

THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take or the contents of this document, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank, solicitor, accountant, or other appropriate independent financial adviser, who is authorised under the Financial Services and Markets Act 2000 (the "FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

A copy of this document, which comprises a Prospectus relating to Schroder Oriental Income Fund Limited (the "Company") in connection with the issue of C Shares in the Company, prepared in accordance with the Prospectus Rules of the UK Listing Authority made pursuant to section 73A of the FSMA, has been filed with the Financial Conduct Authority in accordance with Rule 3.2 of the Prospectus Rules.

The C Shares are only suitable for investors (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the C Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment programme.

Applications will be made to the UK Listing Authority for the C Shares to be issued pursuant to the Placing, Open Offer and Offer for Subscription 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. On the conversion of the C Shares into Ordinary Shares, as set out in this document, applications will be made for the Ordinary Shares to be admitted to listing on the premium segment of the Official List and to trading on the London Stock Exchange's Main Market. It is expected that Admission will become effective and that unconditional dealings in the C Shares will commence on 11 June 2013.

SCHRODER ORIENTAL INCOME FUND LIMITED

*(a non-cellular company limited by shares incorporated in Guernsey with registered number 43298
under the provisions of The Companies (Guernsey) Law, 2008, as amended)*

Placing, Open Offer and Offer for Subscription of C Shares of up to £100 million* at an Issue Price

of

£1.00 per C Share

Investment Manager

Schroder Investment Management Limited

Sole Financial Adviser and Placing Agent

Numis Securities Limited

* If commitments and applications are received for more than 100,000,000 C Shares pursuant to the Placing, Open Offer and Offer for Subscription, the Directors reserve the right to increase the maximum number of C Shares that may be issued pursuant to the Placing, Open Offer and Offer for Subscription on the basis set out in Part VIII, Part IX and Part X of this Prospectus, provided that the maximum number of C Shares that may be issued is 150,000,000 (being the maximum number of C Shares that the Directors will be authorised to issue on a non-pre-emptive basis, if the relevant resolutions are passed at the Extraordinary General Meeting).

The Company and the Directors, whose names appear on page 32 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Investors are advised to examine all the risks that might be relevant in connection with an investment in the C Shares. See "Risk Factors" for a discussion of certain risks and other factors that should be considered prior to any investment in the C Shares. Prospective investors should read the entire document and in particular the section headed "Risk Factors" when considering an investment in the Company. The latest time and date for applications under the Offer for Subscription is 11.00 a.m. on 4 June 2013.

This Prospectus is not a prospectus and is not an offer to sell or a solicitation of any offer to buy C Shares or Ordinary Shares in the United States. Neither the Ordinary Shares nor the C Shares have been, and neither will be, registered under the US Securities Act, and the Company has not been, and will not be, registered under the US Investment Company Act.

None of the C Shares or Ordinary Shares has been, or will be, registered under the US Securities Act, or under the securities legislation of any state or any other political sub-division of the United States and the relevant clearances have not been, and will not be, obtained from the securities commission of any province or territory of Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa and they may not, subject to certain exceptions, be offered or sold directly or indirectly in, into or within the United States, Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa or to, or for the account or benefit of, a US Person (as defined in the US Securities Act) or any national citizen or resident of the United States, Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa. This document does not constitute an offer to sell or issue, or the solicitation of an offer to purchase or subscribe for, C Shares or Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful.

The making of the Offer for Subscription to Overseas Shareholders may be affected by the laws or regulatory requirements of the jurisdictions in which such investors reside. Overseas Shareholders who wish to subscribe for C Shares under the Offer for Subscription are referred to paragraph 8 of the Terms and Conditions of the Offer for Subscription set out at Part X of this document. No person who has a registered address outside the UK, or who is a citizen or resident of a country other than the UK, may treat this document or any Application Form received by him as constituting an offer or invitation to acquire Ordinary Shares or C Shares unless, in the relevant territory, such an offer of invitation can be made lawfully to that person. Potential investors who are in any doubt as to their position in this respect are strongly recommended to consult their own professional advisors as soon as possible.

Investors may be required to bear the financial risks of their investment in the C Shares for an indefinite period of time. For a description of additional restrictions on offers, sales and transfers of the C Shares, see "Selling and transfer restrictions" beginning on page 63 of this document.

Numis Securities Limited ("Numis"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as Sole Financial Adviser and Placing Agent to the Company in connection with the matters described herein. Numis is acting for the Company in relation to the Placing, Open Offer and Offer for Subscription and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in relation to the Placing, Open Offer and Offer for Subscription, the contents of this document or any transaction or arrangement referred to herein.

Prospective investors should rely only on the information in this document. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Investment Manager or Numis. Without prejudice to the Company's obligations under the Prospectus Rules, neither the delivery of this document nor any subscription or purchase of C Shares made pursuant to this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Numis by the FSMA or the regulatory regime established thereunder, Numis accepts no responsibility whatsoever for the contents of this document or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Investment Manager, the C Shares or the Issue. Numis accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of such document or any such statement.

The contents of this document are not to be construed as legal, financial, business, investment or tax advice. Prospective investors should consult their own legal adviser, financial adviser or tax adviser for legal, financial or tax advice. Prospective investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of the C Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of the C Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, redemption or other disposal of the C Shares. Prospective investors must rely on their own representatives, including their own legal advisers and accountants, as to legal, tax, investment, or any other related matters concerning the Company and an investment therein.

In connection with the Placing, Open Offer and Offer for Subscription, Numis and any of its Affiliates acting as an investor for its or their own account(s), may, but will not be obliged to, subscribe for the C Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities of the Company, any other securities of the Company or other related investments in connection with the Placing, Open Offer and Offer for Subscription or otherwise. Accordingly, references in this document 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, Numis or its Affiliates acting as an investor for its or their own account(s). Neither Numis nor any of its 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.

The Company will not pay commission to third parties that advise investors to subscribe for C Shares in the Company.

This document is dated 9 May 2013.

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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 C Shares and the Company. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

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		
Element A.1	Warning	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the 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 the prospectus before legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
Element A.2	Consent by the Issuer to the use of the prospectus for resale or final placement of securities by financial intermediaries	Not applicable; the Company has not given its consent to the use of this document for the resale or final placement of the C Shares by financial intermediaries.

Section B – The Company		
Element B.1	Legal and commercial name of the Company	Schroder Oriental Income Fund Limited.
Element B.2	Domicile and legal form of the Company	The Company is a non-cellular sterling denominated company limited by shares incorporated in Guernsey under the Companies Law on 17 June 2005, with registration number 43298, and has been declared by the GFSC to be an authorised closed-ended collective investment scheme.
Element B.5	Description of the Group and the Company’s position within the Group	Not applicable; the Company is not part of a group.
Element B.6	Material interests in Shares	The Companies Law imposes no requirement on Shareholders to disclose their shareholdings to any person. As at 7 May 2013 insofar as it is known to the Directors from notifications received by the Company in accordance with the provisions of the Company’s Memorandum and Articles of Incorporation and the Disclosure Rules and Transparency Rules, the name of each person, other than a Director, who, directly or

		<p>indirectly, was interested in three per cent. or more of the voting rights attaching to the issued ordinary share capital of the Company, and the amount of such person's interest, is as follows:</p> <table border="1"> <thead> <tr> <th><i>Name</i></th> <th><i>Number of Ordinary Sterling Shares</i></th> <th><i>% of Issued Ordinary Share Capital</i></th> </tr> </thead> <tbody> <tr> <td>Investec Wealth & Investment</td> <td>20,866,781</td> <td>11.01</td> </tr> <tr> <td>Rathbone Investment Management</td> <td>11,069,985</td> <td>5.81</td> </tr> <tr> <td>KB Financial Services Holdings Limited</td> <td>9,927,288</td> <td>5.20</td> </tr> <tr> <td>Brewin Dolphin Limited</td> <td>9,043,847</td> <td>4.70</td> </tr> <tr> <td>Charles Stanley & Co Ltd</td> <td>7,860,051</td> <td>4.10</td> </tr> <tr> <td>Cheviot Asset Management Limited</td> <td>7,789,750</td> <td>4.10</td> </tr> </tbody> </table> <p>The major Shareholders do not have different voting rights from other Shareholders.</p> <p>To the extent known by the Company, the Company is not aware of any person or persons who, directly or indirectly, jointly or severally, exercise control of the Company.</p> <p>There are no relationships between the Directors and the above mentioned Shareholders.</p>	<i>Name</i>	<i>Number of Ordinary Sterling Shares</i>	<i>% of Issued Ordinary Share Capital</i>	Investec Wealth & Investment	20,866,781	11.01	Rathbone Investment Management	11,069,985	5.81	KB Financial Services Holdings Limited	9,927,288	5.20	Brewin Dolphin Limited	9,043,847	4.70	Charles Stanley & Co Ltd	7,860,051	4.10	Cheviot Asset Management Limited	7,789,750	4.10																																																	
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Element B.7	Selected historical key financial information, financial condition or operating results	<p>Selected historical financial information of the Company as at 31 August 2010, 31 August 2011 and 31 August 2012 and for the period between 31 August 2012 and 28 February 2013 is set out below. The information has been extracted without material adjustment from the audited report and accounts of the Company for the years ended 31 August 2010, 31 August 2011 and 31 August 2012 and the unaudited half-year report of the Company for the six months ended 28 February 2013.</p> <table border="1"> <thead> <tr> <th rowspan="2"><i>Capital</i></th> <th colspan="3"><i>As at 31 August</i></th> <th><i>As at</i></th> </tr> <tr> <th><i>2010</i></th> <th><i>2011</i></th> <th><i>2012</i></th> <th><i>28 February</i></th> </tr> <tr> <th></th> <th><i>£'000</i></th> <th><i>£'000</i></th> <th><i>£'000</i></th> <th><i>£'000</i></th> </tr> </thead> <tbody> <tr> <td>Investments at fair value</td> <td>237,244</td> <td>261,317</td> <td>299,377</td> <td>386,363</td> </tr> <tr> <td>Current assets</td> <td>5,773</td> <td>15,559</td> <td>17,053</td> <td>23,270</td> </tr> <tr> <td>Current liabilities</td> <td>(23,818)</td> <td>(22,806)</td> <td>(26,106)</td> <td>(38,146)</td> </tr> <tr> <td>Net assets</td> <td>219,199</td> <td>254,070</td> <td>290,324</td> <td>371,487</td> </tr> <tr> <td>NAV per Ordinary Share</td> <td>136.63p</td> <td>152.80p</td> <td>165.18p</td> <td>200.49p</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th rowspan="2"><i>Revenue</i></th> <th colspan="3"><i>Year Ended 31 August</i></th> </tr> <tr> <th><i>2010</i></th> <th><i>2011</i></th> <th><i>2012</i></th> </tr> <tr> <th></th> <th><i>£'000</i></th> <th><i>£'000</i></th> <th><i>£'000</i></th> </tr> </thead> <tbody> <tr> <td>Investment income</td> <td>11,936</td> <td>14,280</td> <td>15,244</td> </tr> <tr> <td>Total expenses charged to revenue</td> <td>(901)</td> <td>(1,047)</td> <td>(1,075)</td> </tr> <tr> <td>Profit for the year</td> <td>51,090</td> <td>35,565</td> <td>32,359</td> </tr> <tr> <td>Earnings per Ordinary Share (basic)</td> <td>32.67p</td> <td>21.53p</td> <td>18.91p</td> </tr> <tr> <td>Dividends per Ordinary Share</td> <td>5.80p</td> <td>6.35p</td> <td>6.80p</td> </tr> </tbody> </table>	<i>Capital</i>	<i>As at 31 August</i>			<i>As at</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>28 February</i>		<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	Investments at fair value	237,244	261,317	299,377	386,363	Current assets	5,773	15,559	17,053	23,270	Current liabilities	(23,818)	(22,806)	(26,106)	(38,146)	Net assets	219,199	254,070	290,324	371,487	NAV per Ordinary Share	136.63p	152.80p	165.18p	200.49p	<i>Revenue</i>	<i>Year Ended 31 August</i>			<i>2010</i>	<i>2011</i>	<i>2012</i>		<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	Investment income	11,936	14,280	15,244	Total expenses charged to revenue	(901)	(1,047)	(1,075)	Profit for the year	51,090	35,565	32,359	Earnings per Ordinary Share (basic)	32.67p	21.53p	18.91p	Dividends per Ordinary Share	5.80p	6.35p	6.80p
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		<i>Six Months Ended 29 February 2012 £'000</i>	<i>Six Months Ended 28 February 2013 £'000</i>
		<i>Revenue</i>	
		Investment income	6,798
		Total expenses charged to revenue	(644)
		Profit for the period	71,138
		Earnings per Ordinary Share (basic)	39.48p
		Dividends per Ordinary Share	2.95p
		<p>During the period from 1 September 2009 to 7 May 2013 (being the latest practicable date prior to the publication of this prospectus):</p> <ul style="list-style-type: none"> the Net Asset Value of the Company increased from £167.60 million as at 31 August 2009 to £385.6 million as at 7 May 2013; the NAV per Share increased from 109.31 pence as at 31 August 2009 to 202.62 pence as at 7 May 2013; and the Company has issued 36.98 million shares at a modest premium to the NAV per Share prevailing at the time of issue raising approximately £60.5 million. <p>Save for these changes there has been no significant change in the financial condition or operating results or the overall trading position of the Company since 1 September 2009.</p>	
Element B.8	Selected key <i>pro forma</i> financial information	Not applicable; no <i>pro forma</i> financial information is included.	
Element B.9	Profit forecast or estimate	Not applicable; no profit forecast or estimate has been provided.	
Element B.10	Nature of any qualifications in the audit report on the historical financial information	Not applicable; there are no qualifications to the audit reports on the historical financial information.	
Element B.11	Qualified working capital statement	Not applicable; 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).	
Element B.34	Description of investment objective, policy and investment restrictions	<p><i>Investment Objective</i></p> <p>The investment objective of the Company is to provide a total return for investors primarily through investments in equities and equity-related investments, of companies which are based in, or which derive a significant proportion of their revenues from, the Asia Pacific region and which offer attractive yields.</p> <p><i>Investment Policy</i></p> <p>The investment policy of the Company is to invest in a diversified portfolio of investments, primarily equities and equity-related investments, of companies which are based in, or derive a significant proportion of their revenues from, the Asia Pacific region. The portfolio is diversified across a number of industries and a number of countries in that region. The portfolio may include government, quasi-government, corporate and high yield bonds and preferred shares.</p>	

		<p>Equity-related investments which the Company may hold include investments in other collective investment undertakings (including real estate investment trusts and related stapled securities), warrants, depository receipts, participation certificates, guaranteed performance bonds, convertible bonds, other debt securities, equity-linked notes and similar instruments (whether or not investment grade) which give the Company access to the performance of underlying equity securities, particularly where the Company may be restricted from directly investing in such underlying equity securities or where the Investment Manager considers that there are benefits to the Company in holding such investments instead of directly holding the relevant underlying equity securities. Such investments may be listed or traded outside the Asia Pacific region. Such investments may subject the Company to credit risk against the issuing entity. The Company may also participate, subject to regulatory and tax implications, in debt-to-equity conversion programmes.</p> <p>The Investment Manager may consider writing calls over some of the Company's holdings, as a low risk way of enhancing the returns from the portfolio. The Board has set a limit such that covered calls cannot be written over portfolio holdings representing in excess of 15 per cent. of gross assets. However, the Company may only invest in derivatives for the purposes of efficient portfolio management. Investors should note that the types of equity-related investments listed in this paragraph are not exhaustive of all of the types of securities and financial instruments in which the Company may invest, and the Company will retain the flexibility to make any investments unless these are prohibited by the investment restrictions applicable to the Company.</p> <p>Although the Company has the flexibility to invest in bonds and preferred shares as described above, the intention of the Directors is that the assets of the Company which are invested (that is to say, which are not held in cash, money funds, debt securities, interest bearing gilts or treasuries) will predominantly comprise Asia Pacific equities and equity-related investments.</p> <p>The Company is required to obtain the prior approval of the Ordinary Shareholders to any material change to its published investment policy.</p> <p><i>Investment Restrictions</i></p> <p>Risk in relation to the Company's investments is spread as a result of the Investment Manager monitoring the Company's portfolio with a view to ensuring that the portfolio retains an appropriate balance to meet the Company's investment objective.</p> <p>In order to comply with the Listing Rules, the Company will not invest more than 10 per cent., in aggregate, of the value of its total assets (calculated at the time of any relevant investment) in other investment companies or investment trusts which are listed on the Official List (save to the extent that those investment companies or investment trusts have stated investment policies to invest</p>
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		<p>no more than 15 per cent. of their gross assets in other investment companies or investment trusts which are listed on the Official List). Additionally, the Company will not:</p> <ul style="list-style-type: none"> (i) invest, either directly or indirectly, or lend more than 20 per cent. (calculated at the time of any relevant investment or loan) of its gross assets to any single underlying issuer (including the underlying issuer's subsidiaries or affiliates); (ii) invest more than 20 per cent. (calculated at the time of any relevant investment) of its gross assets in one or more collective investment undertakings which may invest more than 20 per cent. of its gross assets in other collective investment undertakings; (iii) invest more than 40 per cent. (calculated at the time of any relevant investment) of its gross assets in another collective investment undertaking; (iv) expose more than 20 per cent. of its gross assets to the creditworthiness or solvency of any one counterparty; (v) invest in physical commodities; or (vi) invest in derivatives except for the purposes of efficient portfolio management.
Element B.35	Borrowing and/or leverage limits	The Company's policy is to permit net borrowings (including foreign currency borrowings) of up to 25 per cent. of the Company's net assets (measured when new borrowings are incurred). It is intended that the Investment Manager should have the flexibility to utilise this power to leverage the Company's portfolio in order to enhance returns where and to the extent that this is considered appropriate by the Directors.
Element B.36	Regulatory status of the Company	The Company has been declared by the GFSC to be an authorised closed-ended collective investment scheme. The Company is not regulated by the FCA or by any financial services or other regulator.
Element B.37	Profile of typical investors	Typical investors in the Company are institutional, private client investment managers and private client brokers, as well as professionally advised private investors, who are seeking exposure to Asia Pacific markets and/or a regular income, and the prospect of income and capital growth, from their investment.
Element B.38	Investments which individually constitute at least 20 per cent. of the gross assets of the Company	Not applicable; the Company does not have any investments which individually constitute 20 per cent. or more of the gross assets of the Company.
Element B.39	Investments which individually constitute at least 40 per cent. of the gross assets of the Company	Not applicable; the Company does not have any investment which individually constitutes 40 per cent. or more (calculated at the time of any relevant investment) of its gross assets.

Element B.40	The Company's Investment Manager, the Custodian and other advisers	<p><i>Investment Manager</i></p> <p>The Company's investment manager is Schroder Investment Management Limited (the "Investment Manager").</p> <p>On 12 July 2005, the Company and the Investment Manager entered into a Management Agreement, pursuant to which the Investment Manager has been given overall responsibility for the discretionary management of the Company's assets and rights (including uninvested cash) in accordance with the Company's investment objective and policy.</p> <p>Under the terms of the Management Agreement, the Investment Manager is entitled to receive a basic management fee of an amount equivalent to 0.75 per cent. per annum of the net assets of the Company, payable quarterly in arrears and calculated as at the last business day in February, May, August and November in each year while the agreement remains in force.</p> <p>The Investment Manager is also entitled to receive a performance fee based on the performance of the Company's adjusted net asset value per Ordinary Share. The performance fee is 10 per cent. of the amount by which the adjusted net asset value per Ordinary Share (adjusted as described below) at the end of the relevant calculation period exceeds a hurdle, being 107 per cent. of the adjusted net asset value per Ordinary Share at the end of the previous calculation period multiplied by the time weighted average of the number of Ordinary Shares in issue during the period. The net asset value as at the end of the period is adjusted as appropriate to take account of dividends, buy-backs or the issue of Ordinary Shares and to add back performance fees paid or accrued during the period.</p> <p>The total amount of any performance fee payable in respect of any one accounting period is capped at 1 per cent. of the net assets of the Company calculated at the end of that period.</p> <p>The appointment of the Investment Manager is subject to termination by either party giving to the other not less than 12 months' written notice terminating such appointment and upon notice in writing in certain other circumstances.</p> <p>Under the Administration Agreement dated 12 July 2005 between the Company and the Investment Manager, the Investment Manager has also agreed to provide the Company with administration. For these services the Investment Manager will receive an annual fee, payable quarterly in arrears. The fee shall accrue daily at the rate of £75,000 per annum.</p> <p><i>Custodian</i></p> <p>The Company has appointed JPMorgan Chase Bank, N.A., London Branch as Custodian.</p> <p>Under the terms of the Custody Agreement, the Custodian will be responsible for providing custody,</p>
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		<p>settlement and other associated services to the Company. The Custodian may act through and hold the Company's investments with sub-custodians.</p> <p>Under the terms of the Custody Agreement, the Custodian is entitled to receive a fee for its services and to be reimbursed its out-of-pocket or incidental expenses. The Custodian's fee is based on a scale per relevant market and a transaction charge, which also varies by market. Based on the Company's size, asset allocation by market and transaction volumes by market the Custodian's fee is expected to be approximately 0.04 per cent. of the value of the Company's portfolio per annum. In the event of termination of the Custody Agreement, the Custodian shall be entitled to receive a proportionate amount of the fees due to it calculated on a <i>pro-rata</i> basis up to and including the date of termination.</p>
Element B.41	Identity and regulatory status of the Investment Manager and the Custodian	<p>The Investment Manager was incorporated in England and Wales on 7 March 1985, with registration number 01893220. The registered office of the Investment Manager is: 31 Gresham Street, London, EC2V 7QA, United Kingdom. The Investment Manager is authorised and regulated by the FCA.</p> <p>The Custodian is a company organised under the laws of the United States of America with limited liability. Its main office is in Ohio, USA and it was registered as a branch in England and Wales with registration number BR000746 on 11 April 1960. The Custodian is authorised and regulated by the FCA and the PRA.</p>
Element B.42	Valuation of the Company's NAV	<p>The Company calculates and publishes the NAV attributable to the Ordinary Shares on a daily basis and will continue to do so in respect of the NAV attributable to each of the Ordinary Shares and the C Shares following Admission. Such NAV per Share is published by RIS announcement and is available via the website of the Company.</p>
Element B.43	Cross liabilities	<p>Not applicable; the Company is not an umbrella collective investment undertaking.</p>
Element B.44	Collective investment undertakings which have not commenced operations	<p>Not applicable; the Company has commenced operations and financial information is included in this Prospectus.</p>
Element B.45	The Company's existing portfolio	<p>As at the close of business on 3 May 2013 (being the latest practicable date prior to the publication of this Prospectus), the Company portfolio comprised 73 investments (all of which were listed or traded on stock exchanges) with an aggregate value of £395.6 million and the Company had cash balances of £5.1 million. As at that date:</p> <ul style="list-style-type: none"> • the Company's 20 largest investments represented 53.1 per cent. of its portfolio. • the Company's largest country exposure was Australia, which represented 24.4 per cent. of its total assets.

		<ul style="list-style-type: none"> the Company's largest sector exposure was Financials which represented 37.5 per cent. of its total assets. the Company's largest currency exposure was the Hong Kong Dollar which represented 26.1 per cent. of its total assets.
Element B.46	NAV per Share	As at 7 May 2013 (being the latest practicable date prior to the publication of this Prospectus), the Company's NAV per Ordinary Share (unaudited) was £2.0262.

Section C – Securities														
Element C.1	Description of type and class of securities	<p>The securities which the Company intends to issue pursuant to the Placing, Open Offer and Offer for Subscription are C Shares of the Company with a nominal value of £0.01 each. The C Shares will be converted into Ordinary Shares in the Company with a nominal value of £0.01 each on the Conversion Date.</p> <p>The Company intends to raise up to £100,000,000 pursuant to the Placing, Open Offer and Offer for Subscription. If commitments and applications are received for more than 100,000,000 C Shares pursuant to the Placing, Open Offer and Offer for Subscription, the Directors reserve the right to increase the number of C Shares available pursuant to the Placing, Open Offer and Offer for Subscription (subject, if required, to publication of a supplementary prospectus approved by the FCA prior to Admission). The maximum number of C Shares that may be issued pursuant to the Placing, Open Offer and Offer for Subscription is 150,000,000 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.</p> <p>The Company will also issue 19,000,000 Ordinary Shares to Numis on the date of Admission and immediately repurchase them.</p> <p>The dealing codes for the C Shares and the Ordinary Shares are as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;"><i>C Shares</i></th> <th style="text-align: center;"><i>Ordinary Shares</i></th> </tr> </thead> <tbody> <tr> <td>ISIN</td> <td style="text-align: center;">GG00B8CKX719</td> <td style="text-align: center;">GB00B0CRWN59</td> </tr> <tr> <td>SEDOL</td> <td style="text-align: center;">B8CKX71</td> <td style="text-align: center;">B0CRWN5</td> </tr> <tr> <td>Ticker</td> <td style="text-align: center;">SOIC</td> <td style="text-align: center;">SOI</td> </tr> </tbody> </table>		<i>C Shares</i>	<i>Ordinary Shares</i>	ISIN	GG00B8CKX719	GB00B0CRWN59	SEDOL	B8CKX71	B0CRWN5	Ticker	SOIC	SOI
	<i>C Shares</i>	<i>Ordinary Shares</i>												
ISIN	GG00B8CKX719	GB00B0CRWN59												
SEDOL	B8CKX71	B0CRWN5												
Ticker	SOIC	SOI												
Element C.2	Currency denomination of the C Shares	The C Shares will be denominated in Sterling. The Ordinary Shares that will be issued to Numis on the date of Admission and immediately repurchased will also be denominated in Sterling.												
Element C.3	Details of the Shares	Immediately prior to the publication of this Prospectus, the Company had in issue 190,314,500 Ordinary Shares with a nominal value of £0.01 (all of which were fully paid or credited as fully paid).												

Element C.4	Rights attaching to the C Shares and the Ordinary Shares	<p>The C Shares will carry voting rights at general meetings of the Company. Holders of C Shares will be entitled to participate in a winding-up of the Company or on a return of capital in relation to the C Share Surplus. The holders of C Shares will be entitled to receive such dividends as the Directors may resolve to pay to such holders out of the Company's assets attributable to the C Shares (as determined by the Directors).</p> <p>The C Shares will convert into Ordinary Shares on the basis of the conversion ratio, which will be calculated once at least 90 per cent. (or such other percentage as the Directors may in their absolute discretion determine) of the Company's assets attributable to the C Shares have been invested or committed to be invested, which the Directors anticipate will occur within the period up to four weeks after Admission. In any event the C Shares will convert into Ordinary Shares four months after the date of Admission. The Ordinary Shares issued following conversion of the C Shares will rank <i>pari passu</i> with the Ordinary Shares then in issue for dividends and other distributions declared by reference to a record date falling after the relevant calculation time.</p> <p>The Ordinary Shares will carry voting rights at general meetings of the Company. Holders of Ordinary Shares will be entitled to participate in a winding-up of the Company. The holders of Ordinary Shares will be entitled to receive such dividends as the Directors may resolve to pay to such holders out of the Company's assets attributable to the Ordinary Shares (as determined by the Directors).</p>
Element C.5	Restrictions on the transferability of C Shares	Not applicable; There are no restrictions on the free transferability of the C Shares or the Ordinary Shares, subject to compliance with applicable securities laws and regulations.
Element C.6	Application for admission to trading on a regulated market	<p>Applications will be made to the UK Listing Authority for the C Shares to be issued pursuant to the Placing, Open Offer and Offer for Subscription 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 11 June 2013.</p> <p>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.</p> <p>Applications will be made to the UK Listing Authority for the Ordinary Shares that are being issued to Numis and then bought back by the Company to be held in treasury 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.</p>

Element C.7	Dividend policy	<p>Since launch, dividends on the Ordinary Shares have been paid twice a year in respect of the six months to 28 February (or 29 February if the relevant year is a leap year) and 31 August. All dividends have been paid as interim dividends. It is the Board's intention that commencing with the three month period to 31 May 2013 dividends will be paid on a quarterly basis. Therefore dividends on the Ordinary Shares will in future be paid, as interim dividends, quarterly in respect of the calendar quarters to 28 February (or 29 February if the relevant year is a leap year), 31 May, 31 August and 30 November.</p> <p>The first quarterly interim dividend will be in respect of the three month period to 31 May 2013 and is expected to be declared in early June 2013. The Board does not envisage that the move to quarterly dividends will have any impact as to the quantum of dividends that it expects to pay in respect of a financial year. For the avoidance of doubt, the final dividend in respect of the 2013 financial year, being the quarterly dividend in respect of the three months to 31 August 2013 will therefore not necessarily be at the same level as the second interim dividend paid in respect of the 2012 financial year.</p> <p>It is not expected that any dividends will be paid on the C Shares. Holders of C Shares will only be entitled to a dividend or distribution once the C Shares have been converted into Ordinary Shares. Ordinary Shares resulting from the conversion of C Shares will rank equally with all other Ordinary Shares in respect of any and all dividends declared after the Conversion Time. For the avoidance of doubt, it is currently the Board's intention to declare the quarterly dividend in respect of the three months to 31 May 2013 prior to the Conversion Time and as a consequence C Shareholders will not be entitled, following conversion, to that dividend. It is expected that the first dividend to which holders of C Shares will be entitled, following conversion, will be the final quarterly dividend in respect of the three months to 31 August 2013.</p>
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Section D – Risks

Element D.1	Key information on key risks in relation 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,
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		<p>including restrictions on investing in issuers or industries deemed sensitive to relevant national interests;</p> <ul style="list-style-type: none"> - the fiscal and monetary systems remain relatively undeveloped and this may affect the stability of the economic and financial markets of these countries; and - 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. <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.
Element D.3	Key information on key risks in relation 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 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. The price of the C Shares may vary from the NAV per Ordinary Share (representing either a discount or a premium to that NAV) and may fall when the NAV per Ordinary Share is rising, or <i>vice versa</i>, however the Board intends for the C Shares to be in issue for only a short period of time. • The Net Issue Proceeds will be invested as soon as possible after the receipt of such proceeds. If stock markets 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 borrowing should generally enhance the total return on the 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 Shares. The use of borrowings may increase the volatility of the NAV of the Shares and the price of the Shares.

Section E – Issue								
Element E.1	Proceeds and expenses of the Issue	<p>The following table shows the expected gross proceeds of the Issue:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Issue price per C Share</td> <td style="text-align: right;">£1.00</td> </tr> <tr> <td>Number of C Shares issued</td> <td style="text-align: right;">Up to 100,000,000</td> </tr> <tr> <td>Estimated number of Ordinary Shares to be issued and bought back into treasury</td> <td style="text-align: right;">19,000,000</td> </tr> </table> <p>In the event that the Issue for up to 100 million shares goes ahead the Company will incur predominantly fixed costs of approximately £325-400,000. In addition commission will be payable to Numis at the rate of one per cent. of the Gross Issue Proceeds. It is anticipated that all of the costs associated with the Issue will be borne by the C Shares and as such the Net Asset Value of the Existing Ordinary Shares will not be diluted as a result of the Issue. However, the Directors reserve the right (at their sole discretion) to allocate a proportion of these costs to the Ordinary Shares in order to ensure that they do not represent an excessive proportion of the Gross Issue Proceeds.</p>	Issue price per C Share	£1.00	Number of C Shares issued	Up to 100,000,000	Estimated number of Ordinary Shares to be issued and bought back into treasury	19,000,000
Issue price per C Share	£1.00							
Number of C Shares issued	Up to 100,000,000							
Estimated number of Ordinary Shares to be issued and bought back into treasury	19,000,000							
Element E.2a	Reasons for the Issue and use of proceeds	<p>The Directors believe that the Issue will have the following benefits:</p> <ul style="list-style-type: none"> • the issue will provide additional capital which will enable the Company to benefit from the continued investment opportunities in the market; • having a greater number of Ordinary Shares (following the conversion of the C Shares into Ordinary Shares) in issue is likely to provide the Ordinary Shares with additional liquidity; • increasing the size of the Company will make the Company more attractive to a wider shareholder base; and • the Company's fixed running costs will be spread across a wider shareholder base, thereby marginally reducing the total expense ratio. <p>The Directors recognise the importance of pre-emption rights to Shareholders and consequently: (i) as the Issue is not fully pre-emptive are seeking the approval of Existing Shareholders for the Issue by way of special resolution at an extraordinary general meeting of the Company to be held on 6 June 2013; and (ii) 76,125,800 C Shares (or such greater number as may be made available by the Directors in exercising their discretion to scale back the Placing and the Offer for Subscription in favour of the Excess Application Facility) are being offered to Existing Shareholders at the Issue Price by way of an Open Offer. Open Offer Shares may be subscribed by Existing Shareholders <i>pro rata</i> to their holdings of Existing Ordinary Shares as at the Record Date. Existing Shareholders can subscribe in excess of their Open Offer Entitlements under the Excess Application Facility and can</p>						

		<p>also participate by subscribing for C Shares pursuant to the Offer for Subscription.</p> <p>The estimated net proceeds of the Open Offer and Offer for Subscription is up to £148.1 million.</p> <p>The Company will use the Net Issue Proceeds to implement its investment policy.</p>
Element E.3	Terms and conditions of the Issue	<p>Open Offer</p> <p>Under the Open Offer, an aggregate amount of 76,125,800 C Shares (or such greater number as may be made available by the Directors in exercising their discretion to reallocate from the Placing, and/or Offer in favour of the Excess Application Facility) will be made available to Existing Shareholders at the Issue Price <i>pro rata</i> to their holdings of Existing Ordinary Shares, on the terms and subject to the conditions of the Open Offer, on the basis of:</p> <p>2 C Shares for every 5 Ordinary Shares held at the Record Date (being the close of business on 3 May 2013)</p> <p>The balance of C Shares to be made available under the Issue, together with any C Shares not taken up pursuant to the Open Offer, will be made available under the Excess Application Facility, the Placing and the Offer for Subscription.</p> <p>Existing Shareholders should be aware that the Open Offer is not a rights issue and Open Offer Application Forms cannot be traded.</p> <p>Fractional entitlements under the Open Offer will be rounded down to the nearest whole number of C Shares and will be disregarded in calculating Open Offer Entitlements. All fractional entitlements will be aggregated and made available to Existing Shareholders under the Excess Application Facility.</p> <p>The latest time and date for acceptance and payment in full in respect of the Open Offer will be 11.00 a.m. on 6 June 2013. Valid applications under the Open Offer will be satisfied in full up to applicants' Open Offer Entitlements. Existing Shareholders are also being offered the opportunity to subscribe for C Shares in excess of their Open Offer Entitlements under the Excess Application Facility, described below.</p> <p>The terms and conditions of application under the Open Offer should be read carefully before an application is made. Investors who are in any doubt about the Issue arrangements should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser.</p> <p>Offer for Subscription</p> <p>An application for C Shares pursuant to the Offer for Subscription must be made on the Application Form.</p> <p>By signing the Application Form, an investor: (i) offers to subscribe for such number of C Shares at £1.00 per C Share as purchased by the subscription amount specified in the Application Form, being a minimum of</p>

		<p>£1,000 or such lesser amount as the Company may in its absolute discretion, determine to accept; (ii) it will submit payment in Sterling in respect of the C Shares it subscribes for; (iii) agrees that its application may not be revoked; (iv) undertakes to pay the amount for the number of C Shares subscribed for in full on application; (v) authorises the Receiving Agent to procure that there be sent to it definitive certificates in respect of the number of C Shares for which the application is accepted; (vi) agrees that all subscription cheques and payments will be processed through a bank account in the name of "Computershare Investor Services PLC re Schroder Oriental Income Fund Limited Open Offer A/C" opened with the Receiving Agent; (vii) agrees to give certain warranties.</p> <p>Any application may be rejected in whole or in part at the sole discretion of the Company.</p> <p>The contracts created by the acceptance of applications (in whole or in part) under the Offer for Subscription is conditional upon: (i) Admission occurring at 11 June 2013 (or such later time or date, not being later than 11 July 2013, as the Company, the Investment Manager and Numis may agree); and (ii) the Issue Agreement becoming otherwise unconditional in all respects, and not being terminated in accordance with its terms before Admission becomes effective.</p>
Element E.4	Material interests to the Issue	Other than as disclosed in Element B.6, there are no material interests to the Issue.
Element E.5	Selling Shareholders and lock-up agreements	The C Shares are being offered by the Company. There are no lock-up agreements.
Element E.6	Dilution resulting from the Issue	<p>Upon the conversion of the C Shares into Ordinary Shares, the percentage holding of an existing Ordinary Shareholder will be diluted to the extent that they do not participate in the Issue <i>pro rata</i> to their current shareholding, for example by not taking up their full entitlement pursuant to the Open Offer and assuming that they do not participate in the Placing and the Offer for Subscription.</p> <p>In the event that the maximum possible number of C Shares are issued pursuant to the Issue and based on the NAV per Ordinary Share as at 7 May 2013 of 202.62 pence, an existing Shareholder holding shares representing 3.0 per cent. of the Company's issued Ordinary Share capital, who does not participate in the Issue, would, following the completion of the Issue, hold shares representing approximately 2.2 per cent. of the Company's issued Ordinary Share capital.</p>

Element E.7	Estimated expenses charged to the investor by the Company	<p>In the event that the Issue for up to 100 million C Shares goes ahead the Company will incur predominantly fixed costs of approximately £325-400,000. In addition commission will be payable to Numis at the rate of one per cent. of the Gross Issue Proceeds. It is anticipated that all of the costs associated with the Issue will be borne by the C Shares and as such the Net Asset Value of the Existing Ordinary Shares will not be diluted as a result of the Issue. However, the Directors reserve the right (at their sole discretion) to allocate a proportion of these costs to the Ordinary Shares in order to ensure that they do not represent an excessive proportion of the Gross Issue Proceeds.</p>
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RISK FACTORS

An investment in the Company, and the C Shares in particular, carries a number of risks, including the risk that the entire investment may be lost. In addition to all other information set out in this Prospectus, the following specific factors should be considered when deciding whether to make an investment in the C Shares. The risks set out below are all those which are considered to be the material risks relating to an investment in the C Shares but are not the only risks relating to the C Shares or the Company. Additional risks and uncertainties of which the Company is presently unaware or that the Company currently believes are immaterial may also adversely affect its business, financial condition, results of operations or the value of the C Shares. No assurance can be given that Shareholders will realise profit on, or recover the value of, their investment in the C Shares. It should be remembered that the price of C Shares and the income from them can go down as well as up.

The C Shares are only suitable for investors who understand the risk of capital loss and that there may be limited liquidity in the underlying investments of the Company and in the C Shares, for whom an investment in the C Shares would be of a long-term nature and constitute part of a diversified investment portfolio and who understand and are willing to assume the risks involved in investing in the C Shares.

Potential investors in the C Shares should review this Prospectus carefully and in its entirety and consult with their professional advisers prior to making an application to subscribe for C Shares. Defined terms used in the risk factors below have the meanings set out in Part XI of this Prospectus.

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

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 and accordingly, the NAV per 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 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, the 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 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 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 price.

The rights of Shareholders are governed by Guernsey law and by the Memorandum and Articles of Incorporation. These rights may differ from the rights of Shareholders in typical UK corporations.

The NAV performance of the C Shares may diverge significantly from that of the Ordinary Shares between Admission and Conversion.

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 Guernsey 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 Shareholders may fluctuate and may go down as well as up.

It is not expected that any dividends will be paid on the C Shares.

Debt Securities

Whilst the Company's investments will predominantly comprise Asia-Pacific equities and equity-related investments, the Company also has the flexibility to invest in bonds and preferred shares, although it currently does not make such investments.

Any such 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. 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.

Investment Risks

General Market Risks

Stockmarket movements and changes in economic conditions (including, for example, interest rates, availability of credit, economic uncertainty, 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 per 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; and
- 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.

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. 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 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 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 counterparties who have been approved by the Investment Manager but, despite this, there can be no guarantee that counterparty defaults will not occur.

The Company may also be exposed to the risk that the counterparties with which the Company trades may cease making markets and quoting prices in such instruments, which may render the Company unable to enter into an offsetting transaction with respect to an open position.

Although the Company will select the counterparties with which it enters into hedging arrangements with due skill and care, the residual risk that the counterparty may default on its obligations remains.

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 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

The Company's gearing is kept within limits approved by the Directors. The Company's policy is to permit net borrowings (including foreign currency borrowings) of up to 25 per cent. of the Company's net assets (measured when new borrowings are incurred). It is intended that the Investment Manager should have the flexibility to utilise this power to leverage the Company's portfolio in order to enhance returns where and to the extent that this is considered appropriate by the Directors. 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 Shares. Accordingly, the use of borrowings by the Company may increase the volatility of the NAV of the Shares, and the price of the 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 Shares. In addition, the Company may be required to realise investments to fund the repayment of the Company's borrowings at a time when the value of such investments is depressed because of market conditions.

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. The Company does not normally hedge its currency exposure, and 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 will 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. Costs of conversion and exchange control regulations will also directly affect the value of the Company's investments and the ultimate rate of return realised by investors. Accordingly, foreign exchange risk increases the volatility of the NAV and of the 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. There can be no assurances that hedging arrangements will be entered into and 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.

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 Guernsey 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 Guernsey 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, outside of Guernsey, the Company may lose its Guernsey 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 in various jurisdictions. In the event that exchange controls 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.

Withholding Taxes

The Company may purchase investments that may be subject to withholding taxes in various jurisdictions. In the event that 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 Service Providers

The Company has no employees and relies on the performance of 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 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 or 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 service provider (and, in particular, 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.

Operational and Regulatory Risk

Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect the Company's business, investments and performance. The Company is subject to laws and

regulations enacted by national and local government. In particular, the Company is subject to and will be required to comply with certain regulatory requirements that are applicable to listed closed-ended collective investment companies which are domiciled in Guernsey. These include compliance with any decision of the GFSC. In addition, the Company is subject to and will be required to comply with certain regulatory requirements which are applicable to closed-ended investment companies (including continuing obligations) whose shares are listed on the premium segment of the Official List. The Investment Manager is authorised and regulated by the FCA.

Any change in the laws and regulations affecting the Company, the Investment Manager or the Company's investments may have an adverse effect on the ability of the Company to carry on its business and pursue its investment policy. This includes laws and regulations introduced to implement AIFMD, the risks in relation to which are described on page 25). Any such changes may also adversely affect the value of the Company's investments. In such event, the investment returns of the Company may be materially adversely affected.

Control failures, either by the Investment Manager or any other of the Company's service providers, may result in operational and/or reputational problems, erroneous disclosures or loss of assets through fraud, as well as breaches of regulations. In order to mitigate this risk, an independent custodian has been appointed by the Company to safeguard the assets of the Company.

The regulatory environment for investment funds and the managers of investment funds is evolving. Any change in the laws and regulations affecting the Company, or any change in the regulations affecting investment funds or investment fund managers generally may have a material adverse effect on the ability of the Company and the Investment Manager to carry on their respective businesses which in turn could have a material adverse effect on the Company's performance and returns to Shareholders.

The FCA recently proposed to intervene in the market by changing its rules to ban the promotion of unregulated collective investment schemes and close substitutes to ordinary retail investors in the UK. In its consultation the FCA confirmed that the proposed rules are drafted to ensure that investment companies are not caught by the new marketing restrictions on non-mainstream pooled investments. At present it is unclear whether Guernsey incorporated London listed funds will be exempt from these restrictions. If such funds are not exempt from these restrictions this may restrict the Company's ability to market its Shares, which may reduce the take-up of Shares issued.

Potential Conflicts of Interest

The Investment Manager may be involved in other financial, investment or professional activities that may on occasion give rise to conflicts of interest with the Company and its investments and which may affect the amount of time allocated by such persons to the Company's business. In particular, it may, without limitation, provide services similar to those provided to the Company to other entities; buy, sell or deal with assets on its own account, including dealings with the Company, and/or take on engagements for profit to provide services including but not limited to financial advice, transaction execution and asset management. 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 and 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. The Directors will take reasonable steps to ensure compliance with Rule 4 (Conflicts of Interest) of the Registered Collective Investment Scheme Rules 2008.

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 Guernsey which is not part of the EEA.

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-EEA domiciled funds (which would include the C Shares and Ordinary Shares) to investors in the EEA, 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 EEA. 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. On 9 October 2012, the Chief Minister of Guernsey announced the intention to negotiate an inter-governmental agreement between the US and Guernsey which will identify those financial institutions established in Guernsey to which FATCA will apply and define the obligations which those institutions will be required to discharge in order to comply with FATCA, however 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, it may be required to provide information to either the US or Guernsey 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 NOTICES

Investors should rely only on the information in this Prospectus. No person has been authorised by the Company, the Directors, the Investment Manager or Numis to issue any advertisement or to give any information or to make any representations in connection with the Issue other than the information and representations contained in this Prospectus and, if any other advertisement, information or representations is or are issued, given or made, such advertisement or information or representations must not be relied upon as having been authorised by or on behalf of the Company, the Directors, the Investment Manager or Numis. No representation or warranty, express or implied, is made by the Investment Manager or any selling agent as to the accuracy or completeness of such information, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by the Investment Manager, Numis or any selling agent as to the past, present or future. Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G of the FSMA and PR 3.4.1 of the Prospectus Rules, neither the delivery of this Prospectus nor any subscription or sale made under this Prospectus shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company taken as a whole since the date hereof or that the information contained herein is correct as of any time subsequent to its date.

The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult their own solicitor, financial adviser or tax adviser for legal, financial or tax advice in relation to the purchase of C Shares.

An investment in the C Shares is suitable only for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear losses (which may equal the whole amount invested) that may result from such an investment. An investment in the C Shares should constitute part of a diversified investment portfolio. Typical investors in the Company are expected to be institutional, private client investment managers and private client brokers, as well as professionally advised private investors, who are seeking exposure to Asia Pacific markets and/or a regular income, and the prospect of income and capital growth, from their investment.

General

Prospective investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption, conversion or other disposal of C Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption, conversion or other disposal of C Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, redemption, conversion or other disposal of C Shares. Prospective investors must rely upon their own representatives, including their own legal advisers, financial advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

Statements made in this Prospectus are based on the law and practice currently in force and are subject to changes therein. This Prospectus should be read in its entirety before making any application for C Shares.

All times and dates referred to in this Prospectus are, unless otherwise stated, references to London times and dates and are subject to change without further notice.

The past performance of the Company or other portfolios managed by the Investment Manager is not, and should not be relied upon as, a guide to the Company's likely future performance or its ability to achieve its investment objective and to provide a satisfactory investment return.

The Company's returns and operating cash flows depend on many factors, including the price and performance of its investments, the availability and liquidity of investment opportunities falling within the Company's investment objective and policy, the level and volatility of interest rates, readily accessible short-term borrowings, conditions in the financial markets, real estate market and economy,

the financial performance of issuers, and the Company's ability to successfully operate its business and execute its investment strategy. There can be no assurance that the Company's investment strategy will be successful.

The Company will invest all of the Net Issue Proceeds in an actively managed portfolio of investments consisting mainly of equities and equity-related investments, of companies which are based in, or which derive from a significant proportion of their revenues from, the Asia Pacific region and which offer attractive yields. Such investments are only suitable for sophisticated, institutional, professional or high net worth investors and/or advised individual investors who can bear the economic risk of a substantial or an entire loss of their investment and who can accept that there may be limited liquidity in the Ordinary Shares and/or C Shares and who fully understand and are willing to assume the risks involved in such investments. Potential investors should have regard to this when considering an investment in the Company. To optimise returns, Shareholders may need to hold the Ordinary Shares and/or C Shares on a long-term basis and the Ordinary Shares and/or C Shares may not be suitable for short-term investment.

Restrictions on distribution and sale

The distribution of this Prospectus and the offering and sale of the C Shares in certain jurisdictions may be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and observe any such restrictions. This Prospectus may not be used for, or in connection with, and does not constitute, any offer to sell, or solicitation to purchase, any such securities in any jurisdiction in which such solicitation would be unlawful.

For a description of restrictions on offers, sales and transfers of C Shares, see "Selling and transfer restrictions" on page 63 in Part V of this Prospectus

No incorporation of website

The contents of the Company's website at www.schroderorientalincomefund.com do not form part of this Prospectus. Investors should base their decision to invest on the contents of this Prospectus alone and should consult their professional advisers prior to making an application to subscribe for C Shares.

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 the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Company, the Directors or the Investment Manager concerning, amongst other things, the investment objective and investment policy, financing strategies, investment performance, results of operations, financial condition, prospects, and dividend policy of the Company and the markets in which it, and its portfolio of investments, invest and/or operate. 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. Forward-looking statements are not guarantees of future performance. The Company's actual investment performance, results of operations, financial condition, dividend policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this Prospectus. In addition, even if the investment performance, results of operations, financial condition of the Company, and the development of its financing strategies, are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause these differences include, but are not limited to:

- (i) changes in economic conditions generally and the Company's ability to achieve its investment objective and returns on equity for investors;
- (ii) the Company's ability to invest the cash on its balance sheet and the proceeds of the Issue in suitable investments in accordance with its published investment policy on a timely basis;

- (iii) foreign exchange mismatches with respect to exposed assets;
- (iv) changes in interest rates and/or credit spreads, as well as the success of the Company's investment strategy in relation to such changes and the management of the uninvested proceeds of the Issue;
- (v) impairments in the value of the Company's investments;
- (vi) the availability and cost of capital for future investments;
- (vii) the departure of key personnel employed by the Investment Manager;
- (viii) the failure of the Investment Manager to perform its obligations under the Management Agreement or the termination of the Investment Manager's appointment;
- (ix) changes in laws or regulations, including tax laws, or new interpretations or applications of laws and regulations, that are applicable to the Company or issuers; and
- (x) general economic trends and other external factors, including those resulting from war, incidents of terrorism or responses to such events.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. Prospective investors should carefully review the "Risk Factors" section of this Prospectus for a discussion of additional factors that could cause the Company's actual results to differ materially before making an investment decision. Forward-looking statements speak only as at the date of this Prospectus. Although the Company and the Investment Manager undertake no obligation to revise or update any forward-looking statements contained herein (save that they shall do so where required by the Listing Rules, Prospectus Rules or Disclosure Rules and Transparency Rules or any other applicable law, rule or regulation), whether as a result of new information, future events, conditions or circumstances, any change in the Company's or the Investment Manager's expectations with regard thereto or otherwise, investors are advised to consult any communications made directly to them by the Company and/or any additional disclosures through announcements that the Company may make through an RIS.

For the avoidance of doubt, nothing in the foregoing paragraphs under the heading "Forward-looking Statements" shall in any way be taken to qualify the working capital statement contained in paragraph 6 of Part VI of this Prospectus.

Conflicts of Interest

The Investment Manager and directors, officers, employees and agents and the Directors will at all times have due regard to their duties owed to the Company and where a conflict arises they will endeavour to ensure that it is resolved fairly.

Bailiwick of Guernsey

The Company has been declared by the GFSC to be an authorised closed-ended collective investment scheme pursuant to the POI Law and the Authorised Rules. Neither the GFSC nor the States of Guernsey Policy Council takes any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it. If you are in any doubt about the contents of this document, you should consult your accountant, legal or professional adviser or financial adviser.

EXPECTED TIMETABLE

Expected timetable of principal events

Record Date for entitlement under the Open Offer	close of business on 3 May 2013
Placing and Offer for Subscription opens	10 May 2013
Ex-entitlement date for the Open Offer	8.00 a.m. on 10 May 2013
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts of Qualifying CREST Shareholders into CREST	13 May 2013
Recommended latest time for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 30 May 2013
Latest time and date for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements into CREST	3.00 p.m. on 31 May 2013
Latest time and date for splitting of Open Offer Application Forms to satisfy <i>Bona Fide</i> Market Claims only	3.00 p.m. on 4 June 2013
Latest time and date for receipt of Forms of Proxy	12.00 noon on 4 June 2013
Latest time and date for receipt of completed Application Forms and payment in full under the Offer for Subscription	11.00 a.m. on 4 June 2013
Latest time and date for receipt of completed Open Offer Application Forms with payment in full and settlement of relevant CREST instructions (as appropriate) under the Open Offer	11.00 a.m. on 6 June 2013
Latest time and date for receipt of placing commitments under the Placing	11.00 a.m. on 6 June 2013*
Extraordinary General Meeting	12.00 noon on 6 June 2013
Results of Issue announced	7 June 2013
Admission and unconditional dealings in C Shares commence and date of placing to and buy back from Numis of Ordinary Shares	8.00 a.m. on 11 June 2013
Crediting of CREST stock accounts in respect of C Shares	As soon as possible after 8.00 a.m. on 11 June 2013
Share certificates in respect of the C Shares despatched	By 13 June 2013
Calculation Time	No later than 9 July 2013
Conversion of C Shares	No later than 16 July 2013

The dates and times specified are subject to change. Any changes to the timetable will be notified via an RIS. References to times are London times unless otherwise stated.

* Or such earlier time as may be notified in writing by the Company to a particular Placee.

ISSUE STATISTICS

*Based on 100,000,000¹
C Shares of Issue*

NAV per Ordinary Share ²	£2.0262
Issue Price per C Share ³	£1.00
Number of C Shares being issued ⁴	100,000,000
Gross proceeds of Issue	£100,000,000
Estimated Issue Costs	£1,400,000
Estimated net proceeds of Issue	£98,600,000
Estimated NAV per C Share on Admission ⁵	£0.9859
Estimated number of shares to be issued and bought back into treasury	19,000,000
International Security Identification Number for Ordinary Shares to be placed to Numis	GB00B0CRWN59
International Security Identification Number for the Offer for Subscription and Placing	GG00B8CKX719
International Security Identification Number for the Open Offer Entitlements of C Shares	GG00B7VR0J78
International Security Identification Number for Excess Shares	GG00B7VSD807

Notes:

1. If commitments and applications are received for more than 100,000,000 C Shares pursuant to the Placing, Open Offer and Offer for Subscription, the Directors reserve the right to increase the maximum number of C Shares that may be issued pursuant to the Placing, Open Offer and Offer for Subscription on the basis set out in Part VIII, Part IX and Part X of this Prospectus, provided that the maximum number of C Shares that may be issued is 150,000,000 (being the maximum number of C Shares that the Directors will be authorised to issue on a non-pre-emptive basis if the relevant resolutions are passed at the Extraordinary General Meeting).
2. This figure is unaudited and is stated as at 7 May 2013, being the latest practicable date prior to the publication of this Prospectus.
3. The minimum subscription per investor pursuant to the Offer for Subscription is £1,000. There is no minimum subscription per investor pursuant to the Placing.
4. The size of the Issue is up to £100 million (excluding the issue of approximately 19,000,000 Ordinary Shares which, subject to shareholder approval, will be bought back on Admission at the price at which they are issued and held in treasury) with the actual size of the Issue being subject to investor demand and subject to note 1 above. The number of C Shares to be issued pursuant to the Issue, and therefore the Gross Issue Proceeds and the Net Issue Proceeds, is not known as at the date of this Prospectus but will be notified by the Company via an RIS announcement prior to Admission. If the Issue does not proceed, application monies will be returned without interest at the risk of the applicant.
5. Net Asset Value (unaudited) per C Share immediately following Admission.

DIRECTORS, INVESTMENT MANAGER, ADVISERS AND SERVICE PROVIDERS

Directors	Robert Sinclair (<i>non-executive Chairman</i>) Fergus Dunlop (<i>non-executive Director</i>) Peter Rigg (<i>non-executive Director</i>) Christopher Sherwell (<i>non-executive Director</i>) All c/o the Company's registered office.
Registered Office	P.O. Box 255 Trafalgar Court Les Banques St Peter Port Guernsey GY1 3QL
Investment Manager	Schroder Investment Management Limited 31 Gresham Street London EC2V 7QA United Kingdom
Sole Financial Adviser and Placing Agent	Numis Securities Limited The London Stock Exchange Building 10 Paternoster Square London EC4M 7LT United Kingdom
Solicitors to the Company (as to English law)	Simmons & Simmons LLP CityPoint One Ropemaker Street London EC2Y 9SS United Kingdom
Advocates to the Company (as to Guernsey law)	Carey Olsen Carey House Les Banques St. Peter Port, GY1 4BZ Guernsey, Channel Islands
Solicitors to the Placing Agent	Eversheds LLP One Wood Street London EC2V 7WS United Kingdom
Reporting Accountant and Auditor	Ernst & Young LLP Royal Chambers St Julian's Avenue St Peter Port Guernsey GY1 4AF
Custodian	JP Morgan Chase Bank, N.A. 1 Chaseside Bournemouth BH7 7DB United Kingdom
Lending Bank	Scotiabank Europe PLC 201 Bishopsgate 6th Floor London EC2M 3NS United Kingdom

**Registrar and Designated
Manager**

Northern Trust International Fund
Administration Services (Guernsey) Limited
P.O. Box 255
Trafalgar Court
Les Banques
St Peter Port
Guernsey GY1 3QL

Receiving Agent

Computershare Investor Services PLC
Corporate Actions Projects
Bridgwater Road
Bristol BS99 6AH
United Kingdom

PART I

INFORMATION ON THE COMPANY

Introduction

The Company is a non-cellular Sterling denominated company limited by shares incorporated in Guernsey under the Companies Law on 17 June 2005, with registration number 43298, and has been authorised by the GFSC as an authorised closed-ended collective investment scheme.

The Company's share capital as at the date of this Prospectus is denominated in Sterling and consists of Ordinary Shares. Following the Issue, the Company's capital will also consist of C Shares denominated in Sterling. The proceeds of the Issue will be segregated for the purposes of investment and the C Shares will carry voting rights at a general meeting of the Company.

Applications will be made to the UK Listing Authority for the C Shares to be issued pursuant to the Placing, Open Offer and Offer for Subscription 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 the Net Issue Proceeds will be fully invested within the period up to four weeks from Admission and so Conversion is expected to occur within that timeframe. Upon Conversion, the C Shares will be converted into Ordinary Shares which will rank *pari passu* with the existing Ordinary Shares and will be listed on the premium segment of the Official List and traded on the London Stock Exchange's Main Market.

General Meeting

The Directors intend to convene an EGM in advance of Admission to approve certain matters in connection with the Issue. At the EGM, Ordinary Shareholders will be asked to consider:

- (i) the amendment to the Articles of Incorporation relating to the C Shares for the purposes of the Issue (see Part IV of this Prospectus for further information) (Resolution 5);
- (ii) the disapplication of pre-emption rights in respect of the C Shares for the purposes of the Issue (Resolution 1);
- (iii) the disapplication of pre-emption rights in respect of further issues of Ordinary Shares following Conversion (Resolution 3); and
- (iv) authorise the issue to Numis and immediate repurchase by the Company at Net Asset Value per Ordinary Share of approximately 19,000,000 Ordinary Shares to be held in treasury (Resolutions 2 and 4);
- (v) authorise the Company to make market purchases of Ordinary Shares (Resolution 6).

The Issue is conditional upon the Shareholders approving Resolutions 1 and 5 above at the EGM. The Issue is not conditional upon the Shareholders approving Resolutions 2, 3, 4 and 6 above at the EGM.

Background to and Rationale for the Issue

As part of its premium management policy the Board has actively issued further Ordinary Shares to meet ongoing market demand with the objective of maintaining the premium at which the shares trade in relation to the NAV at an acceptable level and of reducing the overall volatility of that premium. This issuance to date has been carried out under a relevant exemption to the Prospectus Directive thereby avoiding the need to publish a prospectus. Over the 12 months to 3 May 2013, the Ordinary Shares have traded at an average premium of 2.5 per cent. to the underlying Net Asset Value per Ordinary Share and a total of 17.5 million Ordinary Shares have been issued. The underlying NAV performance of the Company has continued to be strong with a total return of 29.1 per cent. compared with a total return of 16.8 per cent. in the MSCI AC Pacific (ex Japan) index.

The Company's capacity to issue further shares without the publication of a prospectus has now become limited and, in response to interest from investors, the Directors consider that it would be beneficial to the Company and that the Company should raise additional capital through an issue of C Shares.

As at 3 May 2013 (being the latest practicable date prior to the publication of this Prospectus), the Company had fully invested its assets, with 73 investments made across 73 issuers. As of 3 May 2013 the Portfolio was invested in line with the Company's investment policy and was diversified by issuer and industry with 73 issuers across 9 industry sectors.

The Company is therefore proposing to issue C Shares to generate proceeds up to £100 million* pursuant to the Issue.

* If commitments and applications are received for more than 100,000,000 C Shares pursuant to the Placing, Open Offer and Offer for Subscription, the Directors reserve the right to increase the maximum number of C Shares that may be issued pursuant to the Placing, Open Offer and Offer for Subscription on the basis set out in Part VIII, Part IX and Part X of this Prospectus, provided that the maximum number of C Shares that may be issued is 150,000,000 (being the maximum number of C Shares that the Directors will be authorised to issue on a non-pre-emptive basis if the relevant resolutions are passed at the Extraordinary General Meeting).

Benefits of the Issue

The Directors believe that the Issue is expected to have the following benefits:

- providing additional capital which will enable the Company to benefit from the continued investment opportunities in the market;
- having a greater number of Ordinary Shares (following the conversion of the C Shares into Ordinary Shares) in issue is likely to provide the Ordinary Shares with additional liquidity;
- increasing the size of the Company will help make the Company more attractive to a wider Shareholder base; and
- the Company's fixed running costs will be spread across a wider Shareholder base, thereby marginally reducing the Company's total expense ratio.

The Directors recognise the importance of pre-emption rights to Shareholders and consequently: (i) as the Issue is not fully pre-emptive are seeking the approval of Existing Shareholders for the Issue by way of special resolution at an Extraordinary General Meeting of the Company to be held on 6 June 2013; and (ii) 76,125,800 C Shares (or such greater number as may be made available by Directors in exercising their discretion to scale back the Placing and the Offer for Subscription in favour of the Excess Application Facility) are being offered to Existing Shareholders at the Issue Price by way of an Open Offer. Open Offer Shares may be subscribed by Existing Shareholders *pro rata* to their holdings of Existing Ordinary Shares as at the Record Date. Existing Shareholders can subscribe in excess of their Open Offer Entitlements pursuant to the Excess Application Facility and can also participate by subscribing for C Shares pursuant to the Offer for Subscription.

The Net Issue Proceeds will not be known until after the Issue. In the event that the Issue for up to 100 million C Shares goes ahead the Company will incur predominantly fixed costs of approximately £325-400,000. In addition commission will be payable to Numis at the rate of one per cent. of the Gross Issue Proceeds. It is anticipated that all of the costs associated with the Issue will be borne by the C Shares and as such the Net Asset Value of the Existing Ordinary Shares will not be diluted as a result of the Issue. However, the Directors reserve the right (at their sole discretion) to allocate a proportion of these costs to the Ordinary Shares in order to ensure that they do not represent an excessive proportion of the Gross Issue Proceeds.

It is expected that the Net Issue Proceeds will be fully invested within the period up to four weeks from Admission.

Features and Benefits of C Shares

The issue of the C Shares is designed to overcome the potential disadvantages for both existing and new investors which could arise out of a conventional fixed price issue of further Ordinary Shares for cash. In particular:

- the assets representing the Net Issue Proceeds of the C Shares will be accounted for as a separate pool of assets until the Calculation Time. By accounting for the Net Issue Proceeds arising from the issue of the C Shares separately, holders of existing Ordinary Shares will not be exposed to a portfolio containing a substantial amount of uninvested cash before the Calculation Time; and

- the basis upon which the C Shares will convert into new Ordinary Shares is such that the number of new Ordinary Shares to which holders of the C Shares will become entitled will reflect the relative investment performance and value of the pool of new capital attributable to the C Shares as of the Calculation Time, as compared to the assets attributable to the existing Ordinary Shares at that time and, as a result, neither the Net Asset Value attributable to the Ordinary Shares nor the Net Asset Value attributable to the C Shares will be adversely affected by Conversion.

Pending full investment, the assets attributable to the C Shares will be held in either cash or cash equivalents, money market instruments or funds, bonds, commercial paper or other debt obligations with banks or other counterparties selected by the Investment Manager.

Specified Conversion Criteria of the C Shares

The Directors have determined that the C Shares will not be converted into Ordinary Shares pursuant to the Issue until the Early Investment Condition has been met, which requires at least 90 per cent. (or such other percentage as the Directors may in their absolute discretion determine) of the assets attributable to the C Shares to have been invested or committed to be invested as part of a Portfolio invested in accordance with the Company's investment policy.

At the Calculation Time, the net assets attributable to the Ordinary Shares then in issue and the net assets attributable to the C Shares, and hence the Conversion Ratio, will be calculated. It is currently expected that:

- (i) the Calculation Time will take place shortly after the Early Investment Condition has been satisfied; and
- (ii) the Conversion Time will occur shortly after the Calculation Time and in any event within 20 Business Days of the Calculation Time.

It is expected that holders of the C Shares will receive such number of Ordinary Shares as results from applying the Conversion Ratio to their holding of C Shares at the Conversion Time.

Investment Objective

The investment objective of the Company is to provide a total return for investors primarily through investments in equities and equity-related investments, of companies which are based in, or which derive a significant proportion of their revenues from, the Asia Pacific region and which offer attractive yields.

Investment Policy

The investment policy of the Company is to invest in a diversified portfolio of investments, primarily equities and equity-related investments, of companies which are based in, or derive a significant proportion of their revenues from, the Asia Pacific region. The portfolio is diversified across a number of industries and a number of countries in that region. The portfolio may include government, quasi-government, corporate and high yield bonds and preferred shares.

Equity-related investments which the Company may hold include investments in other collective investment undertakings (including real estate investment trusts and related stapled securities), warrants, depository receipts, participation certificates, guaranteed performance bonds, convertible bonds, other debt securities, equity-linked notes and similar instruments (whether or not investment grade) which give the Company access to the performance of underlying equity securities, particularly where the Company may be restricted from directly investing in such underlying equity securities or where the Investment Manager considers that there are benefits to the Company in holding such investments instead of directly holding the relevant underlying equity securities. Such investments may be listed or traded outside the Asia Pacific region. Such investments may subject the Company to credit risk against the issuing entity. The Company may also participate, subject to regulatory and tax implications, in debt-to-equity conversion programmes.

The Investment Manager may consider writing calls over some of the Company's holdings, as a low risk way of enhancing the returns from the portfolio. The Board has set a limit such that covered calls cannot be written over portfolio holdings representing in excess of 15 per cent. of gross assets. However, the Company may only invest in derivatives for the purposes of efficient portfolio

management. Investors should note that the types of equity-related investments listed in this paragraph are not exhaustive of all of the types of securities and financial instruments in which the Company may invest, and the Company will retain the flexibility to make any investments unless these are prohibited by the investment restrictions applicable to the Company.

Although the Company has the flexibility to invest in bonds and preferred shares as described above, the intention of the Directors is that the assets of the Company which are invested (that is to say, which are not held in cash, money funds, debt securities, interest bearing gilts or treasuries) will predominantly comprise Asia Pacific equities and equity-related investments.

The Company is required to obtain the prior approval of the Ordinary Shareholders to any material change to its published investment policy.

Spread of Investment Risk and Investment Restrictions

Risk in relation to the Company's investments is spread as a result of the Investment Manager monitoring the Company's portfolio with a view to ensuring that the portfolio retains an appropriate balance to meet the Company's investment objective.

In order to comply with the Listing Rules, the Company will not invest more than 10 per cent., in aggregate, of the value of its total assets (calculated at the time of any relevant investment) in other investment companies or investment trusts which are listed on the Official List (save to the extent that those investment companies or investment trusts have stated investment policies to invest no more than 15 per cent. of their gross assets in other investment companies or investment trusts which are listed on the Official List). Additionally, the Company will not:

- (i) invest, either directly or indirectly, or lend more than 20 per cent. (calculated at the time of any relevant investment or loan) of its gross assets to any single underlying issuer (including the underlying issuer's subsidiaries or affiliates);
- (ii) invest more than 20 per cent. (calculated at the time of any relevant investment) of its gross assets in one or more collective investment undertakings which may invest more than 20 per cent. of its gross assets in other collective investment undertakings;
- (iii) invest more than 40 per cent. (calculated at the time of any relevant investment) of its gross assets in another collective investment undertaking;
- (iv) expose more than 20 per cent. of its gross assets to the creditworthiness or solvency of any one counterparty;
- (v) invest in physical commodities; or
- (vi) invest in derivatives except for the purposes of efficient portfolio management.

In the event of any breach of the investment restrictions applicable to the Company, Shareholders will be informed of the actions to be taken by the Investment Manager by notice sent to the registered addresses of the Shareholders in accordance with the Articles or by an announcement issued through an RIS approved by the FCA.

Borrowing

While the Articles do not place any restrictions on the ability of the Company to borrow, the Company's policy is to permit net borrowings (including foreign currency borrowings) of up to 25 per cent. of the Company's net assets (measured when new borrowings are incurred). It is intended that the Investment Manager should have the flexibility to utilise this power to leverage the Company's portfolio in order to enhance returns where and to the extent that this is considered appropriate by the Directors.

The Company utilises a multi-currency credit facility which is secured over the Company's assets, currently in the amount of £25 million, which increases the funds available for investment through borrowing ("gearing"). Therefore, in falling markets, any reduction in the Net Asset Value and, by implication, the consequent share price movement is amplified by the gearing. The Directors keep the Company's gearing under constant review and impose strict restrictions on borrowing to mitigate this

risk. The Company's gearing continues to operate within pre-agreed limits and will not exceed 25 per cent. of the Company's net assets. This credit facility will be reviewed following the Issue.

Hedging

The Company invests predominantly in underlying assets which are denominated in currencies other than Sterling and therefore has exposure to changes in the exchange rates between Sterling and these currencies which have the potential to have a significant effect on returns. While the Directors consider the Company's hedging policy on a regular basis, the Company currently does not engage in currency hedging to reduce the risk of currency fluctuations and the volatility of returns which might result from such currency exposure.

Use of Proceeds

The Investment Manager expects that the Net Issue Proceeds will initially be primarily invested by acquiring a diversified portfolio of investments, primarily equities and equity-related investments, of companies which are based in, or derive a significant proportion of their revenues from, the Asia Pacific region to enable the Investment Manager to have the Net Issue Proceeds fully invested within the period up to four weeks of Admission, although it does not have a specific target portfolio in contemplation as at the date of this Prospectus.

Initial Investment Period

The Company expects to invest the Net Issue Proceeds fully within the period up to four weeks after Admission.

Use of Cash and Cash Management Activities

In accordance with the Company's investment policy, the Company's principal use of cash (including the Net Issue Proceeds) will be to fund investments sourced by the Investment Manager, as well as initial expenses related to the Issue, ongoing operational expenses and payment of dividends and other distributions to Shareholders in accordance with the Company's dividend policy as discussed in the section headed "Dividend Policy" in this Part I of this Prospectus.

Premium and Discount Management

The Ordinary Shares trade at a premium or discount to the Net Asset Value per Ordinary Share and the management of the premium/discount is a key factor for the Board. As the premium/discount is a function of the balance between the supply and demand for the Ordinary Shares, a principal objective for the Board is to ensure that, through Schroders' marketing team and the Company's stockbrokers, potential shareholders and their advisers continue to be kept informed of the Company's progress and the ways they can invest in it.

Premium Management

The Directors seek to manage the premium through the issuance of Ordinary Shares at a premium of at least 1 per cent. to the prevailing Net Asset Value to provide liquidity to the market. Over the 12 months to 3 May 2013, the Ordinary Shares have traded at an average premium of 2.5 per cent. to the underlying Net Asset Value per Ordinary Share and a total of 17.5 million Ordinary Shares have been issued. The underlying NAV performance of the Company has continued to be strong with a total return of 29.1 per cent. compared with a total return of 16.8 per cent. in the MSCI AC Pacific (ex Japan) index.

Discount Management

Share buy-backs provide one way of managing the discount. If appropriate, the discount and the discounts of peer group companies are monitored. Over the course of the Company's life, at times when the Ordinary Shares have traded at a discount, the Directors have implemented an active discount management policy through the use of share buy-backs and have sought to maintain the price at which the Ordinary Shares trade relative to their prevailing Net Asset Value per Ordinary Share at no greater than a 5 per cent. discount over the longer term. Over the period since 1 September 2009, the Ordinary Shares have, on average traded at a premium to the Net Asset Value per Ordinary Share.

At the Annual General Meeting of the Company held in December 2012, the Directors were granted the general authority, subject to satisfying a statutory solvency test, to purchase in the market up to 14.99 per cent. of the Ordinary Shares in issue.

Pursuant to this authority, and subject to the Companies Law and the discretion of the Directors, the Company may purchase Ordinary Shares in the market on an ongoing basis with a view to addressing any imbalance between the supply of and demand for Ordinary Shares, thereby increasing the NAV per Ordinary Share and assisting in controlling the discount to NAV per Ordinary Share in relation to the price at which the Ordinary Shares may be trading.

During the year ended 31 August 2012, the Directors did not use the authority given to them and no purchases for cancellation were undertaken. The Board believes that this authority is a valuable tool in the continuing management of the price volatility relative to NAV per Ordinary Share.

In the event that the Board decides to repurchase Ordinary Shares, market acquisitions of Ordinary Shares of 1p each in the capital of the Company will be made in accordance with Section 315 of the Companies Law at whatever discount the prevailing market price represents to the prevailing NAV per Ordinary Share provided that: (a) the maximum number of Ordinary Shares authorised to be purchased is 26,774,313, representing 14.99 per cent. of the issued share capital as at 15 November 2012; (b) the minimum price which may be paid for a share is 1p; (c) the maximum price which may be paid for a share is an amount equal to the greater of (i) 105 per cent. of the average of the middle market quotations for a share of the class being purchased taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that share is purchased; and (ii) the higher of the price of the last independent trade in the Ordinary Shares of that class and the highest then current independent bid for the Ordinary Shares of that class on the London Stock Exchange; (d) where the shares are (at the date of the proposed purchase) trading on the London Stock Exchange at a discount to the net asset value. The Company may make a contract to purchase shares under the authority described above prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract.

The Directors intend to seek renewal of this authority in relation to the enlarged share capital of the Company following the Conversion from the Ordinary Shareholders at the forthcoming EGM and subsequently, at each annual general meeting of the Company.

Purchases of Ordinary Shares will be made within guidelines established from time to time by the Board and only in accordance with the Companies Law, the Listing Rules, and the Disclosure and Transparency Rules.

Ordinary Shares purchased by the Company may be cancelled up to a maximum of 10 per cent. of the total number of Ordinary Shares in issue of that class at any particular time to be reissued at a future date and resold by the Company.

The Company may borrow and/or realise investments in order to finance such Ordinary Share purchases.

Shareholders and prospective Shareholders should note that the purchase of Ordinary Shares by the Company is entirely discretionary and no expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions.

Treasury Shares

Subject to Shareholder approval of Resolutions 2 and 4 referred to under "General Meeting" on page 34, the Company has agreed with Numis to place Ordinary Shares representing no more than 10 per cent. of the Company's issued Ordinary Shares currently expected to be approximately 19,000,000 Ordinary Shares (as at the date of such placing, the "Transaction Date") on terms that Numis will subscribe for them at the prevailing Net Asset Value per Ordinary Share on the Transaction Date and then immediately sell them back to the Company on the Transaction Date at the same Net Asset Value per Ordinary Share for the Company to then hold in treasury. The proposed issue and purchase is governed by the Issue Agreement and pursuant to its terms no commission is payable to Numis in respect of the Ordinary Shares to be held in treasury.

The Ordinary Shares to be held in treasury will be used by the Company to be issued to the market for general corporate purposes but primarily for the purposes of premium management. Currently the Company issues new Ordinary Shares for such purposes; the use of treasury shares will be more efficient and cost effective. In particular the Company can be more responsive in managing market demand for its shares and save on the significant fixed costs on each occasion that a further issue of Ordinary Shares is made.

Sales of treasury shares into the market for cash cannot be made at a discount to NAV.

Further Issues of Shares

The Directors will have authority to allot and issue further Shares (including Ordinary Shares or C Shares) in the share capital of the Company following Admission. Further issues of Shares would only be made if the Directors determine such issues to be in the best interests of Shareholders and the Company as a whole. Relevant factors in making such determination include NAV performance, share price and perceived investor demand. In the case of further issues of Shares of an existing class, such Shares will only be issued at prices which are not less than the then prevailing NAV per Share of the relevant class.

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.

The Directors have convened an EGM of the Company for 6 June 2013 at which a resolution will be proposed to authorise them to issue for cash, on a non-pre-emptive basis, up to 150,000,000 C Shares and that authority, if granted, is expected to expire on the day after Admission.

Shareholder approval for the authority to disapply pre-emption rights in relation to the enlarged number of Ordinary Shares in issue immediately following Conversion for a period concluding on the date of the next Annual General Meeting of the Company will also be sought at the EGM.

There are no provisions of Guernsey law which confer rights of pre-emption in respect of the allotment and issue of Shares. The Articles, however, contain pre-emption rights in relation to allotments and issues of Shares for cash. At the Annual General Meeting of the Company held in December 2012, the Ordinary Shareholders resolved to disapply such pre-emption rights in relation to a number of Ordinary Shares representing 10 per cent. of the share capital in issue on 15 November 2012 for a period concluding on the date of the next Annual General Meeting of the Company to be held in 2013. At the Extraordinary General Meeting of the Company, authority will be sought from the Ordinary Shareholders to disapply such pre-emption rights in relation to the number of Ordinary Shares representing 10 per cent. of the share capital in issue immediately following Conversion for a period concluding on the date of the next Annual General Meeting of the Company to be held in 2013 and if passed this resolution will revoke and replace entirely the existing disapplication.

Dividend Policy

Since launch, dividends on the Ordinary Shares have been paid twice a year in respect of the six months to 28 February (or 29 February if the relevant year is a leap year) and 31 August. All dividends have been paid as interim dividends. It is the Board's intention that commencing with the three month period to 31 May 2013 dividends will be paid on a quarterly basis. Therefore dividends on the Ordinary Shares will in future be paid, as interim dividends, quarterly in respect of the calendar quarters to 28 February (or 29 February if the relevant year is a leap year), 31 May, 31 August and 30 November.

The first quarterly interim dividend will be in respect of the three month period to 31 May 2013 and is expected to be declared in early June 2013. The Board does not envisage that the move to quarterly dividends will have any impact as to the quantum of dividends that it expects to pay in respect of a financial year. For the avoidance of doubt, the final dividend in respect of the 2013 financial year, being the quarterly dividend in respect of the three months to 31 August 2013 will therefore not necessarily be at the same level as the second interim dividend paid in respect of the 2012 financial year.

It is not expected that any dividends will be paid on the C Shares. Holders of C Shares will only be entitled to a dividend or distribution once the C Shares have been converted into Ordinary Shares. Ordinary Shares resulting from the conversion of C Shares will rank equally with all other Ordinary

Shares in respect of any and all dividends declared after the Conversion Time. For the avoidance of doubt, it is currently the Board's intention to declare the quarterly dividend in respect of the three months to 31 May 2013 prior to the Conversion Time and as a consequence C Shareholders will not be entitled, following conversion, to that dividend. It is expected that the first dividend to which holders of C Shares will be entitled, following conversion, will be the final quarterly dividend in respect of the three months to 31 August 2013.

Reports and Accounts

The accounting period of the Company ends on 31 August in each year. The audited annual accounts are provided to Shareholders within three months of the year end to which they relate. Unaudited half-year reports, made up to 28 February (or 29 February in the case of a leap year) in each year, are published by the end of April of each year. The Company also produces interim management statements in accordance with the Disclosure Rules and Transparency Rules. The Company reports its results of operations and financial position in Sterling.

The audited annual accounts and half-year reports of the Company will also be available at the registered office of the Company and via the Company's website, www.schroderorientalincomefund.com.

The financial statements of the Company are and will be prepared in accordance with IFRS and the annual accounts have been audited by Ernst & Young LLP in accordance with International Standards on Auditing (UK and Ireland). The Company's financial statements, which are the responsibility of its Board, consist of a balance sheet, profit and loss statement and cash flow statement, related notes and any additional information that the Board deems appropriate or that is required by applicable law.

The preparation of financial statements in accordance with IFRS requires that the Directors make estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Such estimates and associated assumptions are generally based on historical experience and various other factors that are believed to be reasonable under the circumstances, and form the basis of making the judgements about attributing values of assets and liabilities that are not readily apparent from other sources. Actual results may vary from such accounting estimates in amounts that may have a material impact on the financial statements of the Company.

PART II

INVESTMENT OUTLOOK

Overview of the Company's Portfolio

The information below provides a comprehensive and meaningful analysis of the Company's portfolio as at the date of this Prospectus and is based on the unaudited valuation of the Company's assets at the close of business on 3 May 2013 (being the latest practicable date prior to the publication of this Prospectus).

As at the close of business on 3 May 2013 (being the latest practicable date prior to the publication of this Prospectus), the Company's portfolio comprised 73 investments (all of which were listed or traded on stock exchanges) with an aggregate value of £395.6 million and the Company had cash balances of £5.1 million.

<i>Asset Class</i>	<i>Value (£'000)</i>	<i>% of Company's Portfolio</i>
Equities	395,594	100.0
Total	<u>395,594</u>	<u>100.0</u>

The following table shows the analysis by currency denomination of the Company's assets at the close of business on 3 May 2013 (being the latest practicable date prior to the publication of this Prospectus).

<i>Currency</i>	<i>Value (£'000)</i>	<i>% of Company's Portfolio</i>
Australian Dollar	96,585	24.4
Canadian Dollar	4	<0.1
Hong Kong Dollar	103,359	26.1
Indonesian Rupiah	11,052	2.8
Korean Won	36,314	9.2
Malaysian Ringgit	6,610	1.7
Singapore Dollar	42,635	10.8
Taiwan Dollar	50,616	12.8
Thai Baht	41,394	10.4
US Dollar	7,025	1.8
Total	<u>395,594</u>	<u>100.0</u>

The following table shows the geographic breakdown of the Company's portfolio at the close of business on 3 May 2013 (being the latest practicable date prior to the publication of this Prospectus).

<i>Geography</i>	<i>Value (£'000)</i>	<i>% of Company's Portfolio</i>
Australia	96,585	24.4
Canada	4	<0.1
China	8,827	2.2
Hong Kong	95,442	24.1
Indonesia	11,052	2.8
Korea (Republic of)	22,728	5.8
Malaysia	6,610	1.7
New Zealand	13,585	3.4
Singapore	45,438	11.5
Taiwan	53,929	13.6
Thailand	41,394	10.5
Total	<u>395,594</u>	<u>100.0</u>

The following table shows the breakdown of the Company's portfolio by industry group at the close of business on 3 May 2013 (being the latest practicable date prior to the publication of this Prospectus).

<i>Sector</i>	<i>Value (£'000)</i>	<i>% of Company's Portfolio</i>
Basic Materials	19,143	4.9
Consumer Goods	38,872	9.8
Consumer Services	16,080	4.1
Financials	148,448	37.5
Industrials	68,127	17.2
Oil & Gas	4	<0.1
Technology	42,318	10.7
Telecommunications	53,879	13.6
Utilities	8,723	2.2
Total	395,594	100.0

As at the close of business on 3 May 2013 (being the latest practicable date prior to the publication of this Prospectus), the Company's 20 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 Name</i>	<i>Sector</i>	<i>Geography</i>	<i>Currency</i>	<i>Carrying Value</i>	<i>%</i>
1. Fortune Real Estate Investment Trust	Financials	Hong Kong	Hong Kong Dollars	22,928,888	5.8
2. Taiwan Semiconductor Manufacturing	Technology	Taiwan	Taiwan Dollars	19,845,820	5.0
3. Taiwan Mobile	Telecommunications	Taiwan	Taiwan Dollars	13,796,308	3.5
4. Hanjaya Mandala Sampoerna	Consumer Goods	Indonesia	Indonesian Rupiah	11,051,989	2.8
5. Australia & New Zealand Banking	Financials	Australia	Australian Dollars	10,790,995	2.7
6. National Australia Bank	Financials	Australia	Australian Dollars	10,781,907	2.7
7. Sydney Airport	Industrials	Australia	Australian Dollars	10,439,999	2.6
8. Suncorp	Financials	Australia	Australian Dollars	10,247,657	2.6
9. LG Chemical	Basic Materials	Korea	South Korean Won	9,692,473	2.5
10. Advanced Information	Telecommunications	Thailand	Thai Baht	9,606,872	2.4
11. Venture	Industrials	Singapore	Singapore Dollars	9,153,161	2.3
12. Texwinca	Consumer Goods	Hong Kong	Hong Kong Dollars	8,804,699	2.2
13. Glow Energy	Utilities	Thailand	Thai Baht	8,722,571	2.2
14. Hopewell	Financials	Hong Kong	Hong Kong Dollars	8,599,138	2.2
15. HSBC	Financials	Hong Kong	Hong Kong Dollars	8,486,210	2.2
16. Amcor	Industrials	Australia	Australian Dollars	8,461,212	2.1
17. Fletcher Building	Industrials	New Zealand	New Zealand Dollars	7,804,094	2.0
18. Macquarie Korea Infrastructure Fund	Industrials	Korea	South Korean Won	7,205,019	1.8

<i>Company Name</i>	<i>Sector</i>	<i>Geography</i>	<i>Currency</i>	<i>Carrying Value</i>	<i>%</i>
19. Silicon Precision	Technology	Taiwan	Taiwan Dollars	6,923,682	1.8
20. Asustek Computer	Technology	Taiwan	Taiwan Dollars	6,774,336	1.7
Total					<u>53.1</u>

Investment Opportunity

The Investment Manager believes that the case for Asian equity yield remains attractive. Income from dividends in the region offers investors both the opportunity to tap into the region's fast-growing dynamic economies, which can provide capital appreciation, as well as benefits from the dividend growth that is expected there. Asia ex Japan stocks make up only just over a tenth of global market cap yet their companies make up nearly a third of global stocks that offer yields of over 4 per cent. The importance of dividends is highlighted by the fact that they have contributed approximately 60 per cent. of total returns over the long-term in Asia. This pace, which had gathered momentum after the Asian financial crisis of 1997–1998, has continued despite the most recent global crisis.

The Investment Manager believes that an increasing number of companies are more willing to pay out a higher proportion of earnings in dividends as corporate governance standards continue to improve. In addition, the Investment Manager believes that Asian companies' strong balance sheets, along with earnings growth, will support further growth in dividends. Furthermore, the Asian income story also offers broad sector diversification in terms of sources of income compared to other global emerging markets. Asian companies in aggregate have demonstrated a desire to maintain or raise absolute levels of dividends even when earnings have fallen, most recently in 2008-2009 when pay-out ratios were raised substantially, indicating that companies' strong reserves mean more long-term sustainable pay-outs.

Finally, the Investment Manager believes that a bottom-up stock-picking approach to the region, in order to identify where the best dividend opportunities lay, remains imperative to the approach. A focus on dividends remains one of the strongest equity strategies over the long-term and this is particularly true in Asia, where the Investment Manager expects the rate of dividend growth to keep pace with the region's dynamic economies.

PART III

INVESTMENT MANAGER, DIRECTORS AND ADMINISTRATION

Investment Manager

The investment manager of the Company is Schroder Investment Management Limited, a private limited company which was incorporated, registered and domiciled in England and Wales on 7 March 1985, with registration number 01893220. The registered office and principal place of business of the Investment Manager is: 31 Gresham Street, London, EC2V 7QA, United Kingdom and its telephone number is +44 (0) 207 658 6000. The Investment Manager is regulated by the FCA. Schroder Investment Management Limited is a wholly-owned subsidiary of Schroders plc ("Schroders"). Schroders is a global investment management company listed on the London Stock Exchange, and as at 31 December 2012 had £212.0 billion under management and over 3,000 staff worldwide.

Schroders has been investing client money in Asia for over four decades. As at 31 December 2012 it managed £24.3 billion in Pacific ex Japan equity mandates, and has offices in six countries in the region as well as joint ventures in China and India. The assets under management include other Asian income-oriented vehicles, with the largest being the Schroder ISF Asian Equity Yield fund that was launched in 2004 and as at 31 December 2012 had assets of US\$2.1 billion, and two UK-authorized unit trusts: the Schroder Asian Income Fund and the Schroder Asian Income Maximiser Fund.

Investment Management

The fund manager of the Company since its launch in 2005 has been Matthew Dobbs. Matthew has worked at Schroders since 1981, in a career that has included responsibility for Schroders' Singapore-based business. He is supported by a team of 28 analysts across the region. The analysts are in direct contact with the local companies and markets, as Schroders believes it is vital to be close to the culture of the management of companies in order to gain a thorough understanding of their future strategies and the issues they face. Since the local investors in each country are the key owners of the local markets, Schroders also believes that it is important to be on the ground to understand how those investors perceive and value companies.

Directors

The Board comprises four directors, each of whom is, apart from Christopher Sherwell, independent of the Investment Manager. Details of each of the Directors are set out below.

The address of the Directors, all of whom are non-executive, is the registered office of the Company. The Directors of the Company are as follows:

<i>Name</i>	<i>Age</i>	<i>Position</i>
Robert Sinclair	63	Non-Executive Chairman
Fergus Dunlop	54	Non-Executive Director
Peter Rigg	64	Non-Executive Director
Christopher Sherwell	65	Non-Executive Director

Robert Sinclair, *Non-Executive Chairman*

Mr Sinclair was appointed as a non-executive director of the Company on 17 June 2005. Mr Sinclair is the Managing Director of Artemis Trustees Limited. Mr Sinclair has over 43 years' experience in finance and accountancy of which 33 years have been spent in the Guernsey financial services industry. Mr Sinclair is a director of several companies which are quoted on the London Stock Exchange and is also a director of a number of fund management companies. He is a fellow of the Institute of Chartered Accountants in England and Wales and a member of the Institute of Chartered Accountants of Scotland. Mr Sinclair is a resident of Guernsey.

Fergus Dunlop, *Non-Executive Director*

Mr Dunlop was appointed as a non-executive director of the Company on 21 April 2008. Mr Dunlop is a director of Princess Private Equity Holding Limited and of several Channel Islands based investment

funds. He has over 20 years' experience in investment companies in London, Frankfurt, Munich and the Channel Islands. Mr Dunlop joined Mercury Asset Management in 1987 in London, and managed their joint venture with Munich Reinsurance, and its Jersey subsidiary. This led to the opening of a MAM (now BlackRock) Frankfurt office in 1995, to which he transferred in 1997, developing its institutional business until 2001. From 2002 to 2007 he was a managing director and partner of a fund advisory business in Munich. Mr Dunlop is a resident of Guernsey.

Peter Rigg, *Non-Executive Director*

Mr Rigg was appointed as a non-executive director of the Company on 17 June 2005. Mr Rigg is the Chairman of Polarcus Ltd., a Dubai-based, Norwegian listed seismic survey company. He is a board director of a private equity fund managed by General Enterprise Management Services Limited (GEMS) investing principally in Asian companies. Between 1989 and 1995, Mr Rigg worked for the CS First Boston Group in Hong Kong, where he held various roles, including acting as board representative of International Investment Trust Co., a leading Taipei-based fund management company; managing director and Hong Kong-based head of Asian equity capital markets; and managing director and head of investment banking for CS First Boston (Hong Kong) Limited. Prior to that, Mr Rigg worked for Credit Suisse First Boston Limited in London as director for Asian investment banking and as a solicitor in banking and private practice. Mr Rigg is a resident of the United Kingdom.

Christopher Sherwell, *Non-Executive Director*

Mr Sherwell was appointed as a non-executive director of the Company on 17 June 2005. Mr Sherwell is a non-executive director of a number of investment-related companies. He was Managing Director of Schroders (C.I.) Limited from April 2000 until January 2004, and served as a director of various Schroder group companies and investment funds. He remains a non-executive director of Burnaby Insurance (Guernsey) Limited, a wholly-owned subsidiary of Schroders plc. Before joining Schroders in 1993, Mr Sherwell worked as Far East regional strategist with Smith New Court Securities in London and Hong Kong. Mr Sherwell was previously a journalist, working for the Financial Times. Mr Sherwell is a resident of Guernsey.

Schroder Investment Management Limited has also been appointed to provide designated manager and administration services to the Company. In such capacity, it will be responsible for the day-to-day administration of the Company (including, but not limited to, the calculation and publication of the estimated daily NAV) required by the Companies Law (including, but not limited to, the maintenance of the Company's accounting and statutory records).

Registrar

The Registrar will provide registrar and certain administrative services to the Company. The Registrar has delegated certain registration services to Computershare Investor Services (Guernsey) Limited. The Registrar is the Company's designated manager pursuant to the Authorised Rules and, as such, has a duty to administer the Company in accordance with the Articles, the Authorised Rules, this document, and any proper directions from time to time given by the Directors.

Fees and expenses

Initial expenses related to the Issue

The Company will bear an amount of expenses which are necessary for the Issue.

These expenses will be paid on or around Admission and will include, without limitation: placing fees and commissions; registration and Admission fees; the cost of settlement and escrow arrangements; printing, advertising and distribution costs; legal fees; and any other applicable expenses. All such expenses will be immediately written off.

In the event that the Issue for up to 100 million C Shares goes ahead the Company will incur predominantly fixed costs of approximately £325-400,000. In addition commission will be payable to Numis at the rate of one per cent. of the Gross Issue Proceeds. It is anticipated that all of the costs associated with the Issue will be borne by the C Shares and as such the Net Asset Value of the Existing Ordinary Shares will not be diluted as a result of the Issue. However, the Directors reserve the right (at

their sole discretion) to allocate a proportion of these costs to the Ordinary Shares in order to ensure that they do not represent an excessive proportion of the Gross Issue Proceeds.

Ongoing annual expenses

Investment Management Fee and Performance Fee

Under the terms of the Management Agreement, the Investment Manager is entitled to receive a basic management fee of an amount equivalent to 0.75 per cent. per annum of the net assets of the Company, payable quarterly in arrears and calculated as at the last business day in February, May, August and November in each year while the agreement remains in force.

The Investment Manager is also entitled to receive a performance fee based on the performance of the Company's adjusted net asset value per Ordinary Share. The performance fee is 10 per cent. of the amount by which the adjusted net asset value per Ordinary Share (adjusted as described below) at the end of the relevant calculation period exceeds a hurdle, being 107 per cent. of the adjusted net asset value per Ordinary Share at the end of the previous calculation period multiplied by the time weighted average of the number of Ordinary Shares in issue during the period. The net asset value as at the end of the period is adjusted as appropriate to take account of dividends, buy-backs or the issue of Ordinary Shares and to add back performance fees paid or accrued during the period.

The performance fee is only payable in respect of any period to the extent that the closing adjusted net asset value per Ordinary Share, taking account of the performance fee, exceeds the higher of 100p or the highest adjusted net asset value per Ordinary Share (reduced to the level at which any cap as described below applied) in respect of which a performance fee was previously paid. The total amount of any performance fee payable in respect of any one accounting period is capped at 1 per cent. of the net assets of the Company calculated at the end of that period.

The Investment Manager will not be entitled to receive a performance fee in relation to the C Shares prior to their conversion into Ordinary Shares.

Other fees and expenses

In addition to the management and performance fees mentioned above, the Company pays all other fees and expenses incurred in the operation of its business, including, without limitation:

- (i) administration charges;
- (ii) brokerage and other transaction charges;
- (iii) fees and expenses for corporate broking, custodial, registrar, legal, audit, tax and other professional services;
- (iv) the fees and out-of-pocket expenses of the Directors and the cost of Directors' insurance;
- (v) any borrowing costs;
- (vi) the ongoing costs of maintaining the listing of the Shares and their trading on the London Stock Exchange's Main Market; and
- (vii) costs of holding general meetings of the Company.

The ongoing charges of the Company (including management and performance fees) for the financial year ended 31 August 2012 were 0.93 per cent. of the average Shareholders' funds over that year.

Valuation

The Company publishes its Net Asset Value on every Business Day. The Net Asset Value of the Company is determined and calculated by the Investment Manager. Calculations are made in accordance with AIC guidelines or as otherwise determined by the Board. Stocks are valued at fair value which are bid market prices. The calculation of the net asset value will 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 each daily net asset value, and of any suspension in the calculation of the net asset value, will be announced by the Company on a regulatory information service

approved by the FCA. Details of the Company's NAV is available via the Company's website: <http://www.schroderorientalincomefund.com>

Taxation

Information concerning the tax status of the Company and the tax treatment of Shareholders in the UK and Guernsey is contained in paragraph 5 of Part VII of this Prospectus. Each prospective investor should seek advice from his or her own independent professional adviser as to the taxation consequences of acquiring, holding, disposing of or redeeming Shares.

Meetings and reports to Shareholders

All general meetings of the Company are and will be held in Guernsey. The Company held its most recent annual general meeting on 10 December 2012.

The Company's annual financial statements are prepared to 31 August 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 28 February (or 29 February in the case of a leap year) each year within two months of that date.

The Company's accounts are drawn up in Sterling and in compliance with IFRS.

Conflicts of interest

Directors

In relation to transactions or proposed transactions in which a Director is interested, the Articles provide that as long as the Director discloses to the Board immediately after becoming aware of the Director's interest in such transactions or proposed transactions the nature and monetary value or, if such value is not quantifiable, the nature and extent of the Director's interest or, if the transaction or proposed transaction is between the Director and the Company and the transaction or proposed transaction is or is to be entered in the ordinary course of the Company's business and on usual terms and conditions, a Director may enter into a contract or arrangement with the Company or otherwise be interested in such contract or arrangement or any contract or arrangement in which the Company is otherwise interested. A Director may not, however, vote in respect of any such contract or arrangement although the Director shall be counted in the quorum.

The Directors are also required by the Authorised Closed-Ended Investment Scheme Rules 2008 issued by the GFSC to take all reasonable steps to ensure that there is no breach of the conflicts of interest requirements of those rules by any relevant person, including: the Investment Manager, the Directors, the Custodian, and any associate of any of them.

Investment Manager

The Investment Manager may provide investment management and other services to other clients (including investment companies), including clients which may invest in the securities in which the Company invests, and, in providing such services, may use information obtained by the Investment Manager which is used in managing the Company's investments.

In the event of a conflict of interest arising, the Investment Manager will take reasonable steps to ensure that it is resolved fairly, in accordance with the FCA rules. The provisions for conflicts in the Management Agreement accord with FCA rules. The FCA rules require the Investment Manager to manage conflicts of interest fairly both between itself and its customers and between one customer and another. Furthermore, the activities of the Investment Manager are subject to the overall direction and review of the Directors. Under the terms of the Management Agreement, the Investment Manager may, subject to overriding principles of suitability and best execution as are set out in the FCA rules, effect transactions for the Company in which the Investment Manager has an interest which may involve a potential conflict of interest with the Investment Manager's duty to the Company. In particular circumstances, in accordance with FCA rules, the Investment Manager will notify the Company that a potential conflict of interest or duties may arise.

Where the Investment Manager has two or more clients with the same investment policy and criteria, each investment opportunity meeting that policy and those criteria will be allocated amongst those clients taking into account their respective commitment capacities, subject to appropriate diversification criteria being met and the ability to make an economically meaningful allocation to each client. In determining the commitment capacities of its clients, the Investment Manager will take into account the aggregate commitments of individual clients, the expected cashflows to and from those clients and the capacity of those clients to borrow funds or raise further capital.

Prospective investors should read carefully the Risk Factors set out on pages 20 to 26 of this Prospectus and, in particular, the risks set out under the section headed "Conflicts of Interest".

Takeover Regulation

The City Code on Takeovers and Mergers (the "City Code") is issued and administered by The Panel on Takeovers and Mergers (the "Takeover Panel"). The Company is subject to the City Code and therefore its Shareholders are entitled to the protections afforded by the City Code.

Squeeze-out and sell-out rules

Other than as provided by the Companies Law, there are no rules or provisions relating to squeeze-out and/or sell-out in relation to the Shares.

Under the Companies Law, if a person (the "**offeror**") who has made a general offer to acquire the Ordinary Shares were to acquire, or unconditionally contract to acquire, within four months after the date of making that offer, not less than 90 per cent. in value of the Ordinary Shares (excluding any Ordinary Shares held as treasury shares) to which the offer relates, the offeror could then compulsorily acquire the remaining Ordinary Shares. In order to do so, the offeror would have to send a notice to any dissenting holder of Ordinary Shares that it desires to acquire his shares (a "**notice to acquire**") within two months after the expiration of the four month period. The offeror must, on the expiration of one month from the date of the notice to acquire, send a copy of that notice to the Company and pay or transfer to the Company the consideration required under the notice in respect of the Ordinary Shares that the offeror is entitled to acquire. The consideration received by the Company is held on trust for the relevant dissenting holders of Ordinary Shares. The consideration offered to those holders of Ordinary Shares whose shares are compulsorily acquired must be the same as the consideration that was available under the general offer.

A dissenting holder of Ordinary Shares may, within one month after the date of the notice to acquire, apply to the Royal Court in Guernsey to cancel that notice.

Disclosure requirements and notification of interest in shares

Under Chapter 5 of the Disclosure Rules and Transparency Rules, subject to certain limited exceptions, a person must notify the Company (and, at the same time, the FCA) of the percentage of voting rights he or she holds (within four trading days) if he or she acquires or disposes of shares in the Company to which voting rights are attached and if, as a result of the acquisition or disposal, the percentage of voting rights which he or she holds as a shareholder (or, in certain cases, which he or she holds indirectly) or through his direct or indirect holding of certain types of financial instruments (or a combination of such holdings):

- (a) reaches, exceeds or falls below five per cent., 10 per cent., 15 per cent., 20 per cent., 25 per cent., 30 per cent., 50 per cent. and 75 per cent.; or
- (b) reaches, exceeds or falls below an applicable threshold in (a) 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 TR1 available from the FCA's website at <http://www.fca.org.uk>. Under the Disclosure and Transparency Rules, the Company must announce the notification to the public as soon as possible and in any event by not later than the end of the trading day following receipt of a notification in relation to voting rights.

The FCA may take enforcement action against a person holding voting rights who has not complied with Chapter 5 of the Disclosure and Transparency Rules.

Corporate governance

The Company is subject to the GFSC Finance Sector Code of Corporate Governance, which applies to all companies that hold a licence from the GFSC under the regulatory laws or which are registered or authorised as collective investment schemes. The GFSC requires an assurance statement from the Company confirming that the Directors have considered the effectiveness of their corporate governance practices and are satisfied with their degree of compliance with the principles set out in the GFSC Finance Sector Code of Corporate Governance, or the alternative codes accepted by the GFSC, in the context of the nature, scale and complexity of the business. As the Company reports against the UK Corporate Governance Code (discussed further below), it is deemed to meet the requirements of the GFSC Finance Sector Code of Corporate Governance.

The Listing Rules require that the Company must “comply or explain” with and by reference to the UK Corporate Governance Code. In addition, the Disclosure Rules and Transparency Rules require the Company to: (i) make a corporate governance statement in its annual report and accounts based on the code to which it is subject, or with which it voluntarily complies; and (ii) describe its internal control and risk management arrangements.

The Directors recognise the value of the UK Corporate Governance Code and have taken appropriate measures to ensure that the Company complies, so far as is possible given the Company’s size and nature of business, with the UK Corporate Governance Code.

The only respect in which the Company does not comply with the UK Corporate Governance Code is that it does not have a “Senior Independent Director” (SID).

Directors’ share dealings

The Directors have adopted a code of directors’ dealings in Shares, which is based on the Model Code for Directors’ dealings contained in the Listing Rules (the “Model Code”). The Board is responsible for taking all proper and reasonable steps to ensure compliance with the Model Code by the Directors.

Committee details

An Audit Committee, comprising the independent Directors, has been formed to ensure that the Company maintains the highest standards of integrity in financial reporting and internal control. The chairman of the Board shall not act as chairman of the Audit Committee. The Audit Committee, which meets at least twice a year, operates within clearly defined terms of reference and provides a forum through which the Company’s auditors may report to the Board.

A Management Engagement Committee, comprising the independent Directors, has been formed to ensure that the terms of the Management Agreement are competitive, fair and reasonable. The Committee’s duties also include reviewing and making recommendations on any proposed amendment or material breach of the Management Agreement and reviewing the performance and suitability of the Investment Manager in relation to the provision of management services to the Company. The Committee, which meets at least once a year, is also responsible for reviewing the performance and suitability of the Investment Manager in respect of the provision by it of administration services to the Company under the Administration Agreement.

A Nomination Committee, comprising the Directors, has been formed to consider and make recommendations to the Board on its composition and balance and diversity, including gender. Although the chairman of the Board may be the chairman of the Nomination Committee, in the event that the Nomination Committee considers the appointment of a successor to the chairman of the Board, the Nomination Committee shall elect a chairman other than the chairman of the Board. The Nomination Committee meets at least once a year and such other times as it considers expedient to carry out its duties and operates within clearly defined terms of reference.

PART IV

C SHARES

The issue of the C Shares is designed to overcome the potential disadvantages for both existing and new investors, which could arise out of a conventional fixed price issue of further Ordinary Shares for cash. In particular:

- the assets representing the Net Issue Proceeds of the C Shares will be accounted for as a separate pool of assets until the Calculation Time. By accounting for the Net Issue Proceeds arising from the issue of the C Shares separately, holders of existing Ordinary Shares will not be exposed to a portfolio containing a substantial amount of uninvested cash before the Calculation Time; and
- the basis upon which the C Shares will convert into Ordinary Shares is such that the number of Ordinary Shares to which holders of the C Shares will become entitled will reflect the relative investment performance and value of the pool of new capital attributable to the C Shares as of the Calculation Time as compared to the assets attributable to the existing Ordinary Shares at that time and, as a result, neither the Net Asset Value attributable to the Ordinary Shares nor the Net Asset Value attributable to the C Shares will be adversely affected by Conversion.

Pending full reinvestment, the assets attributable to the C Shares will be held in either cash or cash equivalents, money market instruments or funds, bonds, commercial paper or other debt obligations with banks or other counterparties selected by the Investment Manager.

Conversion of C Shares

Until Conversion, which the Directors anticipate will occur in the period up to four weeks after Admission, the C Shares will be exposed to the performance of the investments acquired by the Company using the Net Issue Proceeds (the “**C Share Portfolio**”), the composition of which may differ from the remainder of the Company’s portfolio. While the Investment Manager will seek to manage the C Share Portfolio in a prudent fashion, including to avoid undue concentration in debt obligations of a single issuer or small group of issuers, holders of C Shares should be aware that the specific investment concentration limits set out in the Company’s published investment policy will apply across the entirety of the Company’s portfolio and not the C Share portfolio in isolation.

The Ordinary Shares arising on conversion of the C Shares will rank *pari passu* with the Ordinary Shares then in issue for dividends and other distributions declared, made or paid by reference to a record date falling after the Calculation Time. Fractions of Ordinary Shares arising on Conversion will not be allocated to holders of the C Shares but will be aggregated and sold for the benefit of the Company. Further details concerning Conversion together with a worked example are set out below. Holders of the C Shares will be entitled to participate in a winding-up of the Company or on a return of capital as specified in paragraph 5 of this Part IV of this Prospectus.

The Directors intend to convene an EGM in advance of Admission in order to approve certain matters in connection with the Issue (see Part I of this Prospectus for further information on the EGM), including amendments to the Articles of Incorporation to allow the issue of C Shares.

Calculation Time and Specified Conversion Criteria

At the Calculation Time, the net assets attributable to the Ordinary Shares then in issue, the net assets attributable to the C Shares, and hence the Conversion Ratio, will be calculated. It is currently expected that:

- (i) the Calculation Time will take place shortly after the Early Investment Condition has been satisfied; and
- (ii) the Conversion Time will occur shortly after the Calculation Time and in any event within 20 Business Days of the Calculation Time.

It is expected that holders of the C Shares will receive such number of Ordinary Shares as results from applying the Conversion Ratio to their holding of C Shares at the Conversion Time.

The conversion process is more fully described, and the definitions of the terms “Calculation Time”, “Conversion Ratio”, “Conversion Time” and “Early Investment Condition” are set out, in paragraph 1 below of this Part IV of this Prospectus.

Example of Conversion

The following example is provided for the purpose of illustrating the basis on which the number of Ordinary Shares arising on Conversion will be calculated. The example is not, and is not intended to be, a profit forecast nor a forecast of the number of Ordinary Shares which will arise on Conversion.

The example below illustrates the number of Ordinary Shares which would arise in respect of the conversion of 1,000 C Shares at the Conversion Time, using assumed Net Asset Values attributable to the C Shares and existing Ordinary Shares at the Calculation Time. The assumed Net Asset Value attributable to an existing Ordinary Share is the unaudited estimated Net Asset Value per Ordinary Share at the close of business on 7 May 2013, being £2.0262 per Ordinary Share. The assumed Net Asset Value attributable to each C Share is based on the following assumptions: (i) there are no returns on the net issue proceeds in the period leading up to the Calculation Time; (ii) 1,000 C Shares are converted; and (iii) the expenses of such issue are £0.0141 per C Share.

Illustrative Example

Amount subscribed pursuant to the Issue	£1,000
Number of C Shares issued	1,000
Illustrative NAV attributable to a C Share at the Calculation Date	98.59p
Illustrative NAV attributable to an existing Ordinary Share at the Calculation Date	202.62p
Conversion Ratio	0.48660
Number of Ordinary Shares arising on Conversion for a holder of 1,000 C Shares	487

The rights and restrictions attaching to the C Shares will be set out in the Articles. The relevant provisions governing the C Shares (including the specified conversion criteria) are summarised in the remainder of this Part IV of this Prospectus:

1. Definitions

The following definitions apply (for the purposes of this Part IV of this Prospectus only) in addition to, or (where applicable) in substitution for, the definitions elsewhere in this Prospectus:

Admission	means the admission of the C Shares to trading on the London Stock Exchange’s Main Market;
Back Stop Date	the date falling four months after the date of Admission;
C Share	a C share of £0.01 nominal value in the capital of the Company issued as described in paragraph 2 of this Part IV and carrying <i>inter alia</i> the rights summarised in this Part IV of this Prospectus;
C Share Class Account	a separate class account in the books of the Company for the C Shares;
C Share Surplus	the net assets of the Company attributable to the C Shares as determined by the Directors or the liquidator (as the case may be) at the date of winding up or other return of capital;
Calculation Time	the earliest of: <ul style="list-style-type: none"> (a) the close of business on such date as the Directors may determine, in the event that the Directors, in their discretion, resolve that any Early Investment Condition has been satisfied and that the C Shares shall be converted; (b) 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 the Conversion of the C Shares;

- (c) the close of business on the Back Stop Date; and
- (d) 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;

Conversion

conversion of the C Shares in accordance with the Articles;

Conversion Ratio

A divided by B calculated to four decimal places (with 0.00005 being rounded upwards) where:

$$A = \frac{C - D}{E}$$

and

$$B = \frac{F - G}{H}$$

and where:

“C” is the aggregate value of all assets and investments of the Company attributable to the C Shares (as determined by the Directors) at the relevant Calculation Time calculated in accordance with the accounting principles adopted by the Directors from time to time;

“D” is the amount which (to the extent not otherwise deducted in the calculation of C) in the Directors’ opinion fairly reflects as at the relevant Calculation Time the amount of the liabilities and expenses of the Company attributable to the C Shares (as determined by the Directors);

“E” is the number of the C Shares in issue as at the relevant Calculation Time;

“F” is the aggregate value of all assets and investments of the Company attributable to the Ordinary Shares (as determined by the Directors) at the relevant Calculation Time calculated in accordance with the accounting principles adopted by the Directors from time to time;

“G” is the amount which (to the extent not otherwise deducted in the calculation of F), in the Directors’ opinion, fairly reflects as at the relevant Calculation Time the amount of the liabilities and expenses of the Company attributable to the Ordinary Shares (as determined by the Directors); and

“H” is the number of Ordinary Shares in issue as at the relevant Calculation Time,

provided always that:

- (a) the Directors shall be entitled to make such adjustments to the value or amount of A and/or B as they believe to be appropriate having regard to, among other things, the assets of the Company immediately prior to the Issue Date or the Calculation Time or to the reasons for the issue of the C Shares; and

	(b) the Directors may, as part of the terms of issue of the C Shares, amend the definition of Conversion Ratio;
Conversion Time	a time following the Calculation Time, being the opening of business in London on such Business Day as may be selected by the Directors and falling not more than 20 Business Days after the Calculation Time;
Early Investment Condition	the Investment Manager giving notice to the Directors, and the Directors agreeing, that at least 90 per cent. (or such other percentage as the Directors may in their absolute discretion determine) of the assets attributable to the C Shares have been invested or committed to be invested as part of a Portfolio invested in accordance with the Company's investment policy;
Force Majeure Circumstances	in relation to the C Shares: <ul style="list-style-type: none"> (a) 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; (b) the issue of any 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 or to the persons to whom they are, and/or the terms on which they are, proposed to be issued; or (c) the convening of any general meeting of the Company at which a resolution is to be proposed to wind up the Company;
Issue Date	the date on which the admission of the C Shares becomes effective or, if later, the day on which the Company receives the net proceeds of the issue of the C Shares;
Issue Price	means the price at which each C Share is to be issued or sold under the Issue, being £1.00 per C Share; and
Ordinary Share Surplus	the net assets of the Company attributable to the Ordinary Shares as determined by the Directors or the liquidator (as the case may be) at the date of winding up or other return of capital.

2. Issue of the C Shares

Subject to the Articles and the Companies Law, the Directors have power to issue an unlimited number of the C Shares of £0.01 nominal value each with such C Shares being convertible into Ordinary Shares and such C Shares may be issued on more than one occasion from time to time.

The Directors shall, on the issue of the C Shares, determine the Issue Price, the latest Calculation Time and Conversion Time, and the amendments, if any, to the definition of Conversion Ratio.

3. Dividends

Notwithstanding any other provision of the Articles, the holders of the C Shares will be entitled to receive such dividends as the Directors may resolve to pay to such holders out of the assets attributable to the C Shares (as determined by the Directors). The Directors do not intend to declare any dividends in respect of the C Shares.

No dividend or other distribution shall be made or paid by the Company on any of its Shares between the Calculation Time and the Conversion Time (both dates inclusive) and no dividend shall be declared

with a record date falling between the Calculation Time and the Conversion Time (both dates inclusive).

4. Ranking of the C Shares upon Conversion

The Ordinary Shares arising upon Conversion shall rank *pari passu* with all other Ordinary Shares for dividends and other distributions declared, made or paid by reference to a record date falling after the relevant Calculation Time.

5. Rights as to capital

The capital and assets of the Company on a winding-up or on a return of capital (other than by way of the repurchase or redemption of the C Shares by the Company) prior, in each case, to Conversion shall be applied as follows:

- (a) the Ordinary Share Surplus shall be divided amongst the holders of the Ordinary Shares *pro rata* to their holdings of Ordinary Shares; and
- (b) the C Share Surplus shall be divided amongst the holders of the C Shares *pro rata* according to their holdings of the C Shares.

6. Voting and transfer

The C Shares shall carry the right to attend or vote at any general meeting of the Company in the same manner as Ordinary Shares.

Pursuant to the Articles, the C Shares shall be transferable in the same manner as the Ordinary Shares. A summary of the transfer provisions may be found at paragraph 6(f) in Part VII of this Prospectus.

7. Redemption

The C Shares are issued on the terms that the C Shares shall be redeemable by the Company at the absolute discretion of the Directors in accordance with the Articles.

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 facility and procedures of CREST) and in consideration of the payment of such redemption price as may be agreed between the Company and the relevant holder(s) of the C Shares.

8. Class consents and variation rights

Without prejudice to the generality of the Articles, until Conversion the consent of the holders of the C Shares as a class shall be required in accordance with the Articles for, and accordingly the special rights attached to the C Shares shall be deemed to be varied, *inter alia*, by:

- (a) any alteration to the memorandum of incorporation of the Company or the Articles which adversely affects the holders of the C Shares; or
- (b) the passing of any resolution to wind up the Company.

9. C Share Class Account

Until Conversion and without prejudice to its obligations under the Companies Law, the Company shall in relation to the C Shares establish a separate C Share Class Account for the C Shares in accordance with the Articles and, subject thereto:

- (a) procure that the Company's records and bank accounts shall be operated so that the assets attributable to the C Shares 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, broker settlement accounts and investment ledger accounts shall be created and maintained in the books of the Company for the assets attributable to the C Shares;

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

10. Conversion

The C Shares shall be converted into Ordinary Shares at the Conversion Time in accordance with the following provisions.

The Directors shall procure that within 20 Business Days after the Calculation Time:

- (a) the Investment Manager or, failing which, an independent accountant selected for the purpose by the Board, shall be requested to calculate the Conversion Ratio as at the Calculation Time and the number of new Ordinary Shares to which each holder of the C Shares shall be entitled on Conversion;
- (b) the Auditor may, if the Directors consider it appropriate, be requested to certify whether such calculations have been performed in accordance with these Articles and are arithmetically accurate,

whereupon, subject to the proviso in the definition of "Conversion Ratio", such calculations shall become final and binding on the Company and all Shareholders.

The Directors shall procure that, as soon as practicable, and following such certification (if any), an announcement is made to an RIS advising holders of the C Shares of the Conversion Time, the Conversion Ratio and the aggregate numbers of Ordinary Shares to which holders of the C Shares are entitled on Conversion.

Conversion of the C Shares shall take place at the Conversion Time designated by the Directors. On Conversion the C Shares shall automatically convert (by redesignation, consolidation or sub-division or otherwise as the Directors consider appropriate) into such number of Ordinary Shares as equals the aggregate number of C Shares in issue at the Calculation Time multiplied by the Conversion Ratio (rounded down to the nearest whole Ordinary Share). Share certificates will not be issued in respect of any sub-divided C Shares.

The Ordinary Shares arising upon Conversion shall be divided amongst the former holders of the C Shares *pro rata* according to their respective former holdings of the C Shares (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to the Ordinary Shares, including, without prejudice to the generality of the foregoing, selling or redeeming any such shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company) and for such purposes any Director is hereby authorised as agent on behalf of the former holders of the C Shares to do any other act or thing as may be required to give effect to the same, including, in the case of a share in certificated form, to execute any stock transfer form and, in the case of a share in uncertificated form, to give directions to or on behalf of the former holder of the C Shares who shall be bound by them.

Forthwith upon Conversion, any certificates relating to the C Shares (if any) shall be cancelled and the Company shall issue to each such former holder of the C Shares new certificates in respect of the Ordinary Shares which have arisen upon Conversion unless such former holder of the C Shares elects (or is deemed to have elected) to hold such Ordinary Shares in uncertificated form.

Upon Conversion, the Company will apply for the resulting Ordinary Shares to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's Main Market.

References to the Auditors certifying any matter shall be construed to mean certification of their opinion as to such matter, whether qualified or not.

Deemed representations at the Conversion Time

Your attention is drawn to the subscribers' warranties set out in the "Selling and transfer restrictions" section in Part V of this Prospectus. In particular, at the Conversion Time, each holder of the C Shares will be deemed to have represented, acknowledged and agreed that: (i) it and the person, if any, for whose account or benefit it is holding the C Shares and receiving the Ordinary Shares is not a US Person and is not located within the United States; (ii) it acknowledges that the Company reserves the right to make inquiries of any holder of the C Shares, the Ordinary Shares or interests therein at any time as to such person's status under the US federal securities laws, and to require any such person that has not satisfied the Company that the holding by such person will not violate or require registration under US federal securities laws to transfer such C Shares, Ordinary Shares or interests immediately under the direction of the Company (which may include, but is not limited to, the execution of a power of attorney allowing the Company to effect a transfer on its behalf); and (iii) it agrees to comply with the transfer restrictions set out in the "Selling and transfer restrictions" section in Part V of this Prospectus and will notify the Company if it is holding in contravention of such restrictions.

PART V

THE ISSUE

The Issue

The size of the Issue is up to £100 million (excluding the issue of approximately 19,000,000 Ordinary Shares which, subject to shareholder approval, will be bought back on Admission at the price at which they are issued and held in treasury) and the total number of C Shares issued under the Issue will be determined by the Company, Numis and the Investment Manager after taking into account demand for the C Shares and prevailing economic and market conditions. The actual number of C Shares, and therefore the Gross Issue Proceeds, and the Net Issue Proceeds, are not known as at the date of this Prospectus but will be notified by the Company via an RIS announcement and via the Company's website, www.schroderorientalincomefund.com, prior to Admission.

The Issue is being implemented by way of a Placing, Open Offer and Offer for Subscription. The inclusion of an Open Offer ensures that a portion of the new share capital being made available pursuant to the Issue is reserved in the first instance exclusively for Existing Shareholders.

The potential size of the Issue should not be taken as an indication of the number of C Shares to be issued. The actual number of C Shares issued pursuant to the Issue will be announced via an RIS announcement shortly following the deadline for receipt of placing commitments under the Placing. If the Issue does not proceed, subscription monies received will be returned without interest at the risk of the applicant.

The Directors have determined that the C Shares under the Issue will be issued at a price equal to £1.00 per C Share. Investors will not be charged a fee in addition to their payment of the Issue Price in order to subscribe for C Shares, as the Issue Expenses will be met out of the proceeds of the Issue.

The Issue is conditional on amongst other things the Ordinary Shareholders approving Resolutions 1 and 5 referred to under the heading "General Meeting" on page 34 of this Prospectus at an EGM to be held in advance of the Issue and on Admission having become effective on or before 8.00 a.m. on 11 June 2013 or such other time and/or date as the Company and Numis may agree (being not later than 11 July 2013).

Neither the Placing, Open Offer nor Offer for Subscription is underwritten. The decision whether to proceed with the Placing, Open Offer and/or the Offer for Subscription will be at the absolute discretion, and subject to the agreement of the Directors, the Investment Manager and Numis.

Upon the conversion of the C Shares into Ordinary Shares, the percentage holding of an existing Ordinary Shareholder will be diluted to the extent that they do not participate in the Issue *pro rata* to their current shareholding, for example by not taking up their full entitlement pursuant to the Open Offer and assuming that they do not participate in the Placing and the Offer for Subscription.

In the event that the maximum possible number of C Shares are issued pursuant to the Issue and based on the NAV per Ordinary Share as at 7 May 2013 (being the latest practicable date prior to the publication of this document) of 202.62 pence, an existing Shareholder holding shares representing 3.0 per cent. of the Company's issued Ordinary Share capital, who does not participate in the Issue, would, following the completion of the Issue, hold shares representing approximately 2.2 per cent. of the Company's issued Ordinary Share capital.

Proceeds of the Issue

The Company intends to use the Net Issue Proceeds to make investments in line with the Company's investment policy.

The Open Offer

Under the Open Offer, an aggregate amount of 76,125,800 C Shares (or such greater number as may be made available by the Directors in exercising their discretion to reallocate from the Placing, and/or Offer for Subscription in favour of the Excess Application Facility) will be made available to Existing

Shareholders at the Issue Price *pro rata* to their holdings of Existing Ordinary Shares, on the terms and subject to the conditions of the Open Offer, on the basis of:

**2 C Shares for every 5 Ordinary Shares held at the Record Date
(being the close of business on 3 May 2013)**

The balance of C Shares to be made available under the Issue, together with any C Shares not taken up pursuant to the Open Offer, will be made available under the Excess Application Facility, the Placing and the Offer for Subscription.

Existing Shareholders should be aware that the Open Offer is not a rights issue and an Open Offer Application Form cannot be traded.

Fractional entitlements under the Open Offer will be rounded down to the nearest whole number of C Shares and will be disregarded in calculating Open Offer Entitlements. All fractional entitlements will be aggregated and made available to Existing Shareholders under the Excess Application Facility and thereafter, under the Placing and Offer for Subscription.

The latest time and date for acceptance and payment in full in respect of the Open Offer will be 11.00 a.m. on 6 June 2013. Valid applications under the Open Offer will be satisfied in full up to applicants' Open Offer Entitlements. Existing Shareholders are also being offered the opportunity to subscribe for C Shares in excess of their Open Offer Entitlements under the Excess Application Facility, described below.

The terms and conditions of application under the Open Offer are set out at the end of this document. These terms and conditions should be read carefully before an application is made. Investors who are in any doubt about the Issue arrangements should consult their stockbroker, bank manager, solicitor, accountant or other appropriate financial adviser.

Excess Application Facility under the Open Offer

Subject to availability, Existing Shareholders who take up all of their Open Offer Entitlements may also apply under the Excess Application Facility for additional C Shares in excess of their Open Offer Entitlement. The Excess Application Facility, will comprise whole numbers of C Shares under the Open Offer which are not being taken up by Existing Shareholders pursuant to their Open Offer Entitlements (including any aggregated fractional entitlements), and any C Shares that the Directors determine, in their absolute discretion, should be reallocated from the Placing and/or Offer for Subscription to satisfy demand from Existing Shareholders in preference to prospective new investors under the Placing or the Offer for Subscription (together, "Excess Shares").

Existing Non-CREST Shareholders who wish to apply to subscribe for more than their Open Offer Entitlement should complete the relevant sections on the Open Offer Application Form.

Existing CREST Shareholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST and should refer to paragraph 4.2 of the Terms and Conditions of the Open Offer starting on page 110 of this document for information on how to apply for Excess Shares pursuant to the Excess Application Facility.

Excess applications may be allocated in such manner as the Directors determine, in their absolute discretion, and no assurance can be given that applications by Existing Shareholders under the Excess Application Facility will be met in full or in part or at all. In the event of oversubscription under the Excess Application Facility the Directors have the discretion (but are not obliged) to limit applications by Existing Shareholders *pro rata* to their aggregate holdings of Existing Ordinary Shares. However, the Directors also have the discretion (but are not obliged) to scale back the Placing and Offer for Subscription in favour of the Excess Application Facility by re-allocating C Shares that would otherwise be available under the Offer for Subscription and/or Placing to Existing Shareholders through the Excess Application Facility. To the extent any C Shares remain unallocated pursuant to Open Offer Entitlements and under the Excess Application Facility, they will be made available under the Offer for Subscription and the Placing at the Directors' discretion.

Action to be taken under the Open Offer

Non-CREST Shareholders

Existing Non-CREST Shareholders will be sent an Open Offer Application Form giving details of their Open Offer Entitlement.

Persons that have sold or otherwise transferred all of their Existing Ordinary Shares should forward this document, together with any Open Offer Application Form, if and when received, at once to the purchaser or transferee, or the bank, stockbroker or other agent through whom the sale of transfer was effected, for delivery to the purchaser or transferee, except that, such documents should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

Any Existing Shareholder that has sold or otherwise transferred only some of their Existing Ordinary Shares held in certificated form on or before 10 May 2013, should refer to the instruction regarding split applications in the "Terms and Conditions of the Open Offer" at the end of this document and in the Open Offer Application Form.

CREST Shareholders

Existing CREST Shareholders will not be sent an Open Offer Application Form. Instead, Existing CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlement and their Excess CREST Open Offer Entitlement as soon as practicable after 8.00 a.m. on 13 May 2013.

In the case of any Existing Shareholder that has sold or otherwise transferred only part of their holding of Existing Ordinary Shares held in uncertificated form on or before 10 May 2013, a claim transaction will automatically be generated by Euroclear UK which, on settlement, will transfer the appropriate Open Offer Entitlement and Excess CREST Open Offer Entitlement to the purchaser or transferee.

Full details of the Open Offer are contained in the Terms and Conditions of the Open Offer at the end of this document. If you have any doubt as to what action you should take, you should seek your own advice from your stockbroker, solicitor or other independent financial adviser duly authorised under FSMA who specialises in advice on the acquisition of shares and other securities immediately.

The International Security Identification Number for C Shares Entitlements under the Open Offer is GG00B7VR0J78.

The International Security Identification Number for Excess Shares entitlements under the Excess Application Facility is GG00B7VSD807.

The Placing

Up to 73,874,200 C Shares are available to be placed on behalf of the Company at the Issue Price.

The Company, the Directors and Numis have entered into the Issue Agreement pursuant to which Numis has agreed to act as financial adviser and placing agent in relation to the Issue, and Numis has agreed, as agent for the Company, to use its reasonable endeavours to procure subscribers for the C Shares under the Placing at the Issue Price in return for the payment by the Company of placing fees and commissions. A summary of the terms of the Issue Agreement is set out in paragraph 7 of Part VII of this Prospectus.

Placees will receive a contract note following closing of the Placing and prior to Admission of the C Shares notifying them of the number of C Shares they will receive. Dealings in the C Shares issued pursuant to the Placing will not be permitted prior to Admission.

The terms and conditions which shall apply to any subscriber for C Shares procured by Numis pursuant to the Placing are contained in Part VIII of this Prospectus.

There is no minimum subscription per investor pursuant to the Placing.

The Offer for Subscription

The Company is also offering the C Shares to investors in the United Kingdom pursuant to the Offer for Subscription.

The Terms and Conditions of Application relating to the Offer for Subscription are set out in Part X of this Prospectus and an Application Form and notes on how to complete such Application Form are set out in Appendix A to this Prospectus. The Terms and Conditions of the Application should be read carefully before an application is made. Application Forms must be posted to Computershare, Corporate Actions Projects, Bristol BS99 6ZY or delivered by hand (during normal business hours) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to arrive by no later than 11.00 a.m. on 4 June 2013. The Offer for Subscription will, unless extended, be closed at that time.

Applications under the Offer for Subscription must be for a minimum subscription amount of £1,000 and in multiples of £1,000 thereafter. The C Shares will be a qualifying investment for the stocks and shares component of an ISA, provided they are acquired by an ISA plan manager through an offer to the public (such as the Offer) or in the market. Any person wishing to apply for Ordinary Shares under the Offer through an ISA should contact their ISA manager as soon as possible.

Payment for C Shares pursuant to the Offer for Subscription may be made by cheque, banker's draft or building society cheque and must accompany the Application Form. The Directors reserve the right to refuse applications for any reason.

Scaling back and allocation

In the event that aggregate applications for C Shares under the Placing, Open Offer and the Offer for Subscription were to exceed a level that the Directors determine, in their absolute discretion at the time of closing the Issue, to be the appropriate maximum size of the Issue, it would be necessary to scale back applications under the Issue. The Company and Numis reserve the right, in their sole discretion, to scale back applications in such amounts as they consider appropriate. The parameters for any scaling back of applications for C Shares will be determined at the relevant time. The Offer for Subscription will not be subject to scaling back in favour of the Placing. Accordingly, applicants for C Shares may in certain circumstances, not be allotted the number of C Shares for which they have applied.

The Company will notify investors of the number of C Shares in respect of which their application has been successful and the results of the Issue will be announced by the Company on or around 7 June 2013 via an RIS announcement.

Subscription monies received in respect of unsuccessful applications (or to the extent scaled back) will be returned without interest at the risk of the applicant to the bank account from which the money was received or by cheque.

Treasury Shares

Subject to Shareholder approval of Resolutions 2 and 4 described under "General Meeting" on page 34, the Company has agreed with Numis to place Ordinary Shares representing no more than 10 per cent. of the Company's issued Ordinary Shares currently expected to be approximately 19,000,000 Ordinary Shares (as at the date of such placing, the "Transaction Date") on terms that Numis will subscribe for them at the prevailing Net Asset Value per Ordinary Share on the Transaction Date and then immediately sell them back to the Company on the Transaction Date at the same Net Asset Value per Ordinary Share for the Company to then hold in treasury. The proposed issue and purchase is governed by the Issue Agreement and pursuant to its terms no commission is payable to Numis in respect of the Ordinary Shares to be held in treasury.

The Ordinary Shares to be held in treasury will be used by the Company to be issued to the market for general corporate purposes but primarily for the purposes of premium management. Currently the Company issues new Ordinary Shares for such purposes; the use of treasury shares will be more efficient and cost effective. In particular the Company can be more responsive in managing market demand for its shares and save on the significant fixed costs on each occasion that a further issue of Ordinary Shares is made.

Sales of treasury shares into the market for cash cannot be made at a discount to NAV.

General

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the United Kingdom and Guernsey, the Company and its agents, Numis, the Receiving Agent or the Investment Manager may require evidence in connection with any application for C Shares, including further identification of the applicant(s), before any C Shares are issued to that applicant.

In the event that there are any significant changes affecting any of the matters described in this Prospectus or where any significant new matters have arisen after the publication of this Prospectus and prior to Admission, the Company will publish a supplementary prospectus. The supplementary prospectus will give details of the significant change(s) or the significant new matter(s).

The Directors (in consultation with Numis) may, in their absolute discretion, waive the minimum application amounts in respect of any particular application for C Shares under the Issue.

Should the Issue be aborted or fail to complete for any reason, monies received will be returned without interest at the risk of the applicant.

Definitive certificates in respect of C Shares in certificated form will be dispatched by post by 13 June 2013. Temporary documents of title will not be issued.

If commitments and applications are received for more than 100,000,000 C Shares pursuant to the Placing, Open Offer and Offer for Subscription the directors reserve the right to increase the number of C Shares available pursuant to the Placing, Open Offer and Offer for Subscription (subject, if required, to publication of a supplementary prospectus approved by the FCA prior to Admission). The maximum number of C Shares that may be issued pursuant to the Placing, Open Offer and Offer for Subscription is 150,000,000, being the maximum number of C Shares that the Directors will be authorised to issue on a non-pre-emptive basis if the relevant resolutions are passed at the Extraordinary General Meeting.

Clearing and settlement

Payment for the C Shares should be made in accordance with settlement instructions to be provided to Placees by (or on behalf of) the Company or Numis. Payment for the C Shares, in the case of the Offer for Subscription, should be made in accordance with the Terms and Conditions of Application under the Offer for Subscription in Part X of this Prospectus and in the Application Form. To the extent that any application for C Shares is rejected in whole or in part (whether by scaling back or otherwise), monies received will be returned without interest at the risk of the applicant.

C Shares will be issued in registered form and may be held in either certificated or uncertificated form and settled through CREST from Admission. In the case of C Shares to be issued in uncertificated form pursuant to the Issue, these will be transferred to successful applicants through the CREST system. Accordingly, settlement of transactions in the C Shares following Admission may take place within the CREST system if any shareholder so wishes.

CREST is a paperless book-entry settlement system operated by Euroclear UK and Ireland Limited which enables securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

It is expected that the Company will arrange for Euroclear UK and Ireland Limited to be instructed on 13 May 2013 to credit the appropriate CREST accounts of the subscribers concerned or their nominees with their respective entitlements to C Shares. The names of subscribers or their nominees investing through their CREST accounts will be entered directly on the share register of the Company.

The transfer of C Shares outside the CREST system following the Issue should be arranged directly through CREST. However, an investor's beneficial holding held through the CREST system may be exchanged, in whole or in part, only upon the specific request of the registered holder to CREST for share certificates or an uncertificated holding in definitive registered form. If a holder of C Shares or transferee requests C Shares to be issued in certificated form and is holding such C Shares outside CREST, a share certificate will be despatched either to him or her or his or her nominated agent (at his or her risk) within 21 days of completion of the registration process or transfer, as the case may be, of the C Shares. Holders of C Shares (other than US Persons) holding definitive certificates may elect at a

later date to hold such C Shares through CREST or in uncertificated form, provided they surrender their definitive certificates.

Dealings

Applications will be made to the UK Listing Authority for the C Shares to be issued pursuant to the Placing, Open Offer and Offer for Subscription 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 become effective and that dealing in the C Shares will commence at 8.00 a.m. on 11 June 2013. Dealings in C Shares in advance of the crediting of the relevant stock account will be at the risk of the person concerned.

The ISIN number for the C Shares is GG00B8CKX719 and the SEDOL code is B8CKX71.

The Company does not guarantee that at any particular time market-maker(s) will be willing to make a market in the C Shares, nor does it guarantee the price at which a market will be made in the C Shares. Accordingly, the dealing price of the C Shares may not necessarily reflect changes in the NAV per C Share. Furthermore, the level of the liquidity in the C Shares can vary significantly.

Selling and transfer restrictions

The distribution of this document and the offer of C Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any restrictions, including those set out in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The C Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

None of the Company, the Directors or Numis is making any representation to any offeree, subscriber or purchaser of the C Shares regarding the legality of an investment by such offeree, subscriber or purchaser.

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for C Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company or the Investment Manager.

The distribution of this Prospectus and the offer of the C Shares in certain jurisdictions may be restricted by law. No action has been or will be taken by the Company to permit a public offering of the C Shares or to permit the possession or distribution of this Prospectus (or any other offering or publicity materials or application form(s) relating to the C Shares) in any jurisdiction (other than the United Kingdom) where action for that purpose may be required. Accordingly, the C Shares may not be offered or sold, directly or indirectly, and neither this document nor any other offering material or advertisement in connection with the C Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this document comes should inform themselves about and observe any restrictions on the distribution of this document and the offer of C Shares contained in this document. Any failure to comply with these restrictions may constitute a violation of the securities law of any such jurisdictions.

European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), an offer to the public of any C Shares may not be made in that Relevant Member State, except that the C Shares may be offered to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

- (b) by Numis to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of C Shares shall result in a requirement for the publication by the Company or Numis of a Prospectus pursuant to Article 3 of the Prospectus Directive. Each person who initially acquires C Shares or to whom any offer is made will be deemed to have represented, warranted and agreed to and with Numis and the Company that it is a “qualified investor” within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression “an offer of C Shares to the public” in relation to any C Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Issue and the C Shares to be offered so as to enable an investor to decide to purchase or subscribe for the C Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State. The expression “Prospectus Directive” means Directive 2003/71/EC (and any amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

In the case of any C Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will be deemed to have represented, acknowledged and agreed that the C Shares acquired by it in the Issue have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any C Shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of Numis has been obtained to each such proposed offer or resale. The Company, Numis and their respective affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified Numis of such fact in writing may, with the consent of Numis, be permitted to subscribe for or purchase C Shares in the Issue.

Switzerland

The distribution of C Shares in Switzerland will be exclusively made to, and directed at, regulated qualified investors (the “Regulated Qualified Investors”), as defined in Article 10 (3)(a) and (b) of the Swiss Collective Investment Schemes Act of 23 June 2006, as amended (“CISA”). Accordingly, the Company has not been and will not be registered with the Swiss Financial Market Supervisory Authority (FINMA) and no Swiss representative or paying agent have been or will be appointed in Switzerland. This Prospectus and/or any other offering materials relating to the Shares may be made available in Switzerland solely to Regulated Qualified Investors.

United States

The C Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the C 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. There will be no public offer of the C Shares in the United States. The Company has not been and will not be registered under the US Investment Company Act and investors will not be entitled to the benefits of the US Investment Company Act.

Neither the SEC nor any state securities commission has approved or disapproved of the C Shares or passed upon the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

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

ERISA, US Internal Revenue Code and other restrictions

If an investor holds C Shares at any time, except with the express consent of the Company given in respect of an investment in C Shares, it shall be deemed to have represented and agreed for the benefit of the Company, its affiliates and advisers that:

- (a) no portion of the assets it uses to purchase, and no portion of the assets it uses to hold, the C Shares or any beneficial interest therein constitutes or will constitute the assets of: (A) an “employee benefit plan” as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (B) a “plan” as defined in Section 4975 of the Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the Code; or (C) an entity whose underlying assets are considered to include “plan assets” by reason of investment by an “employee benefit plan” or “plan” described in (A) or (B) above in such entity pursuant to the US Plan Asset Regulations; and
- (b) if an investor is a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Code, its purchase, holding, and disposition of the C Shares will not constitute or result in a non-exempt violation of any such substantially similar law.

Subscribers’ warranties

Each subscriber of C Shares in the Issue, each subsequent investor in the C Shares, and each recipient of the Ordinary Shares will be deemed to have represented, warranted, acknowledged and agreed as follows:

- (a) it is not a US Person, is not located within the United States and is not acquiring the C Shares or the Ordinary Shares arising on Conversion for the account or benefit of a US Person;
- (b) it is acquiring the C Shares and the Ordinary Shares arising on Conversion in an offshore transaction meeting the requirements of Regulation S;
- (c) it acknowledges that neither the C Shares nor the Ordinary Shares arising on Conversion have been and they will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may only be transferred in an offshore transaction in accordance with Regulation S (i) to a person outside the United States who is not a US Person, by prearrangement or otherwise; or (ii) to the Company or a subsidiary thereof;
- (d) it acknowledges that the Company has not registered under the US Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States and to ensure that the Company is not and will not be required to register under the US Investment Company Act;
- (e) no portion of the assets used to purchase, and no portion of the assets used to hold, the C Shares or any beneficial interest therein constitutes or will constitute the assets of (i) an “employee benefit plan” as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a “plan” as defined in Section 4975(e)(1) of the US Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the Code; or (iii) any other entity (such as an insurance company separate account, group trust or fund of funds) which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 Plan under US Department of Labor Reg. §2510.3-101 et seq., as modified by Section 3(42) of ERISA, or Section 4975 of the US Code. In addition, if an investor is a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Code, its purchase, holding and disposition of the C Shares must not constitute or result in a non-exempt violation of any such substantially similar law;
- (f) that if any C Shares offered and sold pursuant to Regulation S are issued in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect unless otherwise determined by the Company in accordance with applicable law:

“SCHRODER ORIENTAL INCOME FUND LIMITED (THE “COMPANY”) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE

“US INVESTMENT COMPANY ACT”). IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE “US SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED, EXERCISED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE COMPANY TO REGISTER UNDER THE INVESTMENT COMPANY ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS”;

- (g) if in the future the investor decides to offer, sell, transfer, assign or otherwise dispose of the C Shares or the Ordinary Shares arising on Conversion, it will do so only in compliance with an exemption from the registration requirements of the US Securities Act and under circumstances which will not require the Company to register under the US Investment Company Act. It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;
- (h) it is purchasing the C Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the C Shares or the Ordinary Shares arising on Conversion in any manner that would violate the US Securities Act, the US Investment Company Act or any other applicable securities laws;
- (i) it acknowledges that the Company reserves the right to make inquiries of any holder of the C Shares or interests therein at any time as to such person’s status under the US federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under the US securities laws to transfer such C Shares or the Ordinary Shares arising on Conversion or interests therein in accordance with the Articles;
- (j) it acknowledges that the Company may receive a list of participants holding positions in its securities from one or more book-entry depositories;
- (k) it is entitled to acquire the C Shares and the Ordinary Shares arising on Conversion under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the C Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, Numis or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Issue or its acceptance of participation in the Issue;
- (l) it has received, carefully read and understands this Prospectus, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other presentation or offering materials concerning the C Shares or the Issue into the United States or to any US Person, nor will it do any of the foregoing;
- (m) if it is acquiring any C Shares as a fiduciary or agent for one or more accounts, the investor has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account;
- (n) if the investor is a natural person, such investor is not under the age of majority (18 years of age in the United Kingdom) on the date of such investor’s application to purchase C Shares pursuant to the Issue and will not be any such person on the date any such application is accepted;
- (o) if the laws of any place outside the United Kingdom are applicable to the investor’s agreement to purchase C Shares and/or acceptance thereof, such investor has complied with all such laws and none of the investors will infringe any laws outside the United Kingdom as a result of such investor’s agreement to purchase C Shares and/or acceptance thereof or any actions arising from such investor’s rights and obligations under the investor’s agreement to purchase C Shares and/or acceptance thereof or under the Articles; and

- (p) the Company, Numis and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements. If any of the representations, warranties, acknowledgments or agreements made by the investor are no longer accurate or have not been complied with, the investor will immediately notify the Company.

Withdrawal rights

In the event that the Company is required to publish a supplementary prospectus, applicants who have applied for C Shares in the Issue shall have at least two clear Business Days following the publication of the relevant supplementary prospectus within which to withdraw their offer to acquire C Shares in the Issue in its entirety. The right to withdraw an application to acquire C Shares in the Issue in these circumstances will be available to all investors in the Issue. If the application is not withdrawn within the stipulated period, any offer to apply for C Shares in the Issue will remain valid and binding.

Investors wishing to exercise statutory withdrawal rights after the publication of a supplementary prospectus must do so by lodging a written notice of withdrawal by hand (during normal business hours only) at Computershare Investor Services PLC or by facsimile (during normal business hours only) on 0870 703 6113 so as to be received no later than two Business Days after the date on which the supplementary prospectus is published. Notice of withdrawal given by any other means or which is deposited with or received after expiry of such period will not constitute a valid withdrawal.

CREST

The Articles permit the holding of C Shares under the CREST system. CREST is a paperless settlement system allowing securities to be transferred from one person's CREST account to another's without the need to use share certificates or written instruments of transfer. Settlement of transactions in the C Shares following Admission may take place within the CREST system if any holder of C Shares so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

PART VI

FINANCIAL INFORMATION

1. Introduction

- 1.1 The Company's auditors are Ernst & Young LLP, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey GY1 4AF, which is a Registered Auditor and 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 Save for the published Annual Reports and Accounts for the Financial Years ended 31 August 2010, 31 August 2011 and 31 August 2012 audited by Ernst & Young LLP set out, or incorporated by reference, in paragraph 2 of this Part VI, none of the information in this Prospectus has been audited. 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 Investment Manager 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 August 2010, 31 August 2011 and 31 August 2012

2.1 Introduction

In respect of the Company's audited financial statements for the three years ended 31 August 2012 (comprising, in respect of each year, a statement of comprehensive income, 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 IFRS; and
- (iii) had been prepared in accordance with the requirements of the Companies 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 August 2010, 31 August 2011 and 31 August 2012, 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 August</i>		
	<i>2010</i>	<i>2011</i>	<i>2012</i>
<i>Capital</i>			
Investments at fair value (£'000)	237,244	261,317	299,377
Current assets (£'000)	5,773	15,559	17,053
Current liabilities (£'000)	(23,818)	(22,806)	(26,106)
Net assets (£'000)	219,199	254,070	290,324
NAV per Ordinary Share	136.63p	152.80p	165.18p
Number of Ordinary Shares in issue	160,434,500	166,279,500	175,764,500

	Year Ended 31 August		
	2010	2011	2012
<i>Revenue</i>			
Investment income (£'000)	11,936	14,280	15,244
Total expenses charged to revenue (£'000)	(901)	(1,047)	(1,075)
Profit before finance costs and tax (£'000)	52,732	37,148	34,157
Profit before tax (£'000)	52,183	36,813	33,411
Profit for the year (£'000)	51,090	35,565	32,359
Transfer to revenue reserve (£'000)	9,776	11,926	12,734
Earnings per Ordinary Share	32.67p	21.53p	18.91p
Dividends per Ordinary Share			
Recognised in respect of period (p)	5.80p	6.35p	6.80p
Paid in the period (p)	5.60p	5.85p	6.40p
Weighted average number of Ordinary Shares in issue throughout period	156,346,281	165,180,664	171,163,885

<i>General</i>	Year Ended 31 August		
	2010	2011	2012
Dividend cover (x)	1.05	1.12	1.07
Gearing (%)*	7.7	2.4	7.7
Total expense ratio (%)**	0.98%	0.92%	0.93%

* Net assets plus borrowings used for investment purposes, less cash, expressed as the percentage excess over net assets.

** Calculated in accordance with AIC guidance and based on operating costs, excluding performance fees, finance costs and expressed as a percentage of average monthly net assets.

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 August 2010, 31 August 2011 and 31 August 2012 that are incorporated by reference into the 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>	Annual Report and Accounts for Year Ended 31 August		
	2010 Page No(s)	2011 Page No(s)	2012 Page No(s)
Statement of comprehensive income	23	23	25
Balance sheet	25	25	27
Statement of changes in equity	24	24	26
Cash flow statement	26	26	28
Notes to the financial statements (including accounting policies)	27–39	27–39	29–39
Independent auditors' report	22	22	24

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 August 2010, 31 August 2011 and 31 August 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 annual reports and accounts.

<i>Nature of Information</i>	<i>Annual Report and Accounts for Year Ended 31 August</i>		
	<i>2010 Page No(s)</i>	<i>2011 Page No(s)</i>	<i>2012 Page No(s)</i>
Financial highlights	2	2	2
Investment portfolio	7–8	7–8	9–10
Sector/geographical analysis of portfolio	6	6	8
Chairman’s statement	3–4	3–4	4–5
Investment Manager’s Review	5–6	5–6	6–8
Directors’ report (including business review)	9–16	9–16	11–18
Directors’ remuneration report	17	17	19

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 August 2010, 31 August 2011 and 31 August 2012 (as filed with the UK Listing Authority) are available for inspection at the addresses set out in paragraph 13 of Part VII of this Prospectus. The information in such annual reports and accounts not incorporated by reference into paragraph 2 of this Part VI is either covered elsewhere in this Prospectus or is not relevant for the purposes of prospective investors considering investment in the C Shares.

3. Published Unaudited Half-year Report for Six Months Ended 28 February 2013

3.1 Introduction

The Company published an unaudited half-year report for the six months ended 28 February 2013, which included comparative financial information for the six months ended 29 February 2012 and for the year ended 31 August 2012.

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 28 February 2013 (and, for the purpose of comparison, as at 31 August 2012 in the case of the capital information and for the six months ended 31 August 2012 in the case of the revenue information), which has been extracted without material adjustment from the unaudited half-year report of the Company for that period.

<i>Capital</i>	<i>As at 31 August 2012</i>	<i>As at 28 February 2013</i>
Investments at fair value (£’000)	299,377	386,363
Current assets (£’000)	17,053	23,270
Current liabilities (£’000)	(26,106)	(38,146)
Net assets (£’000)	290,324	371,487
NAV per Ordinary Share	165.18p	200.49p
Number of Ordinary Shares in issue	175,764,500	185,289,500

	<i>Six Months Ended 29 February 2012</i>	<i>Six Months Ended 28 February 2013</i>
<i>Revenue</i>		
Investment income (£'000)	5,651	6,798
Total expenses charged to revenue (£'000)	(533)	(644)
Profit before finance costs and tax (£'000)	25,657	72,134
Profit before tax (£'000)	25,497	71,586
Profit for the period (£'000)	25,247	71,138
Earnings per Ordinary Share	14.98p	39.48p
Dividends per Ordinary Share		
Recognised in respect of period	2.70p	2.95p
Paid in the period	3.70p	4.10p
Weighted average number of Ordinary Shares in issue throughout period	168,503,374	180,171,820

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 28 February 2013 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-year report for that period.

<i>Nature of Information</i>	<i>Half-year Report for Six Months Ended 28 February 2013 Page No(s)</i>
Statement of comprehensive income	8
Statement of changes in equity	9
Balance sheet	10
Cash flow statement	11
Notes to the accounts	12

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

The published unaudited half-year report of the Company for the six months ended 28 February 2013 include 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-year report for the six months ended 28 February 2013.

<i>Nature of Information</i>	<i>Page No(s)</i>
Financial highlights	2
Ten Largest Investments	2
Interim Management Report	3

Investors should note that statements regarding current circumstances and forward-looking statements made in the Company's half-year report referred to in the table above speak as at the date of the half-year report and therefore, such statements do not necessarily remain up-to-date at the date of the 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-Year Report for Inspection**

Copies of the published half-year report of the Company for the six months ended 28 February 2013 (as filed with the UK Listing Authority) are available for inspection at the addresses set out in paragraph 13 of Part VII of this Prospectus. The information in such half-year report not incorporated by reference into paragraph 3 of this Part VI is either covered elsewhere in the

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 3 May 2013 (being the latest practicable date prior to the publication of this Prospectus).

<i>Shareholders' Equity</i>	<i>£'000</i>
Share Capital	62,194
Other Reserves	320,015
Total	<u>382,209</u>

The following table, which has been extracted from the Company's internal accounting records, without material adjustment, shows the unaudited indebtedness of the Company (distinguished between guaranteed and unguaranteed, secured and unsecured indebtedness) at 3 May 2013 (being the latest practicable date prior to the publication of this Prospectus).

<i>Total Current Debt</i>	<i>£'000</i>
Guaranteed	–
Secured	23,634
Unguaranteed	–
Total	<u>23,634</u>

<i>Total Non-current Debt</i>	
Guaranteed	–
Secured	–
Unguaranteed/Unsecured	–
Total	<u>–</u>

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 3 May 2013 (being the latest practicable date prior to the publication of this Prospectus):

	<i>£'000</i>
A. Cash	5,065
B. Cash equivalents	–
C. Trading securities	–
D. Liquidity (A + B + C)	<u>5,065</u>
E. Current financial receivable	<u>–</u>
F. Current bank debt	23,634
G. Current portion of non-current debt	–
H. Other current financial debt	–
I. Current financial debt (F + G + H)	<u>23,634</u>
J. Net current financial indebtedness (I – E – D)	<u>18,569</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>18,569</u>

5. Significant Change

There has been no significant change in the financial or trading position of the Company since 28 February 2013, being the end of the last financial period for which the interim financial information has been published.

6. 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).

PART VII

ADDITIONAL INFORMATION

1. Incorporation

The Company was incorporated as a company limited by shares in Guernsey under the Companies (Guernsey) Law, 1994 (as amended) (the “**1994 Law**”), with registration number 43298 on 17 June 2005. With the repeal of the 1994 Law, the Company re-registered as a non-cellular company limited by shares in Guernsey under the Companies (Guernsey) Law, 2008 (as amended) on 11 September 2008. Its registered office and its principal place of business is at Trafalgar Court, Les Banques, St Peter Port, Guernsey. It is domiciled in Guernsey. The statutory records of the Company are kept at this address. The Company operates under the Companies Law and ordinances and regulations made thereunder. The Company is not regulated by the FCA or by any other regulator (other than the GFSC).

The Company’s accounting period ends on 31 August each year. The audited annual accounts are provided to Shareholders within three months of the year end to which they relate. Unaudited half-year reports, made up to 28 February (or 29 February in the case of a leap year) in each year are published by the end of April of each year. The Company also produces interim management statements in accordance with the Disclosure Rules and Transparency Rules. The Company held its most recent annual general meeting on 10 December 2012.

There has been no significant change in the financial or trading position of the Company since 28 February 2013, the date of the Company’s historical financial information set out in Part VI of this Prospectus.

The Company has no employees.

2. Share capital

The following table shows the issued share capital of the Company (which has been created under Guernsey law and is denominated in pounds sterling) (i) as at the latest practicable date before the publication of this document; and (ii) immediately following the Issue (assuming that the Placing, Open Offer and Offer for Subscription is subscribed in full and the Directors have used their discretion to increase the size of the Issue to a maximum of 150 million C Shares). No Ordinary Shares are currently held in treasury:

	<i>Issued and fully paid</i>	<i>Number</i>	<i>Authorised</i>	<i>Number</i>
(i) Current				
– Ordinary Shares	£1,903,145	190,314,500	£2,500,000	250,000,000
(ii) Proposed				
– Ordinary Shares	£2,093,145	209,314,500	£2,500,000	250,000,000
– C Shares	£1,500,000	150,000,000	£1,500,000	150,000,000

The C Shares and the Ordinary Shares will be in registered form and will be capable of being held in uncertificated form. None of the C Shares are being marketed or made available in whole or in part to the public in conjunction with the applications for Admission other than pursuant to the Issue. None of the Ordinary Shares being placed with Numis are being marketed or made available in whole or in part to the public in conjunction with the applications for Admission

The C Shares and the Ordinary Shares to be issued pursuant to the Issue are being issued at a price of £1.00 per share, representing a premium of 99p over the nominal value of £0.01 each.

The following table shows the share capital history detailing the aggregate number of shares issued during each of the Company’s annual or half-year financial periods, as applicable, since 1 September 2009:

<i>Period Ending Date</i>	<i>Shares Issued</i>	<i>Total Number of Shares in Issue</i>
31 August 2010 (beginning 1 September 2009)	7,100,000	160,434,500
31 August 2011	5,845,000	166,279,500
31 August 2012	9,485,000	175,764,500
28 February 2013	9,525,000	185,289,500

- (a) The authorised share capital of the Company on incorporation was £10,000 divided into 1 million shares of £0.01 each. On incorporation, 2 Ordinary Shares were issued, fully paid to the subscribers to the Memorandum of Association. On 14 July 2005, the authorised share capital of the Company was increased to £2,500,000 by ordinary resolution of the Company.
- (b) On 17 December 2010, the Memorandum of Incorporation of the Company was amended by special resolution so as to, amongst other things, remove the requirement for the Company to have an authorised share capital. On the same date, the Articles of Incorporation of the Company were amended by special resolution to provide, amongst other things, that the Company has the power to issue an unlimited number of Ordinary Shares of £0.01 each.
- (c) The C Shares will be issued and created in accordance with the Articles and the Companies Law.
- (d) The C Shares are in registered form and, from Admission, will be capable of being held in uncertificated form and title to such C Shares may be transferred by means of a relevant system (as defined in the CREST Regulations). Where the C Shares are held in certificated form, share certificates will be sent to the registered members or their nominated agent (at their own risk) within 10 days of the completion of the registration process or transfer, as the case may be, of the C Shares. Where C Shares are held in CREST, the relevant CREST stock account of the registered members will be credited.
- (e) None of the actions specified in paragraph 2(e) above shall be deemed an action requiring the approval of Ordinary Shareholders pursuant to the rights attached to the Ordinary Shares.
- (f) No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.

3. Subsidiaries

The Company has no subsidiary undertakings.

4. Directors' and other interests

- (a) The Directors names are set out in Part III of this Prospectus.
- (b) As at the date of this Prospectus, save as disclosed in sub-paragraph (i) of this paragraph 4 and in paragraph 9 below, none of the Directors or any person connected with any of the Directors, the Investment Manager or Ernst & Young LLP (the auditor to the Company) has a shareholding or any other interest in the share capital of the Company. Such persons may, however, subscribe for C Shares pursuant to the Issue.
- (c) The aggregate remuneration of the Directors in respect of the Company's accounting period ending on 31 August 2013, which will be payable out of the assets of the Company, are not expected to exceed £150,000. Each of the Directors will be entitled to receive £25,000 per annum other than the Chairman, who will be entitled to receive £30,000 per annum, and the Audit Committee Chairman, who will be entitled to receive £27,750 per annum, subject in each case to annual review by the Board. The Directors shall also be entitled to be paid all reasonable expenses properly incurred by them in attending general meetings, board or committee meetings or otherwise in connection with the performance of their duties.
- (d) Additional payments may be made to Directors from time to time in the event that a Director is required to commit more time to his or her role with the Company than is anticipated in his or her letter of appointment. Save as disclosed in this paragraph 4, no Director is entitled to any remuneration or benefits in kind from the Company.

In connection with the performance of their duties in connection with the Issue, each Director is entitled to an allowance of up to £5,000 per Director.

- (e) No Director has a service contract with the Company, nor are any such contracts proposed. Each of the Directors has been appointed under an annual letter of appointment from the Company terminable on 1 month's notice. At the date of this document, the Company has not awarded any share options or long-term performance incentives to any of the Directors. No element of the Directors' remuneration is performance related.

- (f) None of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or which has been effected by the Company since its incorporation. A Director, notwithstanding his interest, may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any such office or place of profit under the Company, or where the terms of appointment are arranged or any contract in which he is interested is considered and he may vote on any such appointment or arrangement other than his own appointment or the terms thereof.
- (g) The Company provides a deed of indemnity to each Director to the extent permitted by Guernsey law whereby the Company is able to indemnify such Director against any liability incurred in proceedings in which the Director is successful, and for costs in defending a claim brought against the Director for breach of duty where the Director acted honestly and reasonably.
- (h) In addition to their directorships of the Company, the Directors hold or have held the directorships and are or were members of the partnerships, as listed in the table below, over or within the past five years.

<i>Name</i>	<i>Current directorships/partnerships:</i>	<i>Previous directorships/partnerships over the last five years:</i>
Robert Sinclair	Abbeygate Resources Limited Adelphi Management Limited Alufer Mining Limited Antilles Windward Holdings Limited APN Management Limited Aquaterra Group SA Artemis Holdings Limited Benzu Resources Limited Bibby Ship Management Services Limited Bravo Securities Limited Brefney Investment Holdings Limited Centrale Oil & Gas Limited Chadstone Management Inc. Chariot Oil & Gas Limited Commonwealth SPC DDS Lime BV Delstone Management Limited DH Property Holdings Limited Financial and International Investment Group Limited Flow East Limited Fortuitous Limited Genel Energy Holding Company Limited Gerel Investment Corp GMS Guernsey Pension Plans Limited Golden Square Investments Limited GRP Investments Limited Guinness Energy Fund Limited Guinness Energy Master Fund Limited Hallborough International Limited Helios Oil & Gas Limited Hightrees Inc Jermyn Pte Limited JNR Limited Kaouat Iron Limited Kilrieco Limited	31SJP Investments Limited Alufer Limited Anghiti Holdings Limited Arcus European Infrastructure Fund GP Artemis, Chartered Accountants Aruana Inc Ashtone Investments Limited Atticus Management Limited Barents Global Fund Ltd Barnes Properties Limited Beleta Worldwide Limited Bella Resources Limited Bibby Offshore (Guernsey) Limited Bibby Ship Management (Guernsey) Limited BIL (SCB) Holdings Limited Breezes Beach Club Limited (BVI) Breezes Beach Club Limited (Gsy) Brookdelle Limited Calpurnia Partners Ltd Centenary Investments Limited Chromex Mining PLC CHS Aviation Limited Churchmore Limited CoMiCo (BVI) Limited Coupland Overseas Limited Crocketfort Limited Delta Securities Holdings Limited Devoran Trustees Limited DFDS Tor Line (Guernsey) Limited Diamond Worldwide Finance Limited Duinn Limited Evans Randall Capital Partners International Limited Evans Randall International Limited First CHT Limited Foreland Shipping (Guernsey) Limited Genel Energy Limited

<i>Name</i>	<i>Current directorships/partnerships:</i>	<i>Previous directorships/partnerships over the last five years:</i>
Robert Sinclair <i>(continued)</i>	Kirkland Limited	Global Drilling and Production Limited
	Lawon Trading Corp	Global High Yield Bond Trust Limited (went into solvent liquidation after resignation)
	Lunga Resources (BVI) Limited	Goldworthy Investments Limited
	Management Construction & Technical Services Sarl	Gottex Market Neutral Trust Limited (went into solvent liquidation after resignation)
	Mantova Limited	Greendale Universal Holdings Limited
	Matobo Energy Holdings Limited	Hallbough Investments Limited
	Merrydown Properties Inc	Hanover Group Limited
	Millennium Group Holdings Limited	Hebridean (Guernsey) Limited
	Montessa Investments Limited	Holland Holdings Limited
	Narrowpeak Consultants Limited	Hotel Tourism Management Limited
	Ottilia Investments Limited	Inprop Management Limited
	Pella Resources Limited	International Copper Resources Limited
	Pennycross Limited	IRET Securities Limited (went into solvent liquidation after resignation)
	Pichard Holdings Limited	Kahill Holdings Limited
	Picton Property Income Limited	Kilvarock Limited
	Pilden Holding Inc.	Kiribati Investments Limited
	Rainbow International Resources Limited	Life Science Capital Limited
	Rainbow Rare Earths Limited	Life Science Investments Limited
	Razario Resources Ltd	Madini Resources Limited
	Red Earth Resources Limited	Mandley Enterprises Limited
	Scout Aviation (Bermuda) Limited	Maritime Adriatic Limited
	Sirius Investment Management (GP) Limited	Matsu Overseas Limited
	Sirius Real Estate Limited	Miranda Properties Limited
	Solaris Limited	Mukuba Resources Limited
	South Sudan Oil Company Limited	Narcissus Investments Limited
	SPDI SECURE PROPERTY Development & Investment Plc	Navite Holdings Limited
	St James's Limited	New Earth Holdings Limited
	St James's Master Fund Limited	NFL Catering Services Limited
	Tintoretto Limited	NR Securities Limited
	Toro East Africa Limited	Opus Investments Limited
	Toro Gold Limited	Park Capital Limited
	Ufford PCC Limited	Pearltona Enterprises Limited
	Vallares Advisers GP Limited	Postillion Investments Limited
	Zodiac Business Corp	Premier Limited
		Pritchard-Gordon Tankers (Guernsey) Limited
		Proctor International Limited
		R.M.S. Investments Limited
		Rainbow Group Services Limited
		Revax Art Investment Limited
		Rosanna Resources Limited
		Rugby Estates Investment Trust PLC (went into solvent liquidation after resignation)
		Rushington Investments Limited
		Sanderton Limited
		South Sudan Mining Company Limited

<i>Name</i>	<i>Current directorships/partnerships:</i>	<i>Previous directorships/partnerships over the last five years:</i>
Robert Sinclair <i>(continued)</i>		Stadun Limited Terracina Properties Limited Thunderbird Management Limited Toro Gold Gabon Limited Travino Ventures Limited Unipro International Limited United European Car Carriers (Guernsey) Limited Vallar Holding Company Limited Vallares PLC VB Investments Limited Veradale Group Limited Voltaire Distribution Limited Webster Finance Corporation Limited Wotan Limited Yrrah Investments Limited Zenta Investments Limited Zimvest Limited
Peter Rigg	GEMS II GEMS III Polarcus Limited	GEMS Limited
Fergus Dunlop	Aqua Resources Fund Limited Perella Weinberg Real Estate Fund II GP Limited Princess Private Equity Holding Limited	Ariadne Vermoegensverwaltung GmbH Avoca Senior Loans Europe Limited Industri Kapital 2000 Limited Industri Kapital 2004 Limited Industri Kapital 2007 Limited Partners Group Private Real Estate Opportunities Limited Pasiphae Vermoegensverwaltung KG Resolution Holdings (Guernsey) Limited Resolution Limited Sanctuary Master Fund Limited Signet Global Fixed Income Strategies Limited Westcliffe Capital Limited

<i>Name</i>	<i>Current directorships/partnerships:</i>	<i>Previous directorships/partnerships over the last five years:</i>
Christopher Sherwell	Alternative Liquidity Solutions Limited (formerly known as Saltus European Debt Strategies Limited) Baker Steel Resources Trust Limited Burnaby Insurance (Guernsey) Limited Guernsey Community Foundation LBG F&C UK Real Estate Investments Limited (formerly known as IRP Property Investments Limited) NB Distressed Debt Investment Fund Limited NB Private Equity Partners Limited Raven Russia Limited Renshaw Bay Limited Rufford & Ralston PCC Limited Strategic Investment Portfolio GP Limited The Clifford Estate (Chattels) Limited The Clifford Estate Company Limited The Prospect Japan Fund Limited	Alternative Asset Opportunities PCC Limited BSKyB Guernsey Limited Cayuga Global Macro Fund Limited (in solvent voluntary liquidation) Ciel Bleu Limited Ciel Clair Limited Collins Stewart (CI) Limited Consulta (Channel Islands) Limited Consulta Alternative Strategy Fund PCC Ltd (in solvent voluntary liquidation) Consulta Canadian Energy Fund Limited Consulta Capital Fund PCC Limited (in solvent voluntary liquidation) Consulta Collateral Fund PCC Limited (in solvent voluntary liquidation) Consulta High Yield Fund PCC Limited (in solvent voluntary liquidation) Corazon Capital Group Limited Dexion Equity Alternative Limited (in solvent voluntary liquidation) DP Property Europe Limited EMP Europe (CI) Limited FF&P Alternative Strategy PCC Ltd Fox Paine Guernsey GP Limited Goldman Sachs Dynamic Opportunities Limited (in solvent voluntary liquidation) Henderson Global Property Companies Limited Hermes Alternative Investment Funds plc (formerly known as Hermes Commodities Umbrella Fund Limited) Hermes Absolute Return Fund (Guernsey) Limited (in solvent voluntary liquidation) JP Morgan Progressive Multi-Strategy Fund Limited (in solvent voluntary liquidation) Mid Europa III Management Limited New Star RBC Hedge 250 Index Exchange Traded Securities PCC Ltd (in solvent voluntary liquidation) Prodesse Investment Limited (in solvent voluntary liquidation) Schroders (C.I.) Limited

- * Incorporated in Guernsey;
- ** Incorporated in the British Virgin Islands;
- *** Incorporated in Malta;
- **** Incorporated in Bermuda;
- ***** Incorporated in the Republic of Ireland.

- (i) As at the date of this Prospectus:
- (i) There are no potential conflicts of interest in relation to the Directors, the Investment Manager or Ernst & Young LLP (as the auditor to the Company) between any duties to the Company and any private interests and/or other duties. There are no lock-up provisions regarding the disposal by any of the Directors of any C Shares;
 - (ii) None of the Directors has had any convictions in relation to fraudulent offences for at least the previous five years;
 - (iii) Save as disclosed above, none of the Directors was a director of a company, a member of a partnership or an administrative, management or supervisory body or a senior manager of a company within the previous five years which has entered into any bankruptcy, receivership or liquidation proceedings;
 - (iv) None of the Directors has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years;
 - (v) None of the Directors are aware of any contract or arrangement subsisting in which they are materially interested and which is significant to the business of the Company which is not otherwise disclosed in this Prospectus; and
 - (vi) The Directors' interests in the Company's share capital as at 7 May 2013 the last practicable date prior to the date of this Prospectus:

<i>Director</i>	<i>Ordinary shares of 1p each</i>
Robert Sinclair	10,000
Fergus Dunlop	10,000
Peter Rigg	10,000
Christopher Sherwell	10,000

- (j) The Company maintains directors' liability insurance on behalf of the Directors.
- (k) No personnel of the Investment Manager have any service contracts with the Company.

5. Taxation

General

The information below relates only to United Kingdom and Guernsey taxation 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 the United Kingdom or Guernsey for taxation purposes and who hold Shares as an investment (and not for the purposes of a trade) and who are the absolute beneficial owners of the Shares. It is based on current United Kingdom and Guernsey tax law and published practice of the United Kingdom and Guernsey tax authorities, respectively, which law or practice is, in principle, subject to any subsequent changes therein (potentially with retrospective effect). Certain Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring their Shares in connection with their employment, may be taxed differently and are not considered.

The tax consequences for each Shareholder of investing in the Company may depend upon the Shareholder's own tax position and upon the relevant laws of any jurisdiction to which the Shareholder is subject. If you are in any doubt about your tax position, you should consult your professional adviser.

United Kingdom

(a) The Company

The Directors conduct the affairs of the Company in such a way that it should not be resident in the United Kingdom for United Kingdom tax purposes. Accordingly, and provided that the

Company does not carry on a trade in the United Kingdom (whether or not through a branch, agency or permanent establishment situated therein) and is not centrally managed and controlled in the United Kingdom, the Company will not be subject to United Kingdom income tax or corporation tax other than on any United Kingdom source income.

As the Company is a closed ended company and there is no guarantee or undertaking being given that could give rise to an expectation that a reasonable investor could realise their investment either entirely or almost entirely by reference to NAV (or by reference to an index), it is not expected that the Company will be treated as an “offshore fund” for the purposes of United Kingdom taxation.

(b) *Shareholders*

(i) UK Offshore Fund Rules

The Company should not, and each separate class of Shares should not, be an “offshore fund” for the purposes of United Kingdom taxation and the legislation contained in Part 8 of the Taxation (International and Other Provisions) Act 2010 (“TIOPA 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 a redemption and on final liquidation of the Company).

(ii) Tax on Chargeable Gains

A disposal or deemed disposal of Shares (which will include a redemption) by a Shareholder who is resident or, in the case of an individual, ordinarily resident in the United Kingdom for United Kingdom tax purposes or who is not so resident but carries on business in the United Kingdom through a branch, agency or permanent establishment with which their investment in the Company is connected 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 tax of 18 per cent. (for basic rate taxpayers) or 28 per cent. (for higher or additional rate taxpayers) will be payable on any gain. Individuals may benefit from certain reliefs and allowances (including a personal annual exemption allowance, which presently exempts the first £10,900 of gains from tax for the tax year 2013-14) depending on their circumstances. For Shareholders that are bodies corporate, any gain will be within the charge to corporation tax.

Shareholders which are liable to UK corporation tax on any gain will 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.

The conversion of Shares of one class into Shares of another class should not result in a disposal of Shares for the purposes of United Kingdom taxation of chargeable gains, provided the economic interest held by the Shareholder remains the same after the transaction. Instead, the redesignated Shares should be treated as the same asset as the original holding of Shares, acquired at the same time and for the same chargeable gains base cost as the original holding.

(iii) Dividends

Individual Shareholders resident in the United Kingdom for tax purposes will be liable to UK income tax in respect of dividends or other income distributions of the Company. An individual Shareholder resident in the UK for tax purposes and in receipt of a dividend from the Company will, provided they own less than ten per cent. of the Shares, be entitled to claim a non-repayable dividend tax credit equal to one-ninth of the dividend received.

The effect of the dividend tax credit would be to extinguish any further tax liability for eligible basic rate taxpayers (who currently pay tax at the dividend ordinary rate of 10 per cent.). The effect for current eligible higher rate taxpayers (who pay tax at the current dividend rate of 32.5 per cent.) would be to reduce their effective tax rate to 25 per cent. of the cash dividend received.

An additional rate of income tax applies for United Kingdom resident individuals with income in excess of £150,000. Such individuals will pay 37.5 per cent. on dividends received (reduced to 30.6 per cent. for eligible taxpayers as a result of applying the tax credit).

Shareholders who are bodies corporate and are within the charge to UK corporation tax may be able to rely on legislation in Part 9A of the Corporation Tax Act 2009, which exempts certain classes of dividends.

(iv) Other United Kingdom Tax Considerations: Controlled Foreign Companies (CFCs)

United Kingdom resident companies having an interest in the Company, such that 25 per cent. or more of the Company's profits (excluding chargeable gains) for an accounting period could be apportioned to them, may be liable to United Kingdom corporation tax in respect of their share of the Company's profits in accordance with the provisions of Chapter IV of Part XVII of the Income and Corporation Taxes Act 1988, as amended.

The CFC legislation described above will be replaced by CFC legislation ("New CFC Legislation") that is contained in Part 9A of the TIOPA 2010 with effect from the Company's next accounting period (beginning on 1 September 2013). The New CFC legislation affects United Kingdom resident companies which are deemed to be interested (whether directly or indirectly) in at least 25 per cent. of the profits of a non-resident company which is controlled by residents of the United Kingdom and is resident in a low tax jurisdiction. The legislation is not directed towards the taxation of chargeable gains.

(v) Other United Kingdom Tax Considerations: Transfer of Assets Abroad

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. These provisions are aimed at preventing the avoidance of income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled abroad, and may render them liable to taxation in respect of undistributed income and profits of the Company on an annual basis. These provisions also apply to individuals ordinarily resident in the United Kingdom but domiciled outside the United Kingdom, unless they are claiming assessment to United Kingdom income tax on the remittance basis of taxation. The Finance (No. 2) Bill published on 28 March 2013 includes amendments to certain aspects of the anti-avoidance provisions described in the preceding paragraph. Depending upon the final form of legislation enacted, the position of Shareholders in relation to the provisions in the preceding paragraph could be different to that set out above.

(vi) Other United Kingdom Tax Considerations: Close Company Provisions

The attention of Shareholders resident (or, in the case of individuals, ordinarily resident) in the United Kingdom (and who, if individuals, are also domiciled in the United Kingdom) is drawn to provisions of the Taxation of Chargeable Gains Act 1992 which could be material to such a person who, whether alone or together with certain connected persons, holds more than 10 per cent. of the Shares if, at the same time, the Company is controlled in such a manner as to render it a company that would, were it to be resident in the United Kingdom, be a close company for United Kingdom tax purposes. If applicable, these provisions could result in such a Shareholder being treated for the purposes of United Kingdom taxation as if a proportionate part of any gain accruing to the Company had accrued to that person at the time when the chargeable gain accrued to the Company. The Finance (No. 2) Bill published on 28 March 2013 includes amendments to certain aspects of the anti-avoidance provisions described in the preceding paragraph. In particular, it is proposed that the threshold for an attribution to be made under section 13 be increased to

one-quarter (from one-tenth) of the relevant gain and that a motive test be introduced such that section 13 would not apply where the asset giving rise to the gain was neither disposed of nor acquired or held as part of a scheme or arrangements having a tax avoidance main purpose. It is expected that subject to Royal Assent, these amendments will have effect for disposals made on or after 6 April 2012. Depending upon the final form of legislation enacted, the position of Shareholders in relation to the provisions in the preceding paragraph could be different to that set out above.

(vii) Open Offer

HM Revenue & Customs's published practice is to treat a subscription for shares by an existing shareholder up to his *pro rata* entitlement pursuant to the terms of an open offer as a reorganisation of share capital such that their original shares and the new C Shares will be treated as the same asset acquired at the time the original shares were acquired, and the base cost of the original shares and the new C Shares will be spread *pro rata* across their entire holding. To the extent that the original shares and the new C Shares represent more than one class of shares, the base cost will need to be apportioned by reference to the quoted market value of each class of share.

Any C Shares subscribed for in excess of the minimum entitlement will, however, be treated as a separate acquisition, and their base cost will only be deductible upon disposal of such new shares.

(viii) Offer for Subscription

Any C Shares subscribed for by an Existing Shareholder under the Offer for Subscription will be treated as a separate acquisition, and the Existing Shareholder's base cost will only be deductible upon disposal of such new shares.

(ix) Placing

The issue of C Shares pursuant to the Placing will not constitute a reorganisation of the share capital of the Company for the purposes of the UK taxation of chargeable gains and, accordingly, any C Shares so acquired will be treated as acquired as part of a separate acquisition of C Shares.

(x) Conversion of C Shares

The subsequent conversion of C Shares into Ordinary Shares will also constitute a reorganisation of the Company's share capital and would not, therefore, result in any disposal by the Shareholders of the C Shares for the purposes of UK tax on chargeable gains. Instead, the new Ordinary Shares would be regarded as the same asset as the C Shares, acquired on the same date and for the same consideration as such C Shares were deemed to be acquired. The base cost of the C Shares will be divided between the new Ordinary Shares arising upon conversion in proportion to the respective market values of those shares.

(c) *Stamp duty and Stamp Duty Reserve Tax*

The following comments are intended as a guide to the general stamp duty and SDRT position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services, to whom special rules apply.

No UK stamp duty or stamp duty reserve tax ("SDRT") will arise on the issue of Shares. No UK stamp duty will be payable on a transfer of Shares, provided that all instruments effecting or evidencing the transfer (or all matters or things done in relation to the transfer) are not executed in the United Kingdom and no matters or actions relating to the transfer are performed in the United Kingdom.

Provided that the Shares are not registered in any register kept in the United Kingdom by or on behalf of the Company and that the Shares are not paired with shares issued by a Company

incorporated in the United Kingdom, any agreement to transfer the Shares will not be subject to UK SDRT.

(d) *ISAs and SSAS/SIPPs*

Investors resident in the United Kingdom who are considering acquiring C Shares are recommended to consult their own tax and/or investment advisers in relation to the eligibility of the C Shares for ISAs and SSAS/SIPPs.

C Shares acquired pursuant to the Offer for Subscription (but not the Placing) should be eligible for inclusion in a stocks and shares ISA. C Shares acquired pursuant to the Open Offer should be eligible for inclusion in a stocks and shares ISA insofar as the C Shares are acquired under the Open Offer by the ISA Manager using cash within the stocks and shares ISA. On Admission, C Shares acquired in the market should be eligible for inclusion in a stocks and shares ISA, subject to applicable subscription limits.

The annual ISA investment allowance is £11,520 for the tax year 2013-2014. Up to £5,760 of that allowance can be invested as cash with one provider. The remainder of the £11,520 can be invested in a stocks and shares ISA with either the same or another provider.

The C Shares should be eligible for inclusion in a SSAS or SIPP, subject to the discretion of the trustees of the SSAS or SIPP, as the case may be.

If any Shareholder is in doubt as to his or her taxation position, they are strongly recommended to consult an independent professional adviser without delay.

Guernsey

(a) *The Company*

Under current law and practice in Guernsey, the Company is eligible for and has been granted exemption from Income Tax in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 (the "Ordinance"). Under the provisions of the Ordinance, the Company will be treated as if it were not resident in Guernsey for the purposes of liability to Guernsey income tax and will not be liable to income tax in Guernsey save in respect of income arising in Guernsey (other than bank deposit interest). It is anticipated that no income other than bank deposit interest will arise in Guernsey and therefore the Fund should not incur any additional liability to Guernsey tax. It is intended to conduct the affairs of the Company so as to ensure it retains such exempt status which is granted on application on an annual basis and on payment of the annual fee, currently £600 per application, and provided the Company continues to qualify under the applicable legislation for exemption.

Guernsey currently does not levy taxes upon capital inheritances, capital gains, gifts, sales or turnover (unless the varying of investments and the turning of such investments to account is a business or part of a business), nor are there any estate duties, (save for registration fees and *ad valorem* duty for a Guernsey Grant of Representation where the deceased dies leaving assets in Guernsey which require presentation of such a Grant).

No stamp duty is chargeable in Guernsey on the issue, transfer or redemption of shares in the Company.

Future Changes

The Company could be subject to the Foreign Account Tax Compliance Act ("FATCA"). The application of FATCA to payments made with respect to the Ordinary Shares is not clear.

On 9 October 2012 the Chief Minister of Guernsey announced the intention of the States of Guernsey to negotiate an inter-governmental agreement with the U.S. regarding the implementation of FATCA. The Chief Minister said that discussions had taken place at official level with the U.S. and formal negotiations are currently on going. Once signed, an intergovernmental agreement will be subject to ratification by Guernsey's parliament and implementation of the agreement will be through Guernsey's domestic legislative procedure.

FATCA is particularly complex and its application to the Company, the Ordinary Shares and the Shareholders is uncertain at this time. Each Shareholder should consult his or her own tax adviser to obtain a more detailed explanation of FATCA and to learn how this legislation might affect his or her particular circumstance.

In keeping with its ongoing commitment to meet international standards, Guernsey is currently undertaking a review of its corporate tax regime. Until such time as the review is complete, the existing corporate tax regime remains in place. At the date of this document, no announcements have been made regarding specific changes to Guernsey's tax regime or the time of implementation of any changes that may arise as a result of the review.

European Savings Directive

Although not a Member State of the European Union, Guernsey, in common with certain other jurisdictions, entered into agreements with EU Member States on the taxation of savings income. From 1 July 2011 paying agents in Guernsey must automatically report to the Director of Income Tax in Guernsey any interest payment to individuals resident in the contracting EU Member States which falls within the scope of the EU Savings Directive (2003/48/EC) (the "Directive") as applied in Guernsey. However, whilst such interest payments may include distributions from the proceeds of shares or units in certain collective investment schemes which are equivalent to a UCITS, guidance notes issued by the States of Guernsey on the implementation of the bilateral agreements indicate that the Company is not equivalent to a UCITS. Accordingly, any payments made by the Company to Shareholders will not be subject to reporting obligations pursuant to the agreements between Guernsey and EU Member States to implement the Directive in Guernsey.

The scope and operation of the Directive is currently being reviewed in accordance with the European Council's findings published on 13 November 2008. Any review will affect EU Member States. Guernsey, along with other dependent and associated territories, will consider the effect of any proposed changes to the Directive in the context of existing bilateral treaties and domestic law, once the outcome of that review is known. If changes are implemented, the position of Shareholders in relation to the Directive as applied in Guernsey may be different to that set out above.

(b) *Shareholders*

Shareholders resident in Guernsey

Shareholders who are resident for tax purposes in Guernsey (which includes Alderney and Herm) will incur Guernsey income tax at the applicable rate on a distribution paid to them by the Company. The Company will be required to provide the Director of Income Tax in Guernsey such particulars relating to any distribution paid to Guernsey resident Shareholders as the Director of Income Tax may require, including the names and addresses of the Guernsey resident Shareholders, the gross amount of any distribution paid and the date of the payment. Provided the Company maintains its exempt status, there would currently be no requirement for the Company to withhold tax from the payment of a distribution to a Guernsey resident Shareholder.

Shareholders not resident in Guernsey

In the case of Shareholders who are not resident in Guernsey for tax purposes and provided the Company maintains its exempt status the Company's distributions can be paid to such Shareholders without giving rise to a liability to Guernsey income tax, nor will the Company be required to withhold Guernsey tax on such distributions.

6. Memorandum and Articles of Incorporation

The objects of the Company are unrestricted by the Company's Memorandum of Incorporation.

The Articles of Incorporation of the Company contain, *inter alia*, provisions to the following effect:

(a) **Voting Rights**

Subject to the restrictions referred to below and subject to any special rights or restrictions for the time being attached to any class of shares, every member (being an individual) present in person or by proxy or (being a corporation) present by a duly authorised representative at a general meeting has, on a show of hands, one vote and, on a poll, one vote for every share held by him.

(b) **Restrictions on voting**

(i) A member of the Company shall not be entitled in respect of any share held by him to attend or vote (either personally or by proxy) at any general meeting or separate class meeting of the Company unless all amounts payable by him in respect of that share have been paid.

(ii) A member of the Company shall not, if the Directors so determine, be entitled in respect of any share held by him to attend or vote (either personally or by representative or by proxy) at any general meeting or separate class meeting of the Company or to exercise any other right conferred by membership in relation to any such meeting if he or any other person appearing to be interested in such shares has failed to comply with a notice requiring the disclosure of shareholder interests and given under the Articles (see (e) below) within 14 days, in a case where the shares in question represent at least 0.25 per cent. of the issued share capital, or within 28 days, in any other case, from the date of such notice. The restrictions will continue until the information required by the notice is supplied to the Company or until the shares in question are transferred or sold in circumstances specified for this purpose in the Articles.

(c) **Variation of rights**

If at any time the capital of the Company is divided into separate classes of share, the special rights attached to any class of shares may (unless otherwise provided by the terms of issue) be varied or abrogated with the consent in writing of the holders of three-fourths of the issued shares of the 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 one third of the issued shares of the class. Every holder of shares of the class concerned shall be entitled at such meeting to one vote for every share held by him on a poll. The special rights conferred upon the holders of any shares or class of shares issued with preferred, deferred or other special rights shall not be deemed to be varied by the creation of or issue of further shares ranking *pari passu* therewith or the exercise of any power under the disclosure provisions requiring shareholders to disclose an interest in the Company's shares as set out in the Articles. These provisions are more significant than is required under Guernsey law, as there are no statutory provisions under Guernsey law which impose conditions for the variation of class rights.

(d) **Issue of Shares**

(i) Subject to the provisions of the Articles as summarised in sub paragraph (ii) below and without prejudice to any special rights conferred on the holders of any class of shares, any share in the Company may be issued with or have attached thereto such preferred, deferred or other special rights, or such restrictions whether in regard to dividend, return of capital, voting or otherwise as the Company may from time to time by ordinary resolution determine and, subject to and in default of such resolution, as the Board may determine.

(ii) Subject to the Articles, and where the Board has resolved to issue only one class of shares, Directors may issue shares in accordance with the Laws.

(iii) Subject to the Articles, and where the Board has resolved to issue more than one class of shares, Directors are authorised by the Articles to allot, grant options over or otherwise dispose of them to such persons, at such times and generally on such terms and conditions as they determine, such authorisation to expire not more than five years from the date of the adoption of the articles unless such period is extended by ordinary resolution.

(iv) Subject to the Articles, all equity securities offered wholly for cash and all treasury shares that are equity securities being sold for cash shall prior to issue (or prior to sale, in the case of treasury shares) be offered, on the same or more favourable terms than those offered to other persons, to members in proportion to their existing holdings.

- (v) The Company may on any issue of shares pay such commission as may be fixed by the Board. The Company may also pay brokerages.
- (vi) No persons shall be recognised by the Company as holding any shares upon any interest other than an absolute right of the registered holder to the entirety of a share.

(e) **Notice requiring disclosure of interest in Shares**

The Directors may serve notice on any member requiring that member to disclose to the Company the identity of any person (other than the member) who has an interest in the shares held by the member. Any such notice shall require any information in response to such notice to be given within such reasonable time as the Directors may determine.

The Directors may be required to exercise their powers under the relevant Article on the requisition of members holding not less than one tenth of the paid up capital of the Company. If any member is in default in supplying to the Company the information required by the Company within the prescribed period (which is 28 days after service of the notice or 14 days if the shares concerned represent 0.25 per cent. or more in nominal value of the issued shares of the relevant class), the Directors in their absolute discretion may serve a direction notice on the member. The direction notice may direct that in respect of the shares in respect of which the default has occurred (the "default shares") the member shall not be entitled to vote in general meetings or class meetings. Where the default shares represent at least 0.25 per cent. of the class of shares concerned the direction notice may additionally direct that dividends on such shares will be retained by the Company (without interest) and that no transfer of the shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.

(f) **Transfer of Shares**

The Articles provide that the Directors may implement such arrangements as they may think fit in order for any class of shares to be admitted to settlement by means of the CREST UK system. If the Directors implement any such arrangement no provision of the Articles shall apply or have effect to the extent that it is in any respect inconsistent with:

- (i) the holding of shares of that class in uncertificated form;
- (ii) the transfer of title to shares of that class by means of the CREST UK system; or
- (iii) the CREST Guernsey Requirements.

Where any class of shares is for the time being admitted to settlement by means of the CREST UK system such securities may be issued in uncertificated form in accordance with and subject as provided in the CREST Guernsey Requirements. Unless the Directors otherwise determine, such securities held by the same holder or joint holder in certificated form and uncertificated form shall be treated as separate holdings. Such securities may be changed from uncertificated to certificated form and from certificated to uncertificated form in accordance with and subject as provided in the CREST Guernsey Requirements.

Title to such of the shares as are recorded on the register as being held in uncertificated form may be transferred only by means of the CREST UK system. Every transfer of shares from a CREST UK account of a CREST UK member to a CREST UK account of another CREST UK member shall vest in the transferee a beneficial interest in the shares transferred, notwithstanding any agreements or arrangements to the contrary however and whenever arising and however expressed.

Subject as provided below, any member may transfer all or any of his shares which are in certificated form by instrument of transfer in any form which the Directors may approve. The instrument of transfer of a share shall be signed by or on behalf of the transferor. The Directors may refuse to register any transfer of certificated shares unless the instrument of transfer is lodged at the registered office accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The Directors may refuse to register a transfer of any share which is not fully paid up or on which the Company has a lien. However, the Directors may not refuse to register a transfer where this would prevent dealings from taking place on an open and proper basis.

The Directors may also decline to register any transfer of Shares to, or require the transfer of any Shares which are or become owned, directly or indirectly by a US Person in circumstances which might cause or be likely to cause the Company to become subject to the registration requirements of the US Investment Company Act. Shareholders are required to notify the Company immediately in the event that they become US Persons.

The registration of transfers of certificated shares may be suspended at such times and for such periods as the Directors may from time to time determine provided that such suspension shall not be for more than 30 days in any year.

(g) ***Alteration of capital and purchase of Shares***

The Company may from time to time by ordinary resolution alter its share capital by such sum to be divided into such amount as the resolution may prescribe.

The Company may from time to time, subject to the provisions of the Companies Law, purchase its own shares in any manner authorised by the Companies Law. Shares which are purchased by the Company may be held as treasury shares provided that the number of shares of any class held as treasury shares must not at any time exceed 10 per cent. of the total number of issued shares of that class at any time.

The Company may by ordinary resolution alter its share capital in accordance with section 287 of the Companies Law.

(h) ***Interests of Directors***

- (i) Save as mentioned below, a Director may not vote or be counted in the quorum on any resolution of the Board (or a committee of the Directors) in respect of any matter in which he has (together with any interest of any person connected with him) a material interest (other than by virtue of his interest, directly or indirectly, in shares or debentures or other securities of the Company).
- (ii) A Director shall be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters:
 - (1) the giving of any 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 subsidiaries;
 - (2) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
 - (3) the offer of securities of the Company or its subsidiaries in which offer he is or may be entitled to participate or in the underwriting or sub underwriting of which he is to or may participate;
 - (4) any proposal concerning any other company in which he is interested, directly or indirectly, as an officer or shareholder or otherwise, provided that he, together with persons connected with him, is not to his knowledge the holder of or beneficially interested in 1 per cent. or more of any class of the equity share capital of any such company (or of the third company through which his interest is derived) or of the voting rights of such company;
 - (5) any arrangement for the benefit of employees of the Company or any of its subsidiaries which accords to the Director only such privileges and advantages as are generally accorded to the employees to whom the arrangement relates; or
 - (6) any proposal for the purchase or maintenance of insurance for the benefit of the Directors or persons including the Directors.

- (iii) Any Director may act by himself or by his firm in a professional capacity for the Company, other than as auditor, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
- (iv) Any Director may continue to be or become a director, managing director, manager or other officer or member of a company in which the Company is interested, and any such Director shall not be accountable to the Company for any remuneration or other benefits received by him.

(i) **Remuneration of Directors**

- (i) The Directors shall be remunerated for their services at such rate as the Directors shall determine provided that the aggregate amount of such fees shall not exceed £150,000 per annum (or such other sum as the Company in general meeting shall from time to time determine). The Directors shall also be entitled to be paid all reasonable expenses properly incurred by them in attending general meetings, board or committee meetings or otherwise in connection with the performance of their duties.
- (ii) A Director 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 on such terms as to tenure of office and otherwise as the Directors may determine.
- (iii) The Board may at any time appoint one or more of their body (other than a Director resident in the United Kingdom) to hold any executive office including the office of Managing Director on such terms and for such periods as they may determine.
- (iv) A Director, notwithstanding his interest, may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any such office or place of profit under the Company, or where the terms of appointment are arranged or any contract in which he is interested is considered and he may vote on any such appointment or arrangement other than his own appointment or the terms thereof.
- (v) The Directors may at any time appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall be eligible for re-election at the next annual general meeting following his appointment. Without prejudice to those powers, the Company in general meeting may appoint any persons to be Directors either to fill a casual vacancy or as an additional Director.

(j) **Retirement, disqualification and removal of Directors**

- (i) A Director shall not be required to hold any qualification shares.
- (ii) The office of Director shall be vacated if the Director resigns his office by written notice, if he shall have absented himself from meetings of the Board for a consecutive period of 12 months and the Board resolves that his office shall be vacated, if he becomes of unsound mind or incapable, if he becomes insolvent, suspends payment or compounds with his creditors, if he is requested to resign by written notice signed by all his co-Directors, if the Company in general meeting shall declare that he shall cease to be a Director, if he becomes resident in the United Kingdom and, as a result, a majority of the Directors are resident in the United Kingdom, or if he becomes ineligible to act as such under the Companies Law.
- (iii) At the annual general meeting in every year one-third of the Directors for the time being (after excluding any Director who is required to retire at that meeting pursuant to the Articles or any other provision of the Articles) or, if their number is not a multiple of three, then the number nearest to one-third, but not exceeding one-third, shall retire from office and shall be eligible for re-election.

The Directors to retire pursuant to this requirement shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors who are subject to retirement by rotation pursuant to the provisions of the Articles for the purposes of the meeting in question and who have at the date of the meeting been longest in office

since their last re-election or appointment, and so that as between persons who became or were last re-elected directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. In addition, any Director who would not otherwise be required to retire by rotation shall retire at the third annual general meeting after his last re-election or appointment. A retiring Director shall be eligible for re-election.

(k) **Dividends**

- (i) The Company in general meeting may declare a dividend but no dividend shall exceed the amount recommended by the Directors.
- (ii) No dividend shall be paid other than in accordance with the Laws and in particular, shall only be paid provided that the Company passes the solvency test as prescribed by the Laws.
- (iii) The Directors may if they think fit from time to time pay to the members such interim dividends as appear to be justified by the financial position of the Company.
- (iv) All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and the Company shall not be constituted a trustee thereof. No dividend shall bear interest against the Company. Any dividend unclaimed after a period of 12 years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.
- (v) The Ordinary Shares rank equally amongst themselves for dividends.

(l) **Winding-up**

- (i) The Company may be wound up at any time by special resolution and the Directors shall be bound to convene an extraordinary general meeting for the purpose of considering a special resolution for the winding-up of the Company if the GFSC's declaration that the Company is an authorised closed-ended collective investment scheme pursuant to Section 8(1) of the POI Law is revoked (unless the GFSC agrees otherwise).
- (ii) On a winding up, the assets remaining after payment of all creditors shall be divided *pari passu* among the members in proportion to the capital paid up or which ought to have been paid upon the shares held at the commencement of the winding up, subject to the rights of any shares which may be issued with special rights or privileges.
- (iii) On a winding up the liquidator may, with the authority of a special resolution, divide amongst the members *in specie* any part of the assets of the Company, and may set such value as he deems fair upon any one or more class or classes of property, and may determine the method of division of such assets between members. The liquidator may with like authority vest any part of the assets in trustees upon such trusts for the benefit of members as he shall think fit but no member shall be compelled to accept any assets in respect of which there is any liability.
- (iv) Where the Company is proposed to be or is in the course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to another company the liquidator may, with the sanction of an ordinary resolution, receive in compensation shares, policies or other like interests for distribution or may enter into any other arrangements whereby the members may, in lieu of receiving cash, shares, policies or other like interests, participate in the profits of or receive any other benefit from the transferee.

(m) **Borrowing powers**

Subject as provided in the Articles, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present or future) and uncalled capital of the Company and, subject to the provisions of the Law 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.

(n) ***Change of name***

If the Investment Manager shall for any reason cease to be the investment manager of the Company, the Directors, shall, unless the Investment Manager shall agree otherwise in writing within 60 days of such cessation, as soon as reasonably practicable convene a general meeting of the Company at which there shall be proposed a special resolution to change the name of the Company to a name that does not include the word "Schroder" (or any abbreviation or imitation) and, if within such 60 day period such meeting has not been held, the Investment Manager shall be entitled to convene an extraordinary general meeting of the Company for the purpose of adopting a name selected by the Investment Manager. At any such general meeting those shareholders who are present in person (or, being a corporation, by a representative) or by proxy and entitled to vote and who vote in favour of such resolution shall collectively have such total number of votes on a poll as is one more than the number of votes which is required to be cast in favour of the resolution on a poll for the resolution to be duly passed as a special resolution.

(o) ***Calling of Annual General Meetings and Extraordinary General Meetings***

The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year. Not more than 15 months shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held at such time and place as the Board shall determine. All general meetings, other than annual general meetings, shall be extraordinary general meetings. The Board may call an extraordinary general meeting whenever it thinks fit, and extraordinary general meetings shall also be convened on requisition of shareholders in accordance with Guernsey law. All general meetings shall be called by at least fourteen days' written notice (exclusive of the day on which it is served or deemed to be served and if the day for which it is given) and shall specify the place, day and hour of the meeting and, in the case of special business, the general nature of that business. A meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this paragraph, be deemed to have been duly called if it is so agreed by all the shareholders entitled to attend and vote. The accidental omission to give notice to, or the non-receipt of notice by, any such person shall not invalidate any resolution passed or proceeding at any such meeting. Subject to the Law and the Articles, every shareholder can attend a general meeting in person or by proxy. The right of a shareholder present in person to participate in the business of any general meeting shall include without limitation the rights to speak, vote on a show of hands, vote on a poll and have access to all documents which are required by the Law or the Articles to be made available at the meeting. A shareholder may be represented at a general meeting by proxy appointed in accordance with the Articles and the proxy may be counted in the quorum, speak and vote on a poll at any general meeting. If any shareholder has been duly served with a notice requiring him to disclose to the Company the identity of any person other than such shareholder who has any interest in the shares held by the shareholder in the nature of such interest, and is in default in supplying to the Company the information thereby required, the directors may in their absolute discretion serve a notice on such shareholder which may direct that, in respect of the shares in relation to which the default occurred and any other shares held by that shareholder, the shareholder shall not be entitled to vote at a general meeting or meeting of the holders of any class of shares of the Company either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company or of the holders of any class of shares of the Company. No member shall be entitled to be present and vote at any general meeting of the Company either personally or (save as proxy for another member) by proxy, or be reckoned in a quorum, or to exercise any other privilege as a member until he shall have paid all calls for the time being due and payable on any share held by him, whether alone or jointly with any other person, together with any interest and expenses (if any).

7. Material contracts

The following are all of the contracts (not being contracts entered into in the ordinary course of business) that have been entered into by the Company and are, or may be, material or that contain any provision under which the Company has any obligations or entitlement which is, or may be, material to it on the date of this Prospectus:

Issue Agreement

In connection with the Placing, Open Offer and Offer for Subscription, the Company, the Directors and Numis entered into the Issue Agreement on 9 May 2013. The Issue Agreement is conditional on, *inter alia*, Admission taking place on 11 June 2013 or such later date as the Company and Numis may agree.

The principal terms of the Issue Agreement are as follows:

- (a) Numis has agreed, as agent of the Company, to use its reasonable endeavours to procure placees to subscribe for C Shares at the Issue Price. The Placing is not being underwritten;
- (b) the Company has, provided the Issue Agreement becomes unconditional, agreed to pay Numis a corporate finance fee of £75,000, a placing commission of 1.0 per cent. of the aggregate value at the Issue Price of the C Shares allotted under the Issue (plus any applicable VAT);
- (c) the Company has agreed to promptly upon request reimburse all of the properly incurred out of pocket expenses in connection with the Placing together with any applicable VAT;
- (d) the Company has given certain warranties to Numis as to the accuracy of the information in this Prospectus and as to other matters relating to the Company. The Directors have also given certain warranties to Numis as to certain information in this Prospectus and as to themselves. The Company has given an indemnity to Numis in respect of any losses or liabilities arising out of the proper performance by Numis of its duties under the Issue Agreement;
- (f) Numis may at any time before the date on which all of the C Shares available for issue under the Issue have been issued, terminate the Issue Agreement in certain circumstances, including for breach of the warranties referred to above.
- (g) Subject to the passing of Resolutions 2 and 4 referred to under the heading "General Meeting" on page 34, Numis has agreed to subscribe for approximately 19,000,000 new Ordinary Shares at the Net Asset Value per Ordinary Share on terms that those new Ordinary Shares will be bought back by the Company at the same price immediately on Admission and held in treasury. The proceeds of the issue of such new Ordinary Shares will be excluded from the aggregate gross proceeds of the Issue for the purposes of calculating the commission payable to Numis pursuant to the Issue Agreement.
- (h) The maximum number of C Shares that may be issued pursuant to the Issue is 150,000,000, being the maximum number of C Shares that the Directors will be authorised to issue on a non-pre-emptive basis if the relevant resolutions are passed at the extraordinary general meeting of the Company referred to in Part III of this Prospectus. If the Directors exercise their right to issue more than 100,000,000 C Shares, such exercise will be announced by the Company through a RIS announcement on or before 7 June 2013.

Management Agreement

The Company and the Investment Manager have entered into the Management Agreement, dated 12 July 2005, pursuant to which the Investment Manager has agreed to provide the Company with investment management services.

(a) *Fees*

Under the terms of the Management Agreement, the Investment Manager is entitled to receive management fees and a performance fee as described in Part III of this Prospectus.

(b) *Duties of the Investment Manager*

Schroders will manage the investments of the Company with a view to achieving the investment objectives of the Company, within the investment restrictions set out in Part III of this document. The Investment Manager will act in good faith and with reasonable skill and care. Subject to the investment objectives and investments restrictions of the Company, the Investment Manager, normally acting as agent, will have complete discretion over the investments of the Company.

In its role as investment manager, Schroders may delegate any of its investment management functions under the Management Agreement to an Associate, but the Investment Manager's liability to the Company for all matters so delegated will not be affected thereby. The Investment Manager will give the Company written notice of any such delegation of the function which

involves the exercise of its discretionary investment management powers and will not, without the written consent of the Company, delegate the whole or substantially the whole of its investment management powers. The Investment Manager may, where reasonable, employ agents (including Associates) to perform any administrative, dealing or ancillary services required to enable the Investment Manager to perform its investment management services under the Management Agreement. The Investment Manager will act in good faith and with due diligence in the selection, use and monitoring of agents.

(c) *Termination*

The appointment of Schroders is subject to termination by either party giving to the other at any time on not less than 12 months' written notice of termination.

Termination of the Management Agreement will be without prejudice to the completion of any transactions already initiated, which will be completed expeditiously by Schroders. Termination of the Management Agreement will not affect accrued rights, indemnities, existing commitments or any other contractual provision intended to survive termination, and will be without penalty or other additional payment. On termination of the Agreement, the Company will pay the fees of Schroders *pro-rata* to the date of termination and any additional expenses necessarily incurred by Schroders in terminating the Management Agreement and will bear any losses necessarily realised in settling or concluding outstanding obligations. If there is a dispute as to the payment of fees to Schroders, the Company may require the disputed amount to be held in escrow pending resolution of the dispute.

Custody Agreement

The Custody Agreement dated 13 July 2005 between the Company, the Custodian and the Investment Manager, under which the Custodian has agreed to provide the Company with custody, settlement and other associated services. The Custodian is a company organised under the laws of the United States of America with limited liability. Its main office is in Ohio, USA and it was registered as a branch in England and Wales with registration number BR000746 on 11 April 1960. The Custodian is authorised and regulated by the FCA and the PRA. The Custodian's telephone number is + 44 (0) 20 7742 4000. In performing its obligations under the Custody Agreement the Custodian will use reasonable care and look after assets with the same degree of care as it does for its own similar assets in the relevant market and shall exercise at least the degree of skill and care of a prudent professional custodian.

Under the terms of the Custody Agreement, the Custodian is entitled to receive a fee as described on page 11 of this document. In the event of termination of the Custody Agreement, the Custodian shall be entitled to receive a proportionate amount of the fees due to it calculated on a *pro-rata* basis up to and including the date of termination.

Subject to exercising its duties of supervision and control as prescribed by the rules of the FCA, the Custodian is authorised to act through and hold the Company's investments with sub-custodians. The Custodian will use reasonable care in the selection, appointment and monitoring of sub-custodians.

Under the terms of the Custody Agreement, the Custodian will not be liable (except to the extent that the relevant loss results from a failure by the Custodian to exercise supervision and control or to use reasonable care in the selection, appointment and monitoring of sub-custodians) for any loss resulting from the insolvency of any sub-custodian which is not a branch or affiliate of the Custodian or the act of any sub-custodian, save where such loss results directly from an error or omission by the sub-custodian or the failure by the sub-custodian to use reasonable care in the provision of custodial services by it in accordance with the standards prevailing in the relevant market or from the fraud, wilful default or negligence (measured in accordance with the standards prevailing in the relevant market) of the sub-custodian in the provision of custodial services by it or for the act, omission or insolvency of any securities depository.

Under the terms of the Custody Agreement, the Custodian is not responsible for any loss as a result of a failure by any broker or other third party beyond the control of the Custodian. In particular, if a broker or any third party defaults on any obligation to deliver securities or pay cash, the Custodian shall have no liability to the Company for such non-delivery or non-payment. In the absence of negligence, wilful default or fraud on its part, the Custodian shall not be liable to the Company for the collection, deposit or credit of invalid, fraudulent or forged securities. The Custodian shall only be liable to the Company

to the extent that the Custodian has been fraudulent, negligent or is in wilful default of its duties as set out in the Custody Agreement or for the insolvency of any sub-custodian which is a branch or affiliate of the Custodian or for the act of any sub-custodian where the relevant loss results from an error or omission by the sub-custodian or the failure by the sub-custodian to use reasonable care in the provision of custodial services as set out above.

Any of the Company, the Investment Manager or the Custodian may terminate the Custody Agreement on 90 days' notice in writing to the other parties. The Company may terminate the Custody Agreement with immediate effect if, at any time, the Custodian goes into liquidation (except voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously agreed in writing by the Company) or commits any other act of bankruptcy, or if a receiver is appointed over any of the assets of the Custodian; if the Custodian shall commit any material breach of its obligations under the Custody Agreement and, if capable of remedy, fails to make good such breach within 45 days of receipt of notice from the Company requiring it to do so; or if the Custodian's supervisory authority, as a result of a wrongful act or omission by the Custodian, withdraws or fails to renew the Custodian's authorisation to act as a bank or custodian of assets such that the Custodian is no longer permitted to act as custodian.

Administration Agreement

The Administration Agreement dated 12 July 2005 between the Company and the Investment Manager under which the Investment Manager has agreed to provide the Company with administration services. Under the terms of the Administration Agreement, the Investment Manager shall carry out its services diligently and with all reasonable, skill and care and to the standard to be expected of a person who provides such services on a professional basis. For these services the Investment Manager will receive an annual fee, payable quarterly in arrears. The fee accrues daily at the rate of £75,000 per annum.

The Investment Manager shall not, in the absence of breach of the Administration Agreement, bad faith, negligence, wilful default or fraud on its part or on the part of its servants, be responsible for any loss or damage which the Company or any shareholder of the Company may sustain or suffer arising out of or in connection with any act or omission on the part of the Investment Manager in performing its obligations under the Administration Agreement.

The appointment of the Investment Manager is subject to termination by either party giving to the other not less than 90 days' written notice terminating such appointment. The Administration Agreement can be terminated on immediate notice by either party in certain circumstances including material breach by either party of its obligations under the Administration Agreement or in the event of either party going into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation or under terms previously approved in writing by the other party) or if a receiver has been appointed over any of its assets. The appointment of the Investment Manager may also be terminated without notice if required by a competent regulatory authority.

Receiving Agent's Agreement

The receiving agent's agreement dated 9 May 2013 (the "Receiving Agent's Agreement") between the Company and the Receiving Agent whereby the receiving agent has agreed to act as receiving agent in respect of Issue. The fees payable to the receiving agent are based on the number of applications received and are subject to a minimum fee. The Receiving Agent's Agreement contains certain standard indemnities from the Company in favour of the Receiving Agent and from the Receiving Agent in favour of the Company. The Receiving Agent's liabilities under the Receiving Agent's Agreement are subject to a financial limit.

Registrar's Agreement

The registrar's agreement dated 8 May 2013 between the Company and the Registrar (the "Registrar's Agreement") whereby the Registrar has agreed to provide registrar services to the Company. Under the terms of the Registrar's Agreement, the Company pays to the Registrar an annual of £10,000, payable quarterly in arrears.

The Registrar's Agreement contains certain standard indemnities from the Company in favour of the Registrar and from the Registrar in favour of the Company. The Registrar's liabilities under the Registrar's Agreement are subject to a financial limit.

The appointment of the Registrar is subject to termination, after a fixed term of one year, by either party giving to the other not less than 6 months' notice terminating such appointment. The Registrar's Agreement can be terminated on immediate notice by either party in the event of persistent or material breach by either party of its obligations under the Registrar's Agreement (should such breach (if capable of being remedied) not be remedied by the breaching party within 21 days of that party receiving notice of such breach) or in the event of either party going into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation).

8. Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have since incorporation had a significant effect on the Company's financial position or profitability.

9. Related party transactions and other arrangements

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Details on the Investment Manager are included in Part III of this document.

Christopher Sherwell is a non-executive director of Burnaby Insurance (Guernsey) Limited, a wholly-owned subsidiary of Schroders plc. Further details of Mr Sherwell's connections with the Investment Manager and of Directors' shareholdings in the Company are given in Part VII of this Prospectus.

The Directors of the Company and the directors of its subsidiary are remunerated per annum as follows:

Chairman – £30,000

Other Directors – £25,000 per Director

Audit Committee Chairman – £27,750

Save for the arrangements described in this paragraph 9, 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 August 2010, 31 August 2011 and 31 August 2012, the six months ended 28 February 2013 or the period from 1 March 2013 to the date of this Prospectus.

10. General

- (a) The Placing, Open Offer and Offer for Subscription of the C Shares is being carried out on behalf of the Company by Numis, which is authorised and regulated in the United Kingdom by the FCA.
- (b) The Investment Manager may be a promoter of the Company. Save as disclosed in paragraph 7 above of this Part VII of this Prospectus, no amount or benefit has been paid or given to the promoter or any of its subsidiaries since the incorporation of the Company and none is intended to be paid, or given.
- (c) The address of the Investment Manager is 31 Gresham Street, London EC2V 7QA, United Kingdom and its telephone number is +44 (0)207 658 6000.
- (d) As the C Shares have a nominal value of £0.01, the Issue Price includes a share premium of 99 per cent.
- (e) The Company does not own any premises and does not lease any premises.

11. Third party sources

Where third party information has been referenced in this Prospectus, the source of that third party information has been disclosed. Where information contained in this Prospectus has been sourced from a third party, the Company confirms that all such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Investment Manager has given and not withdrawn its written consent to the issue of this Prospectus with references to its name in the form and context in which such references appear. The

Investment Manager accepts responsibility for information attributed to it in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information attributed to it in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

12. Major Shareholders

- (a) So far as the Directors are aware, no person, directly or indirectly, jointly or severally, exercises or could following the Issue exercise control over, the Company. The Directors are not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.
- (b) Save as set out below, the Company is not aware of any person who as at 7 May 2013 being the latest practicable date prior to the Issue would be directly or indirectly interested in 3 per cent. or more of the issued share capital or voting rights of the Company:
- (c)

	<i>Ordinary Shares</i>	<i>Per cent of Ordinary Shares immediately prior to the Issue</i>
Investec Wealth & Investment	20,866,781	11.01
Rathbone Investment Management	11,069,985	5.81
KB Financial Services Holdings Limited	9,927,288	5.20
Brewin Dolphin Limited	9,043,847	4.70
Charles Stanley & Co Ltd	7,860,051	4.10
Cheviot Asset Management Limited	7,789,750	4.10

The voting rights of major shareholders in the Company will not be different to the voting rights of other Shareholders in the Company.

- (a) No loan has been made or guarantee granted or provided by the Company to or for the benefit of any Director.
- (b) No Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company during the current or immediately preceding financial year or which was effected by the Company during any earlier financial year and remains in any respect outstanding or unperformed.

13. Documents available for inspection

Copies of the following documents are available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of 12 months following Admission at the registered office of the Company:

- (a) the existing memorandum and articles of incorporation of the Company together with the proposed revised memorandum and articles of incorporation of the Company, subject to Resolution 5 referred to under "General Meeting" on page 34 being passed;
- (b) the Directors' letters of appointment referred to in paragraph 4 above;
- (c) the material contracts referred to in paragraph 7 above;
- (d) the annual report and audited financial statements of the Company for the periods ended 31 August 2010, 31 August 2011 and 31 August 2012 and the half-year report and unaudited financial statements of the Company for the period ended 28 February 2013; and
- (e) this Prospectus.

PART VIII

TERMS AND CONDITIONS OF THE PLACING

1. Introduction

Each Placee which confirms its agreement to Numis to subscribe for C Shares under the Placing will be bound by these terms and conditions and will be deemed to have accepted them.

The Company and/or Numis may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it/they (in its/their absolute discretion) sees fit.

2. Agreement to Subscribe for C Shares

Conditional on: (i) Admission occurring and becoming effective by 8.00 a.m. (London time) on or prior to 11 June 2013 (or such later time and/or date, not being later than 8.00 a.m. on 11 July 2013, as the Company, and Numis may agree); (ii) the Issue Agreement becoming otherwise unconditional in all respects and not having been terminated on or before 8.00 a.m. on 11 June 2013; and (iii) Numis confirming to the Placees their allocation of C Shares, a Placee agrees to become a member of the Company and agrees to subscribe for those C Shares allocated to it by Numis at the Issue Price. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.

3. Payment for C Shares

Each Placee must pay the Issue Price for the C Shares issued to the Placee in the manner and by the time directed by Numis. If any Placee fails to pay as so directed and/or by the time required, the relevant Placee's application for C Shares shall be rejected.

4. Representations and Warranties

By agreeing to subscribe for C Shares, each Placee which enters into a commitment to subscribe for C Shares will (for itself and any person(s) procured by it to subscribe for C Shares and any nominee(s) for any such person(s)) be deemed to represent and warrant to each of the Company and Numis that:

- (a) in agreeing to subscribe for C Shares under the Placing, it is relying solely on this Prospectus and any supplementary prospectus issued by the Company and not on any other information given, or representation or statement made at any time, by any person concerning the Company and/or the Placing. It agrees that none of the Company, Numis or the Registrar, nor any of their respective officers, agents or employees, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;
- (b) if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for C Shares under the Placing, it warrants that it has 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 its application in any territory and that it has not taken any action or omitted to take any action which will result in the Company, Numis or the Registrar 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 Placing;
- (c) it has carefully read and understands this Prospectus in its entirety and acknowledges that it is acquiring C Shares on the terms and subject to the conditions set out in this Part VIII and the Articles as in force at the date of Admission;
- (d) it has not relied on Numis or any person affiliated with Numis in connection with any investigation of the accuracy of any information contained in this Prospectus;

- (e) the content of this Prospectus is exclusively the responsibility of the Company and its Directors and neither Numis nor any person acting on its behalf nor any of its affiliates are responsible for or shall have any liability for any information, representation or statement contained in this Prospectus or any information published by or on behalf of the Company and will not be liable for any decision by a Placée to participate in the Placing based on any information, representation or statement contained in this Prospectus or otherwise;
- (f) it acknowledges that no person is authorised in connection with the Placing 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 Numis or the Company;
- (g) it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- (h) it accepts that none of the C Shares have been or will be registered under the laws of the United States, Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa. Accordingly, the C Shares may not be offered, sold, issued or delivered, directly or indirectly, within any of the United States, Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa unless an exemption from any registration requirement is available;
- (i) if it is within the United Kingdom, it is a person who falls within Articles 49(2)(a) to (d) or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or is a person to whom the C Shares may otherwise lawfully be offered under such Order, or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, that it is a person to whom the C Shares may be lawfully offered under that other jurisdiction's laws and regulations;
- (j) if it is a resident in the EEA (other than the United Kingdom), it is a qualified investor within the meaning of the law in the relevant Member State implementing Article 2(1)(e)(i), (ii) or (iii) of Directive 2003/71/EC;
- (k) in the case of any C Shares acquired by an investor as a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive (i) the C Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive 2010/73/EU, or in circumstances in which the prior consent of Numis has been given to the offer or resale; or (ii) where C Shares have been acquired by it on behalf of persons in any relevant Member State other than qualified investors, the offer of those C Shares to it is not treated under the Prospectus Directive as having been made to such persons;
- (l) if it is outside the United Kingdom, neither this Prospectus nor any other offering, marketing or other material in connection with the Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for C Shares pursuant to the Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and C Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- (m) it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the C Shares and it is not acting on a non-discretionary basis for any such person;
- (n) if the investor is a natural person, such investor is not under the age of majority (18 years of age in the United Kingdom) on the date of such investor's agreement to subscribe for C Shares under the Placing and will not be any such person on the date any such agreement to subscribe under the Placing is accepted;

- (o) it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other offering materials concerning the Issue or the C Shares to any persons within the United States or to any US Persons, nor will it do any of the foregoing;
- (p) it represents, acknowledges and agrees to the representations, warranties and agreements as set out under the heading “United States Purchase and Transfer Restrictions” in paragraph 5, below;
- (q) it acknowledges that neither Numis nor any of its affiliates nor any person acting on its behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing or providing any advice in relation to the Placing and participation in the Placing is on the basis that it is not and will not be a client of Numis and that Numis do not have any duties or responsibilities to it for providing the protections afforded to their clients or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertaking or indemnities otherwise required to be given by it in connection with its application under the Placing;
- (r) it acknowledges that where it is subscribing for C Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to subscribe for the C Shares for each such account; (ii) to make on each such account’s behalf the representations, warranties and agreements set out in this Prospectus; and (iii) to receive on behalf of each such account any documentation relating to the Placing in the form provided by the Company and/or Numis. It agrees that the provision of this paragraph shall survive any resale of the C Shares by or on behalf of any such account;
- (s) it irrevocably appoints any director of the Company and any director of Numis to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the C Shares for which it has given a commitment under the Placing, in the event of its own failure to do so;
- (t) it accepts that if the Placing does not proceed or the conditions to the Issue Agreement are not satisfied or the C Shares for which valid application are received and accepted are not admitted to listing on the premium segment of the Official List and to trading on the Main Market for any reason whatsoever then none of Numis or the Company, nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;
- (u) in connection with its participation in the Placing it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering (“Money Laundering Legislation”) and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations 2007 in force in the United Kingdom; or (ii) subject to the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing); or (iii) subject to the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999, as amended together with any regulations and guidance notes issued pursuant thereto; or (iv) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;
- (v) it acknowledges that due to anti-money laundering requirements, Numis and the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, Numis and the Company may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify Numis and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it;

- (w) it acknowledges that any person in Guernsey involved in the business of the Company who has a suspicion or belief that any other person (including the Company or any person subscribing for C Shares) is involved in money laundering activities, is under an obligation to report such suspicion to the Financial Intelligence Service pursuant to the Terrorism and Crime (Bailiwick of Guernsey) Law, 2002 (as amended);
- (x) it acknowledges and agrees that information provided by it to the Company or its Registrar will be stored on the Registrar's computer system and manually. It acknowledges and agrees that for the purposes of the Data Protection (Bailiwick of Guernsey) Law 2001 (the "Data Protection Law") and other relevant data protection legislation which may be applicable the Registrar is required to specify the purposes for which it will hold personal data. The Registrar will only use such information for the purposes set out below (collectively, the "Purposes"), being to:
 - (i) process its personal data (including sensitive personal data) as required by or in connection with its holding of C Shares, including processing personal data in connection with credit and money laundering checks on it;
 - (ii) communicate with it as necessary in connection with its affairs and generally in connection with its holding of C Shares;
 - (iii) provide personal data to such third parties as the Registrar may consider necessary in connection with its affairs and generally in connection with its holding of C Shares or as the Data Protection Law may require, including to third parties outside the Bailiwick of Guernsey or the European Economic Area; and
 - (iv) without limitation, provide such personal data to the Company and its associates for processing, notwithstanding that any such party may be outside the Bailiwick of Guernsey or the European Economic Area.
- (y) in providing the Registrar with information, it hereby represents and warrants to the Registrar that it has obtained the consent of any data subjects to the Registrar and its respective associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes set out in paragraph (x) above). For the purposes of this prospectus, "data subject", "personal data" and "sensitive personal data" shall have the meanings attributed to them in the Data Protection Law;
- (z) Numis and the Company are entitled to exercise any of their rights under the Issue Agreement or any other right in their absolute discretion without any liability whatsoever to it;
- (aa) the representations, undertakings and warranties contained in this Prospectus are irrevocable. It acknowledges that Numis and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the C Shares are no longer accurate, it shall promptly notify Numis and the Company;
- (bb) where it or any person acting on behalf of it is dealing with Numis, any money held in an account with Numis on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the Financial Conduct Authority which therefore will not require Numis to segregate such money, as that money will be held by Numis under a banking relationship and not as trustee;
- (cc) any of its clients, whether or not identified to Numis, will remain its sole responsibility and will not become clients of Numis for the purposes of the rules of the Financial Conduct Authority or for the purposes of any other statutory or regulatory provision;
- (dd) it accepts that the allocation of C Shares shall be determined by Numis in its absolute discretion but in consultation with the Company and that Numis may scale down any Placing commitments for this purpose on such basis as it may determine;
- (ee) time shall be of the essence as regards its obligations to settle payment for the C Shares and to comply with its other obligations under the Placing;

- (ff) it agrees that Numis is acting for the Company in connection with the Issue and for no-one else and that Numis will not treat it as its customer by virtue of such application being accepted or owe it any duties concerning the price of C Shares or concerning the suitability of C Shares for it or otherwise in relation to the Offer; and
- (gg) it authorises the Receiving Agent, Numis or any person authorised by them or the Company, as its agent, to do all things necessary to effect registration of any C Shares subscribed by it into its name(s) and authorise any representatives of the Receiving Agent or of Numis to execute and/or complete any document required therefor.

5. United States Purchase and Transfer Restrictions

By participating in the Placing, each placee acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for C Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to each of the Company, the Registrar and Numis that:

- (a) it is not a US Person and, it is acquiring the C Shares in an offshore transaction meeting the requirements of Regulation S and it is not acquiring the C Shares for the account or benefit of a US Person;
- (b) it acknowledges that the C Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons absent registration or an exemption from registration under the US Securities Act;
- (c) it acknowledges that the Company has not registered under the US Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the US Investment Company Act;
- (d) unless the Company expressly consents in writing otherwise, no portion of the assets used to purchase, and no portion of the assets used to hold, the C Shares or any beneficial interest therein constitutes or will constitute the assets of (i) an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a "plan" as defined in Section 4975 of the US Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Tax Code; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the US Tax Code. In addition, if an investor is a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Tax Code, its purchase, holding, and disposition of the C Shares must not constitute or result in a non-exempt violation of any such substantially similar law;
- (e) that if any C Shares offered and sold pursuant to Regulation S are issued in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect unless otherwise determined by the Company in accordance with applicable law:

"SCHRODER ORIENTAL INCOME FUND LIMITED (THE "COMPANY") HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "US INVESTMENT COMPANY ACT"). IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "US SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED, EXERCISED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE COMPANY TO REGISTER UNDER THE INVESTMENT COMPANY ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS";

- (f) if in the future the investor decides to offer, sell, transfer, assign or otherwise dispose of the C Shares, it will do so only in compliance with an exemption from the registration requirements of the Securities Act and under circumstances which will not require the Company to register

under the US Investment Company Act. It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;

- (g) it is purchasing the C Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the C Shares in any manner that would violate the US Securities Act, the US Investment Company Act or any other applicable securities laws;
- (h) it acknowledges that the Company reserves the right to make inquiries of any holder of the C Shares or interests therein at any time as to such person's status under US federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under US securities laws to transfer such C Shares or interests in accordance with the Articles;
- (i) it acknowledges and understands that the Company is required to comply with FATCA. The Purchaser agrees to furnish any information and documents the Company may from time to time request, including but not limited to information required under FATCA;
- (j) it is entitled to acquire the C Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the C Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, Numis or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Placing or its acceptance of participation in the Placing;
- (k) it has received, carefully read and understands this Prospectus, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other presentation or offering materials concerning the C Shares to within the United States or to any US Persons, nor will it do any of the foregoing; and
- (l) if it is acquiring any C Shares as a fiduciary or agent for one or more accounts, the investor has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

The Company, Numis and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements.

If any of the representations, warranties, acknowledgments or agreements made by the investor are no longer accurate or have not been complied with, the investor will immediately notify the Company.

6. Supply and Disclosure of Information

If Numis, the Registrar or the Company or any of their agents request any information about a placee's agreement to subscribe for C Shares under the Placing, such Placee must promptly disclose it to them.

7. Miscellaneous

The rights and remedies of Numis, the Registrar and the Company under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

On application, if a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Placing will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.

Each Placee agrees to be bound by the Articles once the C Shares, which the Placee has agreed to subscribe for pursuant to the Placing, have been acquired by the Placee. The contract to subscribe for C Shares under the Placing and the appointments and authorities mentioned in this Prospectus and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of Numis, the Company and the Registrar, each placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against the placee in any other jurisdiction.

In the case of a joint agreement to subscribe for C Shares under the Placing, references to a "Placee" in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.

Numis and the Company expressly reserve the right to modify the Placing, Open Offer and Offer for Subscription (including, without limitation, the timetable and settlement) at any time before allocations are determined. The Placing, Open Offer and Offer for Subscription are subject to the satisfaction of the conditions contained in the Issue Agreement and the Placing, Issue Agreement not having been terminated. Further details of the terms of the Issue Agreement are contained in Part VII of this Prospectus.

PART IX

TERMS AND CONDITIONS OF THE OPEN OFFER

1. Introduction

Existing Shareholders must hold Existing Ordinary Shares at the Record Date to be eligible to partake in the Open Offer. Open Offer Application Forms are expected to be posted to Existing Non-CREST Shareholders on or around 10 May 2013 and Open Offer Entitlements are expected to be credited to stock accounts of Existing CREST Shareholders in CREST on 13 May 2013. The latest time and date for receipt of completed Open Offer Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is expected to be 11.00 a.m. on 6 June 2013 with Admission and commencement of dealings in C Shares expected to take place at 8.00 a.m. on 11 June 2013.

This document and, for Existing Non-CREST Shareholders only, the Open Offer Application Form contain the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 4 of these Terms and Conditions which gives details of the procedure for application and payment for the C Shares available under the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 6 of these Terms and Conditions.

The Open Offer is an opportunity for Existing Shareholders to apply for C Shares *pro rata* to their current holdings at the Issue Price of £1.00 per C Share in accordance with these Terms and Conditions.

The Excess Application Facility is an opportunity for Existing Shareholders who have applied for all of their Open Offer Entitlements to apply for additional C Shares. The Excess Application Facility will be comprised of C Shares that are not taken up by Existing Shareholders under the Open Offer pursuant to their Open Offer Entitlements, aggregate fractional entitlements under the Open Offer and any C Shares that the Directors determine should be reallocated from the Offer for Subscription and/or the Placing to satisfy demand from Existing Shareholders in preference to prospective new investors under the Offer for Subscription and/or the Placing. There is no limit on the amount of C Shares that can be applied for by C Shareholders under the Excess Application Facility, save that the maximum amount of C Shares to be allotted under the Excess Application Facility shall be limited by the maximum size of the Issue less C Shares issued under the Placing and the Open Offer pursuant to Existing Shareholders' Open Offer Entitlements and any C Shares that the Directors determine to issue under the Offer for Subscription. Allotments under the Excess Application Facility shall be allocated in such manner as the Directors may determine in their absolute discretion, and no assurance can be given that applications by Existing Shareholders will be met in part or at all. In the event of oversubscription under the Excess Application Facility the Directors intend to limit application by Existing Shareholders *pro rata* to their aggregate holdings of Existing Ordinary Shares. However, the Directors also have the discretion (but are not obliged) to scale back the Placing and/or Offer for Subscription in favour of the Excess Application Facility by reallocating C Shares that would otherwise be available under the Placing and/or Offer to Existing Shareholders through the Excess Application Facility.

Any Existing Shareholder who has sold or transferred all or part of his/her registered holding(s) of Existing Ordinary Shares prior to 8.00 a.m. on 10 May 2013 when the Existing Ordinary Shares were marked "ex" the entitlement to the Open Offer is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for C Shares under the Open Offer may be a benefit which may be claimed from him/her by the purchasers under the rules of the London Stock Exchange.

2. The Open Offer

Subject to the terms and conditions set out below (and, in the case of Existing Non-CREST Shareholders, in the Open Offer Application Form), Existing Shareholders are being given the opportunity to apply for any number of C Shares at the Issue Price (payable in full on application and free of all expenses) up to a maximum of their Open Offer Entitlement which shall be calculated on the basis of:

**2 C Shares for every 5 Existing Ordinary Shares held at the Record Date
(being close of business on 3 May 2013)**

Subject to the terms and conditions set out below, applications by Existing Shareholders will be satisfied in full up to the amount of their individual Open Offer Entitlement.

Open Offer Entitlements will be rounded down to the nearest whole number and any fractional entitlements to C Shares will be disregarded in calculating Open Offer Entitlements. Fractions will be aggregated and made available to Existing Shareholders under the Excess Application Facility.

Existing Shareholders may apply to acquire less than their Open Offer Entitlement should they so wish. In addition, Existing Shareholders may apply to acquire excess C Shares using the Excess Application Facility. Please refer to paragraphs 4.1(c) and 4.2(c) of these Terms and Conditions for further details of the Excess Application Facility.

If you are an Existing Non-CREST Shareholder, the Open Offer Application Form shows the number of Existing Ordinary Shares registered in your name on the Record Date (in Box A).

Existing Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating their Open Offer Entitlements, as will holdings under different designations and in different accounts.

Existing CREST Shareholders will have C Shares representing their Open Offer Entitlement credited to their stock accounts in CREST and should refer to paragraph 4.2 of these Terms and Conditions and also to the CREST Manual for further information on the relevant CREST procedures.

The Open Offer Entitlement, in the case of Existing Non-CREST Shareholders, is equal to the number of C Shares shown in Box B on the Open Offer Application Form or, in the case of Existing CREST Shareholders, is equal to the number of their C Shares representing Open Offer Entitlement standing to the credit of their stock account in CREST.

The Excess Application Facility enables Existing Shareholders to apply for any whole number of excess C Shares in excess of their Open Offer Entitlement. Existing Non-CREST Shareholders who wish to apply to subscribe for more than their Open Offer Entitlement should complete Boxes D, E, F and G on the Open Offer Application Form. Excess applications may be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that applications by Existing Shareholders will be met in full or in part or at all.

Existing Shareholders should be aware that the Open Offer is not a rights issue. Existing Non-CREST Shareholders should also note that their respective Open Offer Application Forms are not negotiable documents and cannot be traded. Existing CREST Shareholders should note that, although the C Shares representing their Open Offer Entitlement and Excess CREST Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Existing Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear UK & Ireland's Claims Processing Unit. C Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Existing Shareholders who do not apply to take up C Shares available under the Open Offer will have no rights under the Open Offer. Any C Shares which are not applied for in respect of the Open Offer may be allotted to Existing Shareholders to meet any valid applications under the Excess Application Facility or may be issued to the subscribers under the Placing and/or the Offer for Subscription, with the proceeds retained for the benefit of the Company.

3. Conditions and further terms of the Open Offer

The Open Offer is conditional on:

- (a) the passing of Resolutions 1 and 5 to be proposed at the EGM to be held on 6 June 2013; and
- (b) the Issue Agreement becoming unconditional in all respects and Admission of the C Shares to the Official List becoming effective by not later than 8.00 a.m. on 11 June 2013 (or such later time and/or date as the Company and Numis may determine, not being later than 8.00 a.m. on 11 July 2013).

Accordingly, if these conditions are not satisfied or waived (where capable of waiver) the Issue will not proceed and any applications made by Existing Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter.

No temporary documents of title will be issued in respect of C Shares under the Open Offer held in uncertificated form. Definitive certificates in respect of C Shares taken up are expected to be posted to those Existing Shareholders who have validly elected to hold their C Shares in certificated form by 13 June 2013. In respect of those Existing Shareholders who have validly elected to hold their C Shares in uncertificated form, the C Shares are expected to be credited to their stock accounts maintained in CREST on 11 June 2013.

All monies received by the Receiving Agent in respect of C Shares to be issued under the Open Offer will be held in a separate non-interest bearing bank account opened solely for the Open Offer.

The Company reserves the right to shorten or extend the closing time of the Open Offer from 11.00 a.m. on 6 June 2013 (provided that if the closing time is extended this Prospectus remains valid at the closing time as extended) by giving notice to the UK Listing Authority. In this event, the revised closing time will be published in such manner as Numis, 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.

4. Procedure for application and payment

The action to be taken by you in respect of the Open Offer depends on whether, at the relevant time, you have an Open Offer Application Form in respect of your entitlement under the Open Offer or you have C Shares representing your Open Offer Entitlement and Excess CREST Open Offer Entitlement credited to your CREST stock account in respect of such entitlement.

Existing Shareholders who hold their Existing Ordinary Shares in certificated form will be issued C Shares in certificated form. Existing Shareholders who hold part of their Existing Ordinary Shares in uncertificated form will be issued C Shares in uncertificated form to the extent that their entitlement to C Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. However, it will be possible for Existing Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 4.2(g) of these Terms and Conditions.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements and Excess CREST Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

Existing Shareholders who do not want to apply for the C Shares under the Open Offer should take no action and should not complete or return the Open Offer Application Form.

4.1 If you have an Open Offer Application Form in respect of your entitlement under the Open Offer:

(a) *General*

Subject as provided in paragraph 6 of these Terms and Conditions in relation to Overseas Shareholders, Existing Non-CREST Shareholders will receive an Open Offer Application Form. The Open Offer Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box A. It also shows the maximum number of C Shares for which they are entitled to apply under the Open Offer set out in Box B. Box C shows how much they would need to pay if they wish to take up their Open Offer Entitlements in full. Any fractional entitlements to C Shares will be disregarded in calculating Open Offer Entitlements and will be aggregated and made available to Existing Shareholders under the Excess Application Facility. Any Existing Non-CREST Shareholders with fewer than 3 Existing Ordinary Shares will not receive an Open Offer Entitlement but may apply for Excess Shares pursuant to the Excess Application Facility (see paragraph 4.1(c) of these Terms and

Conditions). Existing Non-CREST Shareholders may apply for less than their entitlement should they wish to do so. Existing Non-CREST Shareholders may also hold such an Open Offer Application Form by virtue of a *bona fide* market claim. Existing Non-CREST Shareholders may also apply for Excess Shares under the Excess Application Facility by completing Boxes D, E, F and G in the Open Offer Application Form.

The instructions and other terms set out in the Open Offer Application Form form part of the terms of the Open Offer in relation to Existing Non-CREST Shareholders.

(b) *Bona fide market claims*

Applications to acquire C Shares may only be made on the Open Offer Application Form and may only be made by the Existing Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked "ex" the entitlement to participate in the Open Offer. Open Offer Application Forms may not be assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 4 June 2013. The Open Offer Application Form is not a negotiable document and cannot be separately traded. An Existing Non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked "ex" the entitlement to participate in the Open Offer, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire C Shares under the Open Offer may be a benefit which may be claimed by the transferee. Existing Non-CREST Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box J on the Open Offer Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Open Offer Application Form should not, however be forwarded to or transmitted to any "Excluded Overseas Shareholders" (being a holder of Ordinary Shares with a registered mailing address in the United States, Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa). If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Open Offer Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in paragraphs 4.2(b) below.

(c) *Excess Application Facility*

Existing Shareholders who have taken up their Open Offer Entitlement may apply to acquire Excess Shares using the Excess Application Facility, should they wish. Existing Non-CREST Shareholders wishing to apply for Excess Shares, may do so by completing Boxes D, E, F and G of the Open Offer Application Form. The maximum number of C Shares to be issued under the Excess Application Facility (the "**Maximum Excess Application Number**") shall be limited to: (a) the maximum size of Issue; less (b) C Shares issued under the Placing and the Open Offer pursuant to Existing Shareholders' Open Offer Entitlements and any C Shares that the Directors determine to issue under the Offer for Subscription. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications by Existing Shareholders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

All enquiries in connection with the procedure for application of Excess CREST Open Offer Entitlements should be made to Computershare on 0800 923 1518 or, if calling from outside the United Kingdom, +44 (0870) 707 4040. Calls from outside the UK will be charged at the applicable international rates. Different charges may apply to calls from mobile telephones. Calls may be recorded or randomly monitored for security and training purposes. Lines are open from 9.00 a.m. to 5.00 p.m. on Monday to Friday. Please note Computershare cannot provide financial advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlement or apply for Excess Shares.

(d) *Application procedures*

Existing Non-CREST Shareholders wishing to apply to acquire all or any of the C Shares to which they are entitled should complete the Open Offer Application Form in accordance with the instructions printed on it. Completed Open Offer Application Forms should be posted in the accompanying pre-paid envelope for use within the UK only or returned by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH, or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, United Kingdom (who will act as Receiving Agent in relation to the Open Offer) so as to be received by Computershare by no later than 11.00 a.m. on 6 June 2013, after which time Open Offer Application Forms will not be valid. Existing Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. If an Open Offer Application Form is being sent by first-class post in the UK, Existing Shareholders are recommended to allow at least four working days for delivery.

All payments must be in GBP and made by cheque or banker's draft made payable to Computershare Investor Services PLC re Schroder Oriental Income Fund Limited Open Offer A/C and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right hand corner and must be for the full amount payable on application. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the back of the cheque or draft to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Existing Shareholder has title to the underlying funds by printing the Existing Shareholder's name on the back of the draft and adding the branch stamp) will be subject to the Money Laundering Regulations which will delay Shareholders receiving their C Shares (please see paragraph 5 below).

Cheques or banker's drafts will be presented for payment upon receipt. Funds will be held in a non-interest bearing account and no interest will be paid on payments. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

If cheques or banker's drafts are presented for payment before the conditions to the Issue are fulfilled, the application monies will be kept in a separate non-interest bearing bank account. If the Open Offer does not become unconditional, no C Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Open Offer.

Subject to the provisions of the Issue Agreement, the Company may in its sole discretion, but shall not be obliged to, treat an Open Offer Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (i) Open Offer Application Forms received after 11.00 a.m. on 6 June 2013; or
- (ii) applications in respect of which remittances are received before 11.00 a.m. on 6 June 2013 from authorised persons (as defined in FSMA) specifying the C Shares applied for and undertaking to lodge the Open Offer Application Form in due course but, in any event, within two Business Days.

Multiple applications will not be accepted. All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk.

(e) *Effect of application*

By completing and delivering an Open Offer Application Form the applicant:

- (i) represents and warrants to the Company and Numis that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer or the Excess Application Facility, as the case may be, and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for C Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees with the Company and Numis that all applications under the Open Offer and the Excess Application Facility and contracts resulting therefrom shall be governed by and construed in accordance with the laws of England and Wales;
- (iii) confirms to the Company and Numis that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all information in relation to the Company and the C Shares contained in this document;
- (iv) confirms that in making the application he is not relying and has not relied on Numis or any other person affiliated with Numis in connection with any investigation of the accuracy of any information contained in this document or his investment decision;
- (v) confirms that no person has been authorised to give any information or to make any representation concerning the Company or the C Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company or Numis;
- (vi) represents and warrants to the Company and Numis that he is the Existing Shareholder originally entitled to the Open Offer Entitlement or that he received such Open Offer Entitlement by virtue of a *bona fide* market claim;
- (vii) represents and warrants to the Company and Numis that if he has received some or all of his Open Offer Entitlement from a person other than the Company he is entitled to apply under the Open Offer in relation to such Open Offer Entitlement by virtue of a *bona fide* market claim;
- (viii) requests that the C Shares, to which he will become entitled be issued to him on the terms set out in this document and the Open Offer Application Form, subject to the Memorandum and Articles;
- (ix) represents and warrants to the Company and Numis that he is not, nor is he applying on behalf of an Excluded Overseas Shareholder or a person in any jurisdiction in which the application for C Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the C Shares which are the subject of his application in the United States or to an Excluded Overseas Shareholder or a person in any jurisdiction in which the application for C Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for C Shares under the Open Offer or the Excess Application Facility;

- (x) represents and warrants to the Company and Numis that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
- (xi) confirms that in making the application he is not relying and has not relied on Numis or any person affiliated with Numis in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

All enquiries in connection with the procedure for application and completion of the Open Offer Application Form should be addressed to the Receiving Agent, at Computershare, Corporate Actions Projects, Bristol BS99 6AH or by calling Computershare on 0800 923 1518 from within the UK or on + 44 (0870) 707 4040 if calling from outside the UK. Lines are open 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday. Calls from outside the UK will be charged at the applicable international rates. Different charges may apply to calls from mobile telephones. Calls may be recorded or randomly monitored for security and training purposes. Please note Computershare cannot provide financial advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlement or apply for Excess Shares.

Existing Non-CREST Shareholders who do not want to take up or apply for the C Shares under the Open Offer should take no action and should not complete or return the Open Offer Application Form.

4.2 If you have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer:

(a) *General*

Subject as provided in paragraph 6 of these Terms and Conditions in relation to certain Overseas Shareholders, each Existing CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the maximum number of C Shares for which he is entitled to apply to acquire under the Open Offer. Entitlements to C Shares will be rounded down to the nearest whole number and any fractional Open Offer Entitlement will therefore also be rounded down. Any fractional entitlements to C Shares will be disregarded in calculating Open Offer Entitlements and will be aggregated and made available to Existing Shareholders under the Excess Application Facility.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Existing CREST Shareholder in respect of which the Open Offer Entitlement and Excess CREST Open Offer Entitlement have been allocated.

If for any reason the Open Offer Entitlements and/or Excess CREST Open Offer Entitlements cannot be admitted to CREST, or the stock accounts of Existing CREST Shareholders cannot be credited by 13 May 2013, or such later time and/or date as the Company may decide, an Open Offer Application Form will be sent to each Existing CREST Shareholder in substitution for the Open Offer Entitlement and Excess CREST Open Offer Entitlement which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Existing Non-CREST Shareholders with Open Offer Application Forms will apply to Existing CREST Shareholders who receive such Open Offer Application Forms.

CREST members who wish to apply to acquire some or all of their entitlements to C Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Computershare on 0800 923 1518 from within the UK or on + 44 (0870) 707 4040 if calling from outside the UK. Lines are open 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday. Calls from outside the UK will be charged at the applicable international rates. Different

charges may apply to calls from mobile telephones. Calls may be recorded or randomly monitored for security and training purposes.

Please note Computershare cannot provide financial advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements or Excess CREST Open Offer Entitlements. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for C Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) *Market claim*

Each of the Open Offer Entitlements and the Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST and will have a separate ISIN. Although Open Offer Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and the Excess CREST Open Offer Entitlements may only be made by the Existing Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the Euroclear UK & Ireland's Claims Processing Unit as "cum" the Open Offer Entitlement and the Excess CREST Open Offer Entitlements will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) and Excess CREST Open Offer Entitlement(s) will thereafter be transferred accordingly.

(c) *Excess Application Facility*

Existing Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. The Excess Application Facility enables Existing CREST Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement.

An Excess CREST Open Offer Entitlement may not be sold or otherwise transferred.

Subject as provided in paragraph 6 of these Terms and Conditions in relation to Overseas Shareholders, the CREST accounts of Existing CREST Shareholders will be credited with an Excess CREST Open Offer Entitlement in order for any applications for Excess Shares to be settled through CREST.

Existing CREST Shareholders should note that, although the Open Offer Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only). Neither the Open Offer Entitlements nor the Excess CREST Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Existing Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Excess Application Facility, Existing CREST Shareholders should follow the instructions in paragraph 4.2(f) below and must not return a paper form and cheque.

Should a transaction be identified by the Euroclear UK & Ireland's Claims Processing Unit as "cum" the Open Offer Entitlement and the relevant Open Offer Entitlement be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Open Offer Entitlement claim, but will be transferred as a separate claim. Should a Existing CREST Shareholder cease to hold all of his Existing Ordinary Shares as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlement credited to CREST and allocated to the relevant Existing Shareholder will be transferred to the purchaser. Please note that a separate USE Instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

All enquiries in connection with the procedure for applications in respect of Excess CREST Open Offer Entitlements should be made to Computershare on 0800 923 1518 from within the UK or on + 44 (0870) 707 4040 if calling from outside the UK. Lines are open 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday. Calls from outside the UK will be charged at

the applicable international rates. Different charges may apply to calls from mobile telephones. Calls may be recorded or randomly monitored for security and training purposes.

A credit of Excess CREST Open Offer Entitlements will be made to each Qualifying CREST Shareholder at a notional rate of 10 Excess CREST Open Offer Entitlements for each ordinary share held on the record date; if a Qualifying CREST Shareholder would like to apply for a larger Excess CREST Open Offer Entitlement, such Qualifying CREST Shareholder should contact Computershare to arrange for a further credit of Excess CREST Open Offer Entitlements, subject at all times to the maximum number of C Shares available.

(d) *USE instructions*

Existing CREST Shareholders who are CREST members and who want to apply for C Shares in respect of all or some of their Open Offer Entitlements and/or Excess CREST Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE Instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Open Offer Entitlements and Excess CREST Open Offer Entitlements corresponding to the number of C Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE Instruction which must be the full amount payable on application for the number of C Shares referred to in (i) above.

(e) *Content of USE Instruction in respect of Open Offer Entitlements*

The USE Instruction must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of C Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (ii) the ISIN of the Open Offer Entitlement. This is GG00B7VR0J78;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is RA68;
- (vi) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is SCHOIFOO;
- (vii) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of C Shares referred to in (e)(i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 6 June 2013; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 6 June 2013. In order to assist prompt settlement of the USE

Instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE Instruction:

- (x) a contact name and telephone number (in the free format shared note field); and
- (xi) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 6 June 2013 in order to be valid is 11.00 a.m. on that day. If the Open Offer does not become unconditional by 8.00 a.m. on 11 June 2013 or such later time and date as the Company and Numis determine (being no later than 11 July 2013), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by an Existing CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(f) *Content of USE instruction in respect of Excess CREST Open Offer Entitlements*

The USE Instruction must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Excess Shares for which the application is being made (and hence the number of the Excess CREST Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GG00B7VSD807;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of the Receiving Agent in its capacity as Receiving Agent. This is RA68;
- (vi) the member account ID of the Receiving Agent in its capacity as Receiving Agent. This is SCHOIFOO;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of C Shares referred to in paragraph (f)(i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 6 June 2013; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for the application in respect of an Excess CREST Open Offer Entitlement under the Excess Application Facility to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 6 June 2013.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 6 June 2013 in order to be

valid is 11.00 a.m. on that day. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlement security.

In the event that the Placing, Open Offer and Offer for Subscription does not become unconditional by 8.00 a.m. on 11 June 2013 or such later time and date as the Company and Numis determine (being no later than 8.00 a.m. on 11 July 2013), the Open Offer and the Excess Application Facility will lapse, the Open Offer Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by an Existing CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(g) *Deposit of Open Offer Entitlements into, and withdrawal from, CREST*

An Existing Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Open Offer Application Form may be deposited into CREST (either into the account of the Existing Shareholder named in the Open Offer Application Form or into the name of a person entitled by virtue of a *bona fide* market claim). Similarly, Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Open Offer Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Open Offer Application Form.

A holder of an Open Offer Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlement and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 6 June 2013. After depositing their Open Offer Entitlement into their CREST account, CREST holders will, shortly after that, receive a credit for their Excess CREST Open Offer Entitlement, which will be managed by Computershare.

In particular, having regard to normal processing times in CREST and on the part of Computershare, the recommended latest time for depositing an Open Offer Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Open Offer Application Form as an Open Offer Entitlement and Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 31 May 2013 and the recommended latest time for receipt by Euroclear UK & Ireland of a dematerialised instruction requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST is 4.30 p.m. on 30 May 2013 in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements and Excess CREST Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Open Offer Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements and Excess CREST Open Offer Entitlements prior to 11.00 a.m. on 6 June 2013. CREST holders inputting the withdrawal of their Open Offer Entitlement from their CREST account must ensure that they withdraw both their Open Offer Entitlement and the Excess CREST Open Offer Entitlement.

Delivery of an Open Offer Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Existing Shareholder named in the Open Offer Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Receiving Agent by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 2 of the Open Offer Application Form, and a declaration to the Company and the Registrar from the relevant CREST member(s) that it/they is/are not an Excluded Overseas Shareholder or a person in any jurisdiction in which the application for C Shares is prevented by law and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer or the Excess Application Facility by virtue of a *bona fide* market claim.

(h) *Validity of application*

A USE Instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 6 June 2013 will constitute a valid application under the Open Offer.

(i) *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE Instruction and its settlement in connection with the Open Offer and the Excess Application Facility. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 6 June 2013. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(j) *Incorrect or incomplete applications*

If a USE Instruction includes a CREST payment for an incorrect sum, the Company, through the Receiving Agent, reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question (without interest);
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of C Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question (without interest); and
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the C Shares referred to in the USE Instruction, refunding any unutilised sum to the CREST member in question (without interest).

(k) *Effect of valid application*

A CREST member who makes or is treated as making a valid application in accordance with the above procedures thereby:

- (i) represents and warrants to the Company, Receiving Agent and Numis that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer or the Excess Application Facility, as the case may be, and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for C Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (iii) agrees that all applications and any contracts or non-contractual obligations resulting therefrom under the Open Offer and the Excess Application Facility shall be governed by, and construed in accordance with, the laws of England and Wales;
- (iv) confirms that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this

document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to the Company and the C Shares contained in this document;

- (v) represents and warrants to the Company, the Receiving Agent and Numis that he is the Existing Shareholder originally entitled to the Open Offer Entitlement and Excess CREST Open Offer Entitlement or that he has received such Open Offer Entitlement and Excess CREST Open Offer Entitlement by virtue of a *bona fide* market claim;
 - (vi) represents and warrants to the Company, the Receiving Agent and Numis that if he has received some or all of his Open Offer Entitlement and Excess CREST Open Offer Entitlement from a person other than the Company, he is entitled to apply under the Open Offer and the Excess Application Facility in relation to such Open Offer Entitlement and Excess CREST Open Offer Entitlement by virtue of a *bona fide* market claim;
 - (vii) subject to certain limited exceptions, requests that the C Shares to which he will become entitled be issued to him on the terms set out in this document, subject to the Memorandum of Incorporation and Articles of Incorporation;
 - (viii) represents and warrants to the Company, the Receiving Agent and Numis that he is not, nor is he applying on behalf of any Shareholder who is an Excluded Overseas Shareholder or a person in any jurisdiction in which the application for C Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the C Shares which are the subject of his application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any other Excluded Territory or any jurisdiction in which the application for C Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for C Shares under the Open Offer or the Excess Application Facility;
 - (ix) represents and warrants to the Company, the Receiving Agent and Numis that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986;
 - (x) confirms that in making the application he is not relying and has not relied on Numis or any person affiliated with Numis in connection with any investigation of the accuracy of any information contained in this document or his investment decision; and
 - (xi) confirms that no person has been authorised to give any information or to make any representation concerning the Company or the C Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company or Numis.
- (l) *Company's discretion as to the rejection and validity of applications*
Subject to the provisions of the Issue Agreement, the Company may in its sole discretion:
- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in these Terms and Conditions;
 - (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in

substitution for or in addition to a USE Instruction and subject to such further terms and conditions as the Company may determine;

- (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the “first instruction”) as not constituting a valid application if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent has received actual notice from Euroclear UK & Ireland of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
 - (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE Instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for C Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.
- (m) *Lapse of the Open Offer*
- In the event that the Open Offer does not become unconditional by 8.00 a.m. on 11 June 2013 or such later time and date as the Company and Numis may agree being no later than 11 July 2013, the Open Offer and the Excess Application Facility will lapse, the Open Offer Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by an Existing CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies, if any, will be retained for the benefit of the Company.

5. Anti-money laundering regulations

5.1 Holders of Open Offer Application Forms

To ensure compliance with the Money Laundering Regulations, the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Open Offer Application Form is lodged with payment (which requirements are referred to below as the “verification of identity requirements”). If the Open Offer Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Registrar or Receiving Agent. In such case, the lodging agent’s stamp should be inserted on the Open Offer Application Form.

The person lodging the Open Offer Application Form with payment and in accordance with the other terms as described above (the “acceptor”), including any person who appears to the Registrar to be acting on behalf of some other person, accepts the Open Offer in respect of such number of C Shares as is referred to therein (for the purposes of this paragraph 5 the “relevant C Shares”) shall thereby be deemed to agree to provide the Registrar with such information and other evidence as the Registrar may require to satisfy the verification of identity requirements.

If the Receiving Agent determines that the verification of identity requirements apply to any acceptor or application, the relevant C Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither the Receiving Agent nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer or under the Excess Application Facility will be returned (at the acceptor's risk) without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn.

Submission of an Open Offer Application Form with the appropriate remittance will constitute a warranty to each of the Company, the Receiving Agent, and Numis from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

The verification of identity requirements will not usually apply:

- (i) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no. 91/308/EEC));
- (ii) if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- (iii) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or
- (iv) if the aggregate subscription price for the C Shares is less than €15,000 (approximately £12,750).

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- (a) if payment is made by cheque or banker's draft in sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques, should be made payable to "Computershare Investor Services PLC re Schroder Oriental Income Fund Limited Open Offer A/C and crossed "A/C Payee Only"" in respect of an application by a Existing Shareholder and crossed "A/C Payee Only". Third party cheques will not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/bankers' draft to such effect. The account name should be the same as that shown on the Open Offer Application Form; or
- (b) if the Open Offer Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (i) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, China, Gibraltar, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, Russian Federation, Singapore, South Africa, Switzerland, Turkey, UK Crown Dependencies and the US and, by virtue of their membership of the Gulf Cooperation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide with the Open Offer Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to Computershare. If the agent is not such an organisation, it should contact Computershare.

To confirm the acceptability of any written assurance referred to in (b) above, or in any other case, the acceptor should contact Computershare on 0800 923 1518 from within the UK or on + 44 (0870) 707 4040 if calling from outside the UK. Lines are open 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday. Calls from outside the UK will be charged at the applicable international rates. Different charges may apply to calls from mobile telephones. Calls may be recorded or randomly monitored for security and training purposes. Please note Computershare cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

If the Open Offer Application Form(s) is/are in respect of C Shares with an aggregate subscription price of €15,000 (approximately £12,750) or more and is/are lodged by hand by the acceptor in person, or if the Open Offer Application Form(s) in respect of C Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 6 June 2013, Computershare has not received evidence satisfactory to it as aforesaid, Computershare may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

5.2 Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST

If you hold your Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST and apply for C Shares in respect of all or some of your Open Offer Entitlements and Excess CREST Open Offer Entitlements as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE Instruction (which on its settlement constitutes a valid application as described above) constitutes a warranty and undertaking by the applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the C Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the C Shares represented by the USE Instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

6. Overseas Shareholders

This document has been approved by the FCA, being the competent authority in the United Kingdom.

Accordingly, the making of the Open Offer to persons resident in, or who are citizens of, or who have a registered address in, countries other than the United Kingdom may be affected by the law or regulatory requirements of the relevant jurisdiction. The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

6.1 General

The distribution of this document and the Open Offer Application Form and the making of the Open Offer to Overseas Shareholders may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for C Shares under the Open Offer or the Excess Application Facility.

No action has been or will be taken by the Company, Numis, or any other person, to permit a public offering or distribution of this document (or any other offering or publicity materials or Open Offer Application Form(s) relating to the C Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom.

Receipt of this document and/or an Open Offer Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Open Offer Application Form must be treated as sent for information only and should not be copied or redistributed. Open Offer Application Forms will not be sent to, and Open Offer Entitlements nor Excess CREST Open Offer Entitlements will not be credited to stock accounts in CREST of, Excluded Overseas Shareholders or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this document and/or an Open Offer Application Form in any territory other than the United Kingdom and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such Open Offer Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST unless, in the relevant territory in which the Open Offer Application Form is received or in which the person is resident or located, such an invitation or offer could lawfully be made to him or her and such Open Offer Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Open Offer Application Form must be treated as sent for information only and should not be copied or redistributed. It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for C Shares under the Open Offer or the Excess Application Facility to satisfy himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

None of the Company, Numis, nor any of their respective representatives, is making any representation to any offeree or purchaser of the C Shares regarding the legality of an investment in the C Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Open Offer Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Open Offer Entitlements or Excess CREST Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Open Offer Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for C Shares in respect of the Open Offer or the Excess Application Facility unless the Company and Numis determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Open Offer Application Form and/or transfers Open Offer Entitlements or Excess CREST Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of these Terms and Conditions and specifically the contents of this paragraph 6.

Any person (including, without limitation, custodians, agents, nominees and trustees) outside of the United Kingdom wishing to apply for C Shares in respect of the Open Offer must satisfy himself or herself as to the full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

The Company reserves the right to treat as invalid any application or purported application for C Shares that appears to the Company or its agents to have been executed, effected or dispatched from the United States or another Excluded Territory or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of C Shares or in the case of a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, to a CREST member who is an Excluded Overseas Shareholder or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

Existing Shareholders in jurisdictions outside the United Kingdom other than the United States, Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa may, subject to the laws of their relevant jurisdiction, take up C Shares in accordance with the instructions set out in this document and the Open Offer Application Form. Such Existing Shareholders who have registered addresses in, or who are resident in, or who are citizens of, countries other than the United Kingdom should, however, consult their appropriate professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their C Shares. Notwithstanding any other provision of this document or the Open Offer Application Form, the Company reserves the right to permit any person to apply for C Shares in respect of the Open Offer or under the Excess Application Facility if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Notwithstanding any other provision of this document or the Open Offer Application Form, the Company reserves the right to permit any Existing Shareholder who is an Excluded Overseas Shareholder to apply for C Shares if the Company and Numis, in their sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for C Shares should note that payment must be made in sterling denominated cheques or bankers' drafts or where such Overseas Shareholder is a Existing CREST Shareholder, through CREST.

7. Contact Telephone Number

Insert in section 9 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 the case of any queries regarding your application.

8. Instructions for Delivery of Completed Application Forms

Completed Application Forms should be returned, by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH, or by hand (during normal business hours), to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS46 8AE so as to be received by no later than 11.00 a.m. on 6 June 2013. If you post your Application Form, you are recommended to use first class post and to allow at least four working days for delivery. Application Forms received after 11.00 a.m. on 6 June 2013 may be rejected and returned to the first named applicant.

9. Admission, settlement and dealings

The result of the Open Offer is expected to be announced on 7 June 2013. Applications will be made to the UK Listing Authority for the C Shares to be admitted to the premium segment of the Official List and to the London Stock Exchange for the C Shares to be admitted to trading on the Main Market. It is expected that Admission will become effective and that dealings in the C Shares, fully paid, will commence at 8.00 a.m. on 11 June 2013.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the Ordinary Shares arising on the conversion of the C Shares of the relevant tranche. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 6 June 2013 (the latest date for applications under the Open Offer). If the condition(s) to the Open Offer described above are satisfied, C Shares will be issued in uncertificated form to those persons who submitted a valid application for C Shares by utilising the CREST application procedures and whose applications have been accepted by the Company. The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE Instruction was given.

Notwithstanding any other provision of this document, the Company reserves the right to send Existing CREST Shareholders an Open Offer Application Form instead of crediting the relevant stock account with Open Offer Entitlements and Excess CREST Open Offer Entitlements, and to allot and/or issue any C Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

For Existing Non-CREST Shareholders who have applied by using an Open Offer Application Form, share certificates in respect of the C Shares validly applied for are expected to be despatched by post by 13 June 2013. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the share register of the Company. All documents or remittances sent by or to applicants, or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Existing Non-CREST Shareholders are referred to paragraph 4.1 above and their respective Open Offer Application Form.

10. Times and dates

The Company shall, in agreement with Numis and after consultation with its financial and legal advisers, be entitled to amend the dates that Open Offer Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify the UK Listing Authority, and make an announcement on a Regulatory Information Service and, if appropriate, by Shareholders but Existing Shareholders may not receive any further written communication. If a supplementary prospectus is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this document, the latest date for acceptance under the Open Offer shall be extended to the date that is three Business Days after the date of issue of the supplementary prospectus (and the dates and times of principal events due to take place following such date shall be extended accordingly).

11. Governing law and jurisdiction

The terms and conditions of the Open Offer and the Excess Application Facility as set out in this document, the Open Offer Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, English law. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer and the Excess Application Facility, this document or the Open Offer Application Form. By taking up C Shares in accordance with the instructions set out in this document and, where applicable, the Open Offer Application Form, Existing Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

12. Further information

Your attention is drawn to the further information set out in this document and also, in the case of Existing Non-CREST Shareholders and other Existing Shareholders to whom the Company has sent Open Offer Application Forms, to the terms, conditions and other information printed on the accompanying Open Offer Application Form.

The C Shares are only suitable for investors who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company, for whom an investment in one or more classes of shares is part of a diversified investment programme and who fully understand and are willing to assume the risks involved in such an investment programme.

PART X

TERMS AND CONDITIONS OF THE OFFER FOR SUBSCRIPTION

1. Introduction

If you apply for C Shares under the Offer for Subscription, you will be agreeing with the Company, Numis, the Registrar and the Receiving Agent to the Terms and Conditions of Application set out below.

2. Offer to Acquire C Shares under the Offer for Subscription

- 2.1 Your application must be made on the Application Form attached at Appendix A to this Prospectus or as may be 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:
- 2.1.1 offer to subscribe for such number of C Shares at £1.00 per C Share (as the case may be) as may be purchased by the subscription amount specified in Box 1 on your Application Form (being a minimum of £1,000 or such lesser amount as the Company may, in its absolute discretion, determine to accept in respect of applications from (i) authorised persons and (ii) persons (including Directors) having a pre-existing connection with the Company) on the terms, and subject to the conditions, set out in this Prospectus, including these Terms and Conditions of Application and the Articles of Incorporation;
 - 2.1.2 agree that in respect of any C Shares for which you wish to subscribe under the Offer for Subscription you will submit payment in Sterling;
 - 2.1.3 agree that, in consideration of the Company and Numis agreeing that it will not, prior to the date of Admission, offer for subscription any C Shares to any person other than by means of the procedures referred to in this Prospectus, your application may not be revoked and that this paragraph shall constitute a collateral contract between you, the Company and Numis which will become binding upon despatch by post to, or in the case of delivery by hand, on receipt by the Receiving Agent of, your Application Form;
 - 2.1.4 undertake to pay the amount for the number of C Shares specified in Box 1 on your Application Form in full on application and 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 receive the share certificates for the C Shares applied for in uncertificated form credited to a CREST Account or to receive a share certificate for any C Shares applied for in certificated form or be entitled to commence dealing in the C Shares applied for in uncertificated 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 Receiving Agent and the Company 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) void the agreement to allot the C Shares and may allot them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund by way of a cheque, in your favour, at your risk, for an amount equal to the proceeds of the remittance which accompanied your Application Form, without interest);
 - 2.1.5 agree that where on your Application Form a request is made for C Shares to be deposited into a CREST Account, the Company may in its absolute discretion amend the form so that such C Shares may be issued in certificated form registered in the name(s) of the holders specified in your Application Form (and recognise that the Receiving Agent will so amend the form if there is any delay in satisfying the identity of the applicant or the owner of the CREST Account or in receiving your remittance in cleared funds);

- 2.1.6 agree that the crediting to a CREST Account of any C Shares in uncertificated form which you may become entitled may be delayed by and, in respect of applications for C Shares in certificated form (or where the Company exercises its discretion pursuant to paragraph 2.1.4 to issue C Shares in certificated form), that any share certificate to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled or pursuant to paragraph 2.1.4 above (and any monies returnable to you) may be retained by the Receiving Agent:
- (i) pending clearance of your remittance;
 - (ii) pending investigation of any suspected breach of the warranties contained in paragraph 6 below or any other suspected breach of these Terms and Conditions of Application;
 - (iii) pending any verification of identity which is, or which the Receiving Agent considers may be, required for the purpose of The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 (as amended), and the regulations made thereunder, and the GFSC's Handbook for Financial Services Businesses on Countering Financial Crime and Terrorist Financing (as amended, supplemented and/or replaced from time to time) (the "Guernsey AML Requirements"); or
 - (iv) any interest accruing on such retained monies shall accrue to and for the benefit of the Company;
- 2.1.7 agree, on the request of the Company, Numis and/or the Receiving Agent, to disclose promptly in writing to them such information as the Company, Numis and/or the Receiving Agent may request in connection with your application and authorise the Company, Numis and/or the Receiving Agent to disclose any information relating to your application which they may consider appropriate;
- 2.1.8 agree that, if evidence of identity satisfactory to the Company and/or Receiving Agent is not provided to the Receiving Agent within a reasonable time (in the opinion of Numis) following a request therefor, the Company or Numis may terminate the agreement with you to issue C Shares and, in such case, the C Shares which would otherwise have been allotted to you may be re-issued or sold to some other party and the lesser of your application monies or such proceeds of sale (as the case may be, with the proceeds of any gain derived from a sale accruing to the Company) will be returned by cheque made out to the first named applicant on which the payment accompanying the application was first drawn without interest and at your risk;
- 2.1.9 agree that you are not applying on behalf of a person engaged in money laundering, drug trafficking or terrorism;
- 2.1.10 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 together with full identity documents for the person so signing;
- 2.1.11 undertake to pay interest at the rate described in paragraph 3.3 below if the remittance accompanying your Application Form is not honoured on first presentation;
- 2.1.12 authorise the Receiving Agent to procure that there be sent to you definitive certificates in respect of the number of C Shares for which your application is accepted or if you have completed section 8 on your Application Form, but subject to paragraph 2.1.4 above, to deliver the number of C Shares for which your application is accepted into CREST, and/or to return any monies returnable by cheque in your favour without interest and at your risk;
- 2.1.13 confirm that you have read and complied with paragraph 8 of this Part X of the Prospectus;
- 2.1.14 agree that all subscription cheques and payments will be processed through a bank account (the "Acceptance Account") in the name of "Computershare Investor Services

PLC re Schroder Oriental Income Fund Limited" and crossed "A/C Payee" opened with the Receiving Agent;

- 2.1.15 agree that your Application Form is addressed to the Company and the Receiving Agent; and
 - 2.1.16 agree that, if a fractional entitlement to an C Share arises on your application, the number of C Shares issued to you will be rounded down to the nearest whole number and any fractions shall be retained by the Company for its benefit.
- 2.2 Any application may be rejected in whole or in part at the sole discretion of the Company and/or Numis.

3. Acceptance of Application Forms

- 3.1 The Receiving Agent 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) by notifying acceptance to you and/or by instructing the Registrar to enter your name on the share registry.
- 3.2 The basis of allocation will be determined by Numis in consultation with the Company. The right is reserved notwithstanding the basis as so determined to reject in whole or in part and/or scale back any application. The right is reserved to treat as valid any application not complying fully with these Terms and Conditions of Application 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 the Company in some other manner to apply in accordance with these Terms and Conditions of Application. The Company and Receiving Agent reserves the right (but shall not be obliged) to accept Application Forms and accompanying remittances which are received otherwise than in accordance with these Terms and Conditions of Application.
- 3.3 The Receiving Agent will present all cheques and banker's drafts for payment on receipt and will retain documents of title and surplus monies pending clearance of successful applicants' payment. The Receiving Agent may, as agent of and, under instructions from, the Company, require you to pay interest or its other resulting costs (or both) if the payment 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 the Receiving Agent and/or the Company, to be the interest on the amount of the payment from the date on which all payments in cleared funds are due to be received 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 the Receiving Agent and the Company plus 2 per cent. per annum.

The right is also reserved to reject in whole or in part, or to scale down or limit, any application.

4. Conditions

- 4.1 The contracts created by the acceptance of applications (in whole or in part) under the Offer for Subscription will be conditional upon:
 - 4.1.1 Admission occurring 8.00 a.m. on 11 June 2013 (or such later time or date, not being later than 11 July 2013, as the Company and Numis may agree); and
 - 4.1.2 the Issue Agreement becoming otherwise unconditional in all respects, and not being terminated in accordance with its terms before Admission becomes effective.
- 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 right you may have.

5. Return of Application Monies

Where application monies have been banked and/or received, if any application is not accepted in whole, or is accepted in part only, 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 and after the deduction of any applicable bank charges by returning your cheque, or by crossed cheque in your favour, by post at the risk of the person(s) entitled thereto (subject to a £3 de minimis). In the meantime, application monies will be retained by the Receiving Agent in a separate account.

6. Warranties

6.1 By completing an Application Form, you:

- 6.1.1 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 and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of Application and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;
- 6.1.2 warrant that you are a resident of, and are located for the purposes of the offer in the United Kingdom and no other jurisdiction;
- 6.1.3 warrant that you acknowledge the representations, warranties and agreements set out in this Prospectus, including those set out in the "Selling and Transfer Restrictions" in Part V of this Prospectus, and further warrant that you are not a US Person, you are not located within the United States and are not acquiring the C Shares for the account or benefit of a US Person;
- 6.1.4 warrant, if the laws of any territory or jurisdiction outside Guernsey or the United Kingdom are applicable to your application, that 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 that you have not taken any action or omitted to take any action which will result in the Company, Numis 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 Guernsey or the United Kingdom in connection with the Offer for Subscription in respect of your application;
- 6.1.5 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 thereof shall have any liability for any such other information or representation;
- 6.1.6 agree that, having had the opportunity to read this Prospectus, you shall be deemed to have had notice of all information and representations contained therein;
- 6.1.7 acknowledge that no person is authorised in connection with the Offer for Subscription 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 Numis or any of their affiliates;
- 6.1.8 warrant that you are not under the age of 18 on the date of your application;
- 6.1.9 agree that all documents and monies sent by post to, by or on behalf of the Company, or the Receiving Agent, will be sent at your risk and, in the case of documents and returned application cheques and payments 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;
- 6.1.10 confirm that you have reviewed the restrictions contained in paragraph 8 of this Part X of the Prospectus and warrant, to the extent relevant, that you (and any person on whose behalf you apply) comply or have complied with the provisions therein;

- 6.1.11 agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer for Subscription 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 or Numis to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- 6.1.12 irrevocably authorise the Company, or any other person authorised by it, as your agent, to do all things necessary to effect registration of any C Shares subscribed by or issued to you into your name and authorise any representatives of the Company to execute any documents required therefore and to enter your name on the register of members of the Company;
- 6.1.13 agree to provide the Company, Numis and Receiving Agent with any information which they may request in connection with your application or to comply with any other relevant legislation (as the same may be amended from time to time) including without limitation satisfactory evidence of identity to ensure compliance with the Guernsey AML Requirements;
- 6.1.14 agree that the Receiving Agent is acting for the Company in connection with the Offer for Subscription and for no-one else and that it will not treat you as its customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of C Shares or concerning the suitability of C Shares for you or be responsible to you for providing the protections afforded to its customers;
- 6.1.15 warrant that, in connection with your application, you have observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in the Company, the Sole Financial Adviser and Placing Agent, the Receiving Agent or any of their affiliates or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements of any territory in connection with the Offer for Subscription or your application;
- 6.1.16 warrant that the information contained in the Application Form is true and accurate; and
- 6.1.17 agree that if you request that C Shares are issued to you on a date other than Admission and such C Shares are not issued on such date that the Company and its agents and Directors will have not liability to you arising from the issue of such C Shares on a different date.

7. Money Laundering

- 7.1 You agree that, in order to ensure compliance with the UK Money Laundering Regulations 2007 (where applicable) and the Guernsey AML Requirements, the Company and/or Numis and/or the Receiving Agent and/or the Investment Manager may respectively at their absolute discretion require verification of identity from any person lodging an Application Form.
- 7.2 The Receiving Agent may undertake electronic searches for the purposes of verifying your identity. To do so the Receiving Agent may verify the details against your identity, but may also request further proof of your identity. The Receiving Agent reserves the right to withhold any entitlement (including any refund cheque) until such verification of identity is completed to its satisfaction.
- 7.3 Payments must be made by cheque or banker's draft in Sterling drawn on a United Kingdom branch of a bank or building society. Cheques, which must be drawn on your personal account where you have sole or joint title to the funds, should be made payable to "Computershare Investor Services PLC re Schroder Oriental Income Fund Limited" and crossed "A/C Payee". Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/banker's draft by following the instructions in paragraph 7.7 below.

- 7.4 The bank account name should be the same as that shown on the Application Form.
- 7.5 Where you appear to the Receiving Agent to be acting on behalf of some other person certifications of identity of any persons on whose behalf you appear to be acting may be required.
- 7.6 Failure to provide the necessary evidence of identity may result in application(s) being rejected or delays in the dispatch of documents.
- 7.7 In all circumstances, verification of the identity of applicants will be required. If you use a building society cheque, banker's draft or money order you should ensure that the bank or building society enters the name, address and account number of the person whose account is being debited on the reverse of the cheque, banker's draft or money order and adds its stamp. The name on the bank account must be the same as that stated on the Application Form.
- 7.8 You should endeavour to have the certificate contained in Box 8 of the Application Form signed by an appropriate firm as described in that Box.

8. Overseas Shareholders

The attention of existing and potential investors who are not resident in, or who are not citizens of, the United Kingdom and Guernsey is drawn to paragraphs 8.1 to 8.5 below:

- 8.1 If you receive a copy of this document 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 wishing to make an application for C Shares under the Offer for Subscription, 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 None of the C Shares have been, or will be, registered under the US Securities Act of 1933, as amended (the "Securities Act") or under the securities legislation of any state or other political sub-division of the United States and the relevant clearances have not been, and will not be, obtained from the securities commission of any province or territory of Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa. Accordingly, C Shares may not be offered, sold or delivered, directly or indirectly, in, into or within Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa or to, or for the account or benefit of, a US Person (as defined in Regulation S of the Securities Act) except in transactions that are exempt from the registration requirements under the Securities Act. In making your application under the Offer for Subscription you will, unless the Company and Numis agree otherwise in writing, be deemed to represent and warrant to the Company that you are not a US Person and that you are not subscribing for such C Shares for the account of any US Person and will not offer, sell, renounce, transfer or deliver, directly or indirectly, any C Shares in the United States or to any US Person. No application will be accepted if it bears an address in the United States.
- 8.3 No person receiving a copy of this Prospectus in any territory other than the United Kingdom or Guernsey may treat the same as constituting an offer or invitation to him, unless in the relevant territory such an offer can lawfully be made to him without compliance with any further registration or other legal requirements.
- 8.4 Persons (including, without limitation, nominees and trustees) receiving this Prospectus should not distribute or send it to any US Person or in or into the United States, Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa their respective territories or possessions or any other jurisdiction where to do so would or might contravene local securities laws or regulations.
- 8.5 The Company reserves the right to treat as invalid any agreement to subscribe for C Shares pursuant to the Offer for Subscription if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

9. The Data Protection (Bailiwick of Guernsey) Law 2001

- 9.1 Pursuant to The Data Protection (Bailiwick of Guernsey) Law 2001, (the "DP Law") the Company, Numis, the Registrar and/or Receiving Agent may hold personal data (as defined in the DP Law) relating to past and present Shareholders.
- 9.2 Such personal data held is used by the Registrar to maintain a register of the Shareholders and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when (a) effecting the payment of dividends and redemption proceeds to Shareholders (in each case, where applicable) and, if applicable, the payment of commissions to third parties and (b) 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.
- 9.3 The countries referred to above include, but need not be limited to, those in the European Economic Area or The European Union and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Hong Kong, Hungary, Japan, New Zealand, Singapore, South Africa, Switzerland and the United States.
- 9.4 By becoming registered as a holder of C Shares in the Company a person becomes a data subject (as defined in the DP Law) and is deemed to have consented to the processing by the Company or its Registrar or Numis of any personal data relating to them in the manner described above.

10. Miscellaneous

- 10.1 The rights and remedies of the Company, Numis and the Receiving Agent under these Terms and Conditions of Application are in addition to any rights and remedies which would otherwise be available to any of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 10.2 The Company reserves the right to shorten or extend the closing time of the Offer for Subscription from 11.00 a.m. on 4 June 2013 (provided that if the closing time is extended this Prospectus remains valid at the closing time as extended) by giving notice to the UK Listing Authority. In this event, the revised closing time will be published in such manner as Numis, in consultation with the Company determines, subject and having regard to the Listing Rules, the Prospectus Rules and any other requirement of the UK Listing Authority.
- 10.3 The Company may terminate the Offer for Subscription in its absolute discretion at any time prior to Admission. If such right is exercised, the Offer for Subscription will lapse and any monies will be returned as indicated without interest.
- 10.4 The dates and times referred to in these Terms and Conditions of Application may be altered by the Company so as to be consistent with the Placing, Open Offer and Offer for Subscription Agreement (as the same may be altered from time to time in accordance with its terms).
- 10.5 Save where the context requires otherwise, terms used in these Terms and Conditions of Application bear the same meaning as use elsewhere in this Prospectus.

11. Contact Telephone Number

Insert in section 9 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 the case of any queries regarding your application.

12. Instructions for Delivery of Completed Application Forms

Completed Application Forms should be returned, by post to Computershare, Corporate Action Projects, Bristol, BS99 6AH, or by hand (during normal business hours), to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS46 8AE, so as to be received by no later than 11.00 a.m. on 4 June 2013. If you post your Application Form, you are recommended to use first class post and to allow at least four working days for delivery. Application Forms received after 11.00 a.m. on 4 June 2013 may be rejected and returned to the first named applicant.

PART XI

DEFINITIONS

Definitions

The following definitions apply throughout this document unless the context requires otherwise:

Administration Agreement	means the administration agreement between the Company and the Investment Manager in its capacity as administrator of the Company, as more fully described in Part VII of this Prospectus
Admission	the admission of the C Shares to listing on the Official List of the FCA and to trading on the London Stock Exchange's main market for listed securities becoming effective in accordance with the LSE Admission Standards
Affiliate	means an affiliate of, or person affiliated with, a specified person; a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified
AIFM Directive	means the EU Directive on Alternative Investment Fund Managers
Articles or Articles of Incorporation	means the articles of incorporation of the Company adopted from time to time
Application Form	means the Application Form attached to this Prospectus for use in connection with the Offer for Subscription or as otherwise published by the Company
Authorised Rules	means the Authorised Closed-Ended Investment Schemes Rules 2008, as amended, supplemented and/or replaced from time to time
Back Stop Date	means the date falling 4 months after the date of Admission
Board or Board of Directors	means the board of directors of the Company
bps or basis points	means a unit of measurement equal to 1/100th of 1 per cent. For example, 1 bps is equal to 0.01 per cent.
Business Day	means a day on which the London Stock Exchange and banks in Guernsey are normally open for business
C Share	a C share of £0.01 nominal value in the capital of the Company issued as described in paragraph 2 of Part VII of the Prospectus and carrying <i>inter alia</i> the rights summarised in Part VII of the Prospectus
C Share Class Account	means a separate class account in the books of the Company for the C Shares
C Share Surplus	means the net assets of the Company attributable to the C Shares (as determined by the Directors or the liquidator (as the case may be)) at the date of winding up or other return of capital

Calculation Time

means, provided the Early Investment Condition has been met, the earliest of:

- (a) 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;
- (b) 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 the Conversion of the C Shares;
- (c) the close of business on the Back Stop Date; and
- (d) the close of business on such date as the Directors may determine, in the event that the Directors, in their discretion, resolve that any Early Investment Condition has been satisfied and that the C Shares shall be converted

certificated

means not in uncertificated form

Companies Law

means The Companies (Guernsey) Law, 2008, as amended

Company

means Schroder Oriental Income Fund Limited

Conversion

means conversion of the C Shares in accordance with the Articles

Conversion Ratio

means A divided by B calculated to four decimal places (with 0.00005 being rounded upwards) where:

$$A = \frac{C - D}{E}$$

and

$$B = \frac{F - G}{H}$$

and where:

“C” is the aggregate value of all assets and investments of the Company attributable to the C Shares (as determined by the Directors) at the relevant Calculation Time calculated in accordance with the accounting principles adopted by the Directors from time to time;

“D” is the amount which (to the extent not otherwise deducted in the calculation of C) in the Directors’ opinion fairly reflects as at the relevant Calculation Time the amount of the liabilities and expenses of the Company attributable to the C Shares (as determined by the Directors);

“E” is the number of the C Shares in issue as at the relevant Calculation Time;

“F” is the aggregate value of all assets and investments of the Company attributable to the Ordinary Shares (as determined by the Directors) at the relevant Calculation Time calculated in accordance with the accounting principles adopted by the Directors from time to time;

“G” is the amount which, (to the extent not otherwise deducted in the calculation of F) in the Directors’ opinion, fairly reflects as at the relevant Calculation Time the amount of the liabilities and

expenses of the Company attributable to the Ordinary Shares (as determined by the Directors); and

“H” is the number of Ordinary Shares in issue as at the relevant Calculation Time;

provided always that:

- (a) the Directors shall be entitled to make such adjustments to the value or amount of A and/or B as they believe to be appropriate having regard to, among other things, the assets of the Company immediately prior to the Issue Date and/or the Calculation Time and/or to the reasons for the issue of the C Shares; and
- (b) the Directors may, as part of the terms of issue of the C Shares, amend the definition of Conversion Ratio

Conversion Time

means a time following the Calculation Time, being the opening of business in London on such Business Day as may be selected by the Directors and falling not more than 20 Business Days after the Calculation Time

CREST

means the UK based system for the paperless settlement of trades in listed securities, of which Euroclear UK & Ireland Limited is the operator

CREST Guernsey Requirements

means Rule 8 and such other rules and requirements of Euroclear UK & Ireland as may be applicable to issuers as from time to time specified in the CREST Manual

CREST Manual

means the compendium of documents entitled CREST Manual issued by Euroclear UK & Ireland from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms

Custody Agreement

means the custody agreement between the Company and the Custodian dated 13 July 2005

Directors

means the Directors of the Company

Disclosure Rules and Transparency Rules

means the disclosure rules and transparency rules made by the FCA under Part VI of the FSMA

Early Investment Condition

means the Investment Manager giving notice to the Directors, and the Directors agreeing, that at least 90 per cent. (or such other percentage as the Directors may in their absolute discretion determine) of the assets attributable to the C Shares have been invested or committed to be invested as part of a Portfolio invested in accordance with the Company’s investment policy

EEA

means the European Economic Area

EGM

means an extraordinary general meeting

ERISA

means the US Employee Retirement Income Security Act of 1974, as amended

EU

means the European Union

EU Savings Tax Directive

means the EU Savings Tax Directive (2003/48/EC)

Excess Application Facility	means the arrangement pursuant to which Existing Shareholders may apply for additional C Shares in excess of their Open Offer Entitlement in accordance with the terms and conditions of the Open Offer
Excess CREST Open Offer Entitlement	means, in respect of each Existing CREST Shareholder, the entitlement (in addition to their Open Offer Entitlement) to apply for C Shares using CREST pursuant to the Excess Application Facility
Excess Shares	means: (a) C Shares which are not taken up by Existing Shareholders pursuant to their Open Offer Entitlement together with (b) C Shares that the Directors have reallocated from the Placing and/or the Offer for Subscription to be available to Existing Shareholders, in each case that are offered to the other Existing Shareholders under the Excess Application Facility
Excluded Overseas Shareholder	means an Overseas Shareholder who is resident in, or who is outside or who has a registered address in an Excluded Territory
Excluded Territory	means United States, Canada, Australia, Japan, the Republic of Ireland or the Republic of South Africa
Existing CREST Shareholders	means Existing Shareholders holding Ordinary Shares in uncertificated form in CREST
Existing Non-CREST Shareholders	means Existing Shareholders holding Ordinary Shares in uncertificated form
Existing Ordinary Shares	means Ordinary Shares in issue as at the Record Date
Existing Shareholder	means a holder of Ordinary Shares as at the Record Date who is not restricted from acquiring C Shares as set out in the section entitled "Overseas Shareholders" in Part IX of this Prospectus or otherwise
FATCA	means Sections 1471 to 1474 of the US Code, any regulations or agreements thereunder or official interpretation thereof
FCA	means the Financial Conduct Authority as the competent authority for listing in the United Kingdom
Force Majeure Circumstances	means in relation to the C Shares: <ul style="list-style-type: none"> (a) 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; (b) the issue of any 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 or to the persons to whom they are, and/or the terms on which they are, proposed to be issued; or (c) the convening of any general meeting of the Company at which a resolution is to be proposed to wind up the Company
FSMA	means the Financial Services and Markets Act 2000, as amended
GFSC	means the Guernsey Financial Services Commission

Gross Asset Value	means the total assets of the Company as determined in accordance with the accounting principles adopted by the Directors
Gross Issue Proceeds	means the aggregate number of C Shares issued under the Issue multiplied by the Issue Price
Guernsey AML Requirements	means The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 (as amended), and the regulations made thereunder, and the GFSC's Handbook for Financial Services Businesses on Countering Financial Crime and Terrorist Financing (as amended, supplemented and/or replaced from time to time)
IFRS	means the International Financial Reporting Standards, as adopted by the European Union
Investment Advisers Act	means the United States Investment Advisers Act of 1940, as amended
ISA	means an individual savings account
Issue	means the issue of C Shares contemplated in this Prospectus, including the Placing, Open Offer and Offer for Subscription
Issue Agreement	means the agreement entered into between the Company and Numis (in its capacity as Sole Financial Adviser and Placing Agent) as more fully described in Part VII of this Prospectus
Issue Date	means the date on which the Admission of the C Shares becomes effective or, if later, the day on which the Company receives the net proceeds of the issue of the C Shares
Issue Price	means the price at which each C Share is to be issued or sold under the Issue, being £1.00 per C Share
Listing Rules	means the listing rules of the UK Listing Authority made under section 74(4) of the FSMA
London Stock Exchange	means London Stock Exchange plc
Main Market	means the London Stock Exchange's main market for listed securities
Management Agreement	means the management agreement between the Company and the Investment Manager, a summary of which is set out in Part VII of this Prospectus
Member States	means the member states of the EU
Net Asset Value or NAV	means, in relation to the Company, the value of the assets of the Company less its liabilities (including accrued but unpaid fees) or, where the context requires, the assets of the Company attributable to a class of Shares less the liabilities of the Company (including accrued but unpaid fees) attributable to such class of Shares, in each case determined in accordance with the accounting principles adopted by the Directors
Net Issue Proceeds	means the Gross Issue Proceeds less applicable fees and expenses of the Issue
Non-Executive Chairman or Chairman	means the non-executive Chairman of the Company

Offer for Subscription	the offer for subscription by the Company of C Shares at the Issue Price subject to the terms of the Application Form and this Prospectus
Official List	means the Official List of the FCA
Open Offer	means the offer to Existing Shareholders, constituting an invitation to apply for C Shares under the Issue, on the terms and subject to the conditions set out in this Prospectus and, in the case of Existing Non-CREST Shareholders only, the Open Offer Application Form
Open Offer Application Form	means the personalised application form on which Existing Shareholders may apply for C Shares under the Open Offer
Open Offer Entitlement	means the entitlement of Existing Shareholders to apply for C Shares under the Open Offer as set out in Part IX of this Prospectus
Open Offer Shares	means the C Shares for which Existing Shareholders are entitled to subscribe under the terms of the Open Offer and Excess Application Facility
Ordinary Shareholders	means the holders of Ordinary Shares
Ordinary Shares	means redeemable ordinary shares of £0.01 nominal value in the capital of the Company issued as “Ordinary Shares” of such classes (denominated in such currencies) as the Directors may determine in accordance with the Articles, and having such rights and being subject to such restrictions as contained in the Articles
Ordinary Share Surplus	means the net assets of the Company attributable to the Ordinary Shares (as determined by the Directors or the liquidator (as the case may be)) at the date of winding up or other return of capital
Overseas Shareholder	means a person who is not resident in, or who is outside or who has a registered address outside, the United Kingdom
Numis	means Numis Securities Limited
Placee	means a person subscribing for C Shares under the Placing
Placing	means the placing of C Shares at the Issue Price as described in this Prospectus
Plan Asset Regulations	means the plan asset regulations promulgated by the US Department of Labor under ERISA at 29 C.F.R. section 2510.3-101, as modified by section 3(42) of ERISA
POI Law	means the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended)
Portfolio	means at any time, the portfolio of assets and investments in which the funds of the Company are invested
PRA	means the Prudential Regulation Authority of the United Kingdom
Prospectus	means this document
Prospectus Directive	means EU Prospectus Directive (2003/71/EC), as amended

Prospectus Rules	means the prospectus rules made by the FCA under Part VI of the FSMA
Qualified Investors	means persons who are “qualified investors” within the meaning of Article 2(1)(e) of the Prospectus Directive
Receiving Agent	means Computershare Investor Services PLC
Record Date	means close of business (UK time) on 3 May 2013
Registrar	means Northern Trust International Fund Administration Services (Guernsey) Limited
Regulation S	means Regulation S under the US Securities Act
RIS	means a regulatory information service
Schroder Group	means Schroders plc and its consolidated subsidiaries and subsidiary undertakings from time to time
SEC	means the US Securities and Exchange Commission
Shareholders	means the holders of Shares in the capital of the Company
Shares	means Ordinary Shares and/or C Shares as the context requires
SIPP	means a self-invested personal pension
SSAS	means a small self-administered scheme
Sterling	means pounds sterling, the lawful currency of the United Kingdom
Transaction Date	means as defined on page 39
UK or United Kingdom	means the United Kingdom of Great Britain and Northern Ireland
UK Corporate Governance Code	means the UK Corporate Governance Code as published by the Financial Reporting Council
UK Listing Authority	means the Financial Conduct Authority as the competent authority for listing in the United Kingdom
uncertificated form	means recorded on the register of members as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
United States or US	means the United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia
US Code	means the United States Internal Revenue Code of 1986, as amended
US Investment Company Act	means the US Investment Company Act of 1940, as amended
US Persons	has the meaning given to it in Regulation S
US Securities Act	means the United States Securities Act of 1933, as amended

Application Form for the Offer for Subscription

Application Form for the Offer for Subscription

If you wish to apply for C Shares, please complete, sign and return this Application Form, by post to Computershare, Corporate Action Projects, Bristol, BS99 6AH, or by hand (during normal business hours), to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS46 8AE, so as to be received no later than 11.00 a.m. on 4 June 2013.

IMPORTANT: Before completing this Application Form, you should read the notes set out under the section entitled "Notes on how to complete the Application Form" at the back of this Application Form. All applicants must complete Boxes 1. to 3. Joint applicants should also complete Box 4.

If you have a query concerning completion of this Application Form, please call Computershare Investor Services PLC ("Computershare" or the "Registrar") between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday on 0800 923 1518 (or, if calling from outside the United Kingdom, +44 (0870) 707 4040). Calls to the helpline from outside the UK are charged at applicable international rates. Different charges may apply to calls from mobile telephones. Calls may be recorded or randomly monitored for security and training purposes. Computershare cannot provide advice on the merits of the Offer for Subscription nor give any financial, legal or tax advice.

To: The Directors
Schroder Oriental Income Fund Limited

1. Application

I/We offer to subscribe for such number of C Shares at the value set out below divided by the relevant Issue Price (minimum being £1,000), fully paid subject to the Terms and Conditions of Application set out in the Prospectus dated 9 May 2013, including the representations, warranties and agreements therein, and subject to the Memorandum and Articles and enclose a cheque for the amount payable (the "**Application Amount**").

Number of Shares being applied for	
------------------------------------	--

2. Personal Details (Please use Block Capitals)

Mr, Mrs, Ms or Title	Forenames (in full)
Surname	
Address (in full)	
Postcode	

3. Signature

Dated	Signature
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4. Joint Applicants (Please use Block Capitals)

1. Mr, Mrs, Ms or Title
Forenames (in full)
Surname
Signature
2. Mr, Mrs, Ms or Title
Forenames (in full)
Surname
Signature
3. Mr, Mrs, Ms or Title
Forenames (in full)
Surname
Signature

5. Cheque/Banker's Draft Details

By Cheque or Banker's Draft: Attach your cheque or banker's draft for the exact amount shown in Box 1 made payable to "Computershare Investor Services PLC re Schroder Oriental Income Fund Limited" and crossed "A/C Payee".

6. Identity Information

In accordance with internationally recognised standards for the prevention of money laundering the undermentioned documents and information must be provided.

6.1 For each holder being an individual enclose:				
6.1.1 a certified clear photocopy of one of the following identification documents which bear both a photograph and the signature of the person: current passport – Government or Armed Forces identity card – driving licence; and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.1.2 certified copies of at least two of the following documents which purport to confirm that the address given in section 2 is that person's residential address: a recent gas, electricity, water or telephone (not mobile) bill a recent bank statement – a council rates bill or similar document issued by a recognised authority; and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.1.3 if none of the above documents show their date and place of birth, enclose a note of such information; and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.1.4 details of the name and address of their personal bankers from which Computershare may request a reference, if necessary.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.2 For each holder being a company (a "holder company") enclose:				
6.2.1 a certified copy of the certificate of incorporation of the holder company; and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.2.2 the name and address of the holder company's principal bankers from which Computershare may request a reference, if necessary; and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.2.3 a statement as to the nature of the holder company's business, signed by a director; and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.2.4 a list of the names and residential addresses of each director of the holder company; and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.2.5 for each director provide documents and information similar to that mentioned in 6.1.1 to 6.1.4 above; and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.2.6 a copy of the authorised signatory list for the holder company; and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.2.7 a list of the names and residential/registered address 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 complete 6.3 below and, if another company is named (hereinafter a " beneficiary company "), also complete 6.4 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.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.3 For each person named in 6.2.7 as a beneficial owner of a holder company enclose for each such person documents and information similar to that mentioned in 6.1.1 to 6.1.4.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.4 For each beneficiary company named in 6.2.7 as a beneficial owner of a holder company enclose:				
A certified copy of the certificate of incorporation of that beneficiary company; and A statement as to the nature of that beneficiary company's business signed by a director; and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The name and address of that beneficiary company's principal bankers from which Computershare may request a reference, if necessary; and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6.5 If the payor is not a holder 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 5 on how to complete this form) enclose:
 If the payor is a person, for that person the documents mentioned in 6.1.1 to 6.1.4; or
 If the payor is a company, for that company the documents mentioned in 6.2.1 to 6.2.7; and
 An explanation of the relationship between the payor and the holder(s).
 Computershare reserves the right to ask for additional documents and information.

7. CREST details (only complete this section if you wish to register your application directly into your CREST Account which should be in the same name(s) as the applicants in boxes 2 AND 4 ABOVE)

8.

CREST Participant ID	
CREST Member Account ID	

9. Reliable Introducer Certificate

Completion and signing of this certificate by a suitable person or institution may avoid presentation being requested of the identity documents.

The certificate below may only be signed by a person or institution (such as a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm 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 the United Kingdom. Acceptable countries include Austria, Belgium, Canada, Denmark, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hong Kong, Iceland, Ireland, Isle of Man, Italy, Japan, Jersey, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland, the United Kingdom and the United States.

CERTIFICATE: To the Company and the Registrar

By completing and stamping Box 8 below you are deemed to have given the warranties and undertakings set out in Clause 6 of the accompanying Terms and Conditions of Application under the Offer for Subscription. Notes on Completion of the Application Form.

<p>IFA STAMP</p> <div style="border: 1px solid black; width: 100%; height: 150px; margin-top: 10px;"></div>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 5px;">Name of Firm</td> <td style="border: 1px solid black; width: 150px; height: 25px;"></td> </tr> <tr> <td style="padding: 5px;">FCA Number</td> <td style="border: 1px solid black; height: 25px;"></td> </tr> <tr> <td style="padding: 5px;">Signature</td> <td style="border: 1px solid black; height: 25px;"></td> </tr> <tr> <td style="padding: 5px;">Print Name</td> <td style="border: 1px solid black; height: 25px;"></td> </tr> <tr> <td style="padding: 5px;">Position</td> <td style="border: 1px solid black; height: 25px;"></td> </tr> <tr> <td style="padding: 5px;">Date</td> <td style="border: 1px solid black; height: 25px;"></td> </tr> <tr> <td style="padding: 5px;">Telephone No</td> <td style="border: 1px solid black; height: 25px;"></td> </tr> </table>	Name of Firm		FCA Number		Signature		Print Name		Position		Date		Telephone No	
Name of Firm															
FCA Number															
Signature															
Print Name															
Position															
Date															
Telephone No															

10. Contact Details

To ensure the efficient and timely processing of this Application Form please enter below the contact details of a person that Computershare may contact with all enquiries concerning this application. Ordinarily this contact person should be the person signing in Box 3 on behalf of the first named holder. If no details are entered here and Computershare requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

Contact name:	Telephone no:
	Fax no:
Contact address:	Email address:

Signature of Applicant

Signed..... Signed Date2013
 Authorised Signatory

NOTES ON HOW TO COMPLETE THE OFFER FOR SUBSCRIPTION APPLICATION FORM

Applications should be returned so as to be received no later than 11.00 a.m. on 4 June 2013.

HELP DESK: If you have a query concerning completion of the Application Form please call Computershare on 0800 923 1518 or from outside the UK on +44 (0870) 707 4040. Lines are open from 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Computershare cannot provide any advice on the offer or any tax, financial or legal advice.

1. Application

Fill in Box 1 with the number of C Shares being subscribed for. The amount being subscribed must be for a minimum of £1,000 and in multiples of £1,000 thereafter. However, the Company may, in its absolute discretion, determine to accept applications in lesser amounts from (i) authorised persons or (ii) persons (including Directors) having a pre-existing connection with the Company. Financial intermediaries who are investing on behalf of clients should make separate applications or, if making a single application for more than one client, provide details of all clients in respect of whom application is made in order to benefit most favourably from the scaling back process should this be required.

2. Personal Details

Fill in (in block capitals) the full name(s) and address of the sole first applicant. Applications may only be made by persons aged 18 or over. In the case of joint holders only the first named may bear a designation reference. A maximum of four joint holders is permitted. All holders named must sign the Application Form at sections 3 and 4 (where applicable).

3. Signature

All holders named in sections 2 and 4 (where applicable) must sign sections 3 and 4 (where applicable) and insert the date. The Application Form may be signed by another person on behalf of each holder if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which originals will be returned by post at the addressee's risk). A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Application Form.

4. Cheque/Banker's Draft Details

Payment may be made by a cheque or banker's draft accompanying your application. If payment is by cheque or banker's draft such payment must accompany your Application Form and be for the exact amount shown in Box 1 of your Application Form. Your cheque or banker's draft must be made payable to "Computershare Investor Services PLC re Schroder Oriental Income Fund Limited" and crossed "A/C Payee". If you use a banker's draft or a building society cheque you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the banker's draft or cheque and adds its stamp. Your cheque or banker's draft must be drawn in Sterling on an account at a bank branch in the United Kingdom or the Channel Islands and must bear a United Kingdom bank sort code number in the top right hand corner. Third party cheques will not be accepted with the exception of building society cheques or bankers drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/bankers draft. The funds must be drawn from an account where you have sole or joint title to them.

5. Identity Information

Applicants need only consider section 6 of the Application Form if the declaration in section 8 cannot be completed. Notwithstanding that the declaration in section 8 has been completed and signed, the Registrar reserves the right to request of you the identity documents listed in section 6 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 6, 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.

6. CREST

If you wish your C Shares to be deposited in a CREST Account in the name of the holder(s) given in sections 2 and 4 (where applicable), enter in section 7 the details of that CREST Account. Where it is requested that C Shares be deposited into a CREST Account please note that payment for such C Shares must be made prior to the day such C Shares might be allotted and issued. It is not possible for an applicant to request that C Shares be deposited in their CREST Account on an against payment basis. Any Application Form received containing such a request will be rejected.

7. Reliable Introducer Certificate

Applications will be subject to Guernsey's AML Requirements. This will involve you providing the verification of identity documents listed in section 6 of the Application Form UNLESS you can have the certificate provided at section 8 of the Application Form given and signed by a firm acceptable to the Company. In order to ensure your application is processed timely and efficiently all applicants are strongly advised to have the certificate provided in section 8 of the Application Form completed and signed by a suitable firm.

8. Contact Details

To ensure the efficient and timely processing of your Application Form, please provide contact details of a person the Registrar may contact with all enquiries concerning your application. Ordinarily this contact person should be the person signing in section 3 on behalf of the first named holder. If no details are entered here and the Registrar requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

Instructions for delivery for completed Application Forms

Completed Application Forms should be returned, by post to Computershare, Corporate Actions Projects, Bristol BS99 6AH, or by hand (during normal business hours), to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, United Kingdom so as to be received no later than 11.00 a.m. on 4 June 2013, together in each case with payment in full in respect of the application. 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 this date may be returned.

