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Aberdeen All Asia  
Investment Trust PLC

Annual Report and Accounts  
31 March 2011



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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser. If you have sold or otherwise transferred all your Ordinary shares in Aberdeen All Asia Investment Trust PLC, please forward this document, together with the accompanying documents, immediately to the purchaser or transferee, or to the stockbroker, bank or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

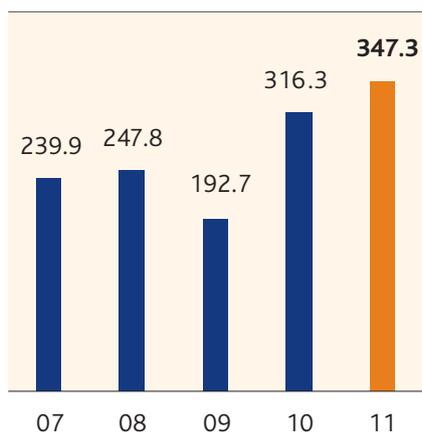
## Financial Highlights

	2011	2010
Share price total return <sup>A</sup>	<b>+8.0%</b>	+72.7%
Net asset value total return <sup>A</sup>	<b>+10.3%</b>	+65.9%
MSCI AC Asia Pacific (including Japan) Index (in Sterling terms)	<b>+5.4%</b>	+49.5%
Dividend per share	<b>3.25p</b>	1.50p

<sup>A</sup> Total return represents capital return plus dividends reinvested

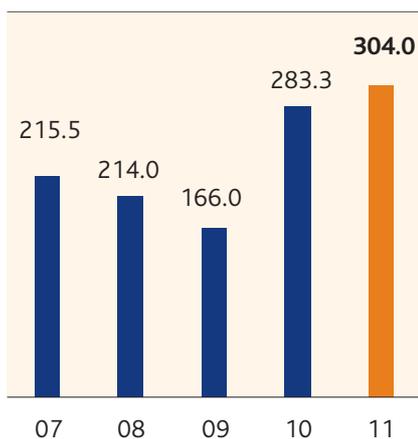
### Net asset value per share

At 31 March – pence



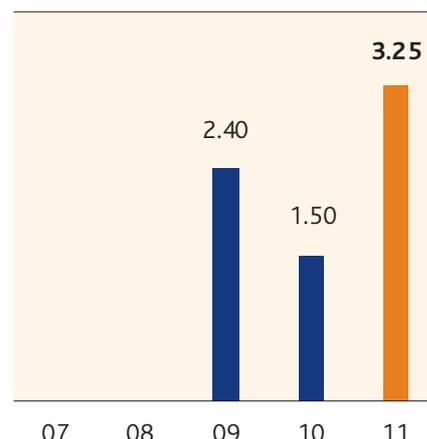
### Mid-market share price

At 31 March - pence



### Proposed dividend per share

Year ended 31 March - pence



## Financial Calendar

<b>3 June 2011</b>	Announcement of results for year ended 31 March 2011
<b>26 July 2011</b>	Annual General Meeting
<b>29 July 2011</b>	Proposed final dividend payable for year ended 31 March 2011
<b>November 2011</b>	Announcement of Half-Yearly Financial Report for the six months ending 30 September 2011

# Corporate Summary

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## The Company

The Company is an investment trust and its shares are listed on the London Stock Exchange. The Company is a member of the Association of Investment Companies.

## Investment Objective

The investment objective of the Company is to generate capital growth from a concentrated portfolio of companies domiciled, operating or generating revenue in the Asia-Pacific region, including Japan.

Owing to the concentration of investments, the performance of the Company's investment portfolio may deviate significantly from its benchmark from time to time.

## Investment Policy

The Company's portfolio comprises securities substantially in the form of equities or equity-related securities such as convertible securities and warrants.

The investment portfolio comprises companies of any market capitalisation, regardless of sector or country weightings, which show potential for outstanding growth. Due to the size of the Japanese economy, the Board would normally expect there to be a significant investment in Japan.

Investments may also be made through collective investment schemes and in companies traded on stock markets outside the Investment Region, provided that over 75 per cent. of their consolidated revenue is earned from trading in the Investment Region or they hold more than 75 per cent. of their consolidated net assets in the Investment Region.

The Company's assets may be invested in a selected portfolio of securities in quoted companies spread across a range of industries and economies in the investment region including Australia, China, Hong Kong, India, Japan, Korea, Malaysia, The Philippines, Singapore, Taiwan and Thailand together with such other countries in Asia as the Directors may from time to time determine (collectively, the "Investment Region"). This includes securities in companies quoted on the London Stock Exchange, provided those companies also have a listing on a recognised stock exchange within the Investment Region.

## Achieving the Investment Policy

The Directors are responsible for determining the investment policy and the investment objective of the Company. Day-to-day management of the Company's assets has been delegated to Aberdeen Asset Management Asia Limited ('AAM Asia' or 'the Manager'). The Manager invests in a diversified range of companies throughout the Investment Region in accordance with the investment policy. The

Manager follows a bottom-up investment process based on a disciplined evaluation of companies through direct visits by its fund managers.

Stock selection drives the investment process. No stock is bought without the fund managers having first met management. The Manager estimates a security's worth in two stages, quality then price. Quality is defined by reference to management, business focus, the balance sheet and corporate governance. Price is calculated by reference to key financial ratios, the market, the peer group and business prospects. Top-down investment factors are secondary in the Manager's portfolio construction with diversification, rather than formal controls, guiding stock and sector weights.

The Manager is authorised to invest up to a maximum of 15% of the Company's gross assets in any single stock in accordance with the investment trust constraints of Section 1158 of the Corporation Tax Act 2010.

A detailed description of the investment process, and risk controls employed by the Manager, is disclosed on page 18.

A comprehensive analysis of the Company's portfolio is disclosed on pages 12 to 16 including a description of the ten largest investments, sector/geographical analysis and currency/market performance. At the year end the Company's portfolio consisted of 57 holdings.

The Board is responsible for determining the gearing strategy for the Company. Gearing is used selectively to leverage the Company's portfolio in order to enhance returns where and to the extent this is considered appropriate. At the year end there was actual gearing of 9.2% of total assets. The Board normally seeks to limit gearing to 15% of net assets. Borrowings are short term, and particular care is taken to ensure that any bank covenants permit maximum flexibility of investment policy.

In addition, it is the investment policy of the Company to invest no more than 15% of its gross assets in other listed investment companies (including listed investment trusts).

## Benchmark

The Board reviews performance against all relevant factors, including the MSCI AC Asia Pacific (including Japan) Index (in Sterling terms) as well as peer group comparisons. Performance can and will diverge, possibly quite dramatically in either direction, from this or any other index.

The Manager undertakes substantial due diligence before initiating any investment, including company visits, to assure the quality of any prospective investment. The Manager

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seeks to minimise risk by using in-depth research and does not see divergence from a benchmark as risk.

### Investment Manager

The Company's investments have been managed since 10 November 2006 by AAM Asia under an Investment Management Agreement dated 6 October 2006 (the "Agreement"). Under the Agreement, the notice period to be given by either party is six months.

Under the Agreement, the management fee is calculated monthly in arrears at 0.75% per annum of total assets less current liabilities other than borrowings for the purpose of investment. No fees are charged to the Company for investments in other investment vehicles managed by the Manager or by another company in the Manager's group. A performance-related fee is also in place. Details are set out in the Directors' Report on page 21.

### Capital Structure

At 31 March 2011 the Company had a capital structure comprising voting capital of 15,492,367 Ordinary shares of 10p. At 3 June 2011, these numbers were unchanged.

The Company also had bank borrowings, at 31 March 2011, of US\$6,960,000, equivalent to approximately £4,342,000, and JPY184,500,000, equivalent to approximately £1,389,000, which rank for repayment ahead of any capital return to shareholders.

### Total Assets and Net Asset Value

The Company had total assets\* of £59.5m and a net asset value\* of 347.30 pence per Ordinary share at 31 March 2011.

\* see definition on page 50.

### Websites

[www.all-asia.co.uk](http://www.all-asia.co.uk)  
[www.aberdeen-asset.com](http://www.aberdeen-asset.com)

### Company Secretary

Aberdeen Asset Management PLC, Bow Bells House, 1 Bread Street, London EC4M 9HH  
Email: [company.secretary@invtrusts.co.uk](mailto:company.secretary@invtrusts.co.uk)

### Customer Services

Freephone: 0500 00 00 40  
(open Monday – Friday, 9am – 5pm)  
Email: [inv.trusts@aberdeen-asset.com](mailto:inv.trusts@aberdeen-asset.com)

### Risk

Investment in emerging securities markets in the Asia-Pacific region, or in companies that derive significant revenue or profit from the Asia-Pacific region, involves a greater degree of risk than that usually associated with investment in more developed securities markets, including the risk of social, economic or political instability, which may have an adverse effect on economic returns or restrict investment opportunities. Details of risks associated with the Company are set out in the Business Review on pages 19 and 20.

The Company currently utilises gearing in the form of bank borrowings (see 'Capital Structure' above and Note 11 to the Financial Statements on page 41). Gearing magnifies the effect of market movements on the net asset value of the Company.

### Duration

The Company does not have a fixed life. However, under the Articles of Association, if in the 90 days preceding the Company's financial year-end (31 March) the Ordinary shares have been trading, on average, at a discount in excess of 12% to the underlying net asset value over the same period, notice will be given of a resolution to be proposed at the following Annual General Meeting to approve the continuation of the Company. In the 90 days to 31 March 2011, the Ordinary shares traded at an average discount of 11.07% to the underlying net asset value, therefore no resolution will be put to the Company's shareholders at the forthcoming AGM.

### Share Dealing and ISA Status

Shares in Aberdeen All Asia Investment Trust PLC can be bought in the open market through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Shares may also be purchased through the Aberdeen Investment Trust Share Plan and are fully qualifying for inclusion within Aberdeen's tax-efficient Stocks and Shares ISA wrapper (see pages 48 and 49 for further details).

# Your Board of Directors

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The Directors, all of whom are non-executive and independent of the Manager, supervise the management of Aberdeen All Asia Investment Trust PLC and represent the interests of shareholders.



## Neil Gaskell

**Status:** Independent Non-Executive Chairman (from 24 September 2008)

**Length of service:** 7 years; appointed a Director on 31 March 2004

**Experience:** formerly treasurer of the Royal Dutch Shell Group and a director of Shell International. During the course of his career he was Shell's finance manager in Brunei and its representative director in Showa Shell KK, Japan.

**Committee membership:** Audit Committee, Management Engagement Committee (Chairman), Nomination Committee (Chairman) and Remuneration Committee (Chairman)

**Remuneration:** Year ended 31 March 2011 - £20,000

**All other public company directorships:** Hydrodec Group and Integra Group

**Employment by the Manager:** None

**Other connections with Trust or Manager:** None

**Shared Directorships with any other Trust Directors:** None

**Shareholding in Company:** 12,500 Ordinary shares

**Meetings attended during the year:**

Board meetings: 5/5

Audit Committee meetings: 2/2

Nomination Committee meetings: 2/2

Remuneration Committee meetings: 2/2

Management Engagement Committee meetings: 1/1

Ad hoc Committee meetings: 2/2



## Kevin Pakenham

**Status:** Senior Independent Non-Executive Director (from 1 April 2009) and Chairman of the Audit Committee (from 24 September 2008)

**Length of service:** 3 years; appointed a Director on 1 August 2007

**Experience:** currently Director of Pakenham Partners Limited. Prior to that he was Managing Director in London of Jefferies International Ltd from 2007 to 2011. He was CEO of John Govett & Co. from 1988 to 2000, including under its ownership by Allied Irish Banks. He was Managing Director of F&C Management from 1983 to 1988, and has served on a wide variety of investment boards in Europe, the USA and the Asia Pacific region.

**Committee membership:** Audit Committee (Chairman), Management Engagement Committee, Nomination Committee and Remuneration Committee

**Remuneration:** Year ended 31 March 2011 -£15,500

**All other public company directorships:** None

**Employment by the Manager:** None

**Other connections with Trust or Manager:** None

**Shared Directorships with any other Trust Directors:** None

**Shareholding in Company:** 10,939 Ordinary shares

**Meetings attended during the year:**

Board meetings: 5/5

Audit Committee meetings: 2/2

Nomination Committee meetings: 2/2

Remuneration Committee meetings: 2/2

Management Engagement Committee meetings: 1/1

Ad hoc Committee meetings: 1/1



### Sir Andrew Burns

**Status:** Independent Non-Executive Director

**Length of service:** 3 years; appointed a Director on 27 February 2008

**Experience:** a career British diplomat from 1965 to 2003, he has extensive experience of Asia including the Indian subcontinent and South-East Asia as well as Greater China. He was British Consul-General in Hong Kong and Macau from 1997 to 2000.

**Committee membership:** Audit Committee, Management Engagement Committee, Nomination Committee and Remuneration Committee

**Remuneration:** Year ended 31 March 2011 - £14,000

**All other public company directorships:**

JPMorgan Chinese Investment Trust

**Employment by the Manager:** None

**Other connections with Trust or Manager:** None

**Shared Directorships with any other Trust**

**Directors:** None

**Shareholding in Company:** 2,623 Ordinary shares

**Meetings attended during the year:**

Board meetings: 5/5

Audit Committee meetings: 2/2

Nomination Committee meetings: 2/2

Remuneration Committee meetings: 2/2

Management Engagement Committee meetings: 1/1

Ad hoc Committee meetings: 1/1



### Robert Jenkins

**Status:** Independent Non-Executive Director (from 27 May 2009)

**Length of service:** 2 years; appointed a Director on 27 May 2009

**Experience:** Trading career at Citibank (1976-1992) with senior assignments in Dubai, Bahrain, Zurich, New York and Tokyo. Executive responsibilities in investment management at Credit Suisse Asset Management (Tokyo and London) followed by 12 years at F&C Asset Management, plc where he served as CEO and then Chairman. Chairman of the Investment Management Association, UK and Member of the Panel on Takeovers and Mergers (2007-2009). Co-authored, with Chancellor Darling, a study on the future of the UK's Asset Management Industry (2009). Currently Managing Partner of Combinatorics Capital, LLC in NY, Adjunct Professor, Finance at the London Business School and Senior Advisor to CVC Capital Partners.

**Committee membership:** Audit Committee, Management Engagement Committee, Nomination Committee and Remuneration Committee

**Remuneration:** Year ended 31 March 2011 - £14,000

**All other public company directorships:** None

**Employment by the Manager:** None

**Other connections with Trust or Manager:** None

**Shared Directorships with any other Trust Directors:** None

**Shareholding in Company:** 5,000

**Meetings attended during the year:**

Board meetings: 4/5

Audit Committee meetings: 2/2

Nomination Committee meetings: 2/2

Remuneration Committee meetings: 2/2

Management Engagement Committee meetings: 1/1

Ad hoc Committee meetings: 1/1

# Chairman's Statement

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**Neil Gaskell**  
Chairman

## Highlights

- **Net Asset Value + 10.3%**
- **Share Price + 8.0%**

I am pleased to announce that your Company has delivered another good performance this year. Over the period, the Company's net asset value rose by 10.3% to 347.3p on a total return basis, exceeding substantially the 5.4% rise in the benchmark, the MSCI All Countries Asia Pacific (including Japan) Index. The share price gained 8.0% to 304.0p, as the discount to NAV at which the shares trade widened slightly to 12.5% at the year end. This year's performance builds on the sustained outperformance of the Company over the last 5 years which has generated a cumulative total return of over 36% compared with 26.5% for the Index, and since the change of Manager in November 2006 has generated a cumulative total return of 52.5% compared with 36.2% for the Index. This excellent result reflects the strength of the Company's investment strategy to invest in a focused portfolio of carefully selected stocks and for the longer term.

## Performance

Overall, Asian equities continued to perform well in the 12 months under review. Despite bouts of heightened volatility stemming from a series of crises, the region's economic growth retained its momentum and, except for Japan, Asia does not suffer from large government debt or fiscal pressures. The Company's portfolio again performed well in every Asian market, reflecting the quality of the companies in which it is invested as well as the underlying growth across all the Asian economies. In Japan the earthquake and tsunami affected several of the companies in the portfolio but despite this the return for the year substantially exceeded the index reflecting the strength of the Manager's investment process.

Detailed performance of the portfolio is more fully described in the Manager's Review on pages 8 and 9. The asset allocation and brief details of the top 10 investments are given on pages 12 to 15 of this Report.

The Company's gearing has enhanced the performance of the portfolio in the year and was raised from a low level of 3.4% at the start of the year to 9.2% at the end of the reporting period to reflect our confidence that this positive effect will continue over the longer term.

## Revenue and Dividend

The Board is proposing to shareholders a final dividend per share of 3.25p (2010 – 1.50p) payable on 29 July 2011 to shareholders on the register as at close of business on 1 July 2011; the ex-dividend date will be 29 June 2011. This will be the third dividend paid to shareholders since the establishment of the Company in its present form in 1998. Revenue return per share increased from 2.25p to 4.65p as dividend flows in the portfolio improved. This has again produced retained earnings in excess of the level that the

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Company is allowed to retain under the rules for Investment Trusts.

### Investment Manager

The Board has reviewed the performance of the Manager. The performance and strengths of the Manager's investment team in the region confirm the Board in its view that the continuing appointment of Aberdeen Asset Management Asia as Manager, on the present terms, is in the interests of shareholders as a whole. This strong performance in the year to 31 March 2011, with the Net Asset Value of the Company outperforming the Index by 4.9%, means that the Manager has earned a performance fee of £422,000. This is calculated as 15% of the portfolio's outperformance of the benchmark during the period, and is about 0.71% of the value of the portfolio at the end of the year.

### Outlook

Asia's economic outlook is promising, although risks on several fronts could moderate the pace of expansion in the short term. The spike in commodity prices, particularly crude oil, has exacerbated inflationary pressures worldwide. Asia has not been immune, and the effect of the related monetary tightening and currency strength risks dampening growth albeit in most cases from very high levels. However, a slower but more sustainable pace of economic growth may not be a bad thing for Asia which is in a much stronger position than Europe and the US.

The economic impact of the disaster in Japan on supply chains will cause many companies to operate below capacity until the end of 2011 and the entrenched problems in the economy have affected those companies with a largely domestic focus. In contrast, there are a number of well managed major companies based in Japan with substantial international businesses and trading at more attractive valuations than their peers in the region. Their fundamental strengths should allow them to overcome domestic market problems, and will continue to provide opportunities to add to the portfolio.

In the longer term, Asia's prospects remain compelling despite the inherent shorter term uncertainties of a slowly recovering global economy. The portfolio's conservative, value-driven style means that many of your Company's investments perform well despite rising cost pressures, as their market leadership will allow them to capitalise on international competitive opportunities. Your Board therefore remains confident of the long term good performance of the portfolio and is optimistic about the future.

**Neil Gaskell**  
**Chairman**

3 June 2011

# Manager's Review

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## Overview

Asian stockmarkets, as measured by the MSCI AC Asia Pacific Index, registered modest gains in the year under review, although this masked the extreme divergence in the performance of certain markets. Notably, Japanese equities ended lower amid persistent concerns about the Yen's strength and in the wake of the devastation caused by the March 11 earthquake and ensuing tsunami and nuclear crisis. Excluding Japan, most markets posted double-digit gains, lifted by solid economic prospects and improved corporate earnings. The rally was interrupted intermittently by fresh concerns over Europe's sovereign debt crisis and geopolitical tensions in the Middle East and North Africa, which pushed Brent oil 37% higher to US\$117-a-barrel. Fears about the impact of monetary tightening on Asian growth, along with a perceived improvement in the growth prospects of developed economies, caused emerging market equities to fall out of favour during the latter half of the period. Overall, Thailand was the best performer, as investors were relieved that political unrest in April and May ended without significant effect on the economy. Indonesia, Korea and Malaysia also rose by more than 20% during the year.

Regional economies continued to expand, albeit at a more moderate pace. Chinese growth slowed from 11.9% year-on-year in the first three months of 2010 to just over 9% in the subsequent three quarters. The government also seemed to acknowledge that the breakneck speed of growth was not sustainable and lowered the country's growth target for 2011-15 to 7%. Elsewhere, exports underpinned growth in Singapore and Hong Kong, while Australia benefited from soaring commodity prices, although first-quarter GDP is likely to have been hurt by the flood and cyclone. Japan's economy gained traction at the start of the period but contracted slightly in the fourth quarter. As a result of the severe damage caused by the earthquake, the IMF revised 2011 growth to 1.4% from 1.6%.

Unsurprisingly, inflation rose across the region as economies rebounded. Aggravating the situation was the spike in oil prices and supply shocks to food and other commodities. Central banks hiked interest rates and lenders' reserve requirements. Targeted measures for property were also implemented and currencies were allowed to rise gradually to counter imported inflation. The exception was Japan, which left rates at virtually zero as consumer prices continued to fall. Still, real interest rates remained negative in many countries.

## Portfolio review

In the 12 months to 31 March 2011, the portfolio's net asset value per share rose 10.3% in sterling terms, with the share price rising 8.0%, compared with a 5.4% gain in the benchmark, the MSCI AC Asia Pacific Index.

Japan, where we have a significant underweight position, contributed most to relative return. Stock selection there was also positive, predominantly because of Fanuc, which manufactures factory automation systems and robots. Its share price rose sharply in line with the recovery in global industrial demand. Against this, materials company Shin-Etsu Chemical and digital imaging company Canon saw a sell-off in their shares after their quake-damaged plants were forced to close and were overall the largest detractors from relative return. The tragedy, while costly and disruptive, does not detract from the quality of the portfolio's holdings, which are global market leaders that continually innovate to stay ahead of the competition. Shin-Etsu Chemical is a key supplier to the semiconductor industry, while Canon's focus on profitability and cost control makes it one of the best-managed companies in Japan.

In Hong Kong, where we are overweight, upbeat earnings news and positive economic data attracted significant liquidity inflows, boosting domestic share prices. Among the portfolio's holdings, conglomerate Swire Pacific was driven by its property and aviation interests. Airline subsidiary Cathay Pacific forecast a near tripling of full-year profits, while Swire's investment property portfolio benefited from strong occupancy and limited supply of prime space in Hong Kong. Meanwhile, Jardine Strategic was buoyed by its quality portfolios, especially in Indonesian conglomerate Astra International, which continues to be a good proxy to rising domestic consumption. It reported solid fourth-quarter results underpinned by robust auto sales and associated financing, while also delivering buoyant growth in heavy-mining equipment sales. The Company's exposure to Astra International via Jardine Strategic remains its key route to Indonesia, complementing new holding Unilever Indonesia.

China's stockmarket was the worst performer in Asia ex Japan after the central bank tried to cool the overheating economy by raising interest rates and bank reserve requirements. We have two holdings here. PetroChina did well, underpinned by the spike in oil and commodity prices, although this was pared slightly by laggard China Mobile. Nonetheless, the telco's fundamentals remain positive and it continues to grow its subscriber base despite intense competition. We continue to prefer gaining exposure to China via well-established Hong Kong-domiciled companies that do business on the mainland, given the city's more stringent regulatory framework and stronger shareholder culture.

The Company also benefited from its exposure to Thailand, where resilient economic data outweighed concerns about the ongoing political unrest. Petrochemicals and cement group Siam Cement, viewed as a proxy for the economy, saw its share price rise more than 50% in sterling terms. It was

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bolstered by buoyant full-year earnings that were supported by better chemicals demand and news that lawmakers will allow most projects in the Map Ta Phut industrial park to resume operations, ending a long-standing dispute over environmental regulations. Oil company PTT Exploration and Production benefited from higher oil prices as well as the Australian government's decision to allow it to continue running the Montara project following an independent review on the oil spill at the field in 2009.

Likewise, robust economic growth underpinned the Singapore stockmarket, where we have a large overweight position. GDP expanded by 14.5% in 2010, supported by higher retail sales and exports. However, the performance of the Company's holdings was relatively muted. Concerns about the impact of higher fuel costs hindered Singapore Airlines, while SingTel stayed range-bound as most of its regional associates faced competitive headwinds. Core holding OCBC, however, bucked the trend as it delivered a 15% growth in full-year profits, thanks to fee and commission income. City Developments, similarly, did well as it benefited from the buoyant property market despite anti-speculation measures.

Standard Chartered, which is the Company's core regional holding, also lagged. It floated a rights issue ahead of the raising of capital requirements and investors took profit following previous strong performance. The lender, however, remains in good shape fundamentally. It reported an eighth successive year of record income and profits, and is continuing its rapid expansion in emerging markets. Indian motorcycle manufacturer Hero Honda also hurt relative performance. The company's shares fell sharply on the back of concerns over the break-up with Japanese partner, Honda Motor. However, its business continued to post healthy results and its core strength lies in its extensive distribution network.

In portfolio activity, we bought three Hong Kong-listed companies, including insurer AIA, which is diversified across the fast-growing Asia Pacific region where it is a market leader, as well as HSBC Holdings, which is trading at a small premium to book value and compares favourably to its Asian-listed peers. Both companies boast solid Asian franchises and robust capital positions. They may also benefit from the normalisation of interest rates. Li & Fung was added to the portfolio because we like its business model of facilitating sales globally between suppliers and retailers, one of which includes Walmart. In addition, we initiated a position in Unilever Indonesia, which has an extensive distribution network and good branding power, thanks to its long-standing presence in the country.

We topped up the portfolio's Japanese holdings following the earthquake, given the opportunities presented by the substantial price declines. However, we are concerned about

Japan's ability to pay for reconstruction efforts, given the government's fiscal constraints. Meanwhile, many companies there still struggle with transparency; weeks after the disaster, many large insurers and lenders were still unable to provide an assessment of damages, compared with QBE Insurance, which issued an official statement just days after.

Against this, we sold automation services provider ABB India, after its parent made an attractive tender offer. We took profit from long-term holding Public Bank. While its results have remained first rate, current valuations reflect this.

## Outlook

Market volatility could remain elevated for some time to come, given unresolved crises in the Middle East and Japan. Still, putting aside short term concerns and the long-term outlook for Asia remains very positive. Not only are Asia's underlying fundamentals intact, but the region's favourable demographics and rising affluence should also continue to support structural rebalancing towards domestic consumption.

As investors, we have asked what effect these recent developments have on the portfolio's companies. The answer is reassuring. From a fundamental perspective, they look solid. Balance sheets are generally robust and topline growth has been improving. We realise costs pressures are building and companies must choose whether to absorb these or try to pass them on. Still, we believe most of the portfolio's companies have the ability to set prices and management possesses the experience to keep costs under control.

We remain committed to our bottom-up, research-driven approach to investing that has served us well so far. Current market valuations are undemanding and we view any market correction as an opportune time to buy quality stocks at attractive values.

## Aberdeen Asset Management Asia Limited Manager

3 June 2011

# Results

## Financial Highlights

	31 March 2011	31 March 2010	% change
Total assets	£59,536,000	£51,307,000	+16.0
Total equity shareholders' funds (net assets)	£53,805,000	£49,009,000	+9.8
Share price (mid market)	304.00p	283.25p	+7.3
Net asset value per share	347.30p	316.34p	+9.8
Discount to net asset value	12.5%	10.5%	
MSCI AC Asia Pacific (including Japan) Index (in Sterling terms) <sup>B</sup>	84.70	82.48	+2.7
Actual gearing <sup>A</sup>	9.2%	3.4%	
Potential gearing <sup>A</sup>	10.7%	4.6%	
<b>Operating costs</b>			
Total expense ratio <sup>A</sup>	1.26%	1.45%	
<b>Earnings</b>			
Total return per share	32.46p	125.36p	
Revenue return per share	4.65p	2.25p	
Proposed final dividend per share	3.25p	1.50p	
Revenue reserves (prior to payment of proposed final dividend)	£1,012,000	£523,000	

Definitions are disclosed on page 50.

<sup>A</sup> Calculated excluding performance fee and other expenses charged to capital.

<sup>B</sup> Index figures stated on a capital only basis.

## Performance (total return)<sup>A</sup>

	1 year % return	3 year % return	5 year % return
Share price	+8.0%	+44.6%	+28.8%
Net asset value	+10.3%	+42.3%	+36.3%
MSCI AC Asia Pacific (including Japan) Index (in Sterling terms)	+5.4%	+30.6%	+26.5%

Source: Aberdeen Asset Management, Factset & Morningstar.

<sup>A</sup>Total return represents capital return plus dividends reinvested.

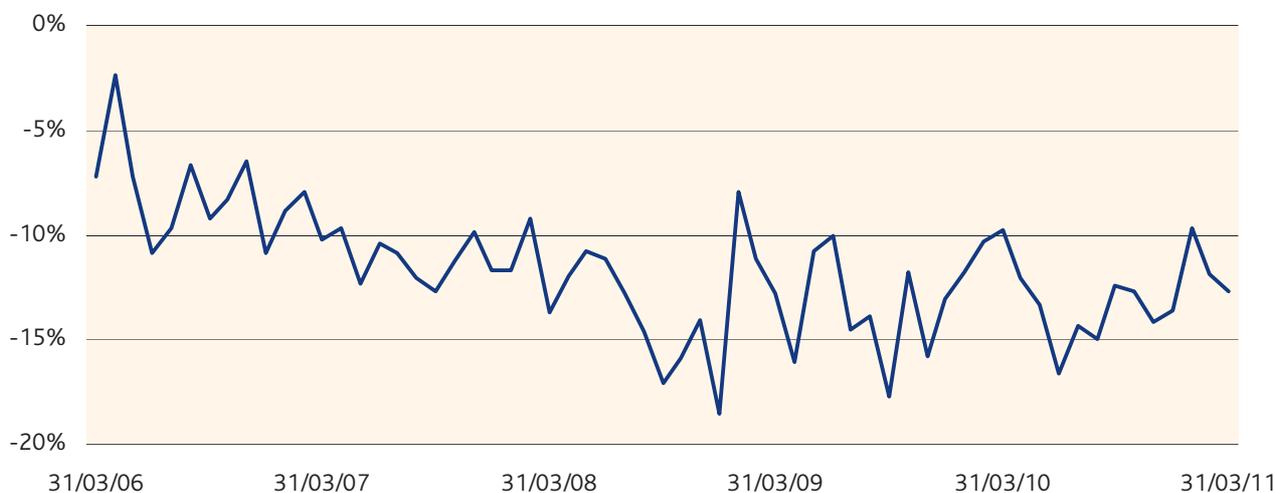
## Dividends

	Rate	Ex-dividend date	Record date	Payment date
Proposed final dividend 2011	3.25p	29 June 2011	1 July 2011	29 July 2011
Final dividend 2010	1.50p	30 June 2010	2 July 2010	30 July 2010

# Performance

## Share Price Premium/(Discount) to NAV

Five years to 31 March 2011



## Capital Return of NAV and Share Price vs MSCI AC Asia Pacific (including Japan) Index

Five years to 31 March 2011 (rebased to 100 at 31 March 2006)



## Ten Year Financial Record

Year to 31 March	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total revenue (£'000)	886	837	696	551	580	747	1,202	1,242	1,061	1,525
<b>Per share</b>										
Net revenue return (p)	0.20	(0.01)	(0.52)	(0.28)	(0.74)	0.47	3.04	3.50	2.25	4.65
Total return (p)	12.65	(54.47)	63.10	(9.54)	90.22	(18.89)	7.49	(56.07)	125.36	32.46
Dividend (p)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.40	1.50	3.25
Net asset value (p) <sup>A</sup>	163.33	109.22	178.08	168.55	258.76	239.87	247.82	192.67	316.34	347.30
Shareholders' funds (£'000) <sup>A</sup>	27,254	18,225	29,716	28,125	43,179	40,026	40,329	30,311	49,009	53,805

<sup>A</sup> The figures for 2005 for net asset value and equity shareholders' funds were restated to reflect the change in accounting policy to value investments at their fair value, being bid prices (previously mid prices).

# Investment Portfolio – Ten Largest Investments

As at 31 March 2011

Company	Sector	Country	Valuation 2011 £'000	Total assets %	Valuation 2010 £'000
<b>Rio Tinto</b> An Anglo-Australian mining company with a diverse portfolio of world-class interests in aluminium, copper, diamonds, gold, coal, iron ore and industrial metals.	Metals & Mining	Australia/UK	2,058	3.5	1,640
<b>Canon</b> A world leader in imaging products, printers and cameras and one of the best-performing companies in Japan. Canon has benefited from strong digital camera sales, particularly in the high-end SLR segment. Its prospects are strong, and valuations attractive.	Office Electronics	Japan	1,997	3.4	2,073
<b>Oversea-Chinese Banking Corporation</b> A well-run, conservative Singaporean bancassurance company seeking to generate additional value for shareholders via regional expansion.	Commercial Banks	Singapore	1,930	3.2	1,916
<b>Samsung Electronics Pref</b> The leading semiconductor company that is also a major player in mobile phones and TFT-LCDs. We own the preferred shares, which trade at a discount to the ordinaries.	Semiconductor & Semiconductor Equipment	South Korea	1,851	3.1	1,646
<b>Shin-Etsu Chemical Company</b> Despite the challenging environment, the Japanese maker of specialised chemicals remains a leader in its industry, due to its technological edge and a greater focus on profits than most rivals.	Chemicals	Japan	1,827	3.1	1,410
<b>Fanuc</b> A specialist manufacturer of factory automation systems and equipment; and industrial robots like those used in auto assembly lines.	Industrial Engineering	Japan	1,748	2.9	1,293
<b>QBE Insurance Group</b> A leading Australian general insurance and reinsurance firm that is geographically diversified and has a track record of generating good shareholder returns.	Insurance	Australia	1,735	2.9	1,374
<b>Swire Pacific 'B'</b> A Hong Kong conglomerate with interests spanning property, retail and aviation.	Real Estate Management & Development	Hong Kong	1,720	2.9	1,447
<b>Standard Chartered Bank</b> Emerging market-focused bank with wholesale and consumer divisions. The company has emerged stronger from the global economic crisis relative to its peers and indeed posted record profits in 2009.	Commercial Banks	Hong Kong/UK	1,683	2.8	1,530
<b>Takeda Pharmaceutical</b> A leading Japanese pharmaceutical company that has taken significant steps to strengthen its R&D capabilities and improve its sales reach in the US market through strategic acquisitions.	Pharmaceuticals	Japan	1,672	2.8	1,550
<b>Top ten investments</b>			<b>18,221</b>	<b>30.6</b>	

## Investment Portfolio – Other Investments

As at 31 March 2011

Company	Sector	Country	Valuation 2011 £'000	Total assets %	Valuation 2010 £'000
Housing Development Finance Corporation	Thriffs and Mortgage Finance	India	1,641	2.8	1,394
Jardine Strategic Holdings	Diversified Financial Services	Hong Kong	1,614	2.7	1,712
PetroChina	Oil, Gas & Consumable Fuels	China	1,474	2.5	1,171
Infosys Technologies	IT Services	India	1,468	2.5	1,092
Taiwan Semiconductor	Semiconductors & Semiconductor Equipment	Taiwan	1,384	2.3	1,182
Honda Motor Company	Automobiles	Japan	1,365	2.3	1,255
United Overseas Bank	Commercial Banks	Singapore	1,347	2.3	1,269
Singapore Technologies Engineering	Aerospace & Defence	Singapore	1,322	2.2	1,236
Singapore Telecommunications	Diversified Telecommunication Services	Singapore	1,308	2.2	1,307
City Developments	Real Estate Management & Development	Singapore	1,278	2.2	1,125
Top twenty investments			<b>32,422</b>	<b>54.6</b>	
BHP Billiton	Metals & Mining	Australia/UK	1,242	2.1	678
Mitsubishi Estate	Real Estate Management & Development	Japan	1,231	2.1	1,261
Toyota Motor Corporation	Automobiles	Japan	1,204	2.0	719
Uni-Charm Corporation	Household Products	Japan	1,191	2.0	1,114
PTT Exploration & Production	Oil, Gas & Consumable Fuels	Thailand	1,151	1.9	1,150
Siam Cement	Construction Materials	Thailand	1,138	1.9	1,200
Seven & I Holdings	Food & Staples Retailing	Japan	1,131	1.9	898
China Mobile	Wireless Telecommunication Services	China	1,005	1.7	1,109
Hero Honda	Automobiles	India	838	1.4	1,089
ASM Pacific Technologies	Semiconductors & Semiconductor Equipment	Hong Kong	821	1.4	653
Top thirty investments			<b>43,374</b>	<b>73.0</b>	
Taiwan Mobile	Wireless Telecommunication Services	Taiwan	804	1.4	683
Dairy Farm International	Food & Staples Retailing	Hong Kong	778	1.3	641
CIMB Group Holdings	Commercial Banks	Malaysia	776	1.3	654
AIA Group	Insurance	Hong Kong	736	1.2	–
Grasim Industries	Construction Materials	India	726	1.2	869
Hang Lung Group	Real Estate Management & Development	Hong Kong	712	1.2	647
GlaxoSmithKline	Pharmaceuticals	India	696	1.2	775
Public Bank Berhad	Commercial Banks	Malaysia	683	1.1	859
Ayala Land	Real Estate Management & Development	Philippines	673	1.1	574
Sun Hung Kai Properties	Real Estate Management & Development	Hong Kong	661	1.1	764
Top forty investments			<b>50,619</b>	<b>85.1</b>	

## Investment Portfolio – Other Investments continued

Company	Sector	Country	Valuation 2011 £'000	Total assets %	Valuation 2010 £'000
Singapore Airlines	Airlines	Singapore	659	1.1	612
HSBC Holdings	Commercial Banks	Hong Kong	632	1.1	–
Wing Hang Bank	Commercial Banks	Hong Kong	626	1.1	512
Woolworths	Food & Staples Retailing	Australia	624	1.0	356
Venture Corp	Electronic Equipment & Instruments	Singapore	618	1.0	535
Shinsegae Company	Food & Staples Retailing	South Korea	592	1.0	546
Unilever Indonesia	Household Products	Indonesia	590	1.0	–
Bank of Philippine Islands	Commercial Banks	Philippines	498	0.8	361
BS Financial	Commercial Banks	South Korea	494	0.8	–
ICICI Bank	Commercial Banks	India	483	0.8	490
Top fifty investments			<b>56,435</b>	<b>94.8</b>	
British American Tobacco	Tobacco	Malaysia	474	0.8	511
Dah Sing Financial	Commercial Banks	Hong Kong	430	0.7	361
Daegu Bank	Commercial Banks	South Korea	429	0.7	288
Hindustan Unilever	Household Products	India	379	0.7	454
Li & Fung	Household Products	Hong Kong	370	0.6	–
Hang Lung Properties	Real Estate Management & Development	Hong Kong	332	0.6	517
Ultratech Cement	Construction Materials	India	189	0.3	–
Total investments			<b>59,038</b>	<b>99.2</b>	
Net current assets <sup>A</sup>			<b>498</b>	<b>0.8</b>	
Total assets			<b>59,536</b>	<b>100.0</b>	

<sup>A</sup> Excludes bank loans of £5,731,000.

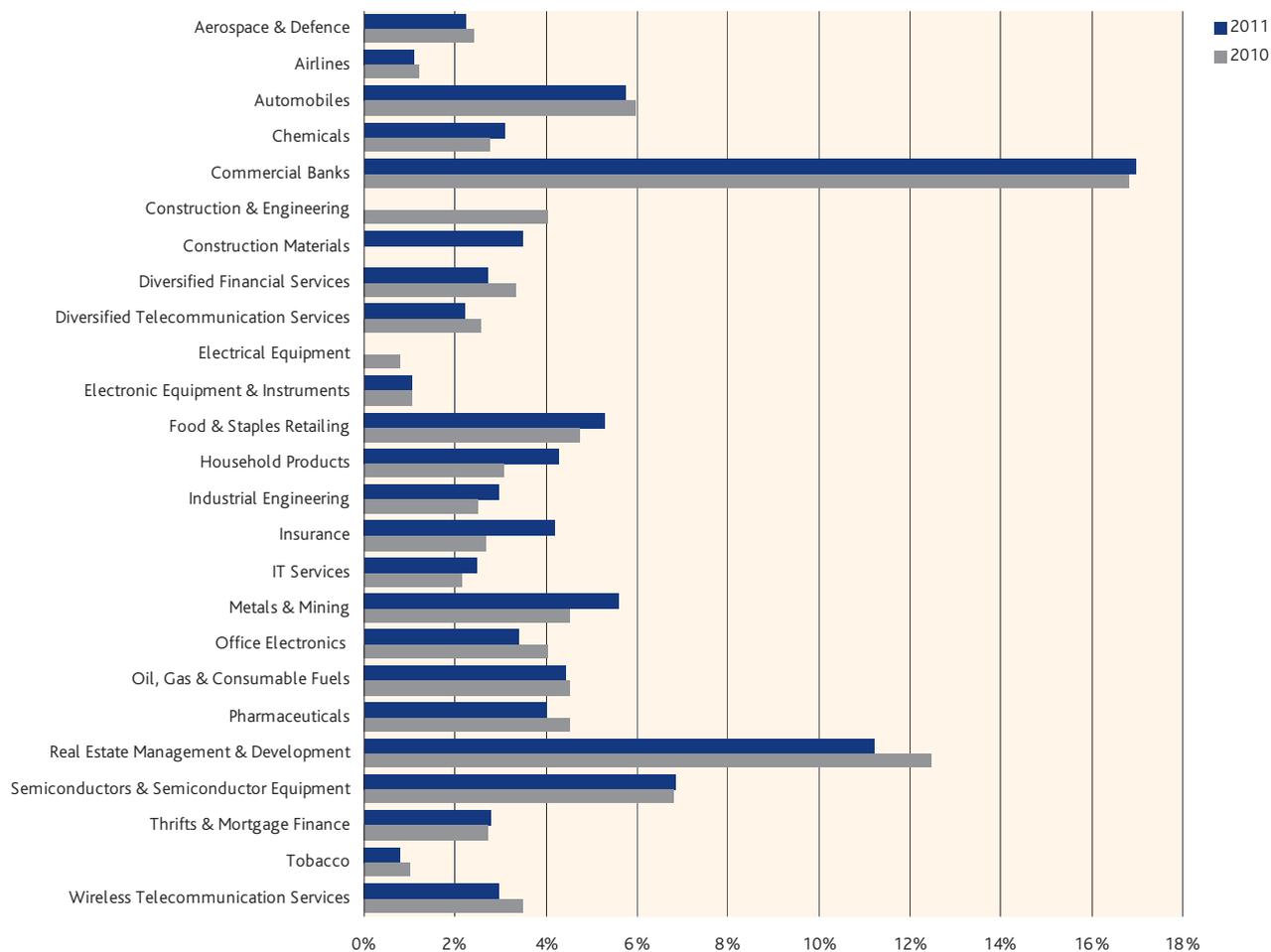
Unless otherwise stated, foreign stock is held and all investments are equity holdings.

In the 2010 valuation column "-" denotes stock not held at last period end.

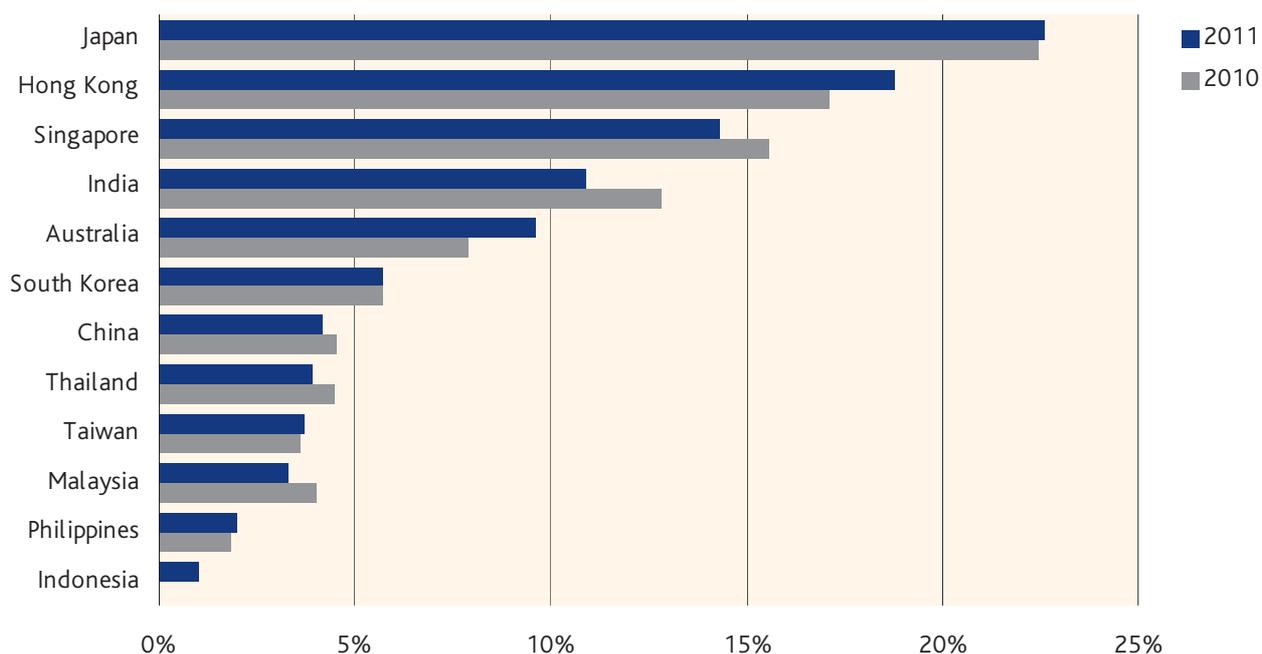
# Sector and Geographical Breakdown

As at 31 March 2011

## Sector Breakdown



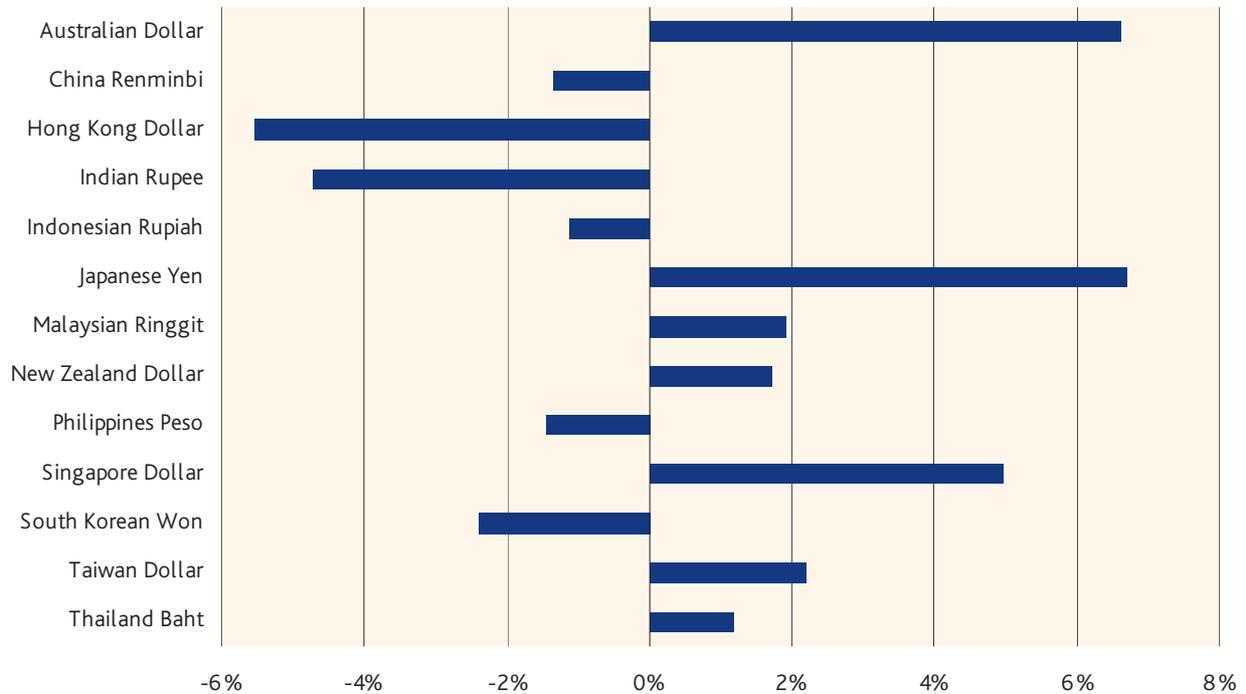
## Geographic Breakdown



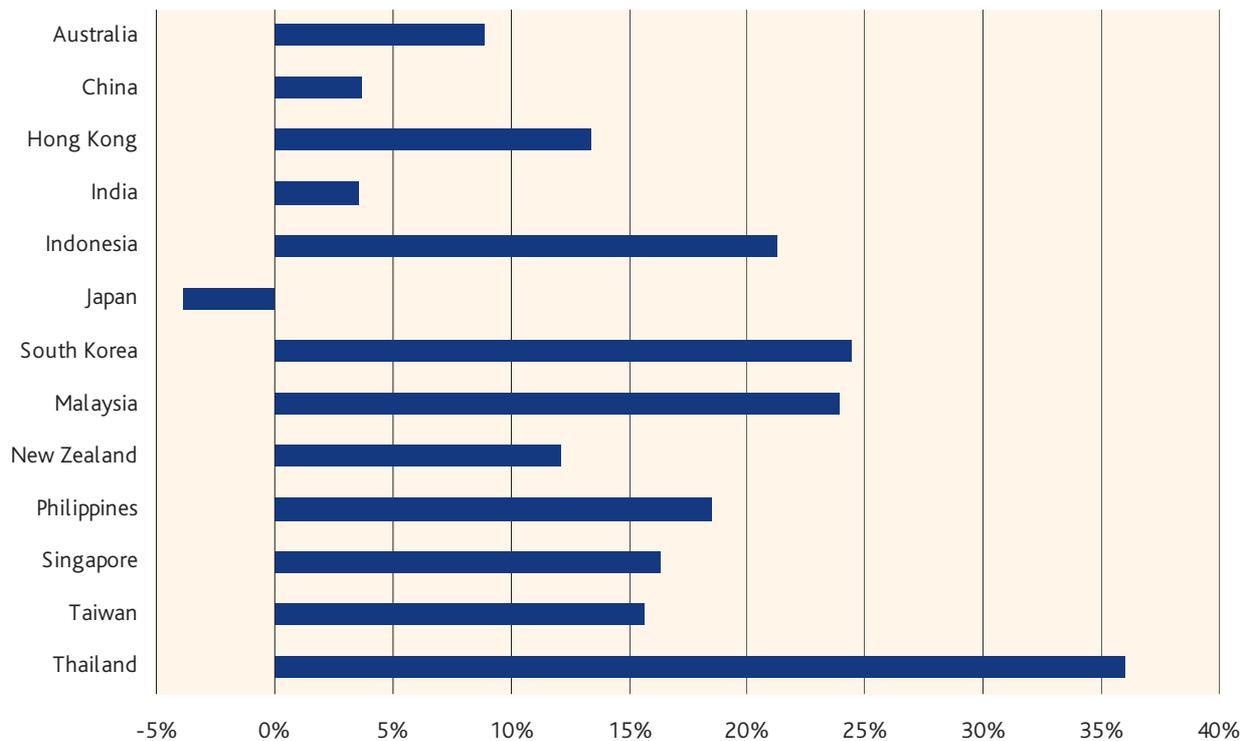
# Currency and Market Performance

Year to 31 March 2011

## Currency Movements against Sterling (£)



## MSCI Country Index Total Returns (£)



# Information about the Manager

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Aberdeen Asset Management Asia Limited ("AAM Asia") is the Manager of the Company. AAM Asia is based in Singapore and is a wholly-owned subsidiary and the Asia-Pacific headquarters of Aberdeen Asset Management PLC (the "Aberdeen Group"), a publicly-quoted company on the London Stock Exchange.

Worldwide, the Aberdeen Group manages a combined £181 billion in assets (as at 31 March 2011) for a range of clients, including individuals and institutions, through mutual and segregated funds.

AAM Asia have been the Aberdeen Group's principal managers of Asia-Pacific assets since 1992 and employed 362 staff in the region as at 31 March 2011.

Total funds in the region, which are also managed from Bangkok, Hong Kong, Kuala Lumpur and Sydney, are over £57 billion as at 31 March 2011.

The Aberdeen Group has its headquarters in Aberdeen with its main investment centres in Bangkok, Budapest, Edinburgh, Glasgow, Hong Kong, Jersey, Kuala Lumpur, London, Paris, Philadelphia, Singapore, Sydney and Tokyo.

The Aberdeen Group manages 50 investment companies and other closed-ended funds representing £8.2 billion under management as at 31 March 2011. They adhere closely to the Group's investment style, which is that of fundamental investors, with an emphasis on company visits and original research.

## The Investment Team Senior Managers



### **Hugh Young**

Managing Director

BA in Politics from Exeter University. Started investment career in 1980. In charge of AAM Asia's Far East funds since 1985.



### **Chou Chong**

Investment Director

Chartered Financial Analyst and Double Masters in Accounting & Finance and Information Systems from the London School of Economics. Joined AAM Asia in 1994.



### **Andrew Gillan**

Senior Investment Manager

MA Joint Honours in French and European History from University of Edinburgh. Joined Murray Johnstone in September 2000 and transferred to AAM Asia in 2001. Based in Singapore.



### **Flavia Cheong**

Investment Director

Masters in Economics from University of Auckland. Previously with Investment Company of the People's Republic of China and Development Bank of Singapore. Started investment career in 1987. Joined AAM Asia in 1996. Based in Singapore.



### **Adrian Lim**

Senior Investment Manager

Chartered Financial Analyst, B.Acc from Nanyang Technological University (Singapore). Previously he was an associate director at Arthur Andersen advising clients on mergers & acquisitions in South East Asia. Joined AAM Asia in 2000.



### **Christopher Wong**

Senior Investment Manager

BA in Accounting and Finance from Heriot-Watt University, and a Fellow of the Chartered Certified Accountants (FCCA) and a CFA Charterholder. Previously, he was an associate director at Andersen Corporate Finance advising clients on mergers and acquisitions in South East Asia.

# The Manager's Investment Process

## Philosophy and Style

The Investment Manager's view is that markets are not always efficient. We believe that superior investment returns are therefore attainable by identifying good companies cheaply, defined in terms of the fundamentals that in our opinion drive share prices over the long term. We undertake substantial due diligence before initiating any investment including company visits in order to assure ourselves of the quality of the prospective investment. We are then careful not to pay too high a price when making the investment. Subsequent to that investment we then keep in close touch with the company, aiming to meet management at least twice a year. Given our long-term fundamental investment philosophy, one would not expect much change in the companies in which we invest. We do, however, take opportunities offered to us by what we see as anomalous price movements within stock markets to either top up or top slice positions, which typically accounts for the bulk of the activity within the portfolio during the period under review.

AAM Asia is based in Singapore. Founded in 1992, the office is run by Hugh Young, the founding managing director, who oversees a team of nine portfolio managers in Singapore who act as generalists, cross-covering the region. In addition, AAM Asia has offices in Bangkok, Hong Kong, Kuala Lumpur, Sydney and Tokyo.

## Risk Controls

We seek to minimise risk by our in-depth research which underpins the focused portfolio of the Company. We do not view divergence from a benchmark as risk – we regard security price risk as investment in poorly-run and/or expensive companies. In fact, where risk parameters are expressed in benchmark relative terms, asset – including sector – allocation constitutes a significant constraint on stock selection.

Aberdeen's performance and investment risk unit independently monitors portfolio positions, and reports monthly. As well as attributing performance it also produces statistical analysis, which is used by the Manager primarily to check the portfolio is behaving as expected, not as a predictive tool.

## Regional Teams



# Directors' Report

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The Directors present their Report and the audited financial statements for the year ended 31 March 2011.

## Results and Dividend

The Company's results and performance for the year are detailed on page 10.

The Directors now recommend that a final dividend of 3.25p (2010 – 1.50p) is paid on 29 July 2011 to shareholders on the register on 1 July 2011. The ex-dividend date is 29 June 2011. A resolution in respect of the final dividend will be proposed at the forthcoming Annual General Meeting.

## Principal Activity

The business of the Company is that of an investment trust investing in the Asia-Pacific region including Japan.

## Status

The Company is registered as a public limited company. The Company is an investment company as defined by Section 833 of the Companies Act 2006 and is a member of the Association of Investment Companies.

The Company has been approved by HM Revenue & Customs as an investment trust for the purposes of Section 1158 of the Corporation Tax Act 2010 ("CTA") for the year ended 31 March 2010. The Directors are of the opinion, under advice, that the Company has conducted its affairs for the year ended 31 March 2011 so as to be able to continue to obtain approval as an investment trust under Section 1158 of the CTA for that year.

The Company intends to manage its affairs so as to be a qualifying investment for inclusion in the stocks and shares component of an Individual Savings Account and it is the Directors' intention that the Company should continue to qualify.

## Business Review

Together with the rest of the Annual Report and Financial Statements, including the Chairman's Statement on pages 6 and 7 and the Manager's Review on pages 8 and 9, this business review is intended to provide shareholders with the information and measures that the Directors use to assess, direct and oversee the Manager in the management of the Company's portfolio.

The investment objective and investment policy are set out within the Corporate Summary on page 2.

The portfolio at the year end, which contained 57 companies, is set out on pages 12 to 14, with further sector and geographic breakdown on page 15.

The Board regularly reviews gearing (as a proportion of total assets), which had increased from 3.4% at the previous year end to 9.2% at 31 March 2011.

## Performance

In the year ended 31 March 2011, the Company's net asset value per share rose 10.3%, which was ahead of its benchmark, the MSCI AC Asia Pacific (including Japan) Index, which rose 5.4% over the same period (all figures in Sterling total return terms).

## Oversight and Review of Performance

The Board meets at least five times a year to review performance with the Manager. As well as carrying out the matters set out in the Statement of Corporate Governance (pages 24 to 28), the Board receives, for each meeting, a detailed portfolio report and an analysis of economic indicators. The Board discusses performance and strategy, considering perceived regional risks and economic conditions and using such measures as attribution analysis against the benchmark, active weights and valuation matrices to assess the Company's success in achieving its objectives. The key performance indicators (KPIs) are established industry measures, and are as follows:

- net asset value (total return) relative to the Company's benchmark;
- share price (total return); and
- discount or premium of the share price to net asset value.

A record of these measures is disclosed in the Results on page 10. Performance is compared against the Company's benchmark and selected peer companies but, in view of the Manager's style of investing, there can be, in the short-term, considerable divergence from both comparators.

## Future Trends

The region's economies have high rates of growth, strong trade and fiscal surpluses and rapidly developing capital markets. Nevertheless the past has demonstrated regional risks and the Chairman sets out in his Statement on pages 6 and 7 the Board's considered view of the future.

## Principal Risks and Uncertainties

The Board regularly reviews major strategic risks and sets out delegated controls designed to manage those risks.

Aside from the risks associated with investment in Asia, the key risks related to investment strategy, including inappropriate asset allocation or gearing, are managed through a defined investment policy, specific guidelines and restrictions and by the process of oversight at each Board meeting as outlined above.

Further detail on the Company's Investment Policy and the Manager's approach to risk diversification may be found on page 18. Operational disruption, accounting and legal risks are also covered at least annually and regulatory compliance is reviewed at each Board meeting.

The major risks associated with the Company are:

- Resource risk: like most other investment trusts, the Company has no employees. The Company therefore relies on services provided by third parties, including, in particular, the Manager, to whom responsibility for the management of the Company's portfolio has been delegated under an investment management agreement (the "Agreement") further details of which are set out on page 21. The terms of the Agreement cover the necessary duties and conditions expected of the Manager. The Board reviews the performance of the Manager on a regular basis, and their compliance with the Agreement formally on an annual basis.
- Investment and market risk: the Board continually monitors the investment policy of the Company, taking account of stockmarket factors, and reviews the Company's performance compared to its benchmark index. Further details on other risks relating to the Company's investment activities, including market price, interest rate, liquidity and foreign currency risks, are disclosed in Note 18 to the Financial Statements on pages 43 to 45.
- Gearing risk: the Company currently uses gearing in the form of bank loans of US\$6,960,000 (equivalent to approximately £4,342,700) and JPY184,500,000 (equivalent to approximately £1,389,000) under its loan facility of £10,000,000.
- Regulatory risk: the Company operates in a complex regulatory environment and faces a number of regulatory risks. Serious breaches of applicable regulations could lead to a number of detrimental outcomes and reputational damage. The Audit Committee monitors compliance with regulations by reviewing internal control reports from the Manager.

The particular risks of investment in Asia include:

- greater risk of social, political and economic instability; the small size of the markets for securities of emerging markets issuers and associated low volumes of trading give rise to price volatility and a lack of liquidity;
- certain national policies which may restrict the investment opportunities available in respect of a fund, including restrictions on investing in issuers or industries deemed sensitive to national interests; changes in taxation laws and/or rates which may affect the value of the Company's investments;

- the absence in some markets of developed legal structures governing private or foreign investment and private property leading to supervision and regulation; and changes in government which may have an adverse effect on economic reform. Companies in the Asia-Pacific region are not, in all cases, subject to the equivalent accounting, auditing and financial standards of those in the United Kingdom; and
- currency fluctuations which may affect the value of the Company's investments and the income derived therefrom.

### Share Capital

At 31 March 2011 the Company had a capital structure comprising 15,492,367 Ordinary shares of 10p. Each Ordinary shareholder is entitled to one vote on a show of hands and, on a poll, to one vote for every share held.

### Directors

The Directors, who held office during the year under review, are shown on pages 4 and 5, together with their biographical details and their interests in the Ordinary shares of the Company.

The Articles of Association require that each Director retire at the Annual General Meeting held in the third calendar year following the year in which the Director was elected or last re-elected, and, (except in the case of the Chairman) at each Annual General Meeting following the ninth anniversary of the date on which the Director was first elected (as opposed to re-elected).

Robert Jenkins and Neil Gaskell stood for election and re-election, respectively, at the 2009 AGM. Sir Andrew Burns and Kevin Pakenham stood for election and re-election, respectively, at the 2008 AGM. Sir Andrew Burns and Kevin Pakenham therefore, retire by rotation at the forthcoming AGM and, being eligible, offer themselves for re-election.

The re-elections of Sir Andrew Burns and Kevin Pakenham, whose biographies appear on pages 4 and 5, were considered and approved by the Board. The reasons for the Board's recommendations for their re-election are set out on page 26, in the Statement of Corporate Governance.

### Directors' Interests

The Directors at the year end and their beneficial interests in the share capital of the Company both at 31 March 2011 and at 1 April 2010 were as follows:

	31 March 2011	1 April 2010
	Ordinary shares	Ordinary shares
Neil Gaskell (Chairman)	12,500	12,500
Kevin Pakenham	10,939	10,903
Sir Andrew Burns	2,623	2,618
Robert Jenkins	5,000	-

The above interests were unchanged at the date of this Report.

No Director has a service contract with the Company. No Directors have any interests in contracts with the Company.

### Directors' Insurances and Indemnities

The Company's Articles of Association indemnify each of the Directors out of the assets of the Company against any liabilities incurred by them as a Director of the Company in defending proceedings, or in connection with any application to the Court in which relief is granted. Directors' & Officers' liability insurance cover has been maintained throughout the year at the expense of the Company. The Directors have been granted a qualifying indemnity provision by the Company which is currently in force.

### Manager and Company Secretary

Since 10 November 2006, investment management services have been provided to the Company by AAM Asia (the "Manager") under an investment management agreement dated 6 October 2006 (the "Agreement"), which is terminable by either party on six months' notice to the other. Under the Agreement, the Manager also provides company secretarial, accounting and administrative services through its parent company, Aberdeen Asset Management PLC ("Aberdeen").

Under the terms of the Agreement, investment management fees payable to the Manager have been calculated and charged on the following basis:

- a monthly fee, payable in arrears, calculated on an annual rate of 0.75% of total assets less current liabilities, with a rebate to the Company for any fees received in respect of any investments by the Company in investment vehicles managed by the Aberdeen group; and
- a performance fee of 15% of the portfolio's outperformance during the year against the benchmark index. The performance will be subject to a cap of 0.3% in any year in which the year-end net asset value per share is less than previous year-end net asset value per share. Payment of a performance fee will also be subject to the net asset value per share at the end of a performance period being higher than the last net asset value per share

by reference to which a performance fee was last paid to the Manager.

The investment management fee is chargeable 100% to revenue while the performance fee is chargeable 100% to capital. The management and secretarial fees paid during the period ended 31 March 2011 are shown in Notes 3 and 4 to the Financial Statements on pages 37 and 38. A performance fee of £422,000 was payable to the Manager in respect of the year to 31 March 2011 (2010 - £853,000).

The Board has undertaken a detailed review of the performance of the Manager and the terms of the Agreement and is of the opinion that the continuing appointment of the Manager, on the terms agreed by shareholders at the Extraordinary General Meeting held on 9 November 2006, is in the best interests of shareholders as a whole. The key factors taken into account in reaching this decision were the commitment, investment skills and experience of the Manager's personnel and the long term record of their performance in managing equities in the Asia-Pacific region.

### Continuance of the Company

The Company does not have a fixed life. However, under Article 139.1 of the Articles of Association, if, in the 90 days preceding the Company's financial year-end (31 March), the Ordinary shares have been trading, on average, at a discount in excess of 12% to the underlying net asset value over the same period, notice will be given of an ordinary resolution to be proposed at the following Annual General Meeting to approve the continuation of the Company. In the 90 days to 31 March 2011, the Ordinary shares traded at an average discount of 11.07% to the underlying net asset value, therefore no resolution will be put to the Company's shareholders at the forthcoming AGM.

### Annual General Meeting

The Notice of Annual General Meeting is at pages 51 to 54 of this Report. Resolutions relating to the following items of special business will be proposed at the forthcoming Annual General Meeting:

#### Authority to Allot Shares

Ordinary Resolution No. 7 in the Notice of Annual General Meeting will renew the authority to allot the unissued share capital up to an aggregate nominal amount of £154,923 (equivalent to 1,549,236 Ordinary shares, or 10% of the Company's existing issued share capital at the date of this Report).

#### Limited Disapplication of Pre-emption Provisions

Special Resolution No. 8 will give the Directors power to allot Ordinary shares and sell shares held in treasury (see below),

without first being required to offer those shares to shareholders, at a price not less than the undiluted net asset value per share at the allotment. The authorisation is limited to:-

- a) the issue of shares otherwise than as described in (b) up to an aggregate nominal value of £154,923 (equivalent to 10% of the Ordinary shares in issue at the date of this Report); and
- b) the allotment of shares in connection with an offer to all holders of Ordinary shares in proportion to their holdings in the Company.

This authority will last until the conclusion of the annual General Meeting held in 2012 or, if earlier, 30 September 2012 (unless previously varied, revoked or extended).

The Company may hold such shares "in treasury" and then sell them at a later date for cash rather than simply cancelling them. Such sales are required to be on a pre-emptive, pro rata, basis to existing shareholders, unless shareholders agree by special resolution to disapply such pre-emption rights. Accordingly, in addition to giving the Directors power to allot unissued Ordinary share capital on a non pre-emptive basis, Resolution No. 8 will also give the Directors power to sell Ordinary shares held in treasury on a non pre-emptive basis, subject always in both cases to the limitations noted above. Pursuant to this power, Ordinary shares would only be issued for cash and treasury shares would only be sold for cash at a price not less than the net asset value per share. (Treasury shares are explained in more detail under the heading "Share Repurchases" below).

### Share Repurchases

Special Resolution No. 9 will be proposed to authorise the Company to make market purchases of its own Ordinary shares. The Company may do either of the following in respect of its own Ordinary shares which it buys back and does not immediately cancel but, instead, holds "in treasury":-

- a) sell such shares (or any of them) for cash (or its equivalent); or
- b) ultimately cancel the shares (or any of them).

The Directors intend to continue to take advantage of this flexibility. No dividends will be paid on treasury shares, and no voting rights attach to them. The maximum aggregate number of Ordinary shares which may be purchased pursuant to the authority shall be 14.99% of the issued Ordinary share capital of the Company as at the date of the passing of the resolution (approximately 2.3 million Ordinary shares). The minimum price which may be paid for an Ordinary share shall be 10p (exclusive of expenses). The maximum price (exclusive of expenses) which may be paid for the shares shall be the higher of:

- a) 5% above the average of the market value of the Ordinary shares (as derived from the Daily Official List of the London Stock Exchange) for the shares for the five business days immediately preceding the date of purchase; and
- b) the higher of the price of the last independent trade and the highest current independent bid on the main market for the Ordinary shares.

This authority, if conferred, will only be exercised if to do so would result in an increase in net asset value per Ordinary share for the remaining shareholders, and if it is in the best interests of shareholders generally. This authority will last until the conclusion of the Annual General Meeting of the Company to be held in 2012 or, if earlier, 30 September 2012 (unless previously revoked, varied or renewed).

Your Board considers the above resolutions to be in the best interests of the Company and its members as a whole and are most likely to promote the success of the Company for the benefit of its members as a whole. Accordingly, your Board unanimously recommends that shareholders should vote in favour of the resolutions to be proposed at the Annual General Meeting.

### Substantial Interests

At the date of this Report, the following were registered, or had notified the Company, as being interested in 3% or more of the Company's Ordinary share capital:

Shareholder	Number of shares held	% held
Aberdeen Asset Management – retail plans	850,118	5.5
Jupiter Asset Management	839,400	5.4
Charles Stanley, stockbrokers	811,342	5.2
City of London Investment Management	764,554	4.9
Wesleyan Assurance	706,768	4.6
Northern Trust Global Investments	695,000	4.5
Brewin Dolphin	626,047	4.0
CG Asset Management	500,000	3.2

### Going Concern

The Company's assets consist of equity shares in companies listed on recognised stock exchanges and in most circumstances are realisable within a short timescale.

The Board has set limits for borrowing and regularly reviews the gearing level, cash flow projections and compliance with banking covenants. In January 2011, the Company agreed

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the extension, by one year, of its existing multi-currency revolving loan facility with Standard Chartered Bank, and its increase from £7,000,000 to £10,000,000. The Company will open renewal negotiations with its bankers in due course but at this stage has not sought any commitment that the revolving facility will be renewed. If acceptable terms are available from the existing bankers, or any alternative, the Company would expect to continue to be able to access a similar facility; if, however, acceptable terms are not forthcoming, any outstanding amount will be repaid through proceeds of equity sales.

The Directors have calculated that, in the 12 weeks ended 31 March 2011, the Ordinary shares traded at an average discount of 11.07% to the underlying net asset value. The independent auditors have reviewed the accuracy of the calculation. Accordingly, no special resolution will be put to the Company's shareholders at the Annual General Meeting.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. This takes account of the liquidity of the Company's investments, and that the earliest date that the Company may be subject to a continuation vote is at the Annual General Meeting of the Company to be held in 2012. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### Auditors

The Company's auditors, Grant Thornton UK LLP, are willing to continue in office, and a resolution will be proposed at the Annual General Meeting to re-appoint them, and to authorise the Directors to fix their remuneration.

The Directors who held office at the date of this Report each confirm that, so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware; and he has taken all the steps that he might reasonably be expected to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Social, Community and Employee Responsibilities

As an investment trust, the Company has no direct social, community, employee or environmental responsibilities. Its principal responsibility to shareholders is to ensure that the investment portfolio is properly managed and invested. The Company has no employees and, accordingly, no requirement to report separately in this area, as the management of the portfolio has been delegated to the Manager. The Manager engages with the Company's underlying investee companies in relation to their corporate

governance practices and in developing their policies on social, community and environmental matters. Further information may be found in the Statement of Corporate Governance.

### Creditor Payment Policy

It is the policy of the Company to settle all investment transactions in accordance with the terms and conditions of the relevant markets in which it operates. All other expenses are paid on a timely basis in the ordinary course of business. The Directors do not consider any creditors to represent trade creditors.

### Additional Information

Where not provided elsewhere in the Directors' Report, the following provides the additional information required to be disclosed by Part 15 of the Companies Act 2006.

There are no restrictions on the transfer of Ordinary shares in the Company other than certain restrictions which may from time to time be imposed by law (for example, insider trading law). The Company is not aware of any agreements between shareholders that may result in a transfer of securities and/or voting rights.

The rules governing the appointment of Directors are set out in the Statement of Corporate Governance on pages 24 to 28. The Company's Articles of Association may only be amended by a special resolution at a general meeting of shareholders.

The Company is not aware of any significant agreements to which it is a party that take effect, alter or terminate upon a change of control of the Company following a takeover. Other than the Agreement with the Manager, further details of which are set out on page 21, the Company is not aware of any contractual or other agreements which are essential to its business which ought to be disclosed in the Directors' Report.

### Company Registration Number

The Company is registered in England & Wales under No. 3582911.

Approved by the Board and signed on its behalf

**Aberdeen Asset Management PLC**

**Secretary**

Bow Bells House  
1 Bread Street  
London, EC4M 9HH

3 June 2011

# Statement of Corporate Governance

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## Introduction

The Company is committed to high standards of corporate governance. The Board is accountable to the Company's shareholders for good governance, and this statement describes how the Company applies the principles identified in the Combined Code on Corporate Governance (the "Combined Code") published in June 2008, which is available on the Financial Reporting Council's website: [www.frc.org.uk](http://www.frc.org.uk). The Association of Investment Companies has also published a Code of Corporate Governance for Investment Trusts<sup>©</sup> ("AIC Code"), which was updated in March 2009, and is available on the AIC's website: [www.theaic.co.uk](http://www.theaic.co.uk). The AIC Code forms a comprehensive guide to best practice in certain areas of governance where the specific characteristics of investment trusts suggests alternative approaches to those set out in the Combined Code that may be preferable. There is a certain amount of overlap with the Combined Code, although the focus of attention is on the points of difference.

## Application of the Principles of the Codes

This statement describes how the principles identified in the Combined Code and the AIC Code have been applied by the Company throughout the year, except where disclosed below.

The Listing Rules of the UK Listing Authority require the Board to report on compliance with the Combined Code provisions throughout the year. In instances where the Combined Code and AIC Code differ, an explanation will be given as to which Code has been applied, and the reason for that decision.

The exception to compliance with the Combined Code, which is explained more fully under the headings of "The Board", is that the Chairman chairs the Remuneration Committee (Combined Code Principle B.2.1). The Board is of the opinion that the Company has complied fully with the recommendations of the AIC Code and the relevant provisions of Section 1 of the Combined Code.

## The Board

The Board currently consists of a non-executive Chairman and three non-executive Directors, all of whom are considered under the Codes to be independent of the investment manager ("AAM Asia" or "the Manager") and free of any relationship which could materially interfere with the exercise of their independent judgement on issues of strategy, performance, resources and standards of conduct.

The Board considers that, at the date of his appointment as Chairman on 24 September 2008, Neil Gaskell was considered independent. The Combined Code states that, following appointment, the test of independence is not appropriate in relation to the Chairman. However, the AIC

Code states that the test of independence continues to be appropriate and, consequently, the Board will follow the AIC Code.

The Board meets formally at least five times a year, and more frequently where business needs require. During the year ended 31 March 2011, the Board met five times in the normal course of business. The Audit Committee, Nomination Committee and Remuneration Committee each met twice, and the Management Engagement Committee, once. The names and biographies of those Directors who held office during the year ended 31 March 2011 and the date of this Report, and details of attendance by each of the Directors and Committee members at these Board and other Committee meetings, appear on pages 4 and 5 of this Report.

Between these meetings, the Board maintains regular contact with the Manager. The primary focus at regular Board meetings is a review of investment performance and associated matters including gearing, asset allocation, marketing and investor relations, peer group information and industry issues.

To enable the Board to function effectively and allow Directors to discharge their responsibilities, full and timely access is given to all relevant information. In the case of Board meetings, this consists of a comprehensive set of papers, including the Manager's review and discussion documents regarding specific matters. Directors have made further enquiries where necessary.

The Board sets the Company's values and objectives and ensures that its obligations to its shareholders are met. It has formally adopted a schedule of matters which are required to be brought to it for decision, thus ensuring that it maintains full and effective control over appropriate strategic, financial, operational and compliance issues.

These matters include:

- the maintenance of clear investment objectives and risk management policies;
- the monitoring of the business activities of the Company ranging from analysis of investment performance through to annual budgeting and quarterly forecasting and variance analysis;
- Companies Act requirements such as the approval of the interim and annual financial statements and approval and recommendation of any interim or final dividends respectively;
- setting the range of gearing in which the Manager may operate;
- major changes relating to the Company's structure, including share buy-backs and share issuance;
- Board appointments and removals and the related terms;

- authorisation of Directors' conflicts or possible conflicts of interest;
- terms of reference and membership of Board Committees;
- appointment and removal of the Manager and the terms and conditions of the management and administration agreements relating thereto; and
- Stock Exchange/UK Listing Authority/Financial Services Authority - responsibility for approval of all circulars, listing particulars and other releases concerning matters decided by the Board.

The Board has a procedure in place to deal with a situation where a Director has a conflict of interest, as required by the new regime introduced by the Companies Act 2006. As part of this process, the Directors prepare a list of other positions held and all other conflict situations that may need authorising either in relation to the Director concerned or his/her connected persons. The Board considers each Director's situation and decides whether to approve any conflict, taking into consideration what is in the best interests of the Company and whether the Director's ability to act in accordance with his or her wider duties is affected.

Each Director is required to notify the Company Secretary of any potential or actual conflict situations which will require authorising by the Board. Authorisations given by the Board will be reviewed at each Board meeting.

There is an agreed procedure for Directors to take independent professional advice, if necessary, at the Company's expense. The Directors have access to the advice and services of the corporate Company Secretary through its appointed representatives who are responsible to the Board:

- for ensuring that Board procedures are complied with;
- under the direction of the Chairman, for ensuring good information flows with the Board and its Committees, as well as facilitating induction and assisting with professional development as required; and
- for advising, through the Chairman, on all corporate governance matters.

## Board Committees

The terms of reference, which are reviewed annually, for each of the four Board Committees, may be found on the Company's website ([www.all-asia.co.uk](http://www.all-asia.co.uk)) under 'Corporate Governance' within the 'Trust Profile' section.

### Audit Committee

An Audit Committee has been established which is chaired by Kevin Pakenham. The matters considered by the Committee during the year included:

- the review of the effectiveness of the internal control environment of the Company – to assist in this the Committee received reports from the internal and external auditors on a regular basis;

- the review of the Annual Report and Half-Yearly Financial Report;
- the review of the terms of appointment of the auditors together with their remuneration as well as the non-audit services provided by the auditors;
- the review of the scope and the results of the audit, its cost effectiveness and the independence and objectivity of the auditors, with particular regard to non-audit fees (it should be noted that the auditors, Grant Thornton UK LLP, rotate the partner responsible for the audit every five years and that, if the auditors became aware of any situation which might potentially compromise their independence, the Board expect the auditors to bring that situation to the Board's attention at the earliest opportunity);
- the review of the auditors' management letter and the management response; and
- meetings with representatives of the Manager and the auditors.

The Committee considers Grant Thornton UK LLP, the Company's auditors, to be independent of the Company.

### Management Engagement Committee

As recommended by the AIC Code, a Management Engagement Committee has been established, comprising the full Board and whose Chairman is the Chairman of the Company. The Committee annually reviews matters concerning the management contract (the "Agreement") between the Company and the Manager. Details of the Agreement are shown on page 21 of this Report.

### Remuneration Committee

Under the UK Listing Authority's Listing Rule 15.6.6, where an investment trust has only non-executive directors, the Combined Code principles relating to directors' remuneration do not apply. However, a Remuneration Committee has been established, comprising the full Board and whose Chairman is the Chairman of the Company.

The remuneration of the Directors has been set in order to attract individuals of a calibre appropriate to the future development of the Company. The Company's policy on Directors' remuneration, together with details of the remuneration of each Director, is detailed in the Directors' Remuneration Report on page 30.

### Nomination Committee

A Nomination Committee has been established comprising the full Board and whose Chairman is the Chairman of the Company.

The Committee reviews regularly the composition, experience and commitment of the Directors, particularly in relation to succession planning and recommendations for individual election or re-election at each Annual General

Meeting. For new appointments, a description of the required role is prepared and nominations for Directors sought in the appropriate industry sector. If required, external search consultants may be used to ensure that a wide range of candidates are considered.

The Committee also ensures that appropriate induction is arranged by the Manager for a newly appointed Director. This involves induction meetings which cover details about the Company, its Manager, legal responsibilities and investment trust industry matters. Directors are provided, on a regular basis, with key information on the Company's policies, regulatory and statutory requirements and internal controls. Changes affecting Directors' responsibilities are advised to the Board as they arise. Directors are also able to participate in training courses run by the AIC and other financial services providers.

The Board's policy on tenure is that Directors need not serve on the Board for a limited period of time only. The Board does not consider that the length of service of a Director is as important as the contribution he or she has to make, and therefore the relevance of individual length of service will be determined on a case by case basis, but taking into account the maximum service periods recommended in the Combined Code.

All non-executive Directors are appointed for an initial term of three years, are subject to re-election not less than every three years and, in accordance with the existing Articles of Association, stand for election at the first Annual General Meeting following their appointment. The Board have adopted a policy that, for so long as the Board consists of four Directors, two Directors will retire at each AGM, and stand for re-election.

There is no age limit for Directors in the Articles of Association. The Articles of Association also require that each Director retire (except in the case of the Chairman) at each AGM following the ninth anniversary of the date on which the Director was first elected (as opposed to re-elected).

The Board and Committees have undertaken their annual performance evaluation, using questionnaires and discussion, to ensure that the Directors have all devoted sufficient time and contributed adequately to the work of the Board and Committees and to consider each Director's independence. The outcome of this evaluation was satisfactory in each case.

The Nomination Committee has also reviewed the Chairman's and Directors' other commitments (as set out on pages 4 and 5 of this Report), and is satisfied that none of these interfere with the discharge of the Chairman's and Directors' responsibilities to the Company, and that they

individually make sufficient time available to serve the Company effectively.

The Committee recommended to the Board, with the relevant Directors recusing themselves, the nomination for re-election, at the forthcoming Annual General Meeting, of Sir Andrew Burns and Kevin Pakenham, for the following reasons:

- Sir Andrew Burns, who has been a Director since February 2008, has an excellent working knowledge of Asia. It is the Board's view that this knowledge is particularly relevant to the Company.
- Kevin Pakenham, who has been a Director since August 2007, was previously Managing Director in London of Jefferies International Limited. His extensive experience of the investment management industry is greatly valued by his fellow Directors.

### Communication with Shareholders

The Company places a great deal of importance on communication with its shareholders. The Manager has an annual programme of meetings with institutional shareholders and reports back to the Board on these meetings.

The Company has adopted a nominee code, which ensures that, when shares in Aberdeen All Asia Investment Trust are held in the name of nominee companies and notification has been received in advance, nominee companies will be provided with copies of shareholder communications for distribution to their customers. Nominee investors may attend and speak at general meetings.

Participants in the Manager's Share Plan and ISA, whose shares are held in the nominee names of the plan administrator, are given the opportunity to vote by means of a Letter of Direction enclosed with the Annual Report. The Letter of Direction is forwarded to the administrator of the Share Plan and ISA, who will complete a proxy on behalf of the participants and forward it to the Company's registrars for inclusion in the voting figures.

As recommended best practice under the Combined Code, the Annual Report is normally posted to shareholders at least twenty business days before the AGM.

The Notice of Meeting on pages 51 to 54 sets out the business of the meeting and the resolutions are explained more fully in the Directors' Report on pages 19 to 23. Separate resolutions are proposed for each substantive issue.

The Board is conscious that the AGM is an event at which all shareholders are encouraged to attend and participate. The Manager makes a presentation to the meeting outlining the key investment issues that affect the Company. All

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shareholders have the opportunity to put questions at the AGM. The number of proxy votes is relayed to shareholders at the Annual General Meeting after each resolution has been dealt with on a show of hands and details are available on the Company's website.

Shareholders have direct access to the Company via the Customer Services Department operated by the Manager. The Company also responds to letters from shareholders. Contact details may be found on page 55.

A website from which the Company's reports and other publications can be downloaded is maintained at [www.all-asia.co.uk](http://www.all-asia.co.uk).

### Internal Control

The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness. Following publication by the Financial Reporting Council of "Internal Control: Revised Guidance for Directors on the Combined Code" (the FRC Guidance), the Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place for the year under review and up to the date of approval of this Annual Report and Accounts, and is regularly reviewed by the Board and accords with the FRC Guidance. The Board has reviewed the effectiveness of the system of internal control.

In particular, it has reviewed and updated the process for identifying and evaluating the significant risks affecting the Company and policies by which these risks are managed. The significant risks faced by the Company are as follows:

- financial;
- operational; and
- compliance.

The key components designed to provide effective internal control are outlined below:

- the Manager prepares management reports which allow the Board to assess the Company's activities and review its performance;
- the Board and Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board and there are meetings with the Manager as appropriate;
- as a matter of course the Manager's compliance department continually reviews the Manager's operations;
- written agreements are in place which specifically define the roles and responsibilities of the Manager and other third party service providers;

- the Board has considered the need for an internal audit function but, because of the compliance and internal control systems in place at the Manager, has decided to place reliance on the Manager's systems and internal audit procedures; and
- twice a year the Audit Committee formally carries out an assessment of internal controls by considering documentation from the Manager, including the internal audit and compliance functions and taking account of risk management problems or compliance breaches identified previously, and reports to the Board on its conclusions. At the conclusion of these reviews, the Board decides whether any changes to the system of internal control are required.

Internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against mis-statement and loss.

No significant failings or weaknesses in the Company's process for identifying, evaluating and managing the significant risks faced by the Company were identified during the year under review.

### Proxy Voting and Stewardship

The Financial Reporting Council ('FRC') published "the UK Stewardship Code" for institutional shareholders on 2 July 2010. The purpose of the UK Stewardship Code is to enhance the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and assist institutional investors with the efficient exercise of their governance responsibilities. The FRC is encouraging institutional investors to make a statement of their commitment to the Code.

The Board has delegated responsibility for actively monitoring the activities of portfolio companies to the Manager. The Board has reviewed and accepts the Manager's Corporate Governance Principles, which may be found on the Manager's website, at <http://www.aberdeen-asset.com/aam.nsf/AboutUs/governancestewardship>. These Principles set out the Manager's framework on corporate governance, proxy voting and shareholder engagement in relation to the companies in which the Manager has invested or is considering investing. The Board has also reviewed the Manager's Disclosure Response to the UK Stewardship Code, which appears on the Manager's website, at the web-address given above.

The Manager is responsible for reviewing, on a regular basis, the annual reports, circulars and other publications produced by the portfolio company and for attending company

meetings. The Manager, in the absence of explicit instruction from the Board, is empowered to use discretion in the exercise of the Company's voting rights.

The Board recognises and supports the Manager's policy of active engagement with investee companies and the voting of all of the shares held by the Company. The Board receives from the Manager regular reports on the exercise by the Manager of the Company's voting rights and discusses with the Manager any issues arising. It is the Board's view that having an active voting policy and a process for the monitoring by the Board of the Manager's exercise of those votes, especially in relation to controversial issues, aids the efficient exercise of the Company's governance responsibilities.

### Socially Responsible Investment Policy

The Board is aware of its duty to act in the interests of the Company. The Board acknowledges that there are risks associated with investment in companies which fail to conduct business in a socially responsible manner. The Manager considers social, environmental and ethical factors which may affect the performance or value of the Company's investments. The Directors, through the Company's Manager, encourage companies in which investments are made to adhere to best practice in the area of corporate governance. They believe that this can best be achieved by dialogue with company management to encourage them, where necessary, to improve their policies in this area. The Company's ultimate objective is to deliver superior investment return for their clients and whilst the Manager will seek to favour companies which pursue best practice in the above areas, this must not be to the detriment of the return on the investment portfolio.

Approved by the Board and signed on its behalf

**Aberdeen Asset Management PLC**

**Secretary**

Bow Bells House

1 Bread Street

London, EC4M 9HH

3 June 2011

# Statement of Directors' Responsibilities

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The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

To the best of my knowledge:

- the financial statements have been prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and that
- the Directors' Report includes a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that the Company faces.

**Neil Gaskell**  
**Chairman**

3 June 2011

# Directors' Remuneration Report

The Board has prepared this report in accordance with the requirements of Sections 420 to 422 of the Companies Act 2006. An ordinary resolution for the approval and adoption of this report will be put to the members at the forthcoming Annual General Meeting. The law requires the Company's auditors to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The auditors' opinion is included in their report on page 31.

## Remuneration Committee

The Company has four non-executive Directors, whose biographical details are set out on pages 4 and 5. The Board as a whole fulfils the function of a Remuneration Committee. In determining Directors' fees the Board obtains and considers relevant independent survey data. The Board has not to date paid external consultants as part of its review of Directors' remuneration.

## Unaudited Information

### Remuneration Policy

The Company's Articles of Association limit the aggregate fees payable to the Board of Directors to a total of £100,000 per annum. Subject to this overall limit, it is the Company's policy to determine the level of Directors' fees, having regard to the level of fees payable to non-executive Directors in the industry generally, the role that individual Directors fulfil in respect of Board and Committee responsibilities and the time committed to the Company's affairs. Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits. During the year ended 31 March 2011, the Directors received fees as follows: Chairman £20,000 (2010 - £20,000); Chairman of the Audit Committee £15,500 (2010 - £15,500); and for each other Director £14,000 (2010 - £14,000).

The policy of the Board is to review the level of Directors' fees from time to time. During the year ended 31 March 2011, the Remuneration Committee carried out a review of the level of Directors' fees and decided that they would be increased with effect from 1 April 2011 as follows: Chairman £22,000; Chairman of the Audit Committee £17,000; and for each other Director £15,500. Directors' fees were last increased with effect from 1 April 2008.

Directors' and officers' liability insurance cover is held by the Company in respect of the Directors. This insurance is neither a benefit in kind, nor does it form part of the Directors' Remuneration.

### Directors' Service Contracts

None of the Directors has a service contract with the Company. The terms of their appointment provide that a Director shall retire and be subject to appointment by shareholders at the first Annual General Meeting following their appointment by the Board, and be subject to re-appointment every third year thereafter. The terms also

provide that a Director may be removed without notice and that compensation will not be due on leaving office.

## Company Performance

The graph shown below illustrates the total shareholder return for a holding in the Company's shares as compared to the MSCI AC Asia Pacific (including Japan) Index (in Sterling terms) for the five year period to 31 March 2011. This index was chosen for comparison purposes only as it is a widely used indicator for the equity market of which the Company is a constituent.



## Audited Information

### Directors' Emoluments

The Directors who served in the year received the following fees (before any deductions for PAYE or NI, where appropriate):

Director	2011 £'000	2010 £'000
Neil Gaskell (Chairman)	20	20
Kevin Pakenham	15	15
Sir Andrew Burns	14	14
Robert Jenkins	14	12
<b>Total</b>	<b>63</b>	<b>61*</b>

\*David Price, who retired as a Director on 28 July 2009, received fees of £5,000 during the year to 31 March 2010.

The amounts paid by the Company to the Directors were for services as non-executive Directors.

Approved by the Board and signed on its behalf

**Aberdeen Asset Management PLC**

**Secretary**

Bow Bells House  
1 Bread Street  
London EC4M 9HH

3 June 2011

# Independent Auditors' Report to the Members of Aberdeen All Asia Investment Trust PLC

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We have audited the financial statements of Aberdeen All Asia Investment Trust PLC for the year ended 31 March 2011 which comprise the Income Statement, the Balance sheet, the Reconciliation of Movements in Shareholders' Funds, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## Respective Responsibilities of Directors and Auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 29, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

## Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

## Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2011 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Directors' Report, including the information on share capital structures, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Corporate Governance Statement set out on pages 24 to 28 with respect to internal control and risk management systems in relation to financial reporting processes is consistent with the financial statements.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a Corporate Governance Statement has not been prepared by the Company.

Under the Listing Rules, we are required to review:

- the Directors' statement, set out on pages 22 and 23, in relation to going concern;
- the part of the Statement of Corporate Governance relating to the Company's compliance with the nine provisions of the June 2008 Combined Code specified for our review; and
- certain elements of the report to the shareholders by the Board on Directors' remuneration.

Julian Bartlett  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
**Statutory Auditor, Chartered Accountants**  
London  
3 June 2011

# Income Statement

	Notes	Year ended 31 March 2011			Year ended 31 March 2010		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	9	–	4,729	4,729	–	20,014	20,014
Income	2	1,525	–	1,525	1,061	–	1,061
Exchange gains	16	–	51	51	–	217	217
Investment management fee	3	(408)	–	(408)	(322)	–	(322)
Performance fee	3	–	(422)	(422)	–	(853)	(853)
Administrative expenses	4	(238)	(23)	(261)	(269)	(38)	(307)
<b>Net return before finance costs and taxation</b>		<b>879</b>	<b>4,335</b>	<b>5,214</b>	<b>470</b>	<b>19,340</b>	<b>19,810</b>
Finance costs	5	(88)	–	(88)	(66)	–	(66)
<b>Net return on ordinary activities before taxation</b>		<b>791</b>	<b>4,335</b>	<b>5,126</b>	<b>404</b>	<b>19,340</b>	<b>19,744</b>
Taxation on ordinary activities	6	(70)	(28)	(98)	(51)	–	(51)
<b>Net return on ordinary activities after taxation</b>		<b>721</b>	<b>4,307</b>	<b>5,028</b>	<b>353</b>	<b>19,340</b>	<b>19,693</b>
<b>Return per Ordinary share (pence):</b>	<b>8</b>	<b>4.65</b>	<b>27.81</b>	<b>32.46</b>	<b>2.25</b>	<b>123.11</b>	<b>125.36</b>

The total column of this statement represents the profit and loss account of the Company.

No Statement of Total Recognised Gains and Losses has been prepared as all gains and losses have been reflected in the Income Statement.

All revenue and capital items in the above statement derive from continuing operations.

The accompanying notes are an integral part of the financial statements.

# Balance Sheet

	Notes	As at 31 March 2011 £'000	As at 31 March 2010 £'000
<b>Fixed assets</b>			
Investments designated at fair value through profit or loss	9	59,038	51,302
<b>Current assets</b>			
Debtors	10	281	360
Cash at bank and in hand		776	625
		1,057	985
<b>Creditors: amounts falling due within one year</b>			
Foreign currency bank loans	11	(5,731)	(2,298)
Other creditors		(559)	(980)
		(6,290)	(3,278)
<b>Net current liabilities</b>		(5,233)	(2,293)
<b>Net assets</b>		<b>53,805</b>	<b>49,009</b>
<b>Share capital and reserves</b>			
Called-up share capital	12	1,549	1,549
Special reserve		398	398
Capital redemption reserve		2,183	2,183
Capital reserve	13	48,663	44,356
Revenue reserve		1,012	523
<b>Equity shareholders' funds</b>		<b>53,805</b>	<b>49,009</b>
<b>Net asset value per Ordinary share (pence)</b>	14	<b>347.30</b>	<b>316.34</b>

The financial statements were approved and authorised for issue by the Board of Directors on 3 June 2011 and were signed on its behalf by :

Neil Gaskell  
Chairman

The accompanying notes are an integral part of the financial statements.

## Reconciliation of Movements in Shareholders' Funds

### For the year ended 31 March 2011

	Share capital £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 March 2010	1,549	398	2,183	44,356	523	49,009
Return on ordinary activities after taxation	–	–	–	4,307	721	5,028
Dividend paid (note 7)	–	–	–	–	(232)	(232)
<b>Balance at 31 March 2011</b>	<b>1,549</b>	<b>398</b>	<b>2,183</b>	<b>48,663</b>	<b>1,012</b>	<b>53,805</b>

### For the year ended 31 March 2010

	Share capital £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 March 2009	1,573	1,015	2,159	25,016	548	30,311
Purchase of own shares for cancellation	(24)	(617)	24	–	–	(617)
Return on ordinary activities after taxation	–	–	–	19,340	353	19,693
Dividend paid (note 7)	–	–	–	–	(378)	(378)
<b>Balance at 31 March 2010</b>	<b>1,549</b>	<b>398</b>	<b>2,183</b>	<b>44,356</b>	<b>523</b>	<b>49,009</b>

# Cash Flow Statement

	Notes	Year ended 31 March 2011		Year ended 31 March 2010	
		£'000	£'000	£'000	£'000
<b>Net cash (outflow)/inflow from operating activities</b>	15		(256)		345
<b>Servicing of finance</b>					
Bank and loan interest paid			(81)		(83)
<b>Taxation</b>					
Capital gains tax on sale of Indian shares			(28)		–
<b>Financial investment</b>					
Purchases of investments		(6,618)		(9,378)	
Sales of investments		3,885		11,208	
Expenses allocated to capital		(3)		(7)	
<b>Net cash (outflow)/inflow from financial investment</b>			(2,736)		1,823
<b>Equity dividends paid</b>			(232)		(378)
<b>Net cash (outflow)/inflow before financing</b>			(3,333)		1,707
<b>Financing</b>					
Purchase of Ordinary share capital		–		(617)	
Loan drawn down/(repaid)		3,514		(2,311)	
<b>Net cash inflow/(outflow) from financing</b>			3,514		(2,928)
<b>Increase/(decrease) in cash</b>	16		<b>181</b>		<b>(1,221)</b>
<b>Reconciliation of net cash flow to movements in net debt</b>					
Increase/(decrease) in cash as above			181		(1,221)
(Increase)/decrease in borrowings			(3,514)		2,311
<b>Change in net debt resulting from cash flows</b>			(3,333)		1,090
Exchange movements			51		217
<b>Movement in net debt in the year</b>			(3,282)		1,307
Opening net debt			(1,673)		(2,980)
<b>Closing net debt</b>	16		<b>(4,955)</b>		<b>(1,673)</b>

The accompanying notes are an integral part of the financial statements.

## 1. Accounting policies

### (a) Basis of accounting and going concern

The financial statements have been prepared under the historical cost convention, except for the measurement at fair value of investments and in accordance with the applicable UK Accounting Standards and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (issued in January 2009). They have also been prepared on the assumption that approval as an investment trust will continue to be granted. The financial statements have been prepared on a going concern basis. The Directors believe this is appropriate for the reasons outlined in the Directors' Report on pages 22 to 23.

### (b) Valuation of investments

The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. This portfolio of financial assets is managed and its performance evaluated on a fair value basis, in accordance with a documented investment strategy, and information about the portfolio is provided internally on that basis to the Company's Board of Directors. Accordingly, upon initial recognition the Company designates the investments 'at fair value through profit or loss'. Fair value is taken to be the investment's cost at the trade date (excluding expenses incidental to the acquisition which are written off in the Income Statement, and allocated to 'capital' at the time of acquisition).

Subsequent to initial recognition, investments continue to be designated at fair value through profit or loss, which is deemed to be bid prices, where the bid price is available, or otherwise at fair value based on published price quotations.

### (c) Income

Dividends (other than special dividends), including taxes deducted at source, are included in revenue by reference to the date on which the investment is quoted ex-dividend. Special dividends are reviewed on a case-by-case basis and may be credited to capital, if circumstances dictate. Dividends receivable on equity shares where no ex-dividend date is quoted are brought into account when the Company's right to receive payment is established. Fixed returns on non-equity shares are recognised on a time apportioned basis so as to reflect the effective interest rate on shares. Other returns on non-equity shares are recognised when the right to return is established. Where the Company has elected to receive its dividends in the form of additional shares rather than cash, the amount of the cash dividend is recognised as income. Any excess in the value of the shares received over the amount of the cash dividend is recognised in capital reserves. Interest receivable on bank balances is dealt with on an accruals basis.

Where applicable the dividend income is disclosed net of irrecoverable Malaysian and Singaporean taxes deducted at source. UK dividend income is recorded net of tax credits.

### (d) Expenses

All expenses are accounted for on an accruals basis. Expenses are allocated to revenue in the Income Statement except as follows:

- expenses which are incidental to the acquisition or disposal of an investment are allocated to capital in the Income Statement and separately identified and disclosed in note 9; and
- expenses are allocated and borne by capital where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. In this respect performance fees are charged 100% to the capital reserve.

### (e) Taxation

The charge for taxation is based on the revenue return for the financial period.

#### Deferred taxation

Deferred taxation is provided on all timing differences, that have originated but not reversed at the Balance Sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in future have occurred at the Balance Sheet date, measured on an undiscounted basis and based on enacted tax rates. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be

suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the accounts which are capable of reversal in one or more subsequent periods. Due to the Company's status as an investment trust company, and the intention to continue to meet the conditions required to obtain approval for the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

**(f) Capital reserve**

Gains and losses on realisation of investments and changes in fair values of investments are transferred to the capital reserve.

**(g) Foreign currencies**

Transactions involving foreign currencies are converted at the rate ruling at the date of the transaction.

Foreign currency asset and liability balances are translated to Sterling at the middle rate of exchange at the year end. Differences arising from translation are treated as capital gain or loss to capital or revenue within the Income Statement depending upon the nature of the gain or loss.

**(h) Dividends payable**

Final dividends are recognised in the financial statements in the period in which they are paid.

**(i) Borrowings**

All secured borrowings are initially recognised at cost, being the fair value of the consideration received, less issue costs where applicable, after initial recognition, all interest bearing borrowings are subsequently measured at amortised cost.

	2011 £'000	2010 £'000
<b>2. Income</b>		
<b>Income from investments designated at fair value through profit and loss</b>		
UK dividend income	105	56
Overseas dividends	1,268	911
Scrip dividends	150	90
	1,523	1,057
<b>Other income</b>		
Underwriting commission	2	4
<b>Total income</b>	1,525	1,061

	Revenue £'000	2011 Capital £'000	Total £'000	Revenue £'000	2010 Capital £'000	Total £'000
<b>3. Investment management fee</b>						
Investment management fee	408	–	408	322	–	322
Performance fee	–	422	422	–	853	853
<b>Total</b>	408	422	830	322	853	1,175

During the year the management fee was payable monthly in arrears and was based on an annual amount of 0.75% of total assets less current liabilities of the Company valued monthly. The agreement is terminable on six months' notice. The balance due to AAM Asia at the year end was £73,000 (2010 – £62,000).

## Notes to the Financial Statements continued

AAM Asia is entitled to a performance related fee of up to 15% of the portfolio's outperformance of the MSCI AC Asia Pacific (including Japan) Index (in Sterling terms) for the year in question.

In the event that the Company outperforms this benchmark, but the year end net asset value per Ordinary share is less than at the previous year end, the performance fee is capped at 0.3% of year end net asset value. The performance fee is only payable where the final net asset value on which the fee is calculated exceeds the net asset value (adjusted by any change in the benchmark index over the period) on which the last performance fee was paid.

There was a performance fee due to AAM Asia for the year ended 31 March 2011 in the sum of £422,000 (2010 – £853,000).

4. Administrative expenses	2011			2010		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investor relations/Marketing initiative	38	–	38	29	–	29
Directors' fees	63	–	63	66	–	66
Safe custody fees	20	3	23	19	7	26
Transaction costs on investment purchases	–	20	20	–	31	31
Auditors' remuneration:						
– audit of the financial statements <sup>A</sup>	20	–	20	19	–	19
– other	1	–	1	1	–	1
Other	96	–	96	135	–	135
	<b>238</b>	<b>23</b>	<b>261</b>	<b>269</b>	<b>38</b>	<b>307</b>

<sup>A</sup> Includes work carried out on the Directors' Remuneration Report, Corporate Governance Statement and Directors' Report.

The Company has an agreement with Aberdeen Asset Managers Limited ("AAM") for the provision of marketing services in relation to the Company's participation in the Aberdeen Investment Trust Share Plan and ISA. The total fees paid and payable under the agreement were £38,000 (2010 – £29,000) and the accrual to AAM at the year end was £nil (2010 – £nil).

No pension contributions were made in respect of any of the Directors.

The Company does not have any employees.

5. Finance costs	2011			2010		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Interest on bank loans and overdrafts	88	–	88	66	–	66

6. Taxation on ordinary activities	2011			2010		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>(a) Analysis of charge for the year</b>						
Capital gains tax on sale of Indian shares	–	28	28	–	–	–
Irrecoverable overseas taxation	70	–	70	51	–	51
Current taxation	<b>70</b>	<b>28</b>	<b>98</b>	<b>51</b>	<b>–</b>	<b>51</b>

**(b) Factors affecting current tax charge for the year**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences can be explained below:

	2011 £'000	2010 £'000
Net return on ordinary activities before taxation	5,126	19,744
Net return on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2010 – 28%)	1,435	5,528
Effects of:		
UK dividend income	(30)	(16)
Gains on investments not subject to UK tax	(1,324)	(5,604)
Currency gains not taxable	(14)	(61)
Tax on capital expenses	125	250
Capital gains tax on sale of Indian shares	28	–
Irrecoverable overseas withholding tax suffered	70	51
Excess management expenses and loan relationship deficits not utilised in period	205	77
Non-taxable overseas dividends	(397)	(176)
Expenses not deductible for tax purposes	–	2
Current tax charge for the year	<b>98</b>	<b>51</b>

**(c) Provision for deferred taxation**

No provision for deferred taxation has been made due to the fact that the Company has approximately £3,578,000 (2010 – £2,330,000) of excess management expenses and loan relationship deficits. This is because the Company is not expected to generate taxable income in the future in excess of deductible expenses of that future period, and accordingly, it is unlikely that the Company will be able to reduce future tax liabilities through the use of existing surplus expenses.

**7. Dividends**

	2011 £'000	2010 £'000
Amounts recognised as distributions to equity holders in the year:		
Final dividend 2010 – 1.50p (2009 – 2.40p)	<b>232</b>	<b>378</b>

In order to comply with the requirements of Sections 1158-1159 of the Corporation Tax Act 2010 the Company is required to make a final dividend distribution.

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability.

The table below sets out the total dividends proposed in respect of the financial year, which is the basis on which the requirements of Sections 1158 –1159 are considered. The revenue available for distribution by way of dividend for the year is £1,012,000 (2010 – £523,000). Only the revenue reserve can be used for the distribution of dividends.

	2011 £'000	2010 £'000
Proposed final dividend for 2011 – 3.25p per Ordinary share (2010 – 1.50p)	<b>504</b>	<b>232</b>

The proposed final dividend will be paid, subject to approval at the Annual General Meeting, on 29 July 2011 to shareholders on the register at the close of business on 1 July 2011.

## Notes to the Financial Statements continued

8. Return per Ordinary share	2011 p	2011 £'000	2010 p	2010 £'000
Returns per share are based on the following figures:				
Revenue return	4.65	721	2.25	353
Capital return	27.81	4,307	123.11	19,340
<b>Total return</b>	<b>32.46</b>	<b>5,028</b>	<b>125.36</b>	<b>19,693</b>
<hr/>				
Weighted average Ordinary shares in issue		<b>15,492,367</b>		<b>15,708,956</b>

9. Investments designated at fair value through profit or loss	Listed overseas £'000	Listed in UK £'000	Total £'000
Opening book cost	35,411	2,476	37,887
Opening investment holding gains	12,043	1,372	13,415
Opening fair value	47,454	3,848	51,302
Movements in the year:			
Purchases at cost (excluding transaction costs)	5,766	971	6,737
Sales – proceeds (net of transaction costs)	(3,547)	(183)	(3,730)
– gains on sales	1,522	79	1,601
Increase in investment holding gains	2,859	269	3,128
<b>Closing fair value</b>	<b>54,054</b>	<b>4,984</b>	<b>59,038</b>

	Listed overseas £'000	Listed in UK £'000	Total £'000
Closing book cost	39,152	3,343	42,495
Closing investment holding gains	14,902	1,641	16,543
	<b>54,054</b>	<b>4,984</b>	<b>59,038</b>

	2011 £'000	2010 £'000
Investments listed on a recognised investment exchange	<b>59,038</b>	<b>51,302</b>

Gains on investments	2011 £'000	2010 £'000
Gains on sales	1,601	1,310
Increase in investment holding gains	3,128	18,704
	<b>4,729</b>	<b>20,014</b>

### Transaction costs

During the year expenses were incurred in acquiring or disposing of investments designated as fair value through profit or loss. Expenses incurred in acquiring investments have been expensed through capital and are included within administration expenses in the Income Statement, whilst expenses incurred in disposing of investments have been expensed through capital and are included within gains on investments in the Income Statement. The total costs were as follows:

	2011 £'000	2010 £'000
Purchases	20	31
Sales	11	17
	<b>31</b>	<b>48</b>

10. Debtors: amounts falling due within one year	2011 £'000	2010 £'000
Amounts due from brokers	–	155
Prepayments and accrued income	279	200
Other loans and receivables	2	5
	<b>281</b>	<b>360</b>

11. Creditors: amounts falling due within one year	2011 £'000	2010 £'000
(a) Foreign currency bank loans	<b>5,731</b>	<b>2,298</b>

In January 2011, the Company entered into a two year £10,000,000 multi-currency revolving credit facility with Standard Chartered Bank. At the year end, US\$6,960,000 (2010 – US\$2,750,000) equivalent to £4,342,000 (2010 – £1,813,000) had been drawn down from Standard Chartered Bank which matured on 28 April 2011. At the year end, JPY184,500,000 (2010 – JPY68,800,000) equivalent to £1,389,000 (2010 – £485,000) had been drawn down from Standard Chartered Bank which matured on 28 April 2011.

On 28 April 2011, the principal loan amounts of US\$6,960,000 and JPY184,500,000 were drawn down, both with a maturity date of 28 July 2011.

The terms of the loan facility with Standard Chartered Bank contain a covenant that total borrowings should not exceed 25% of the net asset value of the Company at any time and that the net asset value should not fall below £30,000,000 at any time. The Company met this covenant throughout the period.

(b) Other creditors	2011 £'000	2010 £'000
Amounts due to brokers	–	11
Performance fee	422	853
Other creditors	137	116
	<b>559</b>	<b>980</b>

12. Called-up share capital	2011 £'000	2010 £'000
15,492,367 (2010 – 15,492,367) Ordinary shares of 10p each – equity	<b>1,549</b>	<b>1,549</b>

No Ordinary shares were bought back for cancellation during the year. During the year to 31 March 2010, 240,000 Ordinary shares of 10p each (representing 1.5% of the issued Ordinary share capital at 31 March 2010) were bought back for cancellation at a total cost of £617,000 including expenses.

## Notes to the Financial Statements continued

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
<b>13. Capital reserve</b>		
At 31 March	44,356	25,016
Movement in investment holdings fair value gains	3,128	18,704
Gains on realisation of investments at fair value	1,601	1,310
Exchange gains	51	217
Performance fee	(422)	(853)
Administrative expenses	(23)	(38)
Capital gains tax on sale of Indian shares	(28)	–
At 31 March	<b>48,663</b>	<b>44,356</b>

The capital reserve includes investment holding gains amounting to £16,543,000 (2010 – £13,415,000) as disclosed in note 9.

### 14. Net asset value per share

The net asset value per share and the net asset values attributable to Ordinary shareholders at the year end calculated in accordance with the Articles of Association were as follows:

	Net asset value per share		Net asset values attributable	
	2011	2010	2011	2010
	p	p	£'000	£'000
Ordinary shares	<b>347.30</b>	<b>316.34</b>	<b>53,805</b>	<b>49,009</b>

The movements during the year of the assets attributable to the Ordinary shares were as follows:

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Net assets attributable at 1 April	49,009	30,311
Buyback of Ordinary shares (including expenses)	–	(617)
Capital return for the year	4,307	19,340
Revenue on ordinary activities after taxation	721	353
Dividend paid	(232)	(378)
Net assets attributable at 31 March	<b>53,805</b>	<b>49,009</b>

The net asset value per Ordinary share is based on net assets, and on 15,492,367 (2010 – 15,492,367) Ordinary shares, being the number of Ordinary shares in issue at the year end.

<b>15. Reconciliation of net return before finance costs and taxation to net cash inflow from operating activities</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Return on ordinary activities before finance costs and taxation	5,214	19,810
Adjustments for:		
Gains on investments	(4,729)	(20,014)
Expenses taken to capital reserve	23	891
Foreign exchange movements	(51)	(217)
(Increase)/decrease in accrued income	(79)	3
Decrease/(increase) in other debtors	3	(3)
Increase in other creditors	14	15
Decrease in performance fee creditor	(431)	–
Overseas withholding tax suffered	(70)	(50)
Scrip dividends included in investment income	(150)	(90)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(256)</b>	<b>345</b>

<b>16. Analysis of changes in net debt</b>	<b>1 April 2010 £'000</b>	<b>Cash flow £'000</b>	<b>Exchange movements £'000</b>	<b>31 March 2011 £'000</b>
Cash at bank	625	181	(30)	776
Debts falling due within one year	(2,298)	(3,514)	81	(5,731)
<b>Net debt</b>	<b>(1,673)</b>	<b>(3,333)</b>	<b>51</b>	<b>(4,955)</b>

#### **17. Related party disclosures**

There were no material related party transactions during the year.

#### **18. Financial instruments**

##### **Risk management**

The Company's financial instruments comprise securities and other investments, cash balances, loans and debtors and creditors that arise directly from its operations; for example, in respect of sales and purchases awaiting settlement, and debtors for accrued income.

The main financial risks that the Company faces from its financial instruments are market price risk, interest rate risk, liquidity risk and credit risk.

The Board has established policies for managing each of these risks and reviews regularly their implementation by the Manager. The Company's policies for managing these risks are summarised below and have been applied throughout the year.

##### **Market price risk**

The fair value of, or future cash flows from, a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises two elements – security price risk and currency risk.

##### **Security price risk**

Changes in market prices for the Company's portfolio of securities directly affect their reported value in the Balance Sheet.

It is the Board's investment policy for the Company's assets to be invested in a selected portfolio of securities in quoted

## Notes to the Financial Statements continued

companies as explained on page 2. The Manager has a dedicated investment management process, which ensures that the risk inherent in this investment policy is controlled. Underlying the process is the belief that risk is not that individual stock prices fluctuate in the short term, or that movement in the value of the portfolio deviates from the benchmark but that risk is investment in poorly managed expensive companies which the Manager does not understand. In depth research and stock selection procedures are in place based on this risk control philosophy. The portfolio is reviewed on a periodic basis by the Manager's Investment Committee and by the Board.

### Security price sensitivity

If market prices at the Balance Sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to Ordinary shareholders for the year ended 31 March 2011 would have increased/(decreased) by £5,904,000 (2010 increased/(decreased) by £5,130,000) and equity reserves would have increased/(decreased) by the same amount.

### Foreign currency risk

All of the Company's investment portfolio is invested in overseas securities and the Balance Sheet, therefore, can be significantly affected by movements in foreign exchange rates. It is not the Company's policy to hedge this risk on a continuing basis but the Company may, from time to time, match specific overseas investment with foreign currency borrowings. The Company's borrowings, as detailed in note 11, are also in foreign currency.

The revenue account is subject to currency fluctuation arising on dividends paid in foreign currencies. The Company does not hedge this currency risk.

Foreign currency risk exposure by currency of denomination:

	31 March 2011			31 March 2010		
	Overseas investments £'000	Net monetary assets £'000	Total currency exposure £'000	Overseas investments £'000	Net monetary assets £'000	Total currency exposure £'000
Australian Dollar	2,359	–	2,359	1,729	–	1,729
Hong Kong Dollar	9,519	–	9,519	7,180	–	7,180
Indian Rupee	6,418	–	6,418	6,577	180	6,757
Indonesian Rupiah	590	–	590	–	–	–
Japanese Yen	13,367	(1,270)	12,097	11,574	(485)	11,089
Korean Won	3,366	–	3,366	2,866	–	2,866
Malaysian Ringgit	1,933	–	1,933	2,023	–	2,023
Philippine Peso	1,171	–	1,171	935	–	935
Singapore Dollar	8,461	–	8,461	8,000	–	8,000
Taiwan Dollar	2,188	64	2,252	1,865	63	1,928
Thailand Baht	2,289	–	2,289	2,352	–	2,352
US Dollar	2,393	(4,142)	(1,749)	2,353	(1,621)	732
<b>Total</b>	<b>54,054</b>	<b>(5,348)</b>	<b>48,706</b>	<b>47,454</b>	<b>(1,863)</b>	<b>45,591</b>

### Foreign currency sensitivity

There is no sensitivity analysis included as the Company's significant foreign currency financial instruments are in the form of equity investments, which have been included within security price risk sensitivity analysis so as to show the overall level of exposure. Due consideration is paid to foreign currency risk throughout the investment process.

### Interest rate risk

Interest rate movements may affect:

- the level of income receivable on cash deposits; and
- interest payable on the Company's variable rate borrowings.

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The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment and borrowing decisions.

#### **Interest rate sensitivity**

Movements in interest rates would not significantly affect net assets attributable to the Company's shareholders and total profit.

#### **Liquidity risk**

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk is not considered to be significant as the Company's assets mainly comprise readily realisable securities which can be sold to meet funding requirements if necessary and short-term flexibility is achieved through the use of loan facilities, details of which may be found in note 11.

#### **Liquidity risk exposure**

At 31 March 2011 and 31 March 2010 the Company's bank loans, amounting to £5,731,000 and £2,298,000, respectively, were both due for repayment or roll-over within six months along with interest due on the amount of the principal at the same time.

#### **Credit risk**

This is the risk of failure of the counterparty to a transaction to discharge its obligations under that transaction that could result in the Company suffering a loss.

The risk is not significant given the relatively small amounts involved, and is managed as follows:

- investment transactions are carried out with a large number of brokers of good quality credit standing; and
- cash is held only with reputable banks with high quality external credit enhancements.

None of the Company's financial assets is secured by collateral or other credit enhancements and none are past due or impaired.

#### **Credit risk exposure**

The amount of cash at bank and in hand of £776,000 (2010 – £625,000) and debtors of £281,000 (2010 – £360,000) in the Balance Sheet represent the maximum exposure to credit risk at 31 March.

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

All financial assets and financial liabilities of the Company are included in the Balance Sheet at fair value.

### **19. Capital management policies and procedures**

The Company's capital management objectives are:

- to ensure that the Company will be able to continue as a going concern, and
- to maximise the income and capital return to its equity shareholders through an appropriate balance of equity capital and debt. The Board normally seeks to limit gearing to 15% of net assets.

The Board monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes the nature and planned level of gearing, which takes account of the Manager's views on the market and the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period and year end positions are presented in the Balance Sheet.

### 20. Contingent liabilities

The Company had no contingent liabilities at 31 March 2011.

### 21. Fair value hierarchy

FRS 29 'Financial Instruments: Disclosures' requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

All of the Company's investments are in quoted equities (2010 – same) actively traded on recognised stock exchanges, with their fair value being determined by reference to their quoted bid prices at the reporting date. The total value of the investments (2011 – £59,038,000; 2010 – £51,302,000) have therefore been deemed as Level 1.

# Marketing

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Aberdeen All Asia Investment Trust PLC contributes to the marketing programme run by Aberdeen Asset Managers Limited ("AAM") on behalf of a number of investment trusts under its management. Under this agreement the Company's contribution is matched by AAM. This contribution is reviewed annually.

The purpose of the Programme is to communicate effectively with existing shareholders and attract new shareholders, thus improving liquidity and thereby enhancing the value and rating of the Company's shares. AAM's experience has also shown that well-targeted marketing of the Company's investment merits through packaged products, whether singly, or in conjunction with other trusts run by AAM, can be a cost-effective way of gaining new investors.

These aims can be met in several ways:

## Investor Relations Programme

AAM runs an investor relations programme to existing and prospective institutional investors in investment trusts. Each month institutional investors and prospects receive an Investment Manager's report on your Company that includes detailed performance analysis.

## Group Schemes

AAM runs a group Share Plan and ISA. These schemes allow investment free of dealing costs with only nominal exit charges and have proved popular with private investors.

## Direct Response Advertising

The Manager advertises the packaged product availability of the Trust in selected national press as well as the specialist financial titles.

## Direct Mail

Periodic mailshots of information packs inviting named addressees to respond is a low-cost method of building awareness and investor databases. Target groups include existing holders of other AAM investment trusts as well as known buyers of investment trusts.

## Newsletter

The 'Bulletin' newsletter, an informed commentary on markets and investment trusts managed by the Aberdeen Group is distributed free of charge.

## Public Relations

AAM undertakes to brief journalists, write regularly through placed articles and ensure Company results and any corporate activity are brought to public attention.

## Shareholder Services

AAM runs an investment help desk for retail enquirers and investors. Enquirers or investors will be sent any relevant literature on request and have queries answered immediately. The Marketing Programme is under the direction of AAM's Group Head of Marketing who has extensive experience in the marketing and communication of investment products. He is supported by a team of marketing professionals.

## Internet

The AAM Investment Trust website contains details of closed funds and investment companies managed or advised by the Aberdeen Group.

Aberdeen All Asia Investment Trust PLC has its own dedicated website at: [www.all-asia.co.uk](http://www.all-asia.co.uk). This allows web users to access information on the Company's share price performance, capital structure, stock exchange announcements and monthly reports. The site is continuously being evaluated for improvement.

It is intended that ongoing Programme activities in these various fields, both proactive and supportive, will assist the Company to increase and maintain its shareholder base, improve liquidity and sustain ratings.

The Company is committed to the close monitoring of the Programme. The Marketing Director provides a written summary quarterly to the Board.

If you have any questions about your Company, the Manager or performance, please telephone our Customer Services Department on 0500 00 00 40. Alternatively, internet users may e-mail us on [inv.trusts@aberdeen-asset.com](mailto:inv.trusts@aberdeen-asset.com) or write to us at:

Aberdeen Investment Trust Administration  
Block C, Western House  
Lynchwood Business Park  
Peterborough, PE2 6BP

# How to Invest in Aberdeen All Asia Investment Trust PLC

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## Direct

Investors can buy and sell shares in Aberdeen All Asia Investment Trust PLC directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Alternatively shares can be bought directly from Aberdeen through the Investment Plan for Children, Investment Trust Share Plan and Investment Trust Individual Savings Account ('ISA').

## Aberdeen's Investment Plan for Children

Aberdeen Asset Managers ("AAM") runs an Investment Plan for Children (the "Children's Plan") which covers a number of investment companies under its management including Aberdeen All Asia Investment Trust PLC. Anyone can invest in the Children's Plan, including parents, grandparents and family friends. All investments are free of dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £150 per trust, while regular savers may invest from £30 per month. Investors simply pay Government Stamp Duty (currently 0.5%) on entry. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in the Children's Plan, and regular savers can stop or suspend participation by instructing AAM in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts.

## Aberdeen Investment Trust Share Plan

AAM runs a Share Plan (the "Plan") through which shares in Aberdeen All Asia Investment Trust PLC can be purchased. There are no dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £250, while regular savers may invest from £100 per month. Investors simply pay Government Stamp Duty (currently 0.5%) on entry. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in a Plan, and regular savers can stop or suspend participation by instructing AAM in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts. Investors have full voting and other rights of share ownership.

## Aberdeen Investment Trust ISA

An investment of up to £10,680 in Aberdeen All Asia Investment Trust PLC can be made through the Aberdeen Investment Trust ISA in each tax year.

There are no brokerage or initial charges for the ISA, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Investors only pay Government Stamp Duty (currently 0.5%) on purchases. Selling costs are £15 + VAT.

The annual ISA administration charge is £24 + VAT, calculated six monthly and deducted from income. Under current legislation, investments in ISAs can grow free of capital gains tax.

## ISA Transfer

You can choose to transfer previous tax year investments to us which can be invested in Aberdeen All Asia Investment Trust PLC while retaining your ISA wrapper. The minimum lump sum for an ISA transfer is £1,000 and is subject to a minimum per investment trust of £250.

## Note

Please remember that past performance is not a guide to the future. Stock market and currency movements may cause the value of shares and the income from them to fall as well as rise and investors may not get back the amount they originally invested.

As with all equity investments, the value of investment trusts purchased will immediately be reduced by the difference between the buying and selling prices of the shares, the market maker's spread.

Investors should further bear in mind that the value of any tax relief will depend on the individual circumstances of the investor and that tax rates and reliefs, as well as the tax treatment of ISAs may be changed by future legislation.

## Literature Request Service

For literature and application forms for AAM's investment trust products, go online at [www.invtrusts.co.uk](http://www.invtrusts.co.uk) or please contact:

Telephone: 0500 00 40 00  
Email: [aam@lit-request.com](mailto:aam@lit-request.com)

## Keeping You Informed

The Company's share price appears under the heading 'Investment Companies' in the Financial Times newspaper.

For internet users, detailed data on Aberdeen All Asia Investment Trust PLC, including price, performance information and a monthly fact sheet is available from the Trust's website ([www.all-asia.co.uk](http://www.all-asia.co.uk)) and the TrustNet website ([www.trustnet.co.uk](http://www.trustnet.co.uk)).

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## Contact

For any administrative queries relating to the Investment Plan for Children, Share Plan, ISA or ISA Transfer please contact:

Aberdeen Investment Trust Administration  
Block C, Western House  
Lynchwood Business Park  
Peterborough, PE2 6BP  
Telephone: 0500 00 00 40

Alternatively, if you have an administrative query relating to a certificated holding, please contact the Registrar, as follows

## Registrar

Capita Registrars  
The Registry  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU

### Shareholder helpline numbers:

Tel: 0871 664 0300

(Calls to these numbers will be charged at 10p per minute from a BT landline. Other telephony provider costs may vary.)

Tel International: (+44 208 639 3399)

e-mail [ssd@capitaregistrars.com](mailto:ssd@capitaregistrars.com)

website [www.capitaregistrars.com](http://www.capitaregistrars.com)

The above information has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 by Aberdeen Asset Managers Limited which is authorised and regulated by the Financial Services Authority.

# Glossary of Terms and Definitions

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## **Actual Gearing**

Total Assets (as below) less all cash and fixed interest assets (excluding convertibles) divided by shareholders' funds.

## **Asset Cover**

The value of a company's net assets available to repay a certain security. Asset cover is usually expressed as a multiple and calculated by dividing the net assets available by the amount required to repay the specific security.

## **Discount**

The amount by which the market price per share of an investment trust is lower than the net asset value per share. The discount is normally expressed as a percentage of the net asset value per share.

## **Dividend Cover**

Earnings per share divided by dividends per share expressed as a ratio.

## **Dividend Yield**

The annual dividend expressed as a percentage of the share price.

## **Net Asset Value**

The value of total assets less liabilities. Liabilities for this purpose included current and long-term liabilities. The net asset value divided by the number of shares in issue produces the net asset value per share.

## **Potential Gearing**

Total Assets including all debt being used for investment purposes divided by shareholders' funds.

## **Premium**

The amount by which the market price per share of an investment trust exceeds the net asset value per share. The premium is normally expressed as a percentage of the net asset value per share.

## **Price/Earnings Ratio**

The ratio is calculated by dividing the middle-market price per share by the earnings per share. The calculation assumes no change in earnings but in practice the multiple reflects the stock market's view of a company's prospects and profit growth potential.

## **Prior Charges**

The name given to all borrowings including debentures, loan and short term loans and overdrafts that are to be used for investment purposes, reciprocal foreign currency loans, currency facilities to the extent that they are drawn down, index-linked securities, and all types of preference or preferred capital and the income shares of split capital trusts, irrespective of the time until repayment.

## **Total Assets**

Total Assets less current liabilities (before deducting prior charges as defined above).

## **Total Expense Ratio**

Ratio of expenses as percentage of average shareholders' funds calculated as per the industry standard Lipper Fitzrovia method.

## **Total Return**

Total Return involves reinvesting the net dividend in the month that the share price goes ex-dividend. The NAV Total Return involves investing the same net dividend in the NAV of the trust on the date to which that dividend was earned, eg quarter end, half year or year end date.

## **Winding-up Date**

The date specified in the Articles of Association for winding-up a company.

# Notice of Annual General Meeting

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Notice is hereby given that the Annual General Meeting of Aberdeen All Asia Investment Trust PLC will be held at Bow Bells House, 1 Bread Street, London EC4M 9HH, at 11.00 am on Tuesday, 26 July 2011 for the following purposes:

To consider and, if thought fit, pass the following Resolutions which will be proposed as Ordinary Resolutions:

1. To receive and adopt the Directors' Report and Financial Statements for the year ended 31 March 2011, together with the independent auditors' report thereon.
2. To receive and adopt the Directors' Remuneration Report for the year ended 31 March 2011.
3. To approve a final dividend of 3.25p per share for the year ended 31 March 2011.
4. To re-elect Sir Andrew Burns as a Director of the Company.
5. To re-elect Kevin Pakenham as a Director of the Company.
6. To re-appoint Grant Thornton UK LLP as independent auditors and to authorise the Directors to agree their remuneration.

## Special business

As special business to consider and, if thought fit, pass the following resolutions, in the case of Resolution 7, as an Ordinary Resolution, and in the case of Resolutions 8 and 9, as Special Resolutions.

7. THAT, in substitution for any existing authority under section 551 of the Companies Act 2006 (the "Act"), but without prejudice to the exercise of any such authority prior to the date of this resolution, the directors of the Company be generally and unconditionally authorised for the purposes of Section 551 of the Act to allot Ordinary shares of 10p each in the Company ("shares") and to grant rights ("relevant rights") to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £154,923, such authorisation to expire at the earlier of the conclusion of the next Annual General Meeting of the Company to be held in 2012 or 30 September 2012 unless previously renewed, revoked or varied by the Company in general meeting, save that the Company may at any time before the expiry of this authorisation make an offer which would or might require shares to be allotted or relevant rights to be granted after the expiry of this authorisation and the directors of the Company may allot shares or grant relevant rights in pursuance of any such offer or agreement as if the authorisation conferred hereby had not expired.
8. THAT, subject to the passing of the resolution numbered 7 set out in the notice of this meeting ("Section 551 Resolution") and in substitution for any existing authority under sections 570 and 573 of the Companies Act 2006 (the "Act") but without prejudice to the exercise of any such authority prior to the date of this resolution, the directors of the Company be empowered pursuant to sections 570 and 573 of the Act to allot equity securities (within the meaning of section 560 of the Act) either pursuant to the authorisation conferred by the Section 551 Resolution or by way of a sale of treasury shares, in each case for cash as if section 561(1) of the Act did not apply to such allotment or sale, provided that this power shall be limited to:
  - a) the allotment of equity securities (otherwise than pursuant to sub-paragraph (b) below) up to an aggregate nominal amount of £154,923 at a price not less than the undiluted net asset value per share at allotment, as determined by the directors of the Company; and
  - b) the allotment of equity securities at a price not less than the undiluted net asset value per share at allotment, as determined by the directors of the Company in connection with an offer to (a) all holders of such Ordinary shares of 10p each in the capital of the Company in proportion (as nearly as may be) to the respective numbers of Ordinary shares held by them and (b) to holders of other equity securities as required by the rights of those securities (but subject to such exclusions, limits or restrictions or other arrangements as the directors of the Company may consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in or under the laws of, or requirements of, any regulatory body of any stock exchange in any territory or otherwise howsoever); and

such power shall expire at the earlier of the conclusion of the next Annual General Meeting of the Company to be held in 2012 or 30 September 2012, but so that this power shall enable the Company to make offers or agreements before

## Notice of Annual General Meeting continued

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such expiry which would or might require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities in pursuance of any such offer or agreement as if such expiry had not occurred.

9. THAT the Company be and is hereby generally and, subject as hereinafter appears, unconditionally authorised, in accordance with Section 701 of the Companies Act 2006 (the "Act"), to make market purchases (within the meaning of Section 693(4) of the Act) of fully paid Ordinary shares of 10p each in the capital of the Company ("Ordinary shares") and to cancel or hold in treasury such shares, provided that:–
- a) the maximum aggregate number of Ordinary shares hereby authorised to be purchased shall be an aggregate of 2,322,305 Ordinary shares or, if less, the number representing 14.99% of the issued Ordinary share capital of the Company as at the date of the passing of this resolution;
  - b) the minimum price which may be paid for an Ordinary share shall be 10p (exclusive of expenses);
  - c) the maximum price (exclusive of expenses) which may be paid for an Ordinary share shall be the higher of:
    - (i) 5% above the average of the market values of the Ordinary shares (as derived from the Daily Official List of the London Stock Exchange) for the Ordinary shares for the five business days immediately preceding the date of purchase; and
    - (ii) the higher of the price of the last independent trade in Ordinary shares and the highest current independent bid for Ordinary shares on the London Stock Exchange; and
  - d) unless previously varied, revoked or renewed, the authority hereby conferred shall expire at earlier of the conclusion of the Annual General Meeting of the Company to be held in 2012 or 20 September 2012, save that the Company may, at any time prior to such expiry, enter into a contract or contracts to purchase Ordinary shares under such authority which will or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary shares pursuant to any such contract or contracts.

By order of the Board

**Aberdeen Asset Management PLC**

**Secretary**

Bow Bells House  
1 Bread Street  
London  
EC4M 9HH

17 June 2011

### Notes:

- (i) A member entitled to attend, speak and vote is entitled to appoint one or more proxies to attend, speak and vote instead of him. A proxy need not be a member of the Company. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise the rights attached to any one share. A reply-paid form of proxy is enclosed.
- (ii) Forms of proxy and the power of attorney or other authority, if any, under which they are signed or a notarially certified copy of that power of attorney or authority, should be sent to the address noted on the form of proxy so as to arrive not less than 48 hours before the time fixed for the meeting. The return of a completed proxy form or other instrument of proxy will not prevent you attending the meeting and voting in person if you wish to do so. A member present in person or by proxy shall have one vote on a show of hands and on a poll every member present in person or by proxy shall have one vote for every Ordinary share of which they are a holder. As a member, you have the right to put questions at the meeting relating to the business being dealt with at the meeting.
- (iii) In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, to have the right to attend and vote at the meeting referred to above a member must first have his or her name entered in the Company's register of members by not later than 6pm on the date two days (excluding non-working days) before the time fixed for the meeting (or in the event that the meeting be adjourned on the register of members 6pm on the date two days (excluding non-working days) before the time of the adjourned meeting). Changes to entries on that register after that time (or, in the event that the meeting is adjourned, on the register of members after 6pm on the date two days (excluding non-working days) before the time of any adjourned meeting) shall be disregarded in determining the rights of any member to attend and vote at the meeting referred to above.

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- (iv) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual which can be viewed at [www.euroclear.com/CREST](http://www.euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- (v) In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) no later than 48 hours before the time of the meeting or any adjournment. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
- (vi) CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- (vii) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- (viii) Any person holding 3% of the total voting rights in the Company who appoints a person other than the Chairman as his proxy will need to ensure that both he and such third party complies with their respective disclosure obligations under the Disclosure and Transparency Rules.
- (ix) A person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statements of the rights of members in relation to the appointment of proxies in notes (i) and (ii) above do not apply to a Nominated Person. The rights described in those notes can only be exercised by registered members of the Company.
- (x) It is possible that, pursuant to requests made by members of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
- (xi) No Director has a service contract with the Company. Copies of the Directors' letters of appointment are available for inspection on any day (except Saturdays, Sundays and bank holidays) from the date of this notice until the date of the meeting during usual business hours at the Company's registered office and for 15 minutes prior to, and at, the meeting.
- (xii) Information regarding the Annual General Meeting, including information required by Section 311A of the Companies Act 2006, is available from the Company's website, [www.all-asia.co.uk](http://www.all-asia.co.uk).
- (xiii) Under Section 319A of the Companies Act 2006, the Company must answer any question relating to the business being dealt with at the meeting put by a member attending the meeting unless:
- answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
  - the answer has already been given on a website in the form of an answer to a question; or
  - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

## Notice of Annual General Meeting continued

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- (xiv) The Register of Directors' Interests kept by the Company in accordance with Section 809 of the Companies Act 2006 will be open for inspection at the meeting.
- (xv) Shareholders are advised that, unless otherwise stated, any telephone number, website or e-mail address which may be set out in this Notice of Annual General Meeting or in any related documents (including the proxy form) is not to be used for the purposes of serving information or document on, or otherwise communicating with, the Company for any purposes other than those expressly stated.
- (xvi) As at 3 June 2011, the latest practicable date prior to publication of this document, the Company had 15,492,367 Ordinary shares in issue with a total of 15,492,367 voting rights.
- (xvii) There are special arrangements for holders of shares through the Share Plan and Investment Trust ISA. These are explained in the 'Letter of Direction' which such holders will have received with this report.
- (xviii) Except as provided above, members who have general queries about the Meeting should use the following means of communication (no other methods of communication will be accepted):
  - Tel: 0871 664 0300
  - (Calls to the above number cost 10 pence per minute plus network extras. Lines are open 8.30 am–5.30 pm Mon–Fri.)
  - Tel International: (+ 44 208 639 3399)
  - e-mail [ssd@capitaregistrars.com](mailto:ssd@capitaregistrars.com)

# Corporate Information

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## Directors

Neil Gaskell, Chairman  
Kevin Pakenham  
Sir Andrew Burns  
Robert Jenkins

## Manager

Aberdeen Asset Management Asia Limited  
21 Church Street  
#01-01 Capital Square Two  
Singapore 049480

## Registered Office

Aberdeen Asset Management PLC  
Bow Bells House  
1 Bread Street  
London EC4M 9HH

Registered in England & Wales No. 3582911

## Points of Contact

### Manager

Customer Services Department: 0500 00 00 40  
(open Monday - Friday, 9am - 5pm)  
Email: [inv.trusts@aberdeen-asset.com](mailto:inv.trusts@aberdeen-asset.com)

### Secretary

Aberdeen Asset Management PLC  
Customer Services Department: 0500 00 00 40  
(open Monday - Friday, 9am - 5pm)  
Email: [inv.trusts@aberdeen-asset.com](mailto:inv.trusts@aberdeen-asset.com)

## Registrars

Capita Registrars  
The Registry  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU

Tel: 0871 664 0300  
(Calls cost 10p per minute plus network extras. Lines are open 8.30 am–5.30 pm Mon–Fri.)

Tel International: (+44 208 639 3399)

e-mail [ssd@capitaregistrars.com](mailto:ssd@capitaregistrars.com)  
website [www.capitaregistrars.com](http://www.capitaregistrars.com)

## Bankers

Standard Chartered Bank  
1 Basinghall Avenue  
London, EC2V 5DD

## Stockbrokers

JPMorgan Securities Limited  
25 London Wall  
London EC2Y 5AJ

## Independent Auditors

Grant Thornton UK LLP  
30 Finsbury Square  
London EC2P 2YU

## Custodian

JPMorgan Chase Bank  
125 London Wall  
London EC2Y 5AJ

## Lawyers

Maclay Murray Spens  
One London Wall  
London EC2Y 5AB

## Website

[www.all-asia.co.uk](http://www.all-asia.co.uk)

# Your Company's History

## Issued Share Capital at 31 March 2011

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**15,492,367** Ordinary shares of 10p each with voting rights

## Capital History

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<b>Year ended 31 March 2011</b>	No shares purchased, cancelled or issued
<b>Year ended 31 March 2010</b>	240,000 Ordinary shares purchased for cancellation at prices per share in a range between 239.0p and 280.38p
<b>Year ended 31 March 2009</b>	541,000 Ordinary shares purchased for cancellation at prices per share in a range between 150.0p and 176.0p
<b>Year ended 31 March 2008</b>	413,400 Ordinary shares purchased for cancellation at prices per share in a range between 199.3p and 244.0p
<b>November 2006</b>	Change in name to Aberdeen All Asia investment Trust PLC from Gartmore Asia Pacific Trust PLC
<b>December 2003</b>	Change in name to Gartmore Asia Pacific Trust PLC from Govett Asian Recovery Trust PLC Tender Offer and Matching facility - 18,921,310 Ordinary shares purchased for cancellation
<b>June 2003</b>	50,000 Ordinary shares purchased for cancellation
<b>Year ended 31 March 2003</b>	544,000 Ordinary shares purchased for cancellation
<b>Year ended 31 March 2001</b>	720,000 Ordinary shares purchased for cancellation
<b>Year ended 31 March 2000</b>	200,000 Ordinary shares purchased for cancellation
<b>Year ended 31 March 1999</b>	200,000 Ordinary shares purchased for cancellation
<b>August 1998</b>	Company established as Govett Asian Recovery Trust PLC with 37,322,077 Ordinary shares of 10p subscribed





Aberdeen