

New Era PRC Fund

Annual Report

July 2010 – June 2011

Table of Contents	Pages
Report of the manager	1
Performance table (unaudited)	2
Report of the trustee	4
Independent auditor's report	5
Statement of net assets	6
Statement of comprehensive income	7
Statement of changes in equity	8
Cash flow statement	9
Notes to the financial statements	10
Investment portfolio (unaudited)	21
Statement of movements in portfolio holdings (unaudited)	22
General information	23

This annual report shall not constitute an offer to sell or a solicitation of an offer to buy units in the New Era PRC Fund. Subscriptions are to be made only on the basis of the information contained in the relevant Explanatory Memorandum, as supplemented by the latest annual and semi-annual reports.

New ERA PRC Fund

Report of the Manager

for the year ended 30 June 2011

Performance

	1 July 2010 to 30 June 2011	1 July 2009 to 30 June 2010
New Era PRC Fund	16.21%	31.37%
Benchmark: MSCI China Free Index	12.72%	11.11%

(Performance calculation is based on the official dealing NAV.)

Review

Over the year to 30 June 2011 the MSCI China Index rose by 12.72% in US dollar terms, underperforming the MSCI World Index which increased by 31.2%.

In the first half of the period, the Chinese market continued to rise as global interest rates remained very low and investors became less concerned about inflationary pressures and tightening measures. However, during the first six months of 2011, the market was subdued as investors were influenced by global concerns, in particular the ongoing sovereign debt crisis in the eurozone.

Performance

Over the year performance was positively impacted **Luk Fook** (Consumer Discretionary) which outperformed on strong sales driven by Mainland Chinese tourists and **CNOOC** (Energy) which rose as the oil price was strong in the second half of 2010 and early 2011. **ENN Energy** (Utilities) gained on steady gas consumption growth in China.

On the negative side, **China Taiping Insurance** (Financials) was hurt by a slowdown in new premium sales and **Li Ning** (Consumer Discretionary) fell on concerns that an intensifying competitive landscape would hurt sales and profitability. **China Resources Power** (Utilities) lagged on expectations that rising coal prices would hurt margins, as the cost increase cannot be passed on in full.

Transactions

Significant new positions over the year included **China Resources Gas**, a well-run city gas distributor, which has strong financial backing from its parent company, and **Shanshui Cement**, a cement company with excellent management who are growing capacity steadily. We also purchased **China Mobile** (Telecom Services) which was trading at an attractive valuation level.

We sold **China International Marine** (Industrials), **New Oriental Education** (Industrials) and **Shangri-La Asia** (Hong Kong: Consumer Discretionary) on valuation concerns.

Outlook

We prefer companies with visible earnings growth and proven management track records and those with more defensive, domestically driven earnings. We remain concerned about inflation in China and believe that interest rates are too low. We are focused on steadily growing companies with structural growth stories and strong cashflow generation. Consumption should be the major economic driver for years to come, underpinned by a decline of the high savings rate and rising income levels.

New ERA PRC Fund

Performance Table (Unaudited)

for the year ended 30 June 2011

Net Asset Values

Financial year ended	Net asset value of the Fund US\$	Net asset value per unit in issue US\$
30.6.2011	11,020,808	77.71
30.6.2010	10,342,717	66.84
30.6.2009	8,694,032	50.82

Performance Record

Financial year ended	Highest issue price per unit US\$	Lowest redemption price per unit US\$
30.6.2011	83.06	65.41
30.6.2010	72.39	49.65
30.6.2009	59.58	25.52
30.6.2008	81.01	51.35
30.6.2007	56.96	29.76
30.6.2006	32.98	20.93
30.6.2005	22.05	16.26
30.6.2004	19.73	11.16
30.6.2003	11.33	8.44
30.6.2002 (since inception)	10.39	10.33

New ERA PRC Fund

Performance Table (Unaudited) (continued)

for the year ended 30 June 2011

Financial Summary

Results	Year ended 30.6.2011 US\$	Year ended 30.6.2010 US\$	Year ended 30.6.2009 US\$	Year ended 30.6.2008 US\$	Year ended 30.6.2007 US\$
Net (loss)/income before investment and exchange gains/(losses)	(15,125)	(38,492)	63,395	19,218	(313,398)
Net investment and exchange gains/(losses)	1,632,473	2,690,983	(953,659)	392,185	18,300,499
Total comprehensive income/(loss)	1,617,348	2,652,491	(890,264)	411,403	17,987,101

Assets and liabilities	2011 US\$	2010 US\$	2009 US\$	2008 US\$	2007 US\$
Total assets	11,129,795	10,388,091	8,743,241	9,977,455	12,538,525
Total liabilities	(108,987)	(45,374)	(49,209)	(99,730)	(86,702)
Net assets attributable to unitholders	11,020,808	10,342,717	8,694,032	9,877,725	12,451,823

Notes:

- (a) New Era PRC Fund (the "Fund") is a unit trust established in Hong Kong under a Trust Deed dated 28 June 2001, as amended.
- (b) The results of the Fund for the year ended 30 June 2011 and the assets and liabilities of the Fund as at 30 June 2011 have been extracted from the audited statement of net assets and audited statement of comprehensive income set out on pages 6 and 7 of this annual report.

New ERA PRC Fund

Report of the Trustee

for the year ended 30 June 2011

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 28 June 2001, as amended, for the year ended 30 June 2011.

For and on behalf of

HSBC Institutional Trust Services (Asia) Limited
as the Trustee of
the New Era PRC Fund

Hong Kong, 17 October 2011

New ERA PRC Fund

Independent Auditor's Report

To the unitholders of New ERA PRC Fund (the "Fund")

Report on the Financial Statements

We have audited the financial statements of the Fund set out on pages 6 to 20, which comprise the statement of net assets as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Trustee and the Manager (the "Management") of the Fund are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, and are responsible for ensuring that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 28 June 2001, as amended (the "Trust Deed"), and the relevant financial statements disclosure provisions specified in Appendix E of the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong (the "SFC Code"), and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation of financial statements that gives a true and fair view 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 Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, 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 give a true and fair view of the financial position of the Fund as at 30 June 2011, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards.

Report on Other Legal and Regulatory Disclosure Requirements

We report that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed and the relevant financial statements disclosure provisions specified in the SFC Code.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 17 October 2011

New ERA PRC Fund
Statement of Net Assets
as at 30 June 2011

		30 June	
	Note	2011 US\$	2010 US\$
Assets			
Current assets			
Investments	4(b)	10,671,056	10,082,000
Amounts receivable from brokers		2,669	20,502
Dividend receivable and other receivables		49,369	38,152
Cash at banks		406,701	247,437
Total assets		11,129,795	10,388,091
Liabilities			
Current liabilities			
Amounts payable on redemption		1,451	1,451
Amounts payable to brokers		58,256	–
Derivative financial instruments	6	–	3
Accounts payable and accrued expenses		49,280	43,920
Total liabilities		108,987	45,374
Equity			
Net assets attributable to unitholders	3	11,020,808	10,342,717
Number of units in issue		141,818.91	154,738.88
Net assets attributable to unitholders per unit		77.71	66.84

Signed for and on behalf of

HSBC Institutional Trust Services (Asia) Limited
as the Trustee

First State Investments (Hong Kong) Limited
as the Manager

The notes on pages 10 to 20 form part of these financial statements.

New ERA PRC Fund

Statement of Comprehensive Income

for the year ended 30 June 2011

	Note	2011 US\$	2010 US\$
Income			
Dividend on investments		243,131	191,135
Net gains on investments	5	1,634,622	2,692,876
Exchange losses		(2,149)	(1,893)
Total net income		1,875,604	2,882,118
Expenses			
Management fee	9(a)	165,695	153,083
Trustee's fee	9(b)	5,523	5,103
Administration fee	9(c)	12,000	12,000
Auditor's remuneration		29,890	24,350
Interest expense		6	343
Safe custody and bank charges		3,565	3,647
Other operating expenses		27,362	23,644
Total operating expenses		244,041	222,170
Profit before tax		1,631,563	2,659,948
Withholding tax		(14,215)	(7,457)
Total comprehensive income		1,617,348	2,652,491
Total comprehensive income per unit	12	11.15	16.42

The notes on pages 10 to 20 form part of these financial statements.

New ERA PRC Fund
Statement of Changes in Equity
for the year ended 30 June 2011

	2011		2010	
	Units	US\$	Units	US\$
Balance at the beginning of the year	154,738.88	10,342,717	171,089.78	8,694,032
Redemption of units	(12,919.97)	(939,257)	(16,350.90)	(1,003,806)
Total comprehensive income	–	1,617,348	–	2,652,491
Balance at the end of the year	141,818.91	11,020,808	154,738.88	10,342,717

The notes on pages 10 to 20 form part of these financial statements.

New ERA PRC Fund
Cash Flow Statement
for the year ended 30 June 2011

	2011 US\$	2010 US\$
Cash flows from operating activities		
Purchase of investments	(2,709,157)	(3,045,656)
Proceeds from sale of investments	3,830,809	4,279,669
Dividend received	217,699	160,143
Interest paid	(6)	(343)
Administration fee paid	(12,000)	(12,000)
Auditor's remuneration paid	(26,890)	(24,350)
Management fee paid	(164,920)	(151,174)
Trustee's fee paid	(5,497)	(5,039)
Other operating expenses	(29,368)	(30,670)
Net cash generated from operating activities	1,100,670	1,170,580
Cash flows from financing activities		
Redemption of units	(939,257)	(1,002,355)
Net cash used in financing activities	(939,257)	(1,002,355)
Net increase in cash and cash equivalents	161,413	168,225
Effect of foreign exchange rate changes	(2,149)	(1,893)
Cash and cash equivalents at the beginning of the year	247,437	81,105
Cash and cash equivalents at the end of the year	406,701	247,437
Analysis of balance of cash and cash equivalents		
Cash at banks	406,701	247,437

The notes on pages 10 to 20 form part of these financial statements.

New ERA PRC Fund

Notes to the Financial Statements

as at 30 June 2011

1. The Fund

New Era PRC Fund (the “Fund”) is a unit trust established in Hong Kong under a Trust Deed dated 28 June 2001, as amended.

The Fund is authorised by the Securities and Futures Commission of Hong Kong under Section 104 of the Securities and Futures Ordinance and is also listed under Chapter 20 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. It is required to comply with the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong. The investment objective of the Fund is to provide investors with capital growth over the medium to long term primarily by investing in Hong Kong listed Red Chips and H shares, and securities listed on the stock exchanges of the People’s Republic of China (the “PRC”), which are available to foreign investors.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

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

New standards and amendments to standards that are relevant to the Fund but are not yet effective and have not been early adopted by the Fund

HKFRS 9, “Financial instruments part 1: Classification and measurement”. HKFRS 9 was issued in November 2009 and replaces those parts of HKAS 39 relating to the classification and measurement of financial assets. Key features are as follows:

Financial assets are required to be classified into two measurement categories: those to be measured subsequently at fair value, and those to be measured subsequently at amortised cost. The decision is to be made at initial recognition. The classification depends on the entity’s business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

An instrument is subsequently measured at amortised cost only if it is a debt instrument and both the objective of the entity’s business model is to hold the asset to collect the contractual cash flows, and the asset’s contractual cash flows represent only payments of principal and interest (that is, it has only “basic loan features”). All other debt instruments are to be measured at fair value through profit or loss.

All equity instruments are to be measured subsequently at fair value. Equity instruments that are held for trading will be measured at fair value through profit or loss. For all other equity instruments, an irrevocable election can be made at initial recognition, to recognise unrealised and realised fair value gains and losses through other comprehensive income rather than profit or loss. There is to be no recycling of fair value gains and losses to profit and loss. This election may be made on an instrument-by-instrument basis. Dividends are to be presented in profit and loss, as long as they represent a return on investment.

The effective date of the standard is expected to be 1 January 2013. However, it is not expected to have a significant impact on the Fund’s financial statements.

HKFRS 13, “Fair value measurements”. HKFRS 13 explains how to measure fair value and aims to enhance fair value disclosures. It does not state when to measure fair value or require additional fair value measurements. The effective date of the standard is currently scheduled to be 1 January 2013. However, it is not expected to have a significant impact on the Company’s financial statements.

New ERA PRC Fund

Notes to the Financial Statements (continued)

as at 30 June 2011

2. Summary of significant accounting policies (continued)

(b) Investments

All investments have been classified as “financial assets at fair value through profit or loss”.

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

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

(c) Derivative financial instruments

Derivative financial instruments represent outstanding forward foreign exchange contracts. Outstanding forward foreign exchange contracts are valued at the year end date by reference to the forward rate of exchange applicable to the outstanding term of the contracts. Unrealised gains and losses on outstanding contracts and realised gains and losses on closed contracts are shown in the statement of comprehensive income under “net gains/(losses) on investments”.

(d) Income

Interest income is recognised on a time-proportionate basis using the effective interest method. Dividend income is recognised when the right to receive payments is established.

(e) Translation of foreign currencies

(i) Functional and presentation currencies

Items included in the Fund’s financial statements are measured using the currency of the primary economic environment in which it operates (“the functional currency”). The performance of the Fund is measured and reported to the holders of redeemable units in United States dollar. The Manager considers the United States dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in United States dollar, which is the Fund’s functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the year end date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within “exchange gains/(losses)”.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the statement of comprehensive income within “net gains/(losses) on investments”.

(f) Expenses

Expenses are accounted for on an accruals basis.

2. Summary of significant accounting policies (continued)

(g) Subscription and redemption of units

The Fund issues units, which are redeemable at the holder's option and are classified as equity.

The price at which units are subscribed or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day. The basis adopted by the Fund in arriving at the net asset value per unit for subscription and redemption purposes during the year may not be the same as the accounting principles adopted for the preparation of these financial statements.

(h) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of net assets when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(i) Cash and cash equivalents

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

(j) Amounts receivable from/payable to brokers

Amounts receivable from/payable to brokers represent receivables from investments sold and payables for investments purchased that have been contracted for but not yet settled or delivered by the end of the year.

(k) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Manager, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker that makes strategic decisions.

3. Net assets attributable to unitholders

The Fund has no restrictions on the subscriptions of units. However, to protect the interests of unitholders, the Manager is entitled, with the approval of the Trustee, to limit the number of units redeemed on any dealing day (whether by sale to the Manager or by cancellation by the Trustee) to 10 per cent of the total number of units in issue.

In this event, the limitation will apply pro rata so that all unitholders wishing to redeem units on that dealing day will redeem the same proportion of such units, and units not redeemed (but which would otherwise have been redeemed) will be carried forward for redemption, subject to the same limitation, on the next dealing day. If requests for redemption are so carried forward, the Manager will inform the unitholders concerned. Subscriptions and redemptions of units during the year are shown in the statement of changes in equity. In order to achieve the investment objectives, the Fund endeavors to invest its capital in accordance with the investment policies as outlined in note 4, whilst maintaining sufficient liquidity to meet redemption requests. Such liquidity is augmented by the holding of liquid investments.

In accordance with the provisions of the Fund's Trust Deed dated 28 June 2001, as amended, listed investments and investments with prices quoted in over the counter markets or by market makers are stated at the last traded price on the valuation day for the purpose of determining net asset value per unit for subscriptions and redemptions and for various fee calculation. However, as stated in note 2(b), the accounting policy of the Fund for the purpose of financial statements preparation in compliance with HKAS 39 is to value investments at the relevant bid market prices on the year end date. As at 30 June 2011, the valuation of investments in accordance with HKAS 39 as shown in the financial statements results in a decrease in value of investments by US\$28,499 (2010: US\$31,976), compared with using the valuation methodology indicated in the Fund's Trust Deed.

New ERA PRC Fund

Notes to the Financial Statements (continued)

as at 30 June 2011

3. Net assets attributable to unitholders (continued)

A reconciliation of the net asset value as reported in the statement of net assets to the net asset value as determined for the purposes of processing unit subscriptions and redemptions is provided below.

	2011 US\$	2010 US\$
Net assets/equity as per statement of net assets	11,020,808	10,342,717
Adjustment from bid market prices to last traded market prices	28,499	31,976
Net assets attributable to unitholders (at last traded market prices)	11,049,307	10,374,693

As at 30 June 2011, the Fund had US\$11,020,808 (2010: US\$10,342,717) of puttable financial instruments classified as equity.

The Fund's objectives and policies for managing their obligations to redeem these instruments are included in note 4(h) on capital risk management and note 4(e) on liquidity risk.

4. Financial risk management

Investments and derivative financial instruments are classified as "financial assets and liabilities at fair value through profit or loss". The remaining financial assets and liabilities as shown on the statement of net assets are classified as "loans and receivables" and "other financial liabilities" respectively.

(a) Strategy in using financial instruments

The investment objective of the Fund is to provide investors with capital growth over the medium to long term by investing in listed shares in Hong Kong, Mainland China, and other financial markets.

The Fund is expected to provide a return in excess of the relevant benchmark index, the MSCI China Free Index (Total return) in US dollars.

The Fund is exposed to market price risk, interest rate risk, credit risk, liquidity risk and currency risk.

The risks and the respective risk management policies employed by the Fund to manage these risks are discussed below:

(b) Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

It is the policy of the Manager to maintain a diversified portfolio of investments so as to minimise risk.

As at year end, the overall market exposures were as follows:

	2011		2010	
	Fair value US\$	% of net assets	Fair value US\$	% of net assets
Held for trading:				
– Listed equities	10,671,056	96.83	10,082,000	97.48
	10,671,056	96.83	10,082,000	97.48

The following table shows the market exposure the Fund has to various markets:

	2011 US\$ Equivalents	2010 US\$ Equivalents
Markets exposed to		
China	6,614,487	5,200,919
Hong Kong	3,701,490	4,757,627
Japan	160,557	–
Singapore	31,763	28,118
USA	162,759	95,336
	10,671,056	10,082,000

The market exposure to country is based on the place of domiciles of the security.

4. Financial risk management (continued)

(b) Market price risk (continued)

The exposure to sectors at 30 June 2011 and 2010 are as follows:

	2011 % of net assets	2010 % of net assets
Sectors exposed to		
Consumer Discretionary	16.65	19.81
Consumer Staples	16.31	20.05
Energy	9.50	5.57
Financials	14.64	17.46
Health Care	3.50	3.96
Industrials	6.50	7.74
Information Technology	4.06	6.18
Materials	4.71	1.61
Telecommunication Services	8.94	6.69
Utilities	12.02	8.41
	96.83	97.48

There are no individual investments with market value exceeding 10% of the Fund's net asset value at 30 June 2011 and 30 June 2010.

The table below summarises the impact on the net assets attributable to unitholders, as at 30 June 2011 and 2010, of a reasonable possible change in the benchmark market index as applied to the respective beta reported by Lipper.

The reasonable possible change in the benchmark market index has been determined by using the last five years annualised benchmark returns.

The performance of the Fund does not necessarily follow the benchmark and the holdings might be different to the benchmark. The below sensitivity analysis is a relative estimate of risk. Please note that past performance should not be used as a guide to future performance as future market conditions could vary significantly from those experienced in the past.

	2011		2010	
	Change in market index %	Impact US\$	Change in market index %	Impact US\$
	+/-	+/-	+/-	+/-
MSCI China Free Index (Total return)	15.80%	1,450,304	21.07%	1,826,582

(c) Interest rate risk

Interest rate risk is the risk that the value or cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The majority of the Fund's financial assets and liabilities are non-interest bearing, as a result, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short term market interest rates.

The Fund had bank balances of US\$406,701 (2010: US\$247,437) at year end, and is therefore exposed to minimal interest rate risk on these bank balances.

(d) Credit and custody risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to pay amounts in full when due. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency, negligence or fraudulent action of the custodian or of a sub-custodian.

The Fund's financial assets which are potentially subject to concentrations of credit risk consist principally of bank deposits and assets held with the custodian. The table below summarises the assets placed with the bank and custodian at 30 June 2011 and 2010.

New ERA PRC Fund

Notes to the Financial Statements (continued)

as at 30 June 2011

4. Financial risk management (continued)

(d) Credit and custody risk (continued)

At 30 June 2011

	US\$	Credit rating	Source of credit rating
Custodian – custody risk			
HSBC Institutional Trust Services (Asia) Limited	10,671,056	AA	Fitch
Bank – credit risk			
The Hongkong and Shanghai Banking Corporation Limited	406,701	AA	Fitch

At 30 June 2010

	US\$	Credit rating	Source of credit rating
Custodian – custody risk			
HSBC Institutional Trust Services (Asia) Limited	10,082,000	AA	Fitch
Bank – credit risk			
The Hongkong and Shanghai Banking Corporation Limited	247,437	AA	Fitch

All transactions in listed/quoted investments are settled/paid for upon delivery using approved and reputable brokers. The risk of default is considered minimal since delivery of securities sold is only made when the broker has received payment. Payment is made on a purchase when the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The Fund limits its exposure to credit risk by transacting the majority of its securities and contractual commitment activities with broker-dealers, banks and regulated exchanges with high credit ratings and that the Fund considers to be well established.

The maximum exposure to credit risk at year end is the carrying amount of the financial assets as shown on the statement of net assets.

None of the assets is impaired nor past due but not impaired.

(e) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in settling a liability, including a redemption request.

The Fund is exposed to daily cash redemptions of units in the Fund. The Fund invests the majority of its assets in investments that are traded in an active market and can be readily disposed of. Please refer to note 3 for restrictions on unit redemption and note 7 for uncommitted bank overdraft and foreign exchange facilities.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the year end date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month US\$	1-3 months US\$	Over 3 months US\$
At 30 June 2011			
Amounts payable on redemption	–	–	1,451
Amounts payable to brokers	58,256	–	–
Accounts payable and accrued expenses	15,867	32,100	1,313
Total financial liabilities	74,123	32,100	2,764

	Less than 1 month US\$	1-3 months US\$	Over 3 months US\$
At 30 June 2010			
Amounts payable on redemption	1,451	–	–
Derivative financial instruments	7,147	–	–
Accounts payable and accrued expenses	14,389	29,100	431
Total financial liabilities	22,987	29,100	431

4. Financial risk management (continued)

(e) Liquidity risk (continued)

Units are redeemed on demand at the holder's option. As at 30 June 2011, there was 1 (2010: 1) unitholder holding over 10% of the Fund's net assets. Based on historical levels of activity, the Fund on average has outflows relating to the redemption of units of US\$78,000 per month.

The Fund manages its liquidity risk by investing predominantly in securities that it expects to be able to liquidate within 1 month or less. The following table illustrates the expected liquidity of assets held:

	Less than		More than
	1 month	1-3 months	3 months
	US\$	US\$	US\$
At 30 June 2011			
Investments	10,671,056	-	-
Amounts receivable from brokers	2,669	-	-
Dividend receivable and other receivables	48,305	1,064	-
Cash at banks	406,701	-	-
Total assets	11,128,731	1,064	-

	Less than		More than
	1 month	1-3 months	3 months
	US\$	US\$	US\$
At 30 June 2010			
Investments	10,082,000	-	-
Amounts receivable from brokers	20,502	-	-
Derivative financial instruments	7,144	-	-
Dividend receivable and other receivable	31,839	6,313	-
Cash at banks	247,437	-	-
Total assets	10,388,922	6,313	-

(f) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The Fund has assets and liabilities denominated in currencies other than United States dollar, the Fund's functional and presentation currency. The Fund is therefore exposed to currency risk, as the value of the monetary assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates.

The table below summarises the Fund's net exposure to different major currencies:

	2011		2010	
	Monetary US\$	Non- monetary US\$	Monetary US\$	Non- monetary US\$
Hong Kong dollar	37,123	9,816,977	23,533	9,331,117
Japanese yen	1,064	160,557	-	-
Renminbi	-	-	26,533	-
Singapore dollar	1,114	31,763	-	28,118

The table below summarises the impact on net assets attributable to unitholders as a result of increases/decreases of key exchange rates on the exposures tabled above, to which the Fund is exposed. The analysis is based on the assumption that the exchange rates had increased/decreased by the respective percentage with all other variables held constant.

	2011			2010		
	Change	Impact		Change	Impact	
		Monetary US\$	Non- monetary US\$		Monetary US\$	Non- monetary US\$
	+/-	+/-	+/-	+/-	+/-	+/-
Japanese yen	5.0%	53	8,028	5.0%	-	-
Renminbi	5.0%	-	-	5.0%	1,327	-
Singapore dollar	5.0%	56	1,588	5.0%	-	1,406

The Manager has used their view of what would be a "reasonable possible shift" in the exchange rates to estimate the change for use in the currency risk sensitivity analysis above.

Disclosures above are shown in absolute terms, changes and impacts could be positive or negative. Changes in exchange rates % are revised annually depending on the Manager's current view of exchange rates volatility and other relevant factors.

New ERA PRC Fund

Notes to the Financial Statements (continued)

as at 30 June 2011

4. Financial risk management (continued)

(g) Fair value estimation

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the year end date. The quoted market price used for financial assets held by the Fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

HKFRS 7 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Fund's investments (by class) measured at fair value:

At 30 June 2011

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Assets				
Held for trading				
– Equities	10,671,056	–	–	10,671,056
Total assets	10,671,056	–	–	10,671,056
Liabilities				
Held for trading				
– Derivatives	–	–	–	–
Total liabilities	–	–	–	–

At 30 June 2010

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Assets				
Held for trading				
– Equities	10,082,000	–	–	10,082,000
Total assets	10,082,000	–	–	10,082,000
Liabilities				
Held for trading				
– Derivatives	–	3	–	3
Total liabilities	–	3	–	3

4. Financial risk management (continued)

(g) Fair value estimation (continued)

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include forward foreign exchange contracts. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As of 30 June 2011 and 2010, the Fund did not hold any investments classified in level 3.

(h) Capital risk management

The capital of the Fund is represented by the net assets attributable to unitholders. The amount of net assets attributable to unitholders can change significantly as the Fund is subject to subscriptions and redemptions every day at the discretion of unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

In order to maintain or adjust the capital structure, the Fund's policy is to perform the following:

- monitor the level of subscriptions and redemptions relative to the liquid assets; and
- redeem and issue units in accordance with the trust deed of the Fund.

The Manager monitors capital on the basis of the value of net assets attributable to unitholders.

5. Net gains on investments

	2011 US\$	2010 US\$
Change in unrealised gains/losses		
in value of investments	531,637	1,528,387
Realised gains on sale		
of investments	1,102,985	1,164,489
	1,634,622	2,692,876

6. Derivative financial instruments

The details of outstanding forward foreign exchange contracts as at year end for the Fund were as follows:

At 30 June 2011

Contract to deliver	In exchange for	Settlement date	Fair value US\$
Nil	–	–	–

At 30 June 2010

Contract to deliver	In exchange for	Settlement date	Fair value US\$
USD55,643	USD7,144	02-Jul-10	(3)

7. Uncommitted bank overdraft and foreign exchange facilities

The Fund had arranged uncommitted overdraft and foreign exchange facilities with The Bank of Bermuda Limited, Hong Kong Branch (the "Branch"). On 15 October 2004, the Branch transferred the arrangement to The Hongkong and Shanghai Banking Corporation Limited ("HSBC"), the Trustee, under the Transfer of Facility and Security Agreement ("Transfer Agreement"). The overdraft facility limit is the lesser of US\$6,000,000 or 25% of the net asset value of the Fund. The foreign exchange facility limit is the lesser of US\$3,600,000 or 15% of the net asset value of the Fund. The overdraft balance shall bear interest at 0.5% above HSBC's best lending rate for United States Dollars and 2.6% below HSBC's best lending rate for Hong Kong Dollars. The terms under the Transfer Agreement are subject to renewal on an annual basis.

New ERA PRC Fund

Notes to the Financial Statements (continued)

as at 30 June 2011

7. Uncommitted bank overdraft and foreign exchange facilities (continued)

To secure these two facilities, the Fund has granted HSBC a charge over all present and future investments of the Fund. The Fund will not during the subsistence of the investment without the written consent of HSBC create or attempt to create or permit to subsist any encumbrance in or affecting the investment which may prejudice, diminish or affect the investment provided by the Security Deed and the Transfer Agreement. The Fund has utilised both facilities during the year. As at 30 June 2011, there was no outstanding payable under the overdraft facility (2010: Nil). There was no outstanding payable under the foreign exchange facility as at 30 June 2011 (2010: Nil).

8. Taxation

- (a) No provision for Hong Kong profits tax has been made for the Fund as interest income, dividend income and realised gains on sale of investments are excluded from the charge to profit tax under sections 14, 26 or 26A of the Inland Revenue Ordinance.
- (b) The Fund invests in shares of companies in People's Republic of China ("PRC") listed on the Hong Kong Stock Exchange ("H-shares"). Under the PRC Corporate Income Tax Law, the Fund may be liable to pay PRC tax on the capital gains realised in the trading of H-shares. However, no provision was made for taxation from such gains in the financial statements as the Trustee and Manager believe that the Fund can sustain a position for not filing a tax return based on the existing tax regulations and that the enforcement of China tax on capital gains is not probable.

- (c) The Fund invests in B-shares of companies listed in the PRC. Under current PRC tax laws, gains derived from the transfer of shares of Chinese companies by non-residents should be subject to a withholding tax of 10%, unless exempt under relevant tax treaties. The State Administration of Taxation ("SAT") has remained silent on the application of the withholding tax for capital gains and until further clarification is issued by the SAT, the Manager considers that there is significant uncertainty in respect of whether the Fund has any liability and the extent of such liability. In making the assessment, the Manager has considered (a) the current position of the SAT, (b) absence of a withholding mechanism of the relevant tax, and (c) current market practice. Based on assumptions that the withholding tax, if levied, is at 10% of the gross gain, the maximum liability the Fund may be exposed is US\$101,594 (2010: US\$78,304), calculated based on the realised gain and unrealised gain from all investments in B-shares up to 30 June 2011. The Manager has assessed the risk for the Fund to be liable for such tax and considers such risk to be low as at 30 June 2011, and therefore no provision has been made.
- (d) Withholding tax was charged on certain dividend income received during the year.

9. Transactions with connected persons/related parties

The following is a summary of the transactions entered into during the year between the Fund and its related parties including the Trustee, the Manager and its connected persons. Connected persons of the Manager are those defined in the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong. Transactions disclosed below do not constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. All such transactions were entered into in the ordinary course of business and on normal commercial terms.

(a) Management fee

The Manager is entitled to receive in arrears a monthly management fee from the Fund, accrued on and calculated at each dealing day at the rate of 1.5% per annum of the net asset value of the Fund. The Manager may increase the rate of management fee payable in respect of the Fund up to 2.25% per annum by giving not less than three months' written notice to the Trustee and the unitholders.

9. Transactions with connected persons/related parties (continued)

(a) Management fee (continued)

For the year ended 30 June 2011, a management fee of US\$165,695 (2010: US\$153,083) was incurred by the Fund, of which US\$13,369 (2010: US\$12,594) remained payable at 30 June 2011.

(b) Trustee's fee

The Trustee is entitled to receive in arrears a monthly trustee fee from the Fund, accrued on and calculated at each dealing day at the rate of 0.05% per annum of the net asset value of the Fund. The Manager may increase the rate of trustee fee payable in respect of the Fund up to 1% per annum by giving not less than three months' written notice to the Manager and the unitholders. For the year ended 30 June 2011, a trustee fee of US\$5,523 (2010: US\$5,103) was incurred by the Fund, of which US\$446 (2010: US\$420) remained payable at 30 June 2011.

(c) Administration fee

The Trustee is also entitled to receive in arrears a monthly administration fee from the Fund, accrued on and calculated at each dealing day at the rate of 0.1% per annum of the net asset value of the Fund, subject to a minimum fee of US\$1,000 per month. For the year ended 30 June 2011, an administration fee of US\$12,000 (2010: US\$12,000) was incurred by the Fund, of which US\$1,000 (2010: US\$1,000) remained payable at 30 June 2011.

(d) Subscription charge

The Manager is entitled to a preliminary charge of 2% relating to unit subscriptions in the Fund. For the year ended 30 June 2011, no subscription charge has been levied by the Manager as no units had been issued (2010: Nil).

10. Soft commission arrangements

The Manager and its connected persons have not entered into any soft commission arrangements relating to dealing in the assets of the Fund during the year (2010: Nil).

11. Distributions

No distribution was made during the year (2010: Nil).

12. Total comprehensive income per unit

The total comprehensive income per unit was calculated based on the total comprehensive income for the year of US\$1,617,348 (2010: US\$2,652,491) and the weighted average number of units for the year of 145,076.21 (2010: 161,491.42).

13. Segment information

The Manager makes the strategic resource allocations on behalf of the Fund. The Fund has determined the operating segments based on the reports reviewed by the Manager, which are used to make strategic decisions.

The Manager is responsible for the Fund's entire portfolio and considers the business to have a single operating segment. The Manager's asset allocation decisions are based on a single, integrated investment strategy and the Fund's performance is evaluated on an overall basis.

The Fund trades in the listed shares in Hong Kong, Mainland China, and other financial markets with the objective to provide investors with capital growth over the medium to long term.

The internal reporting provided to the Manager for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of HKFRS, except for the adjustment from bid market prices to last traded market prices as disclosed in note 3.

There were no changes in the reportable segments during the year.

The Fund is domiciled in Hong Kong. All of the Fund's income is from investments in entities listed in Hong Kong, Mainland China and other financial markets.

The Fund has no assets classified as non-current assets. The Fund has a diversified portfolio of investments and no single investment accounts for more than 10% of the Fund's income.

The Fund also has a diversified unitholder population. However, as at 30 June 2011 and 30 June 2010 there was 1 unitholder who held more than 10% of the Fund's net assets.

14. Approval of the financial statements

The financial statements were approved by the Trustee and the Manager on 17 October 2011.

New ERA PRC Fund

Investment Portfolio (Unaudited)

as at 30 June 2011

	Holdings as at 30.6.2011	Market value US\$	% of net asset value
Listed investments – equities (96.83%)			
<i>Listed on the Stock Exchange of Hong Kong (82.25%)</i>			
Anhui Expressway Co Ltd – H	130,000	112,413	1.02
ASM Pacific Technology	5,400	73,893	0.67
Bank Of China Ltd – H	229,908	111,957	1.02
Beijing Enterprises Holdings Ltd	15,000	77,766	0.71
Beijing Jingkelong Supermarket Chain Group Co Ltd	171,000	219,713	1.99
Belle International Holdings Ltd	159,000	332,182	3.01
Boer Power Holdings Ltd	58,000	52,240	0.47
Chen Hsong Holdings Ltd	114,000	58,297	0.53
China Bluechemical Ltd – H	220,000	181,758	1.65
China Communications Services Corp Ltd – H	653,362	384,483	3.49
China Construction Bank Co Ltd – H	476,181	394,630	3.58
China Foods Ltd	92,000	75,771	0.69
China Mengniu Dairy Co Ltd	71,000	238,555	2.16
China Merchants Bank Co Ltd – H	153,947	372,263	3.38
China Merchants Holdings International Co Ltd	42,305	162,797	1.48
China Mobile Ltd	18,000	166,403	1.51
China Oilfield Services Ltd	240,000	437,266	3.97
China Resources Enterprise Ltd	82,667	335,112	3.04
China Resources Gas Group Ltd	120,000	166,827	1.51
China Resources Land Ltd	74,000	133,112	1.21
China Resources Power Holdings Co Ltd	227,700	441,187	4.00
China Shanshui Cement Group Co Ltd	198,000	226,165	2.05
China Taiping Insurance Holdings Co Ltd	136,000	305,799	2.77
China Telecom Corp Ltd – H	672,000	434,306	3.94
CIMC Enric Holdings Ltd	75,000	26,500	0.24
CNOOC Ltd	250,000	583,330	5.29
Dongfeng Motor Group Co Ltd – H	62,000	116,784	1.06
ENN Energy Holdings Ltd (formerly known as Xinao Gas Holdings Ltd)	158,000	531,884	4.83
Glorious Sun Enterprises Ltd	73,900	27,821	0.25
Haitian International Holdings	70,000	90,660	0.82
Hengan International Group Co Ltd	24,500	218,624	1.98
Hong Kong & China Gas	66,770	151,335	1.37
Hopewell Highway Infrastructure Ltd	143,400	93,231	0.85
Hopewell Holdings Ltd	22,000	68,972	0.63
Kingboard Chemical Holdings Ltd	18,400	84,637	0.77
Lee & Man Paper Manufacturing Ltd	184,000	111,352	1.01
Lenovo Group Ltd	80,000	45,433	0.41
Li & Fung Ltd	27,780	55,325	0.50
Li Ning Co Ltd	129,500	223,296	2.03
Little Sheep Group Ltd	82,000	65,639	0.60
Luk Fook Holdings International Ltd	42,000	203,176	1.84

	Holdings as at 30.6.2011	Market value US\$	% of net asset value
Mint Group Ltd	174,000	281,695	2.56
Pacific Textiles Holdings Ltd	90,000	59,901	0.54
Ping An Insurance (Group) Co Of China Ltd – H	5,500	56,640	0.51
Ports Design Ltd	28,500	67,305	0.61
Tencent Holdings Ltd	6,400	172,851	1.57
Texwinca Holdings Ltd	32,000	37,456	0.34
Tingyi (Cayman) Holding Corp	16,000	49,339	0.45
Towngas China Co Ltd	61,000	32,526	0.30
Yue Yuen Industrial Holdings Ltd	36,000	114,251	1.04
		9,064,858	82.25
<i>Listed on the Stock Exchange of Japan (1.46%)</i>			
Asahi Group Holdings Ltd	8,000	160,557	1.46
<i>Listed on the Stock Exchange of Shenzhen, People's Republic of China (6.82%)</i>			
China Vanke Co Ltd – B	153,718	206,593	1.87
Shenzhen Accord Pharmaceutical Co Ltd – B	16,600	45,196	0.41
Yantai Changyu Pioneer Wine Co – B	44,728	500,330	4.54
		752,119	6.82
<i>Listed on the Stock Exchange of Singapore (0.29%)</i>			
Capitair China Trust	32,000	31,763	0.29
<i>Listed on the Stock Exchange of New York, U.S.A. (6.01%)</i>			
Asiainfo-Linkage Inc	4,277	70,785	0.65
Home Inns & Hotels Management Inc	2,300	87,400	0.79
Mindray Medical International Ltd – ADR	9,206	258,044	2.34
Wuxi Pharmatech Cayman Inc	4,719	82,771	0.75
Yum! Brands Inc Com	2,948	162,759	1.48
		661,759	6.01
Total listed investments – equities		10,671,056	96.83
Other assets		349,752	3.17
Net assets as at 30 June 2011		11,020,808	100.00
Total listed investments – equities, at cost		7,716,865	

New ERA PRC Fund

Statement of Movements in Portfolio Holdings (Unaudited)

For the year ended 30 June 2011

	Portfolio holdings		Bonus/ Split		Portfolio holdings		Bonus/ Split
	Additions	Disposals			Additions	Disposals	
Equities							
<i>Listed on the Stock Exchange of Hong Kong</i>							
Anhui Expressway Co Ltd – H	–	10,000	–	Hopewell Highway Infrastructure Ltd	–	85,000	–
ASM Pacific Technology	800	3,200	–	IDS Group	–	34,000	–
Bank Of China Ltd – H	229,908	–	–	Kerry Properties Ltd	–	15,500	–
Bank Of China Ltd – H Nil Paid Rts 03/12/2010	–	20,900	20,900	Kingboard Chemical Holdings Ltd	–	14,000	–
Beijing Enterprises Holdings Ltd	–	500	–	Kingboard Chemical Holdings Ltd Call Wts 31/10/2012	–	3,940	–
Beijing Jingkelong Supermarket Chain Group Co Ltd	138,000	–	–	Lee & Man Paper Manufacturing Ltd	184,000	–	–
Belle International Holdings Ltd	15,000	52,000	–	Lenovo Group Ltd	–	226,000	–
Boer Power Holdings Ltd	58,000	–	–	Li & Fung Ltd	47,670	19,890	–
Café De Coral Holdings Ltd	–	44,000	–	Li & Fund Ltd New	27,780	27,780	–
Chen Hsong Holdings Ltd	–	44,000	–	Luk Fook Holdings International Ltd	–	32,000	–
China Bluechemical Ltd – H	–	78,000	–	Minth Group Ltd	–	14,000	–
China Communications Services Corp Ltd – H	34,000	18,000	–	Pacific Textiles Holdings Ltd	22,000	–	–
China Construction Bank Co Ltd – H	98,181	–	–	Ping An Insurance (Group) Co Of China Ltd – H	–	13,000	–
China Construction Bank Co Ltd – H Nil Paid Rts 08/12/2010	–	31,150	31,150	Ports Design Ltd	–	23,500	–
China Foods Ltd	–	92,000	–	Shangri-La Asia Limited	–	78,000	–
China Mengniu Dairy Co Ltd	–	22,000	–	Tencent Holdings Ltd	–	2,600	–
China Merchants Bank Co Ltd – H	27,500	–	–	Texwinca Holdings Ltd	32,000	–	–
China Merchants Holdings International Co Ltd	30,305	2,000	–	Tingyi (Cayman) Holding Corp	–	26,000	–
China Mobile Ltd	18,000	–	–	Towngas China Co Ltd	61,000	–	–
China Oilfield Services Ltd	90,000	6,000	–	Want Want China Holdings Ltd	–	88,000	–
China Resources Enterprise Ltd	6,000	38,000	–	Yue Yuen Industrial Holdings Ltd	5,500	5,500	–
China Resources Gas Group Ltd	120,000	–	–	<i>Listed on the Stock Exchange of Japan</i>			
China Resources Land Ltd	8,000	22,000	–	Asahi Group Holdings Ltd	8,000	–	–
China Resources Power Holdings Co Ltd	50,000	–	–	<i>Listed on the Stock Exchange of Shenzhen, People's Republic of China</i>			
China Shanshui Cement Group Co Ltd	238,000	40,000	–	China International Marine Container Group Co Ltd – B	–	109,900	–
China Shipping Development Co Ltd – H	–	56,500	–	China Vanke Co Ltd – B	–	111,400	–
China Taiping Insurance Holdings Co Ltd	8,000	–	–	Shenzhen Accord Pharmaceutical Co Ltd – B	–	5,400	–
China Telecom Corp Ltd – H	–	118,000	–	Yantai Changyu Pioneer Wine Co – B	–	16,110	–
CIMC Enric Holdings Ltd	–	14,000	–	<i>Listed on the Stock Exchange of Singapore</i>			
CNOOC Ltd	30,000	8,000	–	Capitaretail China Trust	96,000	96,000	–
Dongfeng Motor Group Co Ltd – H	–	18,000	–	Global Logistic Properties Ltd	78,000	78,000	–
ENN Energy Holdings Ltd (formerly known as Xinao Gas Holdings Ltd)	14,000	8,000	–	<i>Listed on the Stock Exchange of New York, USA</i>			
Global Bio-Chem Technology Group Co Ltd	75,200	263,200	–	Asiainfo-Linkage Inc	4,277	–	–
Global Bio-Chem Technology Group Co Ltd Nil Paid Rts 13/07/2010	–	75,200	–	E Commerce China Dangdang Inc – ADR	120	120	–
Glorious Sun Enterprises Ltd	–	34,000	–	Home Inns & Hotels Management Inc	2,300	–	–
Greatview Aseptic Packaging Co Ltd	10,000	10,000	–	Mindray Medical International Ltd – ADR	–	2,235	–
GZI Real Estate Investment Trust	–	51,000	–	Netease.com Inc – ADR	–	1,300	–
Haitian International Holdings	–	75,000	–	New Oriental Education & Technology Group Com	–	1,603	–
Harbin Power Equipment Company Ltd – H	42,000	42,000	–	Perfect World Co Ltd – ADR	1,600	3,200	–
Hengan International Group Co Ltd	–	27,500	–	Sina Corp Com	–	1,200	–
Hong Kong & China Gas	9,000	–	6,070	Tai Education Group – ADR	1,351	1,351	–
				Wuxi Pharmatech Cayman Inc	4,719	–	–
				Xueda Education Group – ADR	758	758	–
				Yum! Brands Inc Com	1,643	1,137	–

New ERA PRC Fund General Information for the year ended 30 June 2011

<i>Manager</i>	First State Investments (Hong Kong) Limited 6th Floor, Three Exchange Square 8 Connaught Place Central Hong Kong
<i>Directors of the Manager</i>	Chris Turpin (appointed on 20 May 2011) Lau Kwok Kit Martin (resigned on 1 December 2010) Michael Stapleton Robert Keith James
<i>Trustee and Registrar</i>	HSBC Institutional Trust Services (Asia) Limited 1 Queen's Road Central Hong Kong
<i>Auditor</i>	PricewaterhouseCoopers 22nd Floor, Prince's Building Central Hong Kong
<i>Legal Advisor to the Manager</i>	Deacons Alexandra House 5th Floor 18 Charter Road Central Hong Kong

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