investors sought companies with relatively predictable earnings. Energy and Materials lagged as commodity prices fell steeply and Consumer Discretionary was weak on concerns about slowing economic growth across Greater China.

**China Mobile** (Telecom Services) and **MTR Corp** (Industrials) outperformed as investors sought companies with relatively predictable earnings. **Acer** (Taiwan: Information Technology) contributed positively through good market timing of our purchase and sale. **China Resources Enterprise** (Consumer Discretionary) declined as it reported disappointing results due to weak retail demand in Hong Kong and **Cheung Kong** lagged on falling property prices and the negative outlook for the property market. **China Mengniu Dairy** (Consumer Staples) fell significantly following a scandal involving tainted milk.

We bought **China BlueChemical**, a well-managed company with exposure to Chinese agriculture and clean energy, and **Dairy Farm** (Singapore: Consumer Staples) for its strong cash generation. We sold **MTR Corp** as it reached our valuation target and **Hon Hai Precision** (Taiwan: Information Technology) on concerns about deteriorating cash flow.

### Outlook

We continue to see challenging times for economies in 2009, with rising unemployment and poor external demand exerting pressure on domestic consumption. Valuations have become more attractive, especially when comparing earnings or dividend yields to bond yields. We continue to like companies with strong cash flows and substantial dividend yields, and believe a number of them will perform better than cash in 2009. We like companies in the Consumer Staples sector which have defensive revenues and the potential for margin recovery as commodity prices fall.

**Annual Report for the financial year ended 31 December 2008**  
**First State Regional China Fund**

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**DISTRIBUTION OF INVESTMENTS**  
**As at 31 December 2008**

	<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	6,745,050	282,403,067	99.7
Total investments		282,403,067	99.7
Other net assets		1,021,740	0.3
Total net assets attributable to unitholders		283,424,807	100.0

**Annual Report for the financial year ended 31 December 2008**  
**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 2008)</b>		
Taiwan Semiconductor Mfg Co Ltd	19,576,430	5.6
Cheung Kong Hldgs Ltd	18,436,577	5.3
Chunghwa Telecom Co Ltd	15,573,293	4.5
Jardine Matheson Hldgs Ltd	14,272,057	4.1
China Communications Services Corp Ltd	11,438,277	3.3
China Resources Enterprise Ltd	11,038,690	3.2
Yantai Changyu Pioneer Wine Co Ltd	10,537,714	3.0
China Resources Power Hldgs	10,497,938	3.0
President Chain Store Corp	9,974,496	2.9
China Oilfield Services Ltd	9,594,745	2.7
<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

## Annual Report for the financial year ended 31 December 2008 First State Regional China Fund

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### DISCLOSURES

**Subscriptions** S\$128,828,982

**Redemptions** S\$161,513,447

	<b>31 December 2008</b>	<b>31 December 2007</b>
<b>Portfolio Turnover</b> (Including that of the Underlying Fund)	38.9%	67.7%

<b>Expense Ratio**</b> (Including that of the Underlying Fund)	1.91%	1.86%
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#### **Disclosures on the Underlying Fund -**

<b>Portfolio Turnover</b>	38.1%	67.7%
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<b>Expense Ratio**</b>	1.68%	1.66%
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*\*\* 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 2008

## First State Regional China Fund

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### Related party transactions

#### For the financial year ended 31 December 2008

	S\$
Bank service fees paid to HSBC	17,083
Interest expense paid to HSBC	84
Interest received from HSBC	9,309

#### Bank balances outstanding with HSBC as at 31 December 2008

	S\$ equivalent
Great Britain Pound	3
Singapore Dollar	536,060
United States Dollar	170,853

#### Foreign exchange transacted with HSBC for the financial year ended 31 December 2008

<u>Purchases</u>		<u>Sales</u>	
Currency	Amount	Currency	Amount
Singapore Dollar	58,330,436	Singapore Dollar	25,716,515
United States Dollar	18,551,000	United States Dollar	41,325,000

### Others

As at 31 December 2008, 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 99.7% of the Fund's Net Asset Value and at a market value of S\$282,403,067. In addition, the Fund did not hold any investment constituting more than 5% of a company's outstanding share capital and / or debt issue. 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 2008

## First State Regional India Fund

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### MANAGER'S REPORT for the period from 1 January to 31 December 2008

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

	<b>Fund</b>	<b>Benchmark</b>
	<b>%</b>	<b>%</b>
3-mth	-26.4	-29.4
6-mth	-28.1	-36.0
1-year	-56.9	-64.5
3-year	-6.9	-7.1
5-year	8.2	5.1
10-year	10.6	11.7
Since Inception – 22 August 1994 <i>(Calculated since date of first valuation)</i>	3.5	4.3

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.

# Annual Report for the financial year ended 31 December 2008

## First State Regional India Fund

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### MANAGER'S REPORT

The Indian equity market declined very steeply in 2008. The MSCI India Index dropped by 64.6% in US dollar terms, underperforming the MSCI World Index which fell by 40.3%.

The Indian market was influenced by the global environment as the credit crunch precipitated a financial crisis and a very sharp slowdown in global growth. In the first half of the year, investors were concerned about inflationary pressures as the oil price continued to rise. However, in the second half, deflationary concerns dominated. There was significant foreign selling of the Indian market.

The economic backdrop deteriorated as car sales and exports continued to fall. There was a dramatic slowdown in industrial production and investment demand. The central bank tightened monetary policy in the first half in response to inflation, but cut rates in the second half as the outlook deteriorated. A fiscal stimulus package was insubstantial given the government's weak balance sheet. The recent Mumbai terror attack exposed the fragile security situation in the subcontinent.

**Hindustan Unilever** (India: Consumer Staples) added to performance as its defensive business characteristics were increasingly valued by the market as economic growth faltered. Performance was helped by **Godrej Consumer Products** which outperformed as it benefited from trading down by consumers and **Onmobile Global** (Telecom Services) as its value-added services in the telecom industry were viewed positively. On the negative side, **Mahindra & Mahindra** (India: Consumer Discretionary) was impacted by its sensitivity to the slowing Indian economy and **Housing Development Finance** lagged on rising concerns about asset quality in the financial sector. **Indian Hotels** underperformed on the outlook for international tourist arrivals given the global slowdown and the Mumbai attacks.

Significant purchases over the twelve months included aluminium group **Hindalco Industries** as worries about a recent acquisition were more than reflected in current valuations; and **Indian Bank**, which has a strong franchise in the southern states and was attractively priced. We also purchased **Ambuja Cements** for its strong balance sheet and compelling valuation. We sold **Bharat Heavy Electricals** due to worries about weak barriers to entry in a slowing economy and **Reliance Industries** due to fears about the petrochemical cycle. We sold oil exploration company **Cairn Energy** on valuation concerns.

## **Annual Report for the financial year ended 31 December 2008**

### **First State Regional India Fund**

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#### **Outlook**

There will be more scrutiny of company balance sheets and regulation is bound to get stricter following the Satyam fiasco. We believe companies with complex holding structures and poor corporate governance will be de-rated in the medium term. India will pursue the diplomatic route to put pressure on Pakistan but there is not much time and patience is running out within the Indian camp, especially as elections are approaching. However, the long-term investment case for India remains and we believe that although quality companies are not cheap, they will emerge stronger and deliver shareholder value in the long run. The central bank may cut rates further and ease liquidity if inflation continues its downward trend. While falling oil prices certainly help the country's finances, a steep decline in exports will negate any gains. Unpredictable portfolio flows may keep the currency volatile in the near to medium term.

**Annual Report for the financial year ended 31 December 2008**  
**First State Regional India Fund**

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**DISTRIBUTION OF INVESTMENTS**  
**As at 31 December 2008**

	<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	2,276,736	59,338,946	99.3
Total investments		59,338,946	99.3
Other net assets		418,783	0.7
Total net assets attributable to unitholders		59,757,729	100.0

**Annual Report for the financial year ended 31 December 2008**  
**First State Regional India Fund**

---

**DISTRIBUTION OF INVESTMENTS (UNDERLYING FUND)**

	Market Value S\$	% of NAV
<b>Top 10 holdings (as at 31 December 2008)</b>		
Hindustan Unilever	7,514,500	6.2
Sun Pharmaceuticals	7,009,480	5.8
Ambuja Cements Ltd	6,915,005	5.7
Bharti Airtel Ltd	6,812,549	5.6
Dabur India Ltd	6,079,126	5.0
Mahindra & Mahindra Ltd	5,827,987	4.8
Cipla Ltd	5,406,511	4.5
Infosys Technologies Ltd	4,640,447	3.8
Housing Development Finance Corp Ltd	4,578,938	3.8
Tata Tea Ltd	4,577,024	3.8

**Top 10 holdings (as at 31 December 2007)**

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

## Annual Report for the financial year ended 31 December 2008 First State Regional India Fund

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### DISCLOSURES

**Subscriptions** S\$71,915,244

**Redemptions** S\$88,854,755

	<b>31 December 2008</b>	<b>31 December 2007</b>
<b>Portfolio Turnover</b> (Including that of the Underlying Fund)	62.3%	75.0%
<b>Expense Ratio**</b> (Including that of the Underlying Fund)	2.03%	2.00%

### Disclosures on the Underlying Fund -

**Portfolio Turnover** 61.2% 75.4%

**Expense Ratio\*\*** 1.78% 1.77%

*\*\* 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 2008

## First State Regional India Fund

---

### Related party transactions

#### For the financial year ended 31 December 2008

	S\$
Bank service fees paid to HSBC	10,591
Interest expense paid to HSBC	269
Interest received from HSBC	975

#### Bank balances outstanding with HSBC as at 31 December 2008

	S\$ equivalent
Singapore Dollar	300,243
United States Dollar	59,445

#### Foreign exchange transacted with HSBC for the financial year ended 31 December 2008

<u>Purchases</u>		<u>Sales</u>	
Currency	Amount	Currency	Amount
Singapore Dollar	31,004,804	Singapore Dollar	26,875,527
United States Dollar	18,804,000	United States Dollar	22,032,000

### Others

As at 31 December 2008, the Fund did not hold any bonds, derivatives or other unit trusts, other than the First State Indian Subcontinent Fund Class I shares, constituting 99.3% of the Fund's Net Asset Value and at a market value of S\$59,338,946. In addition, the Fund did not hold any investment constituting more than 5% of a company's outstanding share capital and / or debt issue. 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 2008

## First State Singapore Growth Fund

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### MANAGER'S REPORT for the period from 1 January to 31 December 2008

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

	<b>Fund</b>	<b>Benchmark</b>
	<b>%</b>	<b>%</b>
3-mth	-23.0	-20.9
6-mth	-35.7	-34.0
1-year	-48.1	-45.0
3-year	-5.2	-2.8
5-year	1.6	3.4
10-year	5.4	5.2
Since Inception – 28 July 1969 ( <i>Calculated since date of first valuation</i> )	7.3	n.a.

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.*

# Annual Report for the financial year ended 31 December 2008

## First State Singapore Growth Fund

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### MANAGER'S REPORT

Malaysia and Singapore fell substantially in 2008 as the global backdrop deteriorated. The credit crunch caused a financial crisis and a significant slowdown in economic growth. However, both markets outperformed regional markets. The MSCI Malaysia Index fell by 41.2% and Singapore by 47.3% in US dollar terms over the period, while the MSCI Asia Pacific ex-Japan Index dropped by 51.6%. Around the world governments responded by cutting interest rates, bailing out banking systems and announcing stimulus packages.

In both markets, inflationary pressures were a particular concern in the first half of the year as the oil price rose above \$140 per barrel by July. Malaysia was also impacted by political instability throughout the period. In the second half, investor concerns switched to the deteriorating growth outlook as the Singaporean economy slowed very quickly.

Performance over the year was helped by **Aeon Company** and **Singapore Post** which both outperformed as investors were attracted by their relatively predictable earnings. **Ascott Group** was privatised by its parent CapitaLand. On the negative side, **Guocoland** lagged on poor results and concerns about litigation at its flagship project in China, and **Petra Foods** underperformed after disappointing results and concerns about its exposure to Indonesia. **Global Voice** suffered from worries about refinancing a convertible bond.

Over the year, significant new positions included **MobileOne**, a mobile telecom provider which generates high levels of cash flow and should be a beneficiary of the government's plans for the next generation of broadband networks. We also bought **United Plantations** which has excellent management and offers better value than other stocks in the plantations sector. We sold **Sime Darby** as it outperformed other plantation stocks and **Malayan Banking** due to worries about the company's growth strategy.

### Outlook

We continue to focus on well-managed companies, favouring domestic sectors in Malaysia and those with developed regional or global businesses in Singapore. We favour companies with strong operating cash flow that are well-positioned for turbulent economic conditions. Several developed economies (including Singapore) have now fallen into recession. We are cautious on the short-term economic outlook but are as convinced as ever that careful stock selection will prove rewarding in the long term. Following sharp declines in share prices, a number of companies in Singapore and Malaysia are trading on attractive valuations.

**Annual Report for the financial year ended 31 December 2008**  
**First State Singapore Growth Fund**

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**DISTRIBUTION OF INVESTMENTS**  
**As at 31 December 2008**

	<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	1,469,858	35,852,617	99.4
Total investments		35,852,617	99.4
Other net assets		207,908	0.6
Total net assets attributable to unitholders		36,060,525	100.0

**Annual Report for the financial year ended 31 December 2008**  
**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 2008)</b>		
United Overseas Bank Ltd	3,570,043	6.0
Oversea-Chinese Banking Corp	3,210,719	5.4
Tenaga Nasional Bhd	3,122,494	5.2
IOI Corp	2,396,148	4.0
Aeon Co (M) Bhd	2,054,149	3.5
Jardine Matheson Hldgs Ltd	1,972,387	3.3
Singapore Telecommunications	1,933,237	3.2
Singapore Post Ltd	1,858,900	3.1
Keppel Corp Ltd	1,848,685	3.1
Fraser & Neave Ltd	1,668,539	2.8
<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

## Annual Report for the financial year ended 31 December 2008 First State Singapore Growth Fund

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### DISCLOSURES

**Subscriptions** S\$9,814,939

**Redemptions** S\$18,427,914

	<b>31 December 2008</b>	<b>31 December 2007</b>
<b>Portfolio Turnover</b> (Including that of the Underlying Fund)	12.8%	72.5%
<b>Expense Ratio**</b> (Including that of the Underlying Fund)	1.94%	1.93%
<b>Disclosures on the Underlying Fund -</b>		
<b>Portfolio Turnover</b>	12.6%	72.6%
<b>Expense Ratio**</b>	1.74%	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 2008

## First State Singapore Growth Fund

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### Related party transactions

#### For the financial year ended 31 December 2008

	S\$
Bank service fees paid to HSBC	5,227
Expense ratio rebate received from Manager	35,308
Interest received from HSBC	112

#### Bank balances outstanding with HSBC as at 31 December 2008

	S\$ equivalent
Singapore Dollar	190,256
United States Dollar	1,152

#### Foreign exchange transacted with HSBC for the financial year ended 31 December 2008

<u>Purchases</u>		<u>Sales</u>	
Currency	Amount	Currency	Amount
Singapore Dollar	10,733,330	Singapore Dollar	1,635,840
United States Dollar	1,164,000	United States Dollar	7,643,000

### Others

As at 31 December 2008, 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\$35,852,617. In addition, the Fund did not hold any investment constituting more than 5% of a company's outstanding share capital and / or debt issue. 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.

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**FIRST STATE GLOBAL GROWTH FUNDS**

*(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)*

**FINANCIAL STATEMENTS**

*For the financial period/year ended 31 December 2008*

# **First State Global Growth Funds**

*(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)*

## **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**

PricewaterhouseCoopers LLP

<b>Index</b>	<b>Page</b>
Report of the Trustee	100
Statement by the Manager	101
Independent Auditor's Report	102
Financial Statements	
Statements of Total Return	104
Balance Sheets	113
Portfolio Statements	122
Notes to the Financial Statements	135

## **First State Global Growth Funds**

*(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)*

### **Report of the Trustee**

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The Trustee is under a duty to take into custody and to hold the assets of the sub-funds of First State Global Growth Funds, comprising First State Asia Innovation Fund (formerly known as First State Asia Innovation and Technology Fund), First State Asian Growth Fund, First State Bridge, First State Dividend Advantage, First State GEM Leaders, First State Global Balanced Fund, First State Global Infrastructure, First State Global Opportunities Fund (formerly known as First State Global 100 Growth Fund), First State Global Property Investments, First State Global Resources, First State Regional China Fund, First State Regional India Fund and First State Singapore Growth Fund (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 year and report thereon to unitholders in an annual report which shall contain the matters prescribed by the laws and regulations as well as the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” issued by the Institute of Certified Public Accountants of Singapore and the Trust Deed.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the period/year covered by these financial statements, set out on pages 104 to 198, comprising the Statements of Total Return, Balance Sheets, Portfolio Statements and Notes to the Financial Statements, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed, laws and regulations and otherwise in accordance with the provisions of the Trust Deed.

For and on behalf of the Trustee,  
HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED

Authorised signatory  
25 March 2009

## **First State Global Growth Funds**

*(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)*

### **Statement by the Manager**

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In the opinion of the directors of First State Investments (Singapore), the accompanying financial statements set out on pages 104 to 198, 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 Asia Innovation Fund (formerly known as First State Asia Innovation and Technology Fund), First State Asian Growth Fund, First State Bridge, First State Dividend Advantage, First State GEM Leaders, First State Global Balanced Fund, First State Global Infrastructure, First State Global Opportunities Fund (formerly known as First State Global 100 Growth Fund), First State Global Property Investments, First State Global Resources, First State Regional China Fund, First State Regional India Fund and First State Singapore Growth Fund (collectively, the “Fund”), as at 31 December 2008 and the total return for the financial period/year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” issued by the Institute of Certified Public Accountants of Singapore. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of the directors,  
of FIRST STATE INVESTMENTS (SINGAPORE)

Lindsay Robert Mann  
Director

25 March 2009

## **First State Global Growth Funds**

*(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)*

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

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We have audited the financial statements of the sub-funds of First State Global Growth Funds, comprising First State Asia Innovation Fund (formerly known as First State Asia Innovation and Technology Fund), First State Asian Growth Fund, First State Bridge, First State Dividend Advantage, First State GEM Leaders, First State Global Balanced Fund, First State Global Infrastructure, First State Global Opportunities Fund (formerly known as First State Global 100 Growth Fund), First State Global Property Investments, First State Global Resources, First State Regional China Fund, First State Regional India Fund and First State Singapore Growth Fund (collectively, the "Fund"), set out on pages 104 to 198, which comprise the Balance Sheets and Portfolio Statements as at 31 December 2008, the Statements of Total Return for the period/year then ended, and a summary of significant accounting policies and other explanatory notes.

#### *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.

#### *Auditor's Responsibility*

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

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

## **First State Global Growth Funds**

*(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)*

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

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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.

#### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2008 and the total deficit for the period/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.

#### *Other Matters*

The financial statements for the preceding financial year were reported on by auditors other than PricewaterhouseCoopers LLP. The independent auditor's report dated 13 March 2008 issued by the predecessor auditor on the financial statements for the financial year ended 31 December 2007 was unqualified.

PricewaterhouseCoopers LLP  
Public Accountants and Certified Public Accountants

Singapore,  
25 March 2009

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Statements of Total Return

For the financial period/year ended 31 December 2008

	Notes	2008 S\$	2007 S\$
<b>Income</b>			
Dividends		-	-
Interest		645	794
Others		378	-
		1,023	794
<b>Less: Expenses</b>			
Management fees		1,100,112	1,416,545
Management fee rebates		(1,095,900)	(1,409,939)
Registration fees		11,159	14,852
Trustee's fees		47,148	60,709
Audit fees		4,923	5,927
Others		116,479	126,781
		183,921	214,875
<b>Net (loss)/income</b>		(182,898)	(214,081)
<b>Net gains or losses on value of investments</b>			
Net realised gains/(losses) on investments sold		2,165,778	8,550,662
Net change in fair value on investments		(43,930,644)	7,184,156
Net realised (losses)/gains on financial derivatives		-	-
Net change in fair value on financial derivatives		-	-
Net foreign exchange gains/(losses)		4,342	(12,423)
<b>Net (losses)/gains on value of investments</b>		(41,760,524)	15,722,395
<b>Total (deficit)/return for the year before taxation</b>		(41,943,422)	15,508,314
<b>Less: Income tax</b>	3	-	-
<b>Total (deficit)/return for the year after taxation before distribution</b>		(41,943,422)	15,508,314
<b>Less: Distribution</b>	4	-	-
<b>Total (deficit)/return for the year</b>		(41,943,422)	15,508,314

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 on 16 April 1998)

### Statements of Total Return

For the financial period/year ended 31 December 2008

First State Asian Growth Fund		First State Bridge	
2008	2007	2008	2007
S\$	S\$	S\$	S\$
-	-	16,654,842	9,142,064
-	979	21,757	8,348
-	27,979	5,511	28,394
-	28,958	16,682,110	9,178,806
690,820	952,668	15,447,173	9,630,402
(685,465)	(951,401)	(15,389,259)	(9,604,500)
11,194	11,649	93,405	96,183
34,541	47,633	926,830	577,824
4,923	5,927	4,923	5,927
40,488	93,112	1,499,347	729,500
96,501	159,588	2,582,419	1,435,336
(96,501)	(130,630)	14,099,691	7,743,470
3,975,860	35,762,352	(105,954,446)	95,309,482
(28,765,286)	(18,073,961)	(309,634,250)	(40,279,487)
-	-	(41,797,809)	20,301,217
-	-	18,218,478	(353,509)
(102,873)	(80,340)	(195,733)	(5,162,173)
(24,892,299)	17,608,051	(439,363,760)	69,815,530
(24,988,800)	17,477,421	(425,264,069)	77,559,000
-	-	-	-
(24,988,800)	17,477,421	(425,264,069)	77,559,000
-	-	(36,007,298)	(43,031,073)
(24,988,800)	17,477,421	(461,271,367)	34,527,927

# First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

## Statements of Total Return

For the financial period/year ended 31 December 2008

	Notes	First State Dividend Advantage 2008 S\$	2007 S\$
<b>Income</b>			
Dividends		18,986,409	14,433,290
Interest		157	-
Others		-	-
		<hr/>	<hr/>
		18,986,566	14,433,290
<b>Less: Expenses</b>			
Management fees		10,081,635	8,568,167
Management fee rebates		(10,062,675)	(8,541,506)
Registration fees		41,603	51,528
Trustee's fees		504,082	428,408
Audit fees		4,879	5,926
Others		990,228	664,404
		<hr/>	<hr/>
		1,559,752	1,176,927
<b>Net income/(loss)</b>		<hr/>	<hr/>
		17,426,814	13,256,363
<b>Net gains or losses on value of investments</b>			
Net realised (losses)/gains on investments sold		(19,802,591)	144,095,789
Net change in fair value on investments		(320,632,589)	(29,958,322)
Net foreign exchange (losses)/gains		(740,533)	(3,504,522)
		<hr/>	<hr/>
<b>Net (losses)/gains on value of investments</b>		(341,175,713)	110,632,945
<b>Total (deficit)/return for the year before taxation</b>		<hr/>	<hr/>
		(323,748,899)	123,889,308
<b>Less: Income tax</b>	3	-	-
		<hr/>	<hr/>
<b>Total (deficit)/return for the year after taxation before distribution</b>		(323,748,899)	123,889,308
<b>Less: Distribution</b>	4	(36,442,151)	(37,673,246)
		<hr/>	<hr/>
<b>Total (deficit)/return for the year</b>		(360,191,050)	86,216,062

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 on 16 April 1998)

### Statements of Total Return

For the financial period/year ended 31 December 2008

First State GEM Leaders		First State Global Balanced Fund	
2008	2007	2008	2007
S\$	S\$	S\$	S\$
-	-	-	-
109	-	-	-
-	13,000	-	488
109	13,000	-	488
221,375	239,078	364,864	377,339
(219,066)	(236,469)	(381,451)	(391,368)
9,101	9,679	11,448	11,175
15,000	11,954	21,892	22,640
4,923	5,927	4,923	5,927
18,466	40,432	26,730	48,171
49,799	70,601	48,406	73,884
(49,690)	(57,601)	(48,406)	(73,396)
665,908	2,948,751	179,709	3,455,698
(8,130,076)	106,456	(8,178,168)	(1,490,912)
(44,738)	(56,576)	(26,208)	(54,712)
(7,508,906)	2,998,631	(8,024,667)	1,910,074
(7,558,596)	2,941,030	(8,073,073)	1,836,678
-	-	-	-
(7,558,596)	2,941,030	(8,073,073)	1,836,678
-	-	-	-
(7,558,596)	2,941,030	(8,073,073)	1,836,678

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Statements of Total Return

For the financial period/year ended 31 December 2008

	Notes	First State Global Infrastructure Period from 16 January 2008 (date of launch) to 31 December 2008 S\$
<b>Income</b>		
Dividends		367,889
Interest		-
Others		-
		<hr/>
		367,889
<b>Less: Expenses</b>		
Management fees		199,250
Management fee rebates		(196,814)
Registration fees		9,185
Trustee's fees		12,000
Audit fees		4,615
Custody fees		-
Others		51,952
		<hr/>
		80,188
<b>Net income/(loss)</b>		<hr/>
		287,701
<b>Net gains or losses on value of investments</b>		
Net realised (losses)/gains on investments sold		(503,291)
Net change in fair value on investments		(6,630,920)
Net foreign exchange gains/(losses)		11,415
<b>Net (losses)/gains on value of investments</b>		<hr/>
		(7,122,796)
<b>Total (deficit)/return for the period/year before taxation</b>		<hr/>
		(6,835,095)
<b>Less: Income tax</b>	3	-
<b>Total (deficit)/return for the period/year after taxation before distribution</b>		<hr/>
		(6,835,095)
<b>Less: Distribution</b>	4	(197,795)
<b>Total (deficit)/return for the period/year</b>		<hr/> <hr/>
		(7,032,890)

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 on 16 April 1998)

### Statements of Total Return

For the financial period/year ended 31 December 2008

#### First State Global Opportunities Fund (formerly known as First State Global 100 Growth Fund

2008 S\$	2007 S\$
-	-
-	-
-	61,933
-	61,933

524,588	946,269
(522,107)	(824,839)
8,332	10,670
26,229	41,405
4,923	5,927
-	-
12,184	87,768
54,149	267,200
(54,149)	(205,267)

1,038,007	7,463,095
(19,321,186)	(2,668,130)
18,002	(166,073)
(18,265,177)	4,628,892
(18,319,326)	4,423,625
-	-
(18,319,326)	4,423,625
-	-
(18,319,326)	4,423,625

#### First State Global Property Investments

2008 S\$	2007 S\$
890,869	1,736,562
2,608	5,438
-	6,236
893,477	1,748,236

298,973	844,437
-	-
7,805	12,454
34,880	98,518
8,908	7,849
7,875	21,824
46,946	100,507
405,387	1,085,589
488,090	662,647

(8,671,197)	8,017,965
(3,551,061)	(17,309,976)
(95,940)	(376,670)
(12,318,198)	(9,668,681)
(11,830,108)	(9,006,034)
(162,725)	(266,446)
(11,992,833)	(9,272,480)
(467,255)	(1,417,082)
(12,460,088)	(10,689,562)

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Statements of Total Return

For the financial period/year ended 31 December 2008

	Notes	First State Global Resources 2008 S\$	2007 S\$
<b>Income</b>			
Interest		-	-
Others		17,874	17,256
		17,874	17,256
<b>Less: Expenses</b>			
Management fees		10,371,651	5,566,511
Management fee rebates		(5,841,280)	(3,124,941)
Registration fees		42,589	39,182
Trustee's fees		518,583	278,326
Audit fees		4,784	5,926
Others		956,656	403,365
		6,052,983	3,168,369
<b>Net loss</b>		(6,035,109)	(3,151,113)
<b>Net gains or losses on value of investments</b>			
Net realised (losses)/gains on investments sold		(23,635,751)	11,183,473
Net change in fair value on investments		(482,357,860)	116,496,866
Net foreign exchange gains/(losses)		790,464	(571,336)
<b>Net (losses)/gains on value of investments</b>		(505,203,147)	127,109,003
<b>Total (deficit)/return for the year before taxation</b>		(511,238,256)	123,957,890
<b>Less: Income tax</b>	3	-	-
<b>Total (deficit)/return for the year after taxation before distribution</b>		(511,238,256)	123,957,890
<b>Less: Distribution</b>	4	-	-
<b>Total (deficit)/return for the year</b>		(511,238,256)	123,957,890

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 on 16 April 1998)

### Statements of Total Return

For the financial period/year ended 31 December 2008

First State Regional China Fund		First State Regional India Fund	
2008	2007	2008	2007
S\$	S\$	S\$	S\$
9,309	60,315	975	13,927
20,304	14,595	37	4,871
29,613	74,910	1,012	18,798
6,319,357	7,085,907	1,518,849	1,659,896
(6,302,391)	(7,055,448)	(1,508,843)	(1,645,770)
29,622	47,079	16,881	20,080
315,968	354,295	75,943	82,995
4,879	5,927	4,923	5,927
598,150	531,185	164,293	146,571
965,585	968,945	272,046	269,699
(935,972)	(894,035)	(271,034)	(250,901)
17,267,998	81,579,647	6,072,538	31,620,364
(268,437,913)	66,681,415	(94,800,059)	17,386,681
(324,919)	259,892	(159,796)	(334,040)
(251,494,834)	148,520,954	(88,887,317)	48,673,005
(252,430,806)	147,626,919	(89,158,351)	48,422,104
-	-	-	-
(252,430,806)	147,626,919	(89,158,351)	48,422,104
-	-	-	-
(252,430,806)	147,626,919	(89,158,351)	48,422,104

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Statements of Total Return

For the financial period/year ended 31 December 2008

	Notes	First State Singapore Growth Fund	
		2008 S\$	2007 S\$
<b>Income</b>			
Interest		112	221
Others		-	37,000
		112	37,221
<b>Less: Expenses</b>			
Management fees		861,053	1,151,271
Management fee rebates		(856,557)	(1,146,728)
Registration fees		8,888	12,921
Trustee's fees		43,053	57,563
Audit fees		4,923	5,927
Others		57,554	98,536
		118,914	179,490
<b>Net loss</b>		(118,802)	(142,269)
<b>Net gains or losses on value of investments</b>			
Net realised gains on investments sold		3,898,014	8,687,784
Net change in fair value on investments		(39,738,803)	6,763,554
Net foreign exchange gains/(losses)		68,250	(126,962)
<b>Net (losses)/gains on value of investments</b>		(35,772,539)	15,324,376
<b>Total (deficit)/return for the year before taxation</b>		(35,891,341)	15,182,107
<b>Less: Income tax</b>	3	-	-
<b>Total (deficit)/return for the year after taxation before distribution</b>		(35,891,341)	15,182,107
<b>Less: Distribution</b>	4	-	-
<b>Total (deficit)/return for the year</b>		(35,891,341)	15,182,107

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 on 16 April 1998)

### Balance Sheets

As at 31 December 2008

		First State Asia Innovation Fund (formerly known as First State Asia Innovation and Technology Fund)	
	Notes	2008 S\$	2007 S\$
<b>ASSETS</b>			
Portfolio of investments		37,330,121	95,624,277
Sales awaiting settlement		46,104	226,936
Other receivables	5	168,979	805,007
Cash and bank balances		144,546	313,920
Financial derivatives, at fair value	7	-	-
<b>Total assets</b>		<b>37,689,750</b>	<b>96,970,140</b>
<b>LIABILITIES</b>			
Financial derivatives, at fair value	7	-	-
Purchases awaiting settlement		-	-
Other payables	6	144,335	1,013,009
Net assets attributable to unitholders	8	37,545,415	95,957,131
<b>Total liabilities</b>		<b>37,689,750</b>	<b>96,970,140</b>

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 on 16 April 1998)

### Balance Sheets

As at 31 December 2008

	Notes	First State Asian Growth Fund 2008 S\$	2007 S\$
<b>ASSETS</b>			
Portfolio of investments		33,395,514	56,465,696
Sales awaiting settlement		66,275	104,073
Other receivables	5	251,447	745,135
Cash and bank balances		235,977	400,180
Financial derivatives, at fair value	7	-	-
<b>Total assets</b>		<b>33,949,213</b>	<b>57,715,084</b>
<b>LIABILITIES</b>			
Financial derivatives, at fair value	7	-	-
Purchases awaiting settlement		93,649	50,591
Other payables	6	246,863	664,269
Net assets attributable to unitholders	8	33,608,701	57,000,224
<b>Total liabilities</b>		<b>33,949,213</b>	<b>57,715,084</b>

*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 on 16 April 1998)

### Balance Sheets

As at 31 December 2008

First State Bridge		First State Dividend Advantage	
2008	2007	2008	2007
S\$	S\$	S\$	S\$
945,215,358	1,219,203,623	524,879,794	754,754,813
986,914	-	-	-
4,702,566	27,195,548	3,409,909	22,608,091
992,537	7,823,173	615,127	3,351,923
22,762,790	113,328	-	-
<u>974,660,165</u>	<u>1,254,335,672</u>	<u>528,904,830</u>	<u>780,714,827</u>
4,544,312	466,837	-	-
-	13,795,375	569,096	12,377,388
4,220,131	11,866,925	1,320,328	3,843,117
965,895,722	1,228,206,535	527,015,406	764,494,322
<u>974,660,165</u>	<u>1,254,335,672</u>	<u>528,904,830</u>	<u>780,714,827</u>

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Balance Sheets

As at 31 December 2008

	Notes	First State GEM Leaders 2008 S\$	2007 S\$
<b>ASSETS</b>			
Portfolio of investments		9,723,389	16,495,768
Sales awaiting settlement		22,786	51,967
Other receivables	5	44,265	129,630
Cash and bank balances		88,527	115,440
<b>Total assets</b>		<b>9,878,967</b>	<b>16,792,805</b>
<b>LIABILITIES</b>			
Purchases awaiting settlement		-	-
Other payables	6	83,970	161,831
Net assets attributable to unitholders	8	9,794,997	16,630,974
<b>Total liabilities</b>		<b>9,878,967</b>	<b>16,792,805</b>

*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 on 16 April 1998)

### Balance Sheets

As at 31 December 2008

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<b>First State Global Balanced Fund</b>	<b>First State Global Infrastructure</b>
<b>2008</b>	<b>2008</b>
<b>S\$</b>	<b>S\$</b>
23,062,479	14,203,223
-	-
133,008	59,552
259,136	93,979
<hr/>	<hr/>
23,454,623	14,356,754
<hr/>	<hr/>
57,630	18,643
257,453	32,560
23,139,540	14,305,551
<hr/>	<hr/>
23,454,623	14,356,754
<hr/>	<hr/>

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Balance Sheets

As at 31 December 2008

		First State Global Opportunities Fund (formerly known as First State Global 100 Growth Fund)	
	Notes	2008 S\$	2007 S\$
<b>ASSETS</b>			
Portfolio of investments		24,047,466	46,603,567
Sales awaiting settlement		24,493	130,091
Other receivables	5	90,764	187,348
Cash and bank balances		182,589	215,323
<b>Total assets</b>		<u>24,345,312</u>	<u>47,136,329</u>
<b>LIABILITIES</b>			
Purchases awaiting settlement		31,697	-
Other payables	6	79,267	210,497
Net assets attributable to unitholders	8	24,234,348	46,925,832
<b>Total liabilities</b>		<u>24,345,312</u>	<u>47,136,329</u>

*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 on 16 April 1998)

### Balance Sheets

As at 31 December 2008

First State Global Property Investments		First State Global Resources	
2008 S\$	2007 S\$	2008 S\$	2007 S\$
11,239,502	30,684,847	330,839,658	714,357,124
-	53,698	118,072	-
74,349	196,251	3,577,722	18,647,990
424,504	554,919	401,378	5,089,351
<u>11,738,355</u>	<u>31,489,715</u>	<u>334,936,830</u>	<u>738,094,465</u>
-	64,241	503,360	15,038,746
66,105	229,607	1,051,603	6,198,811
11,672,250	31,195,867	333,381,867	716,856,908
<u>11,738,355</u>	<u>31,489,715</u>	<u>334,936,830</u>	<u>738,094,465</u>

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Balance Sheets

As at 31 December 2008

	Notes	First State Regional 2008 S\$	China Fund 2007 S\$
<b>ASSETS</b>			
Portfolio of investments		282,403,067	563,476,146
Sales awaiting settlement		-	-
Other receivables	5	1,291,958	9,631,593
Cash and bank balances		706,916	2,223,275
<b>Total assets</b>		<u>284,401,941</u>	<u>575,331,014</u>
<b>LIABILITIES</b>			
Purchases awaiting settlement		133,990	1,566,868
Other payables	6	843,144	5,224,068
Net assets attributable to unitholders	8	283,424,807	568,540,078
<b>Total liabilities</b>		<u>284,401,941</u>	<u>575,331,014</u>

*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 on 16 April 1998)

### Balance Sheets

As at 31 December 2008

First State Regional India Fund		First State Singapore Growth Fund	
2008	2007	2008	2007
S\$	S\$	S\$	S\$
59,338,946	160,640,688	35,852,617	80,105,161
-	-	135,431	-
241,219	18,741,928	150,420	395,175
359,688	4,597,171	191,408	347,166
<u>59,939,853</u>	<u>183,979,787</u>	<u>36,329,876</u>	<u>80,847,502</u>
-	12,030,480	34,578	-
182,124	6,093,716	234,773	282,661
59,757,729	165,855,591	36,060,525	80,564,841
<u>59,939,853</u>	<u>183,979,787</u>	<u>36,329,876</u>	<u>80,847,502</u>

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Portfolio Statements

As at 31 December 2008

	Holdings at 31 December 2008	Fair Value at 31 December 2008 S\$	Percentage of total net assets attributable to unitholders at 31 December 2008 %	Percentage of total net assets attributable to unitholders at 31 December 2007 %
<b>First State Asia Innovation Fund (formerly known as First State Asia Innovation and Technology Fund)<sup>(1)</sup></b>				
<b>Quoted</b>				
First State Global Umbrella Fund plc - First State Asia Innovation Fund (formerly known as First State Asia Innovation and Technology Fund) Class I	1,884,378	37,330,121	99.43	99.65
<b>Portfolio of investments</b>		37,330,121	99.43	99.65
<b>Other net assets</b>		215,294	0.57	0.35
<b>Net assets attributable to unitholders</b>		37,545,415	100.00	100.00

### **First State Asian Growth Fund<sup>(1)</sup>**

#### **Quoted**

First State Global Umbrella Fund plc - First State Asian Growth Fund Class I	1,403,103	33,395,514	99.37	99.06
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<b>Portfolio of investments</b>		33,395,514	99.37	99.06
<b>Other net assets</b>		213,187	0.63	0.94
<b>Net assets attributable to unitholders</b>		33,608,701	100.00	100.00

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 on 16 April 1998)

### Portfolio Statements

As at 31 December 2008

	Holdings at 31 December 2008	Fair Value at 31 December 2008 S\$	Percentage of total net assets attributable to unitholders at 31 December 2008 %	Percentage of total net assets attributable to unitholders at 31 December 2007 %
<b><u>First State Bridge</u></b> <sup>(1)</sup>				
<b>Quoted</b>				
First State Global Umbrella Fund plc - First State Asian Equity Plus Fund Class I	16,496,098	462,976,341	47.93	50.81
First State Global Umbrella Fund plc - First State Asian Quality Bond Fund Class I	35,760,029	482,239,017	49.93	48.46
<b>Portfolio of investments</b>		945,215,358	97.86	99.27
<b>Other net assets</b>		20,680,364	2.14	0.73
<b>Net assets attributable to unitholders</b>		965,895,722	100.00	100.00

### **First State Dividend Advantage** <sup>(1)</sup>

#### **Quoted**

First State Global Umbrella Fund plc - First State Asian Equity Plus Fund Class I	18,701,751	524,879,794	99.59	98.73
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<b>Portfolio of investments</b>		524,879,794	99.59	98.73
<b>Other net assets</b>		2,135,612	0.41	1.27
<b>Net assets attributable to unitholders</b>		527,015,406	100.00	100.00

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Portfolio Statements

As at 31 December 2008

	Holdings at 31 December 2008	Fair Value at 31 December 2008 S\$	Percentage of total net assets attributable to unitholders at 31 December 2008 %	Percentage of total net assets attributable to unitholders at 31 December 2007 %
<b>First State GEM Leaders<sup>(2)</sup></b>				
<b>Quoted</b>				
First State Investments ICVC - First State Global Emerging Markets Leaders Fund Class A	2,472,623	9,723,389	99.27	99.19
<b>Portfolio of investments</b>		9,723,389	99.27	99.19
<b>Other net assets</b>		71,608	0.73	0.81
<b>Net assets attributable to unitholders</b>		9,794,997	100.00	100.00

### **First State Global Balanced Fund<sup>(1)</sup>**

#### **Quoted**

First State Global Umbrella Fund plc - First State Global Bond Fund Class I	389,664	9,257,615	40.01	41.07
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First State Global Umbrella Fund plc - First State Global Opportunities Fund (formerly known as First State Global 100 Fund) Class I	1,947,504	13,804,864	59.66	57.81
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<b>Portfolio of investments</b>		23,062,479	99.67	98.88
<b>Other net assets</b>		77,061	0.33	1.12
<b>Net assets attributable to unitholders</b>		23,139,540	100.00	100.00

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 on 16 April 1998)

### Portfolio Statements

As at 31 December 2008

	Holdings at 31 December 2008	Fair Value at 31 December 2008 S\$	Percentage of total net assets attributable to unitholders at 31 December 2008 %	Percentage of total net assets attributable to unitholders at 31 December 2007 %
<b><u>First State Global Infrastructure</u></b> <sup>(2)</sup>				
<b>Quoted</b>				
First State Investments ICVC - First State Global Listed Infrastructure Fund Class A	7,672,256	14,203,223	99.28	
<b>Portfolio of investments</b>		14,203,223	99.28	
<b>Other net assets</b>		102,328	0.72	
<b>Net assets attributable to unitholders</b>		14,305,551	100.00	
<b><u>First State Global Opportunities Fund (formerly known as First State Global 100 Growth Fund)</u></b> <sup>(1)</sup>				
<b>Quoted</b>				
First State Global Umbrella Fund plc - First State Global Opportunities Fund (formerly known as First State Global 100 Fund) Class I	3,392,467	24,047,466	99.23	99.31
<b>Portfolio of investments</b>		24,047,466	99.23	99.31
<b>Other net assets</b>		186,882	0.77	0.69
<b>Net assets attributable to unitholders</b>		24,234,348	100.00	100.00

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Portfolio Statements

As at 31 December 2008

	Holdings at 31 December 2008	Fair Value at 31 December 2008 S\$	Percentage of total net assets attributable to unitholders at 31 December 2008 %	Percentage of total net assets attributable to unitholders at 31 December 2007 %
<b><u>First State Global</u></b>				
<b><u>Property Investments</u></b>				
<b>(a) Primary - by geography</b>				
<b>Quoted</b>				
<b>Australia</b>				
Babcock & Brown Japan Property	-	-	-	0.26
Centro Retail Group	-	-	-	0.24
CFS Retail Property Trust	102,300	189,077	1.62	-
Challenger Kenedix Japan Trust	-	-	-	0.39
Goodman Group	-	-	-	1.41
ING Real Estate Community Living	-	-	-	1.55
Mirvac Group NPV (Staple)	39,568	49,682	0.43	-
Rubicon Japan Trust	-	-	-	0.79
Stockland	42,723	171,660	1.47	-
Westfield Group	55,316	719,559	6.16	-
		1,129,978	9.68	4.64
<b>British Virgin</b>				
Eastern Property Holding Limited	-	-	-	0.48
<b>Canada</b>				
Allied Properties Real Estate	9,042	130,959	1.12	1.23
Boardwalk Real Estate Investment Trust	7,065	210,669	1.81	1.90
Brookfield Properties Corp	-	-	-	1.36
Canadian Real Estate Investment Trust	5,740	151,196	1.30	0.96
Primaris Retail Real Estate	-	-	-	0.39
Riocan Real Estate	13,145	209,407	1.79	-
		702,231	6.02	5.84

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 on 16 April 1998)

### Portfolio Statements

As at 31 December 2008

	Holdings at 31 December 2008	Fair Value at 31 December 2008 S\$	Percentage of total net assets attributable to unitholders at 31 December 2008 %	Percentage of total net assets attributable to unitholders at 31 December 2007 %
<b>First State Global</b>				
<b>Property Investments</b>				
(continued)				
<b>(a) Primary - by geography (continued)</b>				
<b>Cayman Islands</b>				
Agile Property Holdings Limited	-	-	-	2.46
<b>China</b>				
Capitaretail China Trust	-	-	-	0.32
<b>Cyprus</b>				
AFI Development PLC	19,543	18,302	0.16	0.94
<b>Finland</b>				
Citycon	37,191	121,407	1.04	1.79
<b>France</b>				
Klepierre	5,222	174,129	1.49	2.91
STE De La Tour Eiffel	3,186	214,390	1.84	3.94
Unibail Holding	3,038	646,451	5.54	4.15
		1,034,970	8.87	11.00
<b>Germany</b>				
Alstria Office	9,655	96,874	0.83	1.37
Deutsche Euroshop	2,914	141,521	1.21	1.03
		238,395	2.04	2.40
<b>Great Britain</b>				
Big Yellow Group PLC	-	-	-	2.10
British Land Co PLC	14,103	160,966	1.38	-
Brixton PLC	9,690	26,495	0.23	0.70
Great Portland Estates PLC	9,356	50,389	0.43	-
Hammerson PLC	10,050	111,376	0.95	1.70
Land Securities Group PLC	14,141	269,781	2.31	2.86
Local Shopping REIT PLC	46,508	25,048	0.22	0.66
Sergo PLC	16,425	84,038	0.72	1.28
Terrace Hill Group PLC	110,840	43,624	0.37	0.74
		771,717	6.61	10.04

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Portfolio Statements

As at 31 December 2008

	Holdings at 31 December 2008	Fair Value at 31 December 2008 S\$	Percentage of total net assets attributable to unitholders at 31 December 2008 %	Percentage of total net assets attributable to unitholders at 31 December 2007 %
<b>First State Global</b>				
<b>Property Investments</b>				
<b>(continued)</b>				
<b>(a) Primary - by geography (continued)</b>				
<b>Guernsey</b>				
Eurocastle Investment Ltd	-	-	-	0.62
Mapeley Ltd	-	-	-	0.64
Sumit Germany Ltd	-	-	-	0.73
				1.99
<b>Hong Kong</b>				
Champion REIT	-	-	-	0.94
China Overseas Land & Investments	117,666	235,363	2.02	1.77
Hang Lung Properties Ltd	36,500	113,993	0.98	1.05
Kerry Properties Ltd	25,757	98,637	0.84	3.57
Link Reit	87,000	206,693	1.77	-
		654,686	5.61	7.33
<b>India</b>				
Ishaan Real Estate PLC	107,897	72,079	0.62	1.42
<b>Isle of Man</b>				
Unitech Corporation Parks	100,404	16,638	0.14	1.36
<b>Italy</b>				
Risanamento	-	-	-	0.35
<b>Japan</b>				
Aeon Mall Co Ltd	-	-	-	0.86
Fukuoka REIT	-	-	-	0.72
Japan Real Estate Investment Corp	7	88,448	0.76	0.59
Mitsui Estate Co Ltd	3,000	68,994	0.59	-
Mitsui Fudosan Co Ltd	5,400	125,305	1.07	1.83
Nippon Building Fund Inc REIT	19	291,408	2.50	0.71
Pacific Management Corp	-	-	-	0.80
Tokyu REIT Inc	25	218,536	1.87	1.46
		792,691	6.79	6.97

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 on 16 April 1998)

### Portfolio Statements

As at 31 December 2008

	Holdings at 31 December 2008	Fair Value at 31 December 2008 S\$	Percentage of total net assets attributable to unitholders at 31 December 2008 %	Percentage of total net assets attributable to unitholders at 31 December 2007 %
<b>First State Global</b>				
<b><u>Property Investments</u></b>				
<b>(continued)</b>				
<b>(a) Primary - by geography (continued)</b>				
<b>Netherlands</b>				
Eurocommerce CVA	2,675	124,557	1.06	0.75
Plaza Centers	-	-	-	0.56
Wereldhave NV	645	81,380	0.70	-
		205,937	1.76	1.31
<b>Singapore</b>				
Ascendas India	105,613	48,054	0.41	0.59
CapitaLand Ltd	-	-	-	1.03
CapitaMall Trust REIT	34,500	54,510	0.47	2.10
Mapletree Logistics Trust	-	-	-	0.62
		102,564	0.88	4.34
<b>United States of America</b>				
Acadia Realty Trust REIT	4,542	93,381	0.80	-
Alexandria Real Estate Equities	3,119	271,150	2.32	1.87
AMB Property Corp	-	-	-	1.23
American Campus Communities	3,231	94,824	0.81	0.54
Biomed Realty Trust Inc	7,461	125,876	1.08	1.06
Boston Properties Inc	4,221	334,295	2.86	-
BRE Properties Class A Corporate Office Properties Trust	2,262	99,822	0.86	-
Digital Realty Trust Inc	7,833	370,612	3.18	1.90
Douglas Emmett Inc	8,639	162,429	1.39	-
Dupont Fabros Entertainment Properties Trust	1,614	69,110	0.59	-
Equity Residential REIT	8,754	376,100	3.22	-
Essex Property Trust Inc	1,909	209,415	1.79	0.90
Extra Space Storage Inc	-	-	-	0.79
Federal Realty Investment Trust REIT	2,349	209,794	1.80	-
HCP Inc Com	8,837	353,565	3.03	-

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Portfolio Statements

As at 31 December 2008

	Holdings at 31 December 2008	Fair Value at 31 December 2008 S\$	Percentage of total net assets attributable to unitholders at 31 December 2008 %	Percentage of total net assets attributable to unitholders at 31 December 2007 %
<b>First State Global</b>				
<b>Property Investments</b>				
<b>(continued)</b>				
<b>(a) Primary - by geography (continued)</b>				
Home Properties Inc	2,560	149,229	1.28	-
Host Hotels & Resorts Inc	-	-	-	1.49
Kimco Realty Corp	-	-	-	1.68
Macerich Co Ltd	-	-	-	0.82
Morgans Hotel	-	-	-	1.10
Nationwide Health Properties Inc	6,064	250,831	2.15	0.58
Prologis	-	-	-	5.13
Public Storage	4,733	542,048	4.64	-
Simon Property Group	7,797	596,725	5.11	4.14
SL Green Realty Corp	-	-	-	1.23
Starwood Hotels & Resorts	-	-	-	0.99
Sunstone Hotel Investors Inc	-	-	-	1.33
Tanger Factory Outlet Centers Inc	2,979	160,735	1.38	-
Taubman Centers Inc REIT	-	-	-	1.43
Ventas Inc Com	5,277	254,239	2.18	-
Vornado Realty Trust Inc	7,493	651,295	5.58	4.05
		5,375,475	46.05	33.33
<b>Unquoted</b>				
<b>Hong Kong</b>				
China Overseas Land & Investment - Rights	4,706	2,432	0.02	0.05
<b>Portfolio of investments</b>		11,239,502	96.29	98.36
<b>Other net assets</b>		432,748	3.71	1.64
<b>Net assets attributable to unitholders</b>		11,672,250	100.00	100.00

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 on 16 April 1998)

### Portfolio Statements

As at 31 December 2008

	Percentage of total net assets attributable to unitholders at 31 December 2008 %	Percentage of total net assets attributable to unitholders at 31 December 2007 %
<b><u>First State Global</u></b>		
<b><u>Property Investments</u></b>		
<b>(continued)</b>		
<b>(a) Primary - by geography (summary)</b>		
<b>Quoted</b>		
Australia	9.68	4.64
British Virgin	-	0.48
Canada	6.02	5.84
Cayman Islands	-	2.46
China	-	0.32
Cyprus	0.16	0.94
Finland	1.04	1.79
France	8.87	11.00
Germany	2.04	2.40
Great Britain	6.61	10.04
Guernsey	-	1.99
Hong Kong	5.61	7.33
India	0.62	1.42
Isle of Man	0.14	1.36
Italy	-	0.35
Japan	6.79	6.97
Netherlands	1.76	1.31
Singapore	0.88	4.34
United States of America	46.05	33.33
	<hr/> 96.27	<hr/> 98.31
<b>Unquoted</b>		
Hong Kong	0.02	0.05
	<hr/>	<hr/>
<b>Portfolio of investments</b>	96.29	98.36
<b>Other net assets</b>	3.71	1.64
<b>Net assets attributable to unitholders</b>	<hr/> 100.00	<hr/> 100.00

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 on 16 April 1998)

### Portfolio Statements

As at 31 December 2008

	Fair Value at 31 December 2008 S\$	Fair Value at 31 December 2007 S\$	Percentage of total net assets attributable to unitholders at 31 December 2008 %	Percentage of total net assets attributable to unitholders at 31 December 2007 %
<b>First State Global</b>				
<b><u>Property Investments</u></b>				
<b>(continued)</b>				
<b>(b) Secondary - by industry</b>				
Cable & Wire	-	185,105	-	0.59
Diversified Resources	48,054	181,375	0.41	0.58
Finance	719,559	195,810	6.16	0.63
Healthcare	604,396	-	5.18	-
Hotel	-	1,532,423	-	4.91
Investments	258,014	1,460,197	2.21	4.68
Property	1,372,819	4,051,258	11.76	12.99
Property Development	-	247,519	-	0.79
Property Trust	209,415	801,783	1.79	2.57
Real Estate	3,707,906	13,865,540	31.77	44.45
Real Estate Investment Trust	4,130,262	7,921,232	35.39	25.39
Retail	-	120,328	-	0.39
Unit Trust	189,077	122,277	1.62	0.39
<b>Portfolio of investments</b>	11,239,502	30,684,847	96.29	98.36
<b>Other net assets</b>	432,748	511,020	3.71	1.64
<b>Net assets attributable to unitholders</b>	11,672,250	31,195,867	100.00	100.00

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 on 16 April 1998)

### Portfolio Statements

As at 31 December 2008

	Holdings at 31 December 2008	Fair Value at 31 December 2008 S\$	Percentage of total net assets attributable to unitholders at 31 December 2008 %	Percentage of total net assets attributable to unitholders at 31 December 2007 %
<b><u>First State Global Resources</u></b> <sup>(2)</sup>				
<b>Quoted</b>				
First State Investments ICVC - First State Global Resources Fund Class B	79,779,220	325,689,969	97.69	98.01
First State Global Umbrella Fund plc - First State Global Resources Fund Class III	515,774	5,149,689	1.54	1.64
<b>Portfolio of investments</b>		330,839,658	99.23	99.65
<b>Other net assets</b>		2,542,209	0.77	0.35
<b>Net assets attributable to unitholders</b>		333,381,867	100.00	100.00

### **First State Regional China Fund** <sup>(1)</sup>

#### **Quoted**

First State Global Umbrella Fund plc - First State Greater China Growth Fund Class I	6,745,050	282,403,067	99.64	99.11
<b>Portfolio of investments</b>		282,403,067	99.64	99.11
<b>Other net assets</b>		1,021,740	0.36	0.89
<b>Net assets attributable to unitholders</b>		283,424,807	100.00	100.00

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 on 16 April 1998)

### Portfolio Statements

As at 31 December 2008

	Holdings at 31 December 2008	Fair Value at 31 December 2008 S\$	Percentage of total net assets attributable to unitholders at 31 December 2008 %	Percentage of total net assets attributable to unitholders at 31 December 2007 %
<b><u>First State Regional India Fund</u></b> <sup>(1)</sup>				
<b>Quoted</b>				
First State Global Umbrella Fund plc - First State Indian Subcontinent Fund Class I	2,276,736	59,338,946	99.30	96.86
<b>Portfolio of investments</b>		59,338,946	99.30	96.86
<b>Other net assets</b>		418,783	0.70	3.14
<b>Net assets attributable to unitholders</b>		59,757,729	100.00	100.00

### **First State Singapore Growth Fund**<sup>(1)</sup>

#### **Quoted**

First State Global Umbrella Fund plc - First State Singapore and Malaysia Growth Fund Class I	1,469,858	35,852,617	99.42	99.43
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<b>Portfolio of investments</b>		35,852,617	99.42	99.43
<b>Other net assets</b>		207,908	0.58	0.57
<b>Net assets attributable to unitholders</b>		36,060,525	100.00	100.00

<sup>(1)</sup> These sub-funds are invested wholly or substantially into other underlying funds domiciled in Dublin, Ireland and denominated in US dollars.

<sup>(2)</sup> These sub-funds are invested wholly or substantially into other underlying funds domiciled in England and Wales and denominated in Great British Pounds.

Note: As all the sub-funds, except for First State Global Property Investments, are invested wholly or substantially into other underlying funds, it is not meaningful to classify these investments by industry.

*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 on 16 April 1998)*

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

*For the financial period/year ended 31 December 2008*

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

#### **1. General**

First State Global Growth Funds (the “Fund”) is a Singapore domiciled umbrella fund constituted by a Trust Deed dated 16 April 1998 between First State Investments (Singapore) (the “Manager”) and HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”). The Trust Deed and all supplemental deeds are governed by the laws of the Republic of Singapore.

The financial statements of the Fund for the period/year ended 31 December 2008 comprise the following sub-funds which were launched prior to 31 December 2008:

First State Asia Innovation Fund (“AIAT”) (formerly known as First State Asia Innovation and Technology Fund)

First State Asian Growth Fund (“APGF”)

First State Bridge (“BRDG”)

First State Dividend Advantage (“DIVA”)

First State GEM Leaders (“GEML”)

First State Global Balanced Fund (“GBFD”)

First State Global Infrastructure (“GIFT”)

First State Global Opportunities Fund (“G100”) (formerly known as First State Global 100 Growth Fund)

First State Global Property Investments (“GLPR”)

First State Global Resources (“GRES”)

First State Regional China Fund (“RCFD”)

First State Regional India Fund (“RIFD”)

First State Singapore Growth Fund (“SPGF”)

Except for GLPR, the sub-funds are established as feeder funds investing directly into corresponding sub-funds (the “underlying funds”) under the First State Global Umbrella Fund plc (“GUFDP”), an umbrella fund domiciled in Dublin, Ireland or under the First State Investments ICVC (“ICVC”), an umbrella fund domiciled in England and Wales.

The investment objective of GLPR is to maximise the total return to investors by investing in a broad selection of securities of real estate investment trusts or companies that own, develop or manage real property from around the world.

The investment objectives of the remaining sub-funds have been detailed below:

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

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#### 1. General (continued)

<u>Sub-fund</u>	<u>Launch date</u>	<u>Underlying Fund(s)</u>	<u>Investment objectives</u>
AIAT	18 October 1999	GUFD - First State Asia Innovation Fund (formerly known as First State Asia Innovation and Technology Fund)	The sub-fund aims to achieve long-term capital appreciation by investing all or substantially all of its assets in the underlying fund. The underlying fund invests primarily in equity and equity-related securities in the Asia region (excluding Australia, New Zealand and Japan), focusing on those companies which are considered especially innovative in terms of what they produce, or services they provide, and/or the way in which they carry out their business. The underlying fund shall not specialise in any particular sector.
APGF	17 September 1998	GUFD - First State Asian Growth Fund	The sub-fund aims to achieve long term capital appreciation by investing all or substantially all of its assets in the underlying fund, which invests primarily in securities in the Asian region excluding Japan.
BRDG	2 June 2003		The sub-fund aims to provide investors with an annual distribution and medium-term capital stability from investments focused in the Asia-Pacific ex-Japan region by investing all or substantially all of its assets in the underlying funds.
- Fixed income portion		GUFD - First State Asian Quality Bond Fund	This fund invests primarily in debt securities of issuers organised, headquartered or having their primary business operations in Asia.
- Equity portion		GUFD - First State Asian Equity Plus Fund	This fund invests primarily in securities in the Asia Pacific region (excluding Japan). Such companies will be selected on the basis of their high dividend yields and their potential for long-term capital appreciation.

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

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#### 1. General (continued)

<u>Sub-fund</u>	<u>Launch date</u>	<u>Underlying Fund(s)</u>	<u>Investment objectives</u>
DIVA	16 November 2004	GUFD - First State Asian Equity Plus Fund	The sub-fund aims to provide investors with regular distributions and long-term growth from high dividend-yielding equity investments focused in the Asia Pacific region (excluding Japan), by investing all or substantially all of its assets in the underlying fund, which invests primarily in high dividend yielding securities in the Asia Pacific region (excluding Japan). Such companies will be selected on the basis of their high dividend yields and their potential for long-term capital appreciation.
GEML	1 June 2004	ICVC - First State Global Emerging Markets Leaders Fund	The sub-fund aims to achieve long-term capital growth by investing all or substantially all of its assets in the underlying fund, which invests in large and mid-capitalisation equities in emerging economies, including those companies listed on developed market exchanges whose activities predominantly take place in emerging market countries.
GBFD	6 February 1995		The sub-fund aims to provide investors with an annual distribution and medium-term capital stability from investments focused in the Asia-Pacific ex-Japan region by investing all or substantially all of its assets in the underlying funds.
- Fixed income portion		GUFD - First State Global Bond Fund	This fund invests primarily in debt securities of issuers from countries organised, headquartered or having their primary business operations in the WGBI Index, although in the event of unusual market conditions, investments in countries not included in the WGBI Index may be included and may constitute up to 50 per cent of the net assets of this fund.

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

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#### 1. General (continued)

<u>Sub-fund</u>	<u>Launch date</u>	<u>Underlying Fund(s)</u>	<u>Investment objectives</u>
- Equity portion		GUFD - First State Global Opportunities Fund (formerly known as First State Global 100 Fund)	This fund invests primarily in the securities of up to 100 worldwide growth companies that demonstrate the potential to benefit from positive change that is sustainable and timely and to experience sustainable earnings growth as a result of that change.
GIFT	16 January 2008	ICVC - First State Global Listed Infrastructure Fund	The sub-fund aims to achieve a total investment return consistent with income and long-term capital growth by investing all or substantially all of its assets in the underlying fund, which invests in a diversified portfolio of listed infrastructure securities or infrastructure-related securities from around the world.
G100	15 July 1998	GUFD - First State Global Opportunities Fund (formerly known as First State Global 100 Fund)	The sub-fund aims to achieve long term capital appreciation by investing all or substantially all of its assets in the underlying fund which invests primarily in the securities of up to 100 worldwide growth companies that demonstrate the potential to benefit from positive change that is sustainable and timely and to experience sustainable earnings growth as a result of that change.
GRES	23 July 2005	GUFD - First State Global Resources Fund	The sub-fund aims to provide long-term capital growth by investing all or substantially all of its assets in the underlying fund, which invests in equities in the natural resources and energy sectors world-wide.

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

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#### 1. General (continued)

<u>Sub-fund</u>	<u>Launch date</u>	<u>Underlying Fund(s)</u>	<u>Investment objectives</u>
RCFD	27 September 1993	GUFD - First State Greater China Growth Fund	The sub-fund aims to achieve long-term capital appreciation by investing all or substantially all of its assets in the underlying fund, which invests primarily in securities issued by companies with either assets in, or revenues derived from the People's Republic of China, Hong Kong and Taiwan and which are listed, traded or dealt in on regulated markets in the People's Republic of China, Hong Kong, Taiwan, the U.S., Singapore, Korea, Thailand and Malaysia or in a member state of the OECD.
RIFD	18 July 1994	GUFD - First State Indian Subcontinent Fund	The sub-fund aims to achieve long-term capital appreciation by investing all or substantially all of its assets in the underlying fund, which invests in a diversified portfolio of companies of the Indian Subcontinent. Countries of the Indian subcontinent include India, Pakistan, Sri Lanka and Bangladesh.
SPGF	July 1969	GUFD - First State Singapore and Malaysia Growth Fund	The sub-fund aims to achieve long-term capital appreciation by investing all or substantially all of its assets in the underlying fund, which invests primarily in securities issued by companies that are listed, traded or dealt in regulated markets in Singapore or Malaysia or companies that are listed, traded or dealt in another regulated market but are incorporated in, with substantial assets in, or derive significant revenues from operations in Singapore or Malaysia.

First State Global 100 Growth Fund changed its name to First State Global Opportunities Fund with effect from 1 December 2008.

First State Asia Innovation and Technology Fund changed its name to First State Asia Innovation Fund with effect from 1 December 2008.

# First State Global Growth Funds

*(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)*

## Notes to the Financial Statements

*For the financial period/year ended 31 December 2008*

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### 1. General (continued)

First State Global Umbrella Fund plc (“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 and incorporated in Hong Kong.

First State Investments ICVC (“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 is managed by First State Investment Management (UK) Limited, a related corporation of the Manager and incorporated in the United Kingdom.

### 2. Summary of significant accounting policies

#### (a) Basis of preparation

The financial statements have been prepared under the historical cost convention, modified by the revaluation of financial assets at fair value through profit or loss, and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” (“RAP 7”) issued by the Institute of Certified Public Accountants of Singapore.

The financial statements are prepared in Singapore dollars (\$), which is the functional currency of the Fund.

#### (b) Recognition of income

Dividend income is recorded gross in the Statement of Total Return in the financial period/year in which a dividend is declared payable by the investee company. Interest income on deposits is recognised on a time proportion basis using the effective interest method.

#### (c) Investments

Investments are classified as financial assets held at fair value through profit or loss. Purchases of investments are recognised on trade date. Investments are recorded at fair value on initial recognition, and subsequently carried at fair value. Fair value is based on the market quoted bid price or the quoted net asset value of the underlying fund as at that date. Net changes in fair value of investments are included in the Statement of Total Return in the period/year in which they arise.

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are taken up in the Statement of Total Return.

#### (d) Foreign currency translation

Foreign currency transactions during the period/year are translated into Singapore dollars at the rates of exchange ruling on the transaction

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

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

dates. Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange ruling at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year end exchange rates of foreign currency monetary assets and liabilities, are taken to the Statement of Total Return.

(e) Derivative financial instruments

Derivatives are recognised at fair value on the date in which a derivative contract is entered into and are subsequently re-measured at their fair values. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models, as appropriate. A derivative is carried as an asset when its fair value is positive, and as a liability when its fair value is negative. Subsequent changes in the fair value of any derivative instruments are recognised immediately in the Statement of Total Return.

Realised and unrealised gains and losses from changes in fair values of financial derivatives held for protection or enhancement of investments are taken to the Statement of Total Return as gains or losses on investments. Such gains or losses on financial derivatives held for generating or protecting income are taken to the Statement of Total Return as income gains or losses.

(f) Distribution

The Manager shall have the absolute discretion to determine whether a distribution is to be made. In the event that the Manager determines that a distribution will be made, an amount required to effect such a distribution shall be transferred to a distribution account for payment on distribution date. This amount shall not be treated as part of the property of the Fund. Distributions are accrued on the ex-dividend date.

#### 3. Income Tax

	First State Global Property Investments	
	2008	2007
	\$	\$
Singapore income tax	(2,336)	(1,921)
Foreign income tax	(160,389)	(264,525)
	<u>(162,725)</u>	<u>(266,446)</u>

- (a) The Fund is a designated unit trust and, therefore, the following income is exempted from tax in accordance with section 35(12) of the Income Tax Act:

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

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#### 3. Income Tax (continued)

- (i) gains or profits derived from Singapore or elsewhere from the disposal of securities;
  - (ii) interest (other than interest for which tax has been deducted under section 45 of the Income Tax Act); and
  - (iii) dividends derived from outside Singapore and received in Singapore.
- (b) The Singapore income tax represents tax deducted at source for Singapore sourced dividends. The foreign income tax represents tax deducted at source on dividends derived from outside Singapore and received in Singapore.

The following sub-funds are included under the Central Provident Fund Investment Scheme ("CPFIS"):

First State Asian Growth Fund

First State Bridge

First State Dividend Advantage

First State Global Balanced Fund

First State Global Opportunities Fund (formerly known as First State Global 100 Growth Fund)

First State Global Resources

First State Regional China Fund

First State Asia Innovation Fund (formerly known as First State Asia Innovation and Technology Fund) ceased to accept new subscriptions using CPF monies from 1 January 2008 and ceased to be included under the CPFIS from 14 January 2008.

First State Regional India Fund ceased to accept new subscriptions using CPF monies from 1 March 2008 and ceased to be included under the CPFIS from 14 March 2008.

First State GEM Leaders and First State Singapore Growth Fund ceased to accept new subscriptions using CPF monies from 15 October 2008 and ceased to be included under the CPFIS from 1 November 2008.

#### 4. Distribution

		<b>First State Bridge 2008</b>	
	<b>Entitlement cut off date</b>	<b>Payment date</b>	<b>Distribution amount \$</b>
Distribution at 2.10 cents per unit	30 April 2008	15 May 2008	21,213,982
Distribution at 1.50 cents per unit	31 October 2008	20 November 2008	14,793,316
			<u>36,007,298</u>

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

#### 4. Distribution (continued)

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

		<b>First State Dividend Advantage 2008</b>	
	<b>Entitlement cut off date</b>	<b>Payment date</b>	<b>Distribution amount \$</b>
Distribution at 3.02 cents per unit	31 December 2007	17 January 2008	15,308,874
Distribution at 1.34 cents per unit	31 March 2008	17 April 2008	7,341,278
Distribution at 1.25 cents per unit	30 June 2008	17 July 2008	7,416,034
Distribution at 1.06 cents per unit	30 September 2008	16 October 2008	6,375,965
			<u>36,442,151</u>

On 31 December 2008, the Manager declared a distribution of 2.03 cents per unit for all units on record as at 31 December 2008. As the ex-date of the distribution is 2 January 2009, the distribution has not been accrued for as at the balance sheet date.

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

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

#### 4. Distribution (continued)

<b>First State Global Infrastructure</b>			
<b>For the period 16 January 2008 (date of launch) to 31 December 2008</b>			
	<b>Entitlement cut off date</b>	<b>Payment date</b>	<b>Distribution amount</b>
			<b>\$</b>
Distribution at			
0.95 cents per unit	30 June 2008	14 July 2008	<u>197,795</u>

On 31 December 2008, the Manager declared a distribution of 0.89 cents per unit for all units on record as at 31 December 2008. As the ex-date of the distribution is 2 January 2009, the distribution has not been accrued for as at the balance sheet date.

<b>First State Global Property Investments 2008</b>			
	<b>Entitlement cut off date</b>	<b>Payment date</b>	<b>Distribution amount</b>
			<b>\$</b>
Distribution at			
2.17 cents per unit	28 November 2008	18 December 2008	<u>467,255</u>

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

#### 5. Other receivables

	<b>First State Asia Innovation Fund (formerly known as First State Asia Innovation and Technology Fund)</b>		<b>First State Asian Growth Fund</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Amounts receivable for creation of units	601	361,631	127,554	532,958
Management fee rebates receivable	168,378	443,376	123,893	212,177
	<u>168,979</u>	<u>805,007</u>	<u>251,447</u>	<u>745,135</u>

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

#### 5. Other receivables (continued)

	First State Bridge		First State Dividend Advantage	
	2008	2007	2008	2007
	\$	\$	\$	\$
Amounts receivable for creation of units	1,634,321	23,675,674	1,503,423	19,910,989
Management fee rebates receivable	3,067,275	3,519,874	1,906,486	2,692,693
Other receivables	970	-	-	4,409
	<u>4,702,566</u>	<u>27,195,548</u>	<u>3,409,909</u>	<u>22,608,091</u>
	First State GEM Leaders		First State Global Balanced Fund	
	2008	2007	2008	2007
	\$	\$	\$	\$
Amounts receivable for creation of units	8,917	66,944	55,186	1,368,740
Management fee rebates receivable	34,807	62,154	77,822	96,936
Other receivables	541	532	-	488
	<u>44,265</u>	<u>129,630</u>	<u>133,008</u>	<u>1,466,164</u>
	First State Global Infrastructure		First State Global Opportunities Fund (formerly known as First State Global 100 Growth Fund)	
	2008	2007	2008	2007
	\$	\$	\$	\$
Amounts receivable for creation of units	10,486	-	-	600
Management fee rebates receivable	49,066	-	90,764	186,748
	<u>59,552</u>	<u>-</u>	<u>90,764</u>	<u>187,348</u>
	First State Global Property Investments		First State Global Resources	
	2008	2007	2008	2007
	\$	\$	\$	\$
Amounts receivable for creation of units	206	81,421	2,908,568	17,356,140
Management fee rebates receivable	-	-	665,901	1,283,960
Dividends receivables	74,143	114,830	-	-
Other receivables	-	-	3,253	7,890
	<u>74,349</u>	<u>196,251</u>	<u>3,577,722</u>	<u>18,647,990</u>

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

#### 5. Other receivables (continued)

	First State Regional China Fund		First State Regional India Fund	
	2008 \$	2007 \$	2008 \$	2007 \$
Amounts receivable for creation of units	240,357	7,510,000	5,550	18,242,747
Management fee rebates receivable	1,051,601	2,107,260	235,669	494,310
Other receivables	-	14,333	-	4,871
	<u>1,291,958</u>	<u>9,631,593</u>	<u>241,219</u>	<u>18,741,928</u>

	First State Singapore Growth Fund	
	2008 \$	2007 \$
Amounts receivable for creation of units	11,496	86,177
Management fee rebates receivable	138,924	308,998
	<u>150,420</u>	<u>395,175</u>

#### 6. Other payables

	First State Asia Innovation Fund (formerly known as First State Asia Innovation and Technology Fund)		First State Asian Growth Fund	
	2008 \$	2007 \$	2008 \$	2007 \$
Amounts payable to unitholders for cancellation of units	48,560	792,738	158,135	473,533
Accrued management fees	60,212	175,894	48,548	149,543
Accrued trustee's fees	2,349	11,845	2,169	6,943
Other accrued expenses	33,214	27,975	38,011	33,039
Other payables	-	4,557	-	1,211
	<u>144,335</u>	<u>1,013,009</u>	<u>246,863</u>	<u>664,269</u>

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

#### 6. Other payables (continued)

	First State Bridge		First State Dividend Advantage	
	2008 \$	2007 \$	2008 \$	2007 \$
Amounts payable to unitholders for cancellation of units	3,002,768	8,442,021	504,760	1,834,854
Accrued management fees	1,151,660	3,245,831	776,344	1,921,496
Accrued trustee's fees	60,977	123,632	32,779	85,229
Other accrued expenses	4,433	-	6,439	1,538
Other payables	293	55,441	6	-
	<u>4,220,131</u>	<u>11,866,925</u>	<u>1,320,328</u>	<u>3,843,117</u>
	First State GEM Leaders		First State Global Balanced Fund	
	2008 \$	2007 \$	2008 \$	2007 \$
Amounts payable to unitholders for cancellation of units	40,252	115,965	203,934	553,248
Accrued management fees	13,886	23,399	30,833	34,107
Accrued trustee's fees	4,563	2,186	1,496	3,752
Other accrued expenses	25,269	20,281	21,190	16,218
	<u>83,970</u>	<u>161,831</u>	<u>257,453</u>	<u>607,325</u>
	First State Global Infrastructure		First State Global Opportunities Fund (formerly known as First State Global 100 Growth Fund)	
	2008 \$		2008 \$	2007 \$
Amounts payable to unitholders for cancellation of units	2,061		24,462	129,883
Accrued management fees	20,274		33,658	57,135
Accrued trustee's fees	2,939		1,530	6,567
Other accrued expenses	7,060		19,617	16,912
Other payables	226		-	-
	<u>32,560</u>		<u>79,267</u>	<u>210,497</u>

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

#### 6. Other payables (continued)

	First State Global Property Investments		First State Global Resources	
	2008 \$	2007 \$	2008 \$	2007 \$
Amounts payable to unitholders for cancellation of units	12,522	138,269	508,526	4,903,393
Accrued management fees	15,614	45,442	484,056	1,209,357
Accrued trustee's fees	4,319	13,356	20,551	66,498
Other accrued expenses	33,650	32,540	34,135	19,563
Other payables	-	-	4,335	-
	<u>66,105</u>	<u>229,607</u>	<u>1,051,603</u>	<u>6,198,811</u>

	First State Regional China Fund		First State Regional India Fund	
	2008 \$	2007 \$	2008 \$	2007 \$
Amounts payable to unitholders for cancellation of units	382,017	3,811,251	68,510	5,520,465
Accrued management fees	413,708	1,323,033	86,550	539,485
Accrued trustee's fees	18,040	64,135	3,818	15,843
Other accrued expenses	29,379	25,649	23,246	17,923
	<u>843,144</u>	<u>5,224,068</u>	<u>182,124</u>	<u>6,093,716</u>

	First State Singapore Growth Fund	
	2008 \$	2007 \$
Amounts payable to unitholders for cancellation of units	147,209	115,776
Accrued management fees	50,010	125,257
Accrued trustee's fees	2,265	10,713
Other accrued expenses	35,289	30,915
	<u>234,773</u>	<u>282,661</u>

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

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#### 7. Financial derivatives

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 are as follows:

	<b>First State Bridge 2008</b>		
	<b>Notional amount \$</b>	<b>Fair value assets \$</b>	<b>Fair value liabilities \$</b>
Forward foreign exchange contracts	737,168,849	22,762,790	4,544,312
	<hr/>		
	<b>First State Bridge 2007</b>		
	<b>Notional amount \$</b>	<b>Fair value assets \$</b>	<b>Fair value liabilities \$</b>
Forward foreign exchange contracts	594,808,647	113,328	466,837
	<hr/>		

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

#### 8. Net assets attributable to unitholders

	First State Asia Innovation Fund (formerly known as First State Asia Innovation and Technology Fund)		First State Asian Growth Fund	
	2008 \$	2007 \$	2008 \$	2007 \$
<b>At the beginning of the financial year</b>	95,957,131	65,968,151	57,000,224	94,118,166
<b>Operations</b>				
Change in net assets attributable to unitholders resulting from operations	(41,943,422)	15,508,314	(24,988,800)	17,477,421
<b>Unitholders' contributions/ (withdrawals)</b>				
Creation of units	2,040,159	66,050,054	34,088,375	32,085,336
Cancellation of units	(18,508,453)	(51,569,388)	(32,491,098)	(86,680,699)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(16,468,294)	14,480,666	1,597,277	(54,595,363)
Total (decrease)/ increase in net assets attributable to unitholders	(58,411,716)	29,988,980	(23,391,523)	(37,117,942)
<b>At the end of the financial year</b>	37,545,415	95,957,131	33,608,701	57,000,224
<b>Units in issue (see Note 9)</b>	94,249,991	121,190,246	31,362,618	30,787,077
<b>Net assets attributable to unitholders per unit</b>	0.3983	0.7917	1.0716	1.8514

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

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

	First State Bridge		First State Dividend Advantage	
	2008 \$	2007 \$	2008 \$	2007 \$
<b>At the beginning of the financial year</b>	1,228,206,535	478,276,122	764,494,322	419,784,678
<b>Operations</b>				
Change in net assets attributable to unitholders resulting from operations	(461,271,367)	34,527,927	(360,191,050)	86,216,062
<b>Unitholders' contributions/ (withdrawals)</b>				
Creation of units	738,723,303	1,034,105,852	257,019,450	553,522,471
Cancellation of units	(539,762,749)	(318,703,366)	(134,307,316)	(295,028,889)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	198,960,554	715,402,486	122,712,134	258,493,582
Total (decrease)/ increase in net assets attributable to unitholders	(262,310,813)	749,930,413	(237,478,916)	344,709,644
<b>At the end of the financial year</b>	965,895,722	1,228,206,535	527,015,406	764,494,322
<b>Units in issue (see Note 9)</b>	982,451,259	847,154,875	597,895,673	506,916,354
<b>Net assets attributable to unitholders per unit</b>	0.9831	1.4498	0.8814	1.5081

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

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

	First State GEM 2008 \$	Leaders 2007 \$	First State Global Balanced Fund 2008 \$	2007 \$
<b>At the beginning of the financial year</b>	16,630,974	15,827,576	29,361,965	31,827,275
<b>Operations</b>				
Change in net assets attributable to unitholders resulting from operations	(7,558,596)	2,941,030	(8,073,073)	1,836,678
<b>Unitholders' contributions/ (withdrawals)</b>				
Creation of units	17,877,637	17,433,074	100,470,736	22,748,046
Cancellation of units	(17,155,018)	(19,570,706)	(98,620,088)	(27,050,034)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	722,619	(2,137,632)	1,850,648	(4,301,988)
Total (decrease)/ increase in net assets attributable to unitholders	(6,835,977)	803,398	(6,222,425)	(2,465,310)
<b>At the end of the financial year</b>	9,794,997	16,630,974	23,139,540	29,361,965
<b>Units in issue (see Note 9)</b>	8,224,859	8,162,519	36,954,689	35,711,288
<b>Net assets attributable to unitholders per unit</b>	1.1909	2.0374	0.6261	0.8222

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

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

	First State Global Infrastructure Period from 16 January 2008 (date of launch) to 31 December 2008 \$	First State Global Opportunities Fund (formerly known as First State Global 100 Growth Fund) 2008                      2007 \$                              \$	
<b>At the beginning of the financial period/year</b>	-	46,925,832	62,797,513
<b>Operations</b>			
Change in net assets attributable to unitholders resulting from operations	(7,032,890)	(18,319,326)	4,423,625
<b>Unitholders' contributions/ (withdrawals)</b>			
Creation of units	23,147,333	765,619	1,176,810
Cancellation of units	(1,808,892)	(5,137,777)	(21,472,116)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	21,338,441	(4,372,158)	(20,295,306)
Total increase/ (decrease) in net assets attributable to unitholders	14,305,551	(22,691,484)	(15,871,681)
<b>At the end of the financial period/year</b>	14,305,551	24,234,348	46,925,832
<b>Units in issue (see Note 9)</b>	21,189,433	32,960,946	37,106,269
<b>Net assets attributable to unitholders per unit</b>	0.6751	0.7352	1.2646

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

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

	First State Global Property Investments		First State Global Resources	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>At the beginning of the financial year</b>	31,195,867	58,714,141	716,856,908	224,479,844
<b>Operations</b>				
Change in net assets attributable to unitholders resulting from operations	(12,460,088)	(10,689,562)	(511,238,256)	123,957,890
<b>Unitholders' contributions/ (withdrawals)</b>				
Creation of units	715,993	33,974,033	1,004,442,282	730,645,283
Cancellation of units	(7,779,522)	(50,802,745)	(876,679,067)	(362,226,109)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(7,063,529)	(16,828,712)	127,763,215	368,419,174
Total (decrease)/ increase in net assets attributable to unitholders	(19,523,617)	(27,518,274)	(383,475,041)	492,377,064
<b>At the end of the financial year</b>	11,672,250	31,195,867	333,381,867	716,856,908
<b>Units in issue (see Note 9)</b>	22,010,349	29,211,198	439,792,560	399,845,667
<b>Net assets attributable to unitholders per unit</b>	0.5303	1.0679	0.7580	1.7928

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

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

	First State Regional China Fund		First State Regional India Fund	
	2008 \$	2007 \$	2008 \$	2007 \$
<b>At the beginning of the financial year</b>	568,540,078	409,321,587	165,855,591	119,411,478
<b>Operations</b>				
Change in net assets attributable to unitholders resulting from operations	(252,430,806)	147,626,919	(89,158,351)	48,422,104
<b>Unitholders' contributions/ (withdrawals)</b>				
Creation of units	128,828,982	511,956,006	71,915,244	133,131,503
Cancellation of units	(161,513,447)	(500,364,434)	(88,854,755)	(135,109,494)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(32,684,465)	11,591,572	(16,939,511)	(1,977,991)
Total (decrease)/ increase in net assets attributable to unitholders	(285,115,271)	159,218,491	(106,097,862)	46,444,113
<b>At the end of the financial year</b>	283,424,807	568,540,078	59,757,729	165,855,591
<b>Units in issue (see Note 9)</b>	242,439,392	264,966,412	38,147,978	45,554,796
<b>Net assets attributable to unitholders per unit</b>	1.1690	2.1457	1.5664	3.6407

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

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

	First State Singapore Growth Fund	
	2008	2007
	\$	\$
<b>At the beginning of the financial year</b>	80,564,841	61,005,269
<b>Operations</b>		
Change in net assets attributable to unitholders resulting from operations	(35,891,341)	15,182,107
<b>Unitholders' contributions/ (withdrawals)</b>		
Creation of units	9,814,939	40,275,126
Cancellation of units	(18,427,914)	(35,897,661)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(8,612,975)	4,377,465
Total (decrease)/increase in net assets attributable to unitholders	(44,504,316)	19,559,572
<b>At the end of the financial year</b>	36,060,525	80,564,841
<b>Units in issue (see Note 9)</b>	31,957,672	36,994,020
<b>Net assets attributable to unitholders per unit</b>	1.1283	2.1777

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

#### 9. Units in issue

	First State Asia Innovation Fund (formerly known as First State Asia Innovation and Technology Fund)		First State Asian Growth Fund	
	2008 Units	2007 Units	2008 Units	2007 Units
Units at beginning of year	121,190,246	106,154,877	30,787,077	68,090,129
Units created	3,074,425	84,344,345	23,569,255	19,445,398
Units cancelled	(30,014,680)	(69,308,976)	(22,993,714)	(56,748,450)
Units at end of year *	94,249,991	121,190,246	31,362,618	30,787,077
* Included above are units denominated in USD	6,933,302	9,905,528	178,432	187,718
	First State Bridge		First State Dividend Advantage	
	2008 Units	2007 Units	2008 Units	2007 Units
Units at beginning of year	847,154,875	356,149,871	506,916,354	328,698,269
Units created	557,914,296	712,839,573	203,811,411	387,025,827
Units cancelled	(422,617,912)	(221,834,569)	(112,832,092)	(208,807,742)
Units at end of year *	982,451,259	847,154,875	597,895,673	506,916,354
* Included above are units denominated in USD	-	-	19,243,086	14,110,462
	First State GEM Leaders		First State Global Balanced Fund	
	2008 Units	2007 Units	2008 Units	2007 Units
Units at beginning of year	8,162,519	9,412,413	35,711,288	41,184,813
Units created	9,786,946	9,143,548	134,322,959	27,967,899
Units cancelled	(9,724,606)	(10,393,442)	(133,079,558)	(33,441,424)
Units at end of year *	8,224,859	8,162,519	36,954,689	35,711,288
* Included above are units denominated in USD	72,218	188,575	112,056	112,056

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

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

	First State Global Infrastructure Period from 16 January 2008 (date of launch) to 31 December 2008 Units		First State Global Opportunities Fund (formerly known as First State Global 100 Growth Fund) 2008 Units		2007 Units	
	Units at beginning of period/year	-		37,106,269	53,542,648	
Units created	23,465,644		754,596	941,620		
Units cancelled	(2,276,211)		(4,899,919)	(17,377,999)		
Units at end of period/year *	21,189,433		32,960,946	37,106,269		
* Included above are units denominated in USD	622,260		2,331,501	2,873,100		
	First State Global Property Investments 2008 Units		2007 Units	First State Global Resources 2008 Units		2007 Units
Units at beginning of year	29,211,198	42,453,837	399,845,667	183,956,256		
Units created	1,051,011	24,099,057	592,850,110	455,639,026		
Units cancelled	(8,251,860)	(37,341,696)	(552,903,217)	(239,749,615)		
Units at end of year *	22,010,349	29,211,198	439,792,560	399,845,667		
* Included above are units denominated in USD	-	-	23,109,241	32,230,234		
	First State Regional China Fund 2008 Units		2007 Units	First State Regional India Fund 2008 Units		2007 Units
Units at beginning of year	264,966,412	267,233,917	45,554,796	49,379,250		
Units created	72,279,715	270,286,743	22,881,336	44,697,472		
Units cancelled	(94,806,735)	(272,554,248)	(30,288,154)	(48,521,926)		
Units at end of year *	242,439,392	264,966,412	38,147,978	45,554,796		
* Included above are units denominated in USD	23,720,359	28,155,447	1,992,386	1,444,559		

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

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

	First State Singapore Growth Fund	
	2008 Units	2007 Units
Units at beginning of year	36,994,020	35,233,703
Units created	5,287,604	19,277,222
Units cancelled	(10,323,952)	(17,516,905)
Units at end of year *	<u>31,957,672</u>	<u>36,994,020</u>
* Included above are units denominated in USD	<u>153,521</u>	<u>313,279</u>

#### 10. Financial risk management

The Fund's activities expose it to a variety of financial risks including but not limited to market risk (including currency risk, interest rate risk and price risk), liquidity risk and credit risk. The Fund comprises the sub-funds as disclosed in Note 1. The First State Global Property Investments ("GLPR") is a standard fund investing directly into real estate investment trusts and securities. The remaining sub-funds (collectively, the "Feeder Funds"), invest all or substantially all of their assets into underlying funds as disclosed in Note 1. These underlying funds are separately managed by their respective manager and the Manager does not view the risk exposures of the Feeder Funds to be the same as those of the underlying funds in which they hold investments.

The overall responsibility for the management of the Fund's financial risks lies with the Manager. The Fund's overall risk management programme seeks to minimise potential adverse effects on the Fund's financial performance. The Fund may use financial futures contracts, financial options contracts and/or forward foreign exchange contracts subject to the terms of the Trust Deed to moderate certain risk exposures. Specific guidelines on exposures to individual securities and certain industries are in place for the Fund at any time as part of the overall financial risk management to reduce the Fund's risk exposures.

The Fund's assets are held in accordance with the published investment policies of the Fund. The allocation of assets between the various types of investments is determined by the Manager to achieve their investment objectives.

The data used and assumptions made in the sensitivity analyses below may not reflect actual market conditions, nor is it representative of any potential future market conditions. The sensitivity analyses can be complex and the disclosures made here are not exhaustive. The market exposures change regularly and the assumptions made below may not be representative of the risk taken throughout the period/year. The sensitivity analyses below should not be solely relied upon by investors in making their investment decisions.

## **First State Global Growth Funds**

*(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)*

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

*For the financial period/year ended 31 December 2008*

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#### **10. Financial risk management (continued)**

##### **a. Market risk**

Market risk is the risk of loss arising from uncertainty concerning movements in market prices and rates, including interest rates, credit spreads and exchange rates. Market risk includes such factors as changes in the economic environment, consumption pattern and investor's expectation which may have a significant impact on the value of the investments. The Fund's investments are substantially dependent on changes in market prices. The Fund's investments are monitored by the Manager on a regular basis so as to assess changes in fundamentals and valuation. Although the Manager makes reasonable efforts in the choice of investments, events beyond reasonable control of the Manager could affect the prices of the underlying investments and hence the net asset value of the Fund. Guidelines are set to reduce the Fund's risk exposures to market volatility such as diversifying the portfolio by investing across various industry sectors and geographies. Alternatively, the Fund may be hedged using derivative strategies.

At the balance sheet, the Fund's financial risks comprises market risk (mainly price risk and currency risk), liquidity risk and credit risk.

##### *(i) Price Risk*

Price risk is the risk that the fair values of equities or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

##### First State Global Property Investments ("GLPR")

The investments of GLPR are subject to normal market fluctuations and the risks inherent in investing in international securities markets and there can be no assurances that appreciation will occur. It is the policy of the Manager to maintain a diversified portfolio of investments for GLPR so as to minimise risk.

GLPR strives to invest in strong businesses with quality management and at sensible prices. GLPR's preferred strategy is to hold equity investments for the medium to long-term. The Manager is therefore not concerned by short-term equity price volatility with respect to its investments provided that the underlying business, economic and management characteristics of its investments remains favourable.

The carrying values of investments subject to price risk are, in almost all instances, 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

## **First State Global Growth Funds**

*(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)*

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

*For the financial period/year ended 31 December 2008*

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#### **10. Financial risk management (continued)**

##### **a. Market risk (continued)**

###### *(i) Price Risk (continued)*

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

###### Feeder Funds

The Feeder Funds invest all or substantially all of their assets into the respective underlying funds whose investment objectives are disclosed in Note 1. The Manager has developed cash management guidelines with an objective to appropriately manage the liquidity of the Feeder Funds as well as to ensure that the investment in the underlying funds is carried out efficiently.

The investments held by the Feeder Funds in the underlying funds are subject to the fluctuations in the quoted net asset value of the underlying funds. Such risk is primarily managed by the respective manager of the underlying funds. The Manager also monitors the performance of the Feeder Funds against their respective benchmarks on a regular basis. A Feeder Fund Review Committee has also been established by the Manager to ensure that there is appropriate and adequate oversight of the performance of the underlying funds.

The Feeder Fund Review Committee of the Manager meets on a quarterly basis to perform an overall review of the Feeder Funds. Areas under review include performance of the Feeder Funds as well as their underlying funds, operational and compliance matters and specific issues that occurred in the relevant period. The objective of this meeting is to ensure that delegation and management of the Feeder Funds have been performed in accordance with constituted documents and regulatory requirements.

The table below summarises the effect on the net assets attributable to unitholders for each sub-fund, as at 31 December 2008 and 31 December 2007, from a reasonable possible change in the benchmark market indices as applied to the respective beta reported by Lipper.

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

#### 10. Financial risk management (continued)

##### a. Market risk (continued)

###### (i) Price Risk (continued)

The reasonable possible change in the benchmark market indices has been determined by using the one year benchmark returns for the financial years ended 31 December 2008 and 31 December 2007. Where a fund has a history of less than one year, the benchmark market indices return and beta since inception have been used. This is a reasonable possible change in the benchmark assuming similar volatility in the respective financial markets will be experienced in the next twelve months.

Sub-fund	Benchmark Components	Change in	Effect on	Change in	Effect on
		market index	net assets attributable to unitholders	market index	net assets attributable to unitholders
		2008 %	2008 \$	2007 %	2007 \$
First State Asia Innovation Fund (formerly known as First State Asia Innovation and Technology Fund)	- MSCI AC Asia Information Technology - MSCI AC Asia ex Japan Free Index (from 1 Dec 2008)	43.38	17,003,497	3.21	4,573,614
First State Asian Growth Fund	MSCI AC Asia ex Japan	52.18	12,546,561	31.84	12,045,714
First State Bridge	MSCI AC Asia Pacific ex-Japan (unhedged) & JP Morgan Asia Credit Investment Grade (hedged to S\$)	31.08	249,706,993	13.46	121,437,558
First State Dividend Advantage	MSCI AC Asia Pacific ex-Japan	51.58	213,879,068	28.71	136,514,767
First State GEM Leaders	MSCI Emerging Markets	53.14	3,151,875	31.14	3,082,069

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

#### 10. Financial risk management (continued)

##### a. Market risk (continued)

##### (i) Price Risk (continued)

<u>Sub-fund</u>	<b>Benchmark Components</b>	<b>Change in benchmark market index</b>	<b>Effect on net assets attributable to unitholders</b>	<b>Change in benchmark market index</b>	<b>Effect on net assets attributable to unitholders</b>
		<b>2008 %</b>	<b>2008 \$</b>	<b>2007 %</b>	<b>2007 \$</b>
First State Global Opportunities Fund (formerly known as First State Global 100 Growth Fund)	MSCI World	40.28	9,976,909	2.79	1,170,216
First State Global Balanced Fund	MSCI World & Citigroup World Gov't Bond (Unhedged)	22.24	5,231,677	3.60	919,741
First State Global Infrastructure	- S & P Global Infrastructure Index - UBS Global Infrastructure & Utilities 50-50 Index (from 1 Jun 2008)	30.09	2,136,875	N/A*	N/A*
First State Global Property Investments	- Citigroup BMI World Property - UBS Global Real Estate Investors (from 1 Mar 2008)	46.05	4,451,180	13.00	3,430,566
First State Global Resources	- HSBC Global Mining Index - 75% HSBC Global Mining Accumulation, 25% MSCI AC World Energy (from 1 Nov 2007)	54.35	188,801,922	48.29	324,265,273

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

#### 10. Financial risk management (continued)

##### a. Market risk (continued)

###### (i) Price Risk (continued)

<u>Sub-fund</u>	Benchmark Components	Change in benchmark market index	Effect on net assets attributable to unitholders	Change in benchmark market index	Effect on net assets attributable to unitholders
		2008 %	2008 \$	2007 %	2007 \$
First State Regional China Fund	MSCI Golden Dragon	49.33	126,771,584	29.45	119,479,482
First State Regional India Fund	MSCI India	64.60	32,966,345	62.41	76,194,449
First State Singapore Growth Fund	MSCI Singapore Free & MSCI Malaysia	45.05	15,182,508	26.21	19,945,785

The disclosure above is shown in absolute terms. Changes and impacts could be positive or negative.

\*Prior year comparatives have not been provided as the sub-fund was launched on 16 January 2008.

###### (ii) Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Fund may hold assets and liabilities denominated in currencies other than Singapore dollars and therefore the Fund may be affected favourably or unfavourably by exchange rate regulators or changes in the exchange rates between the Singapore dollar and such other currencies. The Fund may enter into forward foreign exchange contracts designed to either hedge some or all of this exposure, or alternatively increase exposure to preferred foreign currencies.

The table below summarises the Fund's exposure to key foreign currencies from its monetary and non-monetary assets and liabilities.

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

#### 10. Financial risk management (continued)

##### a. Market risk (continued)

##### (ii) Currency Risk (continued)

#### First State Asia Innovation Fund (formerly known as First State Asia Innovation and Technology Fund)

As at 31 December 2008

	USD \$	SGD \$	Total \$
<b>ASSETS</b>			
Portfolio of investments	37,330,121	-	37,330,121
Sales awaiting settlement	46,104	-	46,104
Other receivables	168,378	601	168,979
Cash and bank balances	41,591	102,955	144,546
<b>Total assets</b>	<b>37,586,194</b>	<b>103,556</b>	<b>37,689,750</b>
<b>LIABILITIES</b>			
Other payables	-	144,335	144,335
Net assets attributable to unitholders	2,761,949	34,783,466	37,545,415
<b>Total liabilities</b>	<b>2,761,949</b>	<b>34,927,801</b>	<b>37,689,750</b>
<b>Currency exposure</b>	<b>34,824,245</b>	<b>(34,824,245)</b>	

As at 31 December 2007

	USD \$	SGD \$	Total \$
<b>ASSETS</b>			
Portfolio of investments	95,624,277	-	95,624,277
Sales awaiting settlement	226,936	-	226,936
Other receivables	443,376	361,631	805,007
Cash and bank balances	280,770	33,150	313,920
<b>Total assets</b>	<b>96,575,359</b>	<b>394,781</b>	<b>96,970,140</b>
<b>LIABILITIES</b>			
Other payables	-	1,013,009	1,013,009
Net assets attributable to unitholders	7,843,091	88,114,040	95,957,131
<b>Total liabilities</b>	<b>7,843,091</b>	<b>89,127,049</b>	<b>96,970,140</b>
<b>Currency exposure</b>	<b>88,732,268</b>	<b>(88,732,268)</b>	

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

#### 10. Financial risk management (continued)

##### a. Market risk (continued)

##### (ii) Currency Risk (continued)

#### First State Asian Growth Fund

As at 31 December 2008

	USD \$	SGD \$	Total \$
<b>ASSETS</b>			
Portfolio of investments	33,395,514	-	33,395,514
Sales awaiting settlement	66,275	-	66,275
Other receivables	123,893	127,554	251,447
Cash and bank balances	88	235,889	235,977
<b>Total assets</b>	<b>33,585,770</b>	<b>363,443</b>	<b>33,949,213</b>
<b>LIABILITIES</b>			
Purchases awaiting settlement	93,649	-	93,649
Other payables	-	246,863	246,863
Net assets attributable to unitholders	191,211	33,417,490	33,608,701
<b>Total liabilities</b>	<b>284,860</b>	<b>33,664,353</b>	<b>33,949,213</b>
<b>Currency exposure</b>	<b>33,300,910</b>	<b>(33,300,910)</b>	

As at 31 December 2007

	USD \$	SGD \$	Total \$
<b>ASSETS</b>			
Portfolio of investments	56,465,696	-	56,465,696
Sales awaiting settlement	104,073	-	104,073
Other receivables	212,178	532,957	745,135
Cash and bank balances	217,248	182,932	400,180
<b>Total assets</b>	<b>56,999,195</b>	<b>715,889</b>	<b>57,715,084</b>
<b>LIABILITIES</b>			
Purchases awaiting settlement	50,591	-	50,591
Other payables	-	664,269	664,269
Net assets attributable to unitholders	347,547	56,652,677	57,000,224
<b>Total liabilities</b>	<b>398,138</b>	<b>57,316,946</b>	<b>57,715,084</b>
<b>Currency exposure</b>	<b>56,601,057</b>	<b>(56,601,057)</b>	

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

#### 10. Financial risk management (continued)

##### a. Market risk (continued)

##### (ii) Currency Risk (continued)

##### First State Bridge

As at 31 December 2008

	USD \$	SGD \$	Total \$
<b>ASSETS</b>			
Portfolio of investments	945,215,358	-	945,215,358
Sales awaiting settlement	986,914	-	986,914
Other receivables	3,067,275	1,635,291	4,702,566
Cash and bank balances	347,888	644,649	992,537
<b>Total assets</b>	<b>949,617,435</b>	<b>2,279,940</b>	<b>951,897,375</b>
<b>LIABILITIES</b>			
Other payables	-	4,220,131	4,220,131
Net assets attributable to unitholders	-	965,895,722	965,895,722
<b>Total liabilities</b>	<b>-</b>	<b>970,115,853</b>	<b>970,115,853</b>
<b>Notional value of forward foreign exchange contracts</b>	<b>(502,216,656)</b>	<b>520,435,134</b>	<b>18,218,478</b>
<b>Currency exposure</b>	<b>447,400,779</b>	<b>(447,400,779)</b>	

As at 31 December 2007

	USD \$	SGD \$	Total \$
<b>ASSETS</b>			
Portfolio of investments	1,219,203,623	-	1,219,203,623
Other receivables	3,519,874	23,675,674	27,195,548
Cash and bank balances	1,124,160	6,699,013	7,823,173
<b>Total assets</b>	<b>1,223,847,657</b>	<b>30,374,687</b>	<b>1,254,222,344</b>
<b>LIABILITIES</b>			
Purchases awaiting settlement	13,795,375	-	13,795,375
Other payables	44,995	11,821,930	11,866,925
Net assets attributable to unitholders	-	1,228,206,535	1,228,206,535
<b>Total liabilities</b>	<b>13,840,370</b>	<b>1,240,028,465</b>	<b>1,253,868,835</b>
<b>Notional value of forward foreign exchange contracts</b>	<b>(594,141,639)</b>	<b>593,788,130</b>	<b>(353,509)</b>
<b>Currency exposure</b>	<b>615,865,648</b>	<b>(615,865,648)</b>	

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

#### 10. Financial risk management (continued)

##### a. Market risk (continued)

##### (ii) Currency Risk (continued)

#### First State Dividend Advantage

As at 31 December 2008

	USD \$	SGD \$	Total \$
<b>ASSETS</b>			
Portfolio of investments	524,879,794	-	524,879,794
Other receivables	2,329,346	1,080,563	3,409,909
Cash and bank balances	155,365	459,762	615,127
<b>Total assets</b>	<b>527,364,505</b>	<b>1,540,325</b>	<b>528,904,830</b>
<b>LIABILITIES</b>			
Purchases awaiting settlement	569,096	-	569,096
Other payables	126,870	1,193,458	1,320,328
Net assets attributable to unitholders	16,961,826	510,053,580	527,015,406
<b>Total liabilities</b>	<b>17,657,792</b>	<b>511,247,038</b>	<b>528,904,830</b>
<b>Currency exposure</b>	<b>509,706,713</b>	<b>(509,706,713)</b>	

As at 31 December 2007

	USD \$	SGD \$	Total \$
<b>ASSETS</b>			
Portfolio of investments	754,754,813	-	754,754,813
Other receivables	3,235,511	19,372,580	22,608,091
Cash and bank balances	722,224	2,629,699	3,351,923
<b>Total assets</b>	<b>758,712,548</b>	<b>22,002,279</b>	<b>780,714,827</b>
<b>LIABILITIES</b>			
Purchases awaiting settlement	12,377,388	-	12,377,388
Other payables	626,122	3,216,995	3,843,117
Net assets attributable to unitholders	21,280,371	743,213,951	764,494,322
<b>Total liabilities</b>	<b>34,283,881</b>	<b>746,430,946</b>	<b>780,714,827</b>
<b>Currency exposure</b>	<b>724,428,667</b>	<b>(724,428,667)</b>	

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

#### 10. Financial risk management (continued)

##### a. Market risk (continued)

##### (ii) Currency Risk (continued)

##### First State GEM Leaders

As at 31 December 2008

	GBP \$	SGD \$	USD \$	Total \$
<b>ASSETS</b>				
Portfolio of investments	9,723,389	-	-	9,723,389
Sales awaiting settlement	22,786	-	-	22,786
Other receivables	34,807	9,458	-	44,265
Cash and bank balances	3,705	82,973	1,849	88,527
<b>Total assets</b>	<b>9,784,687</b>	<b>92,431</b>	<b>1,849</b>	<b>9,878,967</b>
<b>LIABILITIES</b>				
Other payables	-	83,970	-	83,970
Net assets attributable to unitholders	-	9,708,992	86,005	9,794,997
<b>Total liabilities</b>	<b>-</b>	<b>9,792,962</b>	<b>86,005</b>	<b>9,878,967</b>
<b>Currency exposure</b>	<b>9,784,687</b>	<b>(9,700,531)</b>	<b>(84,156)</b>	

As at 31 December 2007

	GBP \$	SGD \$	USD \$	Total \$
<b>ASSETS</b>				
Portfolio of investments	16,495,768	-	-	16,495,768
Sales awaiting settlement	51,967	-	-	51,967
Other receivables	62,154	67,476	-	129,630
Cash and bank balances	28,106	80,432	6,902	115,440
<b>Total assets</b>	<b>16,637,995</b>	<b>147,908</b>	<b>6,902</b>	<b>16,792,805</b>
<b>LIABILITIES</b>				
Other payables	-	161,744	87	161,831
Net assets attributable to unitholders	-	16,246,756	384,218	16,630,974
<b>Total liabilities</b>	<b>-</b>	<b>16,408,500</b>	<b>384,305</b>	<b>16,792,805</b>
<b>Currency exposure</b>	<b>16,637,995</b>	<b>(16,260,592)</b>	<b>(377,403)</b>	

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

#### 10. Financial risk management (continued)

##### a. Market risk (continued)

##### (ii) Currency Risk (continued)

#### First State Global Balanced Fund

As at 31 December 2008

	USD \$	SGD \$	Total \$
<b>ASSETS</b>			
Portfolio of investments	23,062,479	-	23,062,479
Other receivables	77,822	55,186	133,008
Cash and bank balances	54,692	204,444	259,136
<b>Total assets</b>	<b>23,194,993</b>	<b>259,630</b>	<b>23,454,623</b>
<b>LIABILITIES</b>			
Purchases awaiting settlement	57,630	-	57,630
Other payables	519	256,934	257,453
Net assets attributable to unitholders	70,165	23,069,375	23,139,540
<b>Total liabilities</b>	<b>128,314</b>	<b>23,326,309</b>	<b>23,454,623</b>
<b>Currency exposure</b>	<b>23,066,679</b>	<b>(23,066,679)</b>	

As at 31 December 2007

	USD \$	SGD \$	Total \$
<b>ASSETS</b>			
Portfolio of investments	29,032,233	-	29,032,233
Sales awaiting settlement	53,482	-	53,482
Other receivables	96,936	1,369,228	1,466,164
Cash and bank balances	88,214	75,049	163,263
<b>Total assets</b>	<b>29,270,865</b>	<b>1,444,277</b>	<b>30,715,142</b>
<b>LIABILITIES</b>			
Purchases awaiting settlement	745,852	-	745,852
Other payables	520	606,805	607,325
Net assets attributable to unitholders	92,133	29,269,832	29,361,965
<b>Total liabilities</b>	<b>838,505</b>	<b>29,876,637</b>	<b>30,715,142</b>
<b>Currency exposure</b>	<b>28,432,360</b>	<b>(28,432,360)</b>	

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

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#### 10. Financial risk management (continued)

##### a. Market risk (continued)

##### (ii) Currency Risk (continued)

#### First State Global Infrastructure

As at 31 December 2008

	GBP \$	SGD \$	USD \$	Total \$
<b>ASSETS</b>				
Portfolio of investments	14,203,223	-	-	14,203,223
Other receivables	49,066	10,486	-	59,552
Cash and bank balances	2,912	88,191	2,876	93,979
<b>Total assets</b>	<b>14,255,201</b>	<b>98,677</b>	<b>2,876</b>	<b>14,356,754</b>
<b>LIABILITIES</b>				
Purchases awaiting settlement	18,643	-	-	18,643
Other payables	226	32,334	-	32,560
Net assets attributable to unitholders	-	13,885,447	420,104	14,305,551
<b>Total liabilities</b>	<b>18,869</b>	<b>13,917,781</b>	<b>420,104</b>	<b>14,356,754</b>
<b>Currency exposure</b>	<b>14,236,332</b>	<b>(13,819,104)</b>	<b>(417,228)</b>	

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

#### 10. Financial risk management (continued)

##### a. Market risk (continued)

##### (ii) Currency Risk (continued)

#### First State Global Opportunities Fund (formerly known as First State Global 100 Growth Fund)

As at 31 December 2008

	USD \$	SGD \$	Total \$
<b>ASSETS</b>			
Portfolio of investments	24,047,466	-	24,047,466
Sales awaiting settlement	24,493	-	24,493
Other receivables	90,764	-	90,764
Cash and bank balances	16,652	165,937	182,589
<b>Total assets</b>	<b>24,179,375</b>	<b>165,937</b>	<b>24,345,312</b>
<b>LIABILITIES</b>			
Purchases awaiting settlement	31,697	-	31,697
Other payables	-	79,267	79,267
Net assets attributable to unitholders	1,714,223	22,520,125	24,234,348
<b>Total liabilities</b>	<b>1,745,920</b>	<b>22,599,392</b>	<b>24,345,312</b>
<b>Currency exposure</b>	<b>22,433,455</b>	<b>(22,433,455)</b>	

As at 31 December 2007

	USD \$	SGD \$	Total \$
<b>ASSETS</b>			
Portfolio of investments	46,603,567	-	46,603,567
Sales awaiting settlement	130,091	-	130,091
Other receivables	186,748	600	187,348
Cash and bank balances	29,836	185,487	215,323
<b>Total assets</b>	<b>46,950,242</b>	<b>186,087</b>	<b>47,136,329</b>
<b>LIABILITIES</b>			
Purchases awaiting settlement	-	-	-
Other payables	23,379	187,118	210,497
Net assets attributable to unitholders	3,633,419	43,292,413	46,925,832
<b>Total liabilities</b>	<b>3,656,798</b>	<b>43,479,531</b>	<b>47,136,329</b>
<b>Currency exposure</b>	<b>43,293,444</b>	<b>(43,293,444)</b>	

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

#### 10. Financial risk management (continued)

##### a. Market risk (continued)

##### (ii) Currency Risk (continued)

#### First State Global Property Investments

As at 31 December 2008

	USD \$	SGD \$	EUR \$	Others * \$	Total \$
<b>ASSETS</b>					
Portfolio of investments	5,393,777	102,564	1,600,709	4,142,452	11,239,502
Other receivables	32,194	206	-	41,949	74,349
Cash and bank balances	121,422	266,061	11,920	25,101	424,504
<b>Total assets</b>	<b>5,547,393</b>	<b>368,831</b>	<b>1,612,629</b>	<b>4,209,502</b>	<b>11,738,355</b>
<b>LIABILITIES</b>					
Other payables	742	64,960	209	194	66,105
Net assets attributable to unitholders	-	11,672,250	-	-	11,672,250
<b>Total liabilities</b>	<b>742</b>	<b>11,737,210</b>	<b>209</b>	<b>194</b>	<b>11,738,355</b>
<b>Currency exposure</b>	<b>5,546,651 (11,368,379) 1,612,420 4,209,308</b>				

As at 31 December 2007

	USD \$	SGD \$	EUR \$	Others * \$	Total \$
<b>ASSETS</b>					
Portfolio of investments	11,267,627	1,455,475	5,501,724	12,460,021	30,684,847
Sales awaiting settlement	-	-	-	53,698	53,698
Other receivables	48,977	81,420	-	65,854	196,251
Cash and bank balances	9,373	467,932	4,280	73,334	554,919
<b>Total assets</b>	<b>11,325,977</b>	<b>2,004,827</b>	<b>5,506,004</b>	<b>12,652,907</b>	<b>31,489,715</b>
<b>LIABILITIES</b>					
Purchases awaiting settlement	-	-	-	64,241	64,241
Other payables	1,612	226,861	299	835	229,607
Net assets attributable to unitholders	-	31,195,867	-	-	31,195,867
<b>Total liabilities</b>	<b>1,612</b>	<b>31,422,728</b>	<b>299</b>	<b>65,076</b>	<b>31,489,715</b>
<b>Currency exposure</b>	<b>11,324,365 (29,417,901) 5,505,705 12,587,831</b>				

\* Individual foreign currencies to which the sub-fund does not have a significant exposure are included within "Others".

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

#### 10. Financial risk management (continued)

##### a. Market risk (continued)

##### (ii) Currency Risk (continued)

#### First State Global Resources

As at 31 December 2008

	GBP \$	SGD \$	USD \$	Total \$
<b>ASSETS</b>				
Portfolio of investments	325,689,969	-	5,149,689	330,839,658
Sales awaiting settlement	118,072	-	-	118,072
Other receivables	655,235	2,263,483	659,004	3,577,722
Cash and bank balances	2,763	300,040	98,575	401,378
<b>Total assets</b>	<b>326,466,039</b>	<b>2,563,523</b>	<b>5,907,268</b>	<b>334,936,830</b>

#### LIABILITIES

Purchases awaiting settlement	503,360	-	-	503,360
Other payables	4,335	1,023,992	23,276	1,051,603
Net assets attributable to unitholders	-	315,864,058	17,517,809	333,381,867
<b>Total liabilities</b>	<b>507,695</b>	<b>316,888,050</b>	<b>17,541,085</b>	<b>334,936,830</b>
<b>Currency exposure</b>	<b>325,958,344</b>	<b>(314,324,527)</b>	<b>(11,633,817)</b>	

As at 31 December 2007

	GBP \$	SGD \$	USD \$	Total \$
<b>ASSETS</b>				
Portfolio of investments	702,565,981	-	11,791,143	714,357,124
Other receivables	1,266,311	16,990,709	390,970	18,647,990
Cash and bank balances	1,402	4,379,504	708,445	5,089,351
<b>Total assets</b>	<b>703,833,694</b>	<b>21,370,213</b>	<b>12,890,558</b>	<b>738,094,465</b>
<b>LIABILITIES</b>				
Purchases awaiting settlement	15,038,746	-	-	15,038,746
Other payables	-	6,091,392	107,419	6,198,811
Net assets attributable to unitholders	-	659,073,448	57,783,460	716,856,908
<b>Total liabilities</b>	<b>15,038,746</b>	<b>665,164,840</b>	<b>57,890,879</b>	<b>738,094,465</b>
<b>Currency exposure</b>	<b>688,794,948</b>	<b>(643,794,627)</b>	<b>(45,000,321)</b>	

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

#### 10. Financial risk management (continued)

##### a. Market risk (continued)

##### (ii) Currency Risk (continued)

#### First State Regional China Fund

As at 31 December 2008

	USD \$	SGD \$	GBP \$	Total \$
<b>ASSETS</b>				
Portfolio of investments	282,403,067	-	-	282,403,067
Other receivables	1,053,042	238,916	-	1,291,958
Cash and bank balances	170,853	536,060	3	706,916
<b>Total assets</b>	<b>283,626,962</b>	<b>774,976</b>	<b>3</b>	<b>284,401,941</b>
<b>LIABILITIES</b>				
Purchases awaiting settlement	133,990	-	-	133,990
Other payables	1,135	842,009	-	843,144
Net assets attributable to unitholders	27,730,387	255,694,420	-	283,424,807
<b>Total liabilities</b>	<b>27,865,512</b>	<b>256,536,429</b>	<b>-</b>	<b>284,401,941</b>
<b>Currency exposure</b>	<b>255,761,450</b>	<b>(255,761,453)</b>	<b>3</b>	

As at 31 December 2007

	USD \$	SGD \$	GBP \$	Total \$
<b>ASSETS</b>				
Portfolio of investments	563,476,146	-	-	563,476,146
Other receivables	2,881,196	6,750,397	-	9,631,593
Cash and bank balances	2,502,780	(279,509)	4	2,223,275
<b>Total assets</b>	<b>568,860,122</b>	<b>6,470,888</b>	<b>4</b>	<b>575,331,014</b>
<b>LIABILITIES</b>				
Purchases awaiting settlement	1,566,868	-	-	1,566,868
Other payables	149,140	5,074,928	-	5,224,068
Net assets attributable to unitholders	60,413,318	508,126,760	-	568,540,078
<b>Total liabilities</b>	<b>62,129,326</b>	<b>513,201,688</b>	<b>-</b>	<b>575,331,014</b>
<b>Currency exposure</b>	<b>506,730,796</b>	<b>(506,730,800)</b>	<b>4</b>	

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

#### 10. Financial risk management (continued)

##### a. Market risk (continued)

##### (ii) Currency Risk (continued)

#### First State Regional India Fund

As at 31 December 2008

	USD \$	SGD \$	Total \$
<b>ASSETS</b>			
Portfolio of investments	59,338,946	-	59,338,946
Sales awaiting settlement	-	-	-
Other receivables	235,669	5,550	241,219
Cash and bank balances	59,445	300,243	359,688
<b>Total assets</b>	<b>59,634,060</b>	<b>305,793</b>	<b>59,939,853</b>
<b>LIABILITIES</b>			
Purchases awaiting settlement	-	-	-
Other payables	-	182,124	182,124
Net assets attributable to unitholders	3,121,016	56,636,713	59,757,729
<b>Total liabilities</b>	<b>3,121,016</b>	<b>56,818,837</b>	<b>59,939,853</b>
<b>Currency exposure</b>	<b>56,513,044</b>	<b>(56,513,044)</b>	

As at 31 December 2007

	USD \$	SGD \$	Total \$
<b>ASSETS</b>			
Portfolio of investments	160,640,688	-	160,640,688
Sales awaiting settlement	-	-	-
Other receivables	623,172	18,118,756	18,741,928
Cash and bank balances	65,650	4,531,521	4,597,171
<b>Total assets</b>	<b>161,329,510</b>	<b>22,650,277</b>	<b>183,979,787</b>
<b>LIABILITIES</b>			
Purchases awaiting settlement	12,030,480	-	12,030,480
Other payables	6,201	6,087,515	6,093,716
Net assets attributable to unitholders	5,259,339	160,596,252	165,855,591
<b>Total liabilities</b>	<b>17,296,020</b>	<b>166,683,767</b>	<b>183,979,787</b>
<b>Currency exposure</b>	<b>144,033,490</b>	<b>(144,033,490)</b>	

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

#### 10. Financial risk management (continued)

##### a. Market risk (continued)

##### (ii) Currency Risk (continued)

#### First State Singapore Growth Fund

As at 31 December 2008

	USD \$	SGD \$	Total \$
<b>ASSETS</b>			
Portfolio of investments	35,852,617	-	35,852,617
Sales awaiting settlement	135,431	-	135,431
Other receivables	138,924	11,496	150,420
Cash and bank balances	1,152	190,256	191,408
<b>Total assets</b>	<b>36,128,124</b>	<b>201,752</b>	<b>36,329,876</b>
<b>LIABILITIES</b>			
Purchases awaiting settlement	34,578	-	34,578
Other payables	-	234,773	234,773
Net assets attributable to unitholders	173,230	35,887,295	36,060,525
<b>Total liabilities</b>	<b>207,808</b>	<b>36,122,068</b>	<b>36,329,876</b>
<b>Currency exposure</b>	<b>35,920,316</b>	<b>(35,920,316)</b>	

As at 31 December 2007

	USD \$	SGD \$	Total \$
<b>ASSETS</b>			
Portfolio of investments	80,105,161	-	80,105,161
Other receivables	308,998	86,177	395,175
Cash and bank balances	8,524	338,642	347,166
<b>Total assets</b>	<b>80,422,683</b>	<b>424,819</b>	<b>80,847,502</b>
<b>LIABILITIES</b>			
Other payables	-	282,661	282,661
Net assets attributable to unitholders	682,253	79,882,588	80,564,841
<b>Total liabilities</b>	<b>682,253</b>	<b>80,165,249</b>	<b>80,847,502</b>
<b>Currency exposure</b>	<b>79,740,430</b>	<b>(79,740,430)</b>	

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

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#### 10. Financial risk management (continued)

##### a. Market risk (continued)

##### (ii) Currency Risk (continued)

The following table shows the Fund's sensitivity to key foreign currency exposures on its monetary and non-monetary assets and liabilities should those currencies increase or decrease by 5% (2007: 5%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rates based on their historical volatility.

#### First State Asia Innovation Fund (formerly known as First State Asia Innovation and Technology Fund)

	2008		2007	
	Change in currency rate %	Effect on net assets attributable to unitholders \$	Change in currency rate %	Effect on net assets attributable to unitholders \$
US Dollar	5	1,741,212	5	4,436,613

---

#### First State Asian Growth Fund

	2008		2007	
	Change in currency rate %	Effect on net assets attributable to unitholders \$	Change in currency rate %	Effect on net assets attributable to unitholders \$
US Dollar	5	1,665,046	5	2,830,053

---

#### First State Bridge

	2008		2007	
	Change in currency rate %	Effect on net assets attributable to unitholders \$	Change in currency rate %	Effect on net assets attributable to unitholders \$
US Dollar	5	22,370,039	5	30,793,282

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## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

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#### 10. Financial risk management (continued)

##### a. Market risk (continued)

##### (ii) Currency Risk (continued)

##### First State Dividend Advantage

	2008		2007	
	Change in currency rate %	Effect on net assets attributable to unitholders \$	Change in currency rate %	Effect on net assets attributable to unitholders \$
US Dollar	5	25,485,336	5	36,221,433

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##### First State GEM Leaders

	2008		2007	
	Change in currency rate %	Effect on net assets attributable to unitholders \$	Change in currency rate %	Effect on net assets attributable to unitholders \$
Great Britain Pound	5	489,234	5	831,900
US Dollar	5	(4,208)	5	(18,870)

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##### First State Global Balanced Fund

	2008		2007	
	Change in currency rate %	Effect on net assets attributable to unitholders \$	Change in currency rate %	Effect on net assets attributable to unitholders \$
US Dollar	5	1,153,334	5	1,421,618

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##### First State Global Infrastructure

	2008	
	Change in currency rate %	Effect on net assets attributable to unitholders \$
Great Britain Pound	5	711,817
US Dollar	5	(20,861)

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## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

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#### 10. Financial risk management (continued)

##### a. Market risk (continued)

##### (ii) Currency Risk (continued)

#### First State Global Opportunities Fund (formerly known as First State Global 100 Growth Fund)

	2008		2007	
	Change in currency rate %	Effect on net assets attributable to unitholders \$	Change in currency rate %	Effect on net assets attributable to unitholders \$
US Dollar	5	1,121,673	5	2,164,672

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#### First State Global Property Investments

	2008		2007	
	Change in currency rate %	Effect on net assets attributable to unitholders \$	Change in currency rate %	Effect on net assets attributable to unitholders \$
Euro	5	80,621	5	275,285
US Dollar	5	277,333	5	566,218

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#### First State Global Resources

	2008		2007	
	Change in currency rate %	Effect on net assets attributable to unitholders \$	Change in currency rate %	Effect on net assets attributable to unitholders \$
Great Britain Pound	5	16,297,917	5	34,439,747
US Dollar	5	(581,691)	5	(2,250,016)

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#### First State Regional China Fund

	2008		2007	
	Change in currency rate %	Effect on net assets attributable to unitholders \$	Change in currency rate %	Effect on net assets attributable to unitholders \$
US Dollar	5	12,788,073	5	25,336,540

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## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

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#### 10. Financial risk management (continued)

##### a. Market risk (continued)

##### (ii) Currency Risk (continued)

###### First State Regional India Fund

	2008		2007	
	Change in currency rate %	Effect on net assets attributable to unitholders \$	Change in currency rate %	Effect on net assets attributable to unitholders \$
US Dollar	5	2,825,652	5	7,201,675

---

###### First State Singapore Growth Fund

	2008		2007	
	Change in currency rate %	Effect on net assets attributable to unitholders \$	Change in currency rate %	Effect on net assets attributable to unitholders \$
US Dollar	5	1,796,016	5	3,987,022

---

##### (iii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The majority of the Fund's financial assets and liabilities are non-interest bearing and therefore the Fund is not exposed to significant interest rate risk. No interest rate risk sensitivity analysis is presented.

##### b. Liquidity risk

The Fund's liquidity risk arises mainly from redemption of units. The Fund invests the majority of its assets in investments that are traded in an active market and can be readily disposed.

The Fund's policy with regard to liquidity is to ensure continuity of funding. The Manager has developed cash management guidelines to maintain a working capital cash balance within each sub-fund. Each sub-fund is not allowed to be in an overdraft position at all times.

Units are redeemable at the holder's option. However, the Manager also has the option to limit redemption requests to 10% of the total number of units then in issue, with the approval of the Trustee.

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

#### 10. Financial risk management (continued)

##### b. Liquidity risk (continued)

The tables below analyse the Fund's financial liabilities and net settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months approximate their carrying values, as the impact of discounting is not significant.

#### First State Asia Innovation Fund (formerly known as First State Asia Innovation and Technology Fund)

	31 December 2008		31 December 2007	
	Less than 1 Month	1 to 3 Months	Less than 1 Month	1 to 3 Months
	\$	\$	\$	\$
Other payables	142,799	1,536	1,011,490	1,519
Net assets attributable to unit holders	37,545,415	-	95,957,131	-

#### First State Asian Growth Fund

	31 December 2008		31 December 2007	
	Less than 1 Month	1 to 3 Months	Less than 1 Month	1 to 3 Months
	\$	\$	\$	\$
Purchases awaiting settlement	93,649	-	50,591	-
Other payables	244,696	2,167	662,152	2,117
Net assets attributable to unit holders	33,608,701	-	57,000,224	-

#### First State Bridge

	31 December 2008		31 December 2007	
	Less than 1 Month	1 to 3 Months	Less than 1 Month	1 to 3 Months
	\$	\$	\$	\$
Derivative financial instruments	-	4,544,312	-	466,837
Purchases awaiting settlement	-	-	13,795,375	-
Other payables	4,218,583	1,548	11,865,394	1,531
Net assets attributable to unit holders	965,895,722	-	1,228,206,535	-

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

#### 10. Financial risk management (continued)

##### b. Liquidity risk (continued)

###### First State Dividend Advantage

	31 December 2008		31 December 2007	
	Less than 1 Month	1 to 3 Months	Less than 1 Month	1 to 3 Months
	\$	\$	\$	\$
Purchases awaiting settlement	569,096	-	12,377,388	-
Other payables	1,318,803	1,525	3,841,615	1,502
Net assets attributable to unit holders	527,015,406	-	764,494,322	-

###### First State GEM Leaders

	31 December 2008		31 December 2007	
	Less than 1 Month	1 to 3 Months	Less than 1 Month	1 to 3 Months
	\$	\$	\$	\$
Other payables	78,300	5,670	156,226	5,605
Net assets attributable to unit holders	9,794,997	-	16,630,974	-

###### First State Global Balanced Fund

	31 December 2008		31 December 2007	
	Less than 1 Month	1 to 3 Months	Less than 1 Month	1 to 3 Months
	\$	\$	\$	\$
Purchases awaiting settlement	57,630	-	745,852	-
Other payables	255,785	1,668	605,707	1,618
Net assets attributable to unit holders	23,139,540	-	29,361,965	-

###### First State Global Infrastructure

	31 December 2008	
	Less than 1 Month	1 to 3 Months
	\$	\$
Purchases awaiting settlement	18,643	-
Other payables	30,115	2,445
Net assets attributable to unit holders	14,305,551	-

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

#### 10. Financial risk management (continued)

##### b. Liquidity risk (continued)

##### First State Global Opportunities Fund (formerly known as First State Global 100 Growth Fund)

	31 December 2008		31 December 2007	
	Less than 1 Month	1 to 3 Months	Less than 1 Month	1 to 3 Months
	\$	\$	\$	\$
Purchases awaiting settlement	31,697	-	-	-
Other payables	77,599	1,668	208,879	1,618
Net assets attributable to unit holders	24,234,348	-	46,925,832	-

##### First State Global Property Investments

	31 December 2008		31 December 2007	
	Less than 1 Month	1 to 3 Months	Less than 1 Month	1 to 3 Months
	\$	\$	\$	\$
Purchases awaiting settlement	-	-	64,241	-
Other payables	64,138	1,967	227,808	1,799
Net assets attributable to unit holders	11,672,250	-	31,195,867	-

##### First State Global Resources

	31 December 2008		31 December 2007	
	Less than 1 Month	1 to 3 Months	Less than 1 Month	1 to 3 Months
	\$	\$	\$	\$
Purchases awaiting settlement	503,360	-	15,038,746	-
Other payables	1,029,068	22,535	6,186,065	12,746
Net assets attributable to unit holders	333,381,867	-	716,856,908	-

##### First State Regional China Fund

	31 December 2008		31 December 2007	
	Less than 1 Month	1 to 3 Months	Less than 1 Month	1 to 3 Months
	\$	\$	\$	\$
Purchases awaiting settlement	133,990	-	1,566,868	-
Other payables	841,456	1,688	5,222,430	1,638
Net assets attributable to unit holders	283,424,807	-	568,540,078	-

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

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#### 10. Financial risk management (continued)

##### b. Liquidity risk (continued)

###### First State Regional India Fund

	31 December 2008		31 December 2007	
	Less than 1 Month \$	1 to 3 Months \$	Less than 1 Month \$	1 to 3 Months \$
Purchases awaiting settlement	-	-	12,030,480	-
Other payables	180,315	1,809	6,092,008	1,708
Net assets attributable to unit holders	59,757,729	-	165,855,591	-

###### First State Singapore Growth Fund

	31 December 2008		31 December 2007	
	Less than 1 Month \$	1 to 3 Months \$	Less than 1 Month \$	1 to 3 Months \$
Purchases awaiting settlement	34,578	-	-	-
Other payables	233,106	1,667	281,044	1,617
Net assets attributable to unit holders	36,060,525	-	80,564,841	-

##### c. Credit risk

The Fund takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due, including transactions with counterparties such as issuers, brokers, custodians and banks. Impairment provisions are provided for losses that have been incurred by the balance sheet date, if any.

Concentrations of credit risk are minimised primarily by:

- ensuring counterparties, together with the respective credit limits, are approved,
- ensuring that transactions are undertaken with a large number of counterparties, and
- ensuring that the majority of transactions are undertaken on recognised exchanges.

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

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#### 10. Financial risk management (continued)

##### c. Credit risk (continued)

All transactions in listed securities and collective investment schemes (underlying funds) are settled or paid upon delivery using approved brokers or the underlying fund's dealer. The risk of default is considered minimal, as delivery of securities is only made once the broker or underlying fund's dealer has received payment. Payment is made on a purchase once the securities have been received by the broker or underlying fund's dealer. The trade will fail if either party fails to meet its obligation.

The Fund's credit risk exposure arises mainly from cash and bank balances and derivative positions and other assets held with counterparties such as brokers and financial institutions. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. The table below summarises the credit rating of banks and custodians with whom each sub-fund's assets are held as at 31 December 2008 and 31 December 2007.

#### First State Asia Innovation Fund (formerly known as First State Asia Innovation and Technology Fund)

As at 31 December 2008	Amount \$	Credit rating	Source of credit rating
<u>Custodian</u>			
HSBC Institutional Trust Services (Singapore) Limited	37,330,121	B+	Moody's
<u>Bank</u>			
The Hongkong Shanghai Banking Corporation Limited	144,546	B+	Moody's
As at 31 December 2007	Amount \$	Credit rating	Source of credit rating
<u>Custodian</u>			
HSBC Institutional Trust Services (Singapore) Limited	95,624,277	B+	Moody's
<u>Bank</u>			
The Hongkong Shanghai Banking Corporation Limited	313,920	B+	Moody's

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

#### 10. Financial risk management (continued)

##### c. Credit risk (continued)

###### First State Asian Growth Fund

<b>As at 31 December 2008</b>	<b>Amount \$</b>	<b>Credit rating</b>	<b>Source of credit rating</b>
<u>Custodian</u> HSBC Institutional Trust Services (Singapore) Limited	33,395,514	B+	Moody's
<u>Bank</u> The Hongkong Shanghai Banking Corporation Limited	235,977	B+	Moody's

<b>As at 31 December 2007</b>	<b>Amount \$</b>	<b>Credit rating</b>	<b>Source of credit rating</b>
<u>Custodian</u> HSBC Institutional Trust Services (Singapore) Limited	56,465,696	B+	Moody's
<u>Bank</u> The Hongkong Shanghai Banking Corporation Limited	400,180	B+	Moody's

###### First State Bridge

<b>As at 31 December 2008</b>	<b>Amount \$</b>	<b>Credit rating</b>	<b>Source of credit rating</b>
<u>Custodian</u> HSBC Institutional Trust Services (Singapore) Limited	945,215,358	B+	Moody's
<u>Bank</u> The Hongkong Shanghai Banking Corporation Limited	992,537	B+	Moody's
State Street Bank & Trust Company	22,762,790	B+	Moody's

<b>As at 31 December 2007</b>	<b>Amount \$</b>	<b>Credit rating</b>	<b>Source of credit rating</b>
<u>Custodian</u> HSBC Institutional Trust Services (Singapore) Limited	1,219,203,623	B+	Moody's
<u>Bank</u> The Hongkong Shanghai Banking Corporation Limited	7,823,173	B+	Moody's
State Street Bank & Trust Company	113,328	B+	Moody's

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

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#### 10. Financial risk management (continued)

##### c. Credit risk (continued)

###### First State Dividend Advantage

As at 31 December 2008	Amount \$	Credit rating	Source of credit rating
<u>Custodian</u> HSBC Institutional Trust Services (Singapore) Limited	524,879,794	B+	Moody's
<u>Bank</u> The Hongkong Shanghai Banking Corporation Limited	615,127	B+	Moody's

As at 31 December 2007	Amount \$	Credit rating	Source of credit rating
<u>Custodian</u> HSBC Institutional Trust Services (Singapore) Limited	754,754,813	B+	Moody's
<u>Bank</u> The Hongkong Shanghai Banking Corporation Limited	3,351,923	B+	Moody's

###### First State GEM Leaders

As at 31 December 2008	Amount \$	Credit rating	Source of credit rating
<u>Custodian</u> HSBC Institutional Trust Services (Singapore) Limited	9,723,389	B+	Moody's
<u>Bank</u> The Hongkong Shanghai Banking Corporation Limited	88,527	B+	Moody's

As at 31 December 2007	Amount \$	Credit rating	Source of credit rating
<u>Custodian</u> HSBC Institutional Trust Services (Singapore) Limited	16,495,768	B+	Moody's
<u>Bank</u> The Hongkong Shanghai Banking Corporation Limited	115,440	B+	Moody's

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

#### 10. Financial risk management (continued)

##### c. Credit risk (continued)

###### First State Global Balanced Fund

As at 31 December 2008	Amount \$	Credit rating	Source of credit rating
<u>Custodian</u> HSBC Institutional Trust Services (Singapore) Limited	23,062,479	B+	Moody's
<u>Bank</u> The Hongkong Shanghai Banking Corporation Limited	259,136	B+	Moody's

As at 31 December 2007	Amount \$	Credit rating	Source of credit rating
<u>Custodian</u> HSBC Institutional Trust Services (Singapore) Limited	29,032,233	B+	Moody's
<u>Bank</u> The Hongkong Shanghai Banking Corporation Limited	163,263	B+	Moody's

###### First State Global Infrastructure

As at 31 December 2008	Amount \$	Credit rating	Source of credit rating
<u>Custodian</u> HSBC Institutional Trust Services (Singapore) Limited	14,203,223	B+	Moody's
<u>Bank</u> The Hongkong Shanghai Banking Corporation Limited	93,979	B+	Moody's

###### First State Global Opportunities Fund (formerly known as First State Global 100 Growth Fund)

As at 31 December 2008	Amount \$	Credit rating	Source of credit rating
<u>Custodian</u> HSBC Institutional Trust Services (Singapore) Limited	24,047,466	B+	Moody's
<u>Bank</u> The Hongkong Shanghai Banking Corporation Limited	182,589	B+	Moody's

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

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#### 10. Financial risk management (continued)

##### c. Credit risk (continued)

#### First State Global Opportunities Fund (formerly known as First State Global 100 Growth Fund) (continued)

As at 31 December 2007	Amount \$	Credit rating	Source of credit rating
<u>Custodian</u> HSBC Institutional Trust Services (Singapore) Limited	46,603,567	B+	Moody's
<u>Bank</u> The Hongkong Shanghai Banking Corporation Limited	215,323	B+	Moody's

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#### First State Global Property Investments

As at 31 December 2008	Amount \$	Credit rating	Source of credit rating
<u>Custodian</u> HSBC Institutional Trust Services (Singapore) Limited	11,239,502	B+	Moody's
<u>Bank</u> The Hongkong Shanghai Banking Corporation Limited	424,504	B+	Moody's

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As at 31 December 2007	Amount \$	Credit rating	Source of credit rating
<u>Custodian</u> HSBC Institutional Trust Services (Singapore) Limited	30,684,847	B+	Moody's
<u>Bank</u> The Hongkong Shanghai Banking Corporation Limited	554,919	B+	Moody's

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#### First State Global Resources

As at 31 December 2008	Amount \$	Credit rating	Source of credit rating
<u>Custodian</u> HSBC Institutional Trust Services (Singapore) Limited	330,839,658	B+	Moody's
<u>Bank</u> The Hongkong Shanghai Banking Corporation Limited	401,378	B+	Moody's

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## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

#### 10. Financial risk management (continued)

##### c. Credit risk (continued)

###### First State Global Resources (continued)

As at 31 December 2007	Amount \$	Credit rating	Source of credit rating
<u>Custodian</u> HSBC Institutional Trust Services (Singapore) Limited	714,357,124	B+	Moody's
<u>Bank</u> The Hongkong Shanghai Banking Corporation Limited	5,089,351	B+	Moody's

###### First State Regional China Fund

As at 31 December 2008	Amount \$	Credit rating	Source of credit rating
<u>Custodian</u> HSBC Institutional Trust Services (Singapore) Limited	282,403,067	B+	Moody's
<u>Bank</u> The Hongkong Shanghai Banking Corporation Limited	706,916	B+	Moody's

As at 31 December 2007	Amount \$	Credit rating	Source of credit rating
<u>Custodian</u> HSBC Institutional Trust Services (Singapore) Limited	563,476,146	B+	Moody's
<u>Bank</u> The Hongkong Shanghai Banking Corporation Limited	2,223,275	B+	Moody's

###### First State Regional India Fund

As at 31 December 2008	Amount \$	Credit rating	Source of credit rating
<u>Custodian</u> HSBC Institutional Trust Services (Singapore) Limited	59,338,946	B+	Moody's
<u>Bank</u> The Hongkong Shanghai Banking Corporation Limited	359,688	B+	Moody's

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

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#### 10. Financial risk management (continued)

##### c. Credit risk (continued)

###### First State Regional India Fund (continued)

As at 31 December 2007	Amount \$	Credit rating	Source of credit rating
<u>Custodian</u> HSBC Institutional Trust Services (Singapore) Limited	160,640,688	B+	Moody's
<u>Bank</u> The Hongkong Shanghai Banking Corporation Limited	4,597,171	B+	Moody's

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###### First State Singapore Growth Fund

As at 31 December 2008	Amount \$	Credit rating	Source of credit rating
<u>Custodian</u> HSBC Institutional Trust Services (Singapore) Limited	35,852,617	B+	Moody's
<u>Bank</u> The Hongkong Shanghai Banking Corporation Limited	191,408	B+	Moody's
<b>As at 31 December 2007</b>	<b>Amount \$</b>	<b>Credit rating</b>	<b>Source of credit rating</b>
<u>Custodian</u> HSBC Institutional Trust Services (Singapore) Limited	80,105,161	B+	Moody's
<u>Bank</u> The Hongkong Shanghai Banking Corporation Limited	347,166	B+	Moody's

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##### d. Capital management

The Fund's capital is represented by the net assets attributable to unitholders. The Fund strives to invest the subscriptions of redeemable participating units in investments that meet the Fund's investment objectives while maintaining sufficient liquidity to meet unitholder redemptions.

#### 11. Related party transactions

The Manager of the Fund is First State Investments (Singapore). The Trustee is HSBC Institutional Trust Services (Singapore) Limited, a subsidiary of HSBC Group.

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

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

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

	<b>First State Asia Innovation Fund (formerly known as First State Asia Innovation and Technology Fund)</b>		<b>First State Asian Growth Fund</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Bank balances with a related party of the Trustee	144,546	313,920	235,977	400,180
Bank service fees charged by a related company of the Trustee	9,244	14,770	6,668	9,469
Interest expense incurred with a related company of the Trustee	13	126	25	90
Interest income from a related party of the Trustee	645	794	-	979
Total expense ratio rebate from the Manager	-	-	37,681	29,000
	<b>First State Bridge</b>		<b>First State Dividend Advantage</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Bank balances with a related party of the Trustee	992,537	7,823,173	615,127	3,351,923
Bank service fees charged by a related company of the Trustee	23,537	24,103	49,183	46,447
Interest expense incurred with a related company of the Trustee	4,637	-	-	-
Interest income from a related party of the Trustee	21,757	8,348	157	-

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

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

	First State GEM Leaders		First State Global Balanced Fund	
	2008	2007	2008	2007
	\$	\$	\$	\$
Bank balances with a related party of the Trustee	88,527	115,440	259,136	163,263
Bank service fees charged by a related company of the Trustee	10,335	11,341	8,027	8,558
Interest expense incurred with a related company of the Trustee	-	-	1,485	377
Interest income from a related party of the Trustee	109	-	-	-
Total expense ratio rebate from the Manager	19,232	13,000	29,661	-
	<b>First State Global Infrastructure Period from 16 January 2008 (date of launch) to 31 December 2008</b>		<b>First State Global Opportunities Fund (formerly known as First State Global 100 Growth Fund)</b>	
	\$		\$	
Bank balances with a related party of the Trustee	93,979		182,589	215,323
Bank service fees charged by a related company of the Trustee	4,971		3,935	8,708
Interest expense incurred with a related company of the Trustee	-		66	-
Interest income from a related party of the Trustee	-		50,330	63,000

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

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

	First State Global Property Investments		First State Global Resources	
	2008 \$	2007 \$	2008 \$	2007 \$
Bank balances with a related party of the Trustee	424,504	554,919	401,378	5,089,351
Bank service fees charged by a related company of the Trustee	3,448	8,026	43,312	30,379
Interest expense incurred with a related company of the Trustee	202	5,775	-	-
Interest income from a related party of the Trustee	2,608	5,438	-	-
Sub-custodian fee charged by a related party of the Trustee	7,875	21,824	-	-
Security processing fee charged by a related party of the Trustee	53,159	70,269	-	-
Expense ratio rebate from the underlying fund manager	-	-	17,874	17,256
	First State Regional China Fund		First State Regional India Fund	
	2008 \$	2007 \$	2008 \$	2007 \$
Bank balances with a related party of the Trustee	706,916	2,223,275	359,688	4,597,171
Bank service fees charged by a related company of the Trustee	17,083	22,989	10,591	17,745
Interest expense incurred with a related company of the Trustee	84	720	269	576
Interest income from a related party of the Trustee	9,309	60,315	975	13,927

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

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

	First State Singapore Growth Fund	
	2008 \$	2007 \$
Bank balances with a related party of the Trustee	191,408	347,166
Bank service fees charged by a related company of the Trustee	5,227	8,396
Interest expense incurred with a related company of the Trustee	-	47
Interest income from a related party of the Trustee	112	221
Total expense ratio rebate from the Manager	35,308	37,000

#### 12. Financial ratios

	First State Asia Innovation Fund (formerly known as First State Asia Innovation and Technology Fund)		First State Asian Growth Fund	
	2008 %	2007 %	2008 %	2007 %
Expense ratio*	2.32	2.25	1.89	1.92
Turnover ratio**	2.76	29.02	41.01	24.96

	First State Bridge		First State Dividend Advantage	
	2008 %	2007 %	2008 %	2007 %
Expense ratio*	1.61	1.60	1.90	1.88
Turnover ratio**	30.97	269.36	9.78	565.64

## First State Global Growth Funds

(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)

### Notes to the Financial Statements

For the financial period/year ended 31 December 2008

#### 12. Financial ratios (continued)

	First State GEM Leaders		First State Global Balanced Fund	
	2008 %	2007 %	2008 %	2007 %
Expense ratio*	1.96	1.89	1.71	1.74
Turnover ratio**	59.09	50.85	181.34	45.18
	First State Global Infrastructure Period from 16 January 2008 (date of launch) to 31 December 2008 %		First State Global Opportunities Fund (formerly known as First State Global 100 Growth Fund) 2008 %	
	2008 %	2007 %	2008 %	2007 %
Expense ratio*	2.19		1.90	2.04
Turnover ratio**	113.99		2.67	2.63
	First State Global Property Investments 2008 %		First State Global Resources 2008 %	
	2008 %	2007 %	2008 %	2007 %
Expense ratio*	2.04	1.92	1.77	1.75
Turnover ratio**	60.00	98.43	36.04	14.96
	First State Regional China Fund 2008 %		First State Regional India Fund 2008 %	
	2008 %	2007 %	2008 %	2007 %
Expense ratio*	1.91	1.86	2.03	2.00
Turnover ratio**	9.61	36.90	19.87	55.73
	First State Singapore Growth Fund 2008 %			
	2008 %	2007 %		
Expense ratio*	1.94	1.93		
Turnover ratio**	8.38	23.97		

## **First State Global Growth Funds**

*(Constituted under a Trust Deed in the Republic of Singapore on 16 April 1998)*

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

*For the financial period/year ended 31 December 2008*

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- \* The expense ratio is calculated in accordance with the revised IMAS guidelines on the disclosure of expense ratios dated 25 May 2005. Brokerage and other transaction costs, interest expense, foreign exchange gains/losses, tax deducted at source or arising on income received and dividends paid to unitholders are not included in the expense ratio. The Fund does not pay performance fees. The expense ratio for each sub-fund, except for First State Global Property Investments, is expressed as the sum of the expense ratios of the sub-fund and its respective underlying fund(s). The expense ratios of the underlying funds are unaudited. There is no requirement for the expense ratios of the underlying funds to be published or audited.
  
- \*\* The turnover ratio for each sub-fund is calculated using the lower of purchases and sales of underlying investments of the sub-fund expressed as a percentage of the daily average net asset value of the sub-fund, which is in accordance with the formula stated in the “Code on Collective Investment Schemes”.

### **13. Comparatives**

There are no comparative figures for First State Global Infrastructure as this is the sub-fund’s first financial period since its date of launch on 16 January 2008.

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