

**iSHARES MSCI CHINA TRACKER  
iSHARES FTSE/XINHUA A50 CHINA TRACKER AND  
iSHARES BSE SENSEX INDIA TRACKER  
(SUB-FUNDS OF iSHARES ASIA TRUST)**

**SEMI-ANNUAL REPORT**

FOR THE PERIOD ENDED 30TH JUNE 2008



# **iSHARES MSCI CHINA TRACKER**

# **iSHARES FTSE/XINHUA A50 CHINA TRACKER**

# **AND iSHARES BSE SENSEX INDIA TRACKER**

(Sub-Funds of iShares Asia Trust)

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# iSHARES ASIA TRUST

## » Letter to the Unitholders

Dear Unitholders:

We are pleased to present the semi-annual report and financial statements for the iShares Asia Trust (the “Trust”) for the six month period ending 30 June 2008 (the “Period”). This report contains information about the performance of the iShares MSCI China Tracker (the “MSCI China Tracker”), the iShares FTSE/Xinhua A50 China Tracker (the “A50 China Tracker”) and the iShares BSE SENSEX India Tracker (the “SENSEX India Tracker”), the three sub-funds established under the Trust, the portfolio manager’s discussion and analysis, as well as other important financial information.

The MSCI China Tracker, investing primarily in red chips and H-share companies listed in Hong Kong, first traded on the Stock Exchange of Hong Kong (“SEHK”) on 28 November 2001. The MSCI China tracker provides an efficient platform for investing into Hong Kong listed Chinese companies. Assets under management (“AUM”) stood at HKD1.42 billion at the end of June 2008.

The A50 China Tracker which invests in access products linked to the Chinese A-shares was first traded on the SEHK on 18 November 2004. At the end of June 2008, its AUM stood at HKD 24.66 billion, remaining the largest exchange traded fund outside of China which provides exposure to the Chinese domestic A-share market. The A50 China Tracker is consistently the top 10 most heavily traded stocks on the Hong Kong Stock Exchange.

The SENSEX India Tracker provides investors access to the Indian stock market by investing in access products linked to the shares of the 30 largest companies listed on the Bombay Stock Exchange. The fund was first traded on the SEHK on 2 November 2006. At the end of June 2008, its AUM reached HKD 1.44 billion.

The three funds are structured as open-ended exchange traded funds. Like a stock, iShares ETFs are flexible and easy to use as they can be bought and sold during regular trading hours. Like a mutual fund, iShares ETFs invest in a basket of securities that allow investors to achieve instant diversification but also enjoy the unique advantages of an index fund such as its cost-effectiveness and access to various markets and asset classes.

In a volatile market environment, iShares ETFs are excellent investment tools for portfolio risk management. They are powerful building blocks of an investment portfolio, which can be used as core holdings as well as specific allocations to implement a long term strategic view or a short-term tactical market view. In either case, iShares ETF allow investors the ability to precisely express their investment views.

Thank you for your support and confidence in the Trust and we look forward to building on its success in the years to come.

Sincerely,



**Mark Talbot**

Chief Executive Officer

Barclays Global Investors North Asia Limited

# REPORT OF THE MANAGER TO THE UNITHOLDERS

## » iShares MSCI China Tracker

(A Sub-Fund of iShares Asia Trust)

### Introduction

The iShares MSCI China Tracker (the “MSCI China Tracker”), a sub-fund of the iShares Asia Trust (the “Trust”), was launched on 23 November 2001 and commenced trading under the stock code 2801 on the Stock Exchange of Hong Kong (the “SEHK”) on 28 November 2001. The MSCI China Tracker is a Hong Kong unit trust authorized under the Securities and Futures Ordinance (Cap. 571) of Hong Kong. The MSCI China Tracker is benchmarked against the MSCI China Index. The Manager of the MSCI China Tracker is Barclays Global Investors North Asia Limited (the “Manager”) and the trustee is HSBC Institutional Trust Services (Asia) Limited (the “Trustee”).

### Fund Performance

The MSCI China Tracker seeks to provide investment results, before fees and taxes, that closely correspond to the performance of the MSCI China Index. As of 30 June 2008, the Net Asset Value (“NAV”) per unit of the MSCI China Tracker was at HKD21.07 with a total of 67,200,000 units outstanding, aggregating a total assets under management (“AUM”) size of HKD1,415,925,388.

A summary of the performance of the MSCI China Tracker<sup>f</sup> is given below.

TOTAL RETURN <sup>a</sup> IN HKD (AS OF 30 JUNE 2008)	3-MONTH	1-YEAR	3-YEAR	5-YEAR	SINCE INCEPTION <sup>e</sup>
MSCI China Index <sup>b</sup>	-3.28%	0.46%	155.64%	334.23%	349.35%
MSCI China <sup>c</sup> Tracker NAV-to-NAV	-3.26%	0.20%	143.38%	296.22%	301.94%
MSCI China Tracker Market-to-Market (MKT) <sup>d</sup>	-2.32%	-0.55%	137.40%	278.12%	282.73%

The MSCI China Tracker consists of H-shares and red chips which are China related stocks listed in Hong Kong. The Manager applied a Representative Sampling Strategy and held 83 stocks versus 101 constituents in the MSCI China Index as of 30 June 2008. The difference in performance between the MSCI China Index and the MSCI China Tracker is mainly attributed to fees, expenses and security misweights.

<sup>a</sup> Total returns represent the rate that an investor would have earned (or lost) on an investment, assuming reinvestment of all dividends and distributions.

<sup>b</sup> An investor cannot invest directly in an index and the index performance returns do not reflect management fees, transaction costs or other expenses, which would reduce performance returns.

<sup>c</sup> Units in the Fund are issued and redeemed at their NAV in exchange for a basket of securities representing the Index. Therefore, the Fund does not publish a bid price and the Fund's returns have been calculated from NAVs.

<sup>d</sup> Market returns are calculated using historical market closing prices (when NAV is normally determined for the Fund), and do not represent the returns you would receive if you traded units at other times.

<sup>e</sup> Fund inception date is 28 November 2001.

<sup>f</sup> Past performance figures shown are not indicative of the future performance of the Fund.



## Fund Activities

The average daily trading volume for the MSCI China Tracker during the Period was reported by Bloomberg to be approximately 540,782 units. At the end of the Period, the fund comprised of 67, 200,000 outstanding units.

## Index Activities

The MSCI China Index underwent two regular reviews during the Period.

## » **iShares FTSE/Xinhua A50 China Tracker** (A Sub-Fund of iShares Asia Trust)

### Introduction

The iShares FTSE/Xinhua A50 China Tracker (the “A50 China Tracker”), a sub-fund of the iShares Asia Trust (the “Trust”), was launched on 15 November 2004 and commenced trading under the stock code 2823 on the SEHK on 18 November 2004. The A50 China Tracker is a Hong Kong unit trust authorized under the Securities and Futures Ordinance (Cap. 571) of Hong Kong. The A50 China Tracker is benchmarked against the FTSE/Xinhua China A50 Index (the “A50 Index”). The Manager of the A50 China Tracker is Barclays Global Investors North Asia Limited (the “Manager”) and HSBC Institutional Trust Services (Asia) Limited is the Trustee.

Any adverse change in taxation imposed on QFIs might have a subsequent impact on the net asset value of the A50 China Tracker through the CAAPs and arrangements with the participating dealers, notwithstanding the fact that the Fund does not hold A Shares directly, because the terms of the CAAPs provide that CAAP returns may take into account any such tax liabilities. Under current PRC law a 10% tax may be payable on the gains derived from the sale of A shares by QFIs. The PRC State Administration of Taxation (the “SAT”) has not collected and has not evinced an intent to collect the tax that may apply to sales of A Shares held by QFIs under PRC law. In light of on-going market reports that the SAT might levy an income tax on QFIs, the Manager has continued to assess the likelihood and materiality of such a change. The Manager has considered (i) the current position of the SAT and PRC income tax on QFIs, (ii) the possible implications for the A50 China Tracker should an income tax ruling for QFIs be enacted in the PRC, (iii) the independent advice of tax and legal counsel and (iv) current market practice. Accordingly the Manager has concluded as follows.

The Manager believes that there are insufficient grounds to reasonably justify making an adjustment to the A50 China Tracker’s financial statements at the present time for any tax exposure which might arise if income tax was to be levied on QFIs. Please refer to the Notes to the Financial Statements for further detail. The Manager continues to monitor the situation actively and will make an appropriate adjustment if and when it is considered that there are sufficient grounds so to do. Should tax apply, the A50 China Tracker could be exposed to a charge in respect of deferred tax relating to gains that were uncrystallized as at the date of this report. Any charge with respect to deferred tax can only be determined when the underlying gains are crystallized and as such, any current estimate can only be calculated based on the market value of the portfolio as at the time of that estimate. The Trustee estimates there were no uncrystallized gains as at 30 June 2008. Should retrospective tax be applied, the A50 China Tracker might be exposed to a charge relating to crystallised gains on the QFI’s holdings from 18 November 2004 (date of inception) to the period ended 30 June 2008. The Manager estimates, on the basis of information provided by the relevant QFIs, the crystallized gains as at 30 June 2008 to be HKD11,959 million. The payment of any charge is at all times subject to the Manager’s duty to act in the best interests of the Fund and its unitholders.

## Fund Performance

The A50 China Tracker seeks to provide investment results, before fees and taxes, that closely correspond to the performance of the A50 Index. As of 30 June 2008, the NAV per unit of the A50 China Tracker was HKD13.35 with a total of 1,848,000,000 units outstanding, aggregating a total assets under management (“AUM”) size of HKD24,662,390,795.

A summary of the performance of the A50 China Tracker<sup>f</sup> is given below.

TOTAL RETURN <sup>a</sup> IN HKD (AS OF 30 JUNE 2008)	3-MONTH	1-YEAR	3-YEAR	5-YEAR	SINCE INCEPTION <sup>e</sup>
FTSE/XINHUA CHINA A50 INDEX <sup>b</sup>	-22.12%	-18.55%	243.71%	n/a	202.25%
A50 CHINA TRACKER NAV-TO-NAV <sup>c</sup>	-22.43%	-20.25%	248.06%	n/a	203.27%
A50 CHINA TRACKER MARKET-TO-MARKET <sup>d</sup>	-19.46%	-13.93%	255.56%	n/a	222.87%

The A50 China Tracker consists of the Chinese A Share Access Products (CAAPs), that reflect investment performance of the top 50 domestic Chinese A-share stocks listed in mainland China. The difference in performance between the FTSE/XINHUA China A50 index and the A50 China Tracker is mainly attributed to fees and expenses.

## Fund Activities

The trading volume for the A50 China Tracker reflects continued interest in the domestic A-Share markets from investors. The average daily trading volume for the A50 China Tracker during the Period was reported by Bloomberg to be approximately 57,443,661 units. This liquidity often places A50 China Tracker in the top 10 most heavily traded stocks on the Hong Kong Stock Exchange. At the end of the Period, there were 1,848 million units outstanding.

## Index Activities

The A50 Index underwent two regular quarterly reviews during the Period. As of 30 June 2008, the A50 fund had exposure to all 50 index constituents indirectly.

<sup>a</sup> Total returns represent the rate that an investor would have earned (or lost) on an investment, assuming reinvestment of all dividends and distributions.

<sup>b</sup> An investor cannot invest directly in an index and the index performance returns do not reflect management fees, transaction costs or other expenses, which would reduce performance returns.

<sup>c</sup> Units in the Fund are issued and redeemed at their NAV in exchange for a basket of securities representing the Index. Therefore, the Fund does not publish a bid price and the Fund's returns have been calculated from NAVs.

<sup>d</sup> Market returns are calculated using historical market closing prices (when NAV is normally determined for the Fund), and do not represent the returns you would receive if you traded units at other times.

<sup>e</sup> Fund inception date is 18 November 2004.

<sup>f</sup> Past performance figures shown are not indicative of the future performance of the Fund.

## » iShares BSE SENSEX India Tracker (A Sub-Fund of iShares Asia Trust)

### Introduction

The iShares BSE SENSEX India Tracker (the “SENSEX India Tracker”), a sub-fund of the iShares Asia Trust (the “Trust”), was launched on 30 October 2006 and commenced trading under the stock code 2836 on the SEHK on 2 November 2006. The SENSEX India Tracker is a Hong Kong unit trust authorized under the Securities and Futures Ordinance (Cap. 571) of Hong Kong. The SENSEX India Tracker is benchmarked against the BSE SENSEX 30 Index (the “SENSEX Index”). The Manager of the SENSEX India Tracker is Barclays Global Investors North Asia Limited (the “Manager”) and the trustee is HSBC Institutional Trust Services (Asia) Limited.

### Fund Performance

The SENSEX India Tracker seeks to provide investment results, before fees and taxes, that closely correspond to the performance of the SENSEX Index. As of 30 June 2008, the NAV per unit of the SENSEX India Tracker was HKD14.00 with a total of 103,200,000 units outstanding, aggregating a total AUM size of HKD1,444,924,878.

A summary of the performance of the SENSEX India Tracker<sup>f</sup> is given below.

TOTAL RETURN <sup>a</sup> IN HKD (AS OF 30 JUNE 2008)	3-MONTH	1-YEAR	3-YEAR	5-YEAR	SINCE INCEPTION <sup>e</sup>
BSE SENSEX 30 INDEX <sup>b</sup>	-19.15%	-11.76%	n/a	n/a	10.97%
BSE SENSEX INDIA TRACKER NAV-TO-NAV <sup>c</sup>	-19.82%	-14.11%	n/a	n/a	6.46%
BSE SENSEX INDIA TRACKER MARKET-TO-MARKET <sup>d</sup>	-19.44%	-12.30%	n/a	n/a	7.38%

The SENSEX India Tracker assets consist of participating notes relating to the top 30 SENSEX stocks. The difference in performance between the BSE SENSEX 30 Index and the SENSEX India Tracker is mainly attributed to fees and expenses.

### Fund Activities

The average daily trading volume for the SENSEX India Tracker during the Period was reported by Bloomberg to be approximately 745,982 units. As of the end of the Period, a total of 103.2 million units were outstanding.

### Index Activities

The SENSEX Index had one ad-hoc change in the first half of 2008. The annual rebalance is scheduled for the second half of 2008. As of 30 June 2008, the SENSEX fund had exposure to all 30 index constituents indirectly.

<sup>a</sup> Total returns represent the rate that an investor would have earned (or lost) on an investment, assuming reinvestment of all dividends and distributions.

<sup>b</sup> An investor cannot invest directly in an index and the index performance returns do not reflect management fees, transaction costs or other expenses, which would reduce performance returns.

<sup>c</sup> Units in the Fund are issued and redeemed at their NAV in exchange for a basket of securities representing the Index. Therefore, the Fund does not publish a bid price and the Fund's returns have been calculated from NAVs.

<sup>d</sup> Market returns are calculated using historical market closing prices (when NAV is normally determined for the Fund), and do not represent the returns you would receive if you traded units at other times.

<sup>e</sup> Fund inception date is 2 November 2006.

<sup>f</sup> Past performance figures shown are not indicative of the future performance of the Fund.

» **iShares MSCI China Tracker, iShares FTSE/Xinhua A50 China Tracker and iShares BSE SENSEX India Tracker**

(Sub-Funds of iShares Asia Trust)

## Market Review

### *China*

Despite the natural disasters in the region during the first half of 2008, China's economy continued to show steady positive momentum, although at a slower pace as compared with 2007. The annualized gross domestic product (GDP) growth rate year-over-year (YOY) eased from 11.2% in Q4 2007 to 10.6% in Q1 2008<sup>1</sup>.

On the economy side, inflation remains to be the top policy concern. China's May Consumer Price Index (CPI) trended downward, rising 7.7% over a year earlier, compared with 8.5% in April 2008<sup>2</sup>. On the trade front, in May 2008, export levels climbed by more than 28% while imports rose 40% from a year earlier, their fastest pace since June 2004<sup>3</sup>. Additionally, industrial outputs grew by 16% compared to the rise of 15.7% during April 2008<sup>4</sup>. On the policy front, the People's Bank of China raised the fourth Reserve Requirement Ratio (RRR) hike this year, pushing the RRR to 17.5% effective 25 June 2008<sup>5</sup> to manage the banking sector liquidity. Chinese Renminbi (RMB) appreciated more than 6.56% against HKD during the Period<sup>6</sup>. The appreciating Chinese currency also helped to relieve some inflationary pressure from the surging economy.

As of 9 July 2008, FTSE Xinhua China A50 price index closed at 10,809.37 points, down 47.13% in RMB year-to-date (YTD)<sup>7</sup>. All sectors recorded negative performance YTD with the Industrials, Materials and Consumer Discretionary sectors underperforming the broad market index while the Energy, Telecommunication Services and Financials sectors outperformed the broad market index.

### *India*

2008 has been a volatile year globally. The India market fell over 40% in Indian rupee terms in 2008 and underperformed the MSCI Emerging Market Index. Healthcare, Energy and Information Technology sectors were relative outperformers against the broad market index, while the Industrials, Financials and Telecommunication Services sectors underperformed the broad market index<sup>8</sup>.

It has been an extremely challenging year for India. One of the highlights in 2008 thus far was that the Indian government raised retail prices of fuel and simultaneously lowered the custom duties on crude oil and petroleum products in an attempt to maintain financial viability of public sector oil marketing companies. The customs duty on crude oil was scrapped from 5% earlier in the year. The customs duties on gasoline and diesel were cut to 2.5%. Additionally, the excise duty on diesel was lowered by INR 1 per liter. The government expects the revenue loss owing to the reduction in duties to be at INR 226.6 billion (0.4% of budgeted GDP) in the current fiscal year<sup>9</sup>.

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<sup>1</sup> Bloomberg

<sup>2</sup> Bloomberg

<sup>3</sup> Bloomberg

<sup>4</sup> Bloomberg

<sup>5</sup> Bloomberg

<sup>6</sup> Bloomberg

<sup>7</sup> Bloomberg

<sup>8</sup> Bloomberg/MSCI Barra (MSCI India Index as a proxy)

<sup>9</sup> Reuters

The headline Wholesale Price Index (WPI) inflation reached a seven-year high of 11.4%<sup>10</sup>. In an attempt to contain the surge in inflation and inflation expectations, the Reserve Bank of India (RBI) raised the repo rate by 75bps and the cash reserve ratio (CRR) by 50bps over a month. The CRR will be increased to 8.75%, implemented in two equal stages effective 5 July 2008 and 19 July 2008, respectively<sup>11</sup>.

The Indian rupee (INR) depreciated 2%<sup>12</sup> against the US dollar (US\$) over a month. Year to date, the Indian Rupee has depreciated 9%<sup>13</sup> against US\$. Additionally, Indian foreign currency reserves have decreased marginally to US\$303 billion. The reserve accretion has been US\$36 billion since December 2007<sup>14</sup>.

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<sup>10</sup> Reuters

<sup>11</sup> Bloomberg

<sup>12</sup> Bloomberg

<sup>13</sup> Bloomberg

<sup>14</sup> Bloomberg/Reserve Bank of India

# iSHARES MSCI CHINA TRACKER iSHARES FTSE/XINHUA A50 CHINA TRACKER AND iSHARES BSE SENSEX INDIA TRACKER

(Sub-Funds of iShares Asia Trust)

## » Condensed Statement of Assets and Liabilities

As at 30th June 2008

NOTE	iSHARES MSCI CHINA TRACKER		iSHARES FTSE/ XINHUA A50 CHINA TRACKER		iSHARES BSE SENSEX INDIA TRACKER	
	(UNAUDITED) 30.06.2008 HK\$	(AUDITED) 31.12.2007 HK\$	(UNAUDITED) 30.06.2008 HK\$	(AUDITED) 31.12.2007 HK\$	(UNAUDITED) 30.06.2008 HK\$	(AUDITED) 31.12.2007 HK\$
<b>ASSETS</b>						
INVESTMENTS	1,404,277,840	2,205,474,300	24,490,318,776	12,464,741,520	1,419,483,786	2,361,286,356
BANK BALANCES	7(f) 7,362,943	9,711,496	137,072,615	85,206,168	19,040,881	15,435,417
DIVIDEND RECEIVABLE	5,616,068	–	87,042,522	243,567	2,790,090	1,617,160
AMOUNT DUE FROM BROKER	12,560,440	–	–	–	–	–
AMOUNT DUE FROM UNITHOLDER	–	–	53,400,000	–	–	–
<b>TOTAL ASSETS</b>	<b>1,429,817,291</b>	<b>2,215,185,796</b>	<b>24,767,833,913</b>	<b>12,550,191,255</b>	<b>1,441,314,757</b>	<b>2,378,338,933</b>
<b>LIABILITIES</b>						
AMOUNT DUE TO BROKER	–	–	53,059,060	–	–	–
AMOUNT DUE TO UNITHOLDER	12,642,000	–	–	–	–	–
MANAGEMENT FEE PAYABLE	7(a) 3,727,146	6,046,656	57,185,896	30,978,744	4,055,186	4,568,254
OTHER ACCOUNTS PAYABLE	7(c)&(d) 14,197	10,105	18,165,106	9,878,581	1,269,982	1,315,766
<b>LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)</b>	<b>16,383,343</b>	<b>6,056,761</b>	<b>128,410,062</b>	<b>40,857,325</b>	<b>5,325,168</b>	<b>5,884,020</b>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (AT BID MARKET PRICES)</b>	<b>4 1,413,433,948</b>	<b>2,209,129,035</b>	<b>24,639,423,851</b>	<b>12,509,333,930</b>	<b>1,435,989,589</b>	<b>2,372,454,913</b>
<b>ADJUSTMENTS FROM BID MARKET PRICES TO LAST TRADED MARKET PRICES</b>	<b>4 2,491,440</b>	<b>4,048,665</b>	<b>22,966,944</b>	<b>4,352,544</b>	<b>8,935,289</b>	<b>11,352,109</b>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (AT LAST TRADED MARKET PRICES)</b>	<b>4 1,415,925,388</b>	<b>2,213,177,700</b>	<b>24,662,390,795</b>	<b>12,513,686,474</b>	<b>1,444,924,878</b>	<b>2,383,807,022</b>

The notes on pages 13 to 34 form part of these financial statements.

## » Condensed Statement of Operations

### For the Period Ended 30th June 2008

NOTE	iSHARES MSCI CHINA TRACKER (UNAUDITED)		iSHARES FTSE/ XINHUA A50 CHINA TRACKER (UNAUDITED)		iSHARES BSE SENSEX INDIA TRACKER (UNAUDITED)		
	01.01.2008 TO 30.06.2008 HK\$	01.01.2007 TO 29.06.2007 HK\$	01.01.2008 TO 30.06.2008 HK\$	01.01.2007 TO 29.06.2007 HK\$	01.01.2008 TO 30.06.2008 HK\$	02.11.2006 (DATE OF INCEPTION) TO 29.06.2007 HK\$	
<b>INCOME</b>							
DIVIDEND INCOME	22,982,525	21,696,515	219,300,742	166,774,827	8,937,680	2,174,640	
INTEREST INCOME	3,740	349,103	34,396	1,267,752	4,217	20,698	
NET (LOSS)/GAIN ON INVESTMENTS	5	(602,747,982)	335,580,704	(9,735,525,838)	8,527,115,078	(932,982,926)	67,974,230
TOTAL INVESTMENT INCOME	(579,761,717)	357,626,322	(9,516,190,700)	8,695,157,657	(924,041,029)	70,169,568	
<b>EXPENSES</b>							
MANAGEMENT FEE	7(a)	(7,836,980)	(9,302,754)	(83,145,933)	(86,295,624)	(9,263,497)	(1,923,952)
TRANSACTION HANDLING FEE	7(b)	(185,952)	(15,583)	(39,626)	(45,310)	(2,024)	(156)
TRANSACTION COSTS ON INVESTMENTS	7(e)	(411,833)	(424,225)	(60,570,698)	(35,073,863)	(322,085)	(7,479)
SAFE CUSTODY AND BANK CHARGES	7(b)	(96,605)	(91,085)	(1,285,030)	(508)	(164,267)	(39)
MAINTENANCE CHARGE	7(c)&(d)	–	–	(25,497,735)	(26,046,823)	(2,671,918)	(580,715)
INTEREST EXPENSE		–	–	(3,503)	–	(504)	–
TOTAL OPERATING EXPENSES		(8,531,370)	(9,833,647)	(170,542,525)	(147,462,128)	(12,424,295)	(2,512,341)
<b>(LOSS)/PROFIT BEFORE TAX</b>		(588,293,087)	347,792,675	(9,686,733,225)	8,547,695,529	(936,465,324)	67,657,227
TAXATION	6	–	–	(21,936,854)	(16,677,483)	–	–
<b>(LOSS)/PROFIT AFTER TAX</b>		(588,293,087)	347,792,675	(9,708,670,079)	8,531,018,046	(936,465,324)	67,657,227
ADJUSTMENTS FROM BID MARKET PRICES TO LAST TRADED MARKET PRICES	4	(1,557,225)	462,146	18,614,400	(2,604,523)	(2,416,820)	7,344,346
(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FROM OPERATIONS		(589,850,312)	348,254,821	(9,690,055,679)	8,528,413,523	(938,882,144)	75,001,573

The notes on pages 13 to 34 form part of these financial statements.

» **Condensed Statement of Changes in Net Assets Attributable to Unitholders**

**For the Period Ended 30th June 2008**

	NOTE	iSHARES MSCI CHINA TRACKER (UNAUDITED)		iSHARES FTSE/ XINHUA A50 CHINA TRACKER (UNAUDITED)		iSHARES BSE SENSEX INDIA TRACKER (UNAUDITED)	
		01.01.2008 TO 30.06.2008 HK\$	01.01.2007 TO 29.06.2007 HK\$	01.01.2008 TO 30.06.2008 HK\$	01.01.2007 TO 29.06.2007 HK\$	01.01.2008 TO 30.06.2008 HK\$	02.11.2006 (DATE OF INCEPTION) TO 29.06.2007 HK\$
BALANCE AT THE BEGINNING OF THE PERIOD		2,213,177,700	2,228,703,612	12,513,686,474	14,135,633,054	2,383,807,022	–
PROCEEDS ON ISSUE OF UNITS							
– IN-KIND	8	424,873,561	48,412,702	27,232,690,526	2,160,629,289	–	360,667,531
– CASH COMPONENT	8	2,452,439	607,298	66,789,474	17,542,711	–	1,120,469
PAYMENT ON REDEMPTION OF UNITS							
– IN-KIND	8	(629,693,748)	(694,276,668)	(5,447,450,971)	(13,104,715,466)	–	–
– CASH COMPONENT	8	(5,034,252)	(8,657,332)	(13,269,029)	(51,058,534)	–	–
		2,005,775,700	1,574,789,612	34,352,446,474	3,158,031,054	2,383,807,022	361,788,000
(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FROM OPERATIONS		(589,850,312)	348,254,821	(9,690,055,679)	8,528,413,523	(938,882,144)	75,001,573
BALANCE AT THE END OF THE PERIOD		1,415,925,388	1,923,044,433	24,662,390,795	11,686,444,577	1,444,924,878	436,789,573

The notes on pages 13 to 34 form part of these financial statements.

## » Condensed Statement of Cash Flows

### For the Period Ended 30th June 2008

NOTE	iSHARES MSCI CHINA TRACKER (UNAUDITED)		iSHARES FTSE/ XINHUA A50 CHINA TRACKER (UNAUDITED)		iSHARES BSE SENSEX INDIATRACKER (UNAUDITED)		
	01.01.2008 TO 30.06.2008 HK\$	01.01.2007 TO 29.06.2007 HK\$	01.01.2008 TO 30.06.2008 HK\$	01.01.2007 TO 29.06.2007 HK\$	01.01.2008 TO 30.06.2008 HK\$	02.11.2006 (DATE OF INCEPTION) TO 29.06.2007 HK\$	
<b>OPERATING ACTIVITIES</b>							
PURCHASE OF INVESTMENTS	8	(157,582,801)	(165,742,478)	(4,988,213,014)	(3,597,250,137)	(37,563,575)	–
SALE OF INVESTMENTS	8	151,262,995	139,458,909	5,065,147,759	3,686,072,686	46,307,496	1,495,632
DIVIDEND RECEIVED		17,366,457	16,074,569	132,501,787	110,731,528	7,764,750	1,401,959
INTEREST RECEIVED		3,740	349,103	34,396	1,267,752	4,217	20,699
EXCHANGE (LOSS)/GAIN		(12,612,343)	47,454	260,776	2,125,481	75,723	15,636
MANAGEMENT FEE PAID		(10,156,490)	(9,465,781)	(56,938,781)	(69,788,777)	(9,776,565)	(982,798)
WITHHOLDING TAX PAID		–	–	(21,936,854)	(16,677,483)	–	–
TRANSACTION COST PAID		(411,833)	(424,225)	(60,570,698)	(35,073,863)	(322,085)	(7,479)
INTEREST PAID		–	–	(3,503)	–	(504)	–
OTHER FEES PAID		(278,465)	(241,923)	(18,535,866)	(20,625,216)	(2,883,993)	(274,954)
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES		(12,408,740)	(19,944,372)	51,746,002	60,781,971	3,605,464	1,668,695
<b>FINANCING ACTIVITIES</b>							
CASH COMPONENT RECEIVED ON ISSUE OF UNITS	8	2,452,439	607,298	13,389,474	18,294,139	–	1,120,469
CASH COMPONENT RECEIVED/(PAID) ON REDEMPTION OF UNITS	8	7,607,748	(8,657,332)	(13,269,029)	(51,058,534)	–	–
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES		10,060,187	(8,050,034)	120,445	(32,764,395)	–	1,120,469
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(2,348,553)	(27,994,406)	51,866,447	28,017,576	3,605,464	2,789,164
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		9,711,496	40,392,446	85,206,168	134,154,766	15,435,417	–
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		7,362,943	12,398,040	137,072,615	162,172,342	19,040,881	2,789,164
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>							
BANK BALANCES		7,362,943	12,398,040	137,072,615	162,172,342	19,040,881	2,789,164

Please refer to note 8 on page 22 to 23 for details of major non-cash transactions.  
The notes on pages 13 to 34 form part of these financial statements.

# iSHARES MSCI CHINA TRACKER iSHARES FTSE/XINHUA A50 CHINA TRACKER AND iSHARES BSE SENSEX INDIA TRACKER

(Sub-Funds of iShares Asia Trust)

## » Notes to the Unaudited Condensed Financial Statements

### 1. The Trust

iShares Asia Trust (the “Trust”) is an umbrella unit trust governed by its Trust Deed dated 16th November 2001, as amended, and authorized by the Securities & Futures Commission of Hong Kong (the “SFC”) pursuant to Section 104(1) of the Securities and Futures Ordinance.

As at 30th June 2008, the Trust has established three sub-funds, namely iShares MSCI China Tracker (“MSCI China Tracker”), iShares FTSE/Xinhua A50 China Tracker (“A50 China Tracker”) and iShares BSE SENSEX India Tracker (“SENSEX India Tracker”) (the “Sub-Funds”). The Sub-Funds are all listed on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). MSCI China Tracker was listed on 28th November 2001, A50 China Tracker listed on 18th November 2004 and SENSEX India Tracker was listed on 2nd November 2006. These financial statements are in respect of all the Sub-Funds.

The Sub-Funds have no employees.

#### *MSCI China Tracker*

The objective of the MSCI China Tracker is to provide investment results that closely correspond to the performance of the MSCI China Index (the “MSCI China Index”).

#### *A50 China Tracker*

The objective of the A50 China Tracker is to provide investment results that closely correspond to the performance of the FTSE/Xinhua China A50 Index (the “A50 Benchmark Index”).

#### *SENSEX India Tracker*

The objective of the SENSEX India Tracker is to provide investment results that closely correspond to the performance of the BSE SENSEX Index (the “BSE SENSEX Benchmark Index”).

On 22 May 2008 the Securities and Exchange Board of India (“SEBI”) published amending regulations restricting the issuance of offshore derivative instruments (“ODIs”) linked to Indian equity securities, effecting the announcement made on 5 November 2007.

ODIs are acquired by the iShares BSE Sensex India Tracker (the “Fund”), a sub-fund of the iShares Asia Trust, in order to gain access to the Indian equities market. The current issuer of the ODIs held by the Fund confirmed to the Manager that such ODIs are not covered by, and so do not need to be liquidated in accordance with the SEBI regulations and that the issuer may issue additional ODIs to the Fund.

## » Notes to the Unaudited Condensed Financial Statements (continued)

Restrictions under the SEBI regulations will however apply in respect of the number of additional ODIs that may be issued. These restrictions do not pose any present constraint to the Fund and the Manager continues to monitor the position and examine the various alternatives available to the Fund.

### 2. Principal Accounting Policies

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

#### (a) Basis of Preparation

These unaudited condensed financial statements of the Sub-Funds have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments at fair value through profit or loss.

The preparation of unaudited condensed financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Management to exercise its judgement in the process of applying the Sub-Funds' accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the unaudited condensed financial statements are disclosed in note 3.

#### (b) Financial Assets at Fair Value Through Profit or Loss

##### (i) Classification

The Sub-Funds classify their investments in equity securities as financial assets at fair value through profit or loss. These financial assets are designated by the Management at fair value through profit or loss at inception.

Financial assets designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Sub-Funds' documented investment strategy. The Sub-Funds' policy is for the Management to evaluate the information about these financial assets on a fair value basis together with other related financial information.

##### (ii) Recognition/Derecognition

Purchases and sales of investments are accounted for on trade dates. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Sub-Fund has transferred substantially all risks and rewards of ownership.

##### (iii) Measurement

Investments consist of principally listed securities and are initially recognized at fair value. Transaction costs are expensed in the Statement of Operations. Subsequent to initial recognition, all investments are measured at fair value. Gains and losses arising from changes in the fair value of the investments are presented in the Condensed Statement of Operations in the period in which they arise.

» **Notes to the Unaudited Condensed Financial Statements (continued)**

*(iv) Fair Value Estimation*

The fair value of investments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for investments held by the Sub-Funds is the current bid price.

**(c) Amounts Receivable and Payable**

Amounts receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of amounts receivable is established when there is objective evidence that the Sub-Funds will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the amounts receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the provision is recognised in the Condensed Statement of Operations. Amounts receivable in the Condensed Statement of Assets and Liabilities are stated net of such provision.

Amounts payable are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

**(d) Dividend Income and Interest Income**

Dividend income on quoted equity securities is recognized on the ex-dividend date. Dividend income on equity securities where no ex-dividend date is quoted is recognized when the Sub-Funds' right to receive payment is established.

Interest income on bank balances is recognized on a time-proportionate basis using the effective interest method.

**(e) Expenses**

Expenses are accounted for on an accruals basis.

**(f) Cash and Cash Equivalents**

Cash and cash equivalents includes cash in hand and deposits held at call with banks with original maturities of three months or less.

**(g) Distributions Payable to Unitholders**

Distributions to unitholders are recognised as a liability in the Condensed Statement of Assets and Liabilities in the period in which they are approved by the Trustee.

## » Notes to the Unaudited Condensed Financial Statements (continued)

### (h) Translation of Foreign Currencies

#### *Functional and Presentation Currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the Sub-Funds operate (“the functional currency”). The performance of the Sub-Funds are measured and reported to unitholders in Hong Kong dollar. The Management considers the Hong Kong dollars as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Hong Kong dollars, which is the Sub-Funds’ functional and presentation currency.

#### *Transactions and Balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Condensed Statement of Operations. Translation differences on non-monetary financial assets such as equities at fair value through profit or loss are recognized in the Condensed Statement of Operations within the fair value net gain or loss.

### (i) Proceeds and Payments on Allotment and Redemption of Units

The Sub-Funds issue redeemable units, which are redeemable at the holder’s option and are classified as financial liabilities. Redeemable units can only redeem in-kind equal to a proportionate share of the Sub-Funds’ net asset value plus a cash component. The redeemable unit is carried at the redemption amount that is payable at the balance sheet date if the holder exercises the right to put the unit back to the Sub-Funds.

Redeemable units are issued and redeemed at the holder’s option at prices based on the Sub-Funds’ net assets value per unit at the time of issue or redemption. The Sub-Funds’ net asset value per unit is calculated by dividing the net assets attributable to the unitholders with the total number of outstanding units. In accordance with the provisions of the Trust Deed, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per unit for creations and redemptions.

### (j) Taxation

The Sub-Funds currently incur withholding taxes imposed by certain countries on investment income. Such income is recorded gross of withholding taxes in the Condensed Statement of Operations.

### (k) Segmental Information

In the opinion of the Manager, all activities of the Sub-Funds are in the single business of investment activities conducted mainly in Hong Kong. Geographical information is provided in the investment portfolio.

### (l) Use of Estimates

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

## » Notes to the Unaudited Condensed Financial Statements (continued)

### 3. Critical Accounting Estimates and Judgments

#### (a) Critical Accounting Estimates and Assumptions

##### *Taxation*

In preparing these financial statements, the Management have made certain assumptions and used various estimates concerning the tax exposure which is dependent on what might happen in the future. The resulting accounting estimates may not equal the related actual results.

In light of on-going market reports that the PRC State Administration of Taxation (the “SAT”) might levy income tax on Qualified Foreign Institutional Investors (“QFIs”) and in accordance with the arrangement with QFIs who are the Participating Dealers (“PDs”), A50 China Tracker could be exposed to PRC tax on the crystallized and uncrystallized gains relating to the transfer or disposal of A Shares by the PDs. Refer to note 6 to the financial statements.

#### (b) Critical Judgments

##### *Functional Currency*

The Management considers Hong Kong dollar the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The Hong Kong dollar is the currency in which the Sub-Funds measure their performance and report their results, as well as the currency in which the Sub-Funds determine the net assets value per unit at the time of issue or redemption. This determination also considers that the Sub-Funds are all listed on the Stock Exchange of Hong Kong Limited and their shares are quoted in Hong Kong dollar.

### 4. Number of Units in Issue and Net Assets Attributable to Unitholders

In accordance with the provisions of the Prospectus of MSCI China Tracker dated June 2005, as amended, and the Prospectus of A50 China Tracker dated 4th November 2005, 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 Sub-Funds for the purpose of compliance with IAS 39 Financial Instruments: Recognition and Management and for reporting purpose is to value its investments at the relevant bid market prices on the Condensed Statement of Assets and Liabilities date.

##### *MSCI China Tracker*

As at 30th June 2008, the valuation of investments in accordance with IAS 39 as shown in the financial statements resulted in a decrease in value of investments by HK\$2,491,440 (31st December 2007: HK\$4,048,665) compared with using the valuation methodology indicated in its Prospectus.

##### *A50 China Tracker*

As at 30th June 2008, the valuation of investments in accordance with IAS 39 as shown in the financial statements resulted in a decrease in value of investments by HK\$22,966,944 (31st December 2007: HK\$4,352,544) compared with using the valuation methodology indicated in its Prospectus.

##### *SENSEX India Tracker*

As at 30th June 2008, the valuation of investments in accordance with IAS 39 as shown in the financial statements resulted in a decrease in value of investments by HK\$8,935,289 (31st December 2007: HK\$11,352,109) compared with the valuation methodology used by the Trustee as agreed with the Manager which is based on the prices provided by the calculation agent of the underlying India Access Products, in turn based on official closing prices of the relevant exchange.

## » Notes to the Unaudited Condensed Financial Statements (continued)

Net assets attributable to unitholders represent a liability in the Condensed Statement of Assets and Liabilities, carried at the redemption amount that would be payable on the Condensed Statement of Assets and Liabilities date if the unitholder exercised the right to redeem the unit to the Sub-Funds.

	ISHARES MSCI CHINA TRACKER NUMBER OF UNITS		ISHARES FTSE/ XINHUA A50 CHINA TRACKER NUMBER OF UNITS		ISHARES BSE SENSEX INDIA TRACKER NUMBER OF UNITS	
	01.01.2008 TO 30.06.2008	01.01.2007 TO 29.06.2007	01.01.2008 TO 30.06.2008	01.01.2007 TO 29.06.2007	01.01.2008 TO 30.06.2008	02.11.2006 (DATE OF INCEPTION) TO 29.06.2007
UNITS IN ISSUE AT THE BEGINNING OF THE PERIOD	77,400,000	42,400,000	504,000,000	134,200,000	103,200,000	–
ISSUE OF UNITS	17,400,000	1,000,000	1,630,000,000	18,200,000	–	26,800,000
REDEMPTION OF UNITS	(27,600,000)	(13,200,000)	(286,000,000)	(82,600,000)	–	–
UNITS IN ISSUE AT THE END OF THE PERIOD	67,200,000	30,200,000	1,848,000,000	69,800,000	103,200,000	26,800,000
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	1,415,925,388	1,923,044,433	24,662,390,795	11,686,444,577	1,444,924,878	436,789,573
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS PER UNIT	21.07	63.68	13.35	167.43	14.00	16.30

## 5. Net Gain on Investments

	ISHARES MSCI CHINA TRACKER (UNAUDITED)		ISHARES FTSE/ XINHUA A50 CHINA TRACKER (UNAUDITED)		ISHARES BSE SENSEX INDIA TRACKER (UNAUDITED)	
	01.01.2008 TO 30.06.2008	01.01.2007 TO 29.06.2007	01.01.2008 TO 30.06.2008	01.01.2007 TO 29.06.2007	01.01.2008 TO 30.06.2008	02.11.2006 (DATE OF INCEPTION) TO 29.06.2007
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
CHANGE IN UNREALIZED (LOSS)/ GAIN IN VALUE OF INVESTMENTS	(842,208,698)	(17,793,896)	(11,092,741,497)	(366,976,674)	(923,325,328)	67,797,156
REALIZED GAIN/ (LOSS) ON SALE OF INVESTMENTS	252,073,059	353,327,146	1,356,954,883	8,891,966,271	(9,733,321)	161,438
EXCHANGE (LOSS)/ GAIN	(12,612,343)	47,454	260,776	2,125,481	75,723	15,636
	(602,747,982)	335,580,704	(9,735,525,838)	8,527,115,078	(932,982,926)	67,974,230

## » Notes to the Unaudited Condensed Financial Statements (continued)

### 6. Taxation

No provision for Hong Kong profits tax has been made for the Sub-Funds as the bank interest, dividend income and realized gains on disposal of investments of the Sub-Funds are excluded from the charge to profits tax under Section 14, Section 26 or Section 26A of the Hong Kong Inland Revenue Ordinance.

#### **PRC Withholding Tax**

The investments of the A50 China Tracker in the A Shares of PRC listed companies are held through the CAAPs through arrangements with Qualified Foreign Institutional Investors (“QFII”s) who are the Participating Dealers (“PD”s). 10% tax provision is made on all PRC sourced dividend for which such amount was being withheld by the PDs. Under current PRC law a 10% tax may be payable on the gains derived from the sale of A shares by QFIIs. There is uncertainty however with respect to the implication of such tax for the A50 China Tracker. The Manager has considered (i) the current position of the PRC State Administration of Taxation (the “SAT”) and PRC income tax on QFIIs, (ii) the possible implications for the A50 China Tracker should an income tax ruling for QFIIs be enacted in the PRC, (iii) the independent advice of tax and legal counsel and (iv) current market practice. The Manager believes that presently there are insufficient grounds to reasonably justify making a tax provision for potential tax on gains on A Shares as the Manager considers that:

- it is uncertain whether the PRC will enforce tax on QFII gains;
- if the PRC were to enforce tax, it is uncertain from which date the tax would be calculated and payable;
- at present it is uncertain as to the obligations for the A50 China Tracker to bear such tax as the tax is a liability of the QFII and not that of the A50 China Tracker.

Accordingly the Manager has not made any provision in these financial statements for any tax exposure which might arise if tax was to be levied on QFIIs.

The Trustee estimates there were no uncrystallized gains as at 30 June 2008. The Manager estimates on the basis of information provided by the relevant QFIIs, the crystallized gains which could be exposed to PRC taxation to be HKD11,959 million as at 30 June 2008.

### 7. Transactions with the Manager and its Connected Persons

Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong (the “SFC Code”). All transactions entered into during the period between the Sub-Funds and the Manager and its Connected Persons were carried out in the normal course of business and on normal commercial terms. To the best of the Manager’s knowledge, the Sub-Funds do not have any other transactions with Connected Persons except for what is disclosed below.

#### **(a) Management Fee**

The Manager is entitled to receive a management fee, currently at the annual rate of 0.99% of the net asset value of each Sub-Fund. The fee is accrued daily and calculated as at each dealing day and payable quarterly in arrears.

Apart from the fees and expenses stated in note 7(b) to (e) below, all other fees and expenses of each Sub-Fund is paid by the Manager.

## » Notes to the Unaudited Condensed Financial Statements (continued)

### (b) Fees and Charges Paid to the Trustee/Custodian and its Connected Persons

#### *MSCI China Tracker*

The transaction handling fee for the sale and purchase transactions of the investments received from the Sub-Fund is US\$35 each.

#### *A50 China Tracker*

The transaction handling fee for the sale and purchase transactions of the investments received from the Sub-Fund is US\$20 each.

#### *SENSEX India Tracker*

The transaction handling fee for the sale and purchase transactions of the investments received from the Sub-Fund is US\$20 each.

For each Sub-Fund, the bank charges stated in the Condensed Statement of Operations are also paid by the Sub-Fund to a Connected Person of the Custodian.

All other fees payable to the Trustee/Custodian and its Connected Person are borne by the Manager.

### (c) CAAP Maintenance Charge

#### *A50 China Tracker*

Qualified Foreign Institutional Investor (“QFII”) is entitled to deduct a Chinese A Share Access Product (“CAAP”) maintenance charge, payable at the end of each quarter. The CAAP maintenance charge equals to 0.3% per annum of the average net asset value (at the close of business) of the Index CAAPS held by A50 China Tracker during the year. If at any time after the first six months following the listing of the A50 China Tracker, the net asset value falls below US\$10 million during a year, the maintenance charge is subject to a minimum amount of US\$30,000 per annum for that year. The relevant QFIIs are Barclays Capital Asia Limited and Citigroup Global Markets Asia Limited.

### (d) IAP Maintenance Charge

#### *SENSEX India Tracker*

Foreign Institutional Investor (“FII”) is entitled to deduct an India Access Product (“IAP”) maintenance charge, payable at the end of each quarter. The IAP maintenance charge equals to 0.3% per annum of the average net asset value (at the close of business) of the Index IAPs held by SENSEX India Tracker during the previous 12 months provided that the average Net Asset Value of the SENSEX India Tracker is less than or equal to US\$200 million during such 12 month period. If the average Net Asset Value of the SENSEX India Tracker is greater than US\$200 million during such previous 12 month period, 0.2% per annum will be charged of the average net asset value of the Index IAPs and, if any, Index Return IAPs in excess of the first US\$200 million. The relevant FII is Citigroup Global Markets Asia Limited.

» **Notes to the Unaudited Condensed Financial Statements (continued)**

(e) **Transaction Costs on Investments**

*A50 China Tracker*

The QFIs also charge a 0.4% commission on each purchase and sale of each CAAP acquired for the account of the A50 China Tracker.

*SENSEX India Tracker*

The FII also charges a 0.295% commission (including Indian stamp duty of 0.1%) on each purchase and sale of each IAP acquired for the account of the SENSEX India Tracker.

(f) **Bank Balances**

Bank balances are maintained with an affiliated company of the Trustee, which carry interest at normal commercial rates. Bank balances held with this group company of the Trustee as at 30th June 2008 amounted to HK\$7,362,943, HK\$137,072,615 and HK\$19,040,881 for MSCI China Tracker, A50 China Tracker and SENSEX India Tracker respectively (as at 31st December 2007: HK\$9,711,496, HK\$85,206,168 and HK\$15,435,417).

(g) **Investment Transactions with Connected Persons of the Manager Are Set Out Below:**

<b>SUB-FUND</b>	<b>AGGREGATE VALUE OF PURCHASES AND SALES OF SECURITIES HK\$</b>	<b>TOTAL COMMISSION PAID HK\$</b>
30TH JUNE 2008 A50 CHINA TRACKER – BARCLAYS CAPITAL ASIA LIMITED	1,751,014,184.46	10,451,192.94
29TH JUNE 2007 A50 CHINA TRACKER – BARCLAYS CAPITAL ASIA LIMITED	1,911,785,386.16	9,590,906.75
<b>SUB-FUND</b>	<b>% OF SUB-FUND'S TOTAL TRANSACTIONS DURING THE PERIOD %</b>	<b>AVERAGE COMMISSION RATE %</b>
30TH JUNE 2008 A50 CHINA TRACKER – BARCLAYS CAPITAL ASIA LIMITED	4.09%	0.60%
29TH JUNE 2007 A50 CHINA TRACKER – BARCLAYS CAPITAL ASIA LIMITED	8.53%	0.50%

## » Notes to the Unaudited Condensed Financial Statements (continued)

### 8. Major Non-Cash Transactions

#### (a) Subscriptions

In accordance with the Trust Deed, units can be issued through either cash subscription or an in kind creation of an Application Unit. In the latter case, for each Application Unit, the Sub-Funds receives an Application Basket consisting of constituent shares as determined by the Manager on a daily basis and a cash amount equivalent to a cash component. Relevant duties and charges are paid by the participating dealers directly to the Trustee and are therefore not reflected in the financial statements. Cash component represents the difference between the aggregate net asset value of the units comprising an Application Unit and the Application Basket Value.

#### *MSCI China Tracker*

During the period, all units issued were through in kind creation and the Sub-Fund issued 17,400,000 units (29th June 2007: 1,000,000 units) in exchange for Application Baskets consisting of investments valued at a total of HK\$424,873,561 (29th June 2007: HK\$48,412,702) by the Manager at the time of issue plus the cash component equal to HK\$2,452,439 (29th June 2007: HK\$607,298).

#### *A50 China Tracker*

During the period, all units issued were through in kind creation and the Sub-Fund issued 1,630,000,000 units (29th June 2007: 18,200,000 units) in exchange for Application Baskets consisting of investments valued at a total of HK\$27,232,690,526 (29th June 2007: HK\$2,160,629,289) by the Manager at the time of issue plus the cash component equal to HK\$66,789,474 (29th June 2007: HK\$17,542,711).

#### *SENSEX India Tracker*

During the period, all units issued were through in kind creation and the Sub-Fund issued Nil units (29th June 2007: 26,800,000 units) in exchange for Application Baskets consisting of investments valued at a total of HK\$ Nil (29th June 2007: HK\$360,667,531) by the Manager at the time of issue plus the cash component equal to HK\$ Nil (29th June 2007: HK\$1,120,469).

#### (b) Redemptions

In accordance with the Trust Deed, units can only be redeemed in kind and are not redeemable for cash. For each Application Unit redeemed, the Sub-Funds pays an Application Basket consisting of constituent shares as determined by the Manager on a daily basis and a cash amount equivalent to a cash component as defined above. Relevant duties and charges was paid by the participating dealers directly to the Trustee and are therefore not reflected in the financial statements.

## » Notes to the Unaudited Condensed Financial Statements (continued)

### *MSCI China Tracker*

During the period, the Sub-Fund redeemed 27,600,000 units (29th June 2007: 13,200,000 units) in exchange for Application Baskets consisting of investments valued at a total of HK\$629,693,748 (29th June 2007: HK\$694,276,668) by the Manager at the time of redemption plus the cash component equal to HK\$5,034,252 (29th June 2007: HK\$8,657,332).

### *A50 China Tracker*

During the period, the Sub-Fund redeemed 286,000,000 units (29th June 2007: 82,600,000) in exchange for Application Baskets consisting of investments valued at a total of HK\$5,447,450,971 (29th June 2007: HK\$13,104,715,466) by the Manager at the time of redemption plus the cash component equal to HK\$13,269,029 (29th June 2007: HK\$51,058,534)

### *SENSEX India Tracker*

During the period, no redemption of units was done for the Sub-Fund.

## 9. Soft Commission Arrangements

During the period ended 30 June 2008, the Manager confirmed that no soft commission arrangements exist in relation to directing transactions of the Sub-Funds through a broker or dealer.

## 10. Investment Limitation and Prohibitions under the SFC Code

### *MSCI China Tracker*

Pursuant to the SFC's Guidelines for Regulating Index Tracking Exchange Traded Funds (the "ETF Guidelines"), the Manager is permitted to overweight the holdings of the MSCI China Tracker relative to their respective weightings in the MSCI China Index, on the condition that the maximum extra weighting in any constituent will not exceed 3%.

The Manager and Trustee have confirmed that the Sub-Fund has complied with this limit during the period.

## » Notes to the Unaudited Condensed Financial Statements (continued)

The following lists those constituent stocks that each account for more than 10% of net asset value of the Sub-Fund and their respective weightings of the MSCI China Index as at 30th June 2008:

	RESPECTIVE WEIGHTING IN THE INDEX (%)		% OF NET ASSET VALUE	
	30.06.2008	31.12.2007	30.06.2008	31.12.2007
CHINA MOBILE (HONG KONG) LTD.	17.18	18.32	16.98	18.47

### *A50 China Tracker*

Pursuant to the ETF Guidelines, the A50 China Tracker is permitted to overweight holdings of Index CAAPs\* relative to the respective weightings in the A50 Benchmark Index to which such Index CAAPs are linked, subject to a maximum limit of 2%.

The Manager and Trustee have confirmed that the Sub-Fund has complied with this limit during the period.

	RESPECTIVE WEIGHTING IN THE INDEX (%)		% OF NET ASSET VALUE	
	30.06.2008	31.12.2007	30.06.2008	31.12.2007
PING AN INSURANCE	11.81	3.63	11.76	3.26

\* *Index CAAPs means Chinese A Share access products (such as a warrant, note or participating certificate) linked to the A Shares of those PRC companies which are at the relevant time the constituent companies of the Index of the A50 China Tracker.*

### *SENSEX India Tracker*

Pursuant to the ETF Guidelines, the SENSEX India Tracker is permitted to overweight holdings of Index IAPs\* relative to the respective weightings in the SENSEX Benchmark Index to which such Index IAPs are linked, subject to a maximum limit of 2%.

The Manager and Trustee have confirmed that the Sub-Fund has complied with this limit during the period.

The following lists those constituent stocks that each account for more than 10% of net asset value of the Sub-Fund and their respective weightings of the BSE SENSEX Benchmark Index as at 30th June 2008:

	RESPECTIVE WEIGHTING IN THE INDEX (%)		% OF NET ASSET VALUE	
	30.06.2008	31.12.2007	30.06.2008	31.12.2007
RELIANCE IND	16.51	15.24	16.24	15.17

\* *Index IAPs means India access products (such as a warrant, note or participating certificate) linked to the Shares of those India companies which are at the relevant time the constituent companies of the Index of the SENSEX India Tracker.*

» **Notes to the Unaudited Condensed Financial Statements (continued)**

## 11. Financial Risk Management

The objective of the Sub-Funds is to provide investment results that closely correspond to the performance of their respective Indexes. The Sub-Funds are exposed to various risks: market risk (including price risk, interest rate risk and currency risk), credit risk and liquidity risk which are stated below.

### (a) Market Risk

#### (i) 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 (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

The Sub-Funds are designated to track the performance of the relevant indexes, therefore the exposures to market risk in the Sub-Funds will be substantially the same as the tracked indexes. The Manager manages the Sub-Funds' exposures to market risk by ensuring that the key characteristics of the portfolio, such as security weight and industry weight, is closely aligned to the characteristics of the tracked indexes.

As at 30th June 2008, the Sub-Funds' investments are concentrated in the following industries:

#### (i) MSCI China Tracker

INVESTMENTS — BY INDUSTRY	AT 30TH JUNE 2008		AT 31ST DECEMBER 2007	
	FAIR VALUE HK\$	% OF NET ASSETS VALUE AT LAST TRADED MARKET PRICE	FAIR VALUE HK\$	% OF NET ASSETS VALUE AT LAST TRADED MARKET PRICE
CONSUMER DISCRETIONARY	48,199,200	3.40	79,398,210	3.59
CONSUMER STAPLES	24,941,840	1.76	21,079,890	0.95
ENERGY	281,973,440	19.92	457,773,270	20.69
FINANCIALS	434,327,040	30.68	620,880,870	28.05
INDUSTRIALS	169,924,160	12.00	306,144,090	13.83
INFORMATION TECHNOLOGY	40,392,800	2.85	39,026,370	1.76
MATERIALS	77,738,080	5.49	148,586,070	6.71
TELECOMMUNICATION SERVICES	298,108,160	21.05	476,429,250	21.53
UTILITIES	28,673,120	2.03	56,156,280	2.54
	1,404,277,840	99.18	2,205,474,300	99.65

The MSCI China Tracker invested all, or substantially all, of its assets in shares comprising the MSCI China Index in substantially the same weightings as constituted in the MSCI China Index. The MSCI China Tracker is therefore exposed to substantially the same market price risk as the MSCI China Index.

## » Notes to the Unaudited Condensed Financial Statements (continued)

As at 30th June 2008, if the MSCI China Index in local currency, Hong Kong Dollar (HKD), were to increase by 3% with all other variables held constant, this would increase the net assets attributable to unitholders by approximately HK\$42 million (31st December 2007: HK\$66 million). Conversely, if the MSCI China Index in local currency were to decrease by 3%, this would decrease the net assets attributable to unitholders by equal amounts.

### (ii) A50 China Tracker

INVESTMENTS — BY INDUSTRY	AT 30TH JUNE 2008		AT 31ST DECEMBER 2007	
	FAIR VALUE HK\$	% OF NET ASSETS VALUE AT LAST TRADED MARKET PRICE	FAIR VALUE HK\$	% OF NET ASSETS VALUE AT LAST TRADED MARKET PRICE
BASIC MATERIALS	2,887,680,180	11.71	2,019,492,468	16.14
CONSUMER GOODS	930,128,892	3.77	865,371,528	6.92
CONSUMER SERVICES	816,737,460	3.31	737,246,160	5.89
FINANCIALS	13,351,456,272	54.14	5,811,422,148	46.44
INDUSTRIALS	2,631,758,976	10.67	1,259,165,376	10.06
OIL & GAS	1,426,530,336	5.78	905,267,160	7.23
TELECOMMUNICATIONS	697,809,420	2.83	409,918,320	3.28
UTILITIES	1,748,217,240	7.09	456,858,360	3.65
	24,490,318,776	99.30	12,464,741,520	99.61

The A50 China Tracker invested all, or substantially all, of its assets in the Chinese A Share Access Product (“CAAP”) which are linked to A Shares of those PRC companies comprising the A50 Benchmark Index in substantially the same weightings as constituted in the A50 Benchmark Index. The A50 China Tracker is therefore exposed to substantially the same market price risk as the A50 Benchmark Index.

As at 30th June 2008, if the A50 Benchmark Index in local currency, Renminbi (RMB), were to increase by 3% with all other variables held constant, this would increase the net assets attributable to unitholders by approximately HK\$735 million (31st December 2007: HK\$374 million). Conversely, if the A50 Benchmark Index in local currency were to decrease by 3%, this would decrease the net assets attributable to unitholder by equal amounts.

» **Notes to the Unaudited Condensed Financial Statements (continued)**

(iii) SENSEX India Tracker

INVESTMENTS — BY INDUSTRY	AT 30TH JUNE 2008		AT 31ST DECEMBER 2007	
	FAIR VALUE HK\$	% OF NET ASSETS VALUE AT LAST TRADED MARKET PRICE	FAIR VALUE HK\$	% OF NET ASSETS VALUE AT LAST TRADED MARKET PRICE
CAPITAL GOODS	125,763,488	8.70	262,544,123	11.01
DIVERSIFIED	19,777,123	1.37	43,049,611	1.81
FINANCE	272,445,942	18.86	529,184,029	22.20
FMCG	108,941,423	7.54	136,890,650	5.74
HEALTHCARE	39,030,744	2.70	38,350,180	1.61
HOUSING RELATED	49,130,489	3.40	90,214,369	3.79
INFORMATION TECHNOLOGY	224,349,018	15.53	267,099,469	11.21
METAL, METAL PRODUCTS & MINING	77,173,178	5.34	113,003,891	4.74
OIL & GAS	287,009,650	19.86	452,948,963	19.00
POWER	48,541,642	3.36	109,292,735	4.59
TELECOM	123,385,346	8.54	206,038,798	8.64
TRANSPORT EQUIPMENTS	43,935,743	3.04	112,669,538	4.72
	<u>1,419,483,786</u>	<u>98.24</u>	<u>2,361,286,356</u>	<u>99.06</u>

The SENSEX India Tracker invested all, or substantially all, of its assets in the Indian Access Product (“IAP”) which are linked to Shares of those Indian companies comprising the BSE SENSEX Benchmark Index in substantially the same weightings as constituted in the BSE SENSEX Benchmark Index. The SENSEX India Tracker is therefore exposed to substantially the same market price risk as the BSE SENSEX Benchmark Index.

As at 30th June 2008, if the BSE SENSEX Benchmark Index in local currency, Indian Rupees (INR), were to increase by 3% with all other variables held constant, this would increase the net assets attributable to unitholders by approximately HK\$43 million (31st December 2007: HK\$71 million). Conversely, if the BSE SENSEX Benchmark Index in local currency were to decrease by 3%, this would decrease the net assets attributable to unitholders by equal amounts.

**(II) Interest Rate Risk**

The majority of the Sub-Funds’ financial assets and liabilities are non-interest bearing. As a result, the Sub-Funds are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. The Sub-Funds are only exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on bank balances. Any excess cash and cash equivalents are invested at short-term market interest rates.

## » Notes to the Unaudited Condensed Financial Statements (continued)

The tables below summarize the Sub-Funds' exposure to interest rate risks.

(i) MSCI China Tracker

	LESS THAN 1 MONTH HK\$
<b>AT 30TH JUNE 2008</b>	
BANK BALANCES	7,362,943
	<hr/>
<b>TOTAL INTEREST SENSITIVITY GAP</b>	7,362,943
	<hr/> <hr/>
<b>AT 31ST DECEMBER 2007</b>	
BANK BALANCES	9,711,496
	<hr/>
<b>TOTAL INTEREST SENSITIVITY GAP</b>	9,711,496
	<hr/> <hr/>

An increase of 100 basis points in interest rates as at 30th June 2008, with all other variables held constant, would increase net assets attributable to unitholders by approximately HK\$73,000 (31st December 2007: HK\$97,000) for a one - year holding period. A decrease of 100 basis points would have an equal but opposite effect.

(ii) A50 China Tracker

	LESS THAN 1 MONTH HK\$
<b>AT 30TH JUNE 2008</b>	
BANK BALANCES	137,072,615
	<hr/>
<b>TOTAL INTEREST SENSITIVITY GAP</b>	137,072,615
	<hr/> <hr/>
<b>AT 31ST DECEMBER 2007</b>	
BANK BALANCES	85,206,168
	<hr/>
<b>TOTAL INTEREST SENSITIVITY GAP</b>	85,206,168
	<hr/> <hr/>

An increase of 100 basis points in interest rates as at 30th June 2008, with all other variables held constant, would increase net assets attributable to unitholders by approximately HK\$1,370,000 (31st December 2007: HK\$852,000) for a one - year holding period. A decrease of 100 basis points would have an equal but opposite effect.

» **Notes to the Unaudited Condensed Financial Statements (continued)**

(iii) SENSEX India Tracker

	LESS THAN 1 MONTH HK\$
<b>AT 30TH JUNE 2008</b>	
BANK BALANCES	19,040,881
<b>TOTAL INTEREST SENSITIVITY GAP</b>	<u>19,040,881</u>
<b>AT 31ST DECEMBER 2007</b>	
BANK BALANCES	15,435,417
<b>TOTAL INTEREST SENSITIVITY GAP</b>	<u>15,435,417</u>

An increase of 100 basis points in interest rates as at 30th June 2008, with all other variables held constant, would increase net assets attributable to unitholders by approximately HK\$190,000 (31st December 2007: HK\$154,000) for a one - year holding period. A decrease of 100 basis points would have an equal but opposite effect.

**(III) Currency Risk**

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

(i) MSCI China Tracker

The MSCI China Tracker has no significant direct currency risk as substantially all of its financial assets and liabilities are denominated in Hong Kong dollars, the Sub-Fund's functional currency. However, the MSCI China Tracker has an indirect currency risk towards the Chinese Renminbi as the companies in which the Sub-Fund invests in are based in the PRC.

(ii) A50 China Tracker

As the A50 China Tracker holds CAAPs, being a Security (such as a warrant, note or participating certificate) linked to the Chinese A shares which are denominated in Chinese Renminbi, the Sub-Fund is exposed to currency risk related to the Hong Kong dollar against Chinese Renminbi.

The table below summarizes the Sub-Fund's on-balance sheet exposure to currency risk.

	AT 30TH JUNE 2008 HK\$ EQUIVALENT	AT 31ST DECEMBER 2007 HK\$ EQUIVALENT
<b>NET CURRENCY EXPOSURE TO</b>		
- RMB	24,577,361,298	12,464,985,087
	<u>24,577,361,298</u>	<u>12,464,985,087</u>

## » Notes to the Unaudited Condensed Financial Statements (continued)

Since the US dollar is currently pegged to HK dollar, the sensitivity of the Sub-Fund to changes in year end US dollar spot exchange rate was minimal. As at 30th June 2008, if the year end RMB spot exchange rate were to appreciate by 2% against the HK Dollar (HKD) with all other variables held constant, this would increase the net assets attributable to unitholders by approximately HK\$492 million (31st December 2007: HK\$249 million). Conversely, if the year end RMB spot exchange rate were to depreciate by 2% against the HKD, this would decrease the net assets attributable to unitholders by equal amounts.

### (iii) SENSEX India Tracker

As the SENSEX India Tracker holds IAPs, being a Security (such as a warrant, note or participating certificate) linked to the shares which are denominated in Indian Rupees, the Sub-Fund is exposed to currency risk related to the Hong Kong dollar against Indian Rupees.

The table below summarizes the Sub-Fund's on-balance sheet exposure to currency risk.

	AT 30TH JUNE 2008 HK\$ EQUIVALENT	AT 31ST DECEMBER 2007 HK\$ EQUIVALENT
<b>NET CURRENCY EXPOSURE TO</b>		
<b>- INR</b>	1,422,273,876	2,362,903,516

As at 30th June 2008, if the year end INR spot exchange rate were to appreciate by 2% against the HK Dollar (HKD) with all other variables held constant, this would increase the net assets attributable to unitholders by approximately HK\$28 million (31st December 2007: HK\$47 million). Conversely, if the year end INR spot exchange rate were to depreciate by 2% against the HKD, this would decrease the net assets attributable to unitholders by equal amounts.

### (b) Credit Risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Sub-Funds.

Financial assets which potentially subject the Sub-Funds to concentrations of credit risk consist principally of securities and bank balances.

The Sub-Funds limit their exposure to credit risk by transacting the majority of their securities and contractual commitment activity with broker-dealers, banks and regulated exchanges with high credit ratings that the Sub-Funds consider to be well established.

All transactions in securities are settled or paid for upon delivery using approved and reputable brokers. The risk of default is considered minimal since delivery of securities sold is only made once the broker has received payment. On a purchase, payment is made once the securities have been received by the broker. If either party fails to meet their obligation, the trade will fail.

## » Notes to the Unaudited Condensed Financial Statements (continued)

For the A50 China Tracker, the Sub-Fund's main counterparty credit risk concentration is with the two Participating Dealer, Citigroup Global Markets Asia Limited and Barclays Capital Asia Limited, as all transactions in securities are effected via the Participating Dealers.

For the SENSEX India Tracker, the Sub-Fund's main counterparty credit risk concentration is with the Participating Dealer, Citigroup Global Markets Asia Limited, as all transactions in securities are effected via the Participating Dealer.

The table below shows the credit rating of the Participating Dealers at 30th June 2008 as rated by well-known rating agency:

COUNTERPARTY	RATING
BARCLAYS CAPITAL ASIA LIMITED	AA
CITIGROUP GLOBAL MARKETS ASIA LIMITED	AA-

All bank balances are placed with a connected person of the Trustee, which the Manager considers a reputable financial institution.

### (c) Liquidity Risk

Redeemable shares can be redeemed on demand at the holder's option. In accordance with the Trust Deed, units can only be redeemed in kind and are not redeemable for cash. Cash component which represents the difference between the aggregate net asset value of the units comprising an Application Unit and the Application Basket Value might also be paid by the Sub-Funds at the time of redemption.

The tables below analyse the Sub-Funds' 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 tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

» **Notes to the Unaudited Condensed Financial Statements (continued)**

(i) MSCI China Tracker

	REPAYABLE ON DEMAND HK\$	LESS THAN 1 MONTH HK\$
<b>AT 30TH JUNE 2008</b>		
AMOUNT DUE TO UNITHOLDER	–	12,642,000
MANAGEMENT FEE PAYABLE	–	3,727,146
OTHER ACCOUNTS PAYABLE	–	14,197
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	1,415,925,388	–
<b>TOTAL FINANCIAL LIABILITIES</b>	<u>1,415,925,388</u>	<u>16,383,343</u>
<b>AT 31ST DECEMBER 2007</b>		
AMOUNT DUE TO UNITHOLDER	–	–
MANAGEMENT FEE PAYABLE	–	6,046,656
OTHER ACCOUNTS PAYABLE	–	10,105
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	2,213,177,700	–
<b>TOTAL FINANCIAL LIABILITIES</b>	<u>2,213,177,700</u>	<u>6,056,761</u>

» Notes to the Unaudited Condensed Financial Statements (continued)

(ii) A50 China Tracker

	REPAYABLE ON DEMAND HK\$	LESS THAN 1 MONTH HK\$
<b>AT 30TH JUNE 2008</b>		
AMOUNT DUE TO BROKER	–	53,059,060
MANAGEMENT FEE PAYABLE	–	57,185,896
OTHER ACCOUNTS PAYABLE	–	18,165,106
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	24,662,390,795	–
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>24,662,390,795</b>	<b>128,410,062</b>
<b>AT 31ST DECEMBER 2007</b>		
AMOUNT DUE TO BROKER	–	–
MANAGEMENT FEE PAYABLE	–	30,978,744
OTHER ACCOUNTS PAYABLE	–	9,878,581
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	12,513,686,474	–
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>12,513,686,474</b>	<b>40,857,325</b>

(iii) SENSEX India Tracker

	REPAYABLE ON DEMAND HK\$	LESS THAN 1 MONTH HK\$
<b>AT 30TH JUNE 2008</b>		
MANAGEMENT FEE PAYABLE	–	4,055,186
OTHER ACCOUNTS PAYABLE	–	1,269,982
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	1,444,924,878	–
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>1,444,924,878</b>	<b>5,325,168</b>
<b>AT 31ST DECEMBER 2007</b>		
MANAGEMENT FEE PAYABLE	–	4,568,254
OTHER ACCOUNTS PAYABLE	–	1,315,766
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	2,383,807,022	–
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>2,383,807,022</b>	<b>5,884,020</b>

## » Notes to the Unaudited Condensed Financial Statements (continued)

### (d) Capital Risk Management

The Sub-Funds' capital is represented by the redeemable units outstanding and their obligation to unitholders are the in kind. The Sub-Funds do not have any internally and externally imposed capital requirements and therefore the Sub-Funds are not subject to significant capital risk.

### (e) Fair Value Estimation

The Sub-Funds' carrying amounts of securities, other assets and liabilities approximate to their fair values. Other assets and liabilities include bank balances, dividend receivable, amount due to unitholder, management fee payable and other accounts payables which are realized or settled within a short period of time.

## 12. Distribution

*MSCI China Tracker*

*A50 China Tracker*

*SENSEX India Tracker*

No distribution was made during this period.

## 13. Events after the Balance Sheet Date

There was no post balance-sheet event.

# iSHARES MSCI CHINA TRACKER

(A Sub-Fund of iShares Asia Trust)

## » Investment Portfolio

### As at 30th June 2008

INVESTMENTS (99.18%)	HOLDINGS	FAIR VALUE HK\$	% OF NET ASSETS
LISTED EQUITIES (99.18%)			
CHINA (60.34%)			
AIR CHINA LTD – H	1,120,000	4,289,600	0.30
ALIBABA.COM LTD – H	448,000	4,847,360	0.34
ALUMINUM CORP OF CHINA LTD – H	1,344,000	12,069,120	0.85
ANGANG STEEL CO LTD – H	448,000	7,006,720	0.49
ANHUI CONCH CEMENT CO LTD – H	224,000	11,648,000	0.82
BANK OF CHINA LTD – H	10,080,000	34,876,800	2.46
BANK OF COMMUNICATIONS LTD – H	2,240,000	20,428,800	1.44
BEIJING CAPITAL INTERNATIONAL AIRPORT CO LTD – H	672,000	4,320,960	0.31
CHINA CITIC BANK CORP LTD – H	2,464,000	10,767,680	0.76
CHINA COAL ENERGY CO – H	1,232,000	16,779,840	1.19
CHINA COMMUNICATIONS CONSTRUCTION CO LTD – H	1,792,000	23,905,280	1.69
CHINA COMMUNICATIONS SERVICES CORP LTD – H	560,000	3,180,800	0.22
CHINA CONSTRUCTION BANK – H	12,880,000	80,757,600	5.70
CHINA COSCO HLDGS CO LTD – H	1,120,000	21,324,800	1.51
CHINA HIGH SPEED TRANSMISSION EQUIPMENT GROUP CO LTD – H	336,000	5,376,000	0.38
CHINA LIFE INSURANCE CO – H	2,744,000	74,774,000	5.28
CHINA MERCHANTS BANK CO LTD – H	952,000	23,324,000	1.65
CHINA NATIONAL BUILDING MATERIAL CO LTD – H	336,000	5,040,000	0.36
CHINA OILFIELD SERVICES LTD – H	280,000	3,903,200	0.28
CHINA PETROLEUM & CHEMICAL CORP – H	6,608,000	48,172,320	3.40
CHINA RAILWAY CONSTRUCTION CORPORATION – H	638,400	6,958,560	0.49
CHINA RAILWAY GROUP LTD – H	1,120,000	6,496,000	0.46
CHINA SHENHUA ENERGY CO LTD – H	1,232,000	37,576,000	2.65
CHINA SHIPPING CONTAINER LINES COMPANY LTD – H	1,904,000	5,807,200	0.41
CHINA SHIPPING DEVELOPMENT CO LTD – H	672,000	15,724,800	1.11
CHINA SOUTHERN AIRLINES CO LTD – H	672,000	2,083,200	0.15
CHINA TELECOM CORP LTD – H	6,272,000	26,530,560	1.87
COUNTRY GARDEN HOLDINGS COMPANY – H	1,456,000	7,323,680	0.52
DATANG INTL POWER GEN CO LTD – H	1,680,000	7,778,400	0.55
DONGFENG MOTOR GROUP CO LTD – H	1,120,000	3,494,400	0.25
GUANGSHEN RAILWAY CO LTD – H	560,000	1,988,000	0.14

	HOLDINGS	FAIR VALUE HK\$	% OF NET ASSETS
GUANGZHOU R&F PROPERTIES CO LTD – H	448,000	6,504,960	0.46
HARBIN POWER EQUIPMENT COMPANY LTD – H	336,000	3,796,800	0.27
HIDILI INDUSTRY INTL DEVELOPMENT LTD	336,000	4,529,280	0.32
HUANENG POWER INTERNATIONAL INC – H	1,344,000	7,257,600	0.51
INDUSTRIAL AND COMMERCIAL BANK OF CHINA – H	15,904,000	84,768,320	5.99
JIANGSU EXPRESSWAY CO LTD – H	560,000	3,578,400	0.25
JIANGXI COPPER COMPANY LTD – H	672,000	10,268,160	0.73
MAANSHAN IRON & STEEL – H	896,000	4,049,920	0.29
PETROCHINA CO LTD – H	8,064,000	81,285,120	5.74
PICC PROPERTY AND CASUALTY CO LTD – H	1,232,000	6,369,440	0.45
PING AN INSURANCE (GROUP) CO OF CHINA LTD – H	504,000	29,206,800	2.06
SHANGHAI ELECTRIC GRP CORP – H	1,568,000	5,974,080	0.42
SINO-OCEAN LAND HLDGS LTD	896,000	3,942,400	0.28
SINOPEC SHANGHAI PETROCHEMICAL CO LTD – H	1,344,000	3,588,480	0.25
TENCENT HOLDINGS LTD	336,000	20,260,800	1.43
TINGYI (CAYMAN ISLAND) HOLDING CORPORATION	504,000	4,823,280	0.34
YANZHOU COAL MINING CO LTD – H	1,008,000	14,595,840	1.03
ZHEJIANG EXPRESSWAY CO LTD – H	672,000	4,038,720	0.29
ZIJIN MINING GROUP CO LTD – H	1,680,000	11,138,400	0.79
ZTE CORPORATION – H	156,800	5,840,800	0.41
		854,371,280	60.34
<b>HONG KONG (38.84%)</b>			
AGILE PROPERTY HLDGS LTD	672,000	4,569,600	0.32
BEIJING ENTERPRISES HLDGS LTD	190,400	4,836,160	0.34
BELLE INTERNATIONAL HOLDINGS LTD	784,000	5,488,000	0.39
CHAODA MODERN AGRICULTURE	784,000	7,714,560	0.54
CHINA EVERBRIGHT LTD	448,000	6,728,960	0.48
CHINA INSURANCE INTERNATIONAL HLDGS CO LTD	224,000	4,161,920	0.29
CHINA MENGNIU DAIRY CO LTD	448,000	9,856,000	0.70
CHINA MERCHANTS HLDGS INTERNATIONAL CO LTD	526,400	15,870,960	1.12
CHINA MOBILE LTD	2,296,000	240,391,200	16.98
CHINA NETCOM GR CORP	560,000	11,900,000	0.84
CHINA OVERSEAS LAND & INV	1,456,000	17,908,800	1.26
CHINA RESOURCES ENTERPRISE LTD	560,000	12,460,000	0.88
CHINA RESOURCES LAND LTD	672,000	7,217,280	0.51
CHINA RESOURCES POWER HOLDINGS CO LTD	560,000	10,628,800	0.75
CHINA TRAVEL INTERNATIONAL INV HK	1,120,000	2,363,200	0.17
CHINA UNICOM	1,120,000	16,105,600	1.14

	HOLDINGS	FAIR VALUE HK\$	% OF NET ASSETS
CITIC PACIFIC LTD	504,000	14,490,000	1.02
CITIC RESOURCES HOLDINGS LIMITED	896,000	2,956,800	0.21
CNOOC LTD	5,936,000	79,661,120	5.63
COSCO PACIFIC LTD	672,000	8,480,640	0.60
DENWAY MOTORS LTD	2,240,000	6,742,400	0.48
GOME ELECTRICAL APPLIANCES HLDGS LTD	1,792,000	6,540,800	0.46
GUANGDONG INVESTMENTS LTD	952,000	3,008,320	0.21
HENGAN INTERNATIONAL GROUP CO LTD	112,000	2,548,000	0.18
LENOVO GROUP LTD	1,792,000	9,443,840	0.67
LI NING CO LTD	448,000	7,929,600	0.56
NINE DRAGONS PAPER HOLDINGS LTD	560,000	3,360,000	0.24
PARKSON RETAIL GROUP LTD	56,000	3,180,800	0.22
SHANGHAI INDUSTRIAL HLDGS LTD	336,000	7,627,200	0.54
SHIMAO PROPERTY HOLDINGS LTD	672,000	6,007,680	0.42
SHUI ON LAND LIMITED	728,000	4,688,320	0.33
SINOFERT HOLDINGS LTD	840,000	5,040,000	0.36
		549,906,560	38.84
TOTAL INVESTMENTS		1,404,277,840	99.18
OTHER NET ASSETS		11,647,548	0.82
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 30TH JUNE 2008		1,415,925,388	100.00
TOTAL INVESTMENTS, AT COST		1,166,436,503	

## » Statement of Movements in Investment Portfolio

### For the Period Ended 30th June 2008

INVESTMENTS	31.12.2007	ADDITIONS	HOLDINGS BONUS	DISPOSALS	30.06.2008
LISTED EQUITIES					
AGILE PROPERTY HLDGS LTD	774,000	174,000	–	276,000	672,000
AIR CHINA LTD – H	1,290,000	290,000	–	460,000	1,120,000
ALIBABA.COM LTD – H	516,000	116,000	–	184,000	448,000
ALUMINUM CORP OF CHINA LTD – H	1,806,000	352,000	–	814,000	1,344,000
ANGANG STEEL CO LTD – H	516,000	116,000	–	184,000	448,000
ANHUI CONCH CEMENT CO LTD – H	258,000	58,000	–	92,000	224,000
BANK OF CHINA LTD – H	11,610,000	2,610,000	–	4,140,000	10,080,000
BANK OF COMMUNICATIONS LTD – H	2,967,000	667,000	–	1,394,000	2,240,000
BEIJING CAPITAL INTERNATIONAL AIRPORT CO LTD – H	774,000	174,000	–	276,000	672,000
BEIJING ENTERPRISES HLDGS LTD	219,300	49,300	–	78,200	190,400
BELLE INTERNATIONAL HOLDINGS LTD	–	896,000	–	112,000	784,000
CHAODA MODERN AGRICULTURE	903,000	203,000	–	322,000	784,000
CHINA CITIC BANK CORP LTD – H	2,838,000	638,000	–	1,012,000	2,464,000
CHINA COAL ENERGY CO – H	774,000	814,000	–	356,000	1,232,000
CHINA COMMUNICATIONS CONSTRUCTION CO LTD – H	2,322,000	468,000	–	998,000	1,792,000
CHINA COMMUNICATIONS SERVICES CORP LTD – H	–	640,000	–	80,000	560,000
CHINA CONSTRUCTION BANK – H	12,771,000	4,919,000	–	4,810,000	12,880,000
CHINA COSCO HLDGS CO LTD – H	1,290,000	290,000	–	460,000	1,120,000
CHINA EVERBRIGHT LTD	516,000	116,000	–	184,000	448,000
CHINA HIGH SPEED TRANSMISSION EQUIPMENT GROUP CO LTD – H	387,000	87,000	–	138,000	336,000
CHINA INSURANCE INTERNATIONAL HLDGS CO LTD	258,000	58,000	–	92,000	224,000
CHINA LIFE INSURANCE CO – H	3,483,000	783,000	–	1,522,000	2,744,000
CHINA MENGNIU DAIRY CO LTD	516,000	116,000	–	184,000	448,000
CHINA MERCHANTS BANK CO LTD – H	645,000	540,500	–	233,500	952,000
CHINA MERCHANTS HLDGS INTERNATIONAL CO LTD	606,300	136,300	–	216,200	526,400
CHINA MOBILE LTD	2,967,000	641,500	–	1,312,500	2,296,000
CHINA MOLYBDENUM CO LTD – H	516,000	116,000	–	632,000	–
CHINA NATIONAL BUILDING MATERIAL CO LTD – H	387,000	87,000	–	138,000	336,000
CHINA NETCOM GR CORP	387,000	313,000	–	140,000	560,000
CHINA OILFIELD SERVICES LTD – H	322,500	72,500	–	115,000	280,000
CHINA OVERSEAS LAND & INV	2,064,000	464,000	–	1,072,000	1,456,000
CHINA PETROLEUM & CHEMICAL CORP – H	8,514,000	1,914,000	–	3,820,000	6,608,000
CHINA RAILWAY CONSTRUCTION CORPORATION – H	–	752,400	–	114,000	638,400
CHINA RAILWAY GROUP LTD – H	1,290,000	290,000	–	460,000	1,120,000

	31.12.2007	ADDITIONS	HOLDINGS BONUS	DISPOSALS	30.06.2008
CHINA RESOURCES ENTERPRISE LTD	645,000	145,000	–	230,000	560,000
CHINA RESOURCES LAND LTD	774,000	174,000	–	276,000	672,000
CHINA RESOURCES POWER HOLDINGS CO LTD	645,000	145,000	–	230,000	560,000
CHINA SHENHUA ENERGY CO LTD – H	1,677,000	363,500	–	808,500	1,232,000
CHINA SHIPPING CONTAINER LINES COMPANY LTD – H	2,193,000	493,000	–	782,000	1,904,000
CHINA SHIPPING DEVELOPMENT CO LTD – H	774,000	174,000	–	276,000	672,000
CHINA SOUTHERN AIRLINES CO LTD – H	1,032,000	232,000	–	592,000	672,000
CHINA TELECOM CORP LTD – H	7,224,000	1,624,000	–	2,576,000	6,272,000
CHINA TRAVEL INTERNATIONAL INV HK	1,806,000	406,000	–	1,092,000	1,120,000
CHINA UNICOM	774,000	626,000	–	280,000	1,120,000
CITIC PACIFIC LTD	645,000	131,500	–	272,500	504,000
CITIC RESOURCES HOLDINGS LIMITED	–	1,024,000	135,600	263,600	896,000
CNOOC LTD	7,740,000	1,696,000	–	3,500,000	5,936,000
COSCO PACIFIC LTD	774,000	174,000	–	276,000	672,000
COUNTRY GARDEN HOLDINGS COMPANY – H	1,677,000	377,000	–	598,000	1,456,000
DATANG INTL POWER GEN CO LTD – H	1,935,000	435,000	–	690,000	1,680,000
DENWAY MOTORS LTD	3,354,000	646,000	–	1,760,000	2,240,000
DONGFENG MOTOR GROUP CO LTD – H	1,290,000	290,000	–	460,000	1,120,000
GOME ELECTRICAL APPLIANCES HLDGS LTD	516,000	116,000	1,572,000	412,000	1,792,000
GUANGDONG INVESTMENTS LTD	1,806,000	406,000	–	1,260,000	952,000
GUANGSHEN RAILWAY CO LTD – H	1,290,000	290,000	–	1,020,000	560,000
GUANGZHOU R&F PROPERTIES CO LTD – H	516,000	116,000	–	184,000	448,000
HARBIN POWER EQUIPMENT COMPANY LTD – H	387,000	87,000	–	138,000	336,000
HENGAN INTERNATIONAL GROUP CO LTD	–	128,000	–	16,000	112,000
HIDILI INDUSTRY INTL DEVELOPMENT LTD	–	384,000	–	48,000	336,000
HUANENG POWER INTERNATIONAL INC – H	2,064,000	464,000	–	1,184,000	1,344,000
HUNAN NON-FERROUS METAL CORP LTD – H	774,000	174,000	–	948,000	–
INDUSTRIAL AND COMMERCIAL BANK OF CHINA – H	14,964,000	8,764,000	–	7,824,000	15,904,000
JIANGSU EXPRESSWAY CO LTD – H	774,000	174,000	–	388,000	560,000
JIANGXI COPPER COMPANY LTD – H	774,000	174,000	–	276,000	672,000
LENOVO GROUP LTD	2,064,000	464,000	–	736,000	1,792,000
LI NING CO LTD	516,000	116,000	–	184,000	448,000
MAANSHAN IRON & STEEL – H	1,032,000	232,000	–	368,000	896,000
NINE DRAGONS PAPER HOLDINGS LTD	645,000	145,000	–	230,000	560,000
PARKSON RETAIL GROUP LTD	–	64,000	–	8,000	56,000
PETROCHINA CO LTD – H	9,675,000	2,094,000	–	3,705,000	8,064,000
PICC PROPERTY AND CASUALTY CO LTD – H	1,419,000	319,000	–	506,000	1,232,000
PING AN INSURANCE (GROUP) CO OF CHINA LTD – H	709,500	159,500	–	365,000	504,000
SEMICONDUCTOR MANUFACTURING INTL CORP	5,805,000	1,305,000	–	7,110,000	–
SHANGHAI ELECTRIC GRP CORP – H	2,322,000	414,000	–	1,168,000	1,568,000
SHANGHAI INDUSTRIAL HLDGS LTD	387,000	87,000	–	138,000	336,000

	31.12.2007	ADDITIONS	HOLDINGS BONUS	DISPOSALS	30.06.2008
SHANGHAI INDUSTRIAL HLDGS LTD PEF OFFER NIL PAID RTS 30/06/2008	4,290	–	–	4,290	–
SHENZHEN INVESTMENT LTD	1,290,000	290,000	–	1,580,000	–
SHIMAO PROPERTY HOLDINGS LTD	774,000	174,000	–	276,000	672,000
SHUI ON LAND LIMITED	–	832,000	–	104,000	728,000
SINOFERT HOLDINGS LTD	–	960,000	–	120,000	840,000
SINO-OCEAN LAND HLDGS LTD	–	1,024,000	–	128,000	896,000
SINOPEC SHANGHAI PETROCHEMICAL CO LTD – H	1,548,000	348,000	–	552,000	1,344,000
SINOPEC YIZHENG CHEMICAL FIBRE CO LTD – H	1,806,000	406,000	–	2,212,000	–
SINOTRANS LTD – H	1,290,000	290,000	–	1,580,000	–
TENCENT HOLDINGS LTD	–	384,000	–	48,000	336,000
TINGYI (CAYMAN ISLAND) HOLDING CORPORATION	–	576,000	–	72,000	504,000
YANZHOU COAL MINING CO LTD – H	1,161,000	261,000	–	414,000	1,008,000
ZHEJIANG EXPRESSWAY CO LTD – H	774,000	174,000	–	276,000	672,000
ZIJIN MINING GROUP CO LTD – H	1,935,000	435,000	–	690,000	1,680,000
ZTE CORPORATION – H	129,000	36,600	44,800	53,600	156,800

## » Performance Record

### Net Asset Values

AT END OF FINANCIAL PERIOD DATED	NET ASSET VALUE PER UNIT HK\$	NET ASSET VALUE OF THE SUB-FUND HK\$
31ST DECEMBER 2005	29.73	1,094,216,415
31ST DECEMBER 2006	52.56	2,228,703,612
31ST DECEMBER 2007	28.59	2,213,177,700
30TH JUNE 2008	21.07*	1,415,925,388*

### Highest and Lowest Net Asset Value Per Unit

FINANCIAL PERIOD ENDED	HIGHEST NET ASSET VALUE PER UNIT HK\$	LOWEST NET ASSET VALUE PER UNIT HK\$
31ST DECEMBER 2002 (SINCE INCEPTION)	18.12	13.66
31ST DECEMBER 2003	25.65	13.27
31ST DECEMBER 2004	27.29	19.33
31ST DECEMBER 2005	30.70	23.96
31ST DECEMBER 2006	52.62	30.15
31ST DECEMBER 2007	35.30**	15.20**
30TH JUNE 2008	28.38*	19.45*

\* These are unaudited figures.

\*\* Adjustment for the effect of sub-division of units during the year.

# iSHARES FTSE/XINHUA A50 CHINA TRACKER

(A Sub-Fund of iShares Asia Trust)

## » Investment Portfolio

As at 30th June 2008

INVESTMENTS (99.30%)	HOLDINGS	FAIR VALUE HK\$	% OF NET ASSETS
CHINA (99.30%)			
LISTED CAAPS* ISSUED BY BARCLAYS BANK PLC			
AIR CHINA LTD – A	2,273,300	21,937,345	0.09
ALUMIUM CORP LTD – A	2,159,000	31,974,790	0.13
ANGANG NEW STEEL CO LTD – A	1,841,500	27,272,615	0.11
ANHUI CONCH CEMENT CO LTD – A	1,047,480	34,610,040	0.14
BANK OF BEIJING CO LTD – A	1,727,200	26,996,136	0.11
BANK OF CHINA LTD – A	10,541,000	48,594,010	0.20
BANK OF COMM LTD – A	3,568,700	30,226,889	0.12
BAOSHAN IRON AND STEEL CO LTD – A	9,128,700	78,157,197	0.32
CHINA CITIC BANK LTD – A	2,857,500	16,630,650	0.07
CHINA COAL ENERGY CO LTD – A	1,778,000	32,270,700	0.13
CHINA CONSTRUCTION BANK LTD – A	13,335,000	89,744,550	0.36
CHINA COSCO HOLDINGS CO LTD – A	2,667,000	59,847,480	0.24
CHINA LIFE INSURANCE CO LTD – A	1,511,300	41,182,925	0.17
CHINA MERCHANTS BANK CO LTD – A	7,112,000	188,823,600	0.77
CHINA MINSHENG BANKING CORP LTD – A	21,082,000	136,822,180	0.55
CHINA OILFIELD SERVICES CO LTD – A	863,600	22,954,488	0.09
CHINA PACIFIC INSURANCE CO LTD – A	1,181,100	25,724,358	0.10
CHINA PETROLEUM & CHEMICAL CORP LTD – A	6,096,000	70,347,840	0.29
CHINA RAILWAY GROUP – A	7,747,000	45,707,300	0.19
CHINA SHENHUA ENERGY CO LTD – A	2,705,100	115,697,127	0.47
CHINA SHIPPING DEVELOPMENT CO LTD – A	609,600	13,770,864	0.06
CHINA SOUTHERN AIRLINES CO LTD – A	1,943,100	15,739,110	0.06
CHINA STATE SHIP BUILDING LTD – A	292,100	25,085,548	0.10
CHINA UNITED TELECOMMUNICATION CORP LTD – A	12,636,500	95,911,035	0.39
CHINA VANKE CO LTD – A	14,224,000	145,653,760	0.59
CHINA YANGTZE POWER CO LTD – A	7,023,100	117,004,846	0.47
CITIC SECURITIES CO LTD – A	7,366,000	200,502,520	0.81
DAQIN RAILWAY CO LTD – A	5,829,300	90,354,150	0.37
DATANG INTL POWER GEN CO LTD – A	9,499,600	113,425,224	0.46
HUANENG POWER INTERNATIONAL INC CO LTD – A	1,231,900	9,855,200	0.04

	HOLDINGS	FAIR VALUE HK\$	% OF NET ASSETS
HUAXIA BANK CO LTD – A	2,489,200	26,136,600	0.11
INDUSTRIAL AND COMMERCIAL BANK OF CHINA – A	14,986,000	84,521,040	0.34
INDUSTRIAL BANK CO LTD – A	7,366,000	212,803,740	0.86
JIANGXI COPPER CO LTD – A	431,800	11,045,444	0.04
KWEICHOW MOUTAI CO LTD – A	419,100	66,045,969	0.27
PETROCHINA CO LTD – A	6,045,200	102,768,400	0.42
PING AN INSURANCE GROUP CO LTD – A	7,112,000	398,485,360	1.62
POLY REAL ESTATE GROUP – A	1,854,200	28,406,344	0.12
SHANGHAI AUTOMOTIVES CO LTD – A	2,921,000	26,026,110	0.11
SHANGHAI INTL AIRPORT CO LTD – A	1,409,700	25,402,794	0.10
SHANGHAI PORT CONTAINER CO LTD – A	12,306,300	66,946,272	0.27
SHANGHAI PUDONG DEVELOPMENT BANK CO LTD – A	3,365,500	84,137,500	0.34
SHANXI TAIGANG STAINLESS CO LTD – A	1,460,500	17,993,360	0.07
SHENZHEN DEVELOPMENT BANK – A	2,260,600	49,710,594	0.20
SINOPEC SHANGHAI PETROCHEM – A	1,143,000	8,423,910	0.03
SUNING APPLIANCE CO LTD – A	1,587,500	74,580,750	0.30
WESTERN MINING CO LTD – A	558,800	9,164,320	0.04
WUHAN IRON & STEEL CO LTD – A	4,610,100	51,172,110	0.21
WULIANGYE YIBIN CO LTD – A	1,727,200	35,770,312	0.14
YANZHOU COAL MINING CO LTD – A	609,600	13,728,192	0.06
		<u>3,366,093,598</u>	<u>13.65</u>

	HOLDINGS	FAIR VALUE HK\$	% OF NET ASSETS
LISTED CAAPS* ISSUED BY CITIGROUP			
AIR CHINA LTD – A	14,266,300	137,669,795	0.56
ALUMINUM CORP LTD – A	13,549,000	200,660,690	0.81
ANGANG NEW STEEL CO LTD – A	11,556,500	171,151,765	0.69
ANHUI CONCH CEMENT CO LTD – A	6,355,800	217,198,440	0.88
BANK OF BEIJING CO LTD – A	10,839,200	169,416,696	0.69
BANK OF CHINA LTD – A	66,151,000	304,956,110	1.24
BANK OF COMM LTD – A	22,395,700	189,691,579	0.77
BAOSHAN IRON & STEEL CO LTD – A	56,578,068	490,482,567	1.99
CHINA CITIC BANK LTD – A	17,932,500	104,367,150	0.42
CHINA COAL ENERGY CO LTD – A	11,158,000	202,517,700	0.82
CHINA CONSTRUCTION BANK LTD – A	83,685,000	563,200,050	2.28
CHINA COSCO HOLDINGS CO LTD – A	16,737,000	375,578,280	1.52
CHINA LIFE INSURANCE CO LTD – A	9,484,300	258,447,175	1.05
CHINA MERCHANTS BANK CO LTD – A	44,632,000	1,184,979,600	4.81
CHINA MINSHENG BANKING CORP LTD – A	132,302,000	858,639,980	3.48
CHINA OILFIELD SERVICES CO LTD – A	5,419,600	144,052,968	0.58
CHINA PACIFIC INSURANCE CO LTD – A	7,412,100	161,435,538	0.65
CHINA PETROLEUM & CHEMICAL CORP – A	38,256,000	441,474,240	1.79
CHINA RAILWAY GROUP – A	48,617,000	286,840,300	1.16
CHINA SHENHUA ENERGY CO LTD – A	16,976,100	726,067,797	2.94
CHINA SHIPPING DEVELOPMENT CO LTD – A	3,825,600	86,420,304	0.35
CHINA SOUTHERN AIRLINES CO LTD – A	12,194,100	98,772,210	0.40
CHINA STATE SHIP BUILDING LTD – A	1,833,100	157,426,628	0.64
CHINA UNITED TELECOMMUNICATION CORP LTD – A	79,301,500	601,898,385	2.44
CHINA VANKE CO LTD – A	89,264,000	914,063,360	3.71
CHINA YANGTZE POWER CO LTD – A	44,074,100	734,274,506	2.98
CITIC SECURITIES CO LTD – A	46,226,000	1,258,271,720	5.10
DAQIN RAILWAY CO LTD – A	36,582,300	567,025,650	2.30
DATANG INTL POWER GEN CO LTD – A	59,615,600	711,810,264	2.89
HUANENG POWER INTERNATIONAL INC CO LTD – A	7,730,900	61,847,200	0.25
HUAXIA BANK CO LTD – A	15,621,200	164,022,600	0.67
INDUSTRIAL AND COMMERCIAL BANK OF CHINA – A	94,046,000	530,419,440	2.15
INDUSTRIAL BANK CO LTD – A	46,226,000	1,335,469,140	5.42
JIANGXI COPPER CO LTD – A	2,709,800	69,316,684	0.28
KWEICHOW MOUTAI CO LTD – A	2,630,100	414,477,459	1.68
PETROCHINA CO LTD – A	37,937,200	644,932,400	2.62
PING AN INSURANCE GROUP CO LTD – A	44,632,000	2,500,730,960	10.14
POLY REAL ESTATE GROUP – A	11,636,200	178,266,584	0.72

	HOLDINGS	FAIR VALUE HK\$	% OF NET ASSETS
SHANGHAI AUTOMOTIVES CO LTD – A	18,331,000	163,329,210	0.66
SHANGHAI INTL AIRPORT CO LTD – A	8,846,700	159,417,534	0.65
SHANGHAI PORT CONTAINER CO LTD – A	77,229,300	420,127,392	1.70
SHANGHAI PUDONG DEVELOPMENT BANK CO LTD – A	21,120,500	528,012,500	2.14
SHANXI TAIGANG STAINLESS CO LTD – A	9,165,500	112,918,960	0.46
SHENZHEN DEVELOPMENT BANK – A	14,186,600	31,196,334	1.27
SINOPEC SHANGHAI PETROCHEM – A	7,173,000	52,865,010	0.21
SUNING APPLIANCE CO LTD – A	9,962,500	468,038,250	1.90
WESTERN MINING CO LTD – A	3,506,800	57,511,520	0.23
WUHAN IRON & STEEL CO LTD – A	28,931,100	321,135,210	1.30
WULIANGYE YIBIN CO LTD – A	10,839,200	224,479,832	0.91
YANZHOU COAL MINING CO LTD – A	3,825,600	86,152,512	0.35
		<u>21,124,225,178</u>	<u>85.65</u>
TOTAL INVESTMENTS		24,490,318,776	99.30
OTHER NET ASSETS		<u>172,072,019</u>	<u>0.70</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 30TH JUNE 2008		<u>24,662,390,795</u>	<u>100.00</u>
TOTAL INVESTMENTS, AT COST		<u>29,520,853,432</u>	

## » Statement of Movements in Investment Portfolio

### For the Period Ended 30th June 2008

INVESTMENTS	31.12.2007	ADDITIONS	HOLDINGS BONUS	DISPOSALS	30.06.2008
LISTED CAAPS* ISSUED BY BARCLAYS BANK PLC					
AIR CHINA LTD – A	1,386,000	1,453,100	–	565,800	2,273,300
ALUMIUM CORP LTD – A	951,500	1,641,500	–	434,000	2,159,000
ANGANG NEW STEEL CO LTD – A	990,000	1,184,500	–	333,000	1,841,500
ANHUI CONCH CEMENT CO LTD – A	275,000	581,500	285,480	94,500	1,047,480
BANK OF BEIJING CO LTD – A	–	1,986,400	–	259,200	1,727,200
BANK OF CHINA LTD – A	5,885,000	6,877,000	–	2,221,000	10,541,000
BANK OF COMM LTD – A	2,035,000	2,298,900	–	765,200	3,568,700
BAOSHAN IRON AND STEEL CO LTD – A	4,290,000	5,048,900	1,242,000	1,452,200	9,128,700
CHINA CITIC BANK LTD – A	1,622,500	1,878,500	–	643,500	2,857,500
CHINA COAL ENERGY CO LTD – A	–	2,966,000	–	1,188,000	1,778,000
CHINA CONSTRUCTION BANK LTD – A	8,635,000	9,733,000	–	5,033,000	13,335,000
CHINA COSCO HOLDINGS CO LTD – A	1,446,500	1,671,000	–	450,500	2,667,000
CHINA LIFE INSURANCE CO LTD – A	852,500	968,100	–	309,300	1,511,300
CHINA MERCHANTS BANK CO LTD – A	3,960,000	4,615,000	–	1,463,000	7,112,000
CHINA MINSHENG BANKING CORP LTD – A	8,910,000	11,791,200	4,258,200	3,877,400	21,082,000
CHINA OILFIELD SERVICES CO LTD – A	–	993,200	–	129,600	863,600
CHINA PACIFIC INSURANCE CO LTD – A	–	1,743,700	–	562,600	1,181,100
CHINA PETROLEUM & CHEMICAL CORP LTD – A	3,465,000	4,039,000	–	1,408,000	6,096,000
CHINA RAILWAY GROUP – A	–	7,747,000	–	–	7,747,000
CHINA SHENHUA ENERGY CO LTD – A	1,485,000	1,729,700	–	509,600	2,705,100
CHINA SHIPPING DEVELOPMENT CO LTD – A	330,000	409,200	–	129,600	609,600
CHINA SOUTHERN AIRLINES CO LTD – A	1,100,000	1,260,700	–	417,600	1,943,100
CHINA STATE SHIP BUILDING LTD – A	–	335,300	–	43,200	292,100
CHINA UNITED TELECOMMUNICATION CORP LTD – A	6,930,000	8,091,500	–	2,385,000	12,636,500
CHINA VANKE CO LTD – A	5,005,000	6,000,000	5,124,000	1,905,000	14,224,000
CHINA YANGTZE POWER CO LTD – A	3,850,000	4,495,700	–	1,322,600	7,023,100
CITIC SECURITIES CO LTD – A	2,062,500	2,939,000	3,132,000	767,500	7,366,000
DAQIN RAILWAY CO LTD – A	3,190,000	3,734,100	–	1,094,800	5,829,300
DATANG INTL POWER GEN CO LTD – A	440,000	10,485,200	–	1,425,600	9,499,600
GUANGSHEN RAILWAY – A	1,980,000	–	–	1,980,000	–
HUANENG POWER INTERNATIONAL INC CO LTD – A	627,000	788,500	–	183,600	1,231,900
HUAXIA BANK CO LTD – A	1,485,000	1,591,400	–	587,200	2,489,200
INDUSTRIAL AND COMMERCIAL BANK OF CHINA – A	8,250,000	9,662,000	–	2,926,000	14,986,000

	31.12.2007	ADDITIONS	HOLDINGS BONUS	DISPOSALS	30.06.2008
INDUSTRIAL BANK CO LTD – A	605,000	6,816,000	–	55,000	7,366,000
JIANGXI COPPER CO LTD – A	264,000	276,600	–	108,800	431,800
KWEICHOW MOUTAI CO LTD – A	231,000	274,700	–	86,600	419,100
MAANSHAN IRON & STEEL – A	929,500	–	–	929,500	–
PETROCHINA CO LTD – A	3,355,000	3,880,400	–	1,190,200	6,045,200
PING AN INSURANCE GROUP CO LTD – A	786,500	6,397,000	–	71,500	7,112,000
POLY REAL ESTATE GROUP – A	506,000	1,030,400	636,400	318,600	1,854,200
SHANGHAI AUTOMOTIVES CO LTD – A	1,710,500	1,868,000	–	657,500	2,921,000
SHANGHAI INTL AIRPORT CO LTD – A	852,500	899,900	–	342,700	1,409,700
SHANGHAI PORT CONTAINER CO LTD – A	2,200,000	11,953,100	–	1,846,800	12,306,300
SHANGHAI PUDONG DEVELOPMENT BANK CO LTD – A	1,072,500	2,023,000	660,960	390,960	3,365,500
SHANGHAI ZHENHUA PORT MACHINE CO LTD – A	1,188,000	160,000	–	1,348,000	–
SHANXI TAIGANG STAINLESS CO LTD – A	902,000	1,013,500	–	455,000	1,460,500
SHENZHEN DEVELOPMENT BANK – A	1,281,500	1,536,600	–	557,500	2,260,600
SINOPEC SHANGHAI PETROCHEM – A	649,000	796,400	–	302,400	1,143,000
SUNING APPLIANCE CO LTD – A	880,000	1,032,500	–	325,000	1,587,500
WESTERN MINING CO LTD – A	302,500	375,100	–	118,800	558,800
WUHAN IRON & STEEL CO LTD – A	2,585,000	3,037,100	–	1,012,000	4,610,100
WULIANGYE YIBIN CO LTD – A	990,000	1,106,400	–	369,200	1,727,200
YANTAI WANHUA POLYURETHANE CO LTD – A	720,500	–	–	720,500	–
YANZHOU COAL MINING CO LTD – A	385,000	399,200	–	174,600	609,600
YOUNGOR GROUP CO – A	1,375,000	–	–	1,375,000	–
YUNNAN COPPER IND – A	319,000	265,000	–	584,000	–

\* CAAP - Chinese A Share Access Product, being a Security (such as a warrant, note or participating certificate) linked to an A Share.

INVESTMENTS	31.12.2007	ADDITIONS	HOLDINGS BONUS	DISPOSALS	30.06.2008
LISTED CAAPS* ISSUED BY CITIGROUP					
AIR CHINA LTD – A	4,964,400	14,976,800	–	5,674,900	14,266,300
ALUMINUM CORP LTD – A	3,408,100	15,179,900	–	5,039,000	13,549,000
ANGANG NEW STEEL CO LTD – A	3,546,000	12,134,000	–	4,123,500	11,556,500
ANHUI CONCH CEMENT CO LTD – A	985,000	4,947,100	1,573,800	1,150,100	6,355,800
BANK OF BEIJING CO LTD – A	–	14,363,200	–	3,524,000	10,839,200
BANK OF CHINA LTD – A	21,079,000	70,866,000	–	25,794,000	66,151,000
BANK OF COMM LTD – A	7,289,000	23,529,200	–	8,422,500	22,395,700
BAOSHAN IRON & STEEL CO LTD – A	15,366,000	52,037,200	7,084,368	17,909,500	56,578,068
CHINA CITIC BANK LTD – A	5,811,500	19,152,000	–	7,031,000	17,932,500
CHINA COAL ENERGY CO LTD – A	–	20,078,000	–	8,920,000	11,158,000
CHINA CONSTRUCTION BANK LTD – A	30,929,000	100,196,000	–	47,440,000	83,685,000
CHINA COSCO HOLDINGS CO LTD – A	5,181,100	17,226,000	–	5,670,100	16,737,000
CHINA LIFE INSURANCE CO LTD – A	3,053,500	9,977,800	–	3,547,000	9,484,300
CHINA MERCHANTS BANK CO LTD – A	14,184,000	47,559,000	–	17,111,000	44,632,000
CHINA MINSHENG BANKING CORP LTD – A	31,914,000	126,774,500	19,479,000	45,865,500	132,302,000
CHINA OILFIELD SERVICES CO LTD – A	–	7,181,600	–	1,762,000	5,419,600
CHINA PACIFIC INSURANCE CO LTD – A	–	12,407,600	–	4,995,500	7,412,100
CHINA PETROLEUM & CHEMICAL CORP – A	12,411,000	41,615,000	–	15,770,000	38,256,000
CHINA RAILWAY GROUP – A	–	49,532,000	–	915,000	48,617,000
CHINA SHENHUA ENERGY CO LTD – A	5,319,000	17,827,600	–	6,170,500	16,976,100
CHINA SHIPPING DEVELOPMENT CO LTD – A	1,182,000	4,215,600	–	1,572,000	3,825,600
CHINA SOUTHERN AIRLINES CO LTD – A	3,940,000	12,828,600	–	4,574,500	12,194,100
CHINA STATE SHIP BUILDING LTD – A	–	2,424,800	–	591,700	1,833,100
CHINA UNITED TELECOMMUNICATION CORP LTD – A	24,822,000	83,396,000	–	28,916,500	79,301,500
CHINA VANKE CO LTD – A	17,927,000	63,960,000	29,106,000	21,729,000	89,264,000
CHINA YANGTZE POWER CO LTD – A	13,790,000	46,335,600	–	16,051,500	44,074,100
CITIC SECURITIES CO LTD – A	7,387,500	28,984,600	19,140,000	9,286,100	46,226,000
DAQIN RAILWAY CO LTD – A	11,426,000	38,485,800	–	13,329,500	36,582,300
DATANG INTL POWER GEN CO LTD – A	1,576,000	77,517,600	–	19,478,000	59,615,600
GUANGSHEN RAILWAY – A	7,092,000	–	–	7,092,000	–
HUANENG POWER INTERNATIONAL INC CO LTD – A	2,245,800	8,126,800	–	2,641,700	7,730,900
HUAXIA BANK CO LTD – A	5,319,000	16,402,200	–	6,100,000	15,621,200
INDUSTRIAL AND COMMERCIAL BANK OF CHINA – A	29,550,000	99,576,000	–	35,080,000	94,046,000
INDUSTRIAL BANK CO LTD – A	2,167,000	46,406,000	–	2,347,000	46,226,000
JIANGXI COPPER CO LTD – A	945,600	2,850,800	–	1,086,600	2,709,800
KWEICHOW MOUTAI CO LTD – A	827,400	2,830,600	–	1,027,900	2,630,100
MAANSHAN IRON & STEEL – A	3,329,300	–	–	3,329,300	–

	31.12.2007	ADDITIONS	HOLDINGS BONUS	DISPOSALS	30.06.2008
PETROCHINA CO LTD – A	12,017,000	39,919,200	–	13,999,000	37,937,200
PING AN INSURANCE GROUP CO LTD – A	2,817,100	44,575,000	–	2,760,100	44,632,000
POLY REAL ESTATE GROUP – A	1,812,400	12,185,600	1,350,200	3,712,000	11,636,200
SHANGHAI AUTOMOTIVES CO LTD – A	6,126,700	19,253,000	–	7,048,700	18,331,000
SHANGHAI INTL AIRPORT CO LTD – A	3,053,500	9,275,200	–	3,482,000	8,846,700
SHANGHAI PORT CONTAINER CO LTD – A	7,880,000	94,937,800	–	25,588,500	77,229,300
SHANGHAI PUDONG DEVELOPMENT BANK CO LTD – A	3,841,500	18,864,500	4,039,200	5,624,700	21,120,500
SHANGHAI ZHENHUA PORT MACHINE CO LTD – A	4,255,200	160,000	–	4,415,200	–
SHANXI TAIGANG STAINLESS CO LTD – A	3,230,800	10,438,000	–	4,503,300	9,165,500
SHENZHEN DEVELOPMENT BANK – A	4,590,100	15,676,100	–	6,079,600	14,186,600
SINOPEC SHANGHAI PETROCHEM – A	2,324,600	8,201,800	–	3,353,400	7,173,000
SUNING APPLIANCE CO LTD – A	3,152,000	10,640,000	–	3,829,500	9,962,500
WESTERN MINING CO LTD – A	1,083,500	3,864,300	–	1,441,000	3,506,800
WUHAN IRON & STEEL CO LTD – A	9,259,000	31,216,900	–	11,544,800	28,931,100
WULIANGYE YIBIN CO LTD – A	3,546,000	11,403,200	–	4,110,000	10,839,200
YANTAI WANHUA POLYURETHANE CO LTD – A	2,580,700	–	–	2,580,700	–
YANZHOU COAL MINING CO LTD – A	1,379,000	4,010,400	–	1,563,800	3,825,600
YOUNGOR GROUP CO LTD – A	4,925,000	–	–	4,925,000	–
YUNNAN COPPER INDUSTRY CO LTD – A	1,142,600	2,705,000	–	3,847,600	–

## » Performance Record

### Net Asset Value

AT END OF FINANCIAL PERIOD DATED	NET ASSET VALUE PER UNIT HK\$	NET ASSET VALUE OF THE SUB-FUND HK\$
31ST DECEMBER 2005	42.53	2,526,275,310
31ST DECEMBER 2006	105.33	14,135,633,054
31ST DECEMBER 2007	24.83	12,513,686,474
30TH JUNE 2008	13.35*	24,662,390,795*

### Highest and Lowest Net Asset Value Per Unit

FINANCIAL PERIOD ENDED	HIGHEST NET ASSET VALUE PER UNIT HK\$	LOWEST NET ASSET VALUE PER UNIT HK\$
31ST DECEMBER 2004 (SINCE INCEPTION)	44.70*	41.79*
31ST DECEMBER 2005	44.75	35.14
31ST DECEMBER 2006	105.34	46.56
31ST DECEMBER 2007	27.61**	10.53**
30TH JUNE 2008	26.54*	13.33*

\* These are unaudited figures.

\*\* Adjustment for the effect of sub-division of units during the year.

# iSHARES BSE SENSEX INDIA TRACKER

(A Sub-Fund of iShares Asia Trust)

## » Investment Portfolio

As at 30th June 2008

INVESTMENTS (98.24%)	HOLDINGS	FAIR VALUE HK\$	% OF NET ASSETS
INDIA (98.24%)			
LISTED IAPS* ISSUED BY CITIGROUP			
AMBUJA CEMENTS	645,000	8,801,823	0.61
ASSOCIATED CEMENT	102,168	9,488,587	0.66
BHARAT HEAVY ELECTRICALS	150,156	37,093,921	2.57
BHARTI AIRTEL	559,860	72,994,576	5.05
CIPLA LIMITED	458,724	17,456,057	1.21
DLF LTD	218,010	15,385,084	1.06
GRASIM INDUSTRY	60,372	19,777,123	1.37
HDFC BANK LTD	245,100	44,207,283	3.06
HINDALCO IND	752,844	19,372,863	1.34
HINDUSTAN LEVER LTD	915,900	33,853,321	2.34
HOUSING DEVELOPMENT FINANCE CORP LTD	206,658	72,226,896	5.00
ICICI BANK LTD	946,860	108,020,199	7.48
INFOSYS TECHNOLOGIES LTD	412,800	128,661,531	8.90
ITC LTD	2,244,600	75,088,102	5.20
JAIPRAKASH ASSOCIATES LTD	593,400	15,454,995	1.07
LARSEN & TOUBRO	225,750	88,669,567	6.14
MAHINDRA & MAHINDRA	178,278	15,389,349	1.06
MARUTI UDYOG LTD (FORMERLY MARUTI SUZUKI INDIA LTD)	118,680	13,270,936	0.92
NTPC LTD	1,084,116	29,672,746	2.05
OIL & NATURAL GAS CORP	361,200	52,388,452	3.62
RANBAXY LABORAT	228,846	21,574,687	1.49
RELIANCE COMMU	631,068	50,390,770	3.49
RELIANCE IND	621,780	234,621,198	16.24
RELIANCE INFRASTRUCTURE LTD (FORMERLY RELIANCE ENERGY)	131,580	18,868,896	1.31
SATYAM COMPUTER SERV LTD	556,764	43,849,778	3.03
STATE BANK OF INDIA	239,940	47,991,564	3.32
TATA CONSULTANCY SVS LTD	205,110	31,780,416	2.20
TATA MOTORS LTD	202,788	15,275,458	1.06
TATA STEEL LTD	438,600	57,800,315	4.00

	HOLDINGS	FAIR VALUE HK\$	% OF NET ASSETS
WIPRO LTD	255,936	20,057,293	1.39
		<u>1,419,483,786</u>	<u>98.24</u>
TOTAL INVESTMENTS		1,419,483,786	98.24
OTHER NET ASSETS		<u>25,441,092</u>	<u>1.76</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 30TH JUNE 2008		<u><u>1,444,924,878</u></u>	<u>100.00</u>
TOTAL INVESTMENTS, AT COST		<u><u>1,928,707,186</u></u>	

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\*IAP - Indian Access Produce, being a Security (such as a warrant, note or participating certificate) linked to an Indian Share.

» **Statement of Movements in Investment Portfolio**

**For the Period Ended 30th June 2008**

INVESTMENTS	31.12.2007	ADDITIONS	HOLDINGS BONUS	DISPOSALS	30.06.2008
LISTED IAPS* ISSUED BY CITIGROUP					
AMBUJA CEMENTS	799,800	–	–	154,800	645,000
ASSOCIATED CEMENT	102,168	–	–	–	102,168
BAJAJ AUTO	–	–	57,534	57,534	–
BAJAJ FINSERV LTD	–	–	57,534	57,534	–
BAJAJ HOLDINGS & INVESTMENTS LTD (FORMERLY BAJAJ AUTO)	57,534	–	–	57,534	–
BHARAT HEAVY ELECTRICALS	150,156	–	–	–	150,156
BHARTI AIRTEL	582,048	–	–	22,188	559,860
CIPLA LIMITED	458,724	–	–	–	458,724
DLF LTD	218,010	–	–	–	218,010
GRASIM INDUSTRY	60,372	–	–	–	60,372
HDFC BANK LTD	245,100	–	–	–	245,100
HINDALCO IND	752,844	–	–	–	752,844
HINDUSTAN LEVER LTD	967,500	–	–	51,600	915,900
HOUSING DEVELOPMENT FINANCE CORP LTD	206,658	–	–	–	206,658
ICICI BANK LTD	960,018	–	–	13,158	946,860
INFOSYS TECHNOLOGIES LTD	425,442	–	–	12,642	412,800
ITC LTD	2,309,616	–	–	65,016	2,244,600
JAIPRAKASH ASSOCIATES LTD	–	593,400	–	–	593,400
LARSEN & TOUBRO	225,750	–	–	–	225,750
MAHINDRA & MAHINDRA	178,278	–	–	–	178,278
MARUTI UDYOG LTD (FORMERLY MARUTI SUZUKI INDIA LTD)	118,680	–	–	–	118,680
NTPC LTD	1,084,116	–	–	–	1,084,116
OIL & NATURAL GAS CORP	374,874	–	–	13,674	361,200
RANBAXY LABORAT	228,846	–	–	–	228,846
RELIANCE COMMU	631,068	–	–	–	631,068
RELIANCE IND	634,680	–	–	12,900	621,780
RELIANCE INFRASTRUCTURE LTD (FORMERLY RELIANCE ENERGY)	131,580	–	–	–	131,580
SATYAM COMPUTER SERV LTD	556,764	–	–	–	556,764
STATE BANK OF INDIA	207,690	32,250	41,538	41,538	239,940
TATA CONSULTANCY SVS LTD	205,110	–	–	–	205,110
TATA MOTORS LTD	202,788	–	–	–	202,788
TATA STEEL LTD	438,600	–	–	–	438,600
WIPRO LTD	255,936	–	–	–	255,936

\*IAP - Indian Access Produce, being a Security (such as a warrant, note or participating certificate) linked to an Indian Share.

## » Performance Record

### Net Asset Value

AT END OF FINANCIAL PERIOD DATED	NET ASSET VALUE PER UNIT HK\$	NET ASSET VALUE OF THE SUB-FUND HK\$
31ST DECEMBER 2007	23.10	2,383,807,022
30TH JUNE 2008	14.00*	1,444,924,878*

### Highest and Lowest Net Asset Value Per Unit

FINANCIAL PERIOD ENDED	HIGHEST NET ASSET VALUE PER UNIT HK\$	LOWEST NET ASSET VALUE PER UNIT HK\$
31ST DECEMBER 2007 (SINCE INCEPTION)	23.20	12.56
30TH JUNE 2008	23.87*	14.00*

\* These are unaudited figures.



# **iSHARES ASIA TRUST MANAGEMENT AND ADMINISTRATION**

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Frederick James Horsey

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