

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended immediately to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the UK Financial Services and Markets Act 2000 or, if outside the United Kingdom, another appropriately authorised financial adviser.

A copy of this document, which comprises a prospectus relating to Aberdeen Asian Income Fund Limited prepared in accordance with the Prospectus Rules in connection with the Issue and the applications for Admission, has been filed with the FSA in accordance with rule 3.2 of the Prospectus Rules.

A copy of this Prospectus has been delivered to the Registrar of Companies in Jersey in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002 and he has given, and has not withdrawn, his consent to its circulation. It must be distinctly understood that, in giving this consent, neither the Registrar of Companies in Jersey nor the JFSC takes any responsibility for the financial soundness of the Company or for the correctness of any statements made, or opinions expressed, with regard to the Company.

The Company is a closed-ended investment company with limited liability incorporated under Jersey Company Law. The Company constitutes and is regulated as a collective investment fund under Jersey Funds Law. The JFSC is protected by Jersey Funds Law against liability arising from the discharge of its functions under Jersey Funds Law.

ABERDEEN ASIAN INCOME FUND LIMITED

(Incorporated in Jersey with limited liability under the Companies (Jersey) Law 1991 with registered number 91671)

PLACING AND OFFER FOR SUBSCRIPTION
OF UP TO
50,000,000 C SHARES AT 100P PER C SHARE*

Placing Agent
Cantor Fitzgerald Europe

*If commitments and applications are received for more than 50,000,000 C Shares pursuant to the Placing and Public Offer, the Directors reserve the right to increase the maximum number of C Shares that may be issued pursuant to the Placing and Public Offer on the basis set out in paragraph 8.5 of Part 7 of this Prospectus, provided that the maximum number of C Shares that may be issued is 100,000,000 (being the maximum number of C Shares that the Directors will be authorised to issue on a non-pre-emptive basis if the resolutions are passed at the Extraordinary General Meeting).

This Prospectus does not constitute an offer of, or the solicitation of an offer to subscribe for or buy, any Shares to any person in any jurisdiction to whom it is unlawful to make such an offer or solicitation in such jurisdiction. Persons outside the United Kingdom into whose possession this Prospectus comes are required to inform themselves about and to observe any restrictions as to the offer or sale of Shares and distribution of this Prospectus. Persons not resident in, or who are outside, the United Kingdom and who wish to invest in the Company are referred to the section headed "Selling Restrictions" on pages 23 to 25 of this Prospectus and to paragraph 8 of Part 9 of this Prospectus.

This Prospectus should be read in its entirety before making any application for C Shares. The attention of prospective investors is drawn in particular to pages 15 to 21 of this Prospectus, which set out the principal risk factors associated with an investment in the Company.

Applications under the Public Offer may only be made on the Application Form set out at the end of this Prospectus. Completed Application Forms must be posted or (during normal business hours only) delivered by hand to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, in each case so as to be received as soon as possible and, in any event, by 11.00 a.m. on Friday, 9 November 2012.

Applications will be made to the UK Listing Authority for the C Shares to be issued pursuant to the Placing and Public Offer to be admitted to the premium segment of the Official List and to the London Stock Exchange for such C Shares to be admitted to trading on its Main Market. It is expected that Admission will occur, and that dealings in the C Shares will commence, at 8.00 a.m. on Friday, 16 November 2012.

22 October 2012

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Cantor Fitzgerald Europe, which is authorised and regulated in the United Kingdom by the FSA, is acting solely for the Company and for no one else in connection with the Issue and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Cantor Fitzgerald Europe or for affording advice in relation to the Issue or any other matter referred to in this Prospectus. Nothing in this paragraph shall serve to exclude or limit any responsibilities that Cantor Fitzgerald Europe may have under FSMA or the regulatory regime established under FSMA.

Nplus1 Brewin LLP, which is authorised and regulated in the United Kingdom by the FSA, is acting as sponsor solely for the Company and for no one else in connection with the Issue and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Nplus1 Brewin LLP or for affording advice in relation to the Issue or any other matter referred to in this Prospectus. Nothing in this paragraph shall serve to exclude or limit any responsibilities that Nplus1 Brewin LLP may have under FSMA or the regulatory regime established under FSMA.

SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A - E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for the types of securities and issuer. As some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the types of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in the summary with the mention of "not applicable".

Section A – Introduction and Warnings		
A.1	<i>Warning</i>	This summary should be read as introduction to this Prospectus. Any decision to invest in the Shares should be based on consideration of this Prospectus as a whole by the investor. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	<i>Subsequent resale of securities or final placement of securities through financial intermediaries</i>	Not applicable, as Aberdeen Asian Income Fund Limited has not given consent to the use of this Prospectus for subsequent resale or firm placement of C Shares by financial intermediaries.

Section B – The Issuer		
B.1	<i>Legal and commercial name</i>	Aberdeen Asian Income Fund Limited.
B.2	<i>Domicile, legal form, legislation and country of incorporation</i>	The Company was incorporated with limited liability in Jersey as a closed-ended investment company under the Companies (Jersey) Law 1991. The Company, which is domiciled in Jersey, operates under Jersey Company Law and orders made thereunder.
B.5	<i>Group structure</i>	Not applicable as the Company is not part of a group.
B.6	<i>Notifiable interests, different voting rights and controlling interests</i>	<ul style="list-style-type: none"> • Jersey Company Law does not require any person (other than Directors) who, directly or indirectly, has an interest in the Company's capital or voting rights to notify the Company of that interest and the provisions of Chapter 5 ("Vote Holder and Issuer Notification Rules") of the Disclosure and Transparency Rules do not currently apply to the Company. However, as at 18 October 2012, the Company was aware that the persons referred to below, directly or indirectly, were interested in 3.0 per cent. or more of the issued Ordinary Shares or the voting rights of the Company.

Section B – The Issuer (Contd.)

		<i>Investor</i>	<i>No. of Ordinary Shares</i>	<i>% of Voting Rights</i>
		Speirs & Jeffrey	13,546,326	9.0
		Brewin Dolphin Stockbrokers	11,825,086	7.8
		Quilter	10,264,261	6.8
		Charles Stanley	9,226,569	6.1
		Adam & Co. Investment Management	6,745,503	4.5
		Investec Wealth & Management	6,437,722	4.3
		Rathbones	6,415,635	4.2
		Legal & General Investment Management	4,710,835	3.1
		<ul style="list-style-type: none"> The major Shareholders do not have different voting rights from other Shareholders. As at 18 October 2012, the Company was not aware of any person who, directly or indirectly, owned or controlled the Company. 		
B.7	Historical financial information	<ul style="list-style-type: none"> The selected financial information set out below, which was prepared under IFRS, has been extracted without material adjustment from the audited report and accounts of the Company for the years ended 31 December 2009, 31 December 2010 and 31 December 2011 and the unaudited half-yearly report of the Company for the six months ended 30 June 2012. 		
			<i>As at</i>	
			<i>As at 31 December</i>	
			<i>2009</i>	<i>2010</i>
			<i>2011</i>	<i>2012</i>
		<i>Capital</i>	<i>£'000</i>	<i>£'000</i>
		Investments at fair value	160,413	216,933
		Current assets	4,827	2,578
		Current liabilities	(10,842)	(11,357)
		Net assets	154,398	208,154
		NAV per Ordinary Share (diluted)	137.19p	167.85p
			164.78p	182.09p
			<i>Year Ended 31 December</i>	
			<i>2009</i>	<i>2010</i>
			<i>2011</i>	<i>2012</i>
		<i>Revenue</i>	<i>£'000</i>	<i>£'000</i>
		Investment income	7,680	10,285
		Total expenses charged to revenue	(1,101)	(1,425)
		Profit for the year	6,044	8,257
		Earnings per Ordinary Share (basic)	5.54p	7.31p
		Dividends per Ordinary Share (paid)	5.00p	6.00p
			6.75p	
			<i>Six Months</i>	
			<i>Ended 30 June</i>	
			<i>2011</i>	<i>2012</i>
		<i>Revenue</i>	<i>£'000</i>	<i>£'000</i>
		Investment income	6,174	6,490
		Total expenses charged to revenue	(803)	(965)
		Profit for the period	4,970	5,329
		Earnings per Ordinary Share (basic)	4.06p	3.71p
		Dividends per Ordinary Share (paid)	3.00p	3.10p

Section B – The Issuer (Contd.)

		<ul style="list-style-type: none"> • Over the period from 1 January 2009 to 30 June 2012, the Company issued for cash: <ul style="list-style-type: none"> - 23,666,389 Ordinary Shares pursuant to tap issues, in each case, at a price representing a premium to the NAV per Ordinary Share at the respective dates of issue, raising gross proceeds of approximately £39.1 million; and - 17,611,844 Ordinary Shares at 120p per Ordinary Share, following the exercise of subscription rights conferred by Warrants, raising gross proceeds of approximately £21.1 million. <p>Save for those issues (which increased the number of Ordinary shares in issue by 38.1 per cent.) and changes in the market values of the Company's investments which affected the Company's capital and had a consequential effect on the Company's revenue), there was no significant change in the financial or trading position of the Company over the period from 1 January 2009 to 30 June 2012.</p> • Over the period from 30 June 2012 to 18 October 2012 (the most recent date as at which the NAV per Ordinary Share has been calculated prior to the publication of this Prospectus), the Company's unaudited NAV rose from £275.4 million to £305.5 million (representing an increase of 10.9 per cent.), and its unaudited NAV (fully diluted, including income) per Ordinary Share rose from 182.09p to 200.21p (representing an increase of 10.0 per cent.). Those increases were principally a consequence of increases in the value of the Company's investments. Save for those increases, there has been no significant change in the financial or trading position of the Company since 30 June 2012.
B.8	Pro forma financial information	Not applicable as this Prospectus does not contain pro forma financial information.
B.9	Profit forecasts	Not applicable as this Prospectus does not contain profit forecasts or estimates.
B.10	Qualifications in the audit reports	Not applicable as the audit reports on the historical financial information contained in this Prospectus do not contain any qualifications.
B.11	Working capital explanation	Not applicable as the Company is of the opinion that the working capital available to it is sufficient for the Company's present requirements (that is, for at least the next 12 months from the date of this Prospectus).
B.34	Investment objective and policy	<ul style="list-style-type: none"> • The Company's investment objective is to provide investors with a total return primarily through investing in Asian Pacific securities, including those with an above average yield. • The Company primarily invests in the Asia Pacific region through investment in: <ul style="list-style-type: none"> - companies listed on stock exchanges in the Asia Pacific region; - Asian Pacific securities, such as global depositary receipts (GDRs), listed on other international stock exchanges; - companies listed on other international exchanges that derive significant revenues or profits from the Asia Pacific region; and - debt issued by governments or companies in the Asia Pacific region or denominated in Asian Pacific currencies.

Section B – The Issuer (Contd.)		
		<ul style="list-style-type: none"> The Company may invest in all types of securities, including equity shares, preference shares, debt, convertible securities, warrants and other equity-related securities. The Company is not constrained by reference to particular countries in the Asia Pacific region, market segments or market capitalisations. The Company may invest in derivatives, financial instruments, money market instruments and currencies solely for the purpose of efficient portfolio management. The Company will not invest more than 15 per cent. of its gross assets in other investment trusts or investment companies admitted to the Official List or more than 20 per cent. of its gross assets in other collective investment undertakings (open-ended or closed-ended). In addition, save for cash deposits awaiting investment, the Company will not invest, either directly or indirectly, or lend more than 20 per cent. of its gross assets to any single underlying issuer (including that issuer's subsidiaries or affiliates). Furthermore, the Company will not expose more than 20 per cent. of its gross assets to the creditworthiness or solvency of any one counterparty (including the counterparty's subsidiaries or affiliates).
B.35	<i>Borrowing limits</i>	The Board is responsible for determining the gearing strategy for the Company. The Board has restricted the maximum level of gearing to 25 per cent. of net assets.
B.36	<i>Regulatory status</i>	The Company is regulated by the Jersey Financial Services Commission, but is not regulated by the FSA or any financial services or other regulator.
B.37	<i>Investor profile</i>	Typical investors in the Company are expected to be institutional investors, private client investment managers and private client brokers, as well as professionally advised private investors, who are seeking exposure to Asian Pacific markets and/or a regular income, and the prospect of income and capital growth, from their investment.
B.38	<i>Significant exposure</i>	Not applicable as the Company does not have more than 20 per cent. of its gross assets (i) invested, directly or indirectly, in a single underlying asset, (ii) invested in one or more collective investment undertakings which may in turn invest more than 20 per cent. of gross assets in other collective investment undertakings or (iii) exposed to the creditworthiness or solvency of any one counterparty.
B.39	<i>Significant exposure to other collective investment undertakings</i>	Not applicable.
B.40	<i>Service providers</i>	<ul style="list-style-type: none"> The Company is managed by Aberdeen Private Wealth Management Limited, which has delegated day-to-day investment management to Aberdeen Asset Management Asia Limited and day-to-day company secretarial and administration (including accounting) services to Aberdeen Asset Managers Limited (which has sub-delegated the provision of the administration services to BNP Paribas Fund Services UK Limited pursuant to a global administration agreement entered into between Aberdeen Asset Managers and the Administrator).

Section B – The Issuer (Contd.)

		<ul style="list-style-type: none"> • The Management Agreement provides for an investment management fee of 1.0 per cent. per annum of the Company's NAV, payable monthly in arrears. The Management Agreement also provides for a company secretarial and administration fee of approximately £123,300 per annum, payable quarterly in arrears, which is increased annually in line with any increases in RPI. The Manager is not entitled to a performance-related fee. The Manager is fully liable for all fees payable to the Investment Manager, Aberdeen Asset Managers and the Administrator. The Company also pays a marketing promotion fee of 0.075 per cent. per annum of its gross assets in respect of its participation in the Aberdeen Group's investor relations and marketing programme for its closed-ended fund clients. • The Company has appointed BNP Paribas Securities Services S.A. to provide custodian services to the Company, including settlement and safekeeping of the Company's securities. The Custodian is entitled to fees payable by reference to the Custodian's standard tariff in force from time to time. As at 18 October 2012, these fees included transaction charges of between £10 and £83 for each transaction settlement and an annual safekeeping custody charge of between 0.02 per cent. and 0.25 per cent. of the value of the Company's gross assets, in each case dependent on the jurisdiction in which the investments are held. • The Company has appointed its corporate broker, Cantor Fitzgerald Europe, as its financial adviser and placing agent for the purpose of the Placing and Public Offer. Cantor Fitzgerald Europe has agreed, subject to the conditions of the Placing and Public Offer, as agent of the Company, to use its reasonable endeavours to procure subscribers for a maximum of 50,000,000 C Shares at 100p per share under the Placing. Conditional on Admission, the Company will pay to Cantor Fitzgerald Europe: <ul style="list-style-type: none"> - a commission equal to 1.0 per cent. of the aggregate value, at their Issue Price, of the C Shares issued under the Placing and Public Offer; and - a corporate finance fee equal to 0.25 per cent. of the aggregate value, at their Issue Price, of the C Shares issued under the Placing and Public Offer, subject to a minimum fee of £75,000 and a maximum fee of £100,000.
B.41	<i>Identity and regulatory status of the Manager, the Investment Manager and the Custodian</i>	<ul style="list-style-type: none"> • The Manager and the Custodian are regulated by the JFSC. • The Investment Manager is regulated by the Monetary Authority of Singapore.
B.42	<i>Valuation and publication of the Company's NAV</i>	The unaudited NAV of the Company and the NAV per Ordinary Share is, and the unaudited NAV per C Share will be, calculated as at the close of business on each business day by the Administrator and announced through a Regulatory Information Service on the following business day.
B.43	<i>Cross liabilities</i>	Not applicable as the Company is not an umbrella collective investment undertaking.

Section B – The Issuer (Contd.)		
B.44	No financial statements have been made up	Not applicable as the Company has commenced operations and historical financial information is included within this Prospectus.
B.45	Portfolio	<p>At the close of business on 18 October 2012, the Company's portfolio comprised 47 investments (all of which were listed or traded on stock exchanges) with an aggregate value of £313.5 million and the Company had cash balances of £4.5 million. As at that date:</p> <ul style="list-style-type: none"> the Company's 10 largest investments represented 33.9 per cent. of its total assets; the Company's largest country exposure was to Singapore, which represented 26.9 per cent. of its total assets; the Company's largest sector exposure was to telecommunication services, which represented 15.0 per cent. of its total assets; and the Company's largest currency exposure was to the Singapore Dollar, which represented 26.9 per cent. of its total assets.
B.46	Latest NAV per Ordinary Share	The unaudited NAV (fully diluted, including income) per Ordinary Share as at 18 October was 200.21p.

Section C – The Securities														
C.1	Details of the Issue	<ul style="list-style-type: none"> The Company intends to raise up to £50.0 million, by way of a non-pre-emptive placing and offer for subscription of up to 50,000,000 C shares of no par value at an issue price of 100p per share. If commitments and applications are received for more than 50,000,000 C Shares pursuant to the Placing and Public Offer, the Directors reserve the right to increase the number of C Shares available pursuant to the Placing and Public Offer (subject, if required, to publication of a supplementary prospectus approved by the FSA prior to Admission). The maximum number of C Shares that may be issued pursuant to the Placing and Public Offer is 100,000,000, being the maximum number of C Shares that the Directors will be authorised to issue on a non-pre-emptive basis if the resolutions are passed at the Extraordinary General Meeting. The C Shares will, on Admission, rank <i>pari passu</i> in all respects and will rank in full for all dividends and other distributions thereafter declared, made or paid on the C Shares. The assets representing the Net Issue Proceeds will be maintained, managed and accounted for as a separate pool of capital of the Company until the C Shares convert into Ordinary Shares, which will occur only once substantially all of the assets representing the Net Issue Proceeds have been invested in accordance with the Company's existing investment policy. Pending investment, the Net Issue Proceeds will be placed on interest bearing deposit. The dealing codes for the C Shares and the Ordinary Shares into which they will convert are as follows: <table border="0" style="margin-left: 40px;"> <tr> <td></td> <td style="text-align: center;"><i>C Shares</i></td> <td style="text-align: center;"><i>Ordinary Shares</i></td> </tr> <tr> <td>ISIN</td> <td style="text-align: center;">GB00B841RZ84</td> <td style="text-align: center;">GB00B0P6J834</td> </tr> <tr> <td>SEDOL</td> <td style="text-align: center;">B841RZ8</td> <td style="text-align: center;">B0P6J83</td> </tr> <tr> <td>Ticker</td> <td style="text-align: center;">AAIC</td> <td style="text-align: center;">AAIF</td> </tr> </table> 		<i>C Shares</i>	<i>Ordinary Shares</i>	ISIN	GB00B841RZ84	GB00B0P6J834	SEDOL	B841RZ8	B0P6J83	Ticker	AAIC	AAIF
	<i>C Shares</i>	<i>Ordinary Shares</i>												
ISIN	GB00B841RZ84	GB00B0P6J834												
SEDOL	B841RZ8	B0P6J83												
Ticker	AAIC	AAIF												

Section C – The Securities (Contd.)		
C.2	Currency of the Placing and Public Offer	The currency of the Placing and Public Offer is pounds sterling and, accordingly, the Issue Price is payable in sterling.
C.3	Issued share capital	As at 18 October 2012, the Company had 151,182,346 ordinary shares of no par value in issue, all of which were fully paid up, and no C Shares in issue.
C.4	Rights attaching to the C Shares and the Ordinary Shares	<p>Ordinary Shares</p> <ul style="list-style-type: none"> • The Ordinary Shares carry the right to receive all dividends declared by the Company or the Directors, subject to the rights of any C Shares in issue. • On a winding-up, provided the Company has satisfied all of its liabilities and subject to the rights conferred by any Warrants and C Shares in issue at that time to participate in the winding-up, holders of Ordinary Shares are entitled to all of the surplus assets of the Company. • Ordinary Shareholders are entitled to attend and vote at all general meetings of the Company and, on a poll, to one vote for each Ordinary Share held. <p>C Shares</p> <ul style="list-style-type: none"> • The C Shares are a transient class of shares: the assets representing the Net Issue Proceeds will be maintained, managed and accounted for as a separate pool of capital of the Company until the C Shares convert into Ordinary Shares (which will occur only once substantially all of the assets representing the Net Issue Proceeds have been invested in accordance with the Company's existing investment policy). Conversion will occur automatically in accordance with the Articles and without C Shareholders being required to take any action. On Conversion, each holder of C Shares will receive such number of Ordinary Shares as equals the number of C Shares held by them multiplied by the NAV per C Share and divided by the NAV per Ordinary Share, in each case as at a date shortly prior to Conversion. The new Ordinary Shares arising on Conversion will rank <i>pari passu</i> in all respects with the Ordinary Shares in issue immediately prior to Conversion and will rank in full for all dividends and other distributions thereafter declared, made or paid on the Ordinary Shares. Fractional entitlements to new Ordinary Shares arising on Conversion will not be allocated to holders of C Shares but will be aggregated and sold for the benefit of the Company. • C Shares will carry the right to receive all dividends resolved by the Directors to be paid out of the pool of assets attributable to those C Shares. • On a winding-up, provided the Company has satisfied all of its liabilities, holders of C Shares will be entitled to any surplus assets of the Company attributable to those C Shares. • Holders of C Shares will be entitled to attend and vote at all general meetings of the Company and, on a poll, to one vote for each C Share held.
C.5	Restrictions on the transferability of C Shares and Ordinary Shares	Not applicable as the Shares are freely transferable.

Section C – The Securities (Contd.)		
C.6	Admission	<ul style="list-style-type: none"> • Applications will be made to the UK Listing Authority for the C Shares to be issued pursuant to the Placing and Public Offer to be admitted to the premium segment of the Official List and to the London Stock Exchange for such C Shares to be admitted to trading on its Main Market. It is expected that Admission will occur, and that dealings in the C Shares will commence, at 8.00 a.m. on Friday, 16 November 2012. • Applications will be made to the UK Listing Authority for the Ordinary Shares arising on Conversion to be admitted to the premium segment of the Official List and to the London Stock Exchange for such Ordinary Shares to be admitted to trading on its Main Market.
C.7	Dividend policy	<ul style="list-style-type: none"> • The Company intends to distribute as quarterly interim dividends on the Ordinary Shares substantially all of the Company's income profits attributable to the Ordinary Shares in respect of each accounting period and aims to grow its dividends over time. In line with the Company's objective of growing its dividends over time, the Company has achieved solid dividend progression, the annualised growth in dividends per Ordinary Share paid in respect of its last five financial years being 8.7 per cent. All such dividends were fully covered by the earnings per Ordinary Share in the year in respect of which they were paid. • If (in the Directors' opinion) the amount of the net income attributable to the C Shares is significant, the Company may declare a dividend in respect of the C Shares, such that the majority of income profits attributable to the C Shares up to the Calculation Date are distributed to C Shareholders.

Section D – The Risks		
D.2	Key risks specific to the Company	<ul style="list-style-type: none"> • The Company's ability to achieve its investment objective is largely dependent on market conditions, responses to market conditions and the Investment Manager's expertise and there is, therefore, no guarantee that the Company will achieve its investment objective. • Investment in certain emerging securities markets of the Asia Pacific region may involve a greater degree of risk than that usually associated with investment in more developed securities markets. In particular, in certain countries in which the Company invests: <ul style="list-style-type: none"> - liquidity and settlement risks may be greater; - accounting standards may not provide the same degree of shareholder protection as would generally apply internationally; - national policies may restrict the investment opportunities available to foreign investors, including restrictions on investing in issuers or industries deemed sensitive to relevant national interests; - the fiscal and monetary systems remain relatively undeveloped and this may affect the stability of the economic and financial markets of these countries;

Section D – The Risks (Contd.)		
		<ul style="list-style-type: none"> - substantial limitations may exist with respect to the Company’s ability to repatriate investment income, capital or the proceeds of sales of securities by foreign investors; and - assets may be subject to increased political and/or regulatory risk.
		<ul style="list-style-type: none"> • The Company accounts for its activities, reports its results and pays dividends in sterling while investments are made and realised in other currencies. The movement of exchange rates between sterling and such other currencies may have a material effect, unfavourable or favourable, on the returns otherwise experienced on the Company's investments. • Past performance is not, and should not be relied on as, a guide to future performance.
D.3	Key risks specific to the Shares	<ul style="list-style-type: none"> • The value of the Shares can fluctuate and may go down as well as up and investors may not be able to realise the full amount of their original investment. In particular, foreign exchange risk may increase the volatility of the NAV and the share price of the Shares. An investment in Shares should be regarded, therefore, as medium to long-term in nature and may not be suitable as a short-term investment. • As the Company does not have (and does not intend to seek) any authority to buy back C Shares, the Directors will be unable to operate any discount management policy in respect of the C Shares. Notwithstanding the Board's discount management policy in respect of the Ordinary Shares, the share price of the Shares may vary considerably from the NAV per Share (representing either a discount or a premium to that NAV) and may fall when the NAV per Share is rising, or vice versa. • The Net Issue Proceeds will be invested as soon as possible after the receipt of such proceeds. If stockmarkets rise significantly before the Net Issue Proceeds are fully invested, the NAV performance of the C Shares may diverge significantly from that of the Ordinary Shares between Admission and Conversion. • Whilst the use of borrowings should generally enhance the total return on the Ordinary Shares where the return on the Group's underlying assets is rising and exceeds the cost of borrowing, it will have the opposite effect where the underlying return is falling, further reducing the total return on the Ordinary Shares. The use of borrowings may increase the volatility of the NAV of the Ordinary Shares and the share price of the Shares. • The Directors do not intend to use borrowings to gear the pool of assets attributable to the C Shares. Accordingly, the NAV performance of the C Shares may diverge significantly from that of the Ordinary Shares between Admission and Conversion.

Section E – The Issue

E.1	Net proceeds	<p>The following table shows the expected gross and net proceeds of the Issue based on the minimum and maximum sizes of the Issue (the Issue Costs are borne indirectly by the C Shareholders since they will be paid out of the pool of assets attributable to the C Shares).</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;"><i>Based on Minimum Size of Issue</i></th> <th style="text-align: center;"><i>Based on 50,000,000 C Shares Issued</i></th> </tr> </thead> <tbody> <tr> <td>Issue price per C Share</td> <td style="text-align: right;">100.0p</td> <td style="text-align: right;">100.0p</td> </tr> <tr> <td>Number of C Shares issued</td> <td style="text-align: right;">30,000,000</td> <td style="text-align: right;">50,000,000</td> </tr> <tr> <td>Gross proceeds of the Issue</td> <td style="text-align: right;">£30.0m</td> <td style="text-align: right;">£50.0m</td> </tr> <tr> <td>Estimated Issue Costs</td> <td style="text-align: right;">£0.6m</td> <td style="text-align: right;">£0.8m</td> </tr> <tr> <td>Estimated net proceeds of the Issue</td> <td style="text-align: right;">£29.4m</td> <td style="text-align: right;">£49.2m</td> </tr> <tr> <td>Estimated NAV per C Share on Admission</td> <td style="text-align: right;">98.1p</td> <td style="text-align: right;">98.3p</td> </tr> </tbody> </table>		<i>Based on Minimum Size of Issue</i>	<i>Based on 50,000,000 C Shares Issued</i>	Issue price per C Share	100.0p	100.0p	Number of C Shares issued	30,000,000	50,000,000	Gross proceeds of the Issue	£30.0m	£50.0m	Estimated Issue Costs	£0.6m	£0.8m	Estimated net proceeds of the Issue	£29.4m	£49.2m	Estimated NAV per C Share on Admission	98.1p	98.3p
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E.2a	Reasons for the Issue	<ul style="list-style-type: none"> • The Board considers that the ability to issue new Shares is central to its ability to prevent a build-up of excessive demand for the Ordinary Shares and, more generally, its ability to reduce the risk of volatility in the price at which the Ordinary Shares trade relative to their NAV to the benefit of all Shareholders. To date, the Board has endeavoured to satisfy investor demand through tap issues. However, due to the demand for tap issues in the last 12 months, the Board now has limited ability to continue to use this mechanism to satisfy investor demand in the months ahead without publishing a prospectus. • The Directors believe that there can be benefits for both existing Ordinary Shareholders and prospective investors of undertaking larger fundraisings when justified by the level of investor demand and the rating of the Ordinary Shares. The Directors also believe an issue of C Shares can overcome the potential disadvantages that can arise out of a conventional substantial issue of further Ordinary Shares for cash. • In the Directors' opinion, the principal benefits of an issue of C Shares for existing Ordinary Shareholders and new investors are that: <ul style="list-style-type: none"> - they will have the opportunity to invest in the Company at a substantially lower premium than acquiring Ordinary Shares through the market (the Issue Costs payable out of the assets attributable to the C Shares are expected to be equivalent to less than 2 per cent. of the Issue Price per C Share, whilst the Ordinary Shares have traded at an average premium of 3.8 per cent. over the last 12 months¹); - they can invest in a larger size than the day-to-day secondary market liquidity in the Ordinary Shares would permit; - the C Shares will convert into Ordinary Shares on a NAV for NAV basis, so neither the existing Ordinary Shareholders nor the new investors will suffer any NAV dilution on Conversion; 																					

¹ Source: Datastream, to 18 October 2012.

Section E – The Issue (Contd.)

		<ul style="list-style-type: none"> - the Company's market capitalisation will increase, which should help to make the Company more attractive to a wider and more diversified investor base and further enhance the secondary market liquidity in the Ordinary Shares; and - the Company's fixed running costs will be spread across a wider capital base, thereby reducing the percentage of those costs per Ordinary Share. • The Directors believe that there are additional benefits for existing Ordinary Shareholders, principally that: <ul style="list-style-type: none"> - the NAV of the existing Ordinary Shares will not be diluted by the expenses associated with raising the new capital or investing the net cash raised pursuant to the Issue, all of which will be paid out of the assets attributable to the C Shares; existing Ordinary Shareholders will not be exposed to the effects of the Company holding the substantial amount of net cash raised pursuant to the Issue pending the investment of that cash; and - there will be no impact on the revenue attributable to the Ordinary Shares whilst the net proceeds of the Issue are being invested and, accordingly, there will be no negative impact on the dividends paid on the Ordinary Shares as a result of raising substantial additional capital through an issue of C Shares. • In the opinion of the Investment Manager, the longer-term outlook for the Asia Pacific region and the prospects for investment remain attractive. While regional stockmarkets may not always appear to reflect this outlook – indeed, they have become more correlated with those in the developed world – periods of volatility should enable the Investment Manager to buy companies with good long-term fundamentals at lower prices. In the Investment Manager's opinion, Asian companies seem reasonably valued and, looking ahead, dividends are likely to form a growing part of total returns to shareholders. Against this backdrop, there continues to be strong demand for the Ordinary Shares (the Ordinary Shares have traded at an average premium of 4.6 per cent. since the Company announced that it was considering an issue of C Shares on 18 September 2012²). Accordingly, having tested the appetite for an issue of C Shares among existing and potential new investors, the Directors have concluded that there is sufficient demand to merit proceeding with such an issue. • The Directors do not intend to undertake tap issues of Ordinary Shares whilst any C Shares are in issue.
E.3	Terms and conditions of the Issue	<ul style="list-style-type: none"> • The Company is offering, by way of a non-pre-emptive placing and offer for subscription, C Shares at an issue price of 100p per C Share. Neither the Placing nor the Public Offer has been underwritten. In the event that the Placing and Public Offer are oversubscribed, applications from Ordinary Shareholders on the register at 6.00 p.m. on Monday, 22 October 2012 will be accepted in priority to any other applications.

² Source: Datastream, to 18 October 2012.

Section E - The Issue (Contd.)		
		<ul style="list-style-type: none"> • The Placing and Public Offer are conditional on (among other things): <ul style="list-style-type: none"> - not less than 30,000,000 C Shares being issued, at the Issue Price, under the Placing and Public Offer; the resolutions adopting the New Articles and authorising the issue of the C Shares being passed at the Extraordinary General Meeting; - the Company and the Investment Manager having complied with all of their respective obligations under the Placing and Offer Agreement which fall to be performed or satisfied on or prior to Admission; - the Placing and Offer Agreement not having been terminated in accordance with its terms prior to Admission; and - Admission becoming effective by 8.00 a.m. on Friday, 16 November 2012 (or such later date as the Company, the Investment Manager, Cantor Fitzgerald and the Sponsor may agree, being in any event not later than Friday, 30 November 2012).
E.4	Material interests	Save for the additional fees that the Aberdeen Group would earn as a result of increasing the Company's asset base through the Issue and the fees that Cantor Fitzgerald would earn as financial adviser and placing agent, no persons involved in the Issue have any interests that are material to the Issue.
E.5	Selling securities holders and lock-up agreements	Not applicable as no person or entity is offering to sell any Shares and there are no lock-up agreements in place in connection with the Issue.
E.6	Dilution	As the C Shares will be issued on a non-pre-emptive basis and each C Share carries the right to one vote at general meetings of the Company, the proportion of voting rights controlled by holders of existing Ordinary Shares will be diluted following the Issue. Accordingly, the percentage of the voting rights at general meetings of the Company held by an existing holder of Ordinary Shares who chooses not to participate in the Issue for an amount of C Shares at least <i>pro rata</i> to their holding of Ordinary Shares will be reduced as a result of the Issue. However, conversion of the C Shares into Ordinary Shares will be on a NAV for NAV basis and, therefore, the Placing and Public Offer and subsequent Conversion will be "NAV neutral" for Ordinary Shareholders.
E.7	Estimated expenses charged to investors by the Company	Not applicable as there are no expenses charged directly to the C Shareholders.

RISK FACTORS

An investment in Shares involves a degree of risk. Prospective investors should consider carefully the risks described below, together with all the other information set out in this Prospectus and their own personal circumstances, before deciding whether to invest in the C Shares.

The risks described below are those risks that the Directors considered at the date of this Prospectus to be material when deciding whether to make an investment in the C Shares, but are not the only risks relating to the Company or the Shares. If any of the adverse events described below actually occur, the Company's financial condition, performance and prospects and the share price of the Shares could be materially adversely affected and Shareholders may lose all or part of their investment. Additional risks which were not known to the Directors at the date of this Prospectus, or that the Directors considered at the date of this Prospectus to be immaterial when deciding whether to make an investment in the C Shares, may also have an effect on the Company's financial condition, performance and prospects and the share price of the Shares.

If prospective investors are in any doubt as to the consequences of their acquiring, holding or disposing of Shares or whether an investment in the Company is suitable for them, they should consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA or, in the case of prospective investors outside the United Kingdom, another appropriately authorised independent financial adviser.

Investment Objective

There is no guarantee that the Company will achieve its investment objective as its ability to do so is largely dependent on:

- market conditions and responses to market conditions that are subject to uncertainties due to possible changes in economic or industry conditions, competition, political and diplomatic events, natural disasters, changes in laws (including taxation and regulation) and other factors beyond the control of the Company or the Investment Manager; and
- the performance of the Investment Manager in acquiring, managing and disposing of investments for the Company in accordance with the Company's investment policy (and, whilst the Investment Manager applies investment techniques and risk analyses in making investment decisions for the Company, there can be no guarantee that these will produce the desired results).

Shares

C Shares

- The Directors do not intend to use borrowings to gear the pool of assets attributable to the C Shares. Accordingly, the NAV performance of the C Shares may diverge significantly from that of the Ordinary Shares between Admission and Conversion and, in the event of a rising in stockmarkets over that period, the NAV of the Ordinary Shares can be expected to rise more quickly than the NAV of the C Shares, which would be detrimental to investors holding C Shares.
- The Company does not have (and does not intend to seek) any authority to buy back C Shares. Accordingly, the Directors will not be able to operate any discount management policy through the use of C Share buy-backs and, accordingly, the C Shares may trade from time to time at prices representing substantial discounts to their underlying NAV.

Ordinary Shares

- The Directors intend to operate an active discount management policy through the use of Ordinary Share buy-backs to seek to maintain the price at which the Ordinary Shares trade relative to their prevailing NAV at a discount of no more than 5.0 per cent. The making and timing of Ordinary Share buy-backs is subject to a number of legal and regulatory restrictions and other factors and remains at the absolute discretion of the Board. Accordingly, there is no

guarantee that the Board's discount management policy will achieve its objective or always be, or be capable of being, implemented.

- In the event of the winding-up of the Company prior to the exercise of the subscription rights conferred by the Warrants, Warrant holders may receive a payment out of the assets which would otherwise be available for distribution amongst the Ordinary Shareholders.

General

- The value of the Shares, and the income derived from them (if any), can fluctuate and may go down as well as up. An investment in Shares should be regarded, therefore, as medium to long-term in nature and may not be suitable as a short-term investment.
- An investment in Shares represents an indirect investment in the securities owned by the Company and attributable to those Shares. The value of those securities, like other market investments, may go down as well as up, sometimes rapidly and unpredictably. Changes in the value of the Company's investments will affect the NAV of the Shares to which they are attributable. Accordingly, the NAV of a Share may go down as well as up, sometimes rapidly and unpredictably, and at any point in time may be worth less than the original investment, even after taking into account dividends paid by the Company in respect of that Share. As a result, investors in the Shares may not be able to realise the full amount of their original investment.
- The share price of a Share, as well as being affected by its NAV, also takes into account its dividend yield, prevailing interest rates, the interaction of supply and demand for them in the market, market conditions generally and general investor sentiment. As a result, and notwithstanding the existence of powers to buy back Ordinary Shares through the market and the Board's discount management policy, the share price of a Share may vary considerably from its NAV (representing either a discount or a premium to that NAV) and may fall when the NAV is rising, or vice versa.
- The published share price of a Share is typically its mid-market price. Due to the potential difference between the mid-market price of a Share and the price at which it can be sold, there is no guarantee that the realisable value of a Share will reflect its published share price.
- The Company does not have a fixed life and Shareholders have no right to have their Shares repurchased or redeemed by the Company. Accordingly, Shareholders wishing to realise their investment in the Company will be required to dispose of their Shares through the stockmarket. Market liquidity in the shares of London-listed closed-end investment companies is frequently inferior to the market liquidity in shares issued by larger companies traded on the London Stock Exchange. There can be no guarantee that a liquid market in the Shares will exist or be maintained. Accordingly, Shareholders may be unable to realise their Shares at their published or quoted share price.

Dividends

- The Company will only pay dividends on the Shares to the extent that it has sufficient financial resources available for the purpose in accordance with Jersey Company Law. The ability of the Company, therefore, to pay dividends in respect of the Shares and any future dividend growth will depend primarily on the level of income received from its investments (which may be affected by, amongst others, exchange controls or withholding taxes imposed by jurisdictions in which the Company invests) and the timing of receipt of such income by the Company. Accordingly, there is no guarantee that the Company's dividend objective will continue to be met and the amount of the dividends paid to Ordinary Shareholders may fluctuate and may go down as well as up.
- If the net income attributable to the C Shares during the period from Admission to the Calculation Date is not significant, it is not expected that any dividends will be paid on the C Shares.

Investment Risks

General Market Risks

- Stockmarket movements and changes in economic conditions (including, for example, interest rates, foreign exchange rates and rates of inflation), changes in industry conditions, competition, political and diplomatic events, natural disasters, changes in laws (including taxation and regulation), investors' perceptions and other factors beyond the control of the Company or the Investment Manager can substantially and either adversely or favourably affect the value of the securities in which the Company invests and, therefore, the Company's financial condition, performance and prospects.
- There can be no guarantee that any realisation of an investment will be on a basis which necessarily reflects the Company's valuation of that investment for the purposes of calculating the NAV of a Share and the sale of any investment at a price below the Company's valuation of that investment will result in a diminution of the relevant NAV.

Emerging Market Risks

Investment in certain emerging securities markets of the Asia Pacific region may involve a greater degree of risk than that usually associated with investment in more developed securities markets. In particular, in certain countries in which the Company invests:

- liquidity and settlement risks may be greater;
- accounting standards may not provide the same degree of shareholder protection as would generally apply internationally;
- national policies may restrict the investment opportunities available to foreign investors, including restrictions on investing in issuers or industries deemed sensitive to relevant national interests;
- the fiscal and monetary systems remain relatively undeveloped and this may affect the stability of the economic and financial markets of these countries;
- substantial limitations may exist with respect to the Company's ability to repatriate investment income, capital or the proceeds of sales of securities by foreign investors; and
- assets may be subject to increased political and/or regulatory risk.

Debt Securities

- Any debt securities that may be held by the Company will be affected by general changes in interest rates that will in turn result in increases and decreases in the market value of those instruments. When interest rates decline, the value of the Company's investments in fixed rate debt obligations can be expected to rise and, when interest rates rise, the value of those investments may decline.
- Adverse changes in the financial position of an issuer of debt securities or general economic conditions may impair the ability of the issuer to meet interest payments and repayments of principal. Accordingly, debt securities that may be held by the Company will also be subject to the inherent credit or default risks associated with the debt securities and there can be no assurance as to the levels of default and/or recovery that may be experienced by the Company with regard to such securities.
- To the extent that the Company invests in sub-investment grade debt and other securities the Company may realise a higher current yield than the yield offered by investment grade securities, but investment in such securities involves a greater volatility of price and a greater probability of default by the issuers of such securities with consequent loss of interest payments and repayments of principal. Sub-investment grade securities will have, in the judgement of a rating agency, uncertainties or risk exposures to adverse conditions, and are speculative with respect to an issuer's capacity to meet interest payments and repay principal in accordance with the terms of the obligation.

Cash and Cash-equivalent Investments

The Net Issue Proceeds will be invested as soon as possible after the receipt of such proceeds and, pending investment, will be held in cash or cash-equivalent investments. A proportion of the Company's portfolio may also be held in cash or cash-equivalent investments from time to time (as at 18 October 2012, the Company had cash and cash-equivalent investments of £4.5 million, equivalent

to 1.4 per cent. of its total assets at that date). When assets are held in cash or cash-equivalent investments, they will be out of the market and will not benefit from positive stockmarket movements (but may give some protection against negative stockmarket movements).

Illiquid Securities

The Company may invest in securities that are not readily tradable or may accumulate investment positions that represent a significant multiple of the normal trading volumes of an investment, which may make it difficult for the Company to sell its investments and may lead to volatility in the share price of the Shares. Investors should not expect that the Company will necessarily be able to realise, within a period which they would otherwise regard as reasonable, its investments and any such realisations that may be achieved may be at a considerably lower price than prevailing indicative share prices.

Derivatives

- The Company may invest in derivatives for efficient portfolio management purposes. There may not be a price correlation between price movements in the underlying securities, currency or index, on the one hand, and price movements in the investments which are the subject of the derivative, on the other hand, and accordingly, such instruments may not always achieve the intended effect under all or any market conditions. In addition, an active market may not exist for a particular derivative instrument at any particular time.
- The Company will be exposed to credit risk on the counterparties with which it trades in respect of derivative instruments. The Company will seek to transact only with major established counterparties but there can be no guarantee that counterparty defaults will not occur.

General

As the Company's portfolio is constructed without reference to the composition of any stockmarket index or benchmark, there is a risk that the portfolio will underperform by a significant amount certain regional benchmarks, such as the MSCI AC Asia Pacific (ex-Japan) Index, as no attempt is made to track their performance.

Stock Lending

Although it has not done so since its launch, the Company may enter into stock lending contracts which expose the Company to the risk that a counterparty may default in its obligations under such a contract, whether because of a dispute over the terms of the contract or because of a counterparty's liquidation. Such counterparty risk is accentuated for contracts with longer maturities where events may intervene to prevent settlement.

Borrowings

- Pursuant to the level of gearing set by the Board, the Company may borrow up to an amount equal to 25 per cent. of its NAV. As at 18 October 2012, the Company had drawn down borrowings of an amount equal to 4.1 per cent. of its NAV. Following the Issue and pending Conversion, those borrowings will be attributable to the Ordinary Shares (during the period prior to Conversion, the assets attributable to the C Shares will be ungeared). Whilst the use of borrowings should generally 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 falling, further reducing the total return on the Ordinary Shares. Accordingly, the use of borrowings by the Company may increase the volatility of the NAV of the Ordinary Shares, and the share price of the Ordinary Shares.
- Interest rate movements may affect the interest payable on any variable rate cash borrowings drawn down by the Company. A significant increase in interest rates could result in a substantial reduction in the Company's revenue profits available to fund dividend payments on the Ordinary Shares.

Foreign Exchange

- The Company accounts for its activities, reports its results and the NAV per Share and declares and pays dividends in sterling while its investments are made and realised in other currencies. Where the Company does not hedge its currency exposure, the movement of exchange rates between sterling and the other currencies in which the Company's investments are denominated or its borrowings are drawn down may have a material effect, unfavourable or favourable, on the returns otherwise experienced on the investments made by the Company and may affect the Company's ability to pay dividends. Accordingly, this foreign exchange risk may increase the volatility of the NAV and share price of the Shares.
- Although the Investment Manager may seek to manage all or part of the Company's foreign exchange exposure, there is no assurance that this can be performed effectively. Where the Company does hedge all or part of its currency exposure, there is no guarantee that such arrangements will be successful in reducing exchange risks and such arrangements may result in the Company incurring additional costs.
- Movements in the foreign exchange rate between sterling and the currency applicable to a particular Shareholder may have an impact upon that Shareholder's returns in their own currency of account.

Taxation and Exchange Controls

- Statements in this Prospectus concerning taxation are based on current taxation law and what is understood to be current practice, both of which are subject to change, possibly with retrospective effect. Any change in the Company's tax status, in tax treaty rates, in taxation legislation, the interpretation of taxation legislation or the tax treatment of dividends, interest or other investment income received by the Company could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders or alter the post-tax returns to Shareholders.
- To maintain its non-UK tax resident status, the Company is required to be managed and controlled outside the United Kingdom. The composition of the Company's board of directors, the place of residence of the individual members of the Board and the location in which the Board makes and executes its decisions will be important in determining and maintaining the non-UK tax residence status of the Company. In the event that the Board is regarded by HM Revenue & Customs as having made strategic decisions, or executed important documents, in the United Kingdom, the Company may lose its non-UK tax resident status, which could negatively affect the Company's financial condition, performance and prospects, affect 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 various jurisdictions. 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 the capital value of the affected investments and the income received by the Company on affected investments.

Accounting Practices and Policies

- Any change in financial reporting standards or accounting practices could affect the reported value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders or alter the post-tax returns to Shareholders.
- A proportion of the expenses of managing the Company, including the investment management fee and any financing costs, are charged to the Company's capital account. In the absence of capital growth in the Company's assets in excess of the aggregate value of such expenses charged to the capital account, this practice will result in a diminution in the Company's capital account and a corresponding reduction in the NAV per Share. However, this practice will also, all other things being equal, result in the short term in an increased amount of net revenue being available for distribution to Shareholders.

Reliance on Third-party Service Providers

- The Company has no employees and relies on the performance of third-party service providers to perform its executive functions. In particular, the Company is reliant on the Investment Manager, which has significant discretion as to the implementation of the Company's investment policy. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment without exercising due care and skill could have a material adverse effect on the Company's financial condition, performance and prospects and, accordingly, on returns to Shareholders.
- The Company's third party service providers are themselves subject to operational risks, which can arise from inadequate or failed processes, systems or resources or from external factors affecting these. The information technology and other systems of such service providers, or their business processes and procedures on which the Company may depend, may not perform as expected, including recovery from unanticipated disruptions to their business. Any such inadequacies of failures could have a material adverse effect on the Company's financial condition, performance and prospects and, accordingly, on returns to Shareholders.
- The termination of the Company's relationship with any third-party service provider (and, in particular, the Manager or the Investment Manager), or any delay in appointing a replacement for any such service provider, could materially disrupt the Company's business and could have a material adverse effect on the Company's financial condition, performance and prospects and, accordingly, on returns to Shareholders.

Potential Conflicts of Interest

The Aberdeen Group may be involved in other investment activities that may on occasion give rise to conflicts of interest with the Company. In particular, it currently does, and may continue to, provide investment management, investment advice or other services in relation to a number of other companies, funds or accounts that may have similar investment objectives and/or policies, to that of the Company and may receive *ad valorem* and/or performance-related fees for doing so. As a result, the Investment Manager may have conflicts of interest in allocating investments among the Company and other clients and in effecting transactions between the Company and other clients. The Aberdeen Group may give advice or take action with respect to such other clients that differs from the advice given or actions taken with respect to the Company.

Past Performance

The past performance of the Company is not, and should not be relied on as, a guide to the future performance of the Company.

Alternative Investment Fund Managers Directive

The European Commission published the Alternative Investment Fund Managers Directive on 1 July 2011 (the "**AIFM Directive**"). The AIFM Directive, which came into force on 21 July 2011, is due to be implemented through secondary legislation in the UK by 22 July 2013, and is likely to have a significant impact on the management of almost all investment funds which are not UCITS collective investment schemes. There is a continuing debate on the so called "third country" provisions which are not due to come into effect until 2015 at the earliest and may affect the Company as it is incorporated in Jersey which is not part of the EU. Although it is too early to be definitive as to the impact on the Company, it seems likely that there will be restrictions on the marketing of shares issued by non-EU domiciled funds (which would include the C Shares and Ordinary Shares) to investors in the EU, which in turn may have a negative impact on marketing and liquidity generally. It is also likely there will be an increase, potentially a material increase, in the Company's governance and administration expenses in complying with the AIFM Directive if the Company wishes to take advantage of the proposed marketing "passport" in order to market within the EU. The Board and the Company's advisers will continue to monitor the progress and likely implications of the AIFM Directive for the Company and, in particular, costs.

Foreign Account Tax Compliance Act

The implications for the Company of the provisions of the US Government's Foreign Account Tax Compliance Act ("**FATCA**") are not yet fully known. Under FATCA, a withholding tax may be imposed on payments made to certain non-US financial institutions in connection with their US-source investments, whether held directly or via another financial institution or financial intermediary. The withholding tax may be avoided if the financial institution in question complies with information-gathering and disclosure requirements imposed under the FATCA legislation in relation to its US account holders. Although it is believed that an inter-governmental agreement will in due course be entered into between the US and Jersey which will identify those financial institutions established in Jersey to which FATCA will apply and define the obligations which those institutions will be required to discharge in order to comply with FATCA, no agreement has yet been entered into. Accordingly, it is not yet known whether the Company will be a financial institution to which FATCA will apply or the nature or extent of any information gathering or disclosure obligations it may be required to discharge. If the Company is required to comply with FATCA, the Company may be required to provide information to either the US or Jersey tax authorities about Shareholders and their holdings with the Company in order fully to discharge its reporting obligations and that, in the event of any failure or inability to comply with FATCA, it may suffer a withholding tax at an effective rate of up to 30 per cent. on payments made in connection with any US-source investments held directly or indirectly by it.

IMPORTANT INFORMATION

No person has been authorised to issue any advertisement, give any information or make any representations in connection with the Issue other than the information contained in this Prospectus and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Manager, the Investment Manager or Cantor Fitzgerald. Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G(1) of FSMA, neither the delivery of this Prospectus nor any application for or purchase of C Shares made pursuant to this Prospectus shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this Prospectus or that the information contained in this Prospectus, including any forward-looking statement, is correct as of any time subsequent to the date of this Prospectus.

This Prospectus should be read in its entirety before making any application for C Shares and prospective investors should rely only on the information contained in this Prospectus when deciding whether to make such an application. However, prospective investors should not treat the contents of this Prospectus as advice relating to legal, tax, investment or any other matters. Prospective investors should inform themselves as to:

- (i) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Shares;
- (ii) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Shares which they might encounter; and
- (iii) the income and other tax consequences that may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Shares.

Accordingly, prospective investors must rely upon their own advisers as to legal, tax, investment or any other related matters concerning the Company and an investment in the Shares.

Subject to the final sentence of this paragraph, Cantor Fitzgerald does not take, and hereby excludes, any responsibility for the contents of this Prospectus pursuant to section 79(3) or 90 of FSMA or otherwise or for any statement made or purported to be made by it or on its behalf in relation to the Company or the Issue and has not authorised the contents of this Prospectus under Rule 5.5 of the Prospectus Rules. Accordingly, but subject to the final sentence of this paragraph, Cantor Fitzgerald disclaims all and any liability, whether arising in tort, contract or otherwise, which it might otherwise have in respect of this Prospectus or any such statement. Nothing in this paragraph shall serve to exclude or limit any responsibilities that Cantor Fitzgerald may have under FSMA or the regulatory regime established under FSMA.

Statements made in this Prospectus are based on the law and practice currently in force in the United Kingdom and Jersey and are subject to changes therein.

Responsibility for Information Contained in this Prospectus

The directors of the Company, whose names appear on page 27 of this Prospectus, and the Company itself accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Investment Manager accepts responsibility for the information contained in this Prospectus relating to or attributed to it or other members of the Aberdeen Group and, without prejudice to the foregoing generality, accepts responsibility for the information in the sections headed "Introduction", "Performance", "The Investment Opportunity" and "Management and Administration" in Part 1 of this Prospectus, in Part 4 of this Prospectus and in paragraphs 7.1 and 7.2 of Part 7 of this Prospectus. To the best of the knowledge and belief of the Investment Manager (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The information in this Prospectus for which the Investment Manager has accepted responsibility is included, in the form and context in

which it is included, with the consent of the Investment Manager, which has authorised those parts of this Prospectus in which such information appears.

Typical Investors in the Company

An investment in Shares is only suitable for investors capable of evaluating the risks (including the potential risk of capital loss) and merits of such investment and who have sufficient resources to bear any loss which may result from such investment. Accordingly, typical investors in the Company are expected to be institutional investors, private client investment managers and private client brokers, as well as professionally advised private investors, who are seeking exposure to Asian Pacific markets and/or a regular income, and the prospect of income and capital growth, from their investment.

An investment in Shares may also be suitable for investors who are financially sophisticated, non-advised private investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss that may result from such an investment (such investors may wish to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before investing in the Shares).

An investment in Shares should constitute part of a diversified investment portfolio. As the Company's portfolio is constructed without reference to any stockmarket index, the Shares are an unsuitable investment for those who seek investments that are in some way correlated to a stockmarket index.

Forward-looking Statements

This Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including, without limitation, the terms "believes", "expects", "intends", "anticipates", "aims", "estimates", "may", "will", "would", "could" or "should" or other variations or comparable terminology or, in each case, their negative. Forward-looking statements appear in a number of places throughout this Prospectus and include, without limitation, statements regarding the current beliefs, expectations or intentions of the Company, the Directors and/or the Investment Manager concerning, among other things, the performance and prospects of the Company and the Shares.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and, accordingly, forward-looking statements may, and often do, differ materially from actual results. Given these risks and uncertainties, investors are cautioned not to place any undue reliance on such forward-looking statements.

Forward-looking statements in this Prospectus apply only as at the date of this Prospectus. Subject to its legal and regulatory obligations (including under the Prospectus Rules, the Listing Rules and the Disclosure and Transparency Rules), the Company undertakes no obligation publicly to update or revise any forward-looking statement contained in this Prospectus to reflect any change in expectations with regard to any such statement, or any change in events, conditions or circumstances on which any such statement is based, after the date of this Prospectus.

For the avoidance of doubt, nothing in this section "Forward-looking Statements" constitutes a qualification of the working capital statement contained in paragraph 7 of Part 5 of this Prospectus.

Selling Restrictions

Save for the UK, no action has been taken or will be taken in any jurisdiction by the Company that would permit the offering of C Shares in any jurisdiction where action for that purpose is required. Similarly, no action has been taken to permit the distribution of this Prospectus in any jurisdiction outside the UK where such action is required to be taken. Accordingly, the distribution of this Prospectus and the offering of C Shares in jurisdictions other than the UK may be restricted.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or an invitation to apply for any C Shares by any person:

- (i) in any jurisdiction in which such offer or invitation is not authorised;**
- (ii) in any jurisdiction in which the person making such offer or invitation is not qualified to do so; or**
- (iii) to any person to whom it is unlawful to make such offer or invitation.**

The information in this section "Selling Restrictions" is for general guidance only and it is the responsibility of any person in possession of this Prospectus to inform themselves about and observe any restrictions as to the offering of C Shares and the distribution of this Prospectus under the laws and regulations of any relevant jurisdiction outside the UK in connection with any application for C Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such jurisdiction. Any failure to comply with any such restrictions may constitute a violation of the securities laws of the jurisdiction concerned.

Guernsey

This Prospectus has not been approved or authorised by the Guernsey Financial Services Commission for circulation in Guernsey. This Prospectus may not be distributed or circulated directly or indirectly to any persons in the Bailiwick of Guernsey other than (i) by a person licensed to do so under the terms of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, or (ii) to those persons regulated by the Guernsey Financial Services Commission as licensees under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, the Insurance Business (Bailiwick of Guernsey) Law, 2002 or the Regulation of Fiduciaries, Administration Business and Company Directors etc. (Bailiwick of Guernsey) Law, 2000.

Jersey

This Prospectus may be circulated in Jersey only by persons who are registered by the JFSC in accordance with the FSL for the conduct of financial services business and the distribution of this Prospectus, or are exempt from such registration in accordance with the FSL.

United States

The Shares have not been, and will not be, registered under the US Securities Act or any applicable securities laws of any state or other jurisdiction in the United States. Accordingly, the Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, US Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. In addition, the Company has not been, and will not be, registered under the US Investment Company Act of 1940 (as amended) and investors will not be entitled to the benefits of that Act.

The C Shares are being offered and sold outside the United States to non-US Persons in reliance on Regulation S promulgated under the US Securities Act.

In addition, until 40 days after the commencement of the Issue, an offer, sale or transfer of the C Shares within the United States by any dealer (whether or not participating in the Placing) may violate the registration requirements of the US Securities Act.

Unless the Company has expressly agreed in writing that it is satisfied that an exemption under the US Securities Act or any other relevant legislation or regulation is applicable to the applicant concerned and may be relied on by that applicant, an applicant for C Shares pursuant to the Placing or Public Offer will be deemed to have given the representations and warranties set out in paragraph 8.2 of Part 9 of this Prospectus.

Under the Articles, the Directors have the power to require the transfer of Shares in certain circumstances. Such power may be exercised, *inter alia*, (i) to prevent the Company from being in violation of, or required to register under, the US Investment Company Act of 1940 (as amended) and (ii) to avoid the Company's assets being treated as "plan assets" for purposes of the regulations adopted under the United States Employee Retirement Income Security Act 1974.

Australia, Canada, Japan, New Zealand or the Republic of South Africa

The Shares have not been, and will not be, registered under the laws of Australia, Canada, Japan, New Zealand or the Republic of South Africa or with any securities regulatory authority of Australia, Canada, Japan, New Zealand or the Republic of South Africa. Accordingly, unless an exemption under such laws is applicable, the Shares may not be offered, sold or delivered, directly or indirectly, within Australia, Canada, Japan, New Zealand or the Republic of South Africa (as the case may be).

Unless the Company has expressly agreed in writing that it is satisfied that an exemption under relevant legislation or regulation is applicable to the applicant concerned and may be relied on by that applicant, an applicant for C Shares pursuant to the Placing or Public Offer will be deemed to have given the representations and warranties set out in paragraph 8.2 of Part 9 of this Prospectus.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS³

Public Offer opens	Monday, 22 October 2012
Record date for participation in Placing and Public Offer by Shareholders on priority basis	6.00 p.m. on Monday, 22 October 2012
Latest time and date for receipt of applications under the Public Offer	11.00 a.m. on Friday, 9 November 2012
Latest time and date for receipt of commitments under the Placing	5.00 p.m. on Friday, 9 November 2012
Result of Placing and Public Offer and basis of allocation of C Shares pursuant to Placing and Public Offer announced through RIS	Monday, 12 November 2012
Extraordinary general meeting to adopt New Articles and authorise Issue	9.00 a.m. on Thursday, 15 November 2012
Admission of C Shares to premium segment of Official List and to trading on London Stock Exchange's Main Market	8.00 a.m. on Friday, 16 November 2012
CREST stock accounts in respect of C Shares issued in uncertificated form credited	Friday, 16 November 2012
Share certificates in respect of C Shares issued in certificated form despatched	Week commencing Monday, 19 November 2012
Calculation Date	Not later than Thursday, 16 May 2013
Conversion Date	Not later than Friday, 28 June 2013

ILLUSTRATIVE ISSUE STATISTICS

	<i>Based on Minimum Size of Issue</i>	<i>Based on 50,000,000 C Shares Issued⁴</i>
Issue price per C Share	100.0p	100.0p
Number of C Shares issued	30,000,000	50,000,000
Gross proceeds of the Issue	£30.0m	£50.0m
Estimated Issue Costs	£0.6m	£0.8m
Estimated net proceeds of the Issue	£29.4m	£49.2m
Estimated NAV per C Share on Admission	98.1p	98.3p

DEALING CODES

	<i>C Shares</i>	<i>Ordinary Shares</i>	<i>Warrants</i>
ISIN	GB00B841RZ84	GB00B0P6J834	GB00B0PQ9168
SEDOL	B841RZ8	B0P6J83	B0PQ916
Ticker	AAIC	AAIF	AAIW

³ All references to times in this Prospectus are to London times. All times and dates in the "Expected Timetable of Principal Events", elsewhere in this Prospectus and in the Application Form are indicative only and may be adjusted by the Company (with the agreement of Cantor Fitzgerald and the Investment Manager) and any such adjustment will be notified by publication of a notice through a RIS.

⁴ If commitments and applications are received for more than 50,000,000 C Shares pursuant to the Placing and Public Offer, the Directors reserve the right to increase the maximum number of C Shares that may be issued pursuant to the Placing and Public Offer on the basis set out in paragraph 8.5 of Part 7 of this Prospectus, provided that the maximum number of C Shares that may be issued is 100,000,000 (being the maximum number of C Shares that the Directors will be authorised to issue on a non-pre-emptive basis if the resolutions are passed at the Extraordinary General Meeting).

DIRECTORS, MANAGER, ADVISERS
AND SERVICE PROVIDERS

Directors

Peter Alistair Kennedy Arthur, LLB, FCIS (*Chairman*)

Dr Ana Armstrong, MBA, PhD

Duncan Antony Hilder Baxter, FCIS, ACIB

Andrey Charles Berzins, BSc (Hons), ACA

Charles Christopher Gooding Clarke, BA, CA

Hugh Young, BA (Hons)

all non-executive and of No. 1 Seaton Place, St Helier, Jersey JE4 8YJ

**Manager &
Company Secretary**

Aberdeen Private Wealth
Management Limited
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St Helier
Jersey JE4 8YJ

Investment Manager

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

Administrator

BNP Paribas Fund Services
UK Limited
55 Moorgate
London EC2R 6PA

**Financial Adviser, Placing Agent
& Broker**

Cantor Fitzgerald Europe
One America Square
17 Crosswall
London EC3N 2LS

Sponsor

Nplus1 Brewin LLP
12 Smithfield Street
London EC1A 9LA

**UK Solicitors to
the Company**

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

**Jersey Lawyers to the
Company**

Appleby
13-14 Esplanade
St Helier
Jersey JE1 1BD

**Solicitors to
Cantor Fitzgerald**

Stephenson Harwood LLP
1 Finsbury Circus
London EC2M 7SH

Auditors

Ernst & Young LLP
Liberation House
Castle Street
St. Helier
Jersey JE1 1EY

Tax Advisers

Ernst & Young LLP
10 George Street
Edinburgh EH2 2DZ

Custodian

BNP Paribas Securities Services S.A.
Jersey Branch
Liberté House
19-23 La Motte Street
St. Helier
Jersey JE2 4SY

Lending Bank

Scotiabank Europe plc
Scotia House
201 Bishopsgate, 6th Floor
London EC2M 3NS

Registrar

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

Receiving Agent for Public Offer

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

PART 1

ABERDEEN ASIAN INCOME FUND LIMITED

Introduction

Aberdeen Asian Income Fund Limited is a Jersey-incorporated, closed-ended investment company that was launched in December 2005. The Company's investment objective is to provide investors with a total return primarily through investing in Asian Pacific securities, including those with an above average yield. Within its overall investment objective, the Company aims to grow its dividends over time.

The Company is managed by Aberdeen Private Wealth Management Limited, which delegates day-to-day investment management to Aberdeen Asset Management Asia Limited. The Company has a flexible investment policy, enabling it to invest in all types of securities, including equities, preference shares, debt, convertible securities, warrants and other equity-related securities, issued by companies which are based in, or which derive a significant proportion of their revenues or profits from, the Asia Pacific region and debt issued by governments or companies in the Asia Pacific region.

The Company's capital structure currently consists of Ordinary Shares, which have been admitted to the premium segment of the Official List and are traded on the Main Market, and Warrants, which have been admitted to the standard segment of the Official List and are also traded on the Main Market. Each Warrant confers the right to subscribe in cash for one Ordinary Share at a price of 120p on the last remaining subscription date, being the twentieth business day after despatch of the Company's annual report for the year ending 31 December 2012.

In line with the Company's objective of growing its dividends over time, the Company has achieved solid dividend progression, the annualised growth in dividends per Ordinary Share paid in respect of its last five financial years being 8.7 per cent. All such dividends were fully covered by the earnings per Ordinary Share in the year in respect of which they were paid.

As demonstrated below, the Company has also achieved a strong record of outperformance on a NAV total return basis⁵:

- over the five years ended 18 October 2012, the Company outperformed the currency-adjusted MSCI AC Asia Pacific (ex-Japan) Index by 79.4 percentage points;
- over the one, three and five year periods ended 18 October 2012:
 - the Company outperformed all other London-listed closed-ended investment companies in the Asia Pacific Income, Asia Pacific (ex-Japan) and Asia Pacific (inc-Japan) sub-sectors;
 - the Company outperformed all London-listed closed-ended investment companies in the Global Income & Growth sub-sector; and
 - the Company was ranked first, second and first against all London-listed closed-ended investment companies in the UK Income & Growth sub-sector.

Furthermore, despite a period of considerable market volatility and notwithstanding frequent tap issues of new Ordinary Shares in response to investor demand, the Company's rating (being the price at which the Ordinary Shares trade relative to their NAV) has been resilient, with the Ordinary Shares trading at an average premium of 3.8 per cent. to their NAV (fully diluted, including income) over the 12 months ended 18 October 2012⁶.

As at 18 October 2012, the Company had gross assets of £318.0 million, and net assets of £305.5 million. As at that date, the Company had a £15 million revolving multi-currency facility with Scotiabank Europe plc of which £12.4 million had been drawn down.

⁵ Sources: *Bloomberg, Lipper, Datastream.*

⁶ Source: *Datastream.*

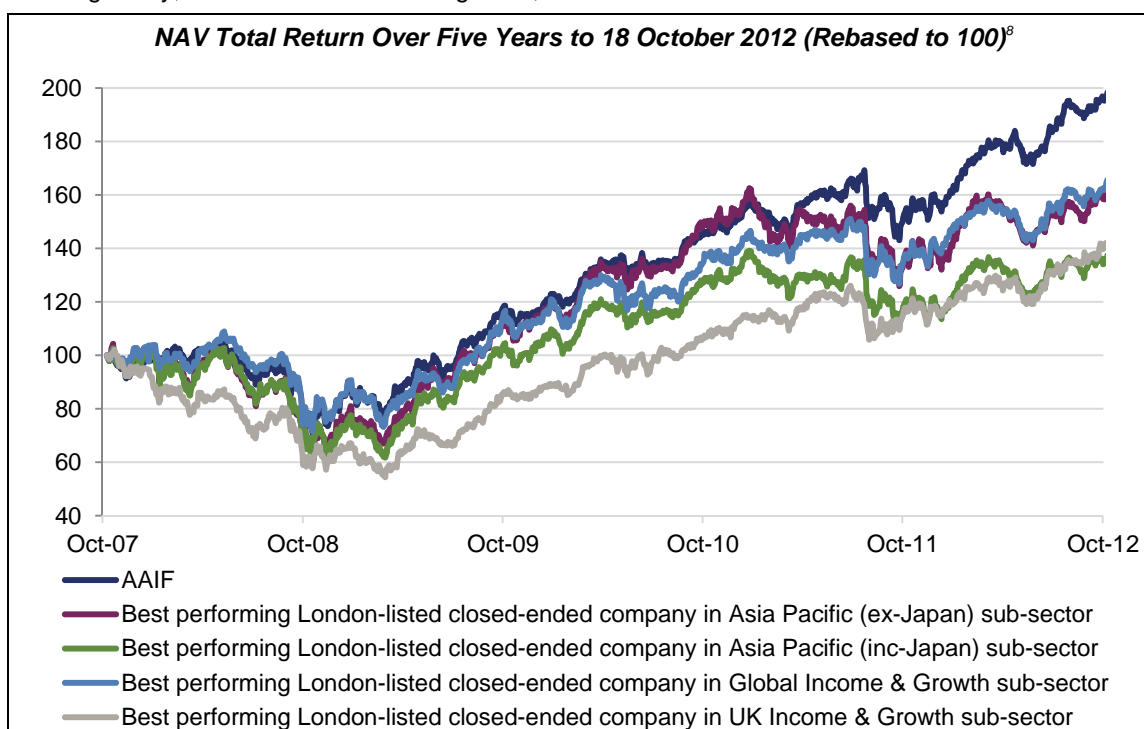
Performance

NAV Total Return

The Company compares its performance against the currency-adjusted MSCI AC Asia Pacific (ex-Japan) Index, although its portfolio is constructed without reference to that or any other stockmarket index. The Company's performance since its launch on 20 December 2005 has been impressive, both against the currency-adjusted MSCI AC Asia Pacific (ex-Japan) Index and its closest peers (being the two other London-listed closed-ended investment companies in the Asia Pacific income sub-sector), as shown in the following table.

Period	AAIF	Currency-adjusted MSCI AC Asia Pacific (ex-Japan) Index	Henderson Far East Income Fund Limited	Schroder Oriental Income Limited
	%	%	%	%
6 months	11.4	4.4	6.9	6.4
AAIF's outperformance	-	7.0	4.5	5.0
1 year	29.0	13.9	23.0	24.5
AAIF's outperformance	-	15.1	6.0	4.5
3 years (annualised)	19.6	7.0	8.2	17.7
AAIF's outperformance	-	12.6	11.4	1.9
5 years (annualised)	14.7	3.5	6.3	9.2
AAIF's outperformance	-	11.2	8.4	5.5
Since AAIF's launch (annualised)	14.7	10.8	10.6	13.5
AAIF's outperformance	-	3.9	4.1	1.2

The Company's performance also compares favourably with other Asian Pacific closed-ended investment companies and with investment companies investing for income and growth either in the UK or globally, as shown in the following chart,

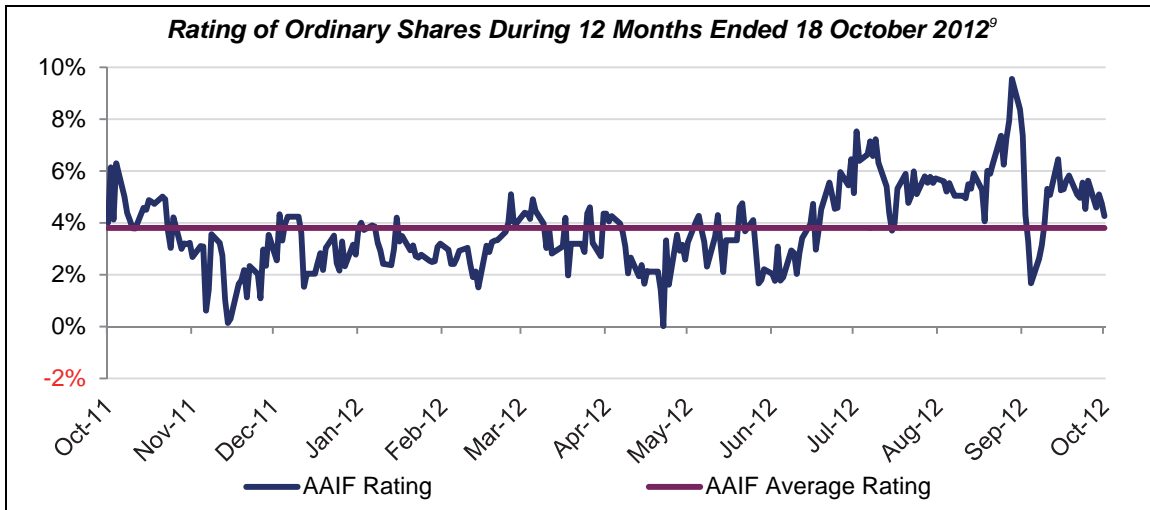


⁷ Sources: Aberdeen Asset Management, BPSS, Datastream.

⁸ Sources: Aberdeen Asset Management, Datastream.

Rating

Notwithstanding regular tap issues, and despite considerable market volatility, the Ordinary Shares have maintained their strong rating. As shown in the following chart, over the 12 months ended 18 October 2012, the Ordinary Shares traded at an average premium of 3.8 per cent. to their NAV (fully diluted, including income).



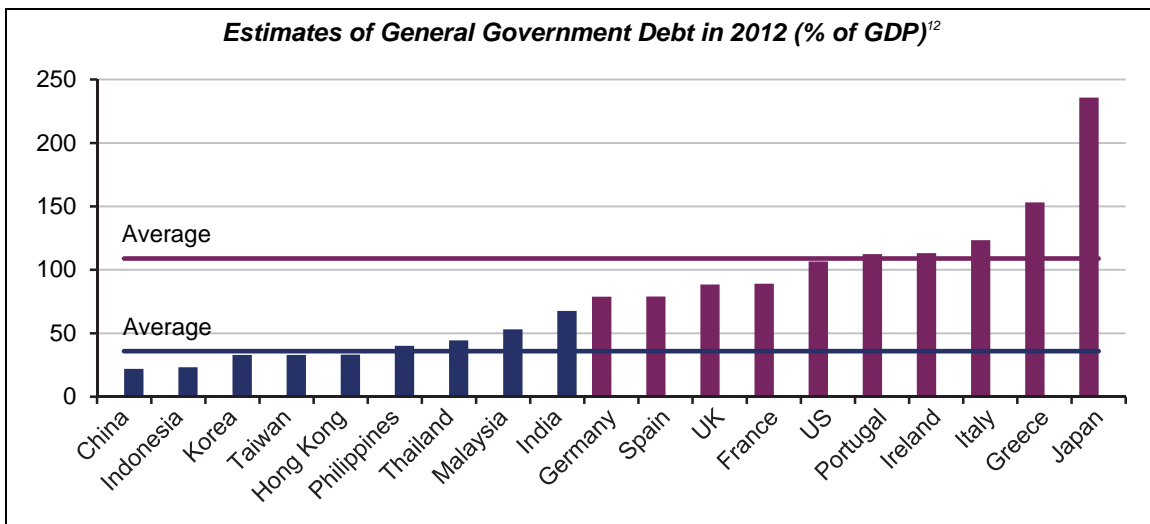
At the close of business on 17 September 2012 (the day immediately preceding the date on which the Company announced it was considering an issue of C Shares in response to strong investor demand), the Ordinary Shares closed at a premium of 8.4 per cent.¹⁰ During the subsequent period to 18 October 2012, the Ordinary Shares traded at an average premium of 4.9 per cent.¹¹

The Investment Opportunity

Introduction

The Investment believes that Asian Pacific economies have strong fundamentals that make it an attractive region in which to invest, and certainly when compared with the West.

Asian economies have reduced levels of public debt significantly, having also restored external balances to surplus and built up reserves. Currencies are stronger. With some notable exceptions the majority of countries have sound public finances that give policymakers in the region the flexibility to shore up domestic demand should external weakness in the global environment persist.



⁹ Sources: Datastream, RIS announcements.

¹⁰ Sources: Datastream, RIS announcement.

¹¹ Sources: Morningstar, RIS announcements.

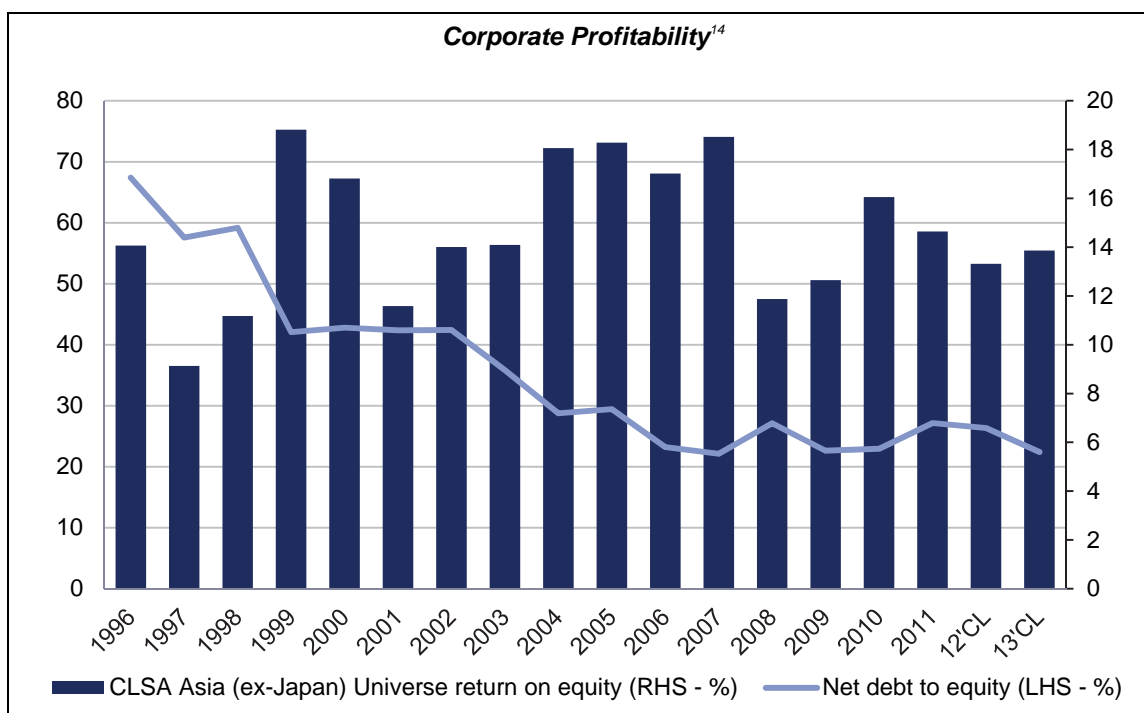
¹² Sources: IMF, Nomura Global Economics, July 2012.

Asia's Growing Middle Class Should Drive Consumption

The Investment Manager believes that favourable demographics as well as the emergence of the Asian middle-class should bode well for long-term structural growth in Asia. As its young and growing populations and emerging middle class seek better standards of living, demand for domestic consumption should grow. This growing demand should reduce the region's reliance on exports and continue to drive growth in the region.

Countries/Region	2009		2020	
	Population (m)	Share of World's Middle Class (%)	Population (m)	Share of World's Middle Class (%)
North America	338	18	333	10
Europe	664	36	703	22
Asia Pacific	525	28	1,740	53
Middle East/North Africa	105	6	165	5
Central/South America	181	10	251	8
Sub-Saharan Africa	32	2	57	2

Asian Corporates are Generally in Good Shape

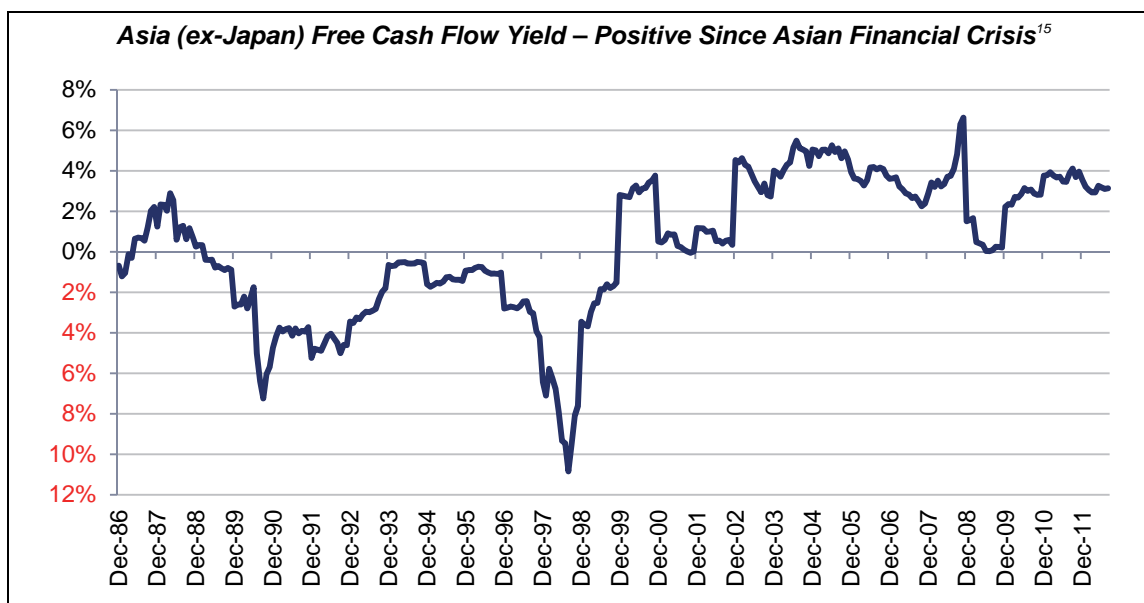


Fundamentals of Asian companies are strong and profitability has been improving over the last decade. There are many Asian companies with dominant market positions and low levels of debt, which should provide protection in a slower growth environment. The Investment Manager believes this augurs well for stability of earnings. Being unconstrained by market capitalisation, sectors or benchmark, the Investment Manager is able to use its proven bottom-up stock picking expertise to seek out those companies with not only a good dividend paying culture but also with above average growth prospects.

Asian companies have been delivering positive free cash flow yield, despite the relatively high levels of underlying economic growth.

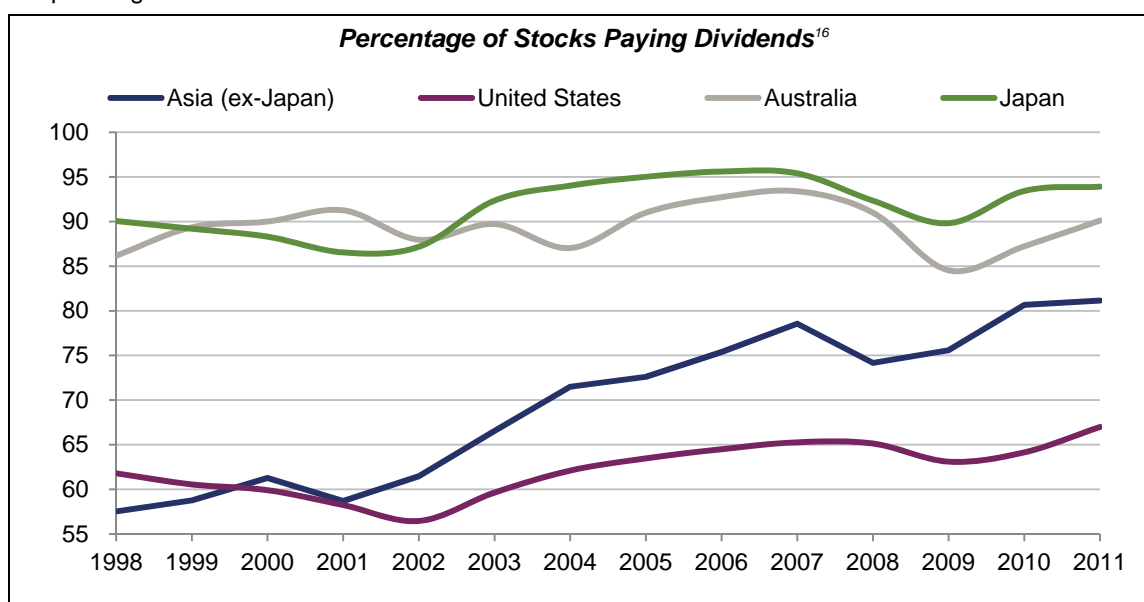
¹³Source: DBS Group Research, The Sunday Times, 23 October 2011.

¹⁴Source: CLSA evalu@tor, July 2012.



Evidence of their discipline is that Asian companies have paid down borrowings substantially and consequently dividends have risen in absolute terms, while pay-out ratios have remained steady.

Importantly for the achievement of the Company's investment objective, more companies are paying dividends to shareholders. This reflects the higher awareness of the needs of shareholders and of corporate governance generally within many of the countries in the region. With tighter governance codes and more scrutiny from regulators, in the Investment Manager's experience, company boards have become more conscious of their fiduciary duties. Although standards are variable, both across and within markets, the Investment Manager believes there has been significant improvement in corporate governance overall which should continue.



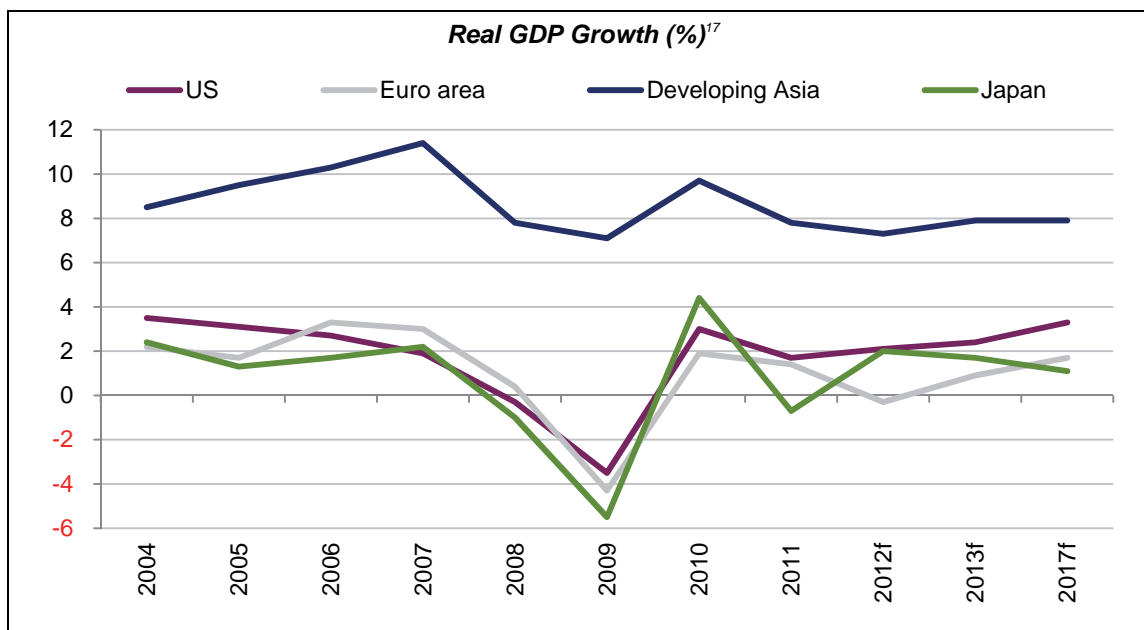
The Investment Manager will continue to focus on good quality companies with strong business models and competitive business positioning. It pays close attention to balance sheets and cash flow strength as the key factors in enabling a company to sustain dividend payments. With one of the largest and most experienced teams on the ground in Asia, the Investment Manager believes it has an advantage in identifying companies first hand and gaining access to management. It views regular on-going engagement with management as essential to understanding a company's prospects. Every year many hundreds of interviews and onsite visits around the region are

¹⁵ Sources: *Worldscope, FactSet, Citi Research, September 2012.*

¹⁶ Sources: *Factset, CLSA Asia-Pacific Markets, September 2012.*

completed. Over the past year alone the Investment Manager has interviewed the management of over 1,200 companies throughout Asia.

Conclusion: the Outlook for Asia and the Prospects for Investment Remain Attractive



Although the Asia Pacific region is entering a period of slower growth brought on by a sluggish global economy, in the opinion of the Investment Manager there are strong reasons for believing the region has become more capable of withstanding external shocks. Crucially, balance sheets, whether at a household, company or national level, are in good shape. Rising real wealth is changing the composition of growth, creating more opportunities for companies domestically. At the same time, trade within the region, led by China, has been growing. These developments are attracting fixed capital inward investment and more competition from foreign companies. Yet Asia's best companies have responded strongly, and are benefiting from the positive demand trends.

In the opinion of the Investment Manager, the longer-term outlook for the Asia Pacific region and the prospects for investment remain attractive. While regional stockmarkets may not always appear to reflect this outlook – indeed, they have become more correlated with those in the developed world – periods of volatility should enable the Investment Manager to buy companies with good long-term fundamentals at lower prices. In the Investment Manager's opinion, Asian companies seem reasonably valued and, looking ahead, dividends are likely to form a growing part of total returns to shareholders.

Investment Objective and Policy

Investment Objective

The investment objective of the Company is to provide investors with a total return primarily through investing in Asian Pacific securities, including those with an above average yield.

Investment Policy

The Company primarily invests in the Asia Pacific region through investment in:

- companies listed on stock exchanges in the Asia Pacific region;
- Asian Pacific securities, such as global depositary receipts (GDRs), listed on other international stock exchanges;
- companies listed on other international exchanges that derive significant revenues or profits from the Asia Pacific region; and

¹⁷ Source: The World Factbook, CIA, December 2011, Bloomberg, July 2012.

- debt issued by governments or companies in the Asia Pacific region or denominated in Asian Pacific currencies.

The Company's investment policy is flexible, enabling it to invest in all types of securities, including equity shares, preference shares, debt, convertible securities, warrants and other equity-related securities.

The Company is free to invest in any particular market segments or any particular countries in the Asia Pacific region.

The Company invests in small, mid and large capitalisation companies. The Company's policy is not to acquire securities that are unquoted or unlisted at the time of investment (with the exception of securities which are about to be listed or traded on a stock exchange). However, the Company may continue to hold securities that cease to be quoted or listed if the Investment Manager considers this to be appropriate.

Typically, the portfolio will comprise 30 to 50 holdings (but without restricting the Company from holding a more or less concentrated portfolio in the future).

The Company will not invest more than 10 per cent., in aggregate, of the value of its gross assets in other investment trusts or investment companies admitted to the Official List, provided that this restriction does not apply to investments in any such investment trusts or investment companies which themselves have stated investment policies to invest no more than 15 per cent. of their gross assets in other investment trusts or investment companies admitted to the Official List. In any event, the Company will not invest more than 15 per cent. of its gross assets in other investment trusts or investment companies admitted to the Official List.

In addition, the Company will not:

- invest, either directly or indirectly, or lend more than 20 per cent. of its gross assets to any single underlying issuer (including the underlying issuer's subsidiaries or affiliates), provided that this restriction does not apply to cash deposits awaiting investment;
- invest more than 20 per cent. of its gross assets in other collective investment undertakings (open-ended or closed-ended);
- expose more than 20 per cent. of its gross assets to the creditworthiness or solvency of any one counterparty (including the counterparty's subsidiaries or affiliates);
- invest in physical commodities;
- enter into derivative transactions for speculative purposes;
- take legal or management control of any of its investee companies; or
- conduct any significant trading activity.

The Company may invest in derivatives, financial instruments, money market instruments and currencies solely for the purpose of efficient portfolio management (i.e. solely for the purpose of reducing, transferring or eliminating investment risk in the Company's investments, including any technique or instrument used to provide protection against exchange and credit risks).

The Investment Manager expects the Company's assets will normally be fully invested. However, during periods in which changes in economic conditions or other factors so warrant, the Company may reduce its exposure to securities and increase its position in cash and money market instruments.

The Board is responsible for determining the gearing strategy for the Company. The Board has restricted the maximum level of gearing to 25 per cent. of net assets although, in normal market conditions, the Company is unlikely to take out gearing in excess of 10 per cent. of net assets. Gearing is used selectively to leverage the Company's portfolio in order to enhance returns where and to the extent this is considered appropriate to do so. Borrowings are short term and particular care is taken to ensure that any bank covenants permit maximum flexibility of investment policy.

The percentage investment and gearing limits set out under this sub-heading "Investment Policy" are only applied at the time of the relevant investment is made or borrowing is incurred.

General

In the event of any breach of the Company's investment policy, Shareholders will be informed of the actions to be taken by the Investment Manager by an announcement issued through a Regulatory Information Service or a notice sent to Shareholders at their registered addresses in accordance with the Articles.

The Company may only make material changes to its investment policy (including the level of gearing set by the Board) with the approval of Shareholders (in the form of an ordinary resolution). In addition, any changes to the Company's investment objective or policy will require the prior consent of the JFSC to the extent that they materially affect the import of the information previously supplied in connection with its approval under Jersey Funds Law or are contrary to the terms of the Jersey Funds Codes.

Investment Philosophy and Approach

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.

Further information on the Investment Manager is set out under the heading "Management and Administration" in this Part 1.

Capital Structure

Introduction

The Company's capital structure currently consists of Ordinary Shares and Warrants. A special resolution to adopt new articles of association of the Company containing the rights attaching to the C Shares, which may be issued by the Company if it wishes to increase its size further other than by a further issue of Ordinary Shares, will be proposed at an extraordinary general meeting of the Company convened for Thursday, 15 November 2012.

The characteristics of the Shares and the Warrants are summarised in the following paragraphs.

Ordinary Shares

The Ordinary Shares carry the right to receive all dividends declared by the Company or the Directors, subject to the rights of any C Shares in issue.

On a winding-up, provided the Company has satisfied all of its liabilities and subject to the rights conferred by any Warrants and C Shares in issue at that time to participate in the winding-up, the holders of Ordinary Shares are entitled to all of the surplus assets of the Company.

Ordinary Shareholders are entitled to attend and vote at all general meetings of the Company and, on a poll, to one vote for each Ordinary Share held.

The Ordinary Shares are in registered form, have been admitted to the premium segment of the Official List and are traded on the Main Market.

C Shares

C Shares are a transient class of shares: the assets representing the net proceeds of any issue of C Shares will be maintained, managed and accounted for as a separate pool of capital of the Company until those C Shares convert into Ordinary Shares (which will occur only once substantially all of the assets representing those net proceeds have been invested in accordance with the Company's existing investment policy). On such conversion, each holder of C Shares will receive such number of Ordinary Shares as equals the number of C Shares held by them multiplied by the NAV per C Share and divided by the NAV per Ordinary Share, in each case as at a date shortly prior to conversion.

C Shares will carry the right to receive all dividends resolved by the Directors to be paid out of the pool of assets attributable to those C Shares.

On a winding-up, provided the Company has satisfied all of its liabilities, the holders of C Shares will be entitled to any surplus assets of the Company attributable to those C Shares.

Holders of C Shares will be entitled to attend and vote at all general meetings of the Company and, on a poll, to one vote for each C Share held.

C Shares will be issued in registered form and applications will be made in conjunction with any issue of C Shares for those C Shares to be admitted to the premium segment of the Official List and to trading on the Main Market.

Warrants

Each Warrant confers the right to subscribe for one Ordinary Share at a price of 120p, payable in cash, on the last remaining subscription date, being the twentieth business day after despatch of the Company's annual report for the year ending 31 December 2012.

In the event of a winding-up of the Company prior to the exercise of the subscription rights conferred by the Warrants (except for the purpose of a reconstruction, amalgamation or unitisation on terms sanctioned by a special resolution of Warrantholders), Warrantholders may, in certain circumstances, receive a payment out of the surplus which would otherwise be available for distribution amongst the Ordinary Shareholders in accordance with the Articles. The Warrants are not entitled to any dividends declared by the Company or the Board.

Holders of Warrants are not entitled to attend, speak or vote at general meetings of the Company.

If any Warrants remain unexercised following the last remaining subscription date (which is expected to be in May 2013), the Warrants will cease to have any value and will be cancelled.

The Warrants are in registered form, have been admitted to the standard segment of the Official List and are traded on the Main Market.

General

Further details of the rights attaching to the Ordinary Shares and the C Shares are set out in Part 3 of this Prospectus. Information on the dilutive effect of the C Shares on existing Ordinary Shareholders' voting rights and on the dilutive effect of the Warrants on existing Ordinary Shareholders' voting rights and the NAV per Ordinary Share are set out in paragraphs 10.1 and 10.2 respectively of this Prospectus.

Premium and Discount Control Policies

Introduction

The Board considers that the ability to issue new Shares is central to its ability to prevent a build-up of excessive demand for the Ordinary Shares. To date, the Board has endeavoured to satisfy investor demand through tap issues, but the Company cannot issue Ordinary Shares representing,

over a 12-month period, more than 9.99 per cent. of the Ordinary Shares already in issue without first publishing a prospectus.

As a consequence of the demand for tap issues in the last 12 months, the ability of the Directors to continue to use this mechanism to satisfy investor demand in the months ahead is limited. However, there continues to be strong demand for the Ordinary Shares as evidenced by the premium at which the Ordinary Shares were trading relative to their NAV in the months preceding the Company's announcement on 18 September 2012 that it was contemplating an issue of C Shares (the average premium over the three months ended 17 September 2012 was 5.2 per cent.¹⁸). The Directors believe that it is important, therefore, that the Company also has the ability to undertake larger fundraisings when justified by the level of investor demand and the rating of the Ordinary Shares. For the reasons explained under the heading "Background to, and Benefits of, the Issue" in Part 2 of this Prospectus, the Directors believe that an issue of C Shares can overcome the potential disadvantages for both existing Ordinary Shareholders and new investors that can arise out of a conventional substantial issue of further Ordinary Shares for cash. The Directors do not intend to undertake tap issues of Ordinary Shares when any C Shares are in issue.

The Board recognises that, in common with other listed closed-ended investment companies, there may also be times when the Ordinary Shares trade at a discount to their NAV and believes that the ability to buy back Ordinary Shares through the market is important to reduce the risk of the Ordinary Shares trading at a substantial discount. Accordingly, as stated at the time of the Company's launch in December 2005, in the event of the Ordinary Shares trading at a discount, the Directors intend to operate, within the parameters and other limitations referred to under the sub-heading "Buy-backs of Shares and Warrants" below, an active discount management policy through the use of Ordinary Share buy-backs with the objective of minimising that discount to no more than 5.0 per cent.

More generally, the Board believes that active premium and discount control policies reduce the risk of volatility in the price at which the Ordinary Shares trade relative to their NAV to the benefit of all Shareholders.

Further Issues of Shares

Further issues of Ordinary Shares and any issue of C Shares for cash will be subject to the pre-emption rights conferred on existing Shareholders by the Articles, save to the extent that those rights have been disapplied by a special resolution of the Company. At the date of this Prospectus, the Directors had an unutilised authority to issue for cash, on a non-pre-emptive basis, up to 10,760,999 new Ordinary Shares (equivalent to 7.1 per cent. of the Ordinary Shares in issue at the date of this Prospectus), which is expected to expire at the annual general meeting of the Company to be held in 2013.

The Directors have convened an extraordinary general meeting of the Company for Thursday, 15 November 2012 at which a resolution will be proposed to authorise them to issue for cash, on a non-pre-emptive basis, up to 100,000,000 C Shares and that authority, if granted, is expected to expire at the annual general meeting the Company to be held in 2013.

The Directors will seek annual (or, if required, more frequent) renewal of authorities to issue for cash, on a non-pre-emptive basis, new Ordinary Shares equivalent to 10 per cent. of the Ordinary Shares then in issue and such number of C Shares as shall equal the number of Ordinary Shares then in issue.

Unless authorised by Shareholders, the Company will not issue further Ordinary Shares or new C Shares for cash on terms that would dilute the NAV per Ordinary Share and, accordingly, any such issues will not be disadvantageous to Ordinary Shareholders.

Buy-backs of Shares and Warrants

Buy-backs of Ordinary Shares will only be made through the market for cash at prices below the prevailing NAV per Ordinary Share where the Directors believe such buy-backs will enhance value for remaining Ordinary Shareholders and as a means of addressing any imbalance between the supply and demand for the Ordinary Shares. Buy-backs of Warrants will only be made through the market at prices where the Directors believe such buy-backs will enhance Ordinary Shareholder value.

¹⁸ Sources: Morningstar, RIS announcements.

In addition, the price (exclusive of expenses) to be paid for any Ordinary Shares or Warrants bought back will not be more than the higher of:

- 5 per cent. above the average market value of the Ordinary Shares or the Warrants (as appropriate) for the five business days before the buy-back is made; and
- the higher of (i) the price of the last independent trade and (ii) the highest current independent bid on the Main Market for the Ordinary Shares or the Warrants (as appropriate).

The making and timing of any Ordinary Share or Warrant buy-backs is at the absolute discretion of the Board and purchases of Ordinary Shares or Warrants may be made only in accordance with the Articles or the instrument constituting the Warrants (as appropriate), Jersey Company Law, the Listing Rules, the Disclosure and Transparency Rules and any applicable insider dealing rules.

The Directors currently have authority to buy back 14.99 per cent. of the Ordinary Shares in issue at 16 May 2012 and up to 14.99 per cent. of the Warrants in issue at 16 May 2012. Those authorities will expire at the annual general meeting of the Company to be held in 2013 and the Directors will seek annual (or, if required, more frequent) renewal of the authority from Shareholders in respect of 14.99 per cent. of the then issued Ordinary Shares.

Any Ordinary Shares bought back may be cancelled or held in treasury. All Warrants bought back will be cancelled.

The Company does not have any existing authority to buy back C Shares and the Directors do not intend to seek any such authority.

Treasury Shares

The Company may hold Ordinary Shares acquired by way of market purchase "in treasury", meaning that the Ordinary Shares remain in issue owned by the Company rather than being cancelled. Ordinary Shares held in treasury will not be entitled to receive any dividends declared by the Company or the Board.

Ordinary Shares held in treasury may be subsequently cancelled or sold for cash. The Directors do not intend to sell any Ordinary Shares held in treasury at a discount to the prevailing NAV per Ordinary Share.

Holding Ordinary Shares in treasury should give the Company the ability to sell such shares quickly and cost efficiently and should provide the Company with additional flexibility in the management of its capital base. In addition, the Board believes that the effective use of treasury shares could assist the Company in improving liquidity in the Ordinary Shares and managing any imbalance between supply and demand.

Dividend Policy

Introduction

The Company will only pay dividends on the Shares to the extent that it has sufficient financial resources available for the purpose in accordance with Jersey Company Law.

Ordinary Shares

The Company intends to distribute as dividends on the Ordinary Shares substantially all of the Company's income profits attributable to the Ordinary Shares in respect of each accounting period and aims to grow its dividends over time.

In the absence of unforeseen circumstances, dividends on the Ordinary Shares are payable quarterly, all in the form of interim dividends (the Company does not intend to pay any final dividends), with the pattern normally consisting of three smaller interim dividends and a fourth larger interim dividend. The Company expects to pay, in respect of each financial year, interim dividends on the Ordinary Shares in February, May, August and November in respect of the three months ending on the preceding December, March, June and September, respectively.

The existence of the C Shares will have no impact on the income profits attributable to the Ordinary Shares whilst the Net Issue Proceeds are being invested and, accordingly, there will be no negative impact on the dividends paid on the Ordinary Shares as a result of the Issue.

C Shares

If (in the Directors' opinion) the amount of the net income attributable to the C Shares is significant, the Company may declare a dividend in respect of the C Shares, such that the majority of income

profits attributable to the C Shares up to the Calculation Date are distributed to C Shareholders. Any such dividend would be announced via a Regulatory Information Service and would be payable after the Conversion Date to C Shareholders on the Company's register of members at a record date preceding, but as close as practicable to, the Calculation Date.

Management and Administration

Introduction

The Company is managed by Aberdeen Private Wealth Management Limited, which has delegated day-to-day investment management to Aberdeen Asset Management Asia Limited and day-to-day company secretarial and administration (including accounting) services to Aberdeen Asset Managers Limited (which has sub-delegated the provision of the administration services to BNP Paribas Fund Services UK Limited pursuant to a global administration agreement entered into between Aberdeen Asset Managers and the Administrator).

The Manager, the Investment Manager and Aberdeen Asset Managers are all wholly owned subsidiaries of Aberdeen Asset Management PLC, which was formed in 1983 and was first listed on the London Stock Exchange in 1991. As at 31 August 2012, the Aberdeen Group had approximately £184.3 billion of assets under management. It manages assets on behalf of a wide range of clients, including 32 listed closed-ended funds, with combined total assets of approximately £8.5 billion as at 31 August 2012.

The Aberdeen Group has its headquarters in Aberdeen and invests globally, operating from 31 offices in 23 countries, with principal offices in Bangkok, Edinburgh, Hong Kong, Kuala Lumpur, Jersey, London, Philadelphia, Singapore, Stockholm, Sydney, Taipei and Tokyo.

Manager

Aberdeen Private Wealth Management Limited is registered with the JFSC in accordance with the FSL for the conduct of fund services business.

The Manager is responsible for providing management, company secretarial and administration (including accounting) services to the Company in accordance with the terms of the Management Agreement, which is terminable by either the Company or the Manager giving the other not less than six months' notice. The Management Agreement provides for an investment management fee of 1.0 per cent. per annum of the Company's NAV, payable monthly in arrears. The Management Agreement also provides for a company secretarial and administration fee of approximately £123,300 per annum, payable quarterly in arrears, which is increased annually in line with any increases in RPI. The Manager is not entitled to a performance-related fee.

The Manager has delegated its investment management duties under the Management Agreement to Aberdeen Asset Management Asia Limited, subject to the overall supervision of the Manager, and to the Company's investment objective and policy. Similarly, the Manager has delegated its company secretarial and administration duties under the Management Agreement to Aberdeen Asset Managers, subject to the overall supervision of the Manager. The Manager is fully liable to the Company in respect of the services provided by the Investment Manager, Aberdeen Asset Managers and the Administrator and for all fees payable to the Investment Manager, Aberdeen Asset Managers and the Administrator.

Further information on the Manager and details of the Management Agreement are set out in paragraph 7.1 of Part 7 of this Prospectus.

Investment Manager

Aberdeen Asset Management Asia Limited has been the Aberdeen Group's principal manager of Asian Pacific investments since 1992. The Investment Manager is based in Singapore and the Aberdeen Group also has investment offices in Bangkok, Hong Kong, Kuala Lumpur, Sydney and Tokyo. The Investment Manager is regulated by the Monetary Authority of Singapore.

As at 31 August 2012, the Investment Manager managed funds with an aggregate value of over £65 billion, which were invested across the Asia Pacific region and Japan. Such assets are held via various publicly quoted mutual funds in a number of jurisdictions, closed-ended and open-ended funds and segregated funds.

The Investment Manager has more than 390 staff in the Asia Pacific region, including more than 70 investment professionals.

Further information on the Investment Manager and details of the delegation agreement entered into between the Manager, the Investment Manager and the Company are set out in paragraph 7.2 of Part 7 of this Prospectus.

Administrator

Whilst the Manager has delegated day-to-day administration (including accounting) services to Aberdeen Asset Managers, such administration services have been sub-delegated by Aberdeen Asset Managers to BNP Paribas Fund Services UK Limited, a wholly-owned subsidiary of BNP Paribas S.A. The Administrator is an investment operations business that provides outsourced investment operations to investment managers and other financial organisations with offices in the UK and Jersey and employs over 7,700 staff worldwide. The Administrator had, in aggregate, assets under administration of €915 billion as at 30 June 2012.

Details of the delegation agreement entered into between the Manager, Aberdeen Asset Managers and the Company are set out in paragraph 7.3 of Part 7 of this Prospectus.

Directors

The Board has overall responsibility for the Company's activities (including its investment policy, activity and performance), notwithstanding the delegation of the overall management of the Company to the Manager, the sub-delegation of the investment management of the Company's portfolio to the Investment Manager and the sub-delegation of company secretarial and administration (including accounting) services to Aberdeen Asset Managers and the Administrator. The Board supervises the Manager, the Investment Manager and other service providers appointed by the Company.

The Board currently comprises:

- **Peter Arthur (chairman)**, age 56, is currently a non-executive director of Proven Health VCT plc, the Association of Investment Companies and a number of private companies. He was previously an executive director of ISIS Asset Management plc (now F&C Asset Management), where he was responsible for the institutional and investment trust businesses. Prior to this, he was chief legal counsel, Europe for Franklin Templeton Global Investors Ltd. He had previously served 14 years with Edinburgh Fund Managers, latterly as joint managing director. Mr Arthur is a solicitor and a fellow of the Chartered Institute of Secretaries and Administrators. Mr Arthur is a UK resident. He was appointed as a Director on 10 November 2005 and was last re-elected on 12 May 2011.
- **Ana Armstrong**, age 40, is joint managing partner and heads portfolio strategy and construction at Armstrong Investment Managers. Previously, she was co-head of Insight Investment's multi-asset group from November 2003 to April 2009, prior to which she worked at UBS Wealth Management as director and head of portfolio construction and Fischer Francis as a fixed income and futures trader. She holds a PhD in Quantitative Economics and an MBA in Finance from Imperial College, London. She was appointed as a Director on 11 November 2005 and was last re-elected on 13 May 2010. She is a UK resident.
- **Duncan Baxter (senior independent director)**, age 60 and a resident of Jersey, has 25 years' experience of international banking. He began his career in banking with Barclays International Bank in Zimbabwe before joining RAL Merchant Bank in 1978. In 1985, he became a director of Commercial Bank (Jersey) Ltd, which was subsequently acquired by Swiss Bank Corporation (SBC). At the time of takeover in 1988, he became managing director of SBC Jersey Branch. Since leaving SBC in 1998 after its merger with UBS AG, he has undertaken a number of consultancy projects for international banks and investment management companies. He is non-executive chairman of Highland Gold Mining Limited and also holds several other non-executive directorships, including Alternative Investment Strategies Limited and Evraz plc. Mr Baxter is a Fellow of the Institute of Chartered Secretaries and Administrators, the Securities Institute, the Chartered Institute of Bankers, the Institute of Management and the Institute of Directors. He was appointed as a Director on 10 November 2005 and was last re-elected on 12 May 2011.
- **Andrey Berzins (chairman of the audit committee)**, age 52, is a director of Cubit Long/Short Commodity Fund and a number of private equity-backed companies. A graduate in statistics from the University of Bath, he has been resident in Asia since 1984, and a Singapore resident since 1996. After qualifying as a chartered accountant in England, he

worked for KPMG in Hong Kong. In 1989, he joined the Suez Group's Asian private equity division, becoming a managing director in 2002. For more than the past 20 years, he has been involved in numerous Asian private equity transactions covering a variety of industries and countries. Mr Berzins was appointed as a Director on 10 November 2005 and was last re-elected on 16 May 2012.

- **Charles Clarke**, age 55 and a resident of Jersey, is a graduate chartered accountant and former senior partner of KPMG in the Channel Islands and worked mainly in London for KPMG but also in Kuala Lumpur. He is a director of SG Hambros Bank Limited (and chairman of the audit committee), Phoenix Group Holdings (and a member of the audit and investment committees) including a number of other companies. He was appointed as a Director on 29 March 2012 and was elected on 16 May 2012.
- **Hugh Young**, age 54 and a resident of Singapore, was an investment manager with Fidelity International and MGM Assurance prior to joining what is now Aberdeen Asset Managers in December 1985. He is a director of Aberdeen Asset Management PLC, managing director of the Investment Manager responsible for all of the Aberdeen Group's investments in Asia and a director of a number of Aberdeen-managed investment companies. He has more than 30 years' experience in fund management and is responsible for all of the Aberdeen Group's investments in the Asia Pacific region. Mr Young was appointed as a Director on 11 November 2005 and was last re-elected on 16 May 2012.

All of the Directors are non-executive. With the exception of Mr H Young (who, in accordance with the Listing Rules, is subject to annual re-election by Shareholders), each of the Directors is independent of the Manager, the Investment Manager and other members of the Aberdeen Group. None of the Directors has any common directorships.

Corporate Governance

The Jersey Funds Codes were introduced by the JFSC on 2 April 2012. These codes have been issued under powers given to the JFSC under Jersey Funds Law for the purpose of providing sound principles and practical guidance in respect of unclassified collective investment funds holding a certificate issued by the JFSC pursuant to Jersey Funds Law. The Company is subject to the Jersey Funds Codes.

The Jersey Funds Codes are arranged under eight fundamental principles:

- a fund must conduct its business with integrity;
- a fund must act in the best interests of its shareholders;
- a fund must organise and control its affairs effectively for the proper performance of its business activities and be able to demonstrate the existence of adequate risk management systems;
- a fund must be transparent in its business arrangements with shareholders;
- a fund must maintain, and be able to demonstrate the existence of, both adequate financial resources and adequate insurance;
- a fund must deal with the JFSC and other authorities in Jersey in an open and co-operative manner;
- a fund must not make statements that are misleading, false or deceptive; and
- a fund must at all times comply and be operated in accordance with any applicable guidance.

Under the Jersey Funds Codes, it is the responsibility of the Board to ensure the Company complies with the Jersey Funds Codes and to implement such additional practices as it deems necessary to ensure the proper management and control of the business of the Company.

In addition to complying with the Jersey Funds Codes, the Company complies with the recommendations of the AIC Code of Corporate Governance (the "**AIC Code**") by reference to the AIC Corporate Governance Guide for Investment Companies (the "**AIC Guide**") as published from time to time. The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code (the "**UK Code**") issued in June 2010 as well as setting out additional principles and recommendations on issues that are of specific relevance to investment companies. The Board considers that reporting against the principles and recommendations of the

AIC Code, and by reference to the AIC Guide (which incorporates the UK Code), provides better information to Shareholders than reporting against the UK Code.

The Company complies (and, during its financial year ended 31 December 2011, complied) with the recommendations of the AIC Code and the relevant provisions of the UK Code, save with regard to the following:

- *Role of the chief executive:* Since all Directors are non-executive and the Company is externally managed and has no employees and in accordance with the AIC Code, the Board considers that the post of chief executive officer is not relevant for the Company as this role has effectively been delegated to the Manager under the terms of the Management Agreement.
- *Internal audit function:* The Directors consider that, as the Company is an externally managed investment company, an internal audit function is not necessary.

Since all Directors are non-executive, the Company is not required to comply with the principles of the UK Code in respect of executive Directors' remuneration and, accordingly, the Board has not appointed a remuneration committee. Instead, the Board has appointed a management engagement committee, which comprises five independent Directors (Mr P Arthur (chairman), Dr A Armstrong, Mr D Baxter, Mr A Berzins and Mr C Clarke). The function of this committee is to review the performance of the Manager and the Investment Manager. This committee also reviews, at least once a year, the terms of the Management Agreement and the Investment Management Agreement, including evaluating the fees payable, to ensure they remain in the interests of Shareholders as a whole.

The Board has appointed an audit committee, which operates within clearly defined terms of reference and comprises four independent directors, Mr A Berzins (chairman with recent and relevant experience), Dr A Armstrong, Mr D Baxter and Mr C Clarke). In summary, the audit committee's main functions are:

- to review and monitor the internal financial control systems and risk management systems on which the Company is reliant;
- 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 and annual financial statements of the Company by reviewing and challenging, where necessary, the actions and judgements of the Manager, the Investment Manager and the Administrator;
- to meet with the Company's auditors to review their proposed audit programme of work and the findings of its auditors (the audit committee also uses this as an opportunity to assess the effectiveness of the audit process);
- to develop and implement policy on the engagement of the external auditor to supply non-audit services;
- to review an annual statement from the Manager detailing the arrangements in place within the Aberdeen Group whereby the Aberdeen Group staff may, in confidence, escalate concerns about possible improprieties in matters of financial reporting or other matters;
- to make recommendations to the Board in relation to the appointment of the Company's auditors and to approve the remuneration and terms of engagement of the Company's auditors; and
- to monitor and review annually the independence, objectivity, effectiveness, resources and qualifications of the Company's auditors.

The Board has also appointed a nomination committee, which comprises the entire Board and is chaired by Peter Arthur. The nomination committee will be convened for the purpose of considering the appointment of additional or replacement Directors. Full details of the duties of new Directors will be provided to them together with a letter of appointment. All newly appointed Directors will receive any necessary training and induction.

Taxation

Information concerning the tax status of the Company and the taxation of Shareholders in the UK is contained in Part 6 of this Prospectus.

Investor Relations and Marketing

The Company participates in the Aberdeen Group's investor relations and marketing programme for its closed-ended fund clients (the "**Marketing Programme**"). The investment trusts and other closed-ended funds that participate in the Marketing Programme co-fund, together with the Aberdeen Group, the marketing activities undertaken on their behalf and the budget is currently based on a marketing promotion fee of 0.075 per cent. per annum of the gross assets of each participating investment trust or other closed-ended fund. Investment trusts and other closed-ended funds that participate in the Marketing Programme benefit from pooling with others to secure economies of scale.

The Ordinary Shares may be acquired through the share plans, including a stocks and shares ISA, operated by the Investment Manager and the Company pays for the administration costs of those plans insofar as they are attributable to the Ordinary Shares.

The Company publishes monthly fact sheets, which include details of the Company's performance, analysis of the Company's portfolio and other financial information, together with a brief report by the Investment Manager.

The Company has its own dedicated website (www.asian-income.co.uk), which includes:

- the Company's profile (including profiles of its Directors and of the Investment Manager, details of the major Ordinary Shareholders and the Company's financial calendar);
- the latest closing mid-market prices and the unaudited NAVs of the Ordinary Shares and the C Shares;
- access to other daily analytical data (including the volatility in the NAV and share price of the Ordinary Shares);
- information on the Company's performance, up-dated daily; and
- access to the Company's monthly fact sheets, financial reports and other announcements concerning the Company.

Duration of the Company

The Company does not have a fixed life.

PART 2

DETAILS OF THE ISSUE

Introduction

The Board announced on 22 October 2012 that the Company intends to raise up to £50.0 million, by way of a non-pre-emptive placing and offer for subscription of up to 50,000,000 C Shares at an issue price of 100p per C Share¹⁹. Neither the Placing nor the Public Offer has been underwritten and, accordingly, the maximum number of C Shares available under the Placing and Public Offer should not be taken as an indication of the final number of C Shares that will be issued and the number of C Shares actually issued may be less than the maximum number.

As at 18 October 2012, Cantor Fitzgerald had received commitments from a range of institutional investors, private client investment managers and private client brokers to subscribe for approximately 42.1 million C Shares at 100p per C Share pursuant to the Placing and Public Offer, subject, *inter alia*, to the Placing and Offer Agreement becoming unconditional.

The C Shares will, on Admission, rank *pari passu* in all respects and will rank in full for all dividends and other distributions thereafter declared, made or paid on the C Shares. The assets representing the Net Issue Proceeds will be maintained, managed and accounted for as a separate pool of capital of the Company until the C Shares convert into Ordinary Shares, which will occur only once substantially all of the assets representing the Net Issue Proceeds have been invested in accordance with the Company's existing investment policy. Pending investment, the Net Issue Proceeds will be placed on interest bearing deposit or invested in cash-equivalent investments.

Further details of the C Shares, including the rights, restrictions and other provisions relating to the C Shares which form part of the Articles, are set out in Part 3 of this Prospectus.

Background to, and Benefits of, the Issue

As demonstrated under the headings "Introduction", "Performance" and "Dividend Policy" in Part 1 of this Prospectus:

- the Company has a long term record of outperformance, on a NAV total return basis, of the currency-adjusted MSCI AC Asia Pacific (ex-Japan), its peers and the London-listed, closed-ended investment companies in the general Asia Pacific sub-sectors;
- the Company has a long term record, on a NAV total return basis that compares very favourably against the London-listed closed-ended investment companies in the UK and global growth and income sectors;
- the Company's rating has been resistant, despite a period of considerable market volatility and notwithstanding regular tap issues of Ordinary Shares in response to investor demand, with an average premium over the 12 months ended 18 October 2012 of 3.8 per cent.²⁰; and
- in line with its dividend objective, the Company has achieved solid dividend growth (8.7 per cent. annualised in respect of its last five financial years), with all dividends covered by earnings.

Against a backdrop of the Company's strong performance and a positive outlook for the Asian Pacific region, there continues to be strong demand for the Ordinary Shares (the Ordinary Shares have continued to trade at an average premium of 4.6 per cent. since the Company announced that it was considering an issue of C Shares on 18 September 2012²¹). Accordingly, having tested the appetite

¹⁹ If commitments and applications are received for more than 50,000,000 C Shares pursuant to the Placing and Public Offer, the Directors reserve the right to increase the maximum number of C Shares that may be issued pursuant to the Placing and Public Offer on the basis set out in paragraph 8.5 of Part 7 of this Prospectus, provided that the maximum number of C Shares that may be issued is 100,000,000 (being the maximum number of C Shares that the Directors will be authorised to issue on a non-pre-emptive basis if the resolutions are passed at the Extraordinary General Meeting).

²⁰ Source: Datastream.

²¹ Source: Datastream, to 18 October 2012.

for an issue of C Shares among existing and potential new investors, the Directors have concluded that there is sufficient demand to merit proceeding with such an issue.

In the Directors' opinion, the principal benefits of an issue of C Shares for existing and new investors are that:

- investors will have the opportunity to invest in the Company at a substantially lower premium than acquiring Ordinary Shares through the market (the Issue Costs payable out of the assets attributable to the C Shares are expected to be equivalent to less than 2 per cent. of the Issue Price per C Share, whilst the Ordinary Shares have traded at an average premium of 3.8 per cent. over the last 12 months²²);
- investors can invest in a larger size than the day-to-day secondary market liquidity in the Ordinary Shares may permit;
- the C Shares will convert into Ordinary Shares on a NAV for NAV basis, so neither the existing Ordinary Shareholders nor the new investors will suffer any NAV dilution on Conversion;
- the Company's market capitalisation will increase, which should help to make the Company more attractive to a wider and more diversified investor base and further enhance the secondary market liquidity in the Ordinary Shares; and
- the Company's fixed running costs will be spread across a wider capital base, thereby reducing the percentage of those costs per Ordinary Share.

The Directors believe that there are additional benefits for existing Ordinary Shareholders, principally that:

- the NAV of the existing Ordinary Shares will not be diluted by the expenses associated with raising the new capital or investing the net cash raised pursuant to the Issue, all of which will be paid out of the assets attributable to the C Shares;
- existing Ordinary Shareholders will not be exposed to the effects of the Company holding the substantial amount of net cash raised pursuant to the Issue pending the investment of that cash; and
- there will be no impact on the revenue attributable to the Ordinary Shares whilst the net proceeds of the Issue are being invested and, accordingly, there will be no negative impact on the dividends paid on the Ordinary Shares as a result of raising substantial additional capital through an issue of C Shares.

The Placing

Under the Placing and Offer Agreement, Cantor Fitzgerald has agreed to use its reasonable endeavours to procure commitments to subscribe for up to 50,000,000 C Shares at an issue price of 100p per C Share pursuant to the Placing on the terms and subject to the conditions set out in the Placing and Offer Agreement and is seeking such commitments from institutional investors, private client investment managers and private client brokers.

Applications to subscribe for C Shares pursuant to the Placing (which must be for a minimum aggregate amount of 1,000 C Shares) will only be accepted on the terms of, and by executing and returning to Cantor Fitzgerald (in accordance with the instructions in it), a commitment letter on or before 5.00 p.m. on Friday, 9 November 2012, at which time and date the Placing will close.

Unless otherwise agreed with Cantor Fitzgerald, settlement of Placing commitments (subject to scaling back) will be on a delivery versus payment basis through CREST on the Admission Date.

Details of the Placing and Offer Agreement are set out in paragraph 8.1 of Part 7 of this Prospectus.

The Public Offer

Up to 50,000,000 C Shares at an issue price of 100p per C Share are also being made available to the public (other than certain overseas investors) through the Offer for Subscription. Applications under the Public Offer must be for a minimum of 1,000 C Shares and thereafter in multiples of 1,000

²² Source: *Datastream*, to 18 October 2012.

C Shares (although the Company reserves the right in its absolute discretion, but shall not be obliged, to accept applications for less than 1,000 C Shares, or applications which are for more than 1,000 C Shares but not a multiple of 1,000 C Shares) and are subject to scaling back.

The terms and conditions of application under the Public Offer and the procedure for applying for C Shares under the Public Offer are set out in Parts 9 and 10, respectively, of this Prospectus and an application form for use under the Public Offer is attached at the end of this Prospectus.

Payment must be made by cheque or banker's draft in pounds sterling drawn on a branch in the United Kingdom of a bank or building society which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or banker's drafts to be cleared through the facilities provided for members of either of those companies. Such cheques or banker's drafts must bear the appropriate United Kingdom sort code in the top right hand corner. Cheques, which must be drawn on the personal account on the individual investor where they have a sole or joint title to the funds (the account name should be the same as that shown on the Application Form), must be made payable to "Capita Registrars Limited RE: Aberdeen Asian Income Fund Limited" and crossed "A/C Payee". Save for building society cheques, third party cheques will not be accepted. In the case of building society cheques or banker's drafts, the building society or bank issuing the payment must enter the name, address and account number of the person whose account is being debited on the reverse of the cheque or banker's draft and adds its stamp.

Completed Application Forms accompanied by a cheque or banker's draft for the full amount due must be posted or (during normal business hours only) delivered by hand to Capita Registrars, Corporate Actions The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received as soon as possible and, in any event, by 11.00 a.m. on Friday, 9 November 2012, at which time and date the Public Offer will close.

Scaling Back

In the event that commitments or applications are received for more than 50,000,000 C Shares pursuant to the Placing and Public Offer, the Directors reserve the right to increase the maximum number of C Shares that may be issued pursuant to the Placing and Public Offer on the basis set out in paragraph 8.5 of Part 7 of this Prospectus. In the event that commitments or applications require to be scaled back, the maximum number of C Shares available under the Placing and Public Offer will be allocated in the following order of priority:

- first, provided that such applicants insert a valid shareholder or investor reference number in section 3 of the Application Form, to holders of Ordinary Shares on the Company's register of members and to holders of Ordinary Shares held through the share plans and ISAs operated by the Investment Manager, in each case as at 6.00 p.m. on Monday, 22 October 2012, and such allocations will be on a *pro rata* basis based on the respective numbers of C Shares committed to or applied for;
- secondly, to investors who gave written commitments under the Placing prior to 12 noon on 16 October 2012, and such allocations will be on a *pro rata* basis based on the respective numbers of C Shares committed to; and
- lastly, in the event that the balance of the commitments and applications exceed the maximum number of C Shares available following satisfaction of the above priorities, Cantor Fitzgerald (after consultation with the Directors and the Investment Manager) will scale back such commitments and applications in such manner as it, in its absolute discretion, considers appropriate.

To the extent that any commitment or application is scaled back, the relevant subscription monies will be returned without interest at the risk of the applicants entitled thereto, in each case to the account of the bank or building society on which the relevant cheque or banker's draft was drawn.

Dealings and Settlement

Applications will be made to the UK Listing Authority for the C Shares issued pursuant to the Placing and Public Offer to be admitted to the premium segment of the Official List and to the London Stock Exchange for such C Shares to be admitted to trading on its Main Market. It is expected that

Admission will occur, and that dealings in the C Shares will commence, on Friday, 16 November 2012. Dealings in the C Shares issued pursuant to the Placing and Public Offer will not be permitted prior to Admission.

The C Shares will be issued with effect from Friday, 16 November 2012, fully paid and in registered form, and may be issued in uncertificated form or in certificated form. C Shares issued in uncertificated form will be credited to the relevant CREST accounts upon Admission, which is expected to take place on Friday, 16 November 2012. Temporary documents of title will not be issued pending the despatch of definitive certificates for C Shares issued in certificated form, which is expected to take place during the week commencing Monday, 19 November 2012, and, pending such despatch, transfers of C Shares in certificated form will be certified against the Company's register of members. Dealings in C Shares in advance of the crediting of the relevant CREST accounts or the issue of certificates will be at the risk of the persons concerned.

Conditions of the Issue

The Issue, which has not been underwritten, is conditional on (among other things):

- not less than 30,000,000 C Shares being issued, at the Issue Price, under the Placing and Public Offer;
- the resolutions adopting the New Articles and authorising the issue of the C Shares being passed at the Extraordinary General Meeting;
- obligations under the Placing and Offer Agreement which fall to be performed or satisfied on or prior to Admission;
- the Placing and Offer Agreement becoming unconditional and not being terminated in accordance with its terms at any time prior to Admission; and
- Admission occurring by 8.00 a.m. on Friday, 16 November 2012 (or such later date as the Company, the Investment Manager, Cantor Fitzgerald and the Sponsor may agree, being in any event not later than Friday, 30 November 2012).

The offer to issue C Shares pursuant to the Placing and Public Offer will be revoked if Admission does not occur by 8.00 a.m. on Friday, 16 November 2012 (or such later date as the Company, the Investment Manager, Cantor Fitzgerald and the Sponsor may agree, being in any event not later than Friday, 30 November 2012) or, if earlier, on the date on which the Issue ceases to be capable of becoming unconditional. Any such revocation will be announced by the Company through a Regulatory Information Service as soon as practicable after the Company has become aware of the occurrence of the event that has resulted in such revocation. In the event of the Issue being revoked, the relevant subscription monies will be returned without interest at the risk of the applicants entitled thereto, in each case to the account of the bank or building society on which the relevant cheque or banker's draft was drawn.

Announcements Regarding the Issue

The result of the Issue and the basis of allocation under the Placing and Public Offer are expected to be announced by the Company through a Regulatory Information Service on Monday, 12 November 2012 and, in any event, prior to Admission.

Costs and Expenses of the Issue

On the assumption that 50,000,000 C Shares are issued, the total costs and expenses payable by the Company in connection with the Issue are expected to be approximately £0.8 million. Such costs and expenses comprise fixed and variable elements and the actual level will depend to a certain extent on the gross proceeds of the Issue.

The costs and expenses payable by the Company in connection with the Issue will be payable out of the pool of assets attributable to the C Shares. Accordingly, on the assumption that 50,000,000 C Shares are issued, the initial NAV per C Share will be approximately 98.3p, representing a reduction of some 1.7 per cent. from the Issue Price.

Overseas Investors

The offer of C Shares pursuant to the Placing and Public Offer, including the making of the Public Offer, to persons not resident in, or who are outside, the United Kingdom may be affected by the laws or regulatory requirements of relevant jurisdictions. Persons not resident in, or who are outside, the United Kingdom and who wish to apply for C Shares pursuant to the Placing and Public Offer should read the section headed "Selling Restrictions" on pages 23 to 25 of this Prospectus and paragraph 8 of Part 9 of this Prospectus. **Investors who are in any doubt as to their position are strongly advised to consult their own professional advisers.**

Money Laundering

Pursuant to anti-money laundering laws and regulations with which the Company must comply, the Company and its agents, Cantor Fitzgerald or the Receiving Agent, may require evidence of the identity of each investor in connection with any application for C Shares, including further identification of any applicant, before any C Shares may be issued to that applicant.

Details of the Receiving Agent's requirements regarding identity information in order to comply with anti-money laundering laws and regulations are set out in paragraph 7 of Part 9 of this Prospectus.

ISA, SIPP and SSAS Status of the C Shares

The C Shares will be a "qualifying investment" for stocks and shares ISAs provided they are acquired by an ISA plan manager under an offer to the public (such as the Public Offer) or in the market and subject to applicable subscription limits. C Shares acquired under the Placing are not eligible for inclusion in an ISA. **Any person wishing to apply for Ordinary Shares through an ISA should contact their ISA manager as soon as possible.**

The Ordinary Shares will be eligible for inclusion in a SIPP or SSAS irrespective of whether they are acquired under the Placing or the Public Offer or subsequently in the market.

General

Further information on the Issue is set out in paragraph 8 of Part 7 of this Prospectus.

PART 3

DETAILS OF THE C SHARES

Introduction

The rationale for raising new capital by issuing C Shares rather than Ordinary Shares is explained under the heading "Background to, and Benefits of, the Issue" in Part 2.

Key Features of the C Shares

The rights, restrictions and other provisions relating to the C Shares are set out under the heading "Terms of the C Shares" in this Part 3. However, the key features of the C Shares are summarised below.

Conversion

The assets representing the Net Issue Proceeds will be maintained, managed and accounted for as a separate pool of capital of the Company until at least 80 per cent. of the assets attributable to the C Share Pool have been invested in accordance with the Company's existing investment policy or, if earlier, the last business day falling six months after Admission. At this point, the Conversion Ratio will be calculated on the basis of the NAVs attributable to a C Share and an Ordinary Share, respectively.

Shortly after the Conversion Ratio has been calculated, the C Shares will convert into new Ordinary Shares on the basis of the Conversion Ratio and each C Shareholder will receive such number of Ordinary Shares as equals the number of C Shares held by them multiplied by the NAV per C Share and divided by the NAV per Ordinary Share, in each case as at the Calculation Date. In accordance with the New Articles, Conversion will occur not later than 30 Business Days after the Calculation Date and, accordingly, the latest date on which Conversion will occur is expected to be 28 June 2013.

The new Ordinary Shares arising on Conversion:

- will rank *pari passu* in all respects with the Ordinary Shares in issue immediately prior to Conversion and will rank in full for all dividends and other distributions thereafter declared, made or paid on the Ordinary Shares;
- will be fully paid and in registered form;
- will be held in uncertificated form or in certificated form (unless otherwise agreed with the Company, holders of C Shares in uncertificated form will receive their Ordinary Shares arising on Conversion in uncertificated form and, similarly, holders of C Shares in certificated form will receive their Ordinary Shares arising on Conversion in certificated form); and
- will be admitted to the premium segment of the Official List and to trading on the Main Market immediately following Conversion.

Fractional entitlements to new Ordinary Shares arising on Conversion will not be allocated to holders of C Shares but will be aggregated and sold for the benefit of the Company.

Dividends

The C Shares will carry the right to receive all dividends resolved by the Directors to be distributed out of the C Share Pool.

Voting

Holders of C Shares will be entitled to attend and vote at all general meetings of the Company and, on a poll, to one vote for each C Share held.

Participation on a Winding-up of the Company

On a winding-up, provided the Company has satisfied all of its liabilities, the C Shares will be entitled to any surplus assets of the Company attributable to the C Share Pool.

Example of Conversion

The following example illustrates the number of Ordinary Shares that would arise in respect of the conversion of 1,000 C Shares at the Conversion Date, using assumed NAVs attributable to the C Shares and existing Ordinary Shares, respectively, at the Calculation Date²³. The assumed NAV attributable to an existing Ordinary Share is the unaudited NAV (including income) per Ordinary Share at the close of business on 18 October 2012, being 200.21p per Ordinary Share. The assumed NAV attributable to a C Share is based on the assumptions that (i) 50,000,000 C Shares are issued, (ii) the Net Issue Proceeds are £49.2 million and (iii) there are no returns on those Net Issue Proceeds in the period to the Calculation Date.

Example	
Amount subscribed pursuant to the Issue	£1,000
Number of C Shares issued	1,000
Assumed NAV attributable to a C Share at the Calculation Date	98.32p
Assumed NAV attributable to an existing Ordinary Share at the Calculation Date	200.21p
Conversion Ratio	0.4911
Number of Ordinary Shares arising on Conversion for a holder of 1,000 C Shares	491

Terms of the C Shares

The rights, restrictions and other provisions relating to the C Shares will be set out in the New Articles and the relevant provisions are summarised below.

Definitions

The following definitions apply for the purposes of this Part 3:

- "Business Day"** a day (other than a Saturday or Sunday) on which clearing banks in London and Jersey are open for general commercial banking business;
- "Calculation Date"** the earliest of:
- (i) the close of business on the date to be determined by the Directors occurring on or after the day on which the Manager shall have given notice to the Directors that at least 80 per cent. of the assets attributable to the C Shares have been invested in accordance with the Company's investment policy;
 - (ii) the close of business on the last Business Day prior to the day on which Force Majeure Circumstances have arisen or the Directors resolve that they are in contemplation;
 - (iii) the close of business on such date as the Directors may decide is necessary to enable the Company to comply with its obligations in respect of Conversion of the C Shares; and
 - (iv) the close of business on the last Business Day falling six months after Admission has become effective;
- "Conversion"** conversion of the C Shares into Ordinary Shares in accordance with the provisions set out under the sub-heading "Conversion" in this Part 3;
- "Conversion Date"** the date on which the admission of the new Ordinary Shares arising on Conversion to the Official List and to trading on the Main Market becomes effective, such date to be selected by the Directors provided that such date shall not be more than 30 Business Days after the Calculation Date;
- "Conversion Ratio"** the ratio to be used to determine the number of Ordinary Shares arising on Conversion, being the ratio of the NAV per C Share to the NAV per Ordinary Share at the Calculation Date, being A divided by B calculated to four decimal places (with 0.00005 being rounded upwards) as follows:

²³ *The example is provided for illustrative purposes only and is not, and is not intended to be, a profit forecast or a forecast of the number of new Ordinary Shares that will arise on Conversion.*

$$A = \frac{C - D}{E} \quad \text{and} \quad B = \frac{(F - G)}{H}$$

and where:

"C" is the aggregate of:

- (i) the value of all investments of the Company attributable to the C Shares valued in accordance with the Company's normal accounting policies, subject to such adjustments as the Directors may deem appropriate;
- (ii) the amount which, in the Directors' opinion, fairly reflects, at the Calculation Date, the value of the current assets of the Company attributable to the C Shares (excluding the investments valued under (i) above but including cash and deposits with or balances at bank and any accrued income less accrued expenses and other items of a revenue nature); and
- (iii) any currency hedging arrangements attributable to the C Shares shall be deemed to have been closed-out at the Calculation Date and the value of (or liability arising from) any such currency hedging arrangements taken out in relation to the C Shares shall be taken into account in full as an asset (or liability), as the case may be;

"D" is the amount (to the extent not otherwise deducted in the calculation of "C") which, in the Directors' opinion, fairly reflects the amount of the liabilities of the Company attributable to the C Shares at the Calculation Date (including, for the avoidance of doubt, the Issue Costs, any accrued expenses and the full amount of all dividends declared but not paid in respect of the C Shares at the Calculation Date);

"E" is the number of C Shares in issue at the Calculation Date;

"F" is the aggregate of:

- (i) the value of all investments of the Company attributable to the Ordinary Shares valued in accordance with the Company's normal accounting policies, subject to such adjustments as the Directors may deem appropriate;
- (ii) the amount which, in the Directors' opinion, fairly reflects, at the Calculation Date, the value of the current assets of the Company attributable to the Ordinary Share Pool (excluding the investments valued under (i) above but including cash and deposits with or balances at bank and any accrued income less accrued expenses and other items of a revenue nature); and
- (iii) any currency hedging arrangements attributable to the Ordinary Share Pool shall be deemed to have been closed-out at the Calculation Date and the value of (or liability arising from) any such currency hedging arrangements taken out in relation to the Ordinary Share Pool shall be taken into account in full as an asset (or liability), as the case may be;

"G" is the amount (to the extent not otherwise deducted in the calculation of "F") which, in the Directors' opinion, fairly reflects the amount of the liabilities of the Company attributable to the Ordinary Shares at the Calculation Date (including, for the avoidance of doubt, any accrued expenses and the full amount of all dividends declared but not paid in respect of the Ordinary Shares at the Calculation Date); and

"H" is the number of Ordinary Shares in issue at the Calculation Date (excluding any Ordinary Shares held in treasury);

provided that:

- (i) in calculating B, the subscription rights conferred by the Warrants then outstanding shall be assumed to have been exercised, and the resulting Ordinary Shares shall be assumed to have been issued fully paid as at the Calculation Date if B calculated on an undiluted basis is greater than 120p;

- (ii) the Directors shall make such adjustments to the value or amount of A and B as the Independent Accountants shall report) to be appropriate having regard, *inter alia*, (a) to the assets of the Company immediately prior to the Issue Date and/or the Calculation Date and/or (b) to the reasons for the Issue;
- (iii) where the Calculation Date takes place not later than 10 Business Days after the Issue Date the Directors may in their absolute discretion substitute for C above (and for any other valuation of the investments attributable to the C Shares used in calculating the Conversion Ratio) the gross proceeds of the Issue or, where the Issue Costs are not taken into account in calculating D above (or for any other valuation of the liabilities and expenses attributable to the C Shares in calculating the Conversion Ratio), the Net Issue Proceeds; and
- (iv) where valuations are to be made as at the Calculation Date and the Calculation Date is not a Business Day, the Directors shall apply the provisions of this definition as if the Calculation Date were the preceding Business Day;

"C Share Pool" the net assets of the Company attributable to the C Shares, being the net cash proceeds of the issue after settlement of the Issue Costs as invested in or represented by investments, cash or other assets from time to time (including, for the avoidance of doubt, any income and/or revenue, net of expenses, arising from or relating to such assets) less such proportion of the Company's liabilities as the Directors shall reasonably allocate to the assets of the Company attributable to the C Shares;

"Force Majeure Circumstances" means:

- (i) any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable notwithstanding that less than the appropriate percentage of assets attributable to the C Shares have been invested or that the date set for conversion by the Directors for the C Shares has not been reached;
- (ii) the issue of any legal proceedings challenging, or seeking to challenge, the power of the Company and/or its Directors to issue the C Shares with the rights proposed to be attached to them and/or the persons to whom, and/or the terms upon which, they are proposed to be issued; or
- (iii) the giving of notice of any general meeting of the Company at which a resolution is to be proposed to wind up the Company;

whichever shall happen earliest;

"Independent Accountants" such firm of chartered accountants as the Directors may appoint for the purpose;

"Issue Date" the date on which Admission becomes effective or, if later, the date on which the Company receives the net proceeds of the issue of the C Shares; and

"Ordinary Share Pool" the net assets of the Company less the C Share Pool.

References in this Prospectus to assets or liabilities being attributable to the C Shares shall mean the assets or liabilities attributable to the C Share Pool and, similarly, to assets or liabilities being attributable to the Ordinary Shares shall mean the assets or liabilities attributable to the Ordinary Share Pool.

Issue of C Shares

Subject to Jersey Company Law and the other provisions of the New Articles relating to the issue of equity shares, the Directors will be authorised to issue C Shares on such terms as they determine provided that such terms are consistent with the provisions of the New Articles.

Dividends

Whilst the C Shares are in issue:

- (i) the Ordinary Shareholders shall be entitled to receive, in that capacity, such dividends as the Directors may resolve to pay out of the Ordinary Share Pool;
- (ii) the C Shareholders shall be entitled to receive in that capacity such dividends as the Directors may resolve to pay out of the C Share Pool; and
- (iii) no dividend or other distribution shall be made or paid by the Company on any of its shares between the Calculation Date and the Conversion Date (both dates inclusive) and no such dividend shall be declared with a record date falling between the Calculation Date and the Conversion Date (both dates inclusive).

Capital

Whilst the C Shares are in issue and prior to the Conversion Date, on a winding-up or on a return of capital (otherwise than on a purchase by the Company of any of its shares) the surplus capital and assets of the Company upon such winding-up or return of capital attributable to:

- (i) the Ordinary Share Pool shall be divided, subject to the rights of the Warrantholders, amongst the holders of the Ordinary Shares according to the rights attaching thereto; and
- (ii) the C Share Pool shall be divided amongst the C Shareholders *pro rata* according to their holdings of C Shares.

Voting

Holders of C Shares shall have the same rights as to voting as holders of Ordinary Shares as if the C Shares and the Ordinary Shares were a single class. In particular, they will have the right to receive notice of and to attend and vote at general meetings of the Company and each holder of C Shares being present in person or by proxy or by a duly authorised representative (if a corporation) at a meeting shall upon a show of hands have one vote and upon a poll each such holder of C Shares present in person or by proxy or by a duly authorised representative (if a corporation) shall have one vote in respect of every C Share held by them.

Transfer

C Shares shall be transferable in the same manner as the Ordinary Shares.

Class Consents and Variation of Rights

Without prejudice to the generality of paragraph 3.5 of Part 7 of this Prospectus, for so long as any C Shares are for the time being in issue, until Conversion the consents of the holders of the Ordinary Shares as a class and the holders of the C Shares as a class shall be required for, and accordingly the special rights attached to the Ordinary Shares and the C Shares shall be deemed to be varied, *inter alia*, by:

- (i) any alteration to the Articles;
- (ii) any alteration, increase, consolidation, division, subdivision, cancellation, reduction or purchase by the Company of any issued share capital of the Company (other than on (a) the issue of further Ordinary Shares or C Shares, (b) Conversion, (c) the exercise of the subscription rights conferred by Warrants in issue on the Issue Date, (d) the issue of further Shares or classes of shares on terms which do not adversely affect the holders of C Shares or Ordinary Shares, as the case may be or (e) the sale of any Shares held as treasury shares or the purchase of any Shares by the Company (whether or not such shares are to be held in treasury); and
- (iii) the passing of a resolution to wind up the Company.

Undertakings

Without prejudice to its obligations under Jersey Company Law, for so long as any of the C Shares are for the time being in issue, until Conversion, the Company shall:

- (i) procure that the Company's records and bank accounts shall be operated so that the assets attributable to the C Share Pool can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall procure that separate cash accounts and investment ledger accounts shall be created and maintained in the books of the Company for the assets attributable to the C Share Pool;

- (ii) allocate to the assets attributable to the C Shares such proportion of the income, expenses and liabilities of the Company received, incurred or accrued between the Issue Date and the Calculation Date relating to the C Shares (both dates inclusive) as the Directors consider to be attributable to the C Shares; and
- (iii) give appropriate instructions to the Manager to manage the Company's assets and affairs so that such undertakings can be complied with by the Company.

Conversion

The C Shares shall be converted into new Ordinary Shares at the Conversion Date in accordance with the following provisions:

- (i) the Directors shall procure that:
 - (a) the Manager shall be requested to calculate, within four Business Days of the Calculation Date, the Conversion Ratio at the Calculation Date and the number of new Ordinary Shares to which each holder of C Shares shall be entitled on Conversion; and
 - (b) the Independent Accountants shall be requested to confirm, within eight Business Days of the Calculation Date, that such calculations have, in their opinion, been performed in accordance with the Articles and are arithmetically accurate, whereupon such calculations shall become final and binding on the Company, all Shareholders and any holders of other securities issued by the Company which are convertible into Shares;
- (ii) the Directors shall procure that, as soon as practicable following such confirmation and in any event within 15 Business Days of the Calculation Date, an announcement is made advising holders of C Shares of the Conversion Date, the Conversion Ratio and the aggregate number of new Ordinary Shares to which holders of C Shares will be entitled on Conversion;
- (iii) on Conversion, which shall take place at the Conversion Date, each C Share in issue shall automatically be reclassified into such number of new Ordinary Shares as shall be necessary to ensure that, upon Conversion being completed, the aggregate number of new Ordinary Shares created equals the aggregate number of C Shares in issue at the Calculation Date multiplied by the Conversion Ratio (rounded down to the nearest whole Ordinary Share);
- (iv) the new Ordinary Shares arising on Conversion shall be divided amongst the former holders of C Shares *pro rata* according to their respective former holdings of such C Shares (provided that the Directors may deal in such manner as they think fit with fractional entitlements to new Ordinary Shares arising on Conversion, including, without prejudice to the generality of the foregoing, selling any new Ordinary Shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company) and, for such purposes, any Director shall be deemed to have been authorised by the former holders of such C Shares, as their agent, to do any other act or thing as may be required to give effect to the same, including, in the case of any C Shares in certificated form, to execute any stock transfer form and, in the case of any C Shares in uncertificated form, the giving of directions to or on behalf of the former holders of such C Shares who shall be bound by them;
- (v) subject to the terms of the New Articles, the new Ordinary Shares arising on Conversion shall rank *pari passu* with the Ordinary Shares in issue at the Conversion Date;
- (vi) the Company shall use its reasonable endeavours to procure that, on Conversion, the new Ordinary Shares arising on Conversion are admitted to the Official List and to trading on the Main Market;
- (vii) forthwith upon Conversion, the certificates relating to any C Shares held in certificated form shall be cancelled and, within 14 days of the Conversion Date, the Company shall issue to each former holder of such C Shares in certificated form a new certificate in respect of the new Ordinary Shares which have arisen on Conversion to which they are entitled unless such former holder elects to hold their new Ordinary Shares in uncertificated form; and
- (viii) the Directors may make such adjustments to the terms and timing of Conversion as they in their discretion consider are fair and reasonable having regard to the interests of all Shareholders.

On Conversion, the sums standing to the credit of the equity capital account in respect of the converted C Shares shall be transferred to the equity capital account of the Ordinary Shares.

Redemption

At any time prior to Conversion, the Company may, at its discretion, redeem all or any of the C Shares then in issue by agreement with any holder(s) thereof in accordance with such procedures

as the Directors may determine (subject to the facilities and procedures of CREST) and in consideration of the payment of such redemption price as may be agreed between the Company and the relevant C Shareholder(s).

PART 4

INVESTMENT PORTFOLIO

1. Introduction

The information in this Part 4, which provides a comprehensive and meaningful analysis of the Company's portfolio as at the date of this Prospectus, is based on the unaudited valuation of the Company's assets at the close of business on 18 October 2012.

2. Overview of the Company's Portfolio

At the close of business on 18 October 2012, the Company's portfolio comprised 47 investments (all of which were listed or traded on stock exchanges) with an aggregate value of £313.5 million and the Company had cash balances of £4.5 million.

An analysis of the Company's assets by asset class at the close of business on 18 October 2012 is set out in the following table.

<i>Asset Class</i>	<i>Value (£'000)</i>	<i>% of Company's Total Assets</i>
Equities	305,173	96.0
Fixed income	8,280	2.6
Cash	4,518	1.4
Total	317,971	100.0

The following table shows the analysis by currency type of the Company's assets at the close of business on 18 October 2012.

<i>Currency</i>	<i>Value (£'000)</i>	<i>% of Company's Total Assets</i>
Australian Dollar	66,211	20.8
Hong Kong Dollar	40,841	12.8
Japanese Yen	13,697	4.3
Malaysian Ringgit	28,809	9.1
Singapore Dollar	85,508	26.9
Taiwan Dollar	22,820	7.2
Thailand Baht	42,032	13.2
UK Sterling	9,560	3.0
US Dollar	8,492	2.7
Total	317,971	100.0

The following table shows the geographic breakdown of the Company's portfolio at the close of business on 18 October 2012.

<i>Geography</i>	<i>Value (£'000)</i>	<i>% of Company's Total Assets</i>
Australia	60,113	18.9
China	21,388	6.7
Hong Kong	27,733	8.7
Japan	13,697	4.3
Malaysia	28,809	9.1
New Zealand	6,098	1.9
Singapore	85,508	26.9
Taiwan	22,820	7.2
Thailand	42,032	13.2
UK	9,560	3.0
US	212	0.1
Total	317,971	100.0

The following table shows the breakdown of the Company's portfolio by industry group at the close of business on 18 October 2012.

<i>Sector</i>	<i>Value (£'000)</i>	<i>% of Company's Total Assets</i>
Banks	43,240	13.6
Capital Goods	14,905	4.7
Consumer Durables & Apparel	6,232	2.0
Consumer Services	4,590	1.4
Diversified Financials	3,873	1.2
Energy	6,170	1.9
Food & Staples Retailing	8,590	2.7
Food Beverage & Tobacco	22,763	7.2
Insurance	10,425	3.3
Materials	18,325	5.8
Media	12,545	3.9
Pharmaceutical Biotechnology & Life Sciences	5,726	1.8
Real Estate	46,454	14.6
Semiconductors & Semiconductor Equipment	11,718	3.7
Technology Hardware & Equipment	15,754	5.0
Telecommunication Services	47,765	15.0
Transportation	10,282	3.2
Utilities	15,817	5.0
Fixed Income	8,280	2.6
Cash	4,518	1.4
Total	317,971	100.0

3. 17 Largest Investments

At the close of business on 18 October 2012, the Company's 17 largest investments by value, which together represented more than 50 per cent. of the Company's unaudited total assets, were as set out in the following table.

<i>Company</i>	<i>Country</i>	<i>Sector</i>	<i>Valuation £'000</i>	<i>% of Company's Total Assets</i>
Taiwan Semiconductor Manufacturing Company	Taiwan	Semiconductors & Semiconductor Equipment	11,718	3.7
HSBC Holdings	Hong Kong	Banks	11,622	3.7
British American Tobacco	Malaysia	Food, Beverage & Tobacco	11,445	3.6
Guinness Anchor	Malaysia	Food, Beverage & Tobacco	11,318	3.6
Taiwan Mobile	Taiwan	Telecommunication Services	11,068	3.5
Tesco Lotus Retail Growth	Thailand	Real Estate	10,554	3.3
QBE Insurance Group	Australia	Insurance	10,425	3.3
Overseas-Chinese Banking Corporation	Singapore	Banks	10,240	3.2
Swire Pacific (A and B shares)	Hong Kong	Real Estate	9,880	3.1
Venture Corp	Singapore	Technology Hardware & Equipment	9,606	3.0
United Overseas Bank	Singapore	Banks	8,951	2.8
Telstra Corp	Australia	Telecommunication Services	8,731	2.7
Woolworths	Australia	Food & Staples Retailing	8,590	2.7
Singapore Telecommunications	Singapore	Telecommunication Services	8,464	2.7
SP Ausnet	Australia	Utilities	8,443	2.7
Singapore Technologies Engineering	Singapore	Capital Goods	8,415	2.6
Yanlord Land Group	China	Fixed Income	8,280	2.6
Total			167,750	52.7

PART 5

FINANCIAL INFORMATION

1. Introduction

- 1.1 The Company's auditors are Ernst & Young LLP, Liberation House, Castle Street, St Helier, Jersey JE1 1EY, which is a Registered Auditor and a member of the Institute of Chartered Accountants in England and Wales.
- 1.2 The Company's financial statements are prepared in accordance with IFRS and, where consistent with IFRS, the presentational guidance set out in the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" issued by the AIC in January 2009. Accordingly, in order to provide further useful information with respect to the activities of the Company and in accordance with the AIC's guidance, the Company shows a revenue and capital column in its statement of comprehensive income.
- 1.3 The Company's annual financial statements are prepared to 31 December in each year and the Company's annual report and accounts will typically be sent to Shareholders within three months of its financial year-end. The Company also publishes an unaudited interim report covering the six months to 30 June each year within two months of that date.
- 1.4 Save for the historical information of the Company for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011 set out, or incorporated by reference, in paragraph 2 of this Part 5, none of the information in this Prospectus has been audited. Unless otherwise indicated, all unaudited financial information relating to the Company contained in this Prospectus has been extracted, without material adjustment, from the Company's internal accounting records, which are maintained by the Administrator on the Company's behalf on a basis consistent with the Company's accounting policies.

2. Published Annual Reports and Accounts for the Financial Years ended 31 December 2009, 31 December 2010 and 31 December 2011

2.1 Introduction

Unless otherwise indicated, the historical information of the Company for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011 set out, or incorporated by reference, in this paragraph 2 was audited by Ernst & Young LLP. In respect of the Company's audited financial statements for those years (comprising, in respect of each year, a statement of comprehensive income, a balance sheet, a statement of changes in equity, a cash flow statement and related notes), Ernst & Young LLP gave unqualified opinions that such financial statements:

- (i) gave a true and fair view of the state of the Company's affairs at the end of the relevant financial year and of its profit for the financial year then ended;
- (ii) had been properly prepared in accordance with IFRS; and
- (ii) had been prepared in accordance with the requirements of Jersey Company Law.

2.2 Selected Financial Information

Set out in the following table is a summary of the Company's financial results for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011, which (save for the information under the sub-heading "General" in the following table, which is unaudited and has been extracted, without material adjustment, from the Company's internal accounting records) has been extracted without material adjustment from the Company's audited financial statements for that financial period.

	<i>As at 31 December</i>		
	<i>2009</i>	<i>2010</i>	<i>2011</i>
<i>Capital</i>			
Investments at fair value (£'000)	160,413	216,933	236,609
Current assets (£'000)	4,827	2,578	6,668
Current liabilities (£'000)	(10,842)	(11,357)	(11,331)
Net assets (£'000)	154,398	208,154	231,946
NAV per Ordinary Share			
Basic (p)	140.63	176.35	166.77
Diluted (p)	137.19	167.85	164.78
Number of Ordinary Shares in issue			
Basic	109,790,000	118,035,062	139,083,871
Diluted	131,790,000	138,989,001	145,239,001
	<i>Year Ended 31 December</i>		
<i>Revenue</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>
Investment income (£'000)	7,680	10,285	11,878
Total expenses charged to revenue (£'000)	(1,101)	(1,425)	(1,700)
Profit before finance costs and tax (£'000)	6,579	8,860	10,178
Profit before tax (£'000)	6,407	8,766	10,103
Profit for the year (£'000)	6,044	8,257	9,644
Transfer to revenue reserve (£'000)	878	717	1,127
Earnings per Ordinary Share			
Basic (p)	5.54	7.31	7.44
Diluted (p)	5.54	7.03	7.26
Dividends per Ordinary Share			
Recognised in period (p)	4.75	6.75	6.75
Paid in respect of period (p)	5.00	6.00	6.75
Weighted average number of Ordinary Shares in issue throughout period			
Basic	109,030,411	112,948,965	129,577,283
Diluted	109,030,411	117,382,806	132,885,550
	<i>Year Ended 31 December</i>		
<i>General²⁴</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>
Dividend cover (x)	1.11	1.22	1.10
Actual gearing (%) ²⁵	4.1	4.6	2.2
Potential gearing (%) ²⁶	6.8	5.2	4.7
Total expense ratio (%) ²⁷	1.44	1.37	1.37

2.3 Historical Financial Information Incorporated by Reference into this Prospectus

The list in the following table is intended to enable investors to identify easily specific items of historical financial information relating to the Company for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011 that are incorporated by

²⁴ This information is unaudited.

²⁵ Actual gearing = total assets less current liabilities less all cash divided by Shareholders' funds.

²⁶ Potential gearing = total assets less current liabilities (including all debt being used for investment purposes) divided by Shareholders' funds.

²⁷ Ratio of expenses as a percentage of average Shareholders' funds calculated in accordance with the then industry standard Lipper Fitzrovia method.

reference into this Prospectus. The page numbers in the following table refer to the relevant pages of the Company's annual reports and accounts.

<i>Nature of Information</i>	<i>Annual Report and Accounts for Year Ended 31 December</i>		
	<i>2009 Page No(s)</i>	<i>2010 Page No(s)</i>	<i>2011 Page No(s)</i>
Statement of comprehensive income	30	30	31
Balance sheet	31	31	32
Statement of changes in equity	32	32	33
Cash flow statement	33	33	34
Notes to the financial statements (including accounting policies)	34-50	34-51	35-53
Independent auditors' report	29	29	30

2.4 *Operating and Financial Review Incorporated by Reference into this Prospectus*

The published annual reports and accounts of the Company for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011 included descriptions of the Company's financial condition (in both capital and revenue terms), changes in its financial condition and details of the Company's portfolio of investments for that period and the list in the following table is intended to enable investors to identify easily those specific items of information regarding such matters which are incorporated by reference into this Prospectus. The page numbers in the following table refer to the relevant pages of the Company's annual reports and accounts.

<i>Nature of Information</i>	<i>Annual Report and Accounts for Year Ended 31 December</i>		
	<i>2009 Page No(s)</i>	<i>2010 Page No(s)</i>	<i>2011 Page No(s)</i>
Financial highlights	1	1	1
Results	10	10	10
Performance	11	11	11
Investment portfolio	12-13	12-13	12-13
Sector/geographical analysis of portfolio	14	14	14
Currency/market performance	15	15	15
Chairman's statement	5-7	6-7	6-7
Manager's review	8-9	8-9	8-9
Directors' report (including business review)	20-23	20-22	20-23
Directors' remuneration report	28	28	29

Investors should note that statements regarding current circumstances and forward-looking statements made in the Company's annual report and accounts referred to in the table above speak as at the date of the annual report and accounts and, therefore, such statements do not necessarily remain up-to-date at the date of this Prospectus. Information included in this Prospectus, to the extent applicable, automatically updates and supersedes information included in the annual reports and accounts incorporated by reference and referred to in the table above.

2.5 *Availability of Annual Reports and Accounts for Inspection*

Copies of the published annual reports and accounts of the Company for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011 (as filed with the UK Listing Authority) are available for inspection at the addresses set out in paragraph 11 of Part 7 of this Prospectus. The information in such annual reports and accounts not incorporated by reference into paragraphs 2.3 and 2.4 of this Part 5 is either covered elsewhere in this Prospectus or is not relevant for the purposes of prospective investors considering an investment in C Shares.

3. Published Unaudited Half-yearly Report for the Six Months Ended 30 June 2012

3.1 Introduction

The Company published an unaudited half-yearly report for the six months ended 30 June 2012, which included comparative financial information for the six months ended 30 June 2011 and for the year ended 31 December 2011.

3.2 Selected Financial Information

Set out in the table below is a summary of the Company's unaudited interim results for the six months ended 30 June 2012 (and, for the purpose of comparison, as at 31 December 2011 in the case of the capital information and for the six months ended 30 June 2011 in the case of the revenue information), which has been extracted without material adjustment from the unaudited half-yearly report of the Company for that period.

	<i>As at</i> <i>31 December</i>	<i>As at</i> <i>30 June</i>
<i>Capital</i>	<i>2011</i>	<i>2012</i>
Investments at fair value (£'000)	236,609	283,180
Current assets (£'000)	6,668	5,527
Current liabilities (£'000)	(11,331)	(13,354)
Net assets (£'000)	231,946	275,353
NAV per Ordinary Share		
Basic (p)	166.77	183.91
Diluted (p)	164.78	182.09
Number of Ordinary Shares in issue		
Basic	139,083,871	149,718,233
Diluted	145,239,001	154,106,389
	<i>Six Months Ended 30 June</i>	
<i>Revenue</i>	<i>2011</i>	<i>2012</i>
Investment income (£'000)	6,174	6,490
Total expenses charged to revenue (£'000)	(803)	(965)
Profit before finance costs and tax (£'000)	5,371	5,525
Profit before tax (£'000)	5,331	5,480
Profit for the period (£'000)	4,970	5,329
Earnings per Ordinary Share		
Basic (p)	4.06	3.71
Diluted (p)	3.91	3.66
Dividends per Ordinary Share		
Recognised in period (p)	3.75	3.80
Paid in respect of period (p)	3.00	3.10
Weighted average number of Ordinary Shares in issue throughout period		
Basic	122,324,936	143,785,851
Diluted	127,146,270	145,769,080

3.3 Historical Financial Information Incorporated by Reference into this Prospectus

The list in the following table is intended to enable investors to identify easily specific items of historical financial information relating to the Company for the six months ended 30 June 2012 that are incorporated by reference into this Prospectus. The page numbers in the following table refer to the relevant pages of the Company's unaudited half-yearly report for that period.

*Interim Report for Six Months
Ended 30 June 2012*

<i>Nature of Information</i>	<i>Page No(s)</i>
Condensed statement of comprehensive income	7
Condensed balance sheet	8
Condensed statement of changes in equity	9
Condensed cash flow statement	10
Notes to the financial statements	11-14
Independent review report	15

3.4 Operating and Financial Review Incorporated by Reference into this Prospectus

The published unaudited half-yearly report of the Company for the six months ended 30 June 2012 included descriptions of the Company's financial condition (in both capital and revenue terms), changes in its financial condition and details of the Company's portfolio of investments for that period and the list in the following table is intended to enable investors to identify easily those specific items of information regarding such matters which are incorporated by reference into this Prospectus. The page numbers in the following table refer to the relevant pages of the Company's unaudited half-yearly report for the six months ended 30 June 2012.

<i>Nature of Information</i>	<i>Page No(s)</i>
Financial highlights	1
Performance	1
Investment portfolio	6
Interim Board report	2-5

Investors should note that statements regarding current circumstances and forward-looking statements made in the Company's half-yearly report referred to in the table above speak as at the date of the half-yearly report and, therefore, such statements do not necessarily remain up-to-date at the date of this Prospectus. Information included in this Prospectus, to the extent applicable, automatically updates and supersedes information included in the annual report and accounts incorporated by reference and referred to in the table above.

3.5 Availability of Half-yearly Report for Inspection

Copies of the published half-yearly report of the Company for the six months ended 30 June 2012 (as filed with the UK Listing Authority) are available for inspection at the addresses set out in paragraph 11 of Part 7 of this Prospectus. The information in such half-yearly report not incorporated by reference into paragraphs 3.3 and 3.4 of this Part 5 is either covered elsewhere in this Prospectus or is not relevant for the purposes of prospective investors considering an investment in C Shares.

4. Unaudited Capitalisation and Indebtedness

- 4.1 The following table, which has been extracted from the Company's internal accounting records without material adjustment, shows the unaudited capitalisation of the Company at 30 September 2012.

<i>Shareholders' Equity</i>	<i>£'000</i>
Share capital	150,368
Legal reserve ²⁸	-
Other reserves ²⁹	-
Total	<u>150,368</u>

²⁸ Legal reserve does not include profit and loss reserve.

²⁹ Other reserves do not include profit and loss reserve, profit and loss account or capital gain/(loss) reserves.

- 4.2 The following table, which has been extracted from the Company's internal accounting records without material adjustment, shows the unaudited indebtedness of the Company (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) at 30 September 2012.

	£'000
<i>Total Current Debt</i>	
Guaranteed	-
Secured	12,363
Unguaranteed/unsecured	-
Total	<u>12,363</u>
<i>Total Non-current Debt</i>	
Guaranteed	-
Secured	-
Unguaranteed/unsecured	-
Total	<u>0</u>

The Company's secured debt is secured over the Company's assets.

- 4.3 The following table, which has been extracted from the Company's internal accounting records without material adjustment, shows the Company's unaudited net indebtedness at 30 September 2012.

	£'000
A. Cash	5,446
B. Cash equivalents	-
C. Trading securities	-
D. Liquidity (A + B + C)	<u>5,446</u>
E. Current financial receivable	-
F. Current bank debt	12,363
G. Current portion of non-current debt	-
H. Other current financial debt	-
I. Current financial debt (F + G + H)	<u>12,363</u>
J. Net current financial indebtedness (I - E - D)	<u>6,917</u>
K. Non-current bank loans	-
L. Bonds issued	-
M. Other non-current loans	-
N. Non-current financial indebtedness (K + L + M)	<u>-</u>
O. Net financial indebtedness (J + N)	<u>6,917</u>

5. Related Party Transactions

Mr H Young is a director of Aberdeen Asset Management and its subsidiary, the Investment Manager. The Manager and Aberdeen Asset Managers are also subsidiaries of Aberdeen Asset Management and the Manager has an agreement to provide investment management, company secretarial and administration services to the Company, which it has sub-delegated, in the case of the investment management services, to the Investment Manager and, in the case of the company secretarial and administration services, to Aberdeen Asset Managers. Details of the agreements relating to these arrangements are set out in paragraphs 7.1.1, 7.2.1 and 7.3 of Part 7 of this Prospectus.

During the financial year ended 31 December 2011, Aberdeen Asset Management exercised its entire holding of 14,466,640 Warrants. The resultant 14,466,640 Ordinary Shares were

subsequently sold by Aberdeen Asset Management and placed in the market by the Company's then broker, Canaccord Genuity Limited.

Save for the arrangements described in this paragraph 5, the Company did not enter into any related party transactions (which, for these purposes, are those set out in the Standard adopted according to the regulation (EC) No 1606/2002) at any time during any of the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011, the six months ended 30 June 2012 or the period from 1 July 2012 to 18 October 2012.

6. Significant Change

- 6.1 Over the period from 30 June 2012 to 18 October 2012 (the most recent date as at which the NAV per Ordinary Share has been calculated prior to the publication of this Prospectus), the Company's unaudited NAV rose from £275.4 million to £305.5 million (representing an increase of 10.9 per cent.), and its unaudited NAV (fully diluted, including income) per Ordinary Share rose from 182.09p to 200.21p (representing an increase of 10.0 per cent.). Those increases were principally a consequence of increases in the value of the Company's investments. Save for those increases, there has been no significant change in the financial or trading position of the Company since 30 June 2012 (being the end of the last financial period of the Company for which unaudited financial information has been published, being the interim report referred to in paragraph 3 of this Part 5).
- 6.2 The Issue will constitute a significant gross change in relation to the Company for the purpose of the Prospectus Rules. The effect of this significant gross change will be to increase the net assets of the Company on Admission by up to £49.2 million (being the proceeds of the Issue less the estimated Issue Costs, assuming that 50,000,000 C Shares are issued). The Net Issue Proceeds will be invested in accordance with the Company's existing investment policy set out under the sub-heading "Investment Policy" in Part 1 of this Prospectus and, accordingly, the Company will derive earnings from such investments principally in the form of dividends and, therefore, the Issue will be earnings enhancing for the Company. However, as a consequence of the respective rights of the Ordinary Shares and the C Shares, the Issue is not expected to have a material effect on the earnings per Ordinary Share.

7. Working Capital

The Company is of the opinion that the Company has sufficient working capital for its present requirements (that is, for at least the 12 months from the date of this Prospectus).

8. Annual Operating Expenses

In addition to management and administration fees (details of which are set out under the heading "Management and Administration" in Part 1 of this Prospectus), the Company pays all other fees and expenses incurred in the operation of its business, including, without limitation:

- (i) brokerage and other transaction charges;
- (ii) fees and expenses for corporate broking, custodial, registrar, legal, audit, tax and other professional services;
- (iii) the fees and out-of-pocket expenses of the Directors and the cost of Directors' insurance;
- (iv) any borrowing costs;
- (v) the ongoing costs of maintaining the listing of the Shares and the Warrants and their trading on the Main Market;
- (vi) promotional and marketing fees and expenses (including membership of any industry bodies and marketing initiatives approved by the Board);
- (vii) costs of printing the Company's financial reports and posting them to Shareholders and Warrantheolders; and
- (viii) costs of holding general meetings of the Company, any class of Shareholders or Warrantheolders.

The ongoing charges of the Company (including management and administration fees) for the financial year ended 31 December 2011 were 1.4% of the average Shareholders' funds over that year.

9. Expense Accounting

The Issue Costs will be accounted for as a reduction in the carrying value of the C Shares and hence will not affect the Company's income or capital returns.

The management and secretarial fees payable to the Manager, any finance costs and all other expenses are charged through the statement of comprehensive income in its financial statements and are allocated to the revenue and capital columns in that statement on the following basis:

- (i) 40 per cent. of the management fees and any finance costs are allocated to the revenue column and the balance to the capital column; and
- (ii) all other operational costs are allocated solely to the revenue column.

10. NAV Calculations

10.1 The unaudited NAV per Ordinary Share is, and the unaudited NAV per C Share will be, calculated as at the close of business on each business day by the Administrator and announced through a Regulatory Information Service on the following business day. Such unaudited NAVs are, and will be, calculated on the same basis as the calculation of the NAV per Ordinary Share for the purpose of the Company's published financial statements.

10.2 For the purpose of the Company's financial statements, the NAV per Ordinary Share is, and the unaudited NAV per C Share will be, calculated in accordance with IFRS and where consistent with IFRS, the AIC's guidelines. Accordingly, NAV calculations are prepared on the following basis:

- (i) securities listed, traded or quoted on a stock exchange or over-the-counter market are valued by reference to the bid price on such stock exchange or market as at the close of business of the relevant exchange or market on the relevant valuation day (or, if the relevant exchange or market is not open for business on the relevant valuation day, the securities are valued as at the last day on which the relevant exchange or market was open for business) as shown in the relevant exchange's or market's recognised method of publication of prices for such securities (and where a security is listed, traded or quoted on more than one stock exchange or over-the-counter market, the Board may, in its absolute discretion, select any one of such exchanges or markets);
- (ii) securities issued by open-ended investment funds are valued by reference to the prices or, in the case of securities in respect of which cancellation and bid prices are quoted, the lower of the cancellation and bid prices quoted as at the close of business on the relevant valuation date by the manager of the relevant open-ended fund;
- (iii) any securities that are not listed, traded or quoted on a stock exchange or over-the-counter market and which are not securities issued by open-ended investment funds are valued at fair value as determined by the Board using appropriate valuation methodologies such as earnings multiples, recent transactions and net assets;
- (iv) derivative instruments are valued at fair value using appropriate valuation methodologies as determined by the Board;
- (v) cash and bank deposits are valued by reference to their face value; and
- (vi) assets and liabilities in currencies other than sterling (being the Company's functional currency) are translated into sterling at the rates of exchange applying on the relevant valuation date.

For the purpose of calculating the diluted NAV per Ordinary Share, the subscription rights conferred by the Warrants are only assumed to have been exercised if dilution of the unaudited NAV per Ordinary Share would occur (i.e. when the unaudited NAV per Ordinary Share is greater than 120p prior to dilution).

10.3 The calculation of the NAV per Ordinary Share or the NAV per C Share will only be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained. Details of any

suspension in making any such calculation will be announced by the Company through a Regulatory Information Service as soon as practicable.

11. Accounting Treatment of the C Shares

In accordance with IAS32 (Financial Instruments: Presentation), the C Shares will be designated as a financial liability due to the inherent variability in the number of Ordinary Shares attributable to the holders of C Shares. Conversion of the C Shares into Ordinary Shares will result in that liability being converted into equity.

12. Currency Hedging

The Company's functional currency is sterling and dividends will be payable in sterling. Due to its investment focus, substantially all of the Company's investments and revenues are denominated and quoted or earned in currencies other than sterling. The Company may, where appropriate and economic to do so, employ a policy of hedging against fluctuations in the rate of exchange between sterling and other currencies in which its investments are denominated, although it is not the Company's policy to hedge the foreign currency risk on a continuing basis.

PART 6

TAXATION

The information below, which relates only to United Kingdom and Jersey taxation, summarises the advice received by the Board and is applicable to the Company and (except in so far as express reference is made to the treatment of other persons) to persons who are resident or ordinarily resident in (and only in) the United Kingdom (in the case of section 1: "UK Taxation") or Jersey (in the case of section 2: "Jersey Taxation") for taxation purposes, who hold absolute beneficial title to their Shares as an investment and have acquired their Shares otherwise than by virtue of an office or employment. It is based on current United Kingdom and Jersey revenue law and published practice, any of which law or practice is, in principle, subject to any subsequent changes therein (potentially with retrospective effect). The statements in this Part 6 may not apply to certain Shareholders, such as dealers in securities, insurance companies, collective investment schemes, operators of clearance services and issuers of depository receipts.

Investors who are in any doubt as to their tax position, or who are subject to tax in a jurisdiction other than the United Kingdom or Jersey or hold their Shares otherwise than as an investment, are strongly recommended to consult their professional adviser.

1. UK Taxation

1.1 ***The Company***

It is the intention of the Directors to continue to conduct the affairs of the Company in such a way that the central management and control of the Company is not exercised in the United Kingdom so that it is not resident in the United Kingdom for taxation purposes. Accordingly, and provided it does not carry on any trade in the United Kingdom (whether or not through a branch, agency or permanent establishment situated there), the Company will not be liable for UK income or corporation tax other than on certain types of UK source income.

1.2 ***UK-resident Shareholders***

1.2.1 ***UK Offshore Fund Rules***

The Company, as a closed-ended investment company with no fixed life, should not, as at the date of this Prospectus, be treated as an "offshore fund" for the purposes of United Kingdom taxation. Accordingly, the Company should not, and each separate class of Shares should not, be an offshore fund for the purposes of UK taxation and the legislation introduced by the Finance Act 2009 with effect from 1 December 2009, now contained in Part 8 of the Taxation (International and Other Provisions) Act 2010, should not apply. Accordingly, Shareholders (other than those holding Shares as dealing stock, who are subject to separate rules) who are resident or ordinarily resident in the United Kingdom, or who carry on business in the United Kingdom through a branch, agency or permanent establishment with which their investment in the Company is connected, may, depending on their circumstances and subject as mentioned below, be liable to United Kingdom tax on chargeable gains realised on the disposal of their Shares (which will include on any final liquidation of the Company).

1.2.2 ***Conversion of C Shares into Ordinary Shares at the Conversion Date***

The conversion of C Shares into Ordinary Shares at the Conversion Date should be treated as a reorganisation of share capital and, accordingly, should not constitute a disposal of the C Shares for the purposes of corporation tax or capital gains tax. The Ordinary Shares should be treated as acquired at the same time as, and with the same base cost as, the C Shares.

1.2.3 ***Gains Arising on Sale or Other Disposal***

A disposal of Shares by a Shareholder who is resident or, in the case of an individual, ordinarily resident in the United Kingdom for UK tax purposes may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains or capital gains, depending on the Shareholder's circumstances and subject to any available exemption or relief. For such individual Shareholders, capital gains tax at the rate of 18 per cent. (for basic rate taxpayers) and 28 per cent. (for higher and

additional rate taxpayers) will be payable on any gain. Individuals may benefit from certain reliefs and allowances (including a personal annual exemption allowance, which exempts the first £10,600 of gains from tax in the 2012/2013 tax year) depending on their circumstances. Shareholders which are bodies corporate resident in the United Kingdom for taxation purposes may, to the extent only that it does not give rise to a loss, benefit from indexation allowance which, in general terms, increases the chargeable gains tax base cost of an asset in accordance with the rise in the retail prices index.

1.2.4 *Dividends*

UK-resident Ordinary Shareholders and C Shareholders will receive dividends without deduction of any Jersey tax.

An individual Ordinary Shareholder or C Shareholder resident in the UK (for tax purposes) who is a "minority shareholder" (in broad terms, a person who holds less than 10 per cent. of the class of Share in relation to which the dividend is paid) should be entitled to tax credits in respect of dividends paid by the Company. The tax credit will be 10 per cent. of the aggregate of the dividend and the tax credit itself (equivalent to one-ninth of the cash dividend). UK-resident individual Ordinary Shareholders or C Shareholders, including those who hold their Ordinary Shares or C Shares, respectively, through an ISA, who are not liable to income tax in respect of their dividends, will not be entitled to the tax credit. The income tax charge in respect of the dividends for basic rate taxpayers will be at the rate of 10 per cent. and such Ordinary Shareholders or C Shareholders will have no further liability to tax on their dividends. A higher rate taxpayer will be liable to income tax on the sum of the dividend plus the tax credit (to the extent that, taking that sum as the top slice of their income, it falls above the threshold for the higher rate of income tax) at the rate of 32.5 per cent., against which they can offset the 10 per cent. tax credit, resulting in an effective tax rate of 25 per cent. An additional rate taxpayer will be liable to income tax on the sum of the dividend plus the tax credit (to the extent that, taking that sum as the top slice of their income, it falls above the threshold for the additional rate of income tax) at the rate of 42.5 per cent. against which they can offset the 10 per cent. tax credit, resulting in an effective tax rate of 36.11 per cent.

A company resident in the UK for tax purposes will not generally be liable to UK corporation tax on any dividend received from the Company but will not be able to claim a repayment of the tax credit attaching to the dividends.

1.3 ***Stamp Duty and Stamp Duty Reserve Tax***

No UK stamp duty, or stamp duty reserve tax, will be payable on the issue of the C Shares.

Regardless of whether Shares are held in certificated or uncertificated form, United Kingdom stamp duty (at the rate of 0.5 per cent. of the amount of the value of the consideration for the transfer rounded up where necessary to the nearest £5) is payable on any instrument of transfer of Shares executed within, or in certain cases brought into, the United Kingdom, to the extent that the consideration given for the transfer (and any larger transaction or series of transactions of which it forms part) exceeds £1,000. Provided that the Shares are not registered in any register of the Company kept in the United Kingdom, any agreement to transfer Shares will not be subject to United Kingdom stamp duty reserve tax.

1.4 ***ISAs***

C Shares allotted under the Placing are not eligible for direct transfer into an ISA. Subject to applicable subscription limits, Shares acquired pursuant to an offer to the public (such as the Public Offer) or in the secondary market may be eligible for inclusion in a stocks and shares ISA, although the account manager should be asked to confirm ISA eligibility. The annual ISA investment allowance is £11,280 for the tax year 2012/2013. Up to £5,640 of that allowance can be invested as cash with one provider. The remainder of the £11,280 can be invested in a stocks and shares ISA with either the same or another provider.

Gains on, and dividends received in respect of, Shares held within a stocks and shares ISA are exempt from capital gains tax and income tax.

1.5 **SIPPs and SSASs**

The Shares (including, for the avoidance of doubt, the C Shares), however acquired, are permitted investments for SIPPs and SSASs.

1.6 **Other United Kingdom Tax Considerations**

The attention of individuals ordinarily resident in the United Kingdom is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007 under which the income accruing to the Company may be attributed to Shareholders and may (in certain circumstances) be liable to UK income tax in the hands of the Shareholder. However, the provisions do not apply if such Shareholder can satisfy HM Revenue & Customs that either:

- (i) the purpose of avoiding liability to UK taxation was not the purpose or one of the purposes of their investment in the Company; or
- (ii) the investment was a genuine commercial transaction and was not designed for the purpose of avoiding UK taxation.

As the Company is owned by a majority of persons resident in the UK, the legislation applying to controlled foreign companies may apply to any corporate Shareholders who are resident in the UK. Under these rules, part of any profits accruing to the Company may be attributed to such Shareholder, and may in certain circumstances be chargeable to UK corporation tax in the hands of the Shareholder. However, this will only apply if the apportionment of that Shareholder (when aggregated with persons connected or associated with them) is at least 25 per cent. of the Company's relevant profits.

In the event that the Company would be treated as "close" if it were resident in the UK, then part of any chargeable gain accruing to the Company may be attributed to a Shareholder who is resident or ordinarily resident in the UK and whose interest (when aggregated with persons connected with them) in the chargeable gains of the Company exceeds one-tenth and may (in certain circumstances) be liable to UK tax on capital gains in the hands of the Shareholder. The part attributable to the Shareholder corresponds to such Shareholder's proportionate interest in the Company.

2. Jersey Taxation

2.1 **The Company**

The Company is liable to Jersey income tax at a rate of zero per cent. Capital gains are not subject to tax in Jersey.

On 10 December 2010, the States of Jersey adopted the Income Tax (Amendment No. 36) (Jersey) Law 2010. The legislation, which is in effect, provides an exemption from taxation for "eligible investment schemes" and, if a general rate of income tax above 0 per cent. is introduced, the Company may be able to take advantage of this exemption. An annual fee of £500 is payable as an application fee.

The States of Jersey introduced a Goods and Services Tax ("**GST**") with effect from 6 May 2008. The Company has opted out of the GST regime by applying to become an "international services entity" ("**ISE**") as provided by the Goods and Services Tax (Jersey) Law 2007. ISE status is obtained upon meeting certain requirements and paying a prescribed annual fee. As an ISE, the Company is exempted both from registering for GST and from accounting for GST on supplies made and received in Jersey solely for the purpose of its business.

2.2 **Shareholders**

Any Shareholders who are resident for tax purposes in Jersey will incur income tax on any dividends paid on the Shares. The attention of Jersey resident investors is also drawn to Article 134A of the Income Tax (Jersey) Law 1961 (as amended), the effect of which may be to render such a resident liable to income tax on any undistributed income or profits of the Company.

Jersey does not tax capital gains and consequently no Jersey tax will be levied on the disposal of Shares by Shareholders.

Jersey does not levy taxes upon capital inheritances, capital gains, gifts, sales or turnover, nor are there estate duties.

2.3 **Stamp Duty**

No stamp duty is levied on the transfer *inter vivos*, exchange or repurchase of Shares but there is a stamp duty payable when Jersey grants of probate and letters of administration are required. Stamp duty of up to 0.75 per cent. is payable on the grant of probate or letters of administration in Jersey in respect of a deceased natural person (i) who dies domiciled in Jersey, on the value of the entire estate (including any securities or interests therein) and (ii) otherwise, on the value of so much of the estate (including any securities therein), if any, as is situated in Jersey.

PART 7

ADDITIONAL INFORMATION

1. Incorporation, Company Structure and Conduct of Business
 - 1.1 The Company was incorporated with limited liability in Jersey as a closed-ended investment company under Jersey Company Law with registered number 91671 on 8 November 2005. The Company, which is domiciled in Jersey, operates under Jersey Company Law and orders made thereunder. In addition, the Company constitutes and is regulated as a collective investment fund under Jersey Funds Law and orders made thereunder. The Company is a certified fund for the purposes of Article 8 of Jersey Funds Law (the JFSC is protected by Jersey Funds Law against liability arising from the discharge of its functions under that law). The Company is also subject to the Jersey Funds Codes. The Company is not regulated by the FSA or any other equivalent regulator in the European Economic Area.
 - 1.2 The Company has its registered office and principal place of business at No. 1 Seaton Place, St Helier, Jersey JE4 8YJ, Channel Islands. The Company's telephone number at its registered office is +44 (0) 1534 758 847.
 - 1.3 Under Jersey Company Law, the capacity of a Jersey company is not limited by anything contained in its memorandum or articles of association. Accordingly, the memorandum of association of the Company does not contain an objects clause.
 - 1.4 There were no governmental, legal or arbitration proceedings (including any such proceedings which were pending or threatened of which the Company was aware at the date of this Prospectus) during the 12 months immediately preceding the date of this Prospectus which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company.
 - 1.5 As required by the Listing Rules, the Company invests and manages its assets in a way which is consistent with its object of spreading investment risk and in accordance with its published investment policy, which is set out under the sub-heading "Investment Policy" in Part 1 of this Prospectus. The Company does not conduct, and will not conduct, any trading activity which is significant in the context of the Company. Save as set out in the Listing Rules or the Company's published investment policy, there are no investment restrictions imposed on the Company by statute or otherwise.
2. Share Capital and Warrants
 - 2.1 The Company is a no par value company and, accordingly, none of the Shares have a par value. Furthermore, the Company does not have an authorised share capital.
 - 2.2 As at 1 January 2009 (the first date in the period covered by the historical financial information on the Company incorporated by reference into Part 5 of this Prospectus):
 - (i) there were 108,440,000 Ordinary Shares in issue, all of which were fully paid; and
 - (ii) there were 22,000,000 warrants in issue, each conferring the right to subscribe for one Ordinary Share at 120p per Ordinary Share on the twentieth business day after despatch of the Company's annual report and accounts or half-yearly report commencing in respect of the year ending 31 December 2009 and ending in respect of the year ending 31 December 2012.

During the period commencing on 1 January 2009 and ending on 30 June 2012 (the last date in the period covered by the historical financial information on the Company incorporated by reference into Part 5 of this Prospectus), the following changes occurred in the Company's share capital:

 - (a) the Company issued for cash, in each case, at a price representing a premium to the NAV per Ordinary Share at the respective dates of issue, Ordinary Shares pursuant to the following tap issues:
 - (1) during the financial year ended 31 December 2009, a total of 1,350,000 Ordinary Shares were issued pursuant to 11 tap issues at prices ranging from 95.00p to

- 135.00p per Ordinary Share (and a weighted average price of 117.54p per Ordinary Share), resulting in aggregate gross proceeds (before issue costs) of £1.6 million;
- (2) during the financial year ended 31 December 2010, a total of 7,199,001 Ordinary Shares were issued pursuant to 36 tap issues at prices ranging from 134.25p to 168.50p per Ordinary Share (and a weighted average price of 152.81p per Ordinary Share), resulting in aggregate gross proceeds (before issue costs) of £11.0 million;
 - (3) during the financial year ended 31 December 2011, a total of 6,250,000 Ordinary Shares were issued pursuant to 26 tap issues at prices ranging from 156.63p to 178.50p per Ordinary Share (and a weighted average price of 164.59p per Ordinary Share), resulting in aggregate gross proceeds (before issue costs) of £10.3 million; and
 - (4) during the six months ended 30 June 2012, a total of 8,867,388 Ordinary Shares were issued pursuant to 27 tap issues at prices ranging from 173.00p to 190.00p per Ordinary Share (and a weighted average price of 182.36p per Ordinary Share), resulting in aggregate gross proceeds (before issue costs) of £16.2 million; and
- (b) the Company issued for cash, at 120p per Ordinary Share, the following Ordinary Shares resulting from the exercise of subscription rights conferred by Warrants:
- (1) during the financial year ended 31 December 2010, 160,999 Ordinary Shares were issued on 11 May 2010 and 885,062 Ordinary Shares on 13 October 2010, resulting in aggregate gross proceeds (before issue costs) of £1.3 million;
 - (2) during the financial year ended 31 December 2011, 14,793,009 Ordinary Shares were issued on 16 May 2011 and 5,800 Ordinary Shares on 5 October 2011, resulting in aggregate gross proceeds (before issue costs) of £17.8 million; and
 - (3) during the six months ended 30 June 2012, 1,766,974 Ordinary Shares were issued on 23 May 2012, resulting in aggregate gross proceeds (before issue costs) of £2.1 million.

As at 30 June 2012, there were 149,718,233 Ordinary Shares in issue, all of which were fully paid, and 4,388,156 Warrants in issue.

2.3 During the period commencing on 1 July 2012 and ending on 18 October 2012, the following changes occurred in the Company's share capital:

- (a) to satisfy investor demand the Company issued for cash, in each case, at a price representing a premium to the NAVs per Ordinary Share at the respective date of issue, a total of 650,000 Ordinary Shares pursuant to tap issues at prices ranging from 194.50p to 203.50p per Ordinary Share (and a weighted average price of 198.50p per Ordinary Share), resulting in aggregate gross proceeds (before issue costs) of £1.3 million; and
- (b) on 17 October 2012, 814,113 Ordinary Shares were issued for cash, at 120p per Ordinary Share, following the exercise of subscription rights conferred by Warrants, resulting in aggregate gross proceeds (before issue costs) of £1.0 million.

As at 18 October 2012, there were 151,182,346 Ordinary Shares in issue, all of which were fully paid, and 3,574,043 Warrants in issue.

2.4 At the date of this Prospectus:

- (i) the Company had no shares which did not represent capital;
- (ii) no shares in the Company were held by or on behalf of the Company, in treasury or otherwise;
- (iii) save for the Warrants, no convertible securities, exchangeable securities or securities with subscription rights had been issued by the Company;
- (iv) save in connection with the Placing and Public Offer, there were no acquisition rights and/or obligations over any of the Company's unissued capital and no undertakings to increase the Company's capital; and
- (v) no share or loan capital of the Company was under option or had been agreed, conditionally or unconditionally, to be put under option.

- 2.5 Pursuant to a special resolution passed at the annual general meeting of the Company held on 16 May 2012, the Company was authorised, in accordance with the Articles, to issue equity securities for cash on a non-pre-emptive basis up to a maximum amount of 14,328,387 equity shares (representing 10 per cent. of the Ordinary Shares in issue at that date), provided that:
- (i) such authority shall expire (unless and to the extent previously revoked, varied, or renewed by the Company in general meeting) at the earlier of (a) the conclusion of the annual general meeting of the Company to be held in 2013 and (b) 16 November 2013; and
 - (ii) the Company may, before such expiry, make offers or agreements which would or might require equity securities to be issued after such expiry and the Company may issue equity securities in pursuance of any such offer or agreement as if such expiry had not occurred.

- 2.6 Pursuant to special resolutions passed at the annual general meeting of the Company held on 16 May 2012, the Company was authorised, in accordance with the Articles, to make market purchases of Ordinary Shares, and, at its discretion, to cancel any such Ordinary Shares or hold them as treasury shares, provided that:

- (i) the maximum number of Ordinary Shares authorised to be purchased was 21,740,577, equivalent to 14.99 per cent. of the Ordinary Shares in issue at 16 May 2012;
- (ii) the maximum price which may be paid for an Ordinary Share will be an amount equal to the higher of:
 - (a) 105 per cent. of the average of the middle market quotations for an Ordinary Share taken from the London Stock Exchange's Daily Official List for the five business days immediately preceding the date on which the Ordinary Share is purchased; and
 - (b) the higher of (1) the price of the last independent trade and (2) the highest current independent bid for Ordinary Shares on the trading venue where the purchase is carried out;
- (iii) the minimum price which may be paid for an Ordinary Share will be 1p; and
- (iv) such authority shall expire (unless previously renewed by the Company in general meeting) at the earlier of (a) the conclusion of the annual general meeting of the Company to be held in 2013 and (b) 16 November 2013.

The Company may purchase Ordinary Shares out of its unrealised capital or revenue profits less its capital or revenue losses, whether realised or unrealised.

- 2.7 Pursuant to a special resolution passed at the annual general meeting of the Company held on 16 May 2012, the Company was authorised, in accordance with the Articles, to make market purchases of Warrants, and to cancel any such Warrants, provided that:

- (i) the maximum number of Warrants authorised to be purchased was 922,654, equivalent to 14.99 per cent. of the Warrants in issue at 16 May 2012;
- (ii) the maximum price which may be paid for a Warrant will be an amount equal to the higher of:
 - (a) 105 per cent. of the average of the middle market quotations for a Warrant taken from the London Stock Exchange's Daily Official List for the five business days immediately preceding the date on which the Warrant is purchased; and
 - (b) the higher of (1) the price of the last independent trade and (2) the highest current independent bid for Warrants on the trading venue where the purchase is carried out;
- (iii) the minimum price which may be paid for a Warrant will be 1p; and
- (iv) such authority shall expire (unless previously renewed by the Company in general meeting) at the earlier of (a) the conclusion of the annual general meeting of the Company to be held in 2013 and (b) 16 November 2013.

The Company may purchase Warrants out of its unrealised capital or revenue profits less its capital or revenue losses, whether realised or unrealised.

- 2.8 The Company has convened an extraordinary general meeting for Thursday, 15 November 2012 at which special resolutions will be proposed:
- (i) to adopt new articles of association of the Company, which will include the rights, restrictions and other provisions relating to the C Shares summarised under the heading "Terms of the C Shares" in Part 3 of this Prospectus; and
 - (ii) to authorise the Company, in accordance with the Articles and in addition to the authority referred to in paragraph 2.5 of this Part 7, to issue up to 100,000,000 C Shares for cash on a non-pre-emptive basis, provided that:
 - (a) such authority shall expire (unless and to the extent previously revoked, varied, or renewed by the Company in general meeting) at the earlier of (1) the conclusion of the annual general meeting of the Company to be held in 2013 and (2) 15 May 2014; and
 - (ii) the Company may, before such expiry, make offers or agreements which would or might require C Shares to be issued after such expiry and the Company may issue C Shares in pursuance of any such offer or agreement as if such expiry had not occurred.
- 2.9 The Issue is conditional, *inter alia*, on the special resolutions referred to in paragraph 2.8 of this Part 7 being passed. Subject to the Issue becoming wholly unconditional, it is expected that the C Shares to be issued pursuant to the Placing and Public Offer will be issued on Friday, 16 November 2012 pursuant to a resolution of the Board.
- 2.10 Other than the issue of the C Shares pursuant to the Placing and Public Offer, the Company has no present intention to issue any further Shares prior to Conversion. The Company reserves the right, following Conversion, to issue further Ordinary Shares for cash, in each case at prices representing a premium to the NAV per Ordinary Share at the respective dates of issue, pursuant to tap issues. In addition, Ordinary Shares resulting from the exercise of subscription rights conferred by Warrants are expected to be issued for cash, at 120p per Ordinary Share, following the final date for exercising such subscription rights in or around May 2013.
- 2.11 The market makers in the Ordinary Shares include, and the C Shares will include, Cantor Fitzgerald.

3. Articles of Association

The Issue is conditional on the New Articles being adopted. The New Articles will contain the rights and restrictions attaching to the Ordinary Shares and the C Shares summarised under the sub-heading "Characteristics of the Shares" in Part 1 and under the heading "Terms of the C Shares" in Part 3 of this Prospectus. The New Articles will also contain provisions, *inter alia*, to the following effect:

3.1 **Issues of Shares**

- 3.1.1 Without prejudice to any special rights previously conferred on the holders of any shares or class of shares, any share in the Company (a "**share**") may be issued with such preferred, deferred or other special rights or restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by special resolution determine.
- 3.1.2 Subject to Jersey Company Law, the New Articles and paragraph 3.1.3 of this Part 7, the Directors may allot (with or without conferring a right of renunciation), grant options over or otherwise deal with or dispose of in any other way new shares or rights to subscribe for or convert any security into shares to such persons, at such times and generally on such terms and conditions as they think proper provided that no share may be issued at a discount;
- 3.1.3 The Company shall not, without the previous sanction of a special resolution of the Company passed at a general meeting convened and held in accordance with the provisions of the New Articles, allot any further shares, or rights to subscribe for, or to convert or exchange into, such shares, or sell shares which immediately before such sale are held by the Company as treasury shares, ("**equity securities**") for cash without first offering the same in proportion to their existing holding to:

- (i) existing holders of that class of equity securities; and
 - (ii) holders of other equity securities who are entitled to be offered them;
- provided that this shall not apply to equity securities which the Company considers necessary or expedient to exclude from the offer on account of the laws or regulatory requirements of a territory other than Jersey.

3.1.4 The Company may on any issue of shares pay such brokerage or commissions as may be lawful.

3.1.5 No person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share.

3.2 **Voting Rights**

3.2.1 Subject to paragraph 3.8.3 of this Part 7 and to any special rights or restrictions as to voting attached to any shares, on a show of hands every member who is present in person or by proxy shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which they are the holder.

3.2.2 In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members in respect of the shares.

3.2.3 On a poll, a person entitled to more than one vote need not use all their votes or cast all the votes he uses in the same way.

3.2.4 A member may appoint more than one proxy.

3.3 **Dividends and Other Distributions**

3.3.1 Subject to the provisions of Jersey Company Law and the rights of persons entitled to shares with special rights as to dividends, the Company may declare dividends but no such dividend shall exceed the amount recommended by the Directors.

3.3.2 Subject to the provisions of Jersey Company Law, the Directors may pay fixed and interim dividends if and in so far as in the opinion of the Directors the profits of the Company justify such payments. If the Directors act in good faith, they shall not incur any liability to the holders of any shares for any loss they may suffer by the lawful payment, on any other class of shares having rights ranking after or *pari passu* with those shares, of any such fixed or interim dividend.

3.3.3 The Company may, upon the recommendation of the Directors, by ordinary resolution, direct payment of a dividend in whole or in part *in specie* and the Directors shall give effect to such resolution.

3.3.4 Except as otherwise provided by the rights attaching to any class of shares or the terms of issue thereof, all dividends shall be apportioned and paid *pro rata* according to the amounts paid on the shares during any period or portions of the period in respect of which the dividend is paid.

3.3.5 No dividend or other monies payable in respect of a share shall bear interest against the Company.

3.3.6 Any dividend unclaimed after a period of 10 years from the date on which such dividend was declared or became due for payment shall be forfeited and revert to the Company.

3.3.7 The Directors may, if authorised by an ordinary resolution of the Company, offer any holder of shares the right to elect to receive shares by way of scrip dividend instead of cash.

3.4 **Transfer of Shares**

3.4.1 Any member may transfer all or any of his certificated shares by an instrument of transfer in writing in any usual or common form or in any other form acceptable to the Directors. An instrument of transfer shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.

3.4.2 All transfers of shares which are in uncertificated form shall, subject to the Jersey CREST Regulations, be effected by means of a relevant system.

3.4.3 The Directors may also refuse to register the transfer of a certificated share unless the instrument of transfer:

- (i) is lodged at the office or at another place appointed by the Directors accompanied by the certificate for the share to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- (ii) is in respect of one class of share only; and
- (iii) is in favour of not more than four persons.

If the Directors refuse to register a transfer of a share in certificated form, they shall send the transferee notice of the refusal within two months after the date on which the instrument of transfer was lodged with the Company.

3.4.4 The Directors are entitled to decline to register the transfer of a share in the circumstances described in paragraph 3.8.3 of this Part 7.

3.4.5 No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to a share.

3.4.6 The Directors may, in their absolute discretion, decline to transfer, convert or register any transfer of shares to any person:

- (i) whose ownership of shares may cause the Company's assets to be deemed "plan assets" for the purposes of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**");
- (ii) whose ownership of shares may cause the Company to be required to register as an "investment company" under the US Investment Company Act of 1940 ("**US Investment Company Act**") (including because the holder of the shares is not a "qualified purchaser" as defined in the US Investment Company Act);
- (iii) whose ownership of shares may cause the Company to register under the US Exchange Act of 1934 (the "**US Exchange Act**") or any similar legislation; or
- (iv) whose ownership of shares may cause the Company not being considered a "Foreign Private Issuer" as such term is defined in rule 3b-4(c) under the US Exchange Act (each such person being a "**Non-qualified Person**").

If it shall come to the notice of the Directors that a Non-Qualified Person holds or is a beneficial owner of shares then any shares which the Directors decide are shares which are held or beneficially owned by a Non-Qualified Person (such shares together the "**Prohibited Shares**") must be dealt with in accordance with the Articles. The Directors may at any time give notice in writing to the holder of a share requiring them to make a declaration, or to provide information that is relevant to the determination, as to whether or not the share is a Prohibited Share.

The Directors shall give written notice to the holder of any share which appears to them to be a Prohibited Share requiring him within 21 days (or such extended time as the Directors consider reasonable) to transfer (and/or procure the disposal of interests in) such share to another person so that it will cease to be a Prohibited Share, and in particular that such person be a non-US Person. From the date of such notice until registration of such a transfer or a transfer arranged by the Directors as referred to below, the share will not confer any right on the holder to receive notice of or to attend and vote at general meetings of the Company and of any class of members (and those rights will vest in the chairman of any such meeting, who may exercise or refrain from exercising them entirely at his discretion). If the notice is not complied with within 21 days (or such extended time as the Directors consider reasonable) to the satisfaction of the Directors, the Directors shall arrange for the Company to sell the share at the best price reasonably obtainable to any other person so that the share will cease to be a Prohibited Share, and in particular that such person be a non-US Person. To give effect to any sale of shares in accordance with this paragraph, the member in question shall execute such powers of attorney or other authorisations as are required so that the transfer will be as effective as if it had been executed by the holder of, or person entitled by transmission to, the shares. The purchaser will not be bound to see to the application of the purchase monies nor will their title to the shares be affected by an irregularity or invalidity in the proceedings relating to the sale. The net proceeds of sale will belong to the Company and, upon their receipt, the Company will become indebted

to the former holder of, or person entitled by transmission to, the shares for an amount equal to the net proceeds. No trust will be created in respect of the debt and no interest will be payable in respect of it and the Company will not be required to account for any moneys earned from the net proceeds which may be employed in the business of the Company or as it thinks fit. Payment of any amount due to the former holder of, or person entitled by transmission to, the shares shall be subject to any requisite exchange control consents first having been obtained and the satisfactory completion by the Company or its authorised agent of any relevant anti-money laundering due diligence and the amount due to such person will be deposited by the Company in a bank for payment to such person upon such consent being obtained against surrender of the certificate or certificates representing the relevant shares previously held by such person. Upon deposit of such amount, such person shall have no further interest in such relevant shares or any of them or any claim against the Company in respect thereof except the right to receive such amount so deposited (without interest) upon such consents referred to above being obtained.

3.5 **Variation of Rights**

- 3.5.1 Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class of shares may, subject to Jersey Company Law, be varied or abrogated, either in such manner (if any) as may be provided by those rights or, in the absence of such provision, either whilst the Company is a going concern or during or in contemplation of a winding-up, with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of such shares. The necessary quorum shall be two persons at least holding or representing by proxy or by a duly authorised representative (if a corporation) one-third in number of the issued shares of the relevant class (but at any adjourned meeting any holder of shares of the relevant class present in person or by proxy shall be a quorum).
- 3.5.2 Unless otherwise expressly provided by their terms of issue, the special rights attached to any class of shares shall not be deemed to be varied by:
- (i) the exercise of any powers under the disclosure provisions requiring shareholders to disclose an interest in the shares as referred to in paragraph 3.8.3 of this Part 7;
 - (ii) the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto;
 - (iii) the purchase or redemption by the Company of any of its own shares;
 - (iv) the transfer or sale by the Company of any shares which it may hold as treasury shares from time to time in accordance with Jersey Company Law; or
 - (v) the Directors resolving that a class of shares shall become, or the operator of the relevant system permitting such class of shares to be, a participating security.

3.6 **Alteration of Share Capital**

The Company may, by altering its memorandum of association by special resolution, alter its share capital in any manner permitted by Jersey Company Law. Subject to the provisions of Jersey Company Law, the Company may by special resolution reduce its share capital account or other undistributable reserve in any way.

3.7 **Purchase of Own Shares**

Subject to Jersey Company Law and the Listing Rules, the Company may purchase any of its own shares of any class, including any redeemable shares.

3.8 **Disclosure of Share Ownership**

- 3.8.1 Each member shall comply with the notification obligations to the Company contained in Chapter 5 of the Disclosure Rules and Transparency Rules, as if the Company was a UK issuer for the purposes of such rules. If it shall come to the notice of the Directors that any member has not, within the requisite period, made or, as the case may be, procured the making of any notification referred to in this paragraph 3.8.1, the Directors

may serve a notice on such member and the provisions of paragraph 3.8.3 of this Part 7 shall apply.

3.8.2 The Company may by notice in writing request any person whom it knows or has reasonable cause to believe to be or, at any time during the three years immediately preceding the date on which the notice is issued, to have been interested in shares carrying rights to vote in all circumstances at general meetings to confirm that fact or (as the case may be) to indicate whether or not it is the case; and, where they hold or have during that time held an interest in shares so comprised, to give such further information regarding interests in those shares as may be requested in accordance with the Articles.

3.8.3 If any member, or any other person appearing to be interested in shares held by that member, has been duly served with a notice referred to in paragraph 3.8.1 or 3.8.2 of this Part 7 and is in default for a period of 14 days or more in supplying the information thereby required, then (unless the Directors determine otherwise) in respect of:

(i) the shares comprising the shareholding account in the register which comprises or includes the shares in relation to which the default occurred (all or the relevant number as appropriate of such shares being the “**default shares**”, which expression shall include any further shares which are issued in respect of such shares); and

(ii) any other shares held by the member;

the member shall not (for so long as the default continues) nor shall any transferee to whom any of such shares are transferred (other than pursuant to an approved transfer in accordance with the Articles) be entitled to attend or vote either personally or by proxy at a shareholders’ meeting or to exercise any other right conferred by membership in relation to shareholders’ meetings. Where the default shares represent 0.25 per cent. or more of the issued shares of the class in question, the Directors may in their absolute discretion by notice in writing (a “**direction notice**”) to such member direct that:

(a) any dividend or part thereof or other money which would otherwise be payable in respect of the default shares shall be retained by the Company without any liability to pay interest thereon when such dividend or other money is finally paid to the member and the member shall not be entitled to elect to receive shares in lieu of dividend; and/or

(b) no transfer of any of the shares held by such member shall be registered unless the transfer is an approved transfer or:

(1) the member is not themselves in default as regards supplying the information required; and

(2) the transfer is of part only of the member’s holding and, when presented for registration, is accompanied by a certificate by the member in a form satisfactory to the Directors to the effect that after due and careful enquiry the member is satisfied that none of the shares the subject of the transfer are default shares;

provided that, in the case of shares in uncertificated form, the Directors may only exercise their discretion not to register a transfer if permitted to do so by the Jersey CREST Regulations.

3.9 **General Meetings**

3.9.1 All general meetings of the Company other than annual general meetings shall be called extraordinary general meetings. Except for the annual general meeting, the Directors shall convene and the Company shall hold general meetings as extraordinary general meetings in accordance with Jersey Company Law. The Directors may call general meetings whenever they think fit. On the requisition of members pursuant to the provisions of Jersey Company Law, the Directors shall promptly convene an extraordinary general meeting.

3.9.2 All general meetings, including an annual general meeting and an extraordinary general meeting called for the passing of a special resolution, shall be called by at least 14 clear days’ written notice. Subject to the provisions of Jersey Company Law and the

Articles and to any restrictions imposed on any shares, the notice shall be sent to all the members and to each of the Directors.

3.9.3 The notice shall specify the time and place of the meeting and the general nature of the business to be transacted at the meeting. In the case of an annual general meeting, the notice shall specify the meeting as such. In the case of a meeting to pass a special resolution, the notice shall contain a statement to that effect. The Company may specify in the notice a time, which may not be more than 48 hours before the time fixed for the meeting, by which a person must be entered on the Company register in order to have the right to attend and vote at the meeting. The meeting may take place in more than one location at the same time.

3.9.4 A poll may be demanded by:

- (i) the chairman of the meeting;
- (ii) no fewer than five members present in person or by proxy and entitled to vote on the resolution;
- (iii) a member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote on the resolution; or
- (iv) a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

A poll shall be taken in such manner as the chairman of the meeting may decide.

3.9.5 A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the capital of the Company.

3.9.6 The chairman may at any time, without the consent of the meeting, adjourn the meeting if, in his or her opinion, it would facilitate the conduct of the business of the meeting to do so.

3.9.7 Notwithstanding Jersey Company Law, for the purpose of the New Articles, a "special resolution" is a resolution of the Company passed by a majority of not less than 75 per cent. of the shareholders who (being entitled to do so) vote in person or by proxy at a general meeting of the Company or at a separate meeting of the holders of any class of share of the Company.

3.10 **Borrowing Powers**

The Board may exercise all the powers of the Company to borrow money, to guarantee, to indemnify, to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital, and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. The Directors must restrict the borrowings of the Company so that the aggregate amount outstanding in respect of borrowings by the Company does not, without an ordinary resolution of the Company, exceed the adjusted total of capital and reserves of the Company calculated in accordance with the Articles.

3.10 **Directors**

3.10.1 *Appointment of Directors*

3.10.1.1 Unless otherwise determined by ordinary resolution, the number of Directors shall be not less than two and shall not be subject to any maximum. Directors may be appointed by ordinary resolution or by the Board. Subject to the provisions on rotation of Directors, a Director appointed by the Board holds office only until the next following annual general meeting and if not re-appointed at such annual general meeting, shall vacate office at its conclusion.

3.10.1.2 The Directors may appoint any one or more of their body to be executive directors and confer on them any powers exercisable by them as the Directors think fit.

3.10.2 *Age of Directors*

No age limit shall apply to Directors.

3.10.3 *No Share Qualification*

A Director shall not be required to hold any shares in the capital of the Company by way of qualification.

3.10.4 *Retirement of Directors by Rotation*

Each Director shall retire at the annual general meeting held in the third calendar year following the year in which he was elected or last re-elected and unless he has agreed to retire at the annual general meeting, he shall be eligible for re-election.

3.10.5 *Remuneration of Directors*

3.10.5.1 The emoluments of any Director holding executive office for his services as such shall be determined by the Board, and may be of any description.

3.10.5.2 The ordinary remuneration of the Directors who do not hold executive office for their services shall be limited to £200,000 per annum in aggregate, or such higher amount as may be determined by ordinary resolution (including amounts payable under any other provision of the Articles).

3.10.5.3 Any Director who does not hold executive office, serves on any committee of the Board and performs services outside the scope of the ordinary duties of a Director, may be paid such extra remuneration as the Board may determine.

3.10.5.4 In addition to any remuneration to which the Directors are entitled under the Articles, they may be paid all reasonable expenses as they may incur in attending and returning from meetings of the Directors or of any committee of the Directors or shareholders meetings or otherwise in connection with the business of the Company.

3.10.5.5 The Board may provide benefits, whether by the payment of gratuities or pensions or by other retirement, superannuation, death or disability benefits or otherwise, for any past or present Director.

3.10.6 *Permitted Interests of Directors*

Subject to the provisions of Jersey Company Law, and provided that he has disclosed to the Board the nature and extent of any direct or indirect interest which conflicts or may conflict to a material extent with the interests of the Company, a Director notwithstanding his office:

- (i) may be a party to, or otherwise interested in, any transaction or arrangement with the Company in which the Company is otherwise interested;
- (ii) may be a director or other officer of, or employed by, or a party to any contract, transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;
- (iii) may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of director and may (and any firm of which he is a partner, employee or member may) act in a professional capacity for the Company (other than as auditor) and may be remunerated therefore;
- (iv) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor), and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; and
- (v) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

3.10.7 *Restrictions on Voting*

Unless he has disclosed the nature and extent of his interests in accordance with the Jersey Company Law, in which case he shall be entitled to vote and be counted in the quorum, a Director shall not vote on any resolution of the Board concerning a matter in which he has a direct or indirect interest which conflicts or may conflict to a material extent with the interests of the Company but these prohibitions shall not apply to:

- (i) the giving of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of, or for the benefit of, the Company or any of its subsidiary undertakings;
- (ii) the giving of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the Director has assumed responsibility (in whole or part and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security;
- (iii) a proposal concerning an offer of shares, debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase, in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
- (iv) a contract, arrangement, transaction or proposal concerning any other body corporate in which he or any person connected with him is interested, directly or indirectly, and whether as an officer, shareholder, creditor or otherwise, if he and any persons connected with him do not to his knowledge hold an interest representing 1 per cent. or more of either any class of the equity share capital of such body corporate (or any other body corporate through which his interest is derived) or of the voting rights available to members of the relevant body corporate (any such interest being deemed for the purpose of this paragraph to be a material interest in all circumstances);
- (v) a proposal for the benefit of employees of the Company or of any of its subsidiary undertakings which does not award him any privilege or benefit not generally accorded to the employees to whom the arrangement relates; and
- (vi) a proposal concerning: (a) any insurance which the Company is empowered to purchase or maintain for, or for the benefit of, any Directors or for persons who include Directors; (b) indemnities in favour of the Directors; (c) the funding of expenditure by one or more Directors on defending proceedings against him or them; or (d) doing anything to enable such Director or Directors to avoid incurring such expenditure.

3.10.8 *Board Meetings*

Board meetings shall not take place in the UK or Ireland.

3.11 *Indemnity of Officers*

Subject to the provisions of Jersey Company Law, every Director or other officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him by reason of having been a Director.

3.12 *Winding Up*

Except as provided by the rights and restrictions attached to any class of shares, the holders of the Company's shares will be entitled to participate in any surplus assets in a winding up in proportion to their shareholdings. The Company may, with the sanction of a special resolution and any other sanction required by Jersey Company Law, divide among the members *in specie* the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members.

The provisions of the New Articles described at paragraphs 3.1.1 and 3.1.5 of this Part 7 impose conditions on the Company regarding changes to its memorandum, reduction of capital and the issue of new shares that are more stringent than required by Jersey Company Law. In the case of paragraph 3.1.1, Jersey Company Law only requires that changes to memoranda and reductions of capital be approved by a majority of two-thirds of the shareholders voting on the relevant resolution, as opposed to a majority of three-quarters as provided under the New Articles. In the case of paragraph 3.1.5, the New Articles contain pre-emption rights which will apply on the issue of further shares by the Company whereas Jersey Company Law does not confer any rights of pre-emption in favour of existing Shareholders on the issue or allotment of new shares.

4. Mandatory Bids, Squeeze-out and Sell-out Rules

4.1 **Mandatory Bid**

The City Code on Takeovers and Mergers (the "**City Code**") is issued and administered by the UK's Panel on Takeovers and Mergers (the "**Panel**"). The City Code applies to all takeover and merger transactions, however effected, where the offeree company has its registered office in the UK, the Isle of Man or the Channel Islands if the company has its securities admitted to trading on a regulated market in the United Kingdom (such as the Main Market) or on any stock exchange in the Channel Islands or the Isle of Man. The City Code therefore applies to the Company. To ensure the Panel's functions and powers under Jersey law are equivalent to those under UK law, the States of Jersey adopted the Companies (Takeover and Mergers Panel) (Jersey) Law 2009 (the "**Takeovers Law**") which came into force on 1 July 2009. The Takeovers Law closely follows Chapter 1 of Part 28 of the UK Companies Act 2006. The Takeovers Law empowers the Minister for Economic Development in Jersey to appoint a body to oversee takeovers and mergers and, with effect from 1 July 2009, the Panel was appointed as that body in accordance with the Companies (Appointment of Takeovers and Mergers Panel) (Jersey) Order 2009.

Under the City Code, except with the consent of the Panel, if:

- (i) a person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which any persons acting in concert with them are interested) carry 30 per cent. or more of the voting rights of the Company; or
- (ii) a person, together with any persons acting in concert with them, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of the Company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with them, acquires an interest in other shares which increases the percentage of shares carrying voting rights in which they are interested;

then, except with the consent of the Panel, such person shall (and, in certain circumstances, any persons acting in concert with them may be required to) extend offers, on the basis set out in the City Code, to the holders of any class of equity share capital (whether voting or non-voting) and also to the holders of any other class of transferable securities carrying voting rights. In particular, any such offer must be in cash or accompanied by a cash alternative, must be at a price not less than the highest price paid for by such person, or any person acting in concert with them, for any interest in shares of the relevant class during the 12 months prior to the announcement of the offer and, where there is more than one class of equity share capital, the offers for each class must be comparable. For the purposes of the City Code, the Ordinary Shares are, and the C Shares will be, equity share capital.

4.2 **Squeeze-out Rules**

Under Jersey Company Law, if a person who has made a general offer to acquire Shares (the "**offeror**") were to acquire, or contract to acquire, 90 per cent. of the Shares which are the subject of such offer within four months of making their offer, the offeror could then compulsorily acquire the remaining 10 per cent. The offeror would do so by sending a notice to outstanding Shareholders telling them that the offeror will compulsorily acquire their Shares and then, six weeks later, executing a transfer of the outstanding Shares in the offeror's favour and paying the consideration to the Company, which would hold the consideration on trust for outstanding Shareholders. The consideration offered to those Shareholders whose Shares are compulsorily acquired under Jersey Company Law must, in general, be the same as the consideration that was available under the general offer.

4.3 **Sell-out Rules**

Jersey Company Law gives minority Shareholders a right to be bought out in certain circumstances by a person who has made a general offer as described in paragraph 4.2 of this Part 7. If, at any time before the end of the period within which the general offer can be accepted, the offeror holds or has agreed to acquire not less than 90 per cent. of the Shares, any holder of Shares to which the general offer relates who has not accepted the general offer can, by a written communication to the offeror, require it to acquire that holder's Shares. The offeror is required to give each Shareholder notice of their right to be bought out within one

month of that right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises their right, the offeror is entitled and bound to acquire those Shares on the terms of the offer or on such other terms as may be agreed.

5. Directors

- 5.1 At the date of this Prospectus, the interests (all of which were beneficial) of the Directors (and, so far as known to or could with reasonable diligence be ascertained by the Directors, any persons connected with them) in the Ordinary Shares and the Warrants were as set out in the following table.

<i>Director</i>	<i>No. of Ordinary Shares</i>	<i>% of Voting Rights</i>	<i>No. of Warrants</i>	<i>% of Issued Warrants</i>
P Arthur (<i>Chairman</i>)	35,972	0.024	-	-
A Armstrong	4,034	0.003	-	-
D Baxter	25,000	0.017	-	-
A Berzins	55,000	0.036	-	-
C Clarke	10,750	0.007	-	-
H Young	27,500	0.018	-	-

Save as disclosed in this paragraph 5.1, at the date of this Prospectus, none of the Directors (and, so far as known to or could with reasonable diligence be ascertained by the Directors, any persons connected with them) had:

- (i) any interest in the share capital of the Company; or
- (ii) any options over shares in the Company's capital.

- 5.2 It is not expected that any of the Directors will have any interest in any C Shares immediately following Admission.
- 5.3 There are no existing or proposed service contracts between any of the Directors and the Company. Each of the Directors has entered into a letter of appointment with the Company (subject to re-election on retirement at any annual general meeting of the Company at which he or she is required to retire by rotation or, in the case of Mr Young, at each annual general meeting of the Company), terminable on three months' notice. The Directors are entitled to the remuneration referred to in paragraph 5.4 of this Part 7, payable quarterly in arrears, and will be entitled to out-of-pocket expenses and other expenses incurred in the proper performance of their duties as directors of the Company. The Directors are not entitled to any compensation or benefits upon termination of their office as directors of the Company.
- 5.4 At the date of this Prospectus, the Directors were entitled to aggregate annual remuneration (including any contingent or deferred compensation but excluding expenses) equal to:
- (i) in the case of Mr Arthur (the chairman), £30,000 (financial year ended 31 December 2011: £30,000);
 - (ii) in the case of Mr Berzins (chairman of the audit committee), £24,000 (financial year ended 31 December 2011: £24,000);
 - (iii) in the case of Mr Baxter (senior independent director), £22,000 (financial year ended 31 December 2011: £22,000);
 - (iv) in the case of each of each of Dr Armstrong and Mr Young, £21,000 (financial year ended 31 December 2011: £21,000 each); and
 - (v) in the case of Mr Clarke (who was appointed as a Director with effect from 29 March 2012), £21,000 (financial year ended 31 December 2011: nil).

In addition, Mr M Chambers received aggregate remuneration (including any contingent or deferred compensation but excluding expenses) equal to approximately £7,900 in respect of the period from 1 January 2012 to 16 May 2012 (being the date on which he retired as a Director) (financial year ended 31 December 2011: £21,000).

- 5.5 There are no commission or profit sharing arrangements between the Directors and the Company. Similarly, none of the Directors is entitled to pension, retirement or similar benefits and no benefits in kind have been, or are expected to be, granted to the Directors.
- 5.6 The Company maintains directors' and officers' liability insurance on behalf of the Directors at the expense of the Company to the extent that the Company is able to maintain such insurance.
- 5.7 Mr Young is a director of the Investment Manager and of its parent company, Aberdeen Asset Management PLC. Details of:
- (i) the management agreement between the Company and the Manager, which is also a member of the Aberdeen Group;
 - (ii) the delegation agreement between the Manager, the Investment Manager and the Company;
 - (iii) the delegation agreement between the Manager, Aberdeen Asset Managers (another member of the Aberdeen Group) and the Company; and
 - (iv) the placing and offer agreement between the Company, the Investment Manager, Cantor Fitzgerald and the Sponsor relating to the Issue;

are set out in paragraphs 7.1.1, 7.2.1, 7.3 and 8.1, respectively, of this Part 7. Save as referred to in this paragraph 5.7, at the date of this Prospectus, there were no potential conflicts of interest between any duties to the Company of any of the Directors and their private interests and/or other duties.

- 5.8 The names of those companies and partnerships of which the Directors have been members of the administrative, management or supervisory bodies or partners at any time during the five years immediately preceding the date of this Prospectus (apart from their directorships of the Company and the subsidiaries of any companies of which the Directors are or have been members of the administrative, management or supervisory bodies) were as follows:

5.8.1 *Peter Arthur (Chairman)*

Current directorships and partnerships: Cordatus Real Estate Limited ProVen Health VCT plc; The Association of Investment Companies.

Previous directorships and partnerships: Artemis VCT PLC; Fletcher Jones Limited; Longbow Growth and Income VCT PLC; Loretto Enterprises Limited; Loretto School Limited.

5.8.5 *Ana Armstrong*

Current directorships and partnerships: Armstrong Investment Managers LLP; Armstrong Investment Managers Ltd; Devonshire Funds plc; Distinction Asset Management PLC; Diversified Dynamic Solutions Fund Ltd.

Previous directorships and partnerships: None.

5.8.3 *Duncan Baxter*

Current directorships and partnerships: Alternative Investment Strategies Limited; B&Q (Retail) Guernsey Limited; B&Q (Retail) Jersey Limited; Evraz plc; Henderson Funds Management (Jersey) Limited; Henderson Property Management (Jersey) Limited; Highland Gold Mining Limited; Overseas Mining Investments Limited; The Highland Charitable Trust; Vanquish Properties GP Limited; Vanquish Properties LP Limited.

Previous directorships and partnerships: 3i Quoted Private Equity Limited; Alpha Banks Jersey Limited; Cambridge Retail Park (GP) Limited; Cambridge Retail Park (Nominee) Limited; Cambridge Retail Park (Nominee 2) Limited; Evraz Group SA; Highland Gold Mining Limited; HSI Finance Limited; Mount International Limited.

5.8.4 *Andrey Berzins*

Current directorships and partnerships: ; Cableways International Pte Ltd; China Equity Partners Limited; Cubit Long/Short Commodity Fund; EcSolutions Corporation Ltd; Suez Asia Holdings Pte Ltd.

Previous directorships and partnerships: AEA International Holdings Limited; Suez Asia Holdings (Hong Kong) Limited.

5.8.5 Charles Clarke

Current directorships and partnerships: Carpe Diem (APRP) Limited; Phoenix Group Holdings; SG Hambros Bank Limited; Thomas & Dessain Limited.

Past directorships and partnerships: Edgefield Properties Limited.

5.8.6 Hugh Young

Current directorships and partnerships: Aberdeen Alpha; Aberdeen Asia-Pacific Income Investment Company Limited; Aberdeen Asian Smaller Companies Investment Trust PLC; Aberdeen Asset Management PLC; Aberdeen Asset Management Charitable Foundation; Aberdeen Australia Equity Fund, Inc.; Aberdeen Global I; Aberdeen Global II; Aberdeen Global Indian Equity Fund (Mauritius) Limited; Aberdeen Liquidity Fund (Lux); Aberdeen New Dawn Investment Trust PLC; Aberdeen New Thai Investment Trust PLC; Lauyoung Investments (Private) Limited; The India Fund Inc.

Previous directorships and partnerships: Aberdeen Cash and Money Market Fund plc (in members' voluntary solvent liquidation); Aberdeen Funds plc (in members' voluntary solvent liquidation); Aberdeen Global Select Funds plc (in members' voluntary solvent liquidation); Aberdeen GlobalSpectrum Funds plc (in members' voluntary solvent liquidation); Aberdeen Global III (in members' voluntary solvent liquidation); Aberdeen Global IV (in members' voluntary solvent liquidation); Aberdeen Global V (in members' voluntary solvent liquidation); Aberdeen Goh Private Equity Fund 1 Pte Ltd (in members' voluntary solvent liquidation); Aberdeen GMAS Fund plc (formerly known as Aberdeen Equity Asset Allocation Sterling Fund plc) (in members' voluntary solvent liquidation); Aberdeen Investment Funds (Ireland) plc (in members' voluntary solvent liquidation); Aberdeen Portable Alpha Funds I PLC (in members' voluntary solvent liquidation); Aberdeen Portable Alpha Funds II PLC (in members' voluntary solvent liquidation); Aberdeen Profunds plc (in members' voluntary solvent liquidation); Apollo Tiger Fund Limited.

5.9 Save as disclosed in relation to current and previous directorships and solvent liquidations in paragraph 5.8 of this Part 7, at the date of this Prospectus, none of the Directors:

- (i) had been a member of any administrative, management or supervisory body or partner of any company or partnership at any time during the five years immediately preceding the date of this Prospectus;
- (ii) had any convictions in relation to fraudulent offences in the five years immediately preceding the date of this Prospectus;
- (iii) had been associated with any bankruptcies, receiverships or liquidations in the five years immediately preceding the date of this Prospectus;
- (iv) had been the subject of any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies); or
- (v) had been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer in the five years immediately preceding the date of this Prospectus.

6. Substantial Share Interests

6.1 Jersey Company Law does not require any person (other than Directors) who, directly or indirectly, has an interest in the Company's capital or voting rights to notify the Company of that interest and the provisions of Chapter 5 ("Vote Holder and Issuer Notification Rules") of the Disclosure and Transparency Rules do not currently apply to the Company. However, as at 18 October 2012, the Company was aware that the persons set out in the table below, directly or indirectly, were interested in 3.0 per cent. or more of the issued Ordinary Shares or the voting rights of the Company.

<i>Investor</i>	<i>No. of Ordinary Shares</i>	<i>% of Voting Rights</i>
Speirs & Jeffrey	13,546,326	9.0
Brewin Dolphin	11,825,086	7.8
Quilter & Co	10,264,261	6.8
Charles Stanley	9,226,569	6.1
Adam & Co. Investment Management	6,745,503	4.5
Investec Wealth & Investment	6,437,722	4.3
Rathbones	6,415,635	4.2
Legal & General Investment Management	4,710,835	3.1

- 6.2 As at 18 October 2012, the only persons of whom the Company was aware who, directly or indirectly, will be interested in 3.0 per cent. or more of the C Shares to be issued pursuant to the Placing and Public Offer were as set out in the following table.

<i>Investor</i>	<i>No. of C Shares</i>	<i>% of Issued C Share Capital³⁰</i>
Henderson Global Investors	8,000,000	16.0
Quilter & Co	4,894,084	9.8
F&C Asset Managers	4,250,000	8.5
Collins Stewart Wealth Management	2,890,000	5.8
Investec Wealth & Investment	2,740,950	5.5
J M Finn & Co	2,136,500	4.3
J.P. Morgan Securities	1,500,000	3.0
Rathbones Investment Management	1,497,850	3.0
Vestra Wealth	1,483,550	3.0

- 6.3 The major Shareholders do not have different voting rights from other Shareholders. The voting rights attached to the Shares are described under the sub-heading "Characteristics of the Shares" in Part 1 of this Prospectus.
- 6.4 As at 18 October 2012, the Company was not aware of:
- (i) any person who, directly or indirectly, jointly or severally, exercised or could exercise control over the Company; or
 - (ii) any arrangements the operation of which may at a subsequent date result in a change of control of the Company.
- 6.4 As stated in paragraph 3.8.1 of this Part 7, the provisions of Chapter 5 of the Disclosure and Transparency Rules will be deemed to be incorporated into the New Articles and bind the Company and Shareholders (other than any depository or custodian for Shares issued in uncertificated form). Under Chapter 5 of the Disclosure and Transparency Rules, subject to certain limited exemptions, a person must notify the Company (and, at the same time, the FSA) of the percentage of voting rights they hold (within two trading days) if they acquire or dispose of Shares to which voting rights are attached (being the Ordinary Shares and the C Shares, but not the Warrants) and if, as a result of the acquisition or disposal, the percentage of voting rights which they hold as a Shareholder (or, in certain cases, which they hold indirectly) or through their direct or indirect holding of certain types of financial instruments (or a combination of such holdings):
- (i) reaches, exceeds or falls below 3.0 per cent. and each 1.0 per cent. threshold thereafter; or

³⁰ On the assumption that 50,000,000 C Shares are issued.

- (ii) reaches, exceeds or falls below an applicable threshold in sub-paragraph (i) above as a result of events changing the breakdown of voting rights and on the basis of the total voting rights notified to the market by the Company.

Such notification must be made using the prescribed form TR-1 available from the FSA's website at <http://www.fsa.gov.uk>. As required by Chapter 5 of the Disclosure and Transparency Rules, the Company must announce a notification in relation to voting rights to the public as soon as possible and in any event by not later than the end of the trading day following receipt of such notification. As the Company is complying with Chapter 5 of the Disclosure and Transparency Rules voluntarily, the FSA will not have any authority to monitor the Company's voluntary compliance or impose any sanctions following any breaches of the Chapter by, or relating to, the Company.

7. Management, Investment Management, Administration and Custody Arrangements

7.1 **Management**

7.1.1 By a management agreement dated 25 November 2005 between (i) the Company and (ii) Aberdeen Private Wealth Management Limited, the Company has appointed the Manager to act as its manager and, under the terms of that agreement, has delegated to the Manager responsibility for investment management, company secretarial and administration (including accounting) services in accordance with the investment policies, restrictions and guidelines set out in that agreement. Under the terms of the Management Agreement, the Manager is authorised to delegate the investment management and administration functions to any associate of the Manager (which includes the Investment Manager).

The Manager is entitled to an investment management fee of 1.0 per cent. per annum of the net asset value of the Company calculated and accrued daily and paid monthly in arrears, provided that any fee for any terminating period shall be the pro-rated amount. In addition, the Manager is entitled to an administration fee of £100,000 per annum that increases annually in line with any increases in RPI and, as at the date of this Prospectus, such fee amounted to £123,341 per annum.

The Management Agreement contains indemnity provisions (which are standard for this type of agreement) in favour of the Manager (and any associate of the Manager or third party to whom the Manager has properly delegated its duties under the Management Agreement) against all claims and demands except where there has been fraud, negligence, wilful default or bad faith on the part of the Manager (or any associate of the Manager or third party to whom the Manager has properly delegated its duties under the Management Agreement).

The Management Agreement may be terminated by either party by giving not less than six months' notice in writing. Either party may terminate the Management Agreement forthwith by notice if the other party goes into liquidation, commits a material breach of its obligations under the Management Agreement without rectifying the breach upon 30 days' notice thereof or ceases to be appropriately regulated in Jersey. Upon termination, the Manager will be entitled to all fees accrued to the date of termination and, in the event of summary termination without giving the full prescribed period of notice, a compensation payment in respect of the unexpired portion of the notice period save where such termination is due to the Manager's liquidation, insolvency or material breach or the Manager becoming resident in the UK, losing its registration in Jersey under the FSL or functionary permit in Jersey.

7.1.2 The Manager may provide services to other clients (including investment companies), including clients who may invest in similar securities as the Company may invest in, and, in providing such services, may use information obtained by the Manager which is used in managing the Company. In the event of a conflict of interest arising, the Manager will take reasonable steps to ensure that it is resolved fairly, in accordance with Management Agreement. The activities of the Manager, in its capacity as the Company's manager, are subject to the overall policies, supervision and review of the Directors. For the purposes of this paragraph 7.1.2, references to the "Manager" include associates of the Manager (including the Investment Manager).

7.1.3 The Manager was incorporated with limited liability under Jersey Company Law with registered number 41628 on 18 August 1988. The Manager operates under Jersey Company Law and orders made thereunder. The Manager has its registered office and principal place of business at No. 1 Seaton Place, St Helier, Jersey JE4 8YJ. The Manager's telephone number at its principal place of business is +44(0) 1534 758 847. The Manager is regulated by the JFSC.

7.2 **Investment Management**

7.2.1 By an investment management agreement dated 25 November 2005 between (i) the Manager, (ii) Aberdeen Asset Management Asia Limited and (iii) the Company, the Manager has delegated its investment management responsibilities under the Management Agreement to the Investment Manager. Under the terms of the Investment Management Agreement, the Investment Manager has agreed to carry out such services subject to the overall supervision of the Manager and the Company. The Manager is responsible for the fees payable to the Investment Manager under the Investment Management Agreement. The Investment Management Agreement will immediately terminate upon the termination of the Management Agreement.

The Investment Management Agreement contains indemnity provisions (which are standard for this type of agreement) in favour of the Investment Manager against all claims and demands except where there has been fraud, negligence or wilful default on the part of the Investment Manager.

7.2.2 The Investment Manager may provide investment management and other services to other clients (including investment companies), including clients who may invest in similar securities as the Group may invest in, and, in providing such services, may use information obtained by the Investment Manager which is used in managing the Company's investments. In making investment decisions for its clients, the Investment Manager may determine that an investment is appropriate for one or more clients' accounts. If a decision is made to purchase or sell a particular security which is suitable for inclusion in the portfolios of a number of clients' accounts, then the Investment Manager may, but is not obligated to, aggregate or "bunch" into a single trade order several individual contemporaneous client trade orders for a single security. In general, the Investment Manager will attempt to aggregate multiple orders for the purchase or sale of the same security into "bundled" transactions subject to the overall obligation to achieve best price and execution for its clients except where a client has expressly directed otherwise. Such "bundled" trades may be used to facilitate best execution, including negotiating more favourable prices, obtaining more timely or equitable execution or reducing overall commission charges. In the event of a conflict of interest arising between the Company and other clients of the Investment Manager, the Investment Manager will take reasonable steps to ensure that it is resolved fairly in accordance with the Investment Management Agreement. For the purposes of this paragraph 7.2.2, references to the "Investment Manager" include associates of the Investment Manager (including the Manager).

7.2.3 The Investment Manager and other members of the Aberdeen Group may from time to time receive softing services from stockbrokers with whom they deal. Typically, goods and services relating to investment management, such as information feeds for research, research services and related publications, may be received by the Aberdeen Group.

7.2.4 The Investment Manager was incorporated and registered in Singapore as a public company limited by shares under the laws of Singapore with registered number 199105448E on 28 October 1991. The Investment Manager operates under the laws of Singapore and regulations made thereunder. The Investment Manager has its registered office and principal place of business at 21 Church Street, #01-01 Capital Square Two, Singapore 049480. The Investment Manager's telephone number at its principal place of business is +65 6395 2700. The Investment Manager is regulated by the Monetary Authority of Singapore.

7.3 **Administration**

By a delegation agreement dated 25 November 2005 between (i) the Manager, (ii) Aberdeen Asset Managers Limited and (iii) the Company, the Manager has delegated its administration (including accounting) responsibilities under the Management Agreement to Aberdeen Asset Managers. Aberdeen Asset Managers provides the administration (including accounting) services to the Company in accordance with the terms of a global administrative agreement between Aberdeen Asset Managers and the Administrator pursuant to which the Administrator provides administrative services to funds under management within the Aberdeen Group, including the Company. The Manager is responsible for any fees payable to Aberdeen Asset Managers in respect of the services it provides (whether directly or through the Administrator) to the Company.

The Administration Agreement contains indemnity provisions (which are standard for this type of agreement) in favour of Aberdeen Asset Managers against all claims and demands except where there has been fraud, material breach of duty, negligence or wilful default on the part of Aberdeen Asset Managers (or any third party to whom Aberdeen Asset Managers has properly delegated its duties under the Administration Agreement).

7.4 **Custody**

7.4.1 By a custody agreement dated 19 July 2010 between (i) BNP Paribas Securities Services S.A. and (ii) the Company, the Company has appointed the Custodian to provide custodian services to the Company, including settlement and safekeeping of the Company's securities. The Custody Agreement may be terminated by either party by giving not less than 90 days' notice in writing.

The Custodian is entitled to fees payable by reference to the Custodian's standard tariff in force from time to time. As at 18 October 2012, these fees included transaction charges of between £10 and £83 for each transaction settlement and an annual safekeeping custody charge of between 0.02 per cent. and 0.025 per cent. of the value of the Company's gross assets, in each case dependent on the jurisdiction in which the investments are held.

The Custodian may, at its discretion, appoint and remove sub-custodians to perform any part of the Custodian's services provided that the sub-custodian is an approved custodian in accordance with Jersey regulation. The Custodian shall exercise reasonable care in the selection, continued use, monitoring and terms of appointments of sub-custodians.

The Custody Agreement contains warranties, representations and indemnities (which are standard for this type of agreement) in favour of the Custodian, including provisions indemnifying the Custodian against any losses, liabilities and costs with respect to any act or omission taken by the Custodian in the absence of the Custodian's negligence, fraud or wilful default or breach by the Custodian or any of its associates or sub-custodians of the terms of the Custody Agreement.

7.4.2 The Custodian was incorporated and registered in France, with registered number FR60552108011 on 17 April 1936. It is a "société anonyme" and operates under French company law and regulations made thereunder. The Custodian is a wholly owned subsidiary of BNP Paribas S.A., which is also the ultimate parent entity. The Custodian has its registered office and principal place of business at BNP Paribas Securities Services S.A. Jersey Branch, Liberté House, 19-23 La Motte Street, St Helier JE4 5RL. The Custodian's telephone number at its principal place of business is +44 (0) 1534 813 800. The Custodian is regulated in Jersey by the JFSC.

7.4.3 At 18 October 2012, the sub-custodians set out in the following table held securities on behalf of the Company.

<i>Country</i>	<i>Name of Sub-custodian</i>
Australia	HSBC
Hong Kong	BNP Paribas Securities Services
Indonesia	HSBC
Japan	HSBC Custody & Clearing
Jersey	BNP Paribas Securities Services
Malaysia	HSBC Malaysia Berhad
Philippines	HSBC
Singapore	BNP Paribas Securities Services
Thailand	HSBC
Taiwan	HSBC Bank (Taiwan) Limited
UK	BNP Paribas Securities Services
United States	Brown Brothers Harriman & Co.

Each sub-custodian is regulated by the local regulator based within the relevant country.

8. Issue Arrangements

- 8.1 By a placing and offer agreement dated 22 October 2012 between (i) the Company, (ii) the Investment Manager, (iii) Cantor Fitzgerald Europe and (iv) Nplus1 Brewin LLP, Cantor Fitzgerald has agreed, subject to the conditions referred to below, (a) to act as the Company's financial adviser in connection with the Placing, the Public Offer and related matters and (b) as agent of the Company, to use its reasonable endeavours to procure subscribers for a maximum of 50,000,000 C Shares at 100p per share under the Placing. Nplus1 Brewin LLP has agreed to act as sponsor to the Company.

The Placing and Public Offer are conditional on (among other things):

- (i) not less than 30,000,000 C Shares being issued, at the Issue Price, under the Placing and Public Offer;
- (ii) the resolutions adopting the new Articles and authorising the issue of the C Shares being passed at the Extraordinary General Meeting;
- (iii) the Company and the Investment Manager having complied with all of their respective obligations under the Placing and Offer Agreement which fall to be performed or satisfied on or prior to Admission;
- (iv) the Placing and Offer Agreement not having been terminated in accordance with its terms prior to Admission; and
- (v) Admission becoming effective by 8.00 a.m. on Friday, 16 November 2012 (or such later date as the Company, the Investment Manager, Cantor Fitzgerald and the Sponsor may agree, being in any event not later than Friday, 30 November 2012).

Conditional on Admission, the Company will pay to Cantor Fitzgerald:

- (a) a commission equal to 1.0 per cent. of the aggregate value, at their Issue Price, of the C Shares issued under the Placing and Public Offer; and
- (b) a corporate finance fee equal to 0.25 per cent. of the aggregate value, at their Issue Price, of the C Shares issued under the Placing and Public Offer, subject to a minimum fee of £75,000 and a maximum fee of £100,000.

The Company will also pay all other costs and expenses incurred in connection with the Issue and the application for Admission, including Cantor Fitzgerald's out-of-pocket expenses and legal fees.

Under the Placing and Offer Agreement, which may be terminated by Cantor Fitzgerald in certain circumstances prior to Admission (including by reason of *force majeure*), the Company and the Investment Manager have given certain warranties and indemnities (which are standard for this type of agreement) to Cantor Fitzgerald and the Sponsor concerning, *inter alia*, the accuracy of the information contained in this Prospectus.

- 8.2 In connection with the Issue, Cantor Fitzgerald and any of its affiliates acting as an investor for its or their own account(s) may subscribe for C Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in C Shares, any other securities of the Company or other related investments in connection with the Placing and Public Offer or otherwise. Accordingly, references in this Prospectus to the C Shares being issued, offered, subscribed or otherwise dealt with should be read as including any issue or offer to, or subscription or dealing by, Cantor Fitzgerald or any of its affiliates acting as an investor for its or their own account(s). Neither Cantor Fitzgerald nor any of their affiliates intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.
- 8.3 The currency of the Placing and Public Offer is pounds sterling.
- 8.4 Multiple applications are permitted under the Public Offer.
- 8.5 As explained under the heading "Premium and Discount Control Policies" in Part 1 of this Prospectus, the Board believes that active premium and discount control policies reduce the risk of volatility in the price at which the Ordinary Shares trade relative to their NAV to the benefit of all Shareholders and considers that the ability to issue new Shares, including C Shares, is central to its ability to prevent a build-up of excessive demand for the Ordinary Shares. At the date of this Prospectus, the maximum number of C Shares that will be issued pursuant to the Placing and Public Offer is 50,000,000. If commitments and applications are received for more than 50,000,000 C Shares pursuant to the Placing and Public Offer, the Directors reserve the right to increase the number of C Shares available pursuant to the Placing and Public Offer (subject, if required, to publication of a supplementary prospectus approved by the FSA prior to Admission). The Directors will only exercise such right if they believe, having consulted a range of existing and prospective investors in the Company, that it is in the interests of Shareholders as a whole to do so. The maximum number of C Shares that may be issued pursuant to the Placing and Public Offer is 100,000,000, being the maximum number of C Shares that the Directors will be authorised to issue on a non-pre-emptive basis if the resolutions are passed at the extraordinary general meeting of the Company referred to in paragraph 2.8 of this Part 7. If the Directors exercise their right to issue more than 50,000,000 C Shares, such exercise will be announced by the Company through a Regulatory Information Service on or before Friday, 9 November 2012.
- 8.6 The issue of C Shares pursuant to the Placing and Public Offer has not been underwritten.
- 8.7 Other than pursuant to the Issue, no shares of the Company have been sold or are available in whole or in part to the public in conjunction with the application for Admission.
- 8.8 No application is being, or will be, made for the C Shares to be listed or dealt in on any stock exchange or investment exchange other than the London Stock Exchange's Main Market.

9. Material Contracts

- 9.1 By a facility agreement dated 26 March 2010 between (i) Scotiabank Europe plc (the "**Bank**") and (ii) the Company (as amended by an amendment agreement dated 22 March 2011 and as further amended by a second amendment agreement dated 15 March 2012) (the "**Facility Agreement**"), the Bank agreed to provide a senior secured multi-currency revolving credit facility of £15 million (the "**Facility**"). The Facility is repayable on 20 March 2014 although repayable on demand in certain limited circumstances, including an event of default under the Facility Agreement (e.g. the Company failing to pay principal or interest when due or the Company failing to meet its financial covenants). The Facility is secured over the Company's assets by an English law security agreement dated 31 March 2010 (as modified by a letter dated 19 July 2010) and a Jersey law security interest agreement dated 19 July 2010, each granted by the Company in favour of the Bank (the "**Security Agreements**"). In addition, the Company, the Custodian and the Bank entered into a tripartite letter agreement dated 20 July 2010 to confirm and acknowledge that the granting of the security under the Security Agreements will not constitute a breach of the Custody Agreement (the "**Tripartite Agreement**").

Interest is payable on amounts drawn down under the Facility at a floating rate equal to the interbank offered rate for the currency borrowed determined for the relevant interest period

plus a lending margin of 1.35 per cent. plus mandatory costs. In addition, a commitment fee of 0.45 per cent. per annum is payable by the Company in respect of any undrawn portion of the Facility which is less than 50 per cent. of the available commitment and 0.35 per cent. per annum where the undrawn portion equals or exceeds 50 per cent. of the available commitment. The Company will be required to bear any increased costs of the Bank in maintaining the Facility by reason, *inter alia*, of any change of law.

The Facility Agreement includes financial covenants which are customary for this type of agreement, including restricting the amount of borrowings by the Company to 25 per cent. of the adjusted total assets of the Company less its current and long-term liabilities, the value of its unquoted securities (if any) and the value of the Company's investments in excess of certain maximum amounts of exposure by country and issuer.

By a letter dated 9 October 2012, the Bank consented to the issue of the C Shares as required by the Facility Agreement. Following Admission and whilst the C Shares remain in existence, the assets attributable to the C Shares will be subject to the Security Agreements and the Tripartite Agreement.

- 9.2 Save for the agreements summarised in paragraphs 7.1.1, 7.2.1, 7.3, 7.4.1, 8.1 and 9.1 of this Part 7, the Company has not:
- (i) entered into any material contract (not being a contract entered into in the ordinary course of business) in the two years immediately preceding publication of this Prospectus; or
 - (ii) entered into any other contract (not being a contract entered into in the ordinary course of business) which contains any provision under which the Company has any obligation or entitlement which is material to the Company at the date of this Prospectus.

10. Miscellaneous

- 10.1 As the C Shares will be issued on a non-pre-emptive basis and each C Share carries the right to one vote at general meetings of the Company, the proportion of voting rights controlled by holders of existing Ordinary Shares will be diluted following the Issue. Accordingly, the percentage of the voting rights at general meetings of the Company held by an existing holder of Ordinary Shares who chooses not to participate in the Issue for an amount of C Shares at least *pro rata* to their holding of Ordinary Shares will be reduced as a result of the Issue. **For illustrative purposes only**, on the assumptions that 50,000,000 C Shares are issued and, for the purpose of the Conversion Ratio, the NAV per Ordinary Share is 200.21p (being the unaudited NAV (fully diluted, including income) per Ordinary Share as at 18 October 2012) and the NAV per C Share is 98.32p (being the estimated initial NAV per C Share if 50,000,000 C Shares are issued), an Ordinary Shareholder who holds 1.0 per cent. of the issued Ordinary Shares (and, therefore, 1.0 per cent. of the voting rights) before Admission would hold:

- (i) 0.8 per cent. of the voting rights after Admission; and
- (ii) 0.9 per cent. of the voting rights after Conversion³¹.

These percentages are provided for illustrative purposes only and the extent of such voting dilution will depend on the number of C Shares issued and the respective NAVs of the Ordinary Shares and the C Shares at the Calculation Date, as determined in accordance with the rights attaching to the C Shares.

- 10.2 The exercise of the subscription rights conferred by the Warrants will result in a dilution in:
- (i) the proportion of voting rights controlled by holders of existing Ordinary Shares; and
 - (ii) the NAV per Ordinary Share then in issue (including in respect of any Ordinary Shares arising on Conversion) if the NAV per Ordinary Share at the time the subscription rights are exercised exceeds the price payable on such exercise.

The extent of such dilution will depend on the number of Warrants in respect of which the subscription rights are exercised and, in the case of any NAV dilution, the difference between

³¹ The example is provided for illustrative purposes only and is not, and is not intended to be, a forecast of the number of new Ordinary Shares that will arise on Conversion.

the price payable on such exercise and the NAV per Ordinary Share prevailing at the time the new Ordinary Shares are issued pursuant to such exercise. The perceived risk of dilution of the NAV per Ordinary Share may cause the share price of the Ordinary Shares to reflect a lesser sensitivity to increases in the NAV per Ordinary Share than might otherwise be expected.

- 10.3 The Company despatches to Warrantholders, at the same time as the annual report and accounts or half-yearly report by reference to which the relevant subscription date for exercise of the Warrants is determined, a reminder of their subscription rights and details of the procedure to be followed in order to exercise those rights on that occasion.
- 10.4 Certain information contained in this Prospectus has been sourced from third parties. Such information has been accurately reproduced, the source of such information has been identified and, so far as the Company is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 10.5 Save as disclosed in paragraphs 5.7, 7 and 8.1 of this Part 7, no persons involved in the Issue have any interests that are material to the Issue.
- 10.6 Pursuant to the Data Protection (Jersey) Law 2005, the Company and/or the Registrar may hold personal data relating to past or present Shareholders. Such personal data held is used by the Registrar to maintain the Company's register of Shareholders and mailing lists and this may include sharing such data with third parties when effecting the payment of dividends to Shareholders or filing returns of Shareholders and their respective transactions in Shares with statutory bodies and regulatory authorities. Personal data may be retained on record for a period exceeding six years after it is no longer used.

11. Documents Available for Inspection

Copies of the following documents are available for inspection at the registered office of the Company and at the offices of Maclay Murray & Spens LLP, One London Wall, London EC2Y 5AB, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until Friday, 16 November 2012:

- (i) the memorandum and articles of association of the Company;
- (ii) a draft of the New Articles;
- (iii) the annual reports and accounts of the Company for the three financial years ended 31 December 2009, 31 December 2010 and 31 December 2011;
- (iv) the half-yearly report of the Company for the six months ended 30 June 2012; and
- (v) the agreements summarised in paragraphs 7.1.1, 7.2.1, 7.3, 7.4.1, 8.1 and 9.1 of this Part 7.

12. Availability of this Prospectus

A copy of this Prospectus is available, for inspection only, at the National Storage Mechanism which is located at www.hemscott.com/nsm.do. Copies of this Prospectus may also be collected, free of charge, during normal business hours from the date of this Prospectus up to Friday, 16 November 2012 from the Company's registered office at No. 1 Seaton Place, St Helier, Jersey JE4 8YJ, and from Aberdeen Asset Managers Limited, Bow Bells House, 1 Bread Street, London EC4M 9HH.

PART 8

GLOSSARY OF TERMS AND DEFINITIONS

The words and expressions listed below have the meanings set out opposite them throughout this Prospectus except where the context otherwise requires:

"Aberdeen Asset Management"	Aberdeen Asset Management PLC
"Aberdeen Asset Managers"	Aberdeen Asset Managers Limited
"Aberdeen Group" or "Aberdeen"	Aberdeen Asset Management and its subsidiary undertakings from time to time
"Administration Agreement"	the delegation agreement between the Manager, Aberdeen Asset Managers and the Company, details of which agreement are set out in paragraph 7.3 of Part 7 of this Prospectus
"Administrator"	BNP Paribas Fund Services UK Limited
"Admission"	admission of the C Shares issued pursuant to the Placing and Public Offer to the premium segment of the Official List and to trading on the London Stock Exchange's Main Market becoming effective in accordance with the Listing Rules and the LSE Admission Standards, respectively
"AIC"	the Association of Investment Companies
"Application Form"	the application form comprising four pages for use in connection with the Public Offer set out at the end of this Prospectus
"Articles"	the articles of association of the Company in force from time to time
"Asia Pacific region"	the countries of Asia and Australasia, including, but not limited to, Australia, Brunei, China, Hong Kong, India, Indonesia, Japan, Korea, Laos, Malaysia, New Zealand, Pakistan, the Philippines, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam (and references to "Asian Pacific" shall be construed accordingly)
"Board"	the board of directors of the Company (or any duly authorised committee thereof) from time to time
"Calculation Date"	has the meaning given to it under the heading "Terms of the C Shares" in Part 3 of this Prospectus
"Cantor Fitzgerald"	Cantor Fitzgerald Europe
"Capita Registrars"	a trading name of Capita Registrars Limited
"certificated form"	not in uncertificated form
"Company" or "AAIF"	Aberdeen Asian Income Fund Limited
"Conversion"	has the meaning given to it under the heading "Terms of the C Shares" in Part 3 of this Prospectus
"Conversion Date"	has the meaning given to it under the heading "Terms of the C Shares" in Part 3 of this Prospectus
"CREST"	the computerised settlement system enabling securities to be held otherwise than by certificates and transferred otherwise than by written instrument and operated by Euroclear UK & Ireland Limited
"CREST member account ID"	the identification code or number attached to any member account in CREST

"CREST participant ID"	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
"C Shareholders"	holders of C Shares
"C Shares"	C shares of no par value in the capital of the Company, the rights, restrictions and other provisions relating to which are set out in the New Articles
"Custodian"	BNP Paribas Securities Services S.A. Jersey Branch
"Custody Agreement"	the custody agreement between the Company and the Custodian, details of which agreement are set out in paragraph 7.4.1 of Part 7 of this Prospectus
"Directors"	the directors of the Company from time to time
"Disclosure and Transparency Rules"	the disclosure and transparency rules made by the FSA under Part VI of FSMA
"discount"	in the context of a Share, the amount by which its share price is lower than its NAV (expressed as a percentage of the NAV per Share)
"EU"	the European Union
"Extraordinary General Meeting"	the extraordinary general meeting of the Company convened for 9.00 a.m. on Thursday, 15 November 2012 (or at any adjournment of that meeting)
"FSA"	the UK Financial Services Authority
"FSL"	the Financial Services (Jersey) Law 1998 (as amended)
"FSMA"	the UK Financial Services and Markets Act 2000
"GDR"	global depository receipt
"GDP"	gross domestic product
"IFRS"	international financial reporting standards, as adopted by the EU
"Investment Management Agreement"	the investment management agreement between the Manager, the Investment Manager and the Company, details of which agreement are set out in paragraph 7.2.1 of Part 7 of this Prospectus
"Investment Manager"	Aberdeen Asset Management Asia Limited
"ISA"	an individual savings account maintained in accordance with the UK Individual Savings Account Regulations 1998 (as amended)
"Issue"	the issue of C Shares pursuant to the Placing and Public Offer
"Issue Costs"	the costs and expenses incurred or payable by the Company in connection with the Issue
"Issue Price"	100p per C Share
"Jersey Company Law"	the Companies (Jersey) Law 1991 (as amended)
"Jersey CREST Regulations"	the Companies (Uncertificated Securities) (Jersey) Order 1999
"Jersey Funds Law"	the Collective Investment Funds (Jersey) Law 1988 (as amended)
"Jersey Funds Codes"	the Codes of Practice for Certified Funds published by the JFSC
"JFSC"	Jersey Financial Services Commission
"Listing Rules"	the listing rules made by the FSA under Part VI of FSMA
"London Stock Exchange"	London Stock Exchange plc

"LSE Admission Standards"	the rules issued by the London Stock Exchange in relation to the admission to trading of, and continuing requirements for, securities admitted to the Official List
"Main Market" or "London Stock Exchange's Main Market"	the London Stock Exchange's market for listed securities
"Management Agreement"	the management agreement between the Company and the Manager, details of which agreement are set out in paragraph 7.1.1 of Part 7 of this Prospectus
"Manager"	Aberdeen Private Wealth Management Limited
"NAV"	in relation to (i) the Company, the value of the assets of the Company less its liabilities and (ii) any class of Share, the value of the assets less the liabilities attributable to that class divided by the number of Shares in issue of that class (and, in the case of the Ordinary Shares and unless the context otherwise requires, the subscription rights conferred by the Warrants are assumed to have been exercised if the NAV per Ordinary Share is greater than 120p since any such exercise would dilute that NAV)
"NAV total return"	the theoretical total return on the net asset value of an investment company's share (or the capital value of an index), reflecting the change in value of that net asset value (or capital value) assuming dividends paid on the share were reinvested in its net asset value (or the yield on the index was reinvested in its capital value)
"Net Issue Proceeds"	the gross proceeds of the Issue less the Issue Costs
"New Articles"	the articles of association that will be adopted by the Company if the relevant special resolution authorising their adoption is passed at the Extraordinary General Meeting
"Offer for Subscription" or "Public Offer"	the offer for subscription to the public of C Shares on the terms and subject to the conditions set out in this Prospectus
"Official List"	the list maintained by the UK Listing Authority pursuant to Part VI of FSMA
"Ordinary Shareholders"	holders of Ordinary Shares
"Ordinary Shares"	ordinary shares of no par value in the capital of the Company
"Placing"	the arrangements put in place by Cantor Fitzgerald, on the terms and subject to the conditions set out in the Placing and Offer Agreement, for the conditional placing of C Shares described in this Prospectus
"Placing and Offer Agreement"	the conditional placing and offer agreement between the Company, the Investment Manager, Cantor Fitzgerald and the Sponsor, details of which agreement are set out in paragraph 8.1 of Part 7 of this Prospectus
"premium"	in the context of a Share, the amount by which its share price is higher than its NAV (expressed as a percentage of the NAV per Share)
"Prospectus"	this document, which comprises a prospectus relating to the Company prepared in accordance with the Prospectus Rules in connection with the Issue and the applications for Admission
"Prospectus Rules"	the prospectus rules made by the FSA under Part VI of FSMA

"rating"	in the context of the Company or its Ordinary Shares, the price at which the Ordinary Shares trade relative to their NAV
"Receiving Agent"	Capita Registrars
"Registrar"	Capita Registrars Limited
"Regulatory Information Service" or "RIS"	a regulatory information service that is on the list of regulatory information services maintained by the FSA
"RPI"	UK retail prices index (all items)
"Shareholders"	holders of Ordinary Shares and/or C Shares (as the context may require)
"Shares"	Ordinary Shares and/or C Shares (as the context may require)
"SIPP"	a self-invested personal pension (as defined in the UK Personal Pension Schemes (Restriction on Discretion to Approve) (Permitted Investments) Regulations 2001 (SI 2001 No 117))
"SSAS"	a small self-administered scheme (as defined in the UK Retirement Benefits Schemes (Restriction on Discretion to Approve) (Small Self-administered Schemes) Regulations (SI 1991 No 1614))
"tap issue"	an issue of new shares under a block listing without publishing a prospectus in accordance with the applicable exemptions contained in FSMA in order to satisfy investor demand
"UK Listing Authority"	the FSA acting in its capacity as the competent authority for the purpose of admissions to the Official List
"uncertificated form"	recorded in the Company's register of members as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland
"United States" or "US"	the United States of America, its territories and possessions, any state or other political sub-division of the United States of America and the District of Columbia
"US Person"	a person who is either (i) a "US person" within the meaning of Regulation S under the US Securities Act or (ii) not a "Non-United States person" within the meaning of the US Commodity Futures Trading Commission Rule 4.7(a)(l)(iv)
"US Securities Act"	the United States Securities Act of 1933 (as amended)
"Warrantholders"	the holders of Warrants
"Warrants"	warrants issued by the Company, each of which confers the right to subscribe for one Ordinary Share at a price of 120p on the twentieth business day after despatch of the Company's annual or half-yearly reports each year, commencing on the twentieth business day after despatch of the annual report for the year ending 31 December 2009 and ending on the twentieth business day after despatch of the annual report for the year ending 31 December 2012 (inclusive)

Notes:

1. All references to "£", "sterling" and "pence" (including the abbreviation "p") are to the lawful currency of the United Kingdom.
2. All references in this Prospectus to 18 October 2012 should be regarded as being references to the latest practicable date prior to the publication of this Prospectus.

PART 9

TERMS AND CONDITIONS OF APPLICATION UNDER THE PUBLIC OFFER

1. Introduction

If you apply for C Shares under the Public Offer, you will be agreeing with the Company, Cantor Fitzgerald and the Receiving Agent as set out in this Part 9.

2. Offer to Acquire C Shares

Your application must be made on the Application Form attached at the end of this Prospectus or otherwise published by the Company. By completing and delivering an Application Form, you, as the applicant, and, if you sign the Application Form on behalf of another person or a corporation, that person or corporation:

- (i) offer to subscribe for the number of C Shares specified in section 1 of your Application Form (or such lesser number for which your application is accepted) on the terms, and subject to the conditions, set out in this Prospectus (including this Part 9) and the memorandum and articles of association of the Company in force from time to time;
- (ii) agree that:
 - (a) in consideration of the Company and Cantor Fitzgerald agreeing that they will not, prior to Admission, offer for subscription any C Shares to any person other than by means of the procedures referred to in this Prospectus; and
 - (b) subject always to your statutory right of withdrawal in the event of the publication of a supplementary prospectus by the Company;

your application may not be revoked by you until after 8.00 a.m. on Friday, 30 November 2012 and shall not be revoked by you after Admission and that this paragraph 2 shall constitute a collateral contract between you, the Company and Cantor Fitzgerald which will become binding upon despatch by post to or, in the case of delivery by hand (during normal business hours only), on receipt by the Receiving Agent of your Application Form;

- (iii) warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to have any C Shares applied for in uncertificated form credited to a CREST account or to receive a certificate for any C Shares applied for in certificated form or to enjoy or receive any rights in respect of such C Shares unless and until you make payment in cleared funds for such C Shares and such payment is accepted by the Receiving Agent (which acceptance shall be in its absolute discretion and on the basis that you indemnify the Company and the Receiving Agent against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) avoid the agreement to allot and issue such C Shares and may allot and issue such C Shares to some other person(s), in which case you will not be entitled to any refund or payment in respect thereof (other than the refund to you at your risk of any proceeds of the remittance, once honoured, which accompanied your Application Form, without interest);
- (iv) agree that the crediting to a CREST account of any C Shares in uncertificated form to which you may become entitled may be delayed by, and that any certificate in respect of any C Shares in certificated form to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled and monies returnable may be retained by, the Receiving Agent:
 - (a) pending clearance of your remittance;
 - (b) pending investigation of any suspected breach of the warranties contained in subparagraphs 6(i), (ii), (vi), (viii) or (ix) of this Part 9 or any other suspected breach of the terms and conditions of application set out in this Part 9; or
 - (c) pending any verification of identity which is, or which the Company, Cantor Fitzgerald or the Receiving Agent considers may be, required for the purposes of the Money

Laundering (Jersey) Order 2008 (as amended) and any other regulations applicable thereto;

and any interest accruing on such retained monies shall accrue to and for the sole benefit of the Company;

- (v) agree, on the request of the Company, Cantor Fitzgerald or the Receiving Agent, to disclose promptly in writing to them such information as the Company, Cantor Fitzgerald or the Receiving Agent may request in connection with your application and authorise the Company, Cantor Fitzgerald and the Receiving Agent to disclose any information relating to your application which they may consider appropriate;
- (vi) agree that, if evidence of identity satisfactory to the Company, Cantor Fitzgerald and/or the Receiving Agent is not provided to the Receiving Agent within a reasonable time in the opinion of Cantor Fitzgerald following a request therefore, the Company or Cantor Fitzgerald may terminate the agreement with you to allot and issue C Shares and, in such case, the C Shares which would otherwise have been allotted or issued to you may be re-allotted and re-issued and your application monies will be returned to the bank or other account on which the cheque or other remittance accompanying the application was drawn without interest;
- (vii) agree that you are not applying on behalf of a person engaged in money laundering;
- (viii) undertake to ensure that, in the case of an Application Form signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) is enclosed with your Application Form;
- (ix) undertake to pay interest at the rate described in paragraph 3.3 of this Part 9 if the remittance accompanying your Application Form is not honoured on first presentation;
- (x) authorise the Receiving Agent to credit the CREST account specified in section 5 of the Application Form with the number of C Shares for which your application is accepted or, if that section is not completed, send a definitive certificate in respect of the number of C Shares for which your application is accepted by post to your address (or that of the first-named applicant set out in section 2 of the Application Form) as set out in your Application Form at your own risk;
- (xi) agree that, in the event of any difficulties or delays in the admission of the C Shares to CREST or the use of CREST in relation to the Placing and Public Offer, the Company and Cantor Fitzgerald may agree that all of the C Shares should be issued in certificated form;
- (xii) authorise the Receiving Agent to send, at your risk, a crossed cheque for any monies returnable (without interest) by post to your address (or that of the first-named applicant) as set out in your Application Form;
- (xiii) confirm that you have read and complied with paragraph 8.2 of this Part 9;
- (xiv) consent to the processing of personal data given in relation to your application and acknowledge and accept that the Receiving Agent may, in order to fulfil its duties to the Company and comply with regulatory requirements:
 - (a) retain such personal data for prescribed periods after the repurchase or transfer of the C Shares subscribed for;
 - (b) transfer any such personal data to the Jersey Administrator of Income Tax, UK HM Revenue and Customs, the Directors, the Manager, the Investment Manager, the Custodian, Cantor Fitzgerald and any legal adviser or any agent of the Company entitled to receive such information; and
 - (c) transfer any such personal data to any person or entity to which the Receiving Agent has a legal obligation to disclose such information; and
- (xv) agree that your Application Form is addressed to the Company and Cantor Fitzgerald.

3. Acceptance of Applications

3.1 Cantor Fitzgerald may, on behalf of the Company, accept your offer to subscribe (if your application is received, valid (or treated as valid), processed and not rejected) either:

- (i) by notifying the UK Listing Authority of the basis of allocation (in which case the acceptance will be on that basis); or
- (ii) by notifying acceptance to the Receiving Agent.

- 3.2 The basis of allocation will be determined by Cantor Fitzgerald in consultation with the Company and subject to the terms of this Prospectus. Notwithstanding the basis so determined, the right is reserved to reject in whole or in part and/or scale down any application. The right is also reserved to treat as valid any application not complying fully with the terms and conditions of application in this Part 9 or not in all respects completed or delivered in accordance with the instructions accompanying the Application Form. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Application Form where you have agreed with them in some other manner to apply in accordance with the terms and conditions of application in this Part 9. The Company reserves the right (but shall not be obliged) to accept Application Forms and accompanying remittances which are received through the post after 11.00 a.m. on Friday, 9 November 2012.
- 3.3 The right is reserved to present all cheques for payment on receipt by the Receiving Agent and to retain documents of title and surplus application monies pending clearance of successful applicants' cheques. Cantor Fitzgerald may, as agent of the Company, require you to pay interest or its other resulting costs (or both) if any cheque accompanying your application is not honoured on first presentation. If you are required to pay interest, you will be obliged to pay the amount determined by Cantor Fitzgerald to be the interest on the amount of the cheque from the date on which the basis of allocation under the Placing and Public Offer is publicly announced until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by Cantor Fitzgerald plus 2.0 per cent. per annum.
- 3.4 The Company reserves the right in its absolute discretion (but shall not be obliged) to accept applications for less than 1,000 C Shares, or applications which are more than 1,000 C Shares but not a multiple of 1,000 C Shares.

4. Conditions

- 4.1 The contracts created by the acceptance of applications (in whole or in part) under the Public Offer will be conditional upon:
- (i) not less than 30,000,000 C Shares being issued, at the Issue Price, under the Placing and Public Offer;
 - (ii) the resolutions adopting the New Articles and authorising the issue of the C Shares being passed at the Extraordinary General Meeting;
 - (iii) the Company and the Investment Manager having complied with all of their respective obligations under the Placing and Offer Agreement which fall to be performed or satisfied on or prior to Admission;
 - (vi) the Placing and Offer Agreement becoming unconditional and the obligations of Cantor Fitzgerald thereunder not being terminated; and
 - (v) Admission occurring by 8.00 a.m. on Friday, 16 November 2012 (or such later time or date, not being later than 8.00 a.m. on Friday, 30 November 2012, as the Company, the Investment Manager, Cantor Fitzgerald and the Sponsor may agree); and
- 4.2 You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance. This does not affect any other rights you may have.

5. Return of Application Monies

If any application is not accepted in whole, or is accepted in part only (as a result of any scaling back of any part of an application), or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest by returning your cheque, or by crossed cheque in favour of the first-named applicant, by post at the risk of the person(s) entitled thereto. In the meantime, application monies will be retained by the Receiving Agent in a separate account.

6. Warranties

By completing an Application Form, you:

- (i) warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person or corporation and that such other person or corporation will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in this Part 9 and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;
- (ii) warrant that, if the laws of any territory or jurisdiction outside the United Kingdom are applicable to your application, you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any such territory or jurisdiction and not taken any action or omitted to take any action which will result in the Company, Cantor Fitzgerald or the Receiving Agent or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Public Offer in respect of your application;
- (iii) confirm that, in making an application, you are not relying on any information or representations in relation to the Company other than those contained in this Prospectus (on the basis of which alone your application is made) and, accordingly, you agree that no person responsible solely or jointly for this Prospectus or any part of it shall have any liability for any such other information or representation;
- (iv) agree that, having had the opportunity to read this Prospectus, you shall be deemed to have had notice of all information and representations contained in it;
- (v) acknowledge that no person is authorised in connection with the Public Offer to give any information or make any representation other than as contained in this Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by the Company or Cantor Fitzgerald;
- (vi) warrant that you are not under the age of 18 on the date of your application;
- (vii) agree that all documents and monies sent by post to, by or on behalf of the Company, Cantor Fitzgerald or the Receiving Agent will be sent at your risk and, in the case of documents and returned monies to be sent to you, may be sent to you at your address (or, in the case of joint applicants, the address of the first-named applicant) as set out in your Application Form;
- (viii) warrant that you are not applying as, or as nominee or agent of, a person who is or may be a person mentioned in any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services); and
- (ix) confirm that you have reviewed the restrictions contained in paragraph 8 of this Part 9 and warrant, to the extent relevant, that you (and any person on whose behalf you apply) comply or have complied with the provisions in that paragraph.

7. Money Laundering

7.1 You agree that, in order to ensure compliance with the Money Laundering (Jersey) Order 2008 (as amended) and any other regulations applicable thereto, the Company, Cantor Fitzgerald or the Receiving Agent may, at its absolute discretion, require verification of identity from any person lodging an Application Form who either:

- (i) tenders payment by way of cheque or banker's draft drawn on an account in the name of (an)other person(s) (in which case verification of your identity may be required); or
- (ii) appears to the Receiving Agent to be acting on behalf of some other person(s) (in which case verifications of identity of any persons on whose behalf you appear to be acting may be required).

Failure to provide the necessary evidence of identity may result in application(s) being rejected or delays in the despatch of documents or CREST accounts being credited.

7.2 Without prejudice to the generality of paragraph 7.1 of this Part 9, verification of the identity of applicants will be required if the aggregate value of the C Shares applied for, whether in one

or more applications, exceeds €15,000 (or its equivalent, being approximately £13,000). If the aggregate value of the C Shares which you are applying for, whether in one or more applications, exceeds €15,000, you must ensure that section 8.1, 8.2 or 8.3 (as appropriate) of the Application Form is completed.

8. Overseas Investors

- 8.1 If you receive a copy of this Prospectus or an Application Form in any territory other than the United Kingdom you may not treat it as constituting an invitation or offer to you, nor should you, in any event, use an Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to you or an Application Form could lawfully be used without contravention of any registration or other legal requirements. It is your responsibility, if you are outside the United Kingdom and wish to make an application for C Shares under the Public Offer, to satisfy yourself as to full observance of the laws of any relevant territory or jurisdiction in connection with your application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
- 8.2 Without prejudice to the generality of paragraph 8.1, if you apply for C Shares, you will be deemed to represent and warrant to the Company and Cantor Fitzgerald that:
- (i) you have read the section headed "Selling Restrictions" on pages 23 to 25 of this Prospectus;
 - (ii) unless the Company and Cantor Fitzgerald have expressly agreed in writing that they are satisfied that an exemption under the US Securities Act or any other relevant legislation or regulation is applicable to you and may be relied on by you:
 - (a) you are not a US Person or a resident of Australia, Canada, Japan, New Zealand or the Republic of South Africa or a corporation, partnership or other entity organised under the laws of Australia, Canada (or any political subdivision thereof), Japan, New Zealand or the Republic of South Africa;
 - (b) you are not acquiring any C Shares for the account of any US Person or any resident of Australia, Canada, Japan, New Zealand or the Republic of South Africa or a corporation, partnership or other entity organised under the laws of Australia, Canada (or any political subdivision thereof), Japan, New Zealand or the Republic of South Africa; and
 - (c) you will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Shares in or into the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa or to any resident of Australia, Canada, Japan, New Zealand or the Republic of South Africa.
- 8.3 No application will be accepted if it shows the applicant, payor or a prospective holder having an address in the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa.

9. Miscellaneous

- 9.1 To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the C Shares, the Ordinary Shares and the Public Offer.
- 9.2 The rights and remedies of the Company, Cantor Fitzgerald and the Receiving Agent pursuant to this Part 9 are in addition to any rights and remedies that would otherwise be available to any of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 9.3 The Company reserves the right to delay the closing time of the Public Offer from 11.00 a.m. on Friday, 9 November 2012 by announcing such delay through a RIS. In this event, the revised closing time will be published in such manner as Cantor Fitzgerald, in consultation with the Company, determines subject, and having regard, to the Listing Rules, the Prospectus Rules and any other requirements of the UK Listing Authority.

- 9.4 Cantor Fitzgerald may terminate the Public Offer in its absolute discretion at any time prior to Admission. If such right is exercised, the Public Offer will lapse and any monies will be returned to you without interest.
- 9.5 You agree that Cantor Fitzgerald is acting for the Company in connection with the Placing and Public Offer and for no-one else and that Cantor Fitzgerald will not treat you as its customer by virtue of such application being accepted or owe you any duties concerning the suitability of C Shares and/or Ordinary Shares for you or otherwise in relation to the Public Offer.
- 9.6 You authorise the Company, Cantor Fitzgerald, the Receiving Agent or any person authorised by any them, as your agent, to do all things necessary to effect registration of the C Shares for which your application is accepted into your name(s) and authorise any representatives of the Receiving Agent or of Cantor Fitzgerald to execute and/or complete any document required therefore.
- 9.7 You agree that all applications, acceptances of applications and contracts resulting therefrom under the Public Offer shall be governed by and construed in accordance with English law and that you submit to the jurisdiction of the English courts and agree that nothing shall limit the right of the Company, Cantor Fitzgerald or the Receiving Agent to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances and contracts in any other manner permitted by law or in any court of competent jurisdiction.
- 9.8 The dates and times referred to in this Part 9 and elsewhere in this Prospectus may be altered by the Company so as to be consistent with the Placing and Offer Agreement (as the same may be altered from time to time in accordance with its terms).
- 9.9 Save where the context requires otherwise, words and expressions defined in Part 8 of this Prospectus have the same meaning where used in this Part 9.
- 9.10 No commissions are available to intermediaries applying under the Public Offer on behalf of clients.

PART 10

NOTES ON HOW TO COMPLETE THE APPLICATION FORM

Before completing the Application Form, ALL APPLICANTS should read notes 1-5, 7, 8 and 9 of this Part 10. JOINT APPLICANTS should also read note 6 of this Part 10.

1. Application

Insert (in figures) in the box in section 1 of the Application Form the number of C Shares that you wish to apply for under the Public Offer. Your application must be for a minimum of 1,000 C Shares and thereafter in multiples of 1,000 C Shares.

2. Personal Details

Fill in (in BLOCK CAPITALS) in section 2 of the Application Form the full name and address of the applicant. If your application is being made jointly with other persons, please read note 6 of this Part 10 before completing section 2 of the Application Form.

As explained under the heading "Scaling Back" in Part 2 of this Prospectus, holders of Ordinary Shares or Warrants on the Company's register of members or register of Warrantheolders and holders of Ordinary Shares through the Aberdeen Savings Plans, in each case as at 6.00 p.m. on Monday, 22 October 2012, can receive priority applications in the event that the Placing and Public Offer are over-subscribed. If you held Ordinary Shares or Warrants at 6.00 p.m. on Monday, 22 October 2012, in order to receive this priority you must insert in the box provided in section 2 of the Application Form:

- 2.1 If you are a Shareholder or Warrantheolder, your Shareholder or Warrantheolder reference number (this is the 11 digit number which is shown on your share or warrant certificate and, in the case of Ordinary Shares, dividend counterfoils - should you require confirmation of this, please contact the Registrar on 0871 664 0321 from within the UK or +44 20 8639 3399 if calling from outside the UK. Lines are open between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday). Calls to the 0871 664 0321 number cost 10p per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide any financial, legal or tax advice.
- 2.2 If you hold your Shares through the Aberdeen Savings Plans, your investor reference number (this is a seven digit number beginning with a 1, 2 or 3 which is shown on your statement - should you require confirmation of this, please call 0500 00 00 40).

3. Signature

The applicant named in section 2 of the Application Form must date and sign section 3 of the Application Form.

The Application Form may be signed by another person on your behalf if that person is duly authorised to do so under a power of attorney. The original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) must be enclosed for inspection. A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated.

4. How to Pay

The aggregate value of your application is the number inserted in the box in section 1 of the Application Form, expressed in sterling.

Payment must be made by cheque or banker's draft in pounds sterling drawn on a branch in the United Kingdom of a bank or building society which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or banker's drafts to be cleared through the facilities provided for members of either of those

companies. Such cheques or banker's drafts must bear the appropriate United Kingdom sort code in the top right hand corner. Cheques, which must be drawn on the personal account on the individual investor where they have a sole or joint title to the funds (the account name should be the same as that shown on the Application Form), must be made payable to "Capita Registrars Limited RE: Aberdeen Asian Income Fund Limited" and crossed "A/C Payee". Save for building society cheques, third party cheques will not be accepted. If you use a building society cheque or banker's draft you must ensure that the building society or bank issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the cheque or banker's draft and adds its stamp.

The cheque or banker's draft must accompany your Application Form, which must be posted or (during normal business hours only) delivered by hand to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, in each case so as to be received as soon as possible and, in any event, by 11.00 a.m. p.m. on Friday, 9 November 2012.

Your payment must relate solely to your application. No receipt will be issued.

5. CREST

If you wish to register your C Shares directly into your CREST account you should insert the relevant details in section 5 of the Application Form. If you do not complete section 5, you will receive your C Shares in certificated form.

6. Joint Applicants

If you do wish to apply jointly, you may do so with up to three other persons. Sections 2 and 3 of the Application Form must be completed by one applicant. All other persons who wish to join in the application must complete and sign section 6 of the Application Form.

Another person may sign on behalf of any joint applicant if that other person is duly authorised to do so under a power of attorney. The original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) must be enclosed for inspection. Certificates, cheques and other correspondence will be sent to the first-named applicant at the address in section 2 of the Application Form.

7. Contact Telephone Number

Insert in section 7 of the Application Form a daytime contact telephone number, including STD, (and, if different from the person named in section 2 of the Application Form, the name of the person to contact) in case of any queries regarding your application.

8. Verification of Identity

Section 8 of the Application Form only applies if the aggregate value of the C Shares which you are applying for, whether in one or more applications, exceeds €15,000 (or its equivalent, being approximately £13,000). If section 8 applies to your application, you must ensure that section 8.1, 8.2 or 8.3 (as appropriate) is completed.

8.1 *Professional Adviser or Intermediary*

You should complete section 8.1 of the Application Form if you are a stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA or, if outside the United Kingdom, another appropriately authorised independent financial adviser acting on behalf of a client.

8.2 *Reliable Introducer*

If you are not a professional adviser or intermediary and the value of your application(s) exceed(s) €15,000, you will be required to provide the verification of identity documents listed in section 8.3 of the Application Form **unless** you can have the declaration set out in section 8.2 of the Application Form given and signed by a firm acceptable to the Receiving Agent and the Company. Section 8.2 of the Application Form details those firms acceptable to the Receiving Agent and the Company for signing the declaration. In order to ensure their

Application Forms are processed timely and efficiently, all applicants who are not professional advisers or intermediaries and to whose applications section 8 of the Application Form applies are strongly advised to have the declaration set out in section 8.2 of the Application Form completed and signed by a suitable firm where possible.

8.3 ***Applicant Identity Information***

Section 8.3 of the Application Form need only be completed where the aggregate value of the C Shares which you are applying for, whether in one or more applications, exceeds €15,000 and neither sections 8.1 nor 8.2 of the Application Form can be completed.

Notwithstanding that the declaration set out in section 8.2 of the Application Form has been completed and signed, the Receiving Agent and the Company reserve the right to request of you the identity documents listed in section 8.3 of the Application Form and/or to seek verification of identity of each holder and payor (if necessary) from you or their bankers or from another reputable institution, agency or professional adviser in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time, your application might be rejected or revoked.

Where certified copies of documents are requested in section 8.3 of the Application Form, such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation and the name of the firm should be clearly identified on each document certified.

9. Instructions for Delivery of Completed Application Forms

Completed Application Forms should be returned, by post or (during normal business hours only) by hand to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received as soon as possible and, in any event, by no later than 11.00 a.m. on Friday, 9 November 2012. If you post your Application Form, you are recommended to use first class post and to allow at least two days for delivery. Application Forms received after 11.00 a.m. on the relevant date may be rejected and returned to the first-named applicant.

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APPLICATION FORM FOR THE PUBLIC OFFER

Please return this form, duly completed, by post or (during normal business hours only) by hand to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received no later than 11.00 a.m. on Friday, 9 November 2012.

IMPORTANT: Before completing this form, you should read the notes set out in Part 10 of the Prospectus. All applicants must complete sections 1 to 4 of this Application Form. Joint applicants should also complete section 6 of this Application Form. If your application is for more than €15,000 (or its equivalent, being approximately £13,000), section 8.1, 8.2 or 8.3 (as appropriate) must also be completed.

If you have a query concerning completion of this Application Form, please call Capita Registrars on 0871 664 0321 (or, if outside the UK, +44 (0) 208 639 3399). Lines are open between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday. Calls to the 0871 664 0321 number cost 10p per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Issue nor give any financial, legal or tax advice. However, you should note that the Receiving Agent cannot give you any investment or other financial advice. If you require such advice, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA or, if you are outside the United Kingdom, another appropriately authorised independent financial adviser.

To: Aberdeen Asian Income Fund Limited

1. Application

I/We, the person(s) detailed in section 2 and, in the case of joint applicants, section 6 below, offer to subscribe for the number of C Shares specified in the box below at 100p per share subject to the terms and conditions of application set out in Part 9 of the Prospectus and subject to the memorandum and articles of association of the Company.

	<i>(Write, in figures, the number of C Shares that you wish to apply for - a minimum of 1,000 and thereafter in multiples of 1,000.)</i>
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2. Personal Details *(Complete in BLOCK CAPITALS)*

<i>(Mr, Mrs, Miss, Ms or title)</i>	<i>(Surname)</i>
<i>(Forename(s), in full)</i>	
<i>(Address, in full)</i>	
<i>(Post code)</i>	

(If you were an existing Shareholder or Warrantholder or held Ordinary Shares through the Aberdeen Savings Plans at 6.00 p.m. on Monday, 22 October 2012, in order to receive priority treatment in the event of the Issue being over-subscribed, you must insert your Shareholder or Warrantholder reference number or your investor reference number in the box below.)

Existing Shareholder/Warrantholder/Investor reference no.	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table>										

3. Signature

<i>(Signature)</i>	<i>(Date)</i> 2012
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4. Payment

(Pin or staple your cheque or banker's draft on the top left of this page. Your cheque or banker's draft must be for the amount in sterling equal to the number shown in the box in section 1 above, made payable to "Capita Registrars Limited RE: Aberdeen Asian Income Fund Limited" and crossed "A/C Payee". Your payment must relate solely to this application. No receipt will be issued. The right is reserved to reject any application in respect of which the applicant's cheque or banker's draft has not been cleared on first presentation.)

5. CREST Details (Only complete this section 5 if you wish to register the C Shares issued pursuant to your application directly into your CREST account)

CREST Participant ID

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CREST Member Account ID

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6. Joint Applicants (Where the application is being made jointly by more than one person, the proposed first-named holder should complete sections 2 and 3 above, and all other applicants, subject to a maximum of three, must complete in BLOCK CAPITALS and sign this section 6)

(Mr, Mrs, Miss, Ms or title)	(Mr, Mrs, Miss, Ms or title)	(Mr, Mrs, Miss, Ms or title)
(Surname)	(Surname)	(Surname)
(Forename(s), in full)	(Forename(s), in full)	(Forename(s), in full)
(Signature)	(Signature)	(Signature)

7. Contact Telephone Number

(Telephone number)	(Insert a daytime contact telephone number (including STD) and, if different from the person named in section 2 above, the name of the person to contact in case of any queries regarding your application)
(Contact name)	

8. Verification of Identity (If the value of the C Shares which you are applying for, whether in one or more applications, exceeds €15,000 (or its equivalent, being approximately £13,000), you must ensure that section 8.1, 8.2 or 8.3 (as appropriate) is completed)

8.1 **Professional Advisers and Intermediaries** (This section 8.1 should be completed if an application for C Shares is being made on behalf of a client by a stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA or, if outside the United Kingdom, another appropriately authorised independent financial adviser)

(Name of professional adviser or intermediary, in full)	
(Address, in full)	
	(Post code)
(Contact name)	(Telephone number)

Declaration by the professional adviser or intermediary

To: Aberdeen Asian Income Fund Limited, Capita Registrars Limited and Cantor Fitzgerald Europe

We are a financial adviser authorised under FSMA applying for C Shares on behalf of one or more clients ("**relevant clients**"). As such, we hereby undertake to:

- (i) complete anti-money laundering verification of all relevant clients and to inform you of any unsatisfactory conclusion in respect of any such client;
- (ii) keep records to verify the name, identity, place of birth, residential address, occupation and signature of each relevant client; and
- (iii) supply copies of any such records to you as you may require.

We are governed in the conduct of our investment business and in respect of conducting anti-money laundering verification by the following regulatory or professional body (and our reference or other official number allocated to us by that body is included in the box below).

(Full name and country of operation of regulatory or professional body)	
	(Reference or other official number)

If you require further information about our procedures or any of our relevant clients, please contact the person named as the contact in the first box in this section 8.1.

(Date)	2012	(Official stamp, if any)
(Signature)		
(Full name)		
(Title/position)		

8.2 **Reliable Introducer** (If you are not a professional adviser or intermediary to whom section 8.1 applies, completion and signing of declaration in this section 8.2 by a suitable person or institution may avoid presentation being requested of the identity documents detailed in section 8.3 of this form)

The declaration below may only be signed by a person or institution (such as a governmental approved bank, stockbroker, investment firm or financial services firm or an established law or accountancy firm) (the "firm") which is itself subject in its own country to operation of "know your customer" and anti-money laundering regulations no less stringent than those which prevail in Jersey. Acceptable countries include Austria, Belgium, Denmark, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hong Kong, Iceland, Isle of Man, Italy, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland and the United Kingdom.)

Declaration by the firm

To: Aberdeen Asian Income Fund Limited, Capita Registrars Limited and Cantor Fitzgerald Europe

With reference to the applicant(s) detailed in section 2 and, in the case of joint applicants, section 6 above, all persons signing sections 3 and 6 above and the payor identified in section 4 above if not also an applicant holder (collectively the "relevant persons"), we hereby declare that:

- (i) we operate in one of the above-mentioned countries and our firm is subject to money laundering regulations under the laws of that country which, to the best of our knowledge, are no less stringent than those which prevail in Jersey;
- (ii) we are regulated in the conduct of our business and in the prevention of money laundering by the regulatory authority identified below;
- (iii) each relevant person is known to us in a business capacity and we hold valid identity documentation on each of them and we undertake to provide you with copies thereof immediately upon demand;
- (iv) we confirm the accuracy of the names and residential/business address(es) of the applicant(s) named in section 2 and, in the case of joint applicants, section 6 above and, if details of a CREST account are included in section 5 above, that the owner thereof is the applicant named in section 2 above;
- (v) having regard to all local money laundering regulations we are, after enquiry, satisfied as to the source and legitimacy of the monies being used to subscribe for the C Shares to which this application relates; and
- (vi) where the payor and applicant(s) are different persons we are satisfied as to the relationship between them and the reason for the payor being different to the applicant(s).

The above information is given in strict confidence for your own use only and without any guarantee, responsibility or liability on the part of the firm or its officials.

(Date)	2012	(Official stamp, if any)
(Signature)		
(Full name)		
(Title/position)		

having authority to bind the firm, the details of which are set out below:

(Name of firm, in full)	
(Address, in full)	
	(Post code)
(Contact name)	(Telephone number)

(Full name of firm's regulatory authority)	
(Website address or telephone number of regulatory authority)	(Firm's registered, licence or other official number)

8.3 **Applicant Identity Information** (Only complete this section 8.3 if your application has a value greater than €15,000 (or its equivalent, being approximately £13,000) and neither of sections 8.1 and 8.2 can be completed)

In accordance with internationally recognised standards for the prevention of money laundering, the relevant documents and information listed below must be provided (please note that the Receiving Agent and the Company reserve the right to ask for additional documents and information).	Tick here for documents provided				
	Applicant				Payor
	1	2	3	4	
A. For each applicant who is an <u>individual</u> enclose:					
(i) a certified clear photocopy of one of the following identification documents which bears both a photograph and the signature of the person: (a) current passport; (b) Government or Armed Forces identity card; or (c) driving licence; and					
(ii) certified copies of at least two of the following documents which purport to confirm that the address(es) given in section 2 and, in the case of joint applicants, section 6 is each applicant's residential address: (a) a recent gas, electricity, water or telephone (not mobile) bill; (b) a recent bank statement; (c) a council tax bill; or (d) a similar bill issued by a recognised authority; and					
(iii) if none of the above documents show their date and place of birth, enclose a note of such information; and					
(iv) details of the name and address of their personal bankers from which the Receiving Agent or the Company may request a reference, if necessary.					
B. For each holder being a <u>company</u> (a "holder company") enclose:					
(i) a certified copy of the certificate of incorporation of the holder company; and					
(ii) the name and address of the holder company's principal bankers from which the Receiving Agent or the Company may request a reference, if necessary; and					
(iii) a statement as to the nature of the holder company's business, signed by a director; and					
(iv) a list of the names and residential addresses of each director of the holder company; and					
(v) for each director provide documents and information similar to that mentioned in A above; and					
(vi) a copy of the authorised signatory list for the holder company; and					
(vii) a list of the names and residential/registered addresses of each ultimate beneficial owner interested in more than 5 per cent. of the issued share capital of the holder company and, where a person is named, also enclose the documents and information referred to in C below and, if another company is named (a " beneficiary company "), also complete D below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company.					
C. For each <u>individual named in B(vii)</u> as a beneficial owner of a holder company enclose for each such person documents and information similar to that mentioned in A(i) to (iv)					
D. For each <u>beneficiary company named in B(vii)</u> as a beneficial owner of a holder company enclose:					
(i) a certificated copy of the certificate of incorporation of that beneficiary company; and					
(ii) a statement as to the nature of that beneficiary company's business signed by a director; and					
(iii) the name and address of the beneficiary company's principal bankers from which the Receiving Agent or the Company may request a reference, if necessary; and					
(iv) enclose a list of the names and residential/registered address of each beneficial owner owning more than 5 per cent. of the issued share capital of that beneficiary company.					
E. If the <u>payor</u> is not an applicant and is not a bank providing its own cheque or banker's payment on the reverse of which is shown details of the account being debited with such payment (see note 4 on how to complete this form) enclose:					
(i) if the payor is a person, for that person the documents mentioned in A(i) to (iv); or					
(ii) if the payor is a company, for that person the documents mentioned in B(i) to (vii); and					
(iii) an explanation of the relationship between the payor and the applicant(s).					