

# Aberdeen New Thai Investment Trust PLC

Annual Report and Accounts  
28 February 2014



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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 financial adviser authorised under the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) 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 New Thai 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 transmission to the purchaser or transferee.

# Strategic Report

## Company Summary and Financial Highlights

### The Company

The Company is an investment trust and its Ordinary shares are listed on the London Stock Exchange. The Company aims to attract shareholders wishing to invest in Thailand.

### What is an Investment Trust?

Investment trusts are a way to make a single investment that gives you a share in a much larger portfolio. A type of collective investment, they let you spread your risk and access investment opportunities you might not find on your own.

### Investment Objective

To provide shareholders with a high level of long-term, above average capital growth through investment in Thailand.

### Company Benchmark

Stock Exchange of Thailand Index (Sterling-adjusted).

### Manager

The Company is managed by Aberdeen Asset Management Asia Limited ("AAM" or the "Manager").

### Website

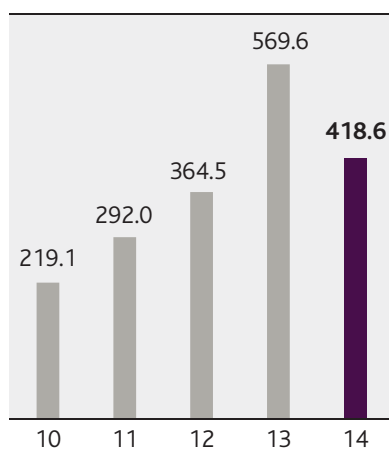
Up-to-date information can be found on the Company's website - [www.newthai-trust.co.uk](http://www.newthai-trust.co.uk)

### Financial Highlights

	2014	2013
Ordinary share price total return	-33.3%	+77.2%
Net asset value per Ordinary share total return	-25.6%	+59.6%
Stock Exchange of Thailand Index total return	-26.6%	+49.0%
Earnings per share (revenue) (pence)	8.73	7.39
Dividend per Ordinary share (pence)	8.00	7.00

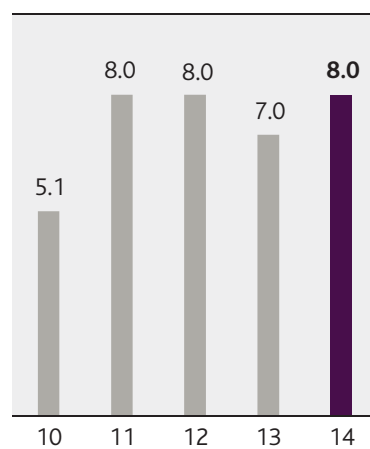
#### Net asset value per Ordinary share\*

At 28 February – pence



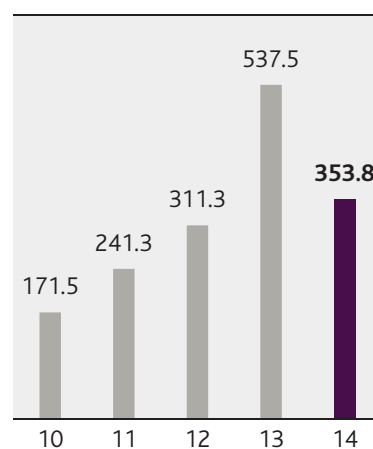
#### Dividends per Ordinary share

pence



#### Mid-market price per share

At 28 February – pence



\*Diluted values used for 2010-2012

# Chairman's Statement

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**Nicholas Smith**  
Chairman

## Background and Results

In a dramatic reversal from last year's outstanding returns, Thai equities lost ground in the twelve months under review. The market was rattled by US Federal Reserve tapering fears in the first half, followed by slowing domestic growth and renewed political instability towards the period-end. Against this backdrop, the Company's net asset value per Ordinary share fell by 25.6%, on a total return basis, to 418.64p, compared to the decline in the benchmark, the Stock Exchange of Thailand Index (Sterling-adjusted), of 26.6%. The Ordinary share price fell by 33.3% on a total return basis to 353.75p, reflecting a widening of the discount to the net asset value (including income) per Ordinary share from 5.6% to 15.5%. Over the 3 years ended 28 February 2014, the Company's net asset value per share and price per share have risen by 57.2% and 44.5%, respectively, in total return terms.

## Dividend

The revenue return per Ordinary share was 8.73p and the Board is proposing to shareholders an increased final dividend per Ordinary share of 8.0p (2013 – 7.0p), paying out substantially all of the Company's earnings in keeping with its dividend policy. If approved at the Annual General Meeting ("AGM") on 26 June 2014, the final dividend will be paid on 30 June 2014 to shareholders on the register as at 6 June 2014. The ex-dividend date is 4 June 2014.

## Gearing

Net gearing increased to 2.8%, from 0.4%, over the year ended 28 February 2014.

## Overview

The Thai stockmarket had been one of the best performers globally when Fed stimulus led investors on a hunt for yield. But the imminent end of easy money resulted in bouts of indiscriminate selling of emerging market assets, and Thailand was among the hardest hit. Compounding the decline was the Baht's fall of 20.0% against Sterling over the year ended 28 February 2014, in tandem with many of its peers in the developing world.

Economic growth was lacklustre. Exports were dampened by moderating demand from China, still-anaemic consumption in the developed world and lower prices of agricultural commodities such as rubber and rice. At the same time, domestic demand faltered, following the end of large scale stimulus implemented to help the country recover from the 2011 floods. This included a tax rebate for first-time car buyers, which expired in December 2012. Tourism remained a bright spot, however – a record 26.7 million tourists visited the country in 2013.

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In what looked increasingly like a confluence of unfortunate events, 2013 also saw the end of two and a half years of political calm. The catalyst in November was the Yingluck administration's attempt to push through a contentious amnesty bill, intended to pave the way for the return of exiled former premier Thaksin Shinawatra. Mass protests against the bill evolved into attempts to topple the government. Violence escalated and Parliament was dissolved. Elections in early February this year were annulled by the constitutional court as protesters' successful disruption of the polls resulted in low voter turnout. With the next election likely to be months away, and caretaker Prime Minister Yingluck facing a number of corruption charges, including the controversial rice subsidy scheme, the power stalemate looks set to drag on.

In the absence of a functioning government, the Central Bank has stepped in to aid the economy. In view of the deterioration in the political outlook and relatively benign inflation, it reduced its benchmark interest rate, which at the time of writing stands at a three-year low of 2%. Ultimately, however, there will be limits on what the Central Bank can do amid a protracted political standoff. With household debt at about 80% of GDP, the Bank of Thailand may also be unwilling to reduce rates further, for fear of fuelling unsustainable credit growth.

## Outlook

Thailand's political situation remains fluid, and the deep-seated divide is showing no sign of abating. With the government unable to follow through on vital infrastructure spending, delays in planned public investment may add to growth risks. Also, ongoing protests may hobble foreign investment and tourism. Neither economic growth nor corporate earnings is expected to inspire this year.

Thailand, however, has seen variations of this before. The past 20 years of economic prosperity throughout most of the country has seen increasing expectations from, and wealth emanate to, the previously rural population in the north. This group is changing to a growing urban middle class which has seen, and expects to continue to see, its power reflected in the ballot box. Unsurprisingly the Bangkok middle classes and the previous administrative establishment, who have wielded immense power outside the ballot box, feel threatened. This changing social demographic, together with the Army seemingly resolved to stay out of politics, will naturally lead to a stronger political base for democracy in the Kingdom. While these past months seem potentially more of a watershed than the coups and demonstrations of the past, matters will be resolved through national consensus. Thailand should rebound and be stronger for it. Improving external conditions, namely a recovery in the US and Europe, could help buttress exports this year, partially mitigating the impact of the political unrest. In the longer term, the nation

is poised to be a beneficiary of rising regional trade. Its strategic geographical location gives it access to fast-growing frontier economies, such as Vietnam and Myanmar, whose young populations will be the future drivers of Southeast Asian growth.

In light of these developments, I remain confident of Thailand's prospects. Having invested in the country for more than 20 years, your Manager is similarly sanguine about the outlook for your Company's holdings, which have proven their ability to thrive despite the often intractable political situation. Valuations, at about 13 times 2014 earnings, are very reasonable, adding to the nation's allure for investors with long-term horizons.

## Share Capital

During the year ended 28 February 2014 the Company bought back and cancelled 398,000 Ordinary shares (2013 - nil). As at 28 February 2014, the Company's issued share capital consisted of 20,823,425 Ordinary shares (2013 - 21,221,425 Ordinary shares). Each Ordinary shareholder is entitled to one vote on a show of hands and, on a poll, to one vote for every share held. No shares were bought back by the Company between 1 March 2014 and the date of approval of this Annual Report.

The Board continues to monitor the discount of the Ordinary share price to the net asset value per Ordinary share and will continue to pursue a policy of selective buybacks of shares where to do so would be in the best interests of shareholders.

## Marketing

Your Board continues to promote the Company through the Manager's marketing initiative. The Company is contributing £71,000 (plus VAT) to this scheme during the year to 31 December 2014. This represents a considerable increase over the equivalent contribution for the previous calendar year and has allowed the Company to expand its online marketing and public relations campaign. This has targeted not only the Manager's own savings scheme and the Company's website ([www.newthai-trust.co.uk](http://www.newthai-trust.co.uk)) but also a wider audience of informed retail investors. This is in response to increasing demand for information from investors as a result of the Retail Distribution Review. The Board is monitoring the impact of this increase in the marketing budget and is encouraged by the significant growth in the number of shares on the shareholder register directly held by retail investors.

## Corporate Governance

The Board reviews annually the performance of the Chairman, each individual Director and the Board as a whole. The Board has also assessed the performance of the Manager

## Chairman's Statement continued

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as well as the Manager's investment process and risk controls.

The Board remains satisfied that the continuing appointment of the Manager, on the terms agreed, is in the interests of shareholders as a whole. The key factors taken into account in reaching this decision are the long-term performance of the portfolio and the resources, experience and commitment of the Manager.

### **Board Changes**

As indicated in the last Annual Report, I was appointed Chairman following the retirement of Keith Falconer at the AGM in June 2013. Following a recruitment exercise undertaken by an independent search consultancy, I was delighted to welcome Clare Dobie to the Board in December 2013. Clare brings to the Board considerable experience and expertise in marketing. Peter Bristowe, who has served as a Director since 2005, will be retiring from the Board at the AGM. The Board would like to record its thanks to Peter for his contribution to the Company while the Directors shall miss, in particular, the insight he has brought to the wider marketing of the Company's shares.

### **Alternative Investment Fund Managers Directive**

Listed investment companies such as Aberdeen New Thai Investment Trust PLC are considered alternative investment funds under the Alternative Investment Fund Managers Directive. The Board has agreed in principle to appoint a subsidiary of Aberdeen Asset Management PLC as the Company's Alternative Investment Fund Manager and expects to be able to finalise arrangements prior to the final implementation date of July 2014.

### **AGM**

The AGM, which will be held at Bow Bells House, 1 Bread Street, London EC4M 9HH from 11.30am on 26 June 2014, provides shareholders with an opportunity to meet the Board and to ask any questions that they may have of either the Board or the Manager. I look forward to meeting as many shareholders as possible at the AGM which will be followed by a buffet lunch.

### **Nicholas Smith**

Chairman

29 April 2014



# Overview of Strategy

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## Introduction

The Company is an investment trust and the Directors do not envisage any change to this activity in the foreseeable future. The Company's investment objective is included on page 1.

The Company's Financial Highlights are shown on page 1 and a report of the Company's business is given in the Chairman's Statement on pages 2 to 4 and in the Manager's Report on pages 8 and 9. This includes a review of likely future developments in the business, the dividend recommended by the Board and details of the Company's buy-back or issuance of its own shares.

## Strategy and Business Model

The Company's assets are invested in a diversified portfolio of securities (substantially in the form of equities or equity-related securities such as convertible securities and warrants) in companies, spread across a range of industries, which are quoted on the Stock Exchange of Thailand.

## Investment Policy

The Directors are responsible for determining the investment policy while day-to-day management of the Company's assets is delegated to the Manager.

The Manager follows a bottom-up investment process based on a disciplined evaluation of companies through direct visits by its fund managers and, accordingly, stock selection is the major source of added value. No stock is bought without the fund managers having first met management. The Manager estimates a company's worth in two stages, quality then price. Quality is defined by reference to, amongst other factors, 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. Investments are not limited as to market capitalisation or sector weightings within Thailand. The Company does not currently use derivatives but keeps this under review.

The Manager is authorised to invest up to 10% of the Company's net assets in any single stock although circumstances may occasionally arise when it may be in shareholders' interests to make an investment that exceeds this level.

A comprehensive analysis of the Company's portfolio is disclosed on pages 12 to 14 including a description of the ten largest investments by value and a sector analysis. At the year end the Company's portfolio consisted of 36 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 to the extent that it is considered appropriate. At the year end there was net gearing (see definition on page 55) of 2.8% which compares with a maximum Board-imposed limit of 15%. Borrowings are short-term and particular care is taken to ensure that any bank covenants permit maximum flexibility of investment policy.

The Company complies with Section 1158 of the Corporation Tax Act 2010 as amended and the requirements of Statutory Instrument 2011/2999. The Company invests no more than 15% of its gross assets in other listed investment companies (including listed investment trusts).

## Future Trends

The Board expects the Company to continue to pursue its investment objective and accepts that this may involve divergence from the benchmark. The companies which make up the investment portfolio are considered by the Manager to demonstrate resilience in the context of the Thai political situation and to offer opportunities for investors to benefit from the development of the broader Thai economy.

## Key Performance Indicators ("KPIs")

At each Board meeting, the Directors consider a number of performance measures to assess the Company's success in achieving its objectives. The KPIs identified by the Board for determining the progress of the Company are:

- (i) the capital and total return of the net asset value relative to the benchmark, the Stock Exchange of Thailand Index (Sterling-adjusted) ("SET Index");
- (ii) the discount or premium of the share price to the net asset value; and
- (iii) Ongoing Charges (see definition on page 55).

A record of the KPIs 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.

## Principal Risks and Uncertainties

The principal risks and uncertainties associated with the Company are as follows:

### Management of Risk

Investment in Thai equities involves a greater degree of risk than that usually associated with investment in major securities markets. The securities which the Company owns may be considered speculative because of the higher degree of risk. The Board has adopted a matrix of the key risks that affect its business:

## Overview of Strategy *continued*

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### Market Price of Ordinary Shares

The market price and the realisable value of the Ordinary shares are primarily affected by the underlying net asset value attributable to the Ordinary shares. As such, the market value and the realisable value of the Ordinary shares may fluctuate and vary considerably from the underlying net asset value of the Ordinary shares and investors may not be able to realise the value of their original investment.

Factors which may influence the market price include market conditions, general investor sentiment and the interaction of supply and demand for the Ordinary shares. In addition, the Company, an/or its Manager may accumulate investment positions which represent more than normal trading volumes which may make it difficult to realise investments and may lead to volatility in the market price of the Company's shares.

### Dividends

The Company will only pay a dividend on the Ordinary shares to the extent that it has profits or revenue reserves available for that purpose. The ability of the Company to pay a dividend in respect of the Ordinary shares and any future dividend growth will depend primarily on the level of income received from its investments. Accordingly, the amount of the dividends paid to Ordinary shareholders may fluctuate.

### Borrowings

Whilst the use of borrowings should enhance the total return on the Ordinary shares where the return on the Company's underlying assets is rising and exceeds the cost of borrowing, it will have the opposite effect where the underlying return is less than the cost of borrowing, further reducing the total return on the Ordinary shares. The Company currently utilises gearing in the form of bank borrowings (see Note 11 to the Financial Statements).

### Market Risks

The Company's investments are subject to normal market fluctuations and the risks inherent in the purchase, holding or selling of securities and there can be no assurance that appreciation in the value of those investments will occur.

### Political Risk

In common with stockmarkets in other emerging and less developed countries, investments in Thailand are subject to a greater degree of political risk than that with which investors might be familiar.

### Foreign Exchange Risks

The Company accounts for its activities and reports its results in Pounds Sterling ("Sterling") while investments are made and realised in Thai Baht; bank borrowings are presently denominated in Sterling. It is not the Company's present intention to engage in currency hedging although it

reserves the right to do so. Accordingly, the movement of exchange rates between Sterling, Thai Baht and other currencies in which the Company's borrowings may be drawn down from time to time may have a material effect, unfavourable as well as favourable, on the total return otherwise experienced on the investments made by the Company.

### Taxation and Exchange Controls

Any change in the Company's tax status or in taxation legislation (including the tax treatment of dividends or other investment income received by the Company) could affect the value of the investments held by the Company and the Company's ability to provide returns to shareholders or alter the post-tax returns to shareholders.

The Company may purchase investments that may be subject to exchange controls or withholding taxes in the Thai jurisdiction. In the event that exchange controls or withholding taxes are imposed with respect to any of the Company's investments, the effect will generally be to reduce both the income received by the Company from its investments and/or the capital value of the affected investments.

### Other Risks Include:

- (i) **Performance risk:** A fall in the market value of the Company's portfolio would have an adverse effect on shareholders' funds. The performance of the portfolio relative to the benchmark (Stock Exchange of Thailand Index) and the underlying stock weightings in the portfolio against their index weightings are monitored closely by the Board.
- (ii) **Investment Risk:** Investment risk within the portfolio is managed in three ways:

Adherence to the Investment Process (described overleaf) in order to minimise investments in poor quality companies and/or overpaying.

Diversification of investment - seeking to invest in a wide variety of companies with strong balance sheets and the earnings power to pay increasing dividends. In addition investments are made in diversified sectors in order to reduce the risk of a single large exposure. The Manager believes that diversification should be looked at in absolute terms rather than relative to the benchmark.

The Board has laid down absolute limits on maximum holdings and exposures in the portfolio at the time of acquisition and these can only be over-ridden with Board approval. At present the Manager may not invest more than 10% of the Company's net assets in any single stock.



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Liquidity management - 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, whilst liquidity is limited in certain stocks the Company holds, the majority of the Company's assets comprise readily realisable securities which can be sold to meet funding requirements if necessary.

- (iii) **Discount volatility:** The Company's shares can trade at a discount to the underlying net asset value per share. The Company operates a selective buyback programme, and any shares repurchased are cancelled. The programme is reviewed on an ongoing basis.
- (iv) **Regulatory risk:** The Company operates in a complex regulatory environment and faces a number of regulatory risks. Breaches of regulations, such as Sections 1158-1159 of the Corporation Tax Act 2010, the UKLA Listing Rules and the Companies Act, 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.
- (v) **Gearing risk:** The Company has the ability to utilise gearing in the form of a two-year multi-currency revolving credit facility of £10,000,000. The Board is responsible for determining the gearing strategy for the Company, with day-to-day gearing decisions being made by the Manager within the remit set by the Board. Gearing is used selectively to leverage the Company's portfolio in order to enhance long term returns. Borrowings are short term and particular care is taken to ensure that any bank covenants permit maximum flexibility of investment policy. The Board monitors gearing and has agreed various gearing restrictions which have been incorporated in guidelines for the Manager or in the Articles of Association of the Company.

The Manager has authority to gear to the extent of 10% of net assets to take advantage of market opportunities. Gearing up to 15% may only occur with the express permission of the Chairman and thereafter the Board.

Additional financial risks are detailed in Note 18 to the Financial Statements.

#### **Alternative Investment Fund Managers Directive**

Shareholders may be aware of the Alternative Investment Fund Managers Directive (the "AIFMD"), which creates a European-wide framework for regulating managers of alternative investment funds ("AIF"s). The AIFMD is intended to reduce systemic risk created by the financial sector and

aims to improve regulation, enhance transparency and investor protection, develop a single EU market for AIFs and implement effective mechanisms for micro- and macroprudential oversight. The AIFMD came into force in July 2013 but a transitional period means that investment companies have until July 2014 to comply with the relevant regulations.

Listed investment companies such as Aberdeen New Thai Investment Trust PLC fall within the definition of an AIF. After consideration, the Board has agreed in principle to appoint a subsidiary of Aberdeen Asset Management PLC as the Company's AIFM, as required by the Directive.

The Board is currently in the process of finalising the appointment of a depositary as well as revising the investment management agreement, both consequences of implementing the AIFMD and expects to be able to conclude these agreements prior to July 2014.

#### **Board Diversity**

The Board recognises the importance of having a range of skilled and experienced individuals with the right knowledge in order to allow the Board to fulfill its obligations. At 28 February 2014, there were four male Directors and one female Director.

#### **Environmental, Social and Human Rights Issues**

The Company has no employees, as it is managed by Aberdeen Asset Managers Limited, and there are therefore no disclosures to be made in respect of employees. The Company's socially responsible investment policy is outlined on page 26.

#### **Global Greenhouse Gas Emissions**

The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

**Nicholas Smith**  
Chairman

29 April 2014

# Manager's Report

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## Overview

In the period under review, multiple external and domestic factors drove steep declines in both the local stock market and currency. The US announced a tapering schedule for its unprecedented monetary stimulus programme, which had bolstered global asset prices, including those in Thailand. Domestically, pump-priming measures to revive the economy, implemented after the devastating floods in 2011, had to end as debt levels rose. Consumers also began to deleverage after a spending spree. Last but definitely not least, political instability returned after two-and-a-half years of relative calm.

## Portfolio

The portfolio fell 25.6% over the year ended 28 February 2014, compared to the benchmark's currency-adjusted negative return of 26.6% (in Sterling terms). The currency effect compounded the decline, as the Baht depreciated by more than 20% against Sterling over the period due to the strengthening UK economy and political turmoil in Thailand. Despite this, over longer investment horizons of three and five years, annualised returns are robust, at 17.5% and 29.6%, respectively, while the market returned 11.1% and 29.1%.

With such a steep fall in the market, the portfolio's outperformance was driven by picking stocks that were relatively resilient.

Among the retailers, our holding in Siam Makro, a cash and carry store operator, was by far the largest contributor to performance. CP All, which owns the 7-Eleven franchise in Thailand, made an offer for Siam Makro in early 2013, when market sentiment was still upbeat. The share price rallied on the news of the largest takeover ever in the domestic retail sector. Since the offer price was very attractive at over 40 times earnings, we tendered our shares.

In the financial sector, our exposure to MFC Asset Management contributed to performance as it did well on the back of new fund launches that earn attractive fees. Our insurance holdings, Bangkok Insurance and Muang Thai Insurance, both outperformed as their earnings recovered from the impact of the 2011 floods. Conversely, our holding in Thai Reinsurance detracted. It had to make further provisions in 2013 because its exposure to the flooded industrial estates was larger than its peers. We believe, however, that the firm has now adequately provided for that calamity. Since 2011, it has reduced its exposure to the affected industrial areas, and diversified its business to cover a wider range of enterprises, to spread risk. Hence, we are confident about its prospects. Overall, we see much potential for growth in the insurance industry, and we believe our holdings will come out as winners after the inevitable

industry consolidation, triggered by the fallout from the extensive 2011 floods.

We did not invest in two of the stockmarket's poorer performers, namely Krung Thai Bank and Bangkok Bank. The former fell more than 40% on concerns over its loan book and the perception that the state would be in need of funds. Our holding in Hana Microelectronics outperformed as it recovered well from the floods two years ago. Its damaged factory returned to profitability last year and, as most of its sales are to US customers, it is not directly exposed to the domestic economic slowdown. The outlook for the industry also picked up with robust worldwide demand for consumer electronics such as mobile phones. We continue to like the company as it generates healthy profits and cashflows on the back of solid margins, and pays out good dividends, along with having a debt-free balance sheet.

We have a significant holding in the telco Advanced Information Services (AIS), but our exposure is smaller than that of the benchmark. Despite being founded by the Shinawatra family and a target of opposition boycotts, the stock outperformed as it declined less than the index. It is the largest mobile telecom operator and we prefer the company to its smaller competitors due to its more robust balance sheet.

Another holding, predominantly a print media publisher, Amarin Printing, suffered from a negative outlook for advertising revenues as consumer spending is expected to wane, and investors also took profits after a good run. Further weighing on the stock was its large capital outlay for a digital TV channel concession. It currently produces some TV programmes, but we believe branching out into running its own channel will boost its growth potential when advertising demand recovers. The company will be able to create more in-house content and offer more TV advertising slots to its clients, augmenting its traditional print business.

Portfolio activity during the review period included our participation in the initial public offering (IPO) of Thaire Life Assurance, Thailand's sole life reinsurer, as we know the management well from our long-term holding in its parent, Thai Reinsurance. With a solid market position in an industry with low penetration, Thaire Life offers attractive growth prospects and good profitability. Moreover, its capital base will also benefit from the funds raised from the IPO. Furthermore, we initiated a small position in Dynasty Ceramic, an efficient and market-leading tile maker, with good growth prospects in the region and which pays an attractive dividend yield.

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## Outlook

As the main protests only started in November, fourth-quarter results from sectors such as banking, insurance, commerce, telecoms, media, and healthcare appear unaffected. Our holdings had mixed performances but were generally very resilient. We will start to see the impact of slower growth on first-quarter 2014 results, but the market has already priced in the expected decline in earnings. In the first two months of 2014, the slowdown in the economy has become more apparent with sharp declines in consumer and investment confidence, seen via falling car sales, investment applications, and lower exports. The first signs of an impact on tourism also surfaced with an 8% drop in arrivals in February. The constitutional court also ruled against the infrastructure bill, agreeing with the opposition that the plan was not transparent and would raise public borrowing to unacceptable levels.

Importantly, however, the quality of the portfolio remains high with our portfolio companies having average gearing of 28.5%, together with decent return on equity and asset ratios. Given the market correction, valuations have come off and the portfolio is trading on more reasonable multiples of about 13 times fiscal year 2014 earnings with a 3.5% dividend yield. Furthermore, the bulk of our holdings have either maintained or increased their 2013 dividend payout, a sign of management's confidence about their companies' financial positions, as well as the long-term outlook for their businesses.

We remain committed to our portfolio of well-run and financially sound companies, many of which we have held for more than a decade. In addition, we are constantly looking for new investment opportunities with undemanding valuations.

In the longer term, we remain confident in the potential of our holdings. Thailand has been through these cycles before and, although not for the faint-hearted, investors who remain committed should be rewarded for their patience.

**Aberdeen Asset Management Asia Limited**  
Manager

29 April 2014

# Results

## Performance

	1 year return %	3 year return %	5 year return %
<b>Total return (capital return plus dividends reinvested)</b>			
Share price	-33.3	+57.2	+232.4
Net asset value (basic)	-25.6	+44.5	+230.1
Stock Exchange of Thailand ("SET") Index (Sterling adjusted)	-26.6	+37.1	+258.6
<b>Capital return</b>			
Share price	-34.2	+46.6	+194.8
Net asset value (basic)	-26.5	+36.6	+199.7
Stock Exchange of Thailand ("SET") Index (Sterling adjusted)	-29.0	+22.0	+189.7

Source: AAM PLC/Morningstar

## Financial Highlights

	28 February 2014	28 February 2013	% change
Total assets (see definition on page 55)	£89,825,000	£123,523,000	-27.3
Equity shareholders' funds (net assets)	£87,175,000	£120,873,000	-27.9
Market capitalisation	£73,663,000	£114,065,000	-35.4
Ordinary share price (mid-market)	353.75p	537.50p	-34.2
Net asset value per Ordinary share	418.64p	569.58p	-26.5
Discount to net asset value (including income)	15.5%	5.6%	
Stock Exchange of Thailand ("SET") Index (Sterling adjusted, capital return)	24.24	34.14	-29.0
Net gearing <sup>A</sup>	2.77%	0.39%	
<b>Dividends and earnings</b>			
Revenue return per share (basic)	8.73p	7.39p	+18.1
Proposed final dividend per share	8.00p	7.00p	+14.3
Dividend cover	1.09	1.06	
Revenue reserves (prior to payment of proposed final dividend)	£3,535,000	£3,175,000	
<b>Operating costs</b>			
Ongoing charges ratio <sup>B</sup>	1.36%	1.40%	

<sup>A</sup> Calculated in accordance with AIC guidance "Gearing Disclosures post RDR".

<sup>B</sup> Ongoing charges ratio calculated in accordance with guidance issued by the AIC as the total of the investment management fee and administrative expenses divided by the average cum income net asset value throughout the year.

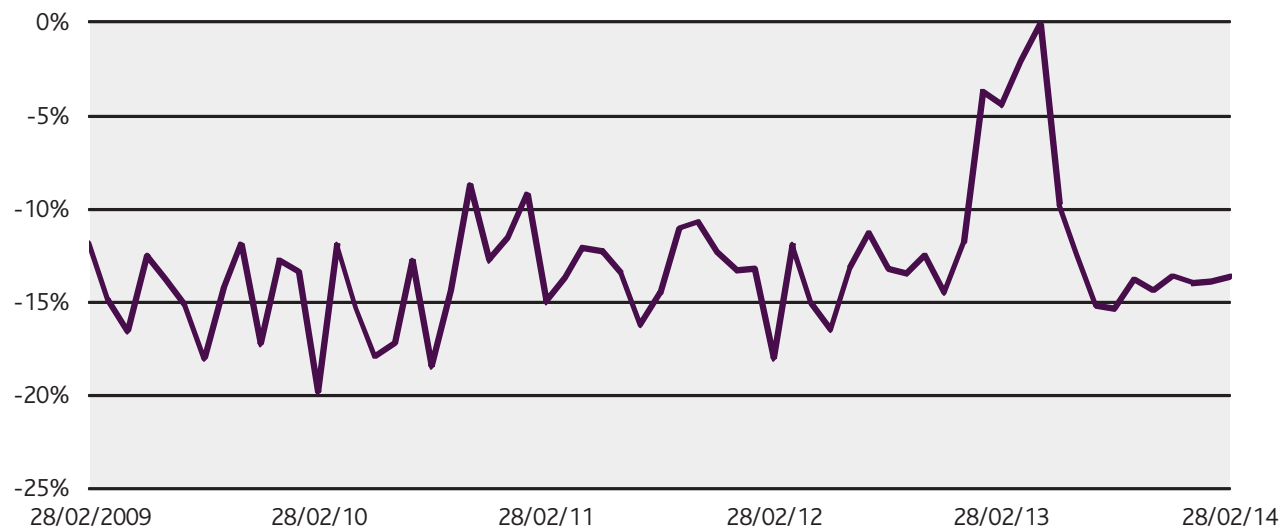
## Dividends

	Rate	xd date	Record date	Payment date
Proposed final dividend 2014	8.00p	04 June 2014	06 June 2014	30 June 2014
Final dividend 2013	7.00p	05 June 2013	07 June 2013	28 June 2013

# Performance

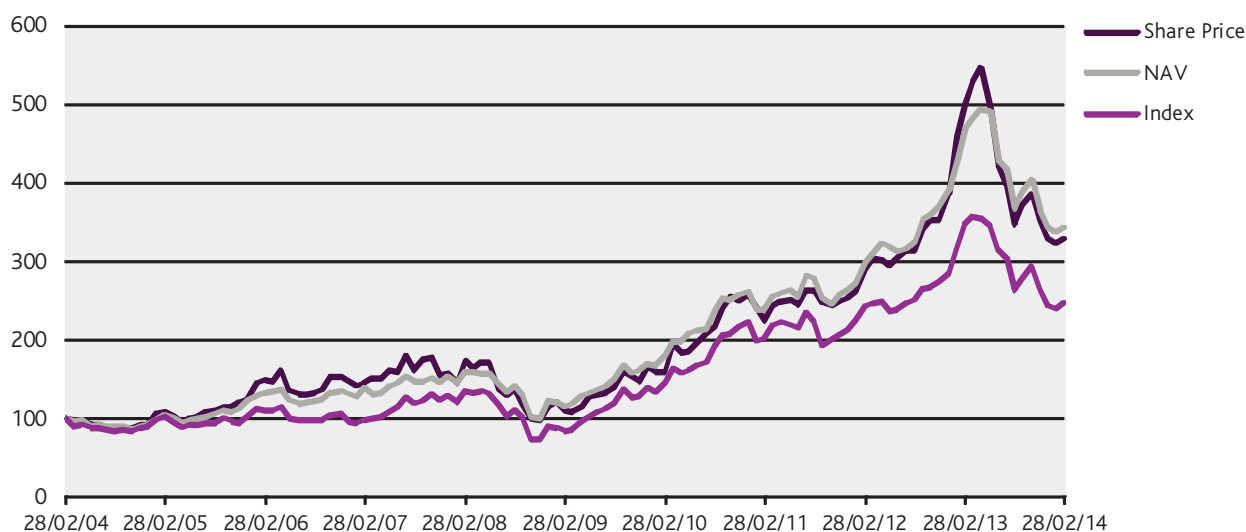
## Share Price Discount to NAV (exclusive of income)

Five years to 28 February 2014



## Capital Return of NAV and Share Price vs Stock Exchange of Thailand Index

Ten years to 28 February 2014 (rebased to 100 at 28 February 2004)



## Ten Year Financial Record

Year to 28 February	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total revenue (£'000)	1,017	1,340	1,592	1,726	1,845	1,766	2,652	2,961	2,934	3,715
<b>Per share (p)</b>										
Net revenue return – basic	1.91	3.08	3.53	3.92	4.86	5.15	8.28	8.87	7.39	8.73
Net dividends proposed <sup>A</sup>	1.40	2.25	2.60	2.75	3.50	5.10	8.00	8.00	7.00	8.00
Net asset value – basic <sup>B</sup>	127.17	162.60	169.96	196.18	139.67	222.99	306.57	387.73	569.58	418.64
Ordinary share price	117.00	160.00	156.00	187.00	120.00	171.50	241.25	311.25	537.50	353.75
Equity shareholders' funds (£'000) <sup>B</sup>	23,012	29,424	30,756	35,500	25,273	39,835	56,530	72,106	120,873	87,175

<sup>A</sup> The figures for dividends have not been restated and still reflect the dividends for the years in which they were earned.

<sup>B</sup> The figures for 2005 for net asset value and equity shareholders' funds have been restated to reflect the changes in accounting policies.

# Investment Portfolio

## Ten Largest Investments

As at 28 February 2014

Company	Sector	Valuation 2014 £'000	Total assets %	Valuation 2013 £'000 <sup>A</sup>
<b>Siam Commercial Bank</b> Third largest commercial bank in terms of assets. Crown Property Bureau is a major shareholder.	Banking	5,611	6.2	6,542
<b>PTT Exploration &amp; Production</b> Exploration & production company arm of PTT Plc with reserves mainly in Thailand.	Energy & Utilities	5,606	6.2	6,092
<b>Siam Cement<sup>B</sup></b> Thailand's largest industrial conglomerate with operations in petrochemicals, cement, paper and building materials.	Construction Materials	5,249	5.8	6,861
<b>Kasikornbank</b> Fourth largest commercial bank in terms of assets, founded by the Lamsam family. Formerly known as Thai Farmers Bank.	Banking	5,228	5.8	6,913
<b>Bangkok Insurance</b> One of the country's largest non-life insurance companies, affiliated with Bangkok Bank.	Insurance	4,537	5.1	5,210
<b>BEC World</b> A diversified media holding company involved in broadcasting and media.	Media & Publishing	4,108	4.6	6,135
<b>Tisco Financial Group</b> A diversified mid-sized bank specialising in automobile hire-purchase lending.	Banking	3,703	4.1	4,911
<b>Aeon Thana Sinsap<sup>B</sup></b> Consumer financial services provider offering hire purchase and personal loans.	Finance & Securities	3,470	3.9	4,838
<b>Big C Supercenter</b> One of the two leading hypermarkets in Thailand, a subsidiary of the French Casino Group.	Commerce	3,469	3.9	4,672
<b>Hana Microelectronics</b> Integrated circuit packaging and printed circuit boards assembly contract manufacturer with operations in Thailand and China.	Electronic Components	3,207	3.6	4,127
<b>Top ten investments</b>		<b>44,188</b>	<b>49.2</b>	

<sup>A</sup> Purchases and/or sales effected during the year will result in 2013 and 2014 values not being directly comparable.

<sup>B</sup> Holding includes investment in both common and non-voting depositary receipt lines.



# Investment Portfolio

## Other Investments

As at 28 February 2014

Company	Sector	Valuation 2014 £'000	Total assets <sup>C</sup> %	Valuation 2013 £'000 <sup>A</sup>
Electricity Generating	Energy & Utilities	2,797	3.1	4,005
Advanced Info Service	Information & Communications Technology	2,732	3.1	2,270
Banpu	Energy & Utilities	2,551	2.8	3,191
Thai Stanley Electric	Automotive	2,458	2.7	3,483
Siam City Cement	Construction Materials	2,421	2.7	3,247
Minor International	Food & Beverages	2,399	2.7	3,615
Eastern Water Resources Development & Management	Energy & Utilities	2,367	2.6	3,534
Central Pattana	Property Development	2,288	2.6	3,744
Thai Reinsurance	Insurance	2,266	2.5	5,258
MFC Asset Management	Finance & Securities	2,030	2.3	1,623
<b>Top twenty investments</b>		<b>68,497</b>	<b>76.3</b>	
Bumrungrad Hospital	Healthcare Services	1,823	2.0	2,170
Tesco Lotus Retail Growth Freehold & Leasehold Property Fund	Property Fund	1,707	1.9	2,575
Amarin Printing & Publishing	Media & Publishing	1,690	1.9	3,493
LPN Development	Property Development	1,674	1.8	2,372
Goodyear (Thailand)	Automotive	1,595	1.8	2,020
Muang Thai Insurance	Insurance	1,569	1.7	1,501
Home Product Center	Commerce	1,563	1.7	2,504
Kiatnakin Bank	Banking	1,409	1.6	–
Alucon	Packaging	1,280	1.4	1,435
Ratchaburi Electricity Generating	Energy & Utilities	1,226	1.4	1,895
<b>Top thirty investments</b>		<b>84,033</b>	<b>93.5</b>	
Sammakorn	Property Development	1,209	1.4	1,500
Dynasty Ceramics	Construction Materials	1,081	1.2	–
Thaire Life Assurance	Insurance	1,028	1.1	–
Prakit Holdings	Media & Publishing	1,000	1.1	1,159
Haad Thip	Food & Beverages	787	0.9	1,380
Regional Container Lines	Transportation & Logistics	421	0.5	581
<b>Total investments</b>		<b>89,559</b>	<b>99.7</b>	
Net current assets <sup>B</sup>		266	0.3	
<b>Total assets<sup>C</sup></b>		<b>89,825</b>	<b>100.0</b>	

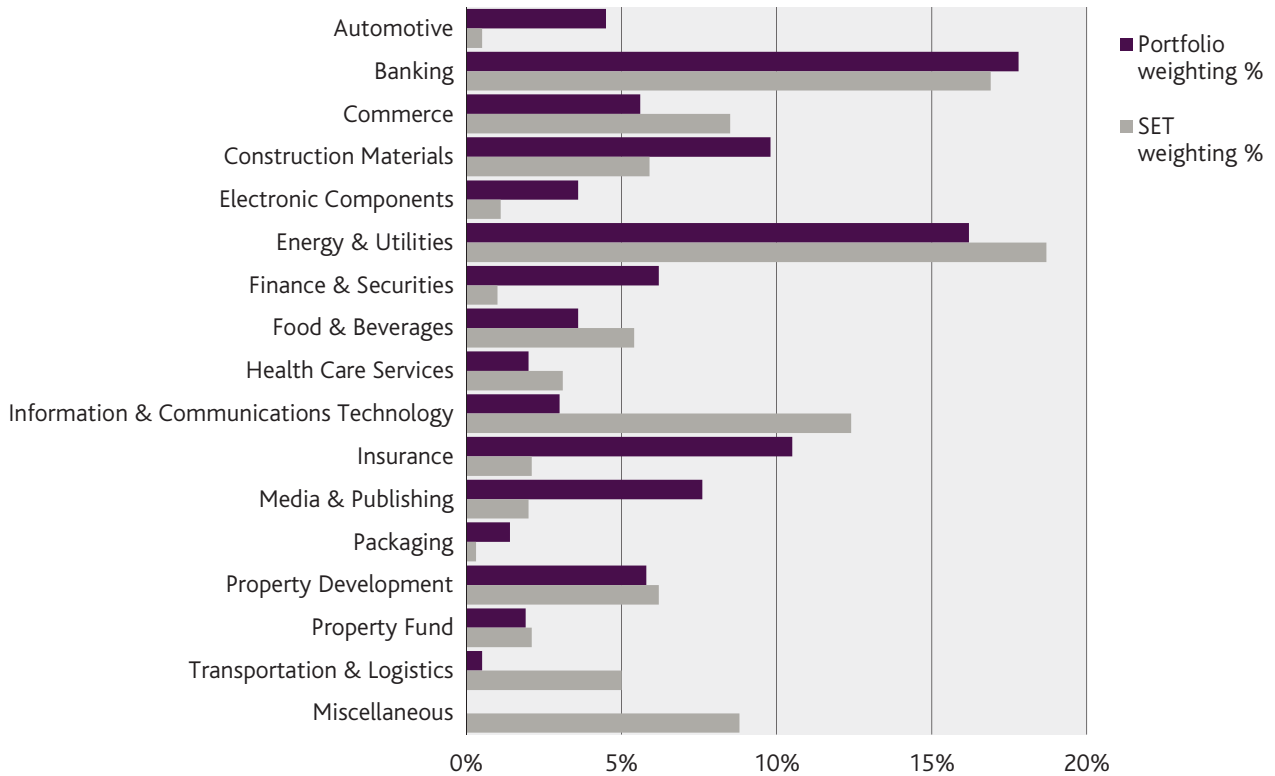
<sup>A</sup> Purchases and/or sales effected during the year will result in 2013 and 2014 values not being directly comparable.

<sup>B</sup> Excludes bank loans of £2,650,000.

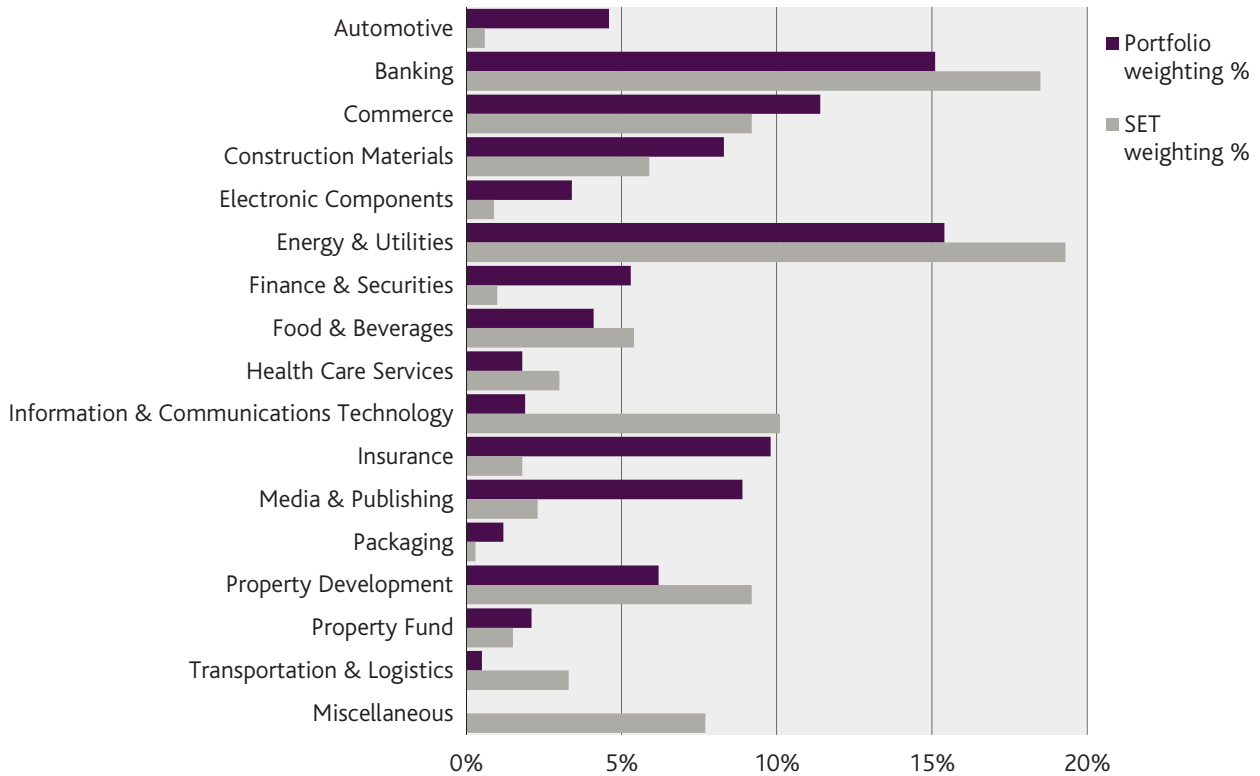
<sup>C</sup> As defined on page 55.

# Investment Portfolio Sector Analysis

As at 28 February 2014



As at 28 February 2013



# Governance

## Your Board of Directors

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



### Nicholas Smith

**Status:** Independent Non-Executive Chairman

**Length of service:** 1 year, appointed a Director on 1 March 2013 and Chairman on 26 June 2013

**Experience:** formerly with Jardine Fleming Group from 1986 in Hong Kong and served, from 1993 to 1997, as Chief Financial Officer and as a member of the Executive Committee. He became a director of Robert Fleming International Ltd in 1998, and the Director of Origination - Investment Banking, serving until 2000

**Elected to the Board:** 2013

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

**Current remuneration:** £25,000 per annum

**All other public company**

**directorships:** Ophir Energy plc (Chairman) and Schroder AsiaPacific Fund Plc

**Employment by the Manager:** None

**Other connections with the Company or Manager:** None

**Shared Directorships with any other Directors of the Company:** None

**Shareholding in Company:**

5,000 Ordinary shares



### Peter Bristowe

**Status:** Senior Independent Non-Executive Director

**Length of Service:** 8 years, appointed a Director on 23 June 2005

**Experience:** formerly Hong Kong Country Chief Executive for Hoare Govett with extensive experience of Asian equity sales and involved since 1999 with businesses promoting SmallCap company research as co-founder of Edison

**Last re-elected to the Board:** 2011

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

**Current remuneration:** £18,000 per annum

**All other public company directorships:** None

**Employment by the Manager:** None

**Other connections with the Company or Manager:** See page 21 of the

Statement of Corporate Governance in relation to the provision of investment services to the Company by Edison Investment Research of which Mr Bristowe is a director

**Shared Directorships with any other**

**Directors of the Company:** None

**Shareholding in Company:**

30,000 Ordinary shares



### James Robinson FCA

**Status:** Independent Non-Executive Director

**Length of Service:** 7 years, appointed a Director on 14 December 2006

**Experience:** formerly with Henderson Global Investors whom he joined in 1990 as Head of Far East Equities and, from 2000 to 2004, Chief Investment Officer of Investment Trusts, including responsibility for Witan Investment Trust

**Last re-elected to the Board:** 2013

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

**Current remuneration:** £21,000 per annum

**All other public company**

**directorships:** INVESCO Asia Trust plc, Fidelity European Values PLC, JPMorgan Elect plc, Polar Capital Global Healthcare Growth and Income Trust plc and Montanaro UK Smaller Companies Investment Trust PLC

**Employment by the Manager:** None

**Other connections with the Company or Manager:** None

**Shared Directorships with any other**

**Directors of the Company:** None

**Shareholding in Company:**

24,000 Ordinary shares

## Your Board of Directors *continued*

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### Clare Dobie

**Status:** Independent Non-Executive Director

**Length of service:** 4 months, appointed a Director on 13 December 2013

**Experience:** a former City Editor at The Independent, she joined Barclays Global Investors in 1993 with a variety of responsibilities including Head of Marketing and Head of Clients. She then moved to GAM in 2001 as Group Head of Marketing. Leaving GAM in 2005, she is currently a Director at Braxted Marketing Measures, a marketing and client services consultancy. She was, until recently, Deputy Chairman for Southend University Hospital NHS Foundation Trust

**Last re-elected to the Board:** n/a

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

**Current remuneration:** £18,000 per annum

**All other public company**

**directorships:** F&C Capital & Income Trust plc and Schroder UK Mid Cap Fund plc

**Employment by the Manager:** None

**Other connections with the Company or Manager:** None

**Shared Directorships with any other Directors of the Company:** None

**Shareholding in Company:** Nil



### Hugh Young

**Status:** Non-Executive Director

**Length of service:** 24 years, appointed a Director on 1 December 1989

**Experience:** was an investment manager with Fidelity International and MGM Assurance prior to joining what is now Aberdeen Asset Managers Limited in December 1985. He is managing director of Aberdeen Asset Management Asia Limited.

**Last re-elected to the Board:** 2013

**Committee membership:** None

**Current remuneration:** £18,000 per annum

**All other public company**

**directorships:** Aberdeen Asset Management PLC, Aberdeen New Dawn Investment Trust PLC, Aberdeen Asian Smaller Companies Investment Trust PLC (alternate), Aberdeen Asian Income Fund Limited, Aberdeen Asia-Pacific Income Investment Company Limited, Aberdeen Australia Equity Fund Inc. and The India Fund Inc

**Employment by the Manager:**

Managing Director of Aberdeen Asset Management Asia Limited and Director of Aberdeen Asset Management PLC

**Other connections with the Company or Manager:** None

**Shared Directorships with any other Directors of the Company:** None

**Shareholding in Company:** 60,000 Ordinary shares

# Directors' Report

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## Status

The Company is registered as a public limited company in England & Wales under company number 02448580. 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 ("AIC").

The Company has been approved by HM Revenue and Customs as an investment trust under Sections 1158 – 1159 of the Corporation Tax Act and Part 2 Chapter 1 Statutory Instrument 2011/2999 for all financial years commencing on or after 1 March 2012, subject to the Company continuing to meet the relevant eligibility criteria.

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.

## Results and Dividend

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

The Directors recommend that a final dividend of 8.00p (2013 – 7.00p) is paid on 30 June 2014 to shareholders on the register on 6 June 2014. The ex-dividend date is 4 June 2014. A resolution in respect of the final dividend will be proposed at the forthcoming AGM.

## Strategic Report

The Strategic Report, including the Chairman's Statement and the Manager's Report, 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 Strategic Report – Overview of Strategy.

The portfolio at the year end, which contained 36 companies, is set out on pages 12 to 13, with further sector breakdown on page 14.

The Board regularly reviews net gearing (as a proportion of total assets), which was 2.8% at 28 February 2014 (2013 - 0.4%).

## Performance

During the year ended 28 February 2014, the Company's net asset value per share fell by 25.6%, which was marginally ahead of the benchmark, the Stock Exchange of Thailand Index (Sterling-adjusted), which fell 26.6% over the same period (all figures in Sterling total return terms).

## Oversight and Review of Performance

The Board meets at least four times a year to review performance with the Manager. As well as carrying out the matters set out in the Statement of Corporate Governance, 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.

## 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 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 5. Operational disruption, accounting and legal risks are also covered at least annually and regulatory compliance is reviewed at each Board meeting.

## Capital Structure

During the year ended 28 February 2014 the Company bought back and cancelled 398,000 Ordinary shares (2013 - nil). As at 28 February 2014, the Company's issued share capital consisted of 20,823,425 Ordinary shares (2013 - 21,221,425 Ordinary shares). Each Ordinary shareholder is entitled to one vote on a show of hands and, on a poll, to one vote for every share held. No shares were bought back by the Company between 1 March 2014 and the date of approval of this Annual Report.

## Directors

Details of the Directors at the year end are provided on pages 15 and 16. Keith Falconer retired as a Director on 26 June 2013.

The Articles of Association require that Directors retire and are subject to election at the first AGM following their appointment and thereafter 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 AGM following the ninth anniversary of the date on which the Director was first elected (as opposed to re-elected). Clare Dobie, who was appointed as a non-executive Director with effect from 13 December 2013, will stand for election

at the forthcoming AGM. Peter Bristowe has indicated that he will retire as a Director and not seek re-election at the AGM. With effect from the year ended 28 February 2014, the Board has adopted a policy that all Directors will normally retire at each AGM and stand for re-election, commencing with the AGM on 26 June 2014.

The election of Clare Dobie as a Director and the re-elections of Nicholas Smith, James Robinson and Hugh Young as Directors were considered and approved by the Board, with each relevant Director abstaining. The reasons for the Board's recommendations for their re-elections are set out in the Statement of Corporate Governance.

### Directors' Insurances and Indemnities

The Company purchases and maintains liability insurance covering the Directors and Officers of the Company. The Directors also have the benefit of the indemnity provision contained in the Company's Articles. The Directors of the Company have been granted a qualifying third party indemnity provision, which remains in force. Directors' and Officers' liability insurance cover has been maintained throughout the year at the expense of the Company.

### Corporate Governance

The Statement of Corporate Governance, which forms part of the Directors' Report, is contained on pages 21 to 27.

### Manager and Company Secretary

The Company has entered into an Investment Management Agreement ("IMA") with AAM Asia, a wholly owned subsidiary of Aberdeen Asset Management PLC, for the provision of investment management and other services, details of which may be found in Note 3 to the Financial Statements.

Under the terms of the IMA, 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 1.0% 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; there is no performance fee payable to the Manager.

The investment management fees are chargeable 100% to revenue and details of all payments made to the Manager during the period ended 28 February 2014 are shown in Notes 3 and 4 to the Financial Statements.

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, 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.

### Going Concern

In accordance with the Financial Reporting Council's guidance on Going Concern and Liquidity Risk issued in October 2009 the Directors have undertaken a rigorous review of the Company's ability to continue as a going concern. The Company's assets consist entirely of equity shares in companies listed on the Stock Exchange of Thailand, the majority of which are normally realisable within a short timescale.

The Board has set limits for borrowing and regularly reviews the level of any gearing, cash flow projections and compliance with banking covenants. On 28 October 2013, the Company entered into a two year multi-currency revolving loan facility ("the Facility") with Scotiabank (Ireland) Limited for £10.0m. As at 28 February 2014, £2.65m had been drawn down under the Facility. The Company will enter negotiations with its bankers in advance of renewal in October 2015. If acceptable terms are available from the existing bankers, or any alternative, the Company would expect to continue to access the Facility. However, should these terms not be forthcoming, any outstanding borrowing will be repaid through the proceeds of equity sales.

The Directors are mindful of the principal risks and uncertainties disclosed on pages 5 to 7 and in Note 18 to the Financial Statements. After making enquiries, including a review of forecasts detailing revenue and liabilities, the Directors have a reasonable expectation that the Company possesses adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### Continuance of the Company

The Company does not have a fixed life. However, under Article 156 of the Articles of Association, if, in the 12 weeks preceding the Company's financial year-end (28 February), the Ordinary shares have been trading, on average, at a discount in excess of 15% to the underlying net asset value (excluding income) over the same period, notice will be given of an Ordinary resolution to be proposed to wind up the Company. In the 12 weeks ended 28 February 2014, the



Ordinary shares traded at an average discount of 13.6% to the underlying net asset value, therefore no resolution will be put to the Company's shareholders at the forthcoming AGM to wind up the Company.

### Substantial Interests

The Company was aware of the following share interests in the Company, above 3%, as at 28 February 2014:

Shareholder	Number of shares held	% held
Lazard Asset Management	4,590,887	22.1
Funds managed by Aberdeen Asset Managers Limited	3,084,885	14.8
Aberdeen Investment Trust ISA and Share Plans (non-beneficial)	2,291,320	11.0
Hargreaves Lansdown (non-discretionary)	1,202,964	5.8
W H Ireland	702,669	3.4
Advance Emerging Capital	630,208	3.0

### Accountability and Audit

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

### Independent Auditor

Following their intention to gradually wind down the activity in their registered firm, KPMG Audit Plc, KPMG have proposed that an alternative entity, KPMG LLP, become the Company's Auditor. KPMG have advised that the change is purely administrative and that there will be no adverse impact on investors' interests as a result.

Accordingly, KPMG have notified the Company that KPMG Audit Plc is not seeking reappointment and have provided a statutory statement of circumstances upon ceasing to hold office pursuant to Section 519 of the Companies Act 2006. In accordance with Section 520 of the 2006 Act, a copy of this statement is enclosed with the Report and Financial Statements. The Board has decided to put KPMG LLP forward to be appointed as Auditor and a resolution concerning its appointment will be put to the forthcoming AGM of the Company. There is no impact on the terms on which the Auditor will be retained.

The Directors have reviewed the level of non-audit services provided by the Auditor during the year, together with the

Auditor's procedures in connection with the provision of such services, and remain satisfied that KPMG Audit Plc's objectivity and independence is being safeguarded.

### Annual General Meeting

The AGM will be held on 26 June 2014 and the AGM Notice and related notes may be found on pages 56 to 59. Resolutions relating to the following items of Special Business will be proposed at the forthcoming AGM:—

#### Amendment to Articles of Association

Resolution 11, which is an Ordinary Resolution, will be put to the AGM to increase the annual limit on aggregate fees payable by the Company to the Directors under Article 80. The Directors wish to make provision in the event that the Board composition were to expand in number in the future and accordingly an aggregate annual limit of £175,000 (or such other amount as may from time to time be determined by Ordinary Resolution of the Company) is proposed.

#### Directors' Authority to Allot Relevant Securities

Among the Resolutions being put to the AGM, Resolution 12, which is an Ordinary Resolution, will, if passed, renew the Directors' existing general power to allot securities up to an aggregate nominal amount of £520,585 (or if less, that amount equivalent to 10% of the total issued share capital at the date of the passing of the Resolution). The Board will only consider issuing new Ordinary shares, or selling shares from Treasury, at a price per Ordinary share above the prevailing net asset value per Ordinary share.

Resolution 13, which is a Special Resolution, will, if passed, renew the Directors' existing authority to make limited allotments of shares for cash other than according to the statutory pre-emption rights which require all shares issued for cash to be offered first to all existing shareholders provided such allotments are made at a price per Ordinary share above the prevailing net asset value per Ordinary share. This authority includes shares that the Company sells or transfers out of Treasury which have been previously bought back into Treasury (if any) pursuant to the authority conferred by Resolution 14 below. The Board will only consider buying in Ordinary shares for cancellation, or for holding in Treasury, at a price which represents a discount to their prevailing net asset value. In line with the authority sought under Resolution 12, Resolution 13 will, if passed, give the Directors power to allot, for cash, securities up to an aggregate nominal amount of £520,585 (or if less, that amount equivalent to 10% of the total issued share capital at the date of the passing of the Resolution) other than according to the statutory pre-emption rights.

The authorities being sought under Resolutions 12 and 13, which will expire on the date of the earlier of the next AGM in 2015 or on 30 August 2015, will give the Board flexibility

to take advantage of any opportunities to issue new Ordinary shares within a shorter period than would otherwise be the case.

### **Directors' Authority to Purchase the Company's Ordinary Shares**

Resolution 14, a Special Resolution, will be proposed to renew the Directors' authority to make market purchases of the Company's Ordinary shares, in accordance with the provisions contained in the Companies Act and the Listing Rules of the UK Listing Authority. As at 28 February 2014, there remained shareholder approval to buy back up to 2,783,091 Ordinary shares following the last AGM.

Accordingly, the Company is seeking authority, under Resolution 14, to purchase up to a maximum of 3,121,431 Ordinary shares, or if less, that number of Ordinary shares equivalent to 14.99% of the issued Ordinary share capital at the date of the passing of the Resolution at a minimum price of not less than 25p per Ordinary share (being the nominal value) and a maximum price of not more than the higher of (i) an amount equal to 5% above the average of the middle market quotation for an Ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary share is purchased; and (ii) the higher of the price of the last independent trade and the current highest independent bid on the stockmarket where the purchase is carried out.

If passed, Resolution 14 will permit the Company to purchase Ordinary shares under the guidelines described above. Any Ordinary shares purchased in this way will either be cancelled, and the number of Ordinary shares in issue reduced accordingly or, under the power granted by Resolution 14, may be held in Treasury. The authority sought under Resolution 14 will expire on the date of the next AGM in 2015 or on 30 August 2015, whichever is earlier, unless renewed prior to such time.

These powers will give Directors additional flexibility for the future and the Board considers that it will be in the interest of the Company that such powers be available. Such powers will only be implemented when, in the view of the Directors, to do so will be for the benefit of all shareholders and accordingly, the Directors recommend that shareholders vote in favour of Resolutions 11, 12, 13 and 14.

### **Additional Information**

Where not provided elsewhere in the Directors' Report, the following provides the additional information required to be disclosed by The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008:

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. 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 IMA with the Manager, further details of which are set out on page 18, 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.

**Nicholas Smith**  
Chairman

29 April 2014

# Statement of Corporate Governance

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## Corporate Governance

This Statement of Corporate Governance forms part of the Directors' Report which may be found on pages 17 to 20.

## Introduction

The Company is committed to high standards of corporate governance. The Board is accountable to the Company's shareholders for good governance and, as required by the Listing Rules of the UK Listing Authority, this statement describes how the Company applies the principles identified in the UK Corporate Governance Code ("Governance Code") published in May 2010 (the "Code"). The Governance Code covers the re-appointment of Directors, Board diversity, external evaluation, the Board's responsibilities in relation to risk, and a clear explanation of the business model and strategy. The Code is available on the Financial Reporting Council's ("the FRC") website: [www.frc.org.uk](http://www.frc.org.uk).

The AIC has also published a Code of Corporate Governance ("AIC Code") and a Corporate Governance Guide for Investment Companies ("AIC Guide"), both published in October 2010, which are available on the AIC's website: [www.theaic.co.uk](http://www.theaic.co.uk). The AIC Code, as explained by the AIC Guide, addresses all of the principles set out in Section 1 of the Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to investment trusts.

In respect of the year ended 28 February 2014, the Board is reporting its corporate governance compliance against the new AIC Code of Corporate Governance for investment companies which was published in February 2013 and which is effective for financial years commencing on or after 1 October 2012. The February 2013 AIC Code incorporates changes made to the Governance Code in September 2012.

The Board considers that reporting in line with the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the Governance Code) will provide better information to shareholders.

The Board confirms that the Company has complied throughout the accounting period with the relevant provisions contained within the Code, unless otherwise indicated below.

The Code includes provisions relating to:

- the role of the chief executive (A.1.2)
- executive directors' remuneration (D.2.1 and D.2.2)
- the need for an internal audit function (C.3.6).

For the reasons set out in the Preamble to the AIC Code, the Board considers these provisions are not relevant to the Company, being an externally-managed investment

company with no direct employees. The Company has therefore not reported further in respect of these provisions.

## Application of the AIC Code

The Board is accountable to the Company's shareholders for good governance and this statement describes how the principles identified in the AIC Code have been applied by the Company. The Company has complied with the provisions set out in the AIC Code and the relevant provisions of the Governance Code throughout the year ended 28 February 2014.

## Directors

The current Board consists of a non-executive Chairman and four non-executive Directors, all of whom, with the exception of Hugh Young, are considered under the Code to be independent of the Company and the investment manager ("AAM Asia" or the "Manager") and free of any material relationship with the Manager.

Peter Bristowe is a director of Edison which has an annual agreement to provide investor relations and equity research services to the Company in the amount of £12,000 (2013 - £12,000), all figures excluding VAT. The other Directors do not consider the contract value to be material and accordingly Peter Bristowe is deemed to be independent by the other Directors.

Each Director has the requisite high level and range of business and financial experience which enables the Board to provide clear and effective leadership and proper stewardship of the Company. Peter Bristowe is Senior Independent Director and will be succeeded by James Robinson following Mr Bristowe's retirement at the forthcoming AGM.

The Board sets the Company's objectives and ensures that its obligations to its shareholders are met. The Board has formally adopted a Schedule of Matters Reserved for the Board 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. The requirement for Board approval on these matters is communicated directly to the senior staff of the Manager.

The Schedule of Matters Reserved for the Board includes:

- the maintenance of clear investment objectives and risk management policies;
- the monitoring of the business activities of the Company including investment performance and revenue budgets;
- Companies Act requirements such as the approval of the periodic financial statements and approval and recommendation of any dividends;
- major changes relating to the Company's structure, including share buybacks and share issuance;

## Statement of Corporate Governance continued

- Board appointments, the related terms and removals;
- appointment and removal of the Manager and the terms and conditions of the investment management agreement relating thereto;
- terms of reference and membership of Board Committees; and
- Stock Exchange/UK Listing Authority/Financial Conduct Authority matters, including responsibility for approval of all circulars, listing particulars and approval of all releases concerning matters decided by the Board.

Clare Dobie was appointed a Director on 13 December 2013 and is required to retire at the next AGM and, being eligible, seeks election to the Board. The Board has established a policy that all Directors shall retire and seek re-election, if eligible, at each AGM. Led by the Chairman, the other Directors consider that James Robinson, Clare Dobie and Hugh Young each possess the requisite high level and range of business and financial experience which enables the Board to provide clear and effective leadership and stewardship of the Company. Led by the Senior Independent Director, the other Directors consider that Nicholas Smith provides clear and effective leadership and stewardship of the Company. Accordingly, the Directors recommend to shareholders the election of Clare Dobie and the individual re-elections of Nicholas Smith, James Robinson and Hugh Young.

The Board has put in place the necessary procedures to conduct, on an annual basis, a self-appraisal by each Director, an appraisal of the Chairman of the Board by the other Directors led by the Senior Independent Director as well as an appraisal and performance evaluation of the Board as a whole. The appraisals were carried out by way of a detailed questionnaire, the summarised results of which were then reviewed and discussed by the Directors at their meeting in April 2014. The Board has also reviewed the Chairman's and other Directors' commitments and is satisfied that the Chairman and other Directors are capable of devoting sufficient time to the Company, are considered to be independent and contribute to the effective running of the Company. In addition, the Directors assessed the collective performance of the Board as a whole against the requirements of the Company's business and the need to have a balanced Board.

There is an agreed procedure for Directors to take independent professional advice if necessary and at the Company's expense. This is in addition to the access which every Director has to the advice and services of the Company Secretaries, Aberdeen Asset Management PLC, who are responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

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 investment report and discussion documents regarding specific matters.

During the year ended 28 February 2014, the Directors met on four occasions, excluding those meetings of a Committee of the Board where not all Directors were required nor were present. Between meetings the Board maintains regular contact with the Manager. Directors attended Board and Committee meetings during the year ended 28 February 2014 as set out in the following table (with their eligibility to attend the relevant meeting shown in brackets):

Director	Board Meetings	Audit and Management Engagement Committee Meetings	Nomination Committee Meetings
Nicholas Smith	4 (4)	3 (3)	2 (2)
Peter Bristowe	4 (4)	3 (3)	2 (2)
Clare Dobie*	1 (1)	1 (1)	1 (1)
James Robinson	4 (4)	3 (3)	2 (2)
Hugh Young#	4 (4)	-	-
Keith Falconer~	2 (2)	1 (1)	1 (1)

\* appointed a Director on 13 December 2013.

# Hugh Young is not a member of either the Audit and Management Engagement Committee or the Nomination Committee.

~ retired as a Director on 26 June 2013.

### External Agencies

The Board has contractually delegated to external agencies, including the Manager and other service providers, certain services: the management of the investment portfolio, the custodial services (which include the safeguarding of the assets), the share registration services and the day-to-day accounting and company secretarial requirements. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of services offered in so far as they relate to the affairs of the Company. The Board receives and considers reports from each service provider, including the Manager, on a regular basis. In addition, ad hoc reports and information are supplied to the Board as requested.

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## Committees

### Audit and Management Engagement Committee

The Audit and Management Engagement Committee comprises the independent non-executive Directors, Peter Bristowe, Clare Dobie, James Robinson, Nicholas Smith and, until 26 June 2013, Keith Falconer, and was chaired by James Robinson throughout the year. The Terms of Reference of the Committee are reviewed annually and are available for download from the 'Trust Profile' section of the Company's website.

In line with the "Guidance on Audit Committees", issued by the Financial Reporting Council in December 2010, a summary of the Committee's main duties is shown below:

- to review and monitor the effectiveness of the Company's internal controls and risk management systems
- to consider annually whether there is a need for the Company to have its own internal audit function;
- to monitor the integrity of the interim management statements, half-yearly and annual Financial Statements of the Company by reviewing and challenging where necessary, the actions and judgements of the Manager;
- to review, and report to the Board on, the significant financial reporting issues and judgements made in connection with the preparation of the Company's financial statements, interim reports, announcements and related formal statements;
- to review the content of the Annual Report and Financial Statements and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy;
- to meet, if required, with the independent Auditor to review their proposed audit programme and the findings of the Auditor. The Committee shall also use this as an opportunity to assess the effectiveness of the audit process;
- to develop and implement a policy on the engagement of the independent Auditor for non-audit services. The independent Auditor was paid £1,000 (2013 - £1,000), excluding applicable VAT, to certify the average discount at which the Company's Ordinary shares traded in relation to their net asset value for the 12 weeks ended 28 February 2014. It is the policy of the Board to review and pre-approve any non-audit services in light of the independent Auditor's obligation to remain independent;
- to review an annual statement from the Manager detailing the arrangements in place whereby the Manager's staff may, in confidence, escalate concerns about possible improprieties in matters of financial reporting or other matters ("whistle-blowing");
- to review the Manager's procedures for detecting fraud and the Manager's systems and controls for the prevention of bribery;

- to make recommendations in relation to the appointment of the independent Auditor, KPMG LLP and to approve their remuneration and terms of engagement; and
- to monitor and review annually the Auditor's independence, objectivity, effectiveness, resources and qualification. At its April 2014 meeting the Committee confirmed its view that the independent Auditor remained independent and objective.

The Company does not have an internal audit function, as specified in Code Provision C.3.6. The Committee has considered the need for an internal audit function but, because of the compliance and internal control systems in place within the Manager, has decided to place reliance on the Manager's systems and internal audit procedures.

### Significant Accounting Issue for the Audit and Management Engagement Committee

The significant accounting issue considered by the Committee during the year in relation to the Company's financial statements was the valuation, existence and ownership of investments. The valuation of investments is undertaken in accordance with the accounting policies, disclosed in notes 1(b) to the Financial Statements on page 38. The audit includes independent confirmation of the existence of all investments from the Company's custodian. All investments are in quoted securities in active markets, are considered to be liquid and have been categorised as Level 1 within the FRS 29 fair value hierarchy.

### Other Accounting Issues

Other accounting issues considered by the Committee included:

- going concern - the reasons stated by the Directors for adopting a going concern basis for the financial statements are included on page 18.
- recognition of investment income - the Company recognises investment income in accordance with accounting policy note 1(c) to the financial statements which may be found on page 38. The Company reviews, at each Board Meeting, a schedule of receivable income and monitors progress against the budget;
- preparation of financial information and disclosures and corporate governance disclosures - the Directors' responsibilities in relation to preparing the Financial Statements, and associated disclosures, are set out on page 31. The Directors are guided by the Company Secretaries regarding corporate governance disclosures which take account of industry best practice but also reflect the particular nature of the Company's governance arrangements; and
- compliance with Sections 1158 and 1159 of the Corporation Tax Act 2010 - approval for the Company as an investment trust under Sections 1158 and 1159 for



# Statement of Corporate Governance continued

financial years commencing on or after 1 March 2012 has been obtained and ongoing compliance with the eligibility criteria is monitored on a regular basis by the Manager and reported to the Committee.

## Review of Auditor

The Audit Committee has reviewed the effectiveness of the Auditor including:

- independence - the Auditor discusses with the Audit Committee, at least annually, the steps it takes to ensure its independence and objectivity and makes the Committee aware of any potential issues, explaining all relevant safeguards;
- quality of audit work including the ability to resolve issues in a timely manner - identified issues are satisfactorily and promptly resolved,
- communications/presentation of outputs - the explanation of the audit plan, any deviations from it and the subsequent audit findings are comprehensive and comprehensible
- working relationship with management - the Auditor has a constructive working relationship with the Manager; and
- quality of people and service including continuity and succession plans - the audit team is made up of sufficient, suitably experienced staff with provision made for knowledge of the investment trust sector and retention on rotation of the partner.

KPMG Audit Plc, and predecessor firms, have held office as Auditor for 24 years. In accordance with professional guidelines the Statutory Auditor is rotated after no more than five years, and the year ended 28 February 2014 will be the second year where the current Statutory Auditor has served. The Committee considers KPMG Audit Plc, the Company's Auditor, to be independent of the Company.

KPMG Audit Plc has instigated an orderly wind down of its business and KPMG LLP, the successor entity to KPMG Audit Plc, will be proposed as Auditor at the next AGM. The Audit Committee is satisfied that KPMG LLP is independent and that it would not be appropriate to put the audit appointment out to tender at the present time. The Audit Committee therefore supports the recommendation to the Board that the appointment of KPMG LLP be put to shareholders for approval at the AGM.

In years where a resolution to appoint an Auditor is not put to shareholders at an AGM, shareholders have the opportunity at each AGM to vote on the reappointment of the Auditor for the forthcoming year.

## Management Engagement

In relation to its responsibilities for management engagement, the Committee annually reviews the Investment Management Agreement ("IMA") between the

Company and the Manager. Details of the IMA are shown in Note 3 to the Financial Statements.

The terms and conditions of the Manager's appointment, including an evaluation of performance and fees, are reviewed annually and were last approved at the meeting of the Committee in April 2014.

The Board remains satisfied that the continuing appointment of the Manager, on the terms agreed, is in the interests of shareholders as a whole. The key factors taken into account in reaching this decision are the long-term performance of the portfolio and the investment skills, experience and commitment of the Manager. The IMA is terminable on not less than one year's notice by either party.

## Nomination Committee

Appointments to the Board of Directors are considered by the Nomination Committee which comprised the independent non-executive Directors, Peter Bristowe, Clare Dobie, James Robinson, Nicholas Smith and, until 26 June 2013, Keith Falconer, and was chaired by Keith Falconer, until 26 June 2013, and thereafter by Nicholas Smith. The Terms of Reference of the Committee are reviewed annually and are available for download from the 'Trust Profile' section of the Company's website.

A summary of the Nomination Committee's main duties is shown below:

- to regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board;
- to undertake succession planning, taking into account the challenges and opportunities facing the Company and identify candidates to fill vacancies;
- to recruit new Directors by undertaking open advertising or engagement of external advisers to facilitate the search, as appropriate, with a view to considering candidates from a wide range of backgrounds, on merit, and with due regard for the benefits of diversity on the Board, including gender, taking care to ensure that appointees have enough time available to devote to the position;
- to ensure that new appointees receive a formal letter of appointment and suitable induction and ongoing training;
- to arrange for annual Board performance evaluation to ensure that Directors are able to commit the time required to properly discharge their duties;
- to make recommendations to the Board as to the position of Chairman, Senior Independent Director and Chairmen of the Nomination and Audit and Management Engagement Committees;
- to assess, on an annual basis, the independence of each Director; and



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- to review the re-appointment of any Director or the re-election, subject to the Governance Code or the Articles of Association, of any Director at the AGM, having due regard to their performance, ability to continue to contribute to the Board in light of the knowledge, skills and experience required and the need for progressive refreshing of the Board.

As part of the plans for Board succession the Nomination Committee initiated a search for an additional Director using the services of an external recruitment consultant, Trust Associates, which has no other connection with the Company. The Committee identified a specification for the new Director, including the requisite skills and experience which would complement the existing Directors and having due regard for the benefits of gender diversity on the Board. The Committee met with and considered several high quality candidates. Clare Dobie was identified as the preferred candidate due to her relevant experience and expertise and she was appointed to the Board with effect from 13 December 2013. An induction session was arranged by the Secretaries for Clare Dobie in December 2013. A Director appointed during the year is required, under the provisions of the Company's Articles of Association, to retire and seek election by shareholders at the next AGM. Accordingly, Clare Dobie retires and seeks election as a Director of the Company. The Articles of Association require each Director to retire not less than at every third AGM. The Board has, however, decided that in accordance with best practice in corporate governance, all Directors shall retire and stand for annual re-election at each AGM.

The Nomination Committee is also responsible for setting the remuneration policy for Directors. Under the UK Listing Authority listing rules, where an investment trust has only non-executive directors, Governance Code Provision D.2.1 requiring the establishment of a remuneration committee does not apply.

The Company's remuneration policy is to set remuneration at a level to attract and retain individuals of a calibre appropriate to the future development of the Company. Further information on remuneration may be found in the Directors' Remuneration Report on pages 28 to 30.

## **Risk and Internal Control**

The Board is ultimately responsible for the Company's system of internal control and risk management and for reviewing its effectiveness. Following publication of the Financial Reporting Council's "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 Report, is regularly reviewed by the Board and accords with the FRC Guidance. The Board has reviewed the effectiveness of the system of internal control and risk management. 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 Directors have delegated the investment management of the Company's assets to the Manager within overall guidelines, and this embraces implementation of the system of internal control, including financial, operational and compliance controls and risk management. Internal control systems are monitored and supported by the Manager's internal audit function which undertakes periodic examination of business processes, including compliance with the terms of the management agreement and ensures that recommendations to improve controls are implemented.

Risks are identified and documented through a risk management framework by each function within the Manager's activities. Risk is considered in the context of the FRC guidance, and includes financial, regulatory, market, operational and reputational risk. This helps the internal audit risk assessment model identify those functions for review. Any weaknesses identified are reported to the Board and timetables are agreed for implementing improvements to systems. The implementation of any remedial action required is monitored and feedback provided to the Board.

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

- the Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its performance;
- the Board and Manager have agreed clearly defined investment criteria and specified levels of authority. Reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board and meetings are held 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, due to 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
- at its April 2014 meeting, the Audit and Management Engagement Committee carried out an annual assessment of internal controls for the year ended 28 February 2014 by considering documentation from the Manager, including

## Statement of Corporate Governance *continued*

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the internal audit and compliance functions, and taking account of events since 28 February 2014.

In addition, the Manager ensures that clearly-documented contractual arrangements exist in respect of any activities that have been delegated to external professional organisations. The Manager's Global Head of Internal Audit reports six-monthly to the Audit and Management Engagement Committee of the Company, and has direct access to the Directors at any time.

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.

### 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 UK Stewardship 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 ("the Principles"), which may be found on the Manager's website, at <http://www.aberdeen-asset.com/aam.nsf/AboutUs/governance>.

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 Statement of Compliance with 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 portfolio 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 and Environmentally 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 and environmentally 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 entering into a dialogue with company management to encourage them, where necessary, to improve their policies in this area. The Company's ultimate objective however is to deliver superior investment returns for its shareholders. Accordingly, 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.

### Communication with Shareholders

The Directors place a great deal of importance on communication with shareholders. The Annual Report is widely distributed to other parties who have an interest in the Company's performance.

Shareholders and investors may obtain up to date information on the Company through the Manager's call centre service (see page 60 for contact details) and the Company's website ([www.newthai-trust.co.uk](http://www.newthai-trust.co.uk)). The Company responds to correspondence from shareholders on a wide range of issues and usually a representative from the Board is available to meet with major shareholders on an annual basis to gauge their views.

The Notice of AGM, included within this Annual Report (see pages 56 to 59) is sent out at least 20 working days in advance of the meeting. All shareholders have the opportunity to put questions to the Board or Manager, either formally at the AGM or at the subsequent buffet lunch for shareholders. The Secretaries and Registrars are available to

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answer general shareholder queries at any time throughout the year and contact details may be found on page 60.

### **Disclosure and Transparency Rules**

Shareholders' attention is drawn to the Additional Information on page 20 which is disclosed in accordance with the Companies Act 2006 and Rule 7.2.6 of the Disclosure and Transparency Rules.

### **Accountability and Audit**

The Statement of Directors' Responsibilities in respect of the Financial Statements is on page 31 and the Going Concern statement is included in the Directors' Report on pages 17 to 20. The Independent Auditor's Report may be found on pages 32 and 33.

### **Declaration**

The Directors listed on pages 15 and 16, being the persons responsible, hereby confirm to the best of their knowledge:

- that the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- that in the opinion of the Directors, the Annual Report and Financial Statements taken as a whole, is fair, balanced and understandable and it provides the information necessary to assess the Company's performance, business model and strategy; and
- the Strategic 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.

**Nicholas Smith**  
Chairman

29 April 2014

# Directors' Remuneration Report

The Board has prepared this report in accordance with the new regulations governing the disclosure and approval of Directors' remuneration. This Remuneration Report comprises two parts:

- (i) a Remuneration Policy, which will be subject to a binding shareholder vote to be put to the members at the forthcoming AGM in the first instance and then every three years thereafter. Should the Remuneration Policy be varied during this interval, then shareholder approval for the new Remuneration Policy will be sought; and
- (ii) an annual report on the implementation of remuneration, which provides information on how the policy has been applied during the year and which will be subject to an advisory vote on the level of remuneration paid during the year as set out in the Implementation Report.

The law requires the Company's Auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The Independent Auditor's Opinion is included in their report on pages 32 and 33.

The fact that the Remuneration Policy will now be subject to a binding vote does not imply any change on the part of the Company. The principles remain the same as for previous years. There have been no changes to the Directors' Remuneration Policy during the period of this Report nor are there any proposals for the foreseeable future.

## Remuneration Policy

This part of the Remuneration Report provides details of the Company's Remuneration Policy for Directors of the Company. This policy takes into consideration the principles of UK Corporate Governance.

As the Company has no employees and the Board is comprised wholly of non-executive Directors and, given the size and nature of the Company, the Board has not established a separate Remuneration Committee. Directors' remuneration is determined by the Board as a whole.

The Directors are non-executive and the limit on their annual fees are set out within the Company's Articles of Association. The Board's policy is that the remuneration of non-executive Directors should reflect the nature of their duties, responsibilities and the value of their time spent and be fair and comparable to that of other investment trusts that are similar in size, have a similar capital structure and have a similar investment objective.

	28 Feb. 2014	28 Feb. 2013
	£	£
Chairman	25,000	21,000
Chairman of Audit Committee	21,000	18,000
Director	18,000	16,000

## Appointment

- The Company only intends to appoint non-executive Directors.
- All the Directors are non-executive appointed under the terms of Letters of Appointment.
- Directors must retire and be subject to re-election at the first AGM after their appointment, and at least every three years thereafter.
- New appointments to the Board will be placed on the fee applicable to all Directors at the time of appointment (currently £18,000 per annum).
- No incentive or introductory fees will be paid to encourage a Directorship.
- The Directors are not eligible for bonuses, pension benefits, share options, long term incentive schemes or other benefits.
- The Company indemnifies its Directors for all costs, charges, losses, expenses and liabilities which may be incurred in the discharge of their duties.

## Performance, Service Contracts, Compensation and Loss of Office

- The Directors' remuneration is not subject to any performance-related element.
- No independent Director was interested in contracts with the Company during the period, or subsequently, other than Peter Bristowe, a director of Edison which has an annual agreement to provide investor relations and equity research services to the Company in the amount of £12,000 (2013 - £12,000), all figures excluding VAT.
- The terms of appointment provide that a Director may be removed without notice.
- Compensation will not be due upon leaving office.
- No Director is entitled to any other monetary payment or to any assets of the Company.

Directors' & Officers' liability insurance cover is maintained by the Company on behalf of the Directors.

It is intended that, if approved, the Remuneration Policy will take effect at the conclusion of the next AGM.

## Implementation Report

### Aggregate Fees Increase

Article 80 of the Company's Articles of Association currently limits the aggregate fees payable to the Board of Directors to a total of £125,000 per annum. A resolution is to be

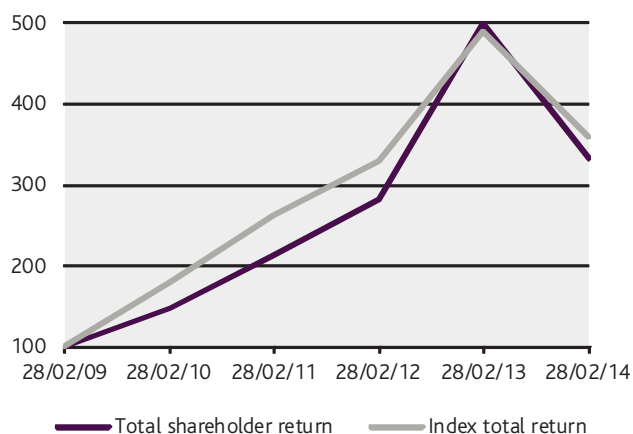
proposed to shareholders at the next AGM to increase the limit on aggregate fees payable to £175,000. The Directors wish to make provision in the event that the Board composition were to expand in number in future. Accordingly, resolution 11, an Ordinary resolution, proposes an increase to £175,000 in the limit in the Articles.

### Directors' Fees

The Board carried out a review of Directors' annual fees during the year and concluded that these should remain unchanged for the year to 28 February 2015, at £25,000, £21,000 and £18,000 for the Chairman, Audit Committee Chairman and other Directors, respectively. There are no further fees to disclose as the Company has no employees, Chief Executive or Executive Directors.

### Company Performance

During the year the Board carried out a review of investment performance. The graph below shows the share price and NAV total return (assuming all dividends are reinvested) to Ordinary shareholders compared to the total return from the Stock Exchange of Thailand (Sterling-adjusted) Index ("SET") for the five year period to 28 February 2014 (rebased to 100 at 28 February 2009). The Directors consider the SET to be the most appropriate index against which to measure the Company's performance.



### Statement of Voting at AGM

At the Company's last AGM held on 26 June 2013, shareholders approved the Directors' Remuneration Report in respect of the year ended 28 February 2013. If a poll had been called, 99.4% of votes would have been in favour of the resolution or would have given the Chairman discretion, 0.6% of votes would have been against with less than 0.1% of votes abstaining.

### Spend on Pay

As the Company has no employees, the Directors do not consider it appropriate to present a table comparing remuneration paid to employees with distributions to

shareholders. The total fees paid to Directors are shown below.

### Audited Information

#### Fees Payable

The Directors who served in the year received the following fees which exclude employers' NI and any VAT payable:

Director	2014 £	2013 £	Taxable Benefits 2013	Taxable Benefits 2012
Nicholas Smith#	22,745	n/a	-	-
Peter Bristowe	18,000	16,000	-	-
James Robinson	21,000	18,000	-	-
Clare Dobie~	3,919	n/a	-	-
Hugh Young	18,000	16,000	-	-
Keith Falconer*	8,333	21,000	-	-
<b>Total</b>	<b>91,997</b>	<b>71,000</b>	<b>-</b>	<b>-</b>

#Appointed Chairman of the Board on 26 June 2013

~Appointed a Director on 13 December 2013

\*Retired as Chairman and as a Director on 26 June 2013

Fees are pro-rated where a change takes place during a financial year.

#### Sums Paid to Third Parties

Of the fees disclosed above, £18,000 (2013 - £16,000) was payable to third parties in respect of making available the services of Directors. These fees were assigned to Aberdeen Asset Management Asia Limited for Hugh Young.

#### Directors' Interests in the Company

The Directors are not required to have a shareholding in the Company.

The Directors (including connected persons) at 28 February 2014, and 1 March 2013, had no interest in the share capital of the Company other than those interests, all of which are beneficial interests, shown in the table below:

	28 Feb. 2014 Ord 25p	1 March 2013 Ord 25p
Nicholas Smith	5,000	n/a
Peter Bristowe	30,000	30,000
James Robinson	24,000	34,000
Clare Dobie	n/a	n/a
Hugh Young	60,000	60,000
Keith Falconer	n/a	75,000

# Directors' Remuneration Report continued

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## Annual Statement

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the above Report on Remuneration Policy and Remuneration Implementation summarises, as applicable, for the year ended 28 February 2014:

- the major decisions on Directors' remuneration;
- any substantial changes relating to Directors' remuneration made during the year; and
- the context in which the changes occurred and in which decisions have been taken.

**Nicholas Smith**

Chairman

29 April 2014



# Financial Statements

## Statement of Directors' Responsibilities

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The Directors are responsible for preparing the Annual 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 UK Accounting Standards.

The Financial Statements are required by law to give a true and fair view of the state of affairs of the Company and of the 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Statement of Corporate Governance that comply with that law and those regulations.

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

We confirm that to the best of our knowledge:

- the Financial Statements, 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;
- in the opinion of the Directors, the Annual Report and Financial Statements taken as a whole, is fair, balanced and understandable and provides the information necessary to assess the Company's performance, business model and strategy; and
- the Strategic Report and Directors' Report include 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.

For and on behalf of the Directors of Aberdeen New Thai Investment Trust PLC

**Nicholas Smith**  
Chairman

29 April 2014

# Independent Auditor's Report to the Members of Aberdeen New Thai Investment Trust PLC

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## Opinions and conclusions arising from our audit

### 1. Opinion on financial statements

We have audited the financial statements of Aberdeen New Thai Investment Trust PLC for the year ended 28 February 2014 set out on pages 34 to 49. In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 February 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### 2. Our assessment of risks of material misstatement

In arriving at our audit opinion above on the financial statements, the risk of material misstatement that had the greatest effect on our audit was as follows:

#### *Carrying amount of quoted equity investments*

Refer to page 23 (Audit and Management Engagement Committee section of the Statement of Corporate Governance), page 38 (accounting policies) and pages 42 to 43 (financial disclosures).

The risk: The Company's quoted equity investment portfolio makes up 99.5% of total assets (by value) and is considered to be the key driver of the Company's capital and revenue performance. We do not consider these investments to be at high risk of significant misstatement, or to be subject to a significant level of judgement, because they comprise liquid, quoted investments. However, due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.

Our response: Our procedures over the existence, completeness and valuation of the Company's quoted equity investment portfolio included, but were not limited to:

- documenting the processes in place to record investment transactions and to value the portfolio;
- agreeing the valuation of 100% of portfolio investments to externally quoted prices; and
- agreeing 100% of portfolio investment holdings to independently received third party confirmations.

### 3. Our application of materiality and an overview of the scope of our audit

The materiality for the financial statements as a whole was set at £900,000. This has been determined with reference to a benchmark of total assets (of which it represents 1%). Total assets, which is primarily composed of the Company's

investment portfolio, is considered the key driver of the Company's capital and revenue performance and, as such, we consider it to be one of the principal considerations for members of the Company in assessing the financial performance of the Company.

We agreed with the Audit and Management Engagement Committee to report to it all corrected and uncorrected misstatements we identified through our audit with a value in excess of £45,000, in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above and was all performed at the head office of the administrator, BNP Paribas, in Dundee.

### 4. Our 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; and
- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### 5. We have nothing to report in respect of the matters prescribed by the Companies Act on which we are required to report by exception

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the Annual Report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our audit and the Directors' statement that they consider that the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy; or
- the Audit and Management Engagement Committee section of the Statement of Corporate Governance on page 20 does not appropriately address matters communicated by us to the Audit and Management Engagement Committee.

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

- adequate accounting records have not been kept by the Company, 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.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on pages 18 and 19, in relation to going concern;
- the part of the Statement of Corporate Governance Statement on page 21 relating to the Company's compliance with the nine provisions of the 2010 UK Corporate Governance Code specified for our review; and
- certain elements of the report to shareholders by the Board on Directors' remuneration.

We have nothing to report in respect of the above responsibilities.

### **Scope of report and responsibilities**

As explained more fully in the Statement of Directors' Responsibilities set out on page 31, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate). This report is made solely to the Company's members as a body and is subject to important explanations and disclaimers regarding our responsibilities, published on our website at [www.kpmg.com/uk/auditscopeukco2013a](http://www.kpmg.com/uk/auditscopeukco2013a), which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

**Philip Merchant (Senior Statutory Auditor)**  
**for and on behalf of KPMG Audit Plc, Statutory Auditor**  
Chartered Accountants  
Edinburgh

29 April 2014

## Income Statement

	Notes	Year ended 28 February 2014			Year ended 28 February 2013		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments	9	–	(32,514)	(32,514)	–	43,737	43,737
Income	2	3,715	–	3,715	2,934	–	2,934
Investment management fee	3	(1,051)	–	(1,051)	(887)	–	(887)
Administrative expenses	4	(425)	–	(425)	(337)	–	(337)
Currency losses		–	(75)	(75)	–	(123)	(123)
<b>Net return on ordinary activities before finance costs and taxation</b>		<b>2,239</b>	<b>(32,589)</b>	<b>(30,350)</b>	<b>1,710</b>	<b>43,614</b>	<b>45,324</b>
Interest payable and similar charges	5	(65)	–	(65)	(55)	–	(55)
<b>Return on ordinary activities before taxation</b>		<b>2,174</b>	<b>(32,589)</b>	<b>(30,415)</b>	<b>1,655</b>	<b>43,614</b>	<b>45,269</b>
Taxation	6	(329)	–	(329)	(240)	–	(240)
<b>Return on ordinary activities after taxation</b>		<b>1,845</b>	<b>(32,589)</b>	<b>(30,744)</b>	<b>1,415</b>	<b>43,614</b>	<b>45,029</b>
<b>Return per Ordinary share (pence)</b>	<b>8</b>						
Basic		<b>8.73</b>	<b>(154.16)</b>	<b>(145.43)</b>	<b>7.39</b>	<b>227.70</b>	<b>235.09</b>
Diluted		<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>7.06</b>	<b>217.45</b>	<b>224.51</b>

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

A Statement of Total Recognised Gains and Losses has not been prepared as all gains and losses are recognised in the Income Statement.

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

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

## Balance Sheet

	Notes	As at 28 February 2014 £'000	As at 28 February 2013 £'000
<b>Non-current assets</b>			
Investments at fair value through profit or loss	9	89,559	121,486
<b>Current assets</b>			
Loans and receivables	10	225	173
Money market funds	16	139	266
Cash at bank and in hand	16	79	1,907
		443	2,346
<b>Creditors: amounts falling due within one year</b>			
Bank loans	11, 16	(2,650)	(2,650)
Other creditors	11	(177)	(309)
		(2,827)	(2,959)
<b>Net current liabilities</b>		(2,384)	(613)
<b>Net assets</b>		87,175	120,873
<b>Share capital and reserves</b>			
Called-up share capital	12	5,206	5,305
Share premium account		19,391	19,391
Capital redemption reserve		329	230
Capital reserve	13	58,714	92,772
Revenue reserve		3,535	3,175
<b>Equity shareholders' funds</b>		87,175	120,873
<b>Net asset value per Ordinary share (pence)</b>	14	418.64	569.58

The financial statements were approved and authorised for issue by the Board of Directors on 29 April 2014 and were signed on its behalf by

**Nicholas Smith**  
Chairman

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

## Reconciliation of Movements in Shareholders' Funds

### Year ended 28 February 2014

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 28 February 2013	5,305	19,391	230	92,772	3,175	120,873
Purchase of own shares for cancellation	(99)	–	99	(1,469)	–	(1,469)
Return on ordinary activities after taxation	–	–	–	(32,589)	1,845	(30,744)
Dividend paid (see note 7)	–	–	–	–	(1,485)	(1,485)
<b>Balance at 28 February 2014</b>	<b>5,206</b>	<b>19,391</b>	<b>329</b>	<b>58,714</b>	<b>3,535</b>	<b>87,175</b>

### Year ended 28 February 2013

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 28 February 2012	4,675	14,772	230	49,158	3,271	72,106
Conversion of Subscription shares into Ordinary shares	630	4,619	–	–	–	5,249
Return on ordinary activities after taxation	–	–	–	43,614	1,415	45,029
Dividend paid (see note 7)	–	–	–	–	(1,511)	(1,511)
<b>Balance at 28 February 2013</b>	<b>5,305</b>	<b>19,391</b>	<b>230</b>	<b>92,772</b>	<b>3,175</b>	<b>120,873</b>

The revenue reserve represents the amount of the Company's reserves distributable by way of dividend.

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



# Cash Flow Statement

	Note	Year ended 28 February 2014		Year ended 28 February 2013	
		£'000	£'000	£'000	£'000
Net cash inflow from operating activities	15		2,090		1,776
<b>Servicing of finance</b>					
Bank and loan interest paid			(62)		(60)
<b>Taxation</b>					
Net tax paid			(326)		(243)
<b>Financial investment</b>					
Purchases of investments		(13,055)		(14,693)	
Sales of investments		12,427		11,876	
<b>Net cash outflow from financial investment</b>			(628)		(2,817)
Equity dividends paid	7		(1,485)		(1,511)
			(411)		(2,855)
<b>Management of liquid resources</b>					
Purchases of money market funds		(8,903)		(1,501)	
Sales of money market funds		9,030		1,235	
<b>Net cash inflow/(outflow) from management of liquid resources</b>			127		(266)
<b>Net cash outflow before financing</b>			(284)		(3,121)
<b>Financing</b>					
Buyback of Ordinary shares		(1,469)		–	
Proceeds from exercise of Subscription shares		–		5,249	
Loan repayment		–		(750)	
<b>Net cash (outflow)/inflow from financing activities</b>			(1,469)		4,499
<b>(Decrease)/increase in cash</b>			(1,753)		1,378
<b>Reconciliation of net cash flow to movements in net debt</b>					
(Decrease)/increase in cash as above			(1,753)		1,378
Net change in liquid resources			(127)		266
Decrease in borrowings			–		750
<b>Change in net debt resulting from cash flows</b>			(1,880)		2,394
Currency movements			(75)		(123)
<b>Movement in net debt in the period</b>			(1,955)		2,271
Opening net debt			(477)		(2,748)
<b>Closing net debt</b>	16		(2,432)		(477)

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

# Notes to the Financial Statements For the year ended 28 February 2014

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## 1. Accounting policies

### (a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified to include the revaluation of investments, and in accordance with the applicable UK Accounting Standards and with the Statement of Recommended Practice (SORP): 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. They have also been prepared on the assumption that approval as an investment trust will continue to be granted.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is included in the Directors' Report (unaudited) on pages 18 and 19.

The financial statements and the net asset value per share figures have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP).

### (b) Investments

Investments have been designated upon initial recognition at fair value through the profit or loss. Investments are recognised and de-recognised on the trade date at cost. Subsequent to initial recognition, investments are valued at fair value which for listed investments is deemed to be the bid market price. Gains and losses arising from changes in fair value are included as a capital item in the Income Statement and are ultimately recognised in the capital reserve.

### (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 yield on these shares. Other returns on non-equity shares are recognised when the right to return is established. The fixed return on a debt security, if material, is recognised on a time apportioned basis so as to reflect the effective yield on each security. 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 accounted for on an accruals basis.

### (d) Expenses

Expenses and interest payable are accounted for on an accruals basis. Expenses are charged through the revenue account except where they directly relate to the acquisition or disposal of an investment, in which case, they are added to the cost of the investment or deducted from the sale proceeds. Such transaction costs are disclosed in accordance with the SORP.

### (e) 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 which are readily convertible to cash, without accepting adverse terms, are transferred to the capital reserve.

(g) **Foreign currency**

Assets and liabilities in foreign currencies are translated at the rates of exchange ruling on the Balance Sheet date. Transactions involving foreign currencies are converted at the rate ruling on the date of the transaction. Gains and losses on the realisation of foreign currencies are recognised in the Income Statement and are then transferred to the capital reserve.

(h) **Dividends payable**

Final dividends are dealt with in the period in which they are paid.

	2014	2013
	£'000	£'000
<b>2. Income</b>		
<b>Income from investments</b>		
Overseas dividends	3,657	2,896
Stock dividends	52	35
	3,709	2,931
<b>Other income</b>		
Deposit interest	1	2
Interest from money market funds	5	1
	6	3
<b>Total income</b>	<b>3,715</b>	<b>2,934</b>

	2014			2013		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>3. Investment management fee</b>						
Investment management fee	1,051	–	1,051	887	–	887

The Company has an agreement with Aberdeen Asset Management Asia Limited ("AAM Asia") for the provision of management services.

During the year the management fee was payable monthly in arrears and was based on an annual amount of 1% of the net asset value of the Company valued monthly. The agreement is terminable on one year's notice. The total of the fees paid and payable under the agreement was £1,051,000 (2013 – £887,000) and the balance due to AAM Asia at the year end was £73,000 (2013 – £191,000).

## Notes to the Financial Statements *continued*

	2014 £'000	2013 £'000
<b>4. Administrative expenses</b>		
Marketing services	71	46
Directors' fees	92	71
Auditor's fees for:		
– Statutory audit	19	18
– Other assurance services	1	1
Custody fees	57	49
Legal & professional fees	70	67
Listing fees	13	12
Insurance	6	8
Printing and stationery	20	17
Registrar's fees	36	23
Savings scheme expenses	9	16
Other expenses	31	9
	<b>425</b>	<b>337</b>

The Company has an agreement with Aberdeen Asset Managers Limited for the provision of marketing services. The total fees paid and payable under the agreement were £71,000 (2013 – £46,000). The Company has an agreement with Aberdeen Asset Management PLC for the provision of company secretarial services and administration services; no separate fee is charged to the Company in respect of this agreement.

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

The Company has no employees.

	Revenue £'000	2014 Capital £'000	Total £'000	Revenue £'000	2013 Capital £'000	Total £'000
<b>5. Interest payable and similar charges</b>						
On bank loans and overdrafts	65	–	65	55	–	55

	Revenue £'000	2014 Capital £'000	Total £'000	Revenue £'000	2013 Capital £'000	Total £'000
<b>6. Taxation on ordinary activities</b>						
(a) Analysis of charge for the year						
Overseas taxation	329	–	329	240	–	240

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

The tax assessed for the year is lower than the effective rate of corporation tax in the UK.

	2014			2013		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net return on ordinary activities before taxation	2,174	(32,589)	(30,415)	1,655	43,614	45,269
Corporation tax at an effective rate of 23.08% (2013 – 24.17%)	502	(7,522)	(7,020)	400	10,541	10,941
Effects of:						
Losses/(gains) on investments not taxable	–	7,504	7,504	–	(10,571)	(10,571)
Currency losses not taxable	–	18	18	–	30	30
Non-taxable overseas income	(856)	–	(856)	(708)	–	(708)
Overseas taxation	329	–	329	240	–	240
Excess management expenses not utilised in period	354	–	354	308	–	308
<b>Current tax</b>	<b>329</b>	<b>–</b>	<b>329</b>	<b>240</b>	<b>–</b>	<b>240</b>

(c) **Factors that may affect future tax charges**

At the year end, the Company has an unrecognised deferred tax asset of £952,000 (2013 – £741,000) arising as a result of accumulated unrelieved management expenses and loan relationship deficits of £4,758,000 (2013 – £3,223,000). A deferred tax asset in respect of this has not been recognised and these expenses will only be utilised if the Company has profits chargeable to corporation tax in the future.

	2014 £'000	2013 £'000
<b>7. Dividends on equity shares</b>		
Amounts recognised as distributions to equity holders in the year:		
Final dividend 2013 – 7.00p (2012 – 8.00p)	<b>1,485</b>	<b>1,511</b>

The proposed final dividend for 2014 is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

We set out below the final dividend proposed in respect of the financial year, which is the basis on which the requirements of Sections 1158–1159 of the Corporation Tax Act 2010 are considered. The revenue available for distribution by way of dividend for the year is £1,845,000 (2013 – £1,415,000).

	2014 £'000	2013 £'000
Proposed final dividend 2014 – 8.00p (2013 – 7.00p)	<b>1,666</b>	<b>1,485</b>

	2014		2013	
	£'000	p	£'000	p
<b>8. Return per Ordinary share</b>				
<b>Basic</b>				
Revenue return	1,845	8.73	1,415	7.39
Capital return	(32,589)	(154.16)	43,614	227.70
<b>Total return</b>	<b>(30,744)</b>	<b>(145.43)</b>	<b>45,029</b>	<b>235.09</b>
Weighted average number of Ordinary shares in issue		<b>21,139,429</b>		<b>19,153,860</b>

## Notes to the Financial Statements *continued*

Diluted	2014		2013	
	£'000	p	£'000	p
Revenue return	n/a	n/a	1,415	7.06
Capital return	n/a	n/a	43,614	217.45
<b>Total return</b>	<b>n/a</b>	<b>n/a</b>	<b>45,029</b>	<b>224.51</b>
<b>Number of dilutive shares</b>		<b>n/a</b>		<b>902,740</b>
<b>Diluted shares in issue</b>		<b>n/a</b>		<b>20,056,600</b>

The calculation of the diluted total, revenue and capital returns per Ordinary share are carried out in accordance with Financial Reporting Standard No. 22, "Earnings per Share". For the purposes of calculating diluted total, revenue and capital returns per Ordinary share, the number of Ordinary shares is the weighted average used in the basic calculation plus the number of Ordinary shares deemed to be issued for no consideration on exercise of all Subscription shares by reference to the average share price of the Ordinary shares during the period.

The diluted return per Ordinary share for 2013 is based on the weighted average number of Subscription shares up to the final exercise date of 31 January 2013.

As all Subscription shares were exercised in the year to 28 February 2013, there is no dilutive impact on the return per share for 2014.

9. Investments at fair value through profit or loss	2014	2013
	£'000	£'000
Opening fair value	121,486	74,108
Opening investment holding gains	(77,066)	(41,706)
<b>Opening book cost</b>	<b>44,420</b>	<b>32,402</b>
Movements in the year:		
Purchases at cost	13,028	14,720
Sales – proceeds	(12,441)	(11,079)
Sales – realised gains	10,666	8,377
<b>Closing book cost</b>	<b>55,673</b>	<b>44,420</b>
Closing investment holding gains	33,886	77,066
<b>Closing fair value</b>	<b>89,559</b>	<b>121,486</b>
<b>Investments listed on a recognised investment exchange</b>	<b>89,559</b>	<b>121,486</b>
<b>(Losses)/gains on investments</b>		
Realised gains on sales	10,666	8,377
(Decrease)/increase in investment holding gains	(43,180)	35,360
<b>(Losses)/gains on investments</b>	<b>(32,514)</b>	<b>43,737</b>

### Transaction costs

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



	2014 £'000	2013 £'000
Purchases	25	28
Sales	11	19
	<b>36</b>	<b>47</b>

10. Loans and receivables	2014 £'000	2013 £'000
Prepayments and accrued income	208	172
Amounts due from brokers	14	–
Other loans and receivables	3	1
	<b>225</b>	<b>173</b>

11. Creditors: amounts falling due within one year	2014 £'000	2013 £'000
Bank loans	2,650	2,650
Amount due to brokers	–	27
Other creditors	177	282
	<b>2,827</b>	<b>2,959</b>

In October 2013 the Company entered into a two year £10,000,000 multi-currency revolving credit facility with Scotiabank (Ireland) Limited. At the year end, £2,650,000 (2013 – £2,650,000) had been drawn down at an all-in rate of 1.4825% (2013 – 1.6925%) which matured on 28 March 2014 (2013 – 28 March 2013). On 28 March 2014 the principal amount was rolled over at an all-in interest rate of 1.48563% until maturity on 28 April 2014. On 28 April 2014 the principal amount was rolled over at an all-in interest rate of 1.48688% until maturity on 28 May 2014.

The terms of the loan facility with Scotiabank (Ireland) Limited contain a covenant that the borrowings should not exceed 20% of the adjusted net asset value of the Company, where borrowings are defined as debt and other secured liabilities plus net liabilities under all derivatives determined on a mark to market basis. Adjusted net asset value is defined as total net assets less the aggregate value of all excluded assets, excluded assets being, without double counting, the value of any unquoted investments, all investments issued by a single issuer in excess of 10% of total net assets and the aggregate value of all investments in any single MSCI industry in excess of 30% of total net assets of the Company. A second covenant contained in the loan facility agreement forbids the Net Asset Value from falling below £28 million. The Company met both these covenants throughout the period for which the loan facility was utilised with Scotiabank (Ireland) Limited.

12. Called up share capital	2014 £'000	2013 £'000
<b>Allotted, called up and fully paid:</b>		
<b>Ordinary shares of 25p each</b>		
Opening balance of 21,221,425 (2013 – 18,596,772) Ordinary shares	5,305	4,649
Issue of nil (2013 – 2,624,653) Ordinary shares on conversion of Subscription shares	–	656
Repurchase of 398,000 (2013 – nil) Ordinary shares for cancellation	(99)	–
<b>Closing balance of 20,823,425 (2013 – 21,221,425)</b>	<b>5,206</b>	<b>5,305</b>

## Notes to the Financial Statements *continued*

On 1 December 2009 the Company issued 3,619,005 Subscription shares by way of a bonus issue to existing Ordinary shareholders on the basis of one Subscription share for every five Ordinary shares. Each Subscription share conferred the right, but not the obligation, to subscribe for one Ordinary share on any subscription date, being the final business day in any calendar month until 31 January 2013, after which the rights under the Subscription shares lapsed. The conversion price was determined as being 200p.

During the year to 28 February 2013, shareholders exercised their right to convert 2,624,653 Subscription shares into Ordinary shares for a total consideration of £5,249,306.

During the year ended 28 February 2014, the Company bought back and cancelled 398,000 Ordinary shares of 25p each (2013 – nil) for a total consideration of £1,469,000 (2013 – nil). This represented 1.9% of the Company's issued Ordinary share capital as at 28 February 2014.

	2014	2013
	£'000	£'000
<b>13. Capital reserve</b>		
At 28 February 2013	92,772	49,158
Gains on realisation of investments at fair value	10,666	8,377
Movement in investment holding gains during the year	(43,180)	35,360
Buyback of Ordinary shares	(1,469)	–
Currency losses	(75)	(123)
<b>At 28 February 2014</b>	<b>58,714</b>	<b>92,772</b>

The capital reserve includes investment holding gains amounting to £33,886,000 (2013 – £77,066,000) as disclosed in note 9.

### 14. Net asset value per share

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

	2014	2013
Net assets attributable (£'000)	87,175	120,873
Number of Ordinary shares in issue	20,823,425	21,221,425
Net assets per share (p)	418.64	569.58

	2014	2013
	£'000	£'000
<b>15. Reconciliation of net return before finance costs and tax to net cash inflow from operating activities</b>		
Net return before finance costs and taxation	(30,350)	45,324
Adjustments for:		
Losses/(gains) on investments	32,514	(43,737)
Currency losses	75	123
Increase in accrued income	(39)	(40)
(Increase)/decrease in other debtors	(2)	14
(Decrease)/increase in other creditors	(108)	92
<b>Net cash inflow from operating activities</b>	<b>2,090</b>	<b>1,776</b>

	28 February 2014 £'000	Cash flow £'000	Currency movements £'000	28 February 2013 £'000
<b>16. Analysis of changes in net debt</b>				
Cash at bank	79	(1,753)	(75)	1,907
Money market funds	139	(127)	–	266
Debts falling due within one year	(2,650)	–	–	(2,650)
<b>Net debt</b>	<b>(2,432)</b>	<b>(1,880)</b>	<b>(75)</b>	<b>(477)</b>

#### 17. Related party transactions

Hugh Young is a director of Aberdeen Asset Management PLC ("AAM") and of its subsidiary, Aberdeen Asset Management Asia Limited ("AAM Asia"). AAM Asia has an agreement to provide management services and AAM has an agreement to provide marketing, administration and company secretarial services to the Company, the terms of which are outlined in notes 3 and 4 respectively.

Peter Bristowe is a director of Edison Investment Research Limited which has an annual agreement to provide investor relations and equity research services to the Company in the amount of £12,000 (2013 – £12,000), all figures excluding VAT.

#### 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 Manager has a dedicated investment management process, explained on page 51, which ensures that the investment policy is followed. Stock selection procedures are in place based on active portfolio management and identification of stocks. The portfolio is reviewed on a periodic basis by a Senior Investment Manager and also by the Manager's Investment Committee.

The Company's Manager has an independent Investment Risk department for reviewing the investment risk parameters of the Company's portfolio on a regular basis. The department reports to the Manager's Performance Review Committee which is chaired by the Manager's Chief Investment Officer. The department's responsibility is to review and monitor ex-ante (predicted) portfolio risk and style characteristics using best practice, industry standard multi-factor models.

Additionally, the Manager's Compliance department continually monitors the Company's investment and borrowing powers and reports to the Manager's Risk Management Committee.

The main financial risks that the Company faces from its financial instruments are market risk (comprising interest rate risk, foreign currency risk and other price risk), liquidity risk and credit risk.

The Board regularly reviews and agrees policies for managing each of these risks. The Manager's policies for managing these risks are summarised below and have been applied throughout the year. The numerical disclosures exclude short-term debtors and creditors.

##### Market 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 three elements – interest rate risk, foreign currency risk and other price risk.

##### Interest rate risk

Interest rate movements may affect:

- the level of income receivable on cash deposits;

## Notes to the Financial Statements continued

– interest payable on the Company's variable rate borrowings.

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 risk profile

The interest rate risk profile of the Company's financial assets and liabilities, excluding equity holdings which are all non-interest bearing, at the Balance Sheet date was as follows:

	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
<b>At 28 February 2014</b>				
<b>Assets</b>				
Sterling	–	0.10	–	79
<b>Liabilities</b>				
Bank loans – Sterling	0.08	1.48	(2,650)	–
<b>At 28 February 2013</b>				
<b>Assets</b>				
Sterling	–	0.12	–	1,907
<b>Liabilities</b>				
Bank loans – Sterling	0.08	1.69	(2,650)	–

The weighted average interest rate is based on the current yield of each asset, weighted by its market value. The weighted average interest rate on bank loans is based on the interest rate payable, weighted by the total value of the loans. The maturity date of the Company's loan is shown in note 11.

The floating rate assets consist of cash deposits on call earning interest at prevailing market rates.

The Company's equity portfolio and short-term debtors and creditors (excluding bank loans) have been excluded from the above tables.

### Interest rate sensitivity

Movements in interest rates would not have a significant direct impact on net assets attributable to the Company's shareholders and total profit.

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

Risk exposure by currency of denomination:

	28 February 2014			28 February 2013		
	Overseas investments £'000	Net monetary assets £'000	Total currency exposure £'000	Overseas investments £'000	Net monetary assets £'000	Total currency exposure £'000
Thailand Baht	89,559	14	89,573	121,486	(27)	121,459
Sterling	–	(2,398)	(2,398)	–	(586)	(586)
<b>Total</b>	<b>89,559</b>	<b>(2,384)</b>	<b>87,175</b>	<b>121,486</b>	<b>(613)</b>	<b>120,873</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 the other price risk sensitivity analysis so as to show the overall level of exposure.

### Other price risk

Other price risks (ie changes in market prices other than those arising from interest rate or currency risk) may affect the value of the quoted investments.

It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a sector. Both the allocation of assets and the stock selection process, as detailed on page 51, act to reduce market risk. The Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to review investment strategy. The investments held by the Company are all listed on the Stock Exchange of Thailand ("SET").

### Other price risk 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 28 February 2014 would have increased/(decreased) by £8,956,000 (2013 – increased/(decreased) by £12,149,000) and equity reserves would have increased/(decreased) by the same amount.

Market prices may indirectly be affected by political instability within Thailand from time to time which constitutes political risk.

### 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, whilst liquidity is limited in certain stocks the Company holds, the majority of the Company's assets comprise readily realisable securities which can be sold to meet funding requirements if necessary.

Short-term flexibility is achieved through the use of loan facilities, details of which can be found in note 11. Under the terms of the loan facility, the Investment Manager provides the lender with loan covenant reports on a monthly basis, to provide the lender with assurance that the terms of the facility are not being breached. The Manager will also review the credit rating of a lender on a regular basis.

The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis. Borrowings comprise a revolving multi-currency credit facility. The Board has imposed a maximum gearing level, after netting off cash equivalents, of 15% of net assets. Details of borrowings at 28 February 2014 are shown in note 11.

## Notes to the Financial Statements *continued*

### Liquidity risk exposure

At each of 28 February 2014 and 28 February 2013 the Company's bank loan, amounting to £2,650,000 was due for repayment or roll-over within one month.

### Credit risk

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

The Company manages its credit risk as follows:

- investment transactions are carried out with a large number of brokers, whose credit-standing is reviewed periodically by the Investment Manager, and limits are set on the amount that may be due from any one broker;
- the risk of counterparty exposure due to failed trades causing a loss to the Company is mitigated by the review of failed trade reports on a daily basis. In addition, both stock and cash reconciliations to the Custodian's records are performed on a daily basis to ensure discrepancies are picked up. The Manager's Compliance department carries out periodic reviews of the Custodian's operations and reports its findings to the Manager's Risk Management Committee. This review will also include checks on the maintenance and security of investments held;
- the risk of counterparty exposure due to stock lending (when conducted) is mitigated by the review of collateral positions provided daily by the various counterparties involved; and
- where cash is held on deposit, the institutions concerned are reviewed regularly.

### Credit risk exposure

In summary, compared to the amounts in the Balance Sheet, the maximum exposure to credit risk at 28 February was as follows:

	2014		2013	
	Balance Sheet £'000	Maximum exposure £'000	Balance Sheet £'000	Maximum exposure £'000
<b>Current assets</b>				
Loans and receivables	225	225	173	173
Money market funds	139	139	266	266
Cash at bank and in hand	79	79	1,907	1,907
	<b>443</b>	<b>443</b>	<b>2,346</b>	<b>2,346</b>

None of the Company's financial assets is past due or impaired.

### Fair values of financial assets and financial liabilities

The fair value of the short term loan is shown on page 43. The book value of cash at bank and bank loan included in these financial statements approximate to fair value because of their short-term maturity. The carrying values of fixed asset investments are stated at their fair values, which have been determined with reference to quoted market prices. For all other short-term debtors and creditors, their book values approximate to fair values because of their short-term maturity.

## 19. 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).



The financial assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>As at 28 February 2014</b>				
Financial assets at fair value through profit or loss				
Quoted equities	89,559	–	–	89,559
<b>Net fair value</b>	<b>89,559</b>	<b>–</b>	<b>–</b>	<b>89,559</b>

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>As at 28 February 2013</b>				
Financial assets at fair value through profit or loss				
Quoted equities	121,486	–	–	121,486
<b>Net fair value</b>	<b>121,486</b>	<b>–</b>	<b>–</b>	<b>121,486</b>

#### Quoted equities

The fair value of the Company's investments in quoted equities has been determined by reference to their quoted bid prices at the reporting date. Quoted equities included in Fair Value Level 1 are actively traded on recognised stock exchanges.

#### 20. Capital management policies and procedures

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Board monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing which takes account of the views on the market;
- the level of equity shares in issue;
- the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company does not have any externally imposed capital requirements.

## General Information

### Information about the Manager

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The investment management of Aberdeen New Thai Investment Trust PLC has been delegated to Aberdeen Asset Management Asia Limited ("AAM Asia"). 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 £186.5 billion (as at 28 February 2014) in assets for a range of clients, including individuals and institutions, through mutual and segregated funds.

AAM Asia has been the Aberdeen Group's principal manager of Asia-Pacific assets since 1992 and employed 441 staff in the region as at 28 February 2014.

Total funds in the region, which are also managed from Sydney, Kuala Lumpur, Hong Kong and Bangkok, are £63.0 billion as at 28 February 2014.

The Aberdeen Group has its headquarters in Aberdeen with principal offices in Bangkok, Edinburgh, Hong Kong, Kuala Lumpur, Jersey, London, Philadelphia, Singapore, Stockholm, Sydney and Tokyo.

The Aberdeen Group manages 47 investment companies and other closed-ended funds representing £12.2 billion under management as at 28 February 2014. 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



**Aditthep Vanabriksha**  
Chief Investment Officer, Thailand  
BA graduate in Business and Management from the University of Maryland and MBA from Boston University. Joined AAM Asia in 2002. Based in Bangkok.



**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.



**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. 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. Based in Singapore.



**Orsen Karnburisudthi**  
Investment Manager  
Chartered Financial Analyst, BS from the Wharton School of the University of Pennsylvania and an MBA from Massachusetts Institute of Technology. Joined AAM Asia in 2006. Based in Bangkok.



**Ratanawan Saengkitikomol**  
Investment Manager  
BBA with double majors in Banking & Finance and General Management from Assumption University, Bangkok and MS Finance from RMIT University, Bangkok. Joined AAM Asia in 2006. Based in Bangkok.

# Investment Philosophy

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The Investment Manager's investment process is robust and characterised by its discipline, consistency and independence. The Investment Manager is not benchmark-driven and, accordingly, its fund managers do not invest in stocks that fail to meet its investment criteria.

The Investment Manager believes that markets are inefficient and that companies may not be priced correctly. By doing all its own research and undertaking substantial due diligence before initiating any investment, the Investment Manager's fund management team aims to identify good quality companies that are trading too cheaply, defined in terms of company fundamentals that, in the Investment Manager's opinion, drive share prices over the long term. The Investment Manager therefore manages its portfolios actively and little attention is paid to benchmarks at the portfolio construction level. Companies are held, moreover, for the long term, resulting in the turnover in the Investment Manager's portfolios being relatively low.

At the heart of the Investment Manager's approach is a disciplined investment process, with stock selection being a major source of added value. It estimates a company'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 Investment Manager's portfolio construction, with diversification rather than formal controls guiding stock, sector and country weightings. Little regard is paid to market capitalisation, other than to ensure liquidity. The Investment Manager's portfolios are generally conservatively run, with an emphasis on traditional buy-and-hold. However, the Investment Manager takes opportunities offered by what it

sees as anomalous price movements within stockmarkets to either top up or top slice positions, which typically accounts for the bulk of the activity in the portfolios. Accordingly, turnover of positions in the Investment Manager's portfolios is low.

The Investment Manager will not invest in a company without first having met its management team. Having invested in a company, the Investment Manager typically meets the management team twice a year. Over the years, the Investment Manager's fund managers have visited many thousands of companies, and more than 1,000 meetings are held annually with companies' management teams.

Portfolios are managed by the Investment Manager on a team basis, with individual fund managers doing their own research and analysis. Each asset class has a model portfolio that contains the team's best ideas for that asset class and forms the basis for constructing individual portfolios focused on that asset class.

## Risk Controls

Aberdeen seeks to minimise risk by its in depth research. Divergence from an index is not seen as risk – the Manager views investment in poorly run expensive companies that are not fully understood as risk. In fact where risk parameters are expressed in index relative terms, asset – including sector – allocation constitutes a significant constraint on stock selection. Hence diversification of stocks provides the Manager's main control.

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.

# Marketing Strategy

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Aberdeen New Thai 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. The Company's contribution, which is matched by AAM, was £46,000 (plus VAT) for the year ended 31 December 2013 and will be £71,000 (plus VAT) for the year ending 31 December 2014. The significantly higher contribution for 2014 reflects the increased size of the Company. The marketing arrangements are reviewed on an annual basis by the Board.

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.

The Board is committed to a close monitoring of the Marketing Programme, its impact on the share price discount to NAV and the attraction of new buyers of the Company's shares to the benefit of share register diversification. The Aberdeen Group Head of Brand provides a written summary quarterly to the Board which analyses shareholder movements and the make-up of the share register. The Board is keen to continue to support AAM in communicating the long-term attractions of your Company.

The Marketing Programme includes the following:

## 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 a Manager's Report on the Company that includes detailed performance analysis.

## Direct Response Advertising

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

## Direct Mail

Periodic mail shots 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 AAM, is distributed free of charge.

## Public Relations

The Manager 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 Brand who has extensive experience in the marketing and communications of investment products. He is supported by a team of marketing professionals.

## Internet

Aberdeen New Thai Investment Trust PLC has a dedicated website: [www.newthai-trust.co.uk](http://www.newthai-trust.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.

Investors in the Share Plan and ISA can now use AAM's secure system to view their valuations and transact on their Plan accounts.

If you have any questions about the Company, the Manager or performance, please telephone our Investor Services Department on 0500 00 00 40 (free when dialling from a UK landline). Alternatively, internet users may e-mail us on [inv.trusts@aberdeen-asset.com](mailto:inv.trusts@aberdeen-asset.com) or write to us at 10 Queen's Terrace, Aberdeen AB10 1YG.

## Edison

Edison is Europe's leading independent investment research company and is employed by Aberdeen New Thai Investment Trust PLC to provide research on the Company with a view to expanding the universe of potential shareholders. Research on the Aberdeen New Thai Investment Trust PLC, published by Edison, may be found on the Company's website ([www.newthai-trust.co.uk](http://www.newthai-trust.co.uk)).

Further information on Edison may be found online at [www.edisoninvestmentresearch.com](http://www.edisoninvestmentresearch.com). Edison was founded in 2003 and is authorised and regulated by the Financial Conduct Authority.

# How to Invest in Aberdeen New Thai Investment Trust PLC

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## Direct

Investors can buy and sell shares in the Company 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").

## Suitable for Retail

The Company's Ordinary shares are designed for private investors in the UK (including retail investors), professional-advised private clients and institutional investors who are seeking a high level of long-term, above average capital growth through investment in Thailand and who understand and are willing to accept the risks of exposure to equities. Private investors should consider consulting an independent financial adviser who specialises in advising on the acquisition of shares and other securities before acquiring shares. Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss that may result.

The Company currently conducts its affairs so that the securities issued by Aberdeen New Thai Investment Trust PLC can be recommended by IFAs to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investment products ("NMPs") and intends to continue to do so for the foreseeable future. The Company's securities are excluded from the FCA's restrictions which apply to non-mainstream pooled investment products because the Company qualifies as an investment trust.

## Aberdeen Investment Trust Share Plan

Aberdeen Asset Managers Limited ("AAM") runs a Share Plan (the "Plan") through which shares in the Company 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's Investment Plan for Children

AAM runs an Investment Plan for Children (the "Children's Plan") which covers a number of investment companies under its management including the Company. Anyone can invest in the Children's Plan (subject to the eligibility criteria

as stated within the terms and conditions) 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.

## Stocks and Shares ISA

An investment of up to £11,880 in the Company may be made in the tax year 2014/2015. From 1 July 2014 the maximum investment in each tax year is increased to £15,000.

The annual ISA administration charge is £24 + VAT, calculated annually and applied on 31 March (or the last business day in March) and collected soon thereafter either by direct debit or, if there is no valid direct debit mandate in place, from the available cash in the Plan prior to the distribution or reinvestment of any income, or, where there is insufficient cash in the Plan, from the sale of investments held in the Plan. 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 New Thai 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.

# How to Invest in Aberdeen New Thai Investment Trust PLC

continued

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## Keeping You Informed

For internet users, detailed data on the Company, including its latest share price, performance information and a monthly factsheet is available from the Company's website ([www.newthai-trust.co.uk](http://www.newthai-trust.co.uk)), the Manager's Investment Trust Centre ([www.invtrusts.co.uk](http://www.invtrusts.co.uk)) or the TrustNet website ([www.trustnet.co.uk](http://www.trustnet.co.uk)). Alternatively please call 0500 00 00 40 (free when dialling from a UK landline) for information.

## 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)

Or write to:-

Aberdeen Investment Trusts  
PO Box 11020  
Chelmsford  
Essex CM99 2DB

Details are also available on [www.invtrusts.co.uk](http://www.invtrusts.co.uk)

*The information on pages 52 to 54 (with the exception of the section on Edison) has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by Aberdeen Asset Managers Limited which is authorised and regulated by the Financial Conduct Authority.*

# Glossary of Terms and Definitions

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<b>Discount</b>	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.
<b>Dividend Cover</b>	Earnings per share divided by dividends per share expressed as a ratio.
<b>Dividend Yield</b>	The annual dividend expressed as a percentage of the share price.
<b>Net Asset Value</b>	The value of total assets less liabilities. Liabilities for this purpose include current and long-term liabilities. The net asset value divided by the number of shares presently in issue produces the basic net asset value per share. The diluted net asset value per share has been calculated in accordance with guidelines issued by the AIC and assumes that all outstanding subscription shares were converted into Ordinary shares. Unless defined otherwise, references in this Report to net asset value are to diluted net asset value, excluding accrued income.
<b>Net Gearing/(Cash)</b>	Net gearing/(cash) is calculated by dividing total assets (as defined below) less cash or cash equivalents by shareholders' funds expressed as a percentage. This is in accordance with the AIC guidance "Gearing Disclosures post RDR".
<b>Ongoing Charges</b>	Ratio of expenses as a percentage of average daily shareholders' funds calculated as per the AIC's industry standard method.
<b>Premium</b>	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.
<b>Price/Earnings Ratio</b>	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.
<b>Prior Charges</b>	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.
<b>Redemption Yield</b>	The measure of the annualised total return on the current price of a security up to the date of its repayment. The calculation is based on aggregated income and capital returns, no account being taken of taxation.
<b>Total Assets</b>	Total assets as per the balance sheet less current liabilities (before deducting prior charges as defined above).
<b>Total Return</b>	Total Return involves reinvesting the net dividend in the month that the share price goes up. 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.
<b>Voting Rights</b>	In accordance with the Articles of Association of the Company, on a show of hands or on a poll, every member (or duly appointed proxy) present at a general meeting of the Company has one vote.



# Notice of Annual General Meeting

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Notice is hereby given that the Annual General Meeting of Aberdeen New Thai Investment Trust PLC will be held at Bow Bells House, 1 Bread Street, London EC4M 9HH, at 11.30am on 26 June 2014 for the following purposes:

To consider and, if thought fit, pass the following resolutions 1 to 12 inclusive as Ordinary Resolutions and resolutions 13 and 14 as Special Resolutions :-

## Ordinary Business

1. To receive the Directors' and Auditor's Reports and adopt the financial statements for the year ended 28 February 2014.
2. To receive and adopt the Directors' Remuneration Report for the year ended 28 February 2014 (other than the Directors' Remuneration Policy).
3. To receive and adopt the Directors' Remuneration Policy.
4. To approve the payment of a final dividend of 8.00 pence per Ordinary share for the year ended 28 February 2014.
5. To elect Clare Dobie\* as a Director of the Company.
6. To re-elect Nicholas Smith\* as a Director of the Company.
7. To re-elect James Robinson\* as a Director of the Company.
8. To re-elect Hugh Young\* as a Director of the Company.
9. That KPMG LLP be and are hereby appointed Auditor of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which financial statements are laid before the Company.
10. To authorise the Directors to fix the remuneration of the Auditor, KPMG LLP, for the year to 28 February 2015.

## Special Business

### Increase in Annual Aggregate Directors' Fees

11. That Article 80 of the Articles of Association of the Company, concerning the limit on the annual aggregate fees payable to Directors, be amended by substituting "£175,000" for "£125,000".

### Authority to Allot

12. THAT the Directors be generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company ("Rights") up to an aggregate nominal amount of £520,585 (or, if less, 10 per cent. of the issued share capital of the Company as at the date of passing of this resolution) during the period expiring on the date of the next Annual General Meeting of the Company or on 30 August 2015, whichever is the earlier, but so that this authority, unless previously revoked, varied or renewed, shall allow the Company to make offers or agreements before the expiry of this authority which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares and grant Rights in pursuance of such an offer or agreement as if such authority had not expired.

### Disapplication of Pre-emption Rights

13. THAT, the Directors be and are hereby empowered, pursuant to sections 570 and 573 of the Act 2006 to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority given in accordance with Section 551 by Resolution number 12, or by way of a sale of treasury shares, in each case as if section 561(1) of the Act did not apply to such allotment, provided that this power shall be limited to the allotment of equity securities:
  - (a) (otherwise than pursuant to sub-paragraph (b) below) up to an aggregate nominal amount of £520,585 (or, if less, 10 per cent. of the issued share capital of the Company as at the date of the passing of this resolution);
  - (b) in connection with or the subject of an offer or invitation, open for acceptance for a period fixed by the Directors, to holders of ordinary shares of 25p each ("Ordinary shares") and such other equity securities of the Company as the Directors may determine on the register of members on a fixed record date in proportion (as nearly as may be) to their respective holdings of such 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 or any stock exchange in any territory or otherwise howsoever); and such

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power shall expire at the conclusion of the next Annual General Meeting of the Company, or on 30 August 2015, whichever is earlier, but so that this power shall enable the Company to make an offer or agreement before 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; and

- (c) at a price per share which represents a premium to the prevailing net asset value per Ordinary share from time to time (for these purposes, net asset value per Ordinary share is calculated excluding treasury shares).

#### **Authority to Make Market Purchases of Shares**

14. THAT, the Company be generally and 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 Ordinary shares of 25p each in the capital of the Company ("Ordinary shares"), and to cancel or hold in treasury such shares provided always that:

- (a) the maximum number of Ordinary shares hereby authorised to be purchased is 3,121,431 Ordinary shares or, if less, that number of Ordinary shares which is equal to 14.99% of the issued Ordinary share capital at the date of the passing of this resolution);
- (b) the minimum price which may be paid for an Ordinary share is 25 pence per share (exclusive of expenses);
- (c) the maximum price which may be paid for an Ordinary share (exclusive of expenses) is the higher of:
- (i) an amount equal to 5 per cent above the average of the middle market quotation for an Ordinary share as derived from the London Stock Exchange Daily Official List for the five business days preceding the date of purchase, or in the case of a tender offer, the date the tender offer is announced; and
- (ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange Daily Official List at the time the purchase is carried out;
- (d) any purchase of shares will be made in the market for cash at a price per share below the prevailing net asset value per share from time to time (as determined by the Directors);
- (e) unless previously renewed, varied or revoked, the authority conferred shall expire at the conclusion of the Company's next Annual General Meeting or on 30 August 2015, whichever is earlier;
- (f) the Company may make a contract or contracts to purchase Ordinary shares under the authority conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of Ordinary shares in pursuance of any such contract or contracts; and
- (g) any shares so purchased shall be cancelled or, if the Directors so determine and subject to the provisions of the Act and any applicable regulations of the United Kingdom Listing Authority, be held or otherwise dealt with as permitted by the Act as treasury shares.

\*The biographies of the Directors are detailed on pages 15 and 16 of this Report.

By order of the Board  
**Aberdeen Asset Management PLC**  
Secretaries  
Bow Bells House  
1 Bread Street  
London  
EC4M 9HH

20 May 2014

## Notice of the Annual General Meeting continued

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### 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 form of proxy is enclosed together with a reply-paid envelope. If a member appoints a proxy, this will not prevent the member from attending the meeting and voting in person if he or she wishes to do so.
- (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 in the notes to the form of proxy so as to arrive not less than 48 hours (excluding non-working days) before the time fixed for the meeting. The return of a completed proxy form or other instrument of proxy will not prevent you from 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.
- (iii) In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001 and Section 311 of the Companies Act 2006, 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 6.00 pm 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 by not later than 6.00 pm 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 6.00 pm 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.
- (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](http://www.euroclear.com). 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 RA19) no later than 48 hours (excluding non-working days) 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/her 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/she 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) Under section 338 of the Companies Act 2006, members may require the Company to give, to members of the Company entitled to receive this Notice of Meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting. Under section 338A of the Companies Act 2006, members may request the Company to include in

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the business to be dealt with at the meeting any matter (other than a proposed resolution) which may properly be included in the business.

- (xi) 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.
- (xii) No Director has a service contract with the Company. Copies of the Directors' letters of appointment are available for inspection at the Company's registered office and for 15 minutes prior to, and at, the meeting.
- (xiii) 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.newthai-trust.co.uk](http://www.newthai-trust.co.uk)
- (xiv) 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:
  - a) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
  - b) the answer has already been given on a website in the form of an answer to a question; or
  - c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
- (xv) 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.
- (xvi) 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.
- (xvii) As at the date of approval of this Notice of AGM, the Company's issued share capital consisted of 20,823,425 Ordinary shares of 25p each. Each Ordinary share carries the right to one vote at an Annual General Meeting of the Company and, therefore, the total number of voting rights in the Company as at the date of approval of this Notice of AGM is 20,823,425.
- (xviii) There are special arrangements for holders of shares through Aberdeen's Investment Plan for Children, Investment Trust Share Plan and Investment Trust Individual Savings Account ("ISA"). These are explained in the separate 'Letter of Direction' which such holders will have received with this Annual Report.

Members who have general queries about the Annual General Meeting should use the following means of communication (no other methods of communication will be accepted):

Shareholder helpline numbers:

Tel. 0871 384 2502; Overseas +44 (0)121 415 7047  
Textel 0871 384 2255; Overseas +44 (0)121 415 7028

(Calls to the above numbers are charged at 8 pence per minute plus network extras.)

Lines are open from 8.30am to 5.30pm, Monday to Friday.

# Corporate Information

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## Directors

Nicholas Smith, Chairman (appointed 1 March 2013)  
Peter Bristowe, Senior Independent Director  
Clare Dobie (appointed 13 December 2013)  
James Robinson, Chairman of the Audit & Management  
Engagement Committee  
Hugh Young

## Manager

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

## Customer Services Department and Share Plan/ISA enquiries

Aberdeen Investment Trusts  
PO Box 11020  
Chelmsford  
Essex CM99 2DB

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

## Secretaries and Registered Office

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

Registered in England & Wales under company  
number 02448580

## Website

[www.newthai-trust.co.uk](http://www.newthai-trust.co.uk)

## Points of Contact

The Chairman or Company Secretaries at the Registered  
Office of the Company

## Solicitors

Maclay Murray & Spens LLP  
One London Wall  
London EC2Y 5AB

## Registrars

Equiniti Limited  
Aspect House  
Spencer Road  
Lancing  
West Sussex BN99 6DA

Website: [www.shareview.co.uk](http://www.shareview.co.uk)

Shareholder helpline numbers:

Tel. 0871 384 2502; Overseas +44 (0)121 415 7047  
Textel 0871 384 2255; Overseas +44 (0)121 415 7028

Shareview helpline numbers:

Dealing Tel. 0871 384 2020  
Internet Helpline Tel. 0871 384 2233:  
Overseas Internet Helpline Tel. +44 (0)121 415 7065

(Calls to the above numbers are charged at 8 pence per  
minute plus network extras.)

Lines are open from 8.30am to 5.30pm, Monday to Friday.

## Stockbrokers

Canaccord Genuity Limited  
9th Floor  
88 Wood Street  
London EC2V 7QR

## Independent Auditor

KPMG Audit Plc \*  
Chartered Accountants  
Saltire Court  
20 Castle Terrace  
Edinburgh EH1 2EG

\*KPMG LLP appointed with effect from 26 June 2014 (subject to  
shareholder approval)

## Custodian

BNP Paribas Securities S.A.  
55 Moorgate  
London EC2R 6PA

# Your Company's History

## Issued Share Capital as at 28 February 2014

20,823,425 Ordinary shares of 25p

## Capital History

12 December 1989	15,000,000 Ordinary shares placed at 100p with 3,000,000 Warrants attaching, each conferring the right to subscribe for one Ordinary share for 100p
21 July 1995	602,800 Ordinary shares admitted to the Official List following the exercise of Warrants
10 July 1996	2,037,620 Ordinary shares admitted to the Official List following the final exercise date. 359,580 Warrants had been bought in for cancellation by the Company prior to the final exercise date
2 July 1998	880,000 Ordinary shares admitted to the Official List following allotment at 40p per share, pursuant to authorities granted by shareholders at the AGM on 30 June 1998
16 August 2001	425,000 Ordinary shares purchased for cancellation at 41.5p per share
2 December 2009	3,619,005 Subscription shares admitted to the Official List
Year ended 28 February 2010	238,000 Ordinary shares bought back for cancellation 6,912 Subscription shares exercised and converted to Ordinary shares
Year ended 28 February 2011	120,000 Ordinary shares bought back for cancellation 695,176 Subscription shares exercised and converted to Ordinary shares
Year ended 28 February 2012	135,000 Ordinary shares bought back for cancellation 292,264 Subscription shares exercised and converted to Ordinary shares
Year ended 28 February 2013	2,624,653 Subscription shares exercised and converted to Ordinary shares
Year ended 28 February 2014	398,000 Ordinary shares bought back for cancellation

## Financial Calendar

29 April 2014	Announcement of results for year ended 28 February 2014
4 June 2014	Ex-dividend date for proposed Final Ordinary dividend
6 June 2014	Record date for proposed Final Ordinary dividend
26 June 2014	AGM at 11.30am at Bow Bells House, 1 Bread Street, London EC4M 9HH
30 June 2014	Payment date for proposed Final Ordinary dividend
October 2014	Announcement of Half-Yearly Financial Report for the six months ending 31 August 2014
April 2015	Announcement of results for year ending 28 February 2015



