

基金經理報告 Manager's Report

新華富時中國25指數於2007年下半年表現強勁，儘管於十一及十二月份因受到美國次級按揭問題及「港股直通車」計劃延遲影響而作了16.9%的調整，但半年累計仍錄得33.9%的增幅。在中資股盈利大幅增長及來自國內外充裕的流動資金的帶動下，指數於2007全年錄得53.6%之回報，成為表現最優越的主要指數之一。

宏觀經濟方面，國內廣義消費物價指數於2007年11月為6.9%，超過市場預期之6.5%，令人意外。鑒於物價增幅達致11年以來最高位，中國人民銀行感到有必要將利率提升18點子及將存款準備金率提高1個百分點。與此同時，中國人民銀行亦將貸款增長目標由2007年的13.5%調低至2008年的12.0%，以便為固定資產投資增長降溫。儘管如此，由於政府有意將其焦點從出口轉向國內消費，零售業將繼續受到注視。市場預期，2008年國內生產總值仍將保持偏高的單位數增長。

鑒於新一輪的緊縮措施遠比市場預期的嚴苛，市場或會需要更多時間調整其對中國經濟增長的預測。因此，短期內防守型股份應勝於其他中資股。預計加快審批合資格境內機構投資者基金將會成為扭轉中資股目前形勢的催化劑。

除中期每單位派息1.00港元之外，基金亦派發截至2007年12月31日止之財政年度末期股息，每單位為0.43港元。除息日為2007年12月19日，登記日為2007年12月20日，派息日為2008年1月2日。

恒生投資管理有限公司
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FTSE/Xinhua China 25 Index performed well in the second half of 2007 with a decent gain of 33.9% despite a correction of 16.9% in the last two months of 2007 due to the sub-prime issues and the postponement of the "through-train" program. For the year of 2007, the Index recorded an annual return of 53.6% and was one of the best performers in major stock indexes, on the back of robust earnings growth of China stocks and strong liquidity from both overseas countries and China.

As for macroeconomic, headline Consumer Price Index (CPI) surprised the market on the upside with a reading of 6.9% in November 2007, compared with market consensus of 6.5%. The growth rate was the highest in 11 years and put pressure on People's Bank of China (PBoC) to raise the interest rates by 18 basis points in general and the Reserve Requirement Ratio by 1 percent point after the release of CPI figures. Meanwhile, PBoC cut its loan growth target from 13.5% in 2007 to 12.0% in 2008, as a mean to cool down Fixed Assets Investment growth. Having said that, retail industries will remain the bright spot on government intention to shift its focus from exports to domestic consumption. According to market consensus, Gross Domestic Product growth will remain in high single-digit in 2008.

The market may need to take more time to adjust their expectation on China economic growth after current round of tightening measures, which is much stricter than market consensus. As such, defensive plays should outperform other China plays in the near term. Foreseeable catalyst to trigger a turnaround of China counters is the acceleration of approval of Qualified Domestic Institutional Investor funds.

In addition to the interim dividend of HK\$1.00 per unit, a final dividend distribution from the Fund of HK\$0.43 per unit was made in respect of the financial year ended 31 December 2007. The Ex. Dividend Date was 19 December 2007, and the Record Date was 20 December 2007. The dividend distribution was paid on 2 January 2008.

Hang Seng Investment Management Limited
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