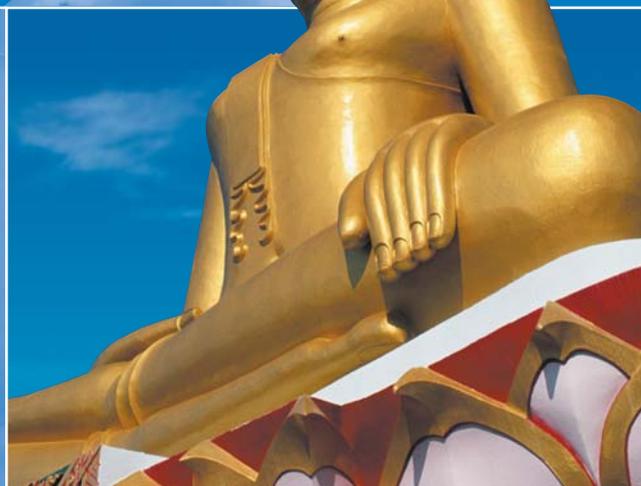

Fidelity Asian Values PLC

Annual Report

For the year ended 31 July 2010



Managed by



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Objective and Highlights



To achieve long term capital growth through investment principally in the stockmarkets of the Asian Region (excluding Japan)

Mr Hugh Bolland, Chairman

Performance	Year ended 31 July 2010
Net Asset Value ("NAV") Total Return	+27.8%
Share Price Total Return	+24.3%
MSCI All Countries (Combined) Far East Free ex Japan Index Total Return – sterling adjusted	+19.8%
Equity Shareholders' Funds	£117.2m
Market Capitalisation	£107.2m
Ordinary shares of 25p in issue at 31 July 2010	60,978,843
Subscription shares of 5p in issue at 31 July 2010	12,151,870

Standardised Performance (on a total return basis) % change

	31/7/2005 to 31/7/2006	31/7/2006 to 31/7/2007	31/7/2007 to 31/7/2008	31/7/2008 to 31/7/2009	31/7/2009 to 31/7/2010
NAV – Undiluted	+11.7	+47.4	-15.6	+15.7	+27.8
NAV – Diluted	+10.6	+48.9	n/a	n/a	+27.7
Share price	+11.8	+40.6	-13.0	+20.6	+24.3

Sources: Fidelity and Datastream
Past performance is not a guide to future returns

Financial Summary

	2010	2009	% change
Assets at 31 July			
Total assets employed ¹	£122.9m	£98.7m	+24.5
Shareholders' funds	£117.2m	£92.1m	+27.3
NAV per share – undiluted	192.19p	151.18p	+27.1
NAV per share – diluted ²	191.99p	n/a	
Borrowings as % of shareholders' funds	4.9%	7.1%	
Borrowings less cash as % of shareholders' funds	3.8%	6.7%	
Results for the year to 31 July			
Capital return per ordinary share	41.73p	14.85p	
Revenue return per ordinary share	0.27p	1.49p	
Dividend proposed for the year per ordinary share	nil	1.00p	
Stockmarket data at 31 July			
MSCI All Countries (Combined) Far East Free ex Japan Index ³	287.48	245.00	+17.3
Share price year end	175.75p	142.25p	+23.6
High	189.00p	142.25p	
Low	136.75p	71.00p	
Discount year end – undiluted	8.6%	5.9%	
High	13.7%	17.8%	
Low	2.8%	1.2%	
Discount year end – diluted	8.5%	n/a	
Subscription share price year end	19.00p	n/a	
High	31.50p	n/a	
Low	19.00p	n/a	
Total returns (includes reinvested income) for the year to 31 July (%)			
NAV per share	+27.8	+15.7	
Share price	+24.3	+20.6	
MSCI All Countries (Combined) Far East Free ex Japan Index ³	+19.8	+11.0	
Total Expense Ratio for the year to 31 July⁴			
	1.52%	1.65%	

¹ total assets less current liabilities, excluding loan liability

² the diluted net asset value is included in this report since the net asset value of each of the Company's shares exceeds the subscription share price of one of its subscription shares. Hence if the subscription shares were to convert at the year end date, the net asset value per share in issue would be diluted

³ price index, sterling adjusted

⁴ operating expenses (excluding interest and tax) based on average daily shareholders' funds

Sources: Fidelity and Datastream

Past performance is not a guide to future returns

PERFORMANCE

The year under review has been positive for the Company. The undiluted net asset value increased by 27.8%, compared to the performance of the MSCI All Countries (Combined) Far East ex Japan Index which returned 19.8% over the same period. (All figures in sterling terms and on a total return basis). At the time of writing, the Company's ordinary share price is 189.25p.

SUBSCRIPTION SHARE ISSUE

During the year, a General meeting of the Company was held on 4 March 2010 and a resolution was passed authorising a Bonus Issue of one subscription share for every five ordinary shares held by qualifying shareholders. Each subscription share gives the holder the right, but not the obligation, to subscribe for one ordinary share at the end of each month from the end of May 2010 until the end of May 2013 inclusive. Each subscription share may be exercised only once. The exercise price is 191.00 pence per share based on the Company's NAV at 5.00 pm on 4 March 2010, plus a 1% premium to such NAV, rounded up to the nearest whole penny. A total of 12,188,212 subscription shares were allotted to the qualifying shareholders and dealings commenced in these shares on 8 March 2010. A total of 36,342 ordinary shares have been allotted following the exercise of the rights attached to these subscription shares at the end of each month from May to July 2010. Further details on the subscription shares may be found in the Directors Report on page 17.

ARTICLES OF ASSOCIATION

At the General Meeting of the Company held on 4 March 2010 shareholders approved the adoption of new Articles of Association of the Company, required largely to reflect the implementation of the Companies Act 2006 and the rights attaching to the subscription shares.

GEARING

The Company entered into a 364 day revolving credit facility with ING Bank N.V. on 3 February 2010 for an amount of up to US\$15 million. This followed the repayment of the Lloyds TSB Bank PLC loan of US\$11 million on 25 September 2009. The Company announced on 12 April 2010 that US\$9 million had been drawn down. The Board continues to review the gearing position on a regular basis and believes the ability to gear will add value over the long term. As at 31 July 2010 gross gearing was 4.9% of shareholders' funds and net gearing (after deducting cash held) was 3.8%. The current net gearing parameters set by the Board are between 0% and 10%.

DIRECTORATE AND GOVERNANCE

During the year, Sir Robin McLaren and Sir Victor Garland both retired from the Board. It is with great sadness that I record the recent death of Sir Robin who retired from the Board following the 2009 Annual General Meeting. Sir Robin's extensive Far Eastern experience contributed greatly to the Company and he will be missed both professionally and personally.

Sir Victor retired from the Board on 3 June 2010. A Director of the Company since launch, Sir Victor served as Chairman of the Board from 2000 to 2010. The Board wishes to thank him for his committed stewardship of the Company whilst Chairman and important contribution to the Company's business during his 15 years of service. His colleagues wish him well in his retirement. To ensure the Board continues to strengthen its skills and experience, two new non-executive Directors of the Company were appointed with effect from 1 January 2010. Mrs Kate Bolsover and Mr Philip Smiley both have extensive experience in the financial services industry and the Far East. In accordance with the Company's Articles of Association, Kate Bolsover and Philip Smiley will seek formal appointment to the Board at the forthcoming Annual General Meeting. Further information on both Kate Bolsover and Philip Smiley can be found in their biographies on pages 12 and 13.

Following Sir Victor's retirement, I was appointed as Chairman of the Board with effect from 3 June 2010. Kate Bolsover was, in turn, appointed Chairman of the Audit Committee and William Knight was appointed Senior Independent Director on 3 June 2010, both roles having previously been held by me. In accordance with the Listing Rules, Kathryn Matthews, following an evaluation of her performance by her fellow Directors and on their recommendation, will seek re-election at the forthcoming Annual General Meeting. Kathryn Matthews retired from her executive responsibilities at Fidelity in October 2009 and seeks annual re-election due to her recent employment relationship with the Manager. Both William Knight and I are subject to retirement by rotation and we will both also be seeking re-election at the forthcoming Annual General Meeting.

As detailed in the biographies on pages 12 and 13 the Directors have a wide range of appropriate skills and experience to make up a balanced Board for your Company. The Board continues to monitor corporate governance issues, reviewing and updating processes as appropriate.

DIVIDEND

In accordance with the Company's objective for long term capital growth, the Board has agreed that there will be no dividend paid for the year ended 31 July 2010.

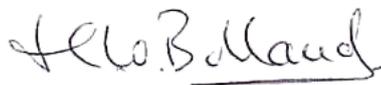
ANNUAL GENERAL MEETING

The 2010 Annual General Meeting will be held on Monday 29 November 2010 at Fidelity's Cannon Street office commencing at 11.00 am. All shareholders and Fidelity Savings Plan and ISA Scheme investors are invited to attend. The Portfolio Manager will be making a presentation on the year under review and immediate prospects for the Company.

Chairman's Statement

OUTLOOK

Relative to the rest of the world, Asia remains a region with potential for sustainable earnings growth. The region continues to attract investors thanks to its substantial stimulus measures introduced in 2009 and healthy financial systems. Central banks continue to maintain a vigilant stance against inflation with precautionary tightening measures in place. Further capital raisings could trigger market volatility; however stocks with quality earnings should perform well. Earnings to date have been encouraging and investment performance is expected to remain strong as prospects improve.



Mr Hugh Bolland
Chairman
22 September 2010

Manager's Review



FIL INVESTMENTS INTERNATIONAL

The Company is managed by FIL Investments International (which is authorised and regulated by the Financial Services Authority), in conjunction with FIL Investment Management (Hong Kong) Limited. Both are part of the FIL Limited group, which, at 30 June 2010, had total assets under management exceeding £133 billion. Fidelity was one of the first Western groups to establish a research presence in the Asian region.



JOHN LO

is a portfolio manager with FIL Investment Management (Singapore) Limited. He joined Fidelity in 1993 having worked previously as a consultant with General Portfolio until 1991 and then with Ernst and Young. He gained an MBA (distinction) at Manchester Business School in 1993. John is also involved with the portfolio management of a number of Fidelity funds investing in Asia.

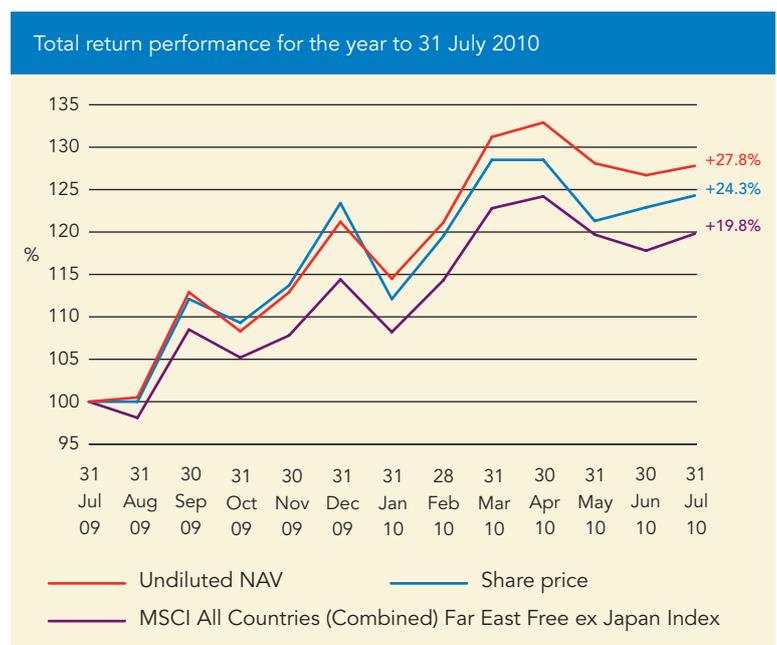
MARKETS

Stock markets in Far East ex Japan rose over the twelve month review period, underpinned by growing confidence about the prospects of a sustainable global economic recovery. Credit markets began to thaw and the outlook for Asia and the world economy improved. At the same time, positive earnings from a number of regional companies led to an upward revision in forecasts.

Indonesia and Thailand equity markets were among the best performing in the region, favoured for their robust domestic activity. Indonesia generated positive returns, helped by a ratings upgrade by Moody's and growth in consumer demand. Thai equities were resilient after the government overcame some of its political problems. Malaysian stocks rose as Chinese investment funds were allowed to flow into its capital market. However, Chinese equities underperformed average regional returns, as a strong recovery raised concerns about monetary tightening. Investors were also wary of a slow down in lending growth and increased share supply on account of several initial public offers. Meanwhile, fears about a default on debt obligations by Dubai briefly impacted share prices. The persistent debt crisis in Europe, mixed economic data from the US and China's steps to curb speculative activity in the property market also dampened investor sentiment in Asia.

However, information technology companies in South Korea and Taiwan benefited from restocking demand. The surge in consumer confidence and continued fiscal incentives were supportive of companies related to consumer and household spending. Investors favoured sectors whose earnings are directly linked to strong economic growth. Consequently, while all sectors posted double digit returns, telecommunications stocks lagged due to the defensive nature of their earnings.

Manufacturing data, including China's Purchasing Managers' Index, pointed to an upbeat momentum. Improved consumer confidence, a result of increased



Sources: Fidelity and Datastream
Past performance is not a reliable indicator of future results
Share price high and low during the year not shown above

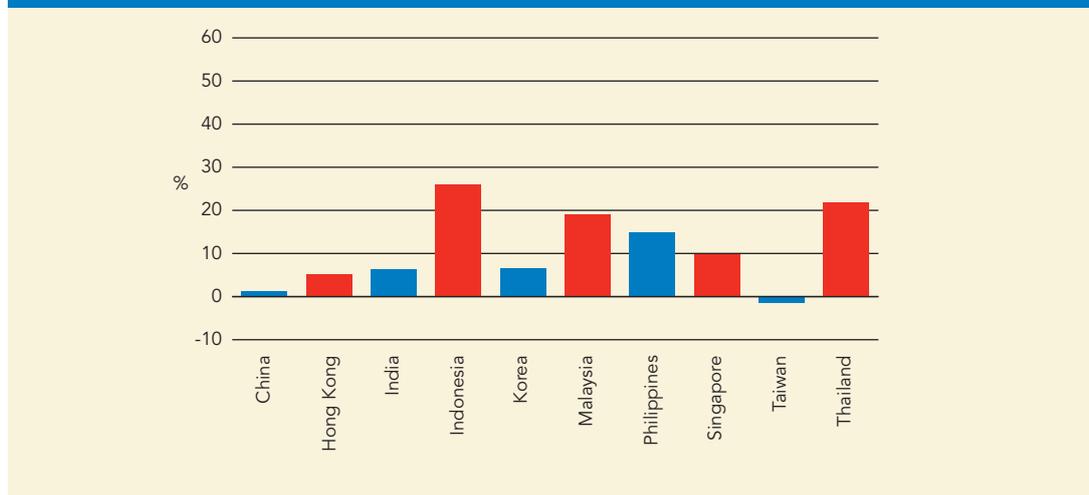
employment, translated into higher retail sales across the region, even as inflation edged higher albeit from low levels. China boosted the reserve requirement for banks, while interest rates were increased in Taiwan, Korea, Malaysia and India.

PORTFOLIO REVIEW

The Company's exposure to internet related businesses has had a significant positive influence on relative returns. The Manager favours this sector due to rapidly increasing internet penetration and consumerism in China. Over the period, a non-benchmark position in Chinese-language online search engine Baidu was the single largest contributor. The company benefited from

Manager's Review

Local Market Returns for the year to 31 July 2010



Sources: Factset.
Local MSCI Country Gross Indices in sterling terms

growing market share, partly due to Google's exit from the Chinese market and increased advertising revenue. Similarly, the overweight position in online social networking company Tencent Holdings benefited Company returns due to solid earnings given the increased monetisation of services, new games for children and a loyal user base. Both stocks were also favoured for their new deals to develop middleware applications for 3G mobile phones. In addition, the new acquisition of Korea based internet and television shopping firm CJ O Shopping boosted the position, supported by improving consumer confidence. Within the consumer sector, strong profits and good brand recognition led to improved performance by ladies' footwear manufacturer in China, Belle International. Hong Kong listed global merchandise trader Li & Fung, which is the largest supplier to Walmart and Tesco, proved rewarding due to new contracts at the company. Korean cosmetics company AmorePacific Corporation, Indonesia based tobacco company Gudang Garam and noodle producer Indofood Sukses Makmur were also favoured for their resilient businesses. In addition, selected positions in the materials sector such as non-benchmark exposure to Lock&Lock and Indocement Tunggul Prakarsa made impressive gains.

Whilst all sectors contributed to relative returns over the period, performance in the energy sector lagged. Stock selection in demand driven technology hardware and consumer apparel companies also succumbed to valuation concerns after valuations rose significantly. Stocks, specifically holdings in LCD panel manufacturer AU Optonics, fell despite rising demand.

A number of positions were added from the travel and tourism industry; in particular, Korea based Hotel Shilla, a Samsung Group affiliate with a strong revenue potential.

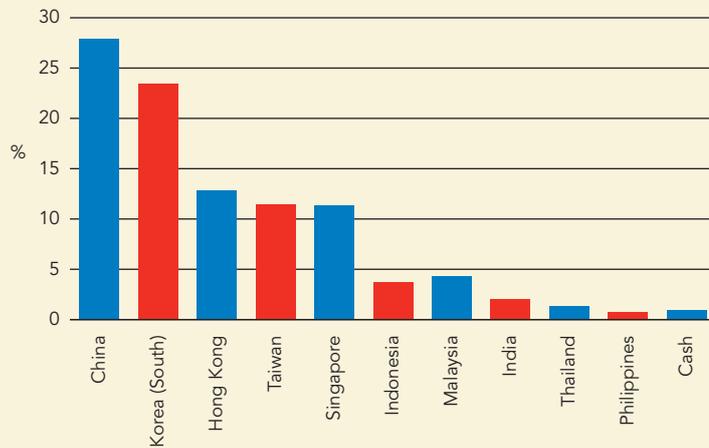
The Company also invested in Malaysia listed casino operator Genting in view of greater recognition of the strong operational performance of Resorts World Singapore, also owned by the Genting Group.

Selected names were added in the industrials sector, while maintaining the underweight position at the aggregate level. An investment was made in Sarin Technologies, which is engaged in the development and manufacture of precision technology products for processing diamonds and gems. Shares were purchased in Hong Kong listed commodity trader Noble Group and gold producer Zhaojin Mining Industry in China. However, holdings in financials became increasingly underweight. Holdings in Hong Kong based property developer Sun Hung Kai Properties and Cheung Kong were also sold off due to limited upside opportunities. Some of the proceeds were used to buy a stake in China Overseas Land and Investment which exhibits strong execution capability and has access to a large land bank in China. It also has the highest earnings visibility among its peers.

OUTLOOK FOR THE REGION

Asia has not yet felt any significant impact from fiscal austerity nor the strains on Eurozone banking systems. The region remains attractive due to its generally healthy financial systems and solid fundamentals. Domestic demand remains robust, supported by low debt and high savings, all of which are likely to support a multi-year growth cycle. Regional equities are likely to remain volatile in the near term as the region is not completely immune from a potential Eurozone or global downturn. Inflation could squeeze the profit margins of firms that are unable to pass on rising costs. Far East ex Japan markets could, however, outperform their global counterparts on the strength of their superior corporate

Geographical Portfolio Allocation as at 31 July 2010



Sources: Fidelity

performance and superior economic fundamentals. Companies with strong balance sheets and healthy valuations are favoured, notably in selected stocks in economies that are growing at a rapid pace, where we are beginning to see more attractive valuations emerge. Overall, the Manager remains cautiously optimistic given the strong market rise last year and stimulus withdrawal.

FIL Investments International

22 September 2010

Ten Largest Investments as at 31 July 2010

Ten Largest Investments as at 31 July 2010 (the Full Portfolio Listing is set out on pages 50 and 51)		Fair Value £'000	% ¹
CHINA	China Merchants Bank A commercial bank offering corporate banking, retail banking and treasury businesses. It is headquartered in Shenzhen.	6,802	5.5
	Tencent Holdings The company provides internet, mobile and telecommunications value-added services in China. It has an instant messaging community in China. It also provides advertising services.	4,280	3.5
	BYD Company The company is engaged in the research, development, manufacture and sale of rechargeable batteries, automobiles and related products.	3,638	3.0
HONG KONG	Li & Fung A global merchandise trader and the largest supplier to Walmart and Tesco.	3,746	3.1
	Bank of China Hong Kong A leading listed commercial banking group in Hong Kong in terms of assets and customer deposits. With over 270 branches and 470 ATMs and other distribution channels in Hong Kong, the Bank and its subsidiaries offer a comprehensive range of financial products and services to retail and corporate customers.	2,471	2.0
KOREA	Samsung Electronics The company specialises in the provision of communication products. It operates its businesses through five business divisions: communication, semiconductor, digital media, liquid crystal display (LCD) and home appliances.	6,049	4.9
	Belle International The company is engaged in the manufacturing, distribution and sale of shoes and footwear products, and the sale of sportswear products.	2,849	2.3
	Hyundai Mobis The company is engaged in the provision of automobile components. Its module division provides chassis, cockpit, front-end safety, braking, combination and injection parts, and wheel and deck modules. Its auto division offers automobile accessories, genuine parts and after sales and vehicle inspection services.	2,480	2.0
MALAYSIA	Genting The company is involved in a tourist resort business at Genting Highlands. Its activities cover leisure and hospitality services, investments, time share ownership schemes, tours and travel related services.	2,848	2.3
TAIWAN	Hon Hai Precision The company is principally engaged in the production and sale of electronic products which are applied in computer, communication and consumer electronics goods.	4,578	3.7
Ten largest investments (2009: 38.6%)		39,741	32.3
Other holdings (66) (2009: 60.8%)		82,045	66.8
		121,786	99.1
Cash & other net current assets (2009: 0.6%)		1,136	0.9
		122,922	100.0

¹ % of total assets less current liabilities, excluding loan liability

Summary of Performance

Historical record as at 31 July	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Total assets employed	£122.9m	£98.7m	£145.0m	£179.6m	£108.7m	£99.0m	£78.1m	£78.8m	£81.2m	£84.6m	£123.6m
Shareholders' funds	£117.2m	£92.1m	£135.9m	£170.7m	£99.1m	£88.7m	£60.4m	£58.9m	£60.7m	£62.2m	£102.3m
NAV per share – undiluted	192.19p	151.18p	131.78p	156.13p	105.95p	94.86p	64.63p	63.02p	64.95p	64.50p	101.83p
NAV per share – diluted	191.99p	n/a	n/a	156.13p	104.88p	94.86p	64.63p	63.02p	64.95p	64.50p	101.83p
Ordinary share price	175.75p	142.25p	119.00p	136.75p	97.25p	87.00p	55.00p	57.00p	59.75p	52.25p	90.25p
Subscription share price	19.00p	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Warrant price	n/a	n/a	n/a	n/a	4.50p	6.37p	2.25p	7.75p	10.00p	8.75p	28.00p
Discount – undiluted	8.6%	5.9%	9.7%	12.4%	8.2%	8.3%	14.9%	9.6%	8.0%	19.0%	11.4%
Discount – diluted	8.5%	n/a	n/a	12.4%	7.3%	8.3%	14.9%	9.6%	8.0%	19.0%	11.4%
Revenue return/(loss) per ordinary share	0.27p	1.49p	1.43p	0.63p	(0.06p)	0.58p	(0.18p)	(0.36p)	(0.85p)	(1.31p)	(1.22p)
Dividend per ordinary share	nil	1.00p	0.81p	nil	nil	nil	nil	nil	nil	nil	nil
Cost of running the Company (total expense ratio)	1.52%	1.65%	1.34%	1.51%	1.71%	1.76%	1.68%	1.86%	1.77%	1.76%	1.64%
Actual gearing ratio – net of cash	3.8%	6.7%	0.1%	2.4%	8.0%	10.1%	6.0%	20.4%	14.3%	30.5%	19.9%
NAV – undiluted total return	+27.8%	+15.7%	-15.6%	+47.4%	+11.7%	+47.2%	+2.6%	-3.0%	+0.7%	-36.7%	+10.0%
NAV – diluted total return	+27.7%	n/a	n/a	+48.9%	+10.6%	+47.2%	+2.6%	-3.0%	+0.7%	-36.5%	+9.7%
Share price total return	+24.3%	+20.6%	-13.0%	+40.6%	+11.8%	+58.2%	-3.5%	-4.6%	+14.4%	-42.1%	+10.9%
Index total return	+19.8%	+11.0%	-10.7%	+41.3%	+9.2%	+41.1%	+2.7%	+3.2%	-0.3%	-27.5%	+3.2%

NAV information is shown both diluted and undiluted. In December 2006, the final exercise of all the warrants took place and thereafter no dilution was relevant until the issue of the subscription shares in 2010.

Sources: Fidelity and Datastream

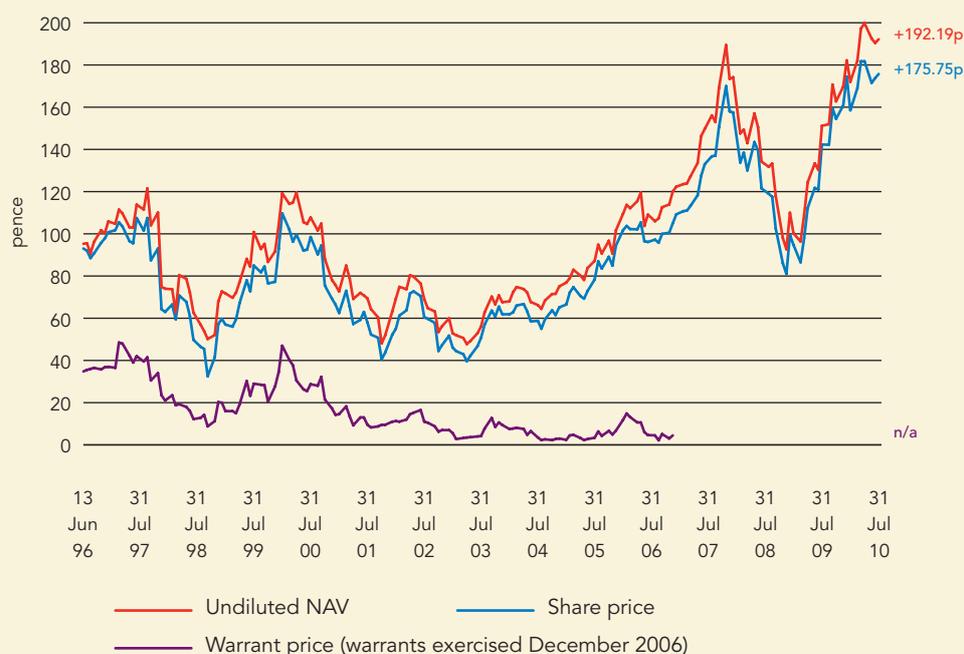
Past performance is not a guide to future returns

Summary of Performance

Total return performance from launch to 31 July 2010



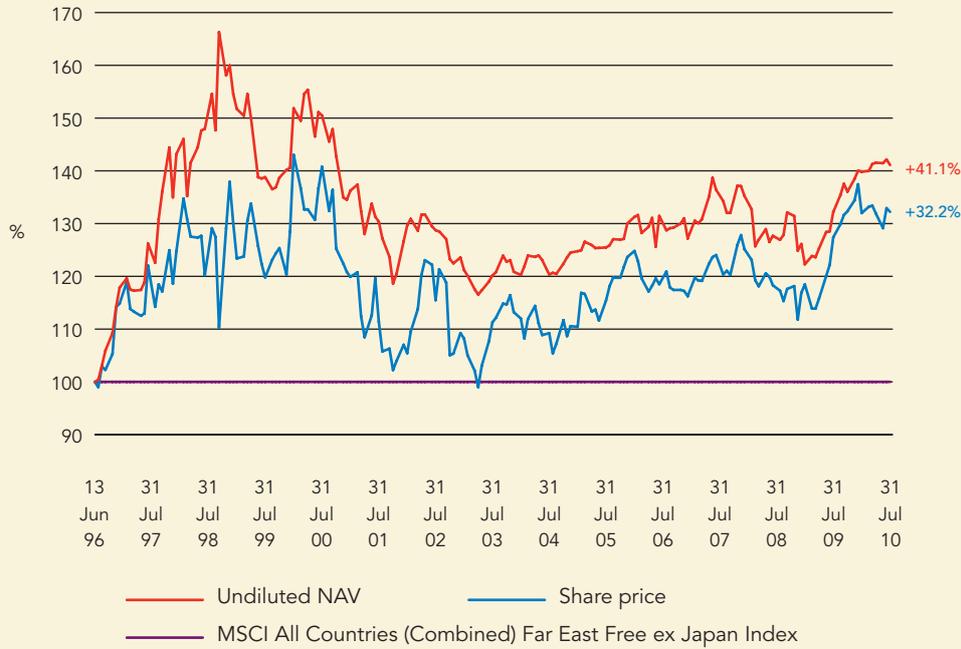
NAV, share price and warrant price from launch to 31 July 2010



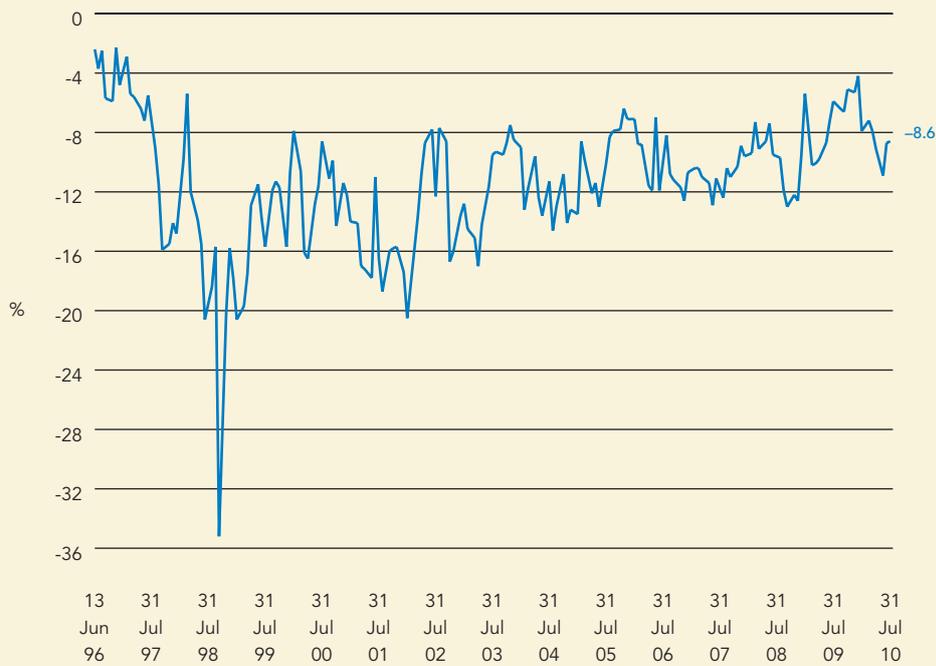
Sources: Fidelity and Datastream
Past performance is not a guide to future returns

Summary of Performance

Total return performance relative to the benchmark Index from launch to 31 July 2010



Share price discount to NAV from launch to 31 July 2010



Sources: Fidelity and Datastream
Past performance is not a guide to future returns

Corporate Information

Manager, Secretary and Registered Office

FIL Investments International
Beech Gate
Millfield Lane
Lower Kingswood
Tadworth
Surrey KT20 6RB

Financial Advisers and Stockbrokers

JP Morgan Cazenove
20 Moorgate
London EC2R 6DA

Independent Auditor

Grant Thornton UK LLP
Chartered Accountants & Registered Auditor
30 Finsbury Square
London EC2P 2YU

Bankers and Custodian

JPMorgan Chase Bank (London Branch)
125 London Wall
London EC2Y 5AJ

Registrars

Capita Registrars
Northern House
Woodsome Park
Fenay Bridge
Huddersfield
West Yorkshire HD8 0GA

Lawyers

Slaughter and May
One Bunhill Row
London EC1Y 8YY

Speechly Bircham LLP
6 New Street Square
London EC4A 3LX



Hugh Bolland¹

(Date of appointment as Director: 11.03.04; date of appointment as Chairman: 03.06.10) an economist, his 30 year career with Schroders began in 1970 after working in Australia in the financial services industry. During the 1980s he was Managing

Director of Schroders Asia in Hong Kong, and then Chief Executive of Schroders Australia. During the 1990s he was head of Schroders' UK institutional business, and later, Chief Executive of Schroder Investment Management, a business with worldwide assets under management of £110 billion. He is also a director of JPMorgan Indian Investment Trust plc and Alliance Trust plc.



Kate Bolsover²

(Date of appointment as Director: 01.01.10; date of appointment as Chairman of the Audit Committee: 03.06.10) is a director of JPMorgan American Investment Trust PLC. She is also Deputy Chairman of Tomorrow's People Trust Limited and a

Director of a number of affiliated companies. She worked for Cazenove Group plc and J.P. Morgan Cazenove between 1995 and 2005 where she was managing director of the mutual fund business, and latterly director of Corporate Communications. Prior to this her work involved business development and mutual funds experience covering countries in the Far East.

Board of Directors



William Knight³

(Date of appointment as Director: 09.02.05; date of appointment as Senior Independent Director: 03.06.10) is a founder member and director of Emerisque Capital an “east west” private equity management “buy-in” company. During an eighteen

year period with Lloyds Bank International he worked in project finance, was head of global syndicated lending and then head of its investment banking activities for Asia. He was a founding director of Lloyds Merchant Bank and then managing director of Lloyds Bank Fund Management. In recent years he has acted as adviser to companies and governments on investment and development strategy and his directorships include JPMorgan Chinese Investment Trust plc.



Kathryn Matthews⁴

(Date of appointment: 09.02.05) retired from her executive responsibilities at Fidelity at the end of March 2009. Over sixteen years at Baring Asset Management she worked in several senior positions including head of institutional business in

Europe, rising to be a main board director. She was a founding partner and Chief Investment Officer of Santander Global Advisors. From 2000 she headed the global institutional business of AXA Investment Managers and then was an asset management consultant with Mercer Manager Advisory Services before joining Fidelity in 2003 as head of Global Equities and Portfolio Strategies. She was Chief Investment Officer Asia ex Japan equities from September 2005 until end March 2009 and was based in Hong Kong. She is currently a non-executive director of Hermes Fund Managers Limited, Rathbone Brothers plc, Montanaro UK Smaller Companies Investment Trust PLC, JPMorgan Chinese Investment Trust plc, Religare Enterprises Limited and Conversus Capital L.P.



Philip Smiley³

(Date of appointment: 01.01.10) is a director of the Arisaig India Fund and the Endowment Fund SPC. He is also Chairman of the PXP Vietnam Fund Limited, the Vietnam Emerging Equity Fund Limited and Vietnam Lotus Fund Limited. He has many

years of experience of working in Asia including five years as managing director and country head of Jardine Fleming in Singapore between 1996 and 2001 and four years as group country Chairman of Jardine Matheson in Thailand between 2001 and 2005.

All the Directors are non-executive and, with the exception of Kathryn Matthews, are also independent.

¹ Chairman of the Management Engagement Committee, Nomination Committee and member of the Audit Committee

² Chairman of the Audit Committee, member of the Management Engagement Committee and Nomination Committee

³ Member of the Audit Committee, Management Engagement Committee and Nomination Committee

⁴ Member of the Nomination Committee

Directors' Report

The Directors present their report together with the audited financial statements for Fidelity Asian Values PLC for the year ended 31 July 2010.

The Company was incorporated in England and Wales as a public limited company on 2 April 1996 with the registered number 3183919 and commenced business as an investment trust on 13 June 1996.

BUSINESS AND STATUS

The Company carries on business as an investment trust and HM Revenue and Customs has granted provisional approval for the year ended 31 July 2009 under Section 842 of the Income and Corporation Taxes Act 1988 although this approval may be subject to review should there be any subsequent enquiry under Corporation Tax Self Assessment. From 2010, HM Revenue and Customs' approval of investment trusts is dealt with under Sections 1158 to 1164 of the Corporation Tax Act 2010. The Directors are of the opinion that the Company has conducted its affairs in a manner which will enable it to satisfy the conditions for approval as an investment trust in respect of the year ended 31 July 2010 and which will satisfy the conditions for continued approval as an investment trust under that Section.

The Company is registered as an investment company under Section 833 of the Companies Act 2006 and operates as such. It is not a closed company and has no employees.

BUSINESS REVIEW INTRODUCTION

This section of the Directors' Report provides a fair review and description of the Company's business and describes the principal risks and uncertainties it faces. An analysis of the performance of the Company during the financial year and at the year end is included taking into account its objective, strategy and risks and how these are measured using key performance indicators ("KPIs").

OBJECTIVE AND STRATEGY

The Company's objective is to enhance shareholder value through long term capital growth. The Company aims to achieve this with an actively managed portfolio of investments principally in the stockmarkets of the Asian region, excluding Japan. The Board has delegated the management of the portfolio and certain other services to FIL Investments International. The Manager seeks to achieve a capital return on the Company's total assets over the long term in excess of the MSCI All Countries (Combined) Far East Free ex Japan Index as expressed in sterling.

ACTIVITY

The Company pursues the objective through operating as an investment trust company. A review of the year's activities and an indication of likely future developments are given in the Chairman's Statement on pages 3 and 4 and in the Manager's Review on pages 5 to 7. The Board supports these views.

Both the objective and principal activity have remained unchanged throughout the year ended 31 July 2010.

INVESTMENT POLICY

The Company primarily invests in a diversified portfolio of companies listed on stockmarkets in the Asian Region, but investments may be made in companies listed elsewhere which, in the opinion of the Portfolio Manager, have significant interests in the Asian Region.

In order to diversify the Company's portfolio the Board has set broad guidelines for the Manager, which the Board reserves the right to amend as it sees fit, in respect of the country weightings of the portfolio. Investment of up to 10% of the Company's total assets less current liabilities, excluding the fixed term loan liability (referred to as total assets in this section) is permitted in any one company or other investment entity.

The Company principally invests in equities but may also invest in equity related instruments; up to 15% in convertible bonds, 10% in warrants and 35% in debt or money market instruments or money market funds. The Company may invest up to 5% of total assets of the Company in securities which are not listed on any stock exchange but the Portfolio Manager will not normally make any such investment, except where it is expected that the securities will become listed on a stock exchange in the foreseeable future. In addition, the Company may invest up to 15% of total assets of the Company in other investment funds (whether listed or unlisted) where such funds offer the only practicable means of gaining exposure to a particular market in the Asian Region.

Investment in Non-Voting Depository Receipts, American Deposit Receipts, Global Deposit Receipts and Equity Linked Notes is permitted by the Board, any such investment being included in the aggregate relevant country weighting. While it is not expected that the Company will undertake any foreign exchange hedging of its portfolio, it reserves the right to do so.

The current investment approach is detailed in the Manager's Review on pages 5 to 7.

A breakdown of the current distribution of the Company's portfolio is detailed on pages 52 and 53.

FIDELITY'S INVESTMENT MANAGEMENT PHILOSOPHY, STYLE AND PROCESS

The portfolio is primarily built on a stock by stock basis following the Portfolio Manager's assessment of the fundamental value available in individual securities, with geographical weightings largely the result of stock selection, rather than macro-economic considerations. The charts and graphs provided in this annual report should therefore be read with this in mind. The portfolio's geographical weightings may vary significantly from the weightings within its benchmark Index and the

concentration on the identification of fundamental value in individual stocks within the Asian Region may result in investments made against prevalent trends and local conventions. The Portfolio Manager invests in securities of companies which are considered by the Portfolio Manager to have fundamental value.

PREMIUM/DISCOUNT MANAGEMENT: ENHANCING SHAREHOLDER VALUE

The Board seeks authority from shareholders each year to issue new shares at a premium or repurchase shares for cancellation at a discount to the net asset value. It will only use these authorities to enhance the net asset value and to protect or improve the premium/discount rating of the shares.

BORROWING

It is the policy of the Company that the total amount of borrowings will not exceed an amount equal to 30% of the value of the Company's net assets at the date on which the borrowing is incurred. As detailed in the Chairman's Statement, the Portfolio Manager is currently permitted by the Board to maintain net gearing between 0% and 10% depending on the strength or weakness of the markets.

KEY PERFORMANCE INDICATORS

The Key Performance Indicators ("KPIs") used to determine the progress and performance of the Company over time and which are comparable to those reported by other investment trusts are set out below.

	2010	2009
NAV ¹	+27.8%	+15.7%
Share Price ²	+24.3%	+20.6%
MSCI All Countries (Combined) Far East Free ex Japan Index	+19.8%	+11.0%
Discount to NAV	8.6%	5.9%
Revenue return per share	0.27p	1.49p
Actual gearing ratio	3.8%	6.7%
Total expense ratio	1.52%	1.65%

All figures are calculated on a total return basis (ie cum income)

¹ Calculated in accordance with AIC guidelines

² Calculated on a mid to mid basis with income reinvested

Source: Datastream

The Summary of Performance table and graphs on pages 9 to 11 indicate the relative historic performance of the Company since its launch relative to its benchmark Index.

Some of the KPIs are beyond the Board's control but they are measures of the Company's absolute and relative performance and the Board monitors them regularly. Indices and ratios which assist in managing performance and compliance are regularly reviewed including the total expense ratio. Expenses themselves

are reviewed at each Board meeting enabling the Board, amongst other things, to review costs and consider any expenditure outside that of its normal operations. Apart from the KPIs set out above the Board also regularly reviews the performance of the Company against its AIC Asia Pacific ex Japan sector of twelve investment trusts. The principal risks and uncertainties section below includes descriptions of other performance indicators and their monitoring and management which are key to the business of the Company. Long term performance is also monitored and the total return performance graph on page 10 shows this information. The Board also monitors the various factors contributing to investment results as in the attribution analysis below.

ATTRIBUTION ANALYSIS

The attribution analysis table enables the contributions from various sources of income and costs to be determined.

Analysis of change in NAV during the year (pence per share)	
NAV as at 31 July 2009	151.18
Impact of :	
Index	+29.89
UK Tax	+0.93
Stock Selection	+17.69
Gearing	+3.44
Share issues	+0.04
Charges	- 5.22
Cash	+0.42
Other	- 6.18
NAV as at 31 July 2010	192.19

PRINCIPAL RISKS AND UNCERTAINTIES

The Board confirms that there is an ongoing process for identifying, evaluating and managing or monitoring the principal risks which fall under the general headings of strategic, operational and management. This process is regularly reviewed by the Board in accordance with the Financial Reporting Council's document Internal Control: Revised Guidance for Directors on the Combined Code.

An internal controls report, which includes a risk matrix and the assessment of risks applicable to the Company, is prepared by the Manager and considered by the Audit Committee. Risks are identified, introduced and graded and this process, together with the policies and procedures for the mitigation of risks, is updated and the report is reviewed twice a year.

The Board reviews and agrees policies, which have remained unchanged since the beginning of the accounting period, for managing risks and summaries of these are set out below.

Directors' Report

Market risks

The Company's assets consist mainly of listed securities and the principal risks are therefore market related such as market recessions, interest rate movements, deflation/inflation, terrorism and protectionism.

Risks to which the Company is exposed and which form part of the market risks category are included in Note 17 to the financial statements on pages 44 to 49 together with summaries of the policies for managing these risks. These comprise: market price risk (made up of other price risk, interest rate risk and foreign currency risk); liquidity risk; counterparty risk and credit risk.

The Company has a 364 day revolving credit facility in place with ING Bank N.V. The extent to which any loan facilities are retained or renewed is always kept under the most careful scrutiny.

The impact of limited finance from counterparties including suppliers has not impacted the Company to date, however there are alternative suppliers available in the market place should the need arise.

The Company relies on a number of main service providers, namely the Manager, Registrar and Custodian. The Manager is a member of a privately owned group of companies on which a regular report is provided to the Board. The Manager, Registrar and Custodian are subject to regular audits by Fidelity's internal audit team and the counterparties' own internal controls reports are received by the Board and any concerns investigated.

Performance risks

The achievement of the Company's performance objective relative to the market involves risk. Strategy, asset allocation and stock selection might lead to under performance of the benchmark Index and target. Monitoring of these risks is carried out by the Board which, at each Board meeting, considers the asset allocation of the portfolio and the risks associated with particular countries and industry sectors within the parameters of the investment objective. The Portfolio Manager is responsible for actively managing the portfolio selected in accordance with the asset allocation parameters and seeks to ensure that individual stocks meet an acceptable risk-reward profile. The NAV of the Company is published each working day.

Income – dividends risks

The Company's objective of long term capital growth relies less on income to support dividends than investment trust companies with a more income oriented target. Nevertheless, generating income to meet expenses and provide adequate reserves is subject to the risk that income generation from its investments fails to meet the level required. The Board monitors this risk through the receipt of detailed income reports and forecasts which are considered at each meeting.

Share price risks

The price of the Company's shares relative to the benchmark Index and in absolute terms, as well as its discount to NAV, are not factors the Company is able to control. Some short term influence over the discount may be exercised by the use of share repurchases at acceptable prices.

The Company's ordinary share price, subscription share price, NAV and discount volatility are monitored daily by the Manager and considered by the Board at each of its meetings.

Gearing risks

The Company has the option to invest up to the total of its loan facility in equities. In a rising market the Company would benefit but in a falling market the impact would be detrimental.

In order to manage the level of gearing the Board regularly considers this item and sets gearing limits accordingly. The Portfolio Manager follows these and may invest part of the loan facility in Fidelity Institutional Liquidity Fund plc and short term cash deposits to control the level of net gearing.

Control systems risks

The Company is dependent on the Manager's control systems and those of its Custodian and Registrars, both of which are monitored and managed by the Manager in the context of the Company's assets and interests on behalf of the Board. The security of the Company's assets, dealing procedures and the maintenance of investment trust status under s1158 of the Corporation Tax Act 2010, among other things, rely on the effective operation of such systems. These are regularly tested and a programme of internal audits is carried out by the Manager to maintain standards.

Other risks

Other risks monitored on a regular basis include loan covenants, which are subject to daily monitoring, together with the Company's cash position, and the continuation vote (at a time of poor performance).

Environmental, employee, social and community matters

The Company is an investment trust that is managed by FIL Investments International, has no employees and all of its Directors are non-executive, the Company's day to day activities being carried out by third parties. There are therefore no disclosures to be made in respect of employees. The Board fully endorses Fidelity's strong procedures which are involved in the managing of its investments.

The Company has no premises, consumes no electricity, gas or diesel fuel and consequently does not have a measurable carbon footprint. FIL Investments International is registered with the Carbon Reduction

Commitment Energy Efficiency Scheme administered by the Environment Agency.

The Company's financial reports are printed by a company which has received the relevant accreditations for its environmental awareness and further details of these may be found on the back cover of this report. Financial reports and other publicly available documentation are also available on the Company's website www.fidelity.co.uk/its. Details about Fidelity's own community involvement may be found on its website www.fidelity.co.uk.

SOCIALLY RESPONSIBLE INVESTMENT

The Manager's primary objective is to produce superior financial returns to investors. It believes that high standards of corporate social responsibility ("CSR") make good business sense and have the potential to protect and enhance investment returns. Consequently, its investment process takes social, environmental and ethical issues into account when, in its view, these have a material impact on either investment risk or return.

The Manager recognises and supports the view that social, environmental and ethical best practice should be encouraged so long as the potential for financial return is not reduced. It favours companies committed to high standards of CSR and the principles of sustainable development. The Manager does not screen out companies from its investment universe purely on the grounds of poor social, environmental or subjective ethical records. Instead it adopts a positive engagement approach whereby social, environmental and ethical matters are discussed with management with the aim of improving procedures and attitudes. The Manager believes that this is the most effective way to improve the attitude of business towards CSR and the Board endorses this approach.

DIRECTORS' REPORT – GENERAL NET ASSET VALUE

Investments were valued at £121,786,000 as at 31 July 2010. Shareholders' funds amounted to £117,193,000 resulting in a NAV per share of 192.19 pence. Changes to investments are shown in Note 9 to the financial statements on pages 40 and 41.

DIVIDEND

In accordance with the Company's objective for long term capital growth, the Board has agreed that there will be no dividend paid for the year ended 31 July 2010.

SHARE CAPITAL

As at 31 July 2010 the issued share capital was 60,978,843 shares (2009: 60,942,501 shares). Each share in issue carries one vote. Deadlines for the exercise of voting rights and details of arrangements by which someone other than the shareholder can exercise voting rights are detailed in the Notes to the Notice of Meeting. The Company's ordinary shares have a

premium listing on the London Stock Exchange and the subscription shares have a standard listing.

SUBSCRIPTION SHARES

On 5 January 2010, the Board announced a proposal for a bonus issue of subscription shares to ordinary shareholders on the basis of one subscription share for every five ordinary shares held. Subscription shares have similar characteristics to warrants in that they carry the right (but not the obligation) to convert into ordinary shares during a pre-determined future period at a pre-determined price.

The Board continues to believe that the bonus issue of subscription shares was advantageous to shareholders since it provides them with additional tradable securities which they can retain, for subsequent conversion into ordinary shares, or sell in the market at their discretion.

Subscription shares converted into ordinary shares will increase the capital base of the Company, allowing operating costs to be spread across a larger number of ordinary shares and the total expense ratio to fall. Increasing the number of ordinary shares in issue may also improve the future liquidity in the market of the ordinary shares.

On the 4 March 2010 a General meeting was held to approve the rights of the subscription shares and to obtain authority to allot the subscription shares. Both resolutions were passed and following admission to the Official List and to trading on the main market of the London Stock Exchange, 12,188,212 subscription shares were reserved under a block listing. The subscription share rights may be exercised to have effect on the last business day of each month which commenced on the 28 May 2010 and will finish on the last business day in May 2013, after which the subscription share rights will lapse. The subscription shares may have no value to holders after that date. The exercise price is 191.00 pence per share based on the Company's NAV at 5.00pm on 4 March 2010 plus 1% premium to such NAV, rounded up to the nearest whole penny. The ordinary shares arising on exercise of the subscription share rights will be allotted within ten business days of the relevant exercise date. To be exercised, a notice of exercise must be received by the Registrars no later than ten business days prior to the relevant exercise date. At the latest date before publication of this report, 50,847 subscription shares had been exercised. The subscription shares do not carry voting rights. Details of the subscription shares for capital gains tax purposes may be found on page 58.

SHARE ISSUES

Other than the issue of subscription shares detailed above, no shares were issued during the year (2009: nil).

SHARE REPURCHASES

Shares may be repurchased when, in the opinion of the Directors, the discount appears high or further from the peer group average than desired and shares are

Directors' Report

available on the market. The principal purpose of share repurchases is to enhance net asset value for remaining shareholders. Additionally, they address the imbalance between the supply of and demand for the Company's shares and thereby reduce the scale and volatility of the discount at which the shares trade in relation to the underlying net asset value.

At the Annual General Meeting held on 7 December 2009 the Company's shareholders passed a special resolution which granted the Directors authority to purchase up to 14.99% of the issued ordinary shares in the market for cancellation.

The authority to purchase shares expires on 29 November 2010 and a special resolution to renew the authority in respect of 14.99% of the issued share capital of the Company at the date of the resolution will be put to shareholders for approval at the forthcoming Annual General Meeting. During the year and since the year end no shares have been repurchased.

At the General Meeting held on 4 March 2010, the shareholders passed a special resolution which granted the Directors authority to purchase up to 1,827,056 subscription shares in the market for cancellation. No subscription shares were repurchased for cancellation during the year ended 31 July 2010. Approval of the renewal of this authority by special resolution will be put to the shareholders for approval at the forthcoming Annual General Meeting.

GEARING

The Company has a 364 day revolving loan facility with ING Bank N.V for US\$15 million. On 12 April 2010, an amount of US\$9 million was drawn down. The Company's approach to gearing is explained in the Chairman's Statement on page 3 and the gearing risk is outlined on page 16.

PAYMENT OF CREDITORS

The Company's principal supplier is the Manager who is paid in the month following the end of each calendar quarter in accordance with the terms of the Management Agreement (see below). The Company's policy for the years to 31 July 2010 and 31 July 2011, for all suppliers, is to fix terms of payment when agreeing the terms of each business transaction, to ensure that the supplier is aware of these terms and to abide by the agreed terms of payment. The Company did not have any trade creditors in the year under review and there are none to date in the current year.

MANAGEMENT COMPANY

A management and secretarial services agreement (the "Management Agreement") was agreed by the Company and Fidelity Investments International, now FIL Investments International, (the "Manager") on 6 February 2006. The Manager has agreed to provide investment management, accounting, administrative and secretarial services to the Company for a quarterly fee of

an amount equal to 0.25 per cent of the value of the Company's assets under management (as defined in the Management Agreement, which excludes investments in other funds managed by the Manager). The fee is payable quarterly in arrear and calculated as of the last business day of March, June, September and December in each year. In addition the Company has agreed to pay to the Manager a fee for secretarial and administration services, payable quarterly in arrear, at the rate of £25,000 per annum subject, as from 1 January 1997, to annual indexation. For the year to 31 July 2010 £36,000 was paid in this regard (2009: £35,000).

The Management Agreement will continue unless and until terminated by either party giving to the other not less than six months' notice in writing. However, it may be terminated without compensation if the Company is liquidated in 2011, or in any subsequent year thereafter, pursuant to the procedures laid down in the Articles of Association of the Company. The Management Agreement may also be terminated forthwith as a result of a material breach of the Agreement or on the insolvency of the Manager or the Company. In addition, the Company may terminate the Management Agreement by 60 days' notice if the Manager ceases to be a subsidiary of FIL Limited.

The Manager also provides certain services, including marketing and administration, in connection with the Fidelity Investment Trust Share Plan and the Fidelity Individual Savings Account ("ISA") under an agreement dated 15 May 1996. The amount payable under this agreement for the year to 31 July 2010 was £74,000 (2009: £88,000).

An amount of £155,000 (2009: £135,000) was due to the Manager under the above agreements at 31 July 2010 and is included in creditors.

Fidelity actively manages commission through both commission recapture and commission sharing arrangements with "core" brokers in each trading location. Fidelity's traders are not required to deal solely or mainly with core brokers but experience has shown that because of their trading ability the majority of trades will naturally gravitate towards these core brokers who offer the best service in terms of overall execution. In accordance with applicable law, Fidelity may use a percentage of trading commission to pay for certain independent research services that assist in the investment decision making process. This is done under commission sharing or similar arrangements. The proprietary commission recapture programme allows the Company to recapture a portion of commission paid to participating brokers, where the overall commission payment to a core broker exceeds the value attributed to research paid out of commission plus the value of execution provided. Amounts received by the Company under this arrangement are credited to capital. In the year to 31 July 2010 £64,000 was received (2009: £16,000). Fidelity adopts a best execution policy that

applies to all transactions in all instruments, regardless of the fund or account or location of the trading desk.

The Company participates in the Manager's interfund programme whereby Fidelity's traders, on occasion, identify situations where one fund managed by Fidelity is buying the same security that another fund is selling. If a trader can confirm that it would be in the interests of both accounts to execute a transaction between them rather than in the market then an interfund transaction is executed.

There is a regulatory requirement on the Manager to obtain best execution and no individual deal is entered into which prevents compliance with this requirement.

As at 22 September 2010, FIL Limited, the ultimate parent company of the Manager, has an interest of 989,700 ordinary shares (1.62%) and 347,940 subscription shares (0.57%) in the Company.

RESPONSIBILITY AS AN INSTITUTIONAL SHAREHOLDER

The Board has adopted the Manager's Principles of Ownership in relation to investments. These principles include the pursuit of an active investment policy through portfolio management decisions, voting on resolutions at general meetings and maintaining a continuing dialogue with the management of investee companies. The Manager, in its Principles of Ownership, expressly declares that it supports the Financial Reporting Council's Stewardship Code setting out the responsibilities of institutional shareholders and agents.

Further details of the Manager's Principles of Ownership and voting may be found at www.fidelity.co.uk.

ARTICLES OF ASSOCIATION

At the General Meeting of the Company held on 4 March 2010 shareholders approved the adoption of new Articles of Association of the Company, required largely to reflect the implementation of the Companies Act 2006 and the introduction of subscription shares.

DIRECTORS

The Directors who served during the year to 31 July 2010 are listed on pages 12 and 13 together with a brief description of their careers, each of which indicates their qualifications for Board membership. Sir Victor Garland retired from the Company with effect from 3 June 2010 and Sir Robin McLaren retired on 7 December 2010. Mrs Kate Bolsover and Mr Philip Smiley were appointed with effect from 1 January 2010. Any changes to the Board of Directors must be made in accordance with the Companies Act and the Company's Articles of Association. Information on the appointment, re-election and replacement of Directors and amendments to the Company's Articles of Association is included in the Corporate Governance Statement on pages 23 to 29.

Hugh Bolland was appointed Chairman with effect from 3 June 2010. Kate Bolsover was appointed Chairman of the Audit Committee with effect from 3 June 2010. William Knight was appointed Senior Independent Director with effect from 3 June 2010.

No Director is under a contract of service with the Company and no contracts existed during or at the end of the financial period in which any Director was materially interested and which was significant in relation to the Company's business. There have been no other related party transactions requiring disclosure under Financial Reporting Standard ("FRS") 8.

The names of the Directors and their holdings of the Company's ordinary and subscription shares as at 31 July 2010 and 2009 are set out in the table below. With the exception of the bonus issue of subscription shares, there were no changes to the Directors' holdings during the year under review nor have there been any changes since the year end.

Information on the appointment and replacement of Directors is included in the Corporate Governance Statement on pages 23 to 29.

	Ordinary Shares held at 31 July 2010	Ordinary Shares held at 31 July 2009	Subscription Shares held at 31 July 2010	Subscription Shares held at 31 July 2009
Sir Victor Garland	n/a	5,000	n/a	n/a
Hugh Bolland	10,000	10,000	2,000	n/a
Kate Bolsover	–	n/a	–	n/a
William Knight	3,300	3,300	660	n/a
Kathryn Matthews	–	–	–	n/a
Sir Robin McLaren	n/a	4,500	n/a	n/a
Philip Smiley	–	n/a	–	n/a

There were no changes in Directors' holdings during the year with the exception of the bonus issue of subscription shares.

Directors' Report

DIRECTORS' FEES

The Articles of Association of the Company prescribe that the maximum annual fee paid to each Director shall not exceed £50,000. A Director is paid £18,000 per annum, the Chairman of the Audit Committee is paid a fee of £20,000 per annum and the Chairman is paid £23,000 per annum. There were no increases made during the year.

DIRECTORS AND OFFICERS' LIABILITY INSURANCE

The Company maintains a Directors and Officers' liability insurance policy as detailed on page 27.

POLITICAL AND CHARITABLE DONATIONS

The Company has not made any political or charitable donations in the year (2009: nil).

ANNUAL GENERAL MEETING

THIS SECTION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you should seek your own personal financial advice from your stockbroker, bank manager, solicitor or other financial adviser authorised under the Financial Services and Markets Act 2000.

At the 2010 Annual General Meeting resolutions will be proposed to renew the Directors' authority to allot securities in the Company. The authorities sought by these resolutions are to replace the existing powers of the Directors which expire on the date of the Annual General Meeting and to provide the Directors with the flexibility to issue further ordinary shares if they deem it appropriate to do so. Up to the date of this report no shares have been allotted other than on the exercise of the rights attaching to the subscription shares but your Directors consider that the reasons for asking shareholders for such authority still apply.

Resolution 10 provides the Directors with a general authority to allot ordinary shares in the Company up to an aggregate nominal value of £762,416. If passed, this resolution will enable the Directors to allot a maximum of 3,049,664 ordinary shares which represents approximately 5% of the issued ordinary share capital of the Company as at 22 September 2010.

This authority provides the Directors with a degree of flexibility to increase the assets of the Company by the issue of new shares should any favourable opportunities arise to the advantage of shareholders. If new ordinary shares are allotted for cash, Section 568(1) of the Companies Act 2006 requires such new shares to be offered to existing holders of ordinary shares ("pre-emption rights"). In certain circumstances it is beneficial for the Directors to allot shares for cash otherwise than pro rata to existing shareholders and the Companies Act 2006 provides for shareholders to give

such power to the Directors by waiving their pre-emption rights.

Resolution 11 is a special resolution disapplying pre-emption rights and granting authority to the Directors, without the need for further specific shareholder approval, to make allotments of equity securities for cash up to an aggregate nominal value of £762,416 (approximately 5%).

The Directors would not issue ordinary shares pursuant to this power at less than the then current net asset value per share.

The authority to issue ordinary shares for cash under Resolution 10 will enable the Directors to issue additional new ordinary shares to participants in the Fidelity Investment Trust Share Plan and the Fidelity ISA in the event that the ordinary shares are trading at a premium to their net asset value. The Directors would not intend to use this power unless such a premium were in excess of 2% and unless they considered that it was in the interests of shareholders to do so.

These powers are in addition to the authorities granted at the General Meeting held in March 2010 to issue and allot subscription shares and ordinary shares resulting on the exercise of the rights attaching to subscription shares and disapplying the pre-emption rights in relation to such issues. Those authorities were granted with an expiry date of the AGM to be held in 2013 and therefore do not need renewing.

Resolution 12 is a special resolution which renews the Directors' authority to repurchase the Company's ordinary shares for cancellation. It is proposed that the Board be authorised to make arrangements to purchase through the London Stock Exchange up to 9,142,902 ordinary shares of 25 pence (equivalent to 14.99% of the ordinary shares in issue at 22 September 2010). Resolution 12 also renews the Directors' authority to repurchase the Company's subscription shares for cancellation. It is proposed that the Board be authorised to make arrangements to purchase through the London Stock Exchange up to 1,819,391 subscription shares of 0.01 pence (equivalent to 14.99% of the subscription shares in issue at 22 September 2010).

By utilising the power to repurchase ordinary shares when they are trading at a discount to NAV, the Company will increase the resulting NAV per share for remaining shareholders. Subscription shares will only be repurchased when such repurchase would result in an increased NAV for the remaining shareholders taken on a diluted basis.

Purchases of shares will be made at the discretion of the Board and within guidelines set from time to time by the Board in the light of prevailing market conditions. Purchases will only be made in the market at prices below the prevailing net asset value per share. Further

details may be found in the section on Share Repurchases on page 20.

The full text of the resolutions is set out in the Notice of Meeting contained on pages 54 to 57.

Recommendation: The Board considers that each of the resolutions are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of the resolutions as they intend to do in respect of their own beneficial holdings.

CONTINUATION VOTE

In accordance with the Company's Articles of Association a continuation vote is required every five years. The next continuation vote will be required in 2011.

CORPORATE GOVERNANCE

Full details are given in the Corporate Governance Statement on pages 23 to 29, which forms part of the Directors' Report.

AUDITOR'S RIGHT TO INFORMATION

As required by Section 418 of the Companies Act 2006, the Directors in office as at the date of approval of this Directors' Report each confirm that, so far as they are aware, there is no relevant audit information of which the Company's Auditor is unaware and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

RE-APPOINTMENT OF AUDITOR

Resolutions will be put to this year's AGM for the re-appointment of Grant Thornton UK LLP as Auditor to the Company and to authorise the Directors to determine the Auditor's remuneration.

By order of the Board
FIL Investments International
Secretary
22 September 2010

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Generally Accepted Accounting Practice.

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss for the period.

In preparing these financial statements, the Directors are required to:

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

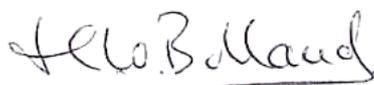
The Directors are responsible for ensuring that adequate accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that its financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website www.fidelity.co.uk/its. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We confirm that to the best of our knowledge: the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and the Directors' Report includes a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties it faces.

Approved by the Board on 22 September 2010 and signed on its behalf by



Hugh Bolland
Chairman

Corporate Governance Statement

This Corporate Governance Statement forms part of the Directors' Report.

The Company is committed to high standards of corporate governance. Accordingly, the Board has put in place a framework for corporate governance which it believes is appropriate for an investment trust company.

AIC CODE

The Board of Fidelity Asian Values PLC has considered the principles and recommendations of the Association of Investment Companies ("AIC") Code of Corporate Governance ("the AIC Code") by reference to the AIC Corporate Governance Guide ("the AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in Section 1 of the Combined Code as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The AIC Code and the AIC Guide may be found at www.theaic.co.uk.

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

The Company has complied with the recommendations of the AIC Code and the relevant provisions of Section 1 of the Combined Code, except as set out below.

- The Management Engagement and Nomination Committees are chaired by the Chairman of the Board.
- The Combined Code includes provisions relating to the role of the chief executive, executive directors' remuneration and the need for an internal audit function.

For the reasons set out in the AIC Guide, and the preamble to the Combined Code, the Board considers that these issues are not relevant to the position of Fidelity Asian Values PLC, being an externally managed investment company. The Company has therefore not reported further in respect of these provisions.

DIRECTORS

The Board of Directors has overall responsibility for the Company's affairs and for promoting the long term success of the Company. It delegates through the Management Agreement and through specific instructions the day to day management of the Company to the Manager, FIL Investments International. The Company has no executives or employees.

All matters not delegated to the Manager are reserved for the Board's decision. These include, inter alia, decisions on strategy, management, gearing, Company structure, capital (including the power to issue and repurchase shares), financial reporting, risk management,

investment performance, share price discount, corporate governance, communication with shareholders, Board appointments and the appointment of the Manager and the Company Secretary. The Company's investment policy is detailed on page 14.

The Board currently consists of five non-executive Directors. The Board appointed William Knight as Senior Independent Director on 3 June 2010. The Senior Independent Director fulfils the role as a "sounding board" for the Chairman and as intermediary for other non-executive Directors where necessary.

All of the Directors are considered by the Board to be independent of management with the exception of Kathryn Matthews due to her recent relationship with the manager. All are considered to be free from any business or other relationship which could materially interfere with the exercise of their independent judgement and are able to allocate sufficient time to the Company to discharge their responsibilities fully and effectively. The Board follows a procedure of notification of other interests that may arise as part of considering any potential conflicts.

The independent Directors form the membership of the Audit Committee and the Management Engagement Committee. All the Directors form the Nomination Committee. The Directors believe that the Board has an appropriate balance of skills, experience, independence, knowledge of the Company and length of service to discharge its duties and provide effective strategic leadership and proper governance of the Company. In particular they have a wide knowledge and experience of fund management, investment trust management and business in Asia. Biographical details of all the Directors are given on pages 12 and 13 of this report.

The Board meets formally at least five times a year and between these meetings there is regular contact with the Manager. Other meetings are arranged as necessary. Additionally, Board Committees and sub-groups meet to pursue matters referred from the Board and the Chairman is in contact with the other Directors regularly without representatives of the Manager being present. The Board considers that it meets sufficiently regularly to discharge its duties effectively and the table on page 24 gives the attendance record for the formal meetings held in the year. The Board ensures that at all times it conducts its business with the interests of all shareholders in mind and in accord with Directors' duties.

Corporate Governance Statement

	Board Meetings	Nomination Committee Meetings	Audit Committee Meetings	Management Engagement Committee Meetings
Sir Victor Garland ¹	5/5	1/1	3/3	1/1
Hugh Bolland	5/5	1/1	3/3	1/1
Kate Bolsover ²	2/3	n/a	2/2	1/1
William Knight	5/5	1/1	3/3	1/1
Kathryn Matthews	5/5	1/1	n/a	n/a
Sir Robin McLaren ³	1/2	1/1	1/1	n/a
Philip Smiley ²	3/3	n/a	2/2	1/1

Figures include those meetings for which each Director was eligible to attend and attended in the year

¹ Retired 3 June 2010

² Appointed 1 January 2010

³ Retired 7 December 2009

The Company Secretary is a corporate secretary. The appointment of the Company Secretary is a matter for the Board as a whole. The Directors have access to the advice and services of the Company Secretary through its appointed representative who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. Each of the Directors of the Company is entitled to take independent professional advice, at the Company's expense, in the furtherance of their duties.

Supply of Information

The Chairman is responsible for the promotion of a culture of openness and debate, for ensuring that the Directors receive accurate, timely and clear information and for ensuring that there is adequate time available for the discussion of agenda items, particularly strategic issues. The Board receives in due time information in a form and of a quality appropriate to enable it to discharge its duties. The Board meeting papers are the key source of regular information for the Board, the contents of which are determined by the Board and contain sufficient information on the financial condition of the Company. Key representatives of the Manager attend each Board meeting, enabling the Board to probe further on matters of concern or seek clarification on certain issues.

The Board has delegated certain corporate governance responsibilities to the Audit, Management Engagement and Nomination Committees, membership of which is set out on pages 12 and 13. Key representatives of the Manager attend meetings by invitation, enabling Directors to probe further on matters of concern or to seek clarification if required.

Nomination Committee

All appointments to the Board and replacements of Directors take place in accordance with the Companies Act and the Company's Articles of Association. The Company complies with the AIC Code in respect of appointments to the Board.

There is a formal and transparent procedure for the appointment of new Directors to the Board. The Nomination Committee carries out its candidate search against a set of objective criteria, with due regard for the benefits of diversity on the Board, including gender. New Directors are appointed on the basis of merit and this process has led to a diverse Board membership. The Nomination Committee consists of all the Directors (as there is no reason to exclude any Director) and is chaired by Hugh Bolland.

The Committee meets on an annual basis and at such other times as may be required. The Committee has written terms of reference and is responsible, amongst other things, for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies taking into account the need to maintain a balanced Board. Only the independent Directors on the Committee vote on the recommendation of candidates for appointment as new independent Directors. Care is taken to ensure that appointees have enough time to devote to the role. External consultants may be used to identify future potential candidates. However, the Board currently feels that due to the nature of the Company's business it has access to a sufficiently wide pool of candidates. The Committee also considers whether Directors should be recommended for re-appointment by shareholders.

The Committee's terms of reference are available on the Company's website www.fidelity.co.uk/its. Letters of appointment, which specify the terms of appointment, are issued to new Directors on appointment and include details of the time commitment required and expected duration of appointment. The terms and conditions of appointment of Directors are available for inspection at the registered office of the Company and will be available prior to the forthcoming Annual General Meeting.

Corporate Governance Statement

Training

When a new Director is appointed to the Board, he or she is provided with all relevant information regarding the Company and his or her duties and responsibilities as a Director. In addition, a new Director will receive an induction, spending some time with representatives of the Manager, whereby he or she will become familiar with the various processes which the Manager considers necessary for the performance of its duties and responsibilities to the Company. The Company's policy is to encourage Directors to keep up to date and attend training courses on matters which are directly relevant to their involvement with the Company and the Chairman reviews and agrees with development and training needs with each Director. The Directors also receive regular briefings from, among others, the AIC, the Auditor and the Company Secretary regarding any proposed developments or changes in law or regulations that could affect the Company and/or the Directors.

Re-appointment

A Director appointed during the year is required to retire and seek election by shareholders at the next annual general meeting. Any non-independent Director or Director who has served on the Board for over nine years is subject to annual re-election. A Director who held office at the time of the two preceding annual general meetings and who did not retire at either of them is required to do so at the next annual general meeting.

The names of Directors submitted for appointment or reappointment are accompanied by sufficient biographical details to enable shareholders to make an informed decision.

Directors' Remuneration

The level of Directors' fees is determined by the whole Board and Directors do not vote on their own fees. All Directors are non-executive. The remuneration policy is that the level of remuneration of the non-executive Directors should be fair and sufficient to attract and retain the Directors needed to oversee the Company properly, to fulfil the duties and responsibilities of Directors, to reflect the Company's specific circumstances and to provide value for the amount of time committed to the Company's affairs.

Levels of remuneration are competitive and sufficient to attract and retain the standard of Directors needed to manage the Company successfully. The Company Secretary provides information on comparative levels of Directors' fees to the Board in advance of each review. The level of Directors' fees is considered and recommended by the Board within the limit governed by the Articles of Association.

Directors' fees are disclosed fully in the Annual Report (see the Directors' Remuneration Report on page 30). The limit on Directors' fees is governed by the Company's Articles of Association. Shareholdings by Directors are encouraged and the Directors' share

interests are disclosed in the Directors' Report on page 19. The Directors do not receive performance related remuneration, bonuses, pension benefits, share options, long term incentive schemes or other benefits.

Performance Evaluation

A formal and rigorous annual process for the evaluation of the Board and its Committees is in place. This takes the form of written questionnaires and, if appropriate, interviews. The performance of the Chairman is evaluated by the other Directors on an annual basis. The Company Secretary and Manager also participate in these processes to provide all round feedback to the Board. The results of these evaluations are issued to and discussed by the Board. The process is considered to be constructive in terms of identifying areas for improving the functioning and performance of the Board and action is taken on the basis of the results.

The Nomination Committee has considered the performance and contribution to the Company of each Director and concluded that in each case they have been effective and that they continue to demonstrate commitment to their roles. Accordingly, the Committee has recommended their continued service and this has been endorsed by the Board as a whole which commends the re-election of Mr Bolland, Mr Knight and Ms Matthews, and the election of Mrs Bolsover and Mr Smiley at the forthcoming Annual General Meeting to shareholders.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors explain their responsibility for preparing the financial statements in the Statement of Directors' Responsibilities on page 22 and the Auditor's reporting responsibilities are set out in the Independent Auditor's Report on page 31.

The Board has a responsibility to present a balanced and understandable assessment of annual and half-yearly reports, interim management statements, other price sensitive public reports and reports to regulators, as well as to provide information required to be presented by statutory requirements. All such reports are reviewed and approved by the Board prior to their issue to ensure that this responsibility is fulfilled.

Going Concern

The Company's business activities together with the factors likely to affect its future development, performance and position are set out in the Business Review on pages 14 to 17. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the financial statements and notes thereto on pages 32 to 49. The Company's objectives, policies and processes for managing its capital, financial risk management objectives, details of the financial instruments and its exposures to credit and liquidity risk are also set out on pages 14 to 16 and in the Notes to the Financial Statements on pages 36 to 49.

Corporate Governance Statement

The Company's assets consist mainly of securities which are readily realisable and, where outsourcing arrangements are in place, alternative service providers are readily available. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The Board receives regular reports from the Manager and the Directors have a reasonable expectation that the Company has the adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The next continuation vote will be put to shareholders at the AGM to be held in 2011.

Internal Control

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. Its review takes place at least once a year. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material mis-statement or loss. The Board also determines the nature and extent of any risks it is willing to take in order to achieve its strategic objectives.

The Board confirms that there is an ongoing process for identifying, evaluating and managing the Company's principal business and operational risks, that it has been in place for the year ended 31 July 2010 and up to the date of approval of the annual report and financial statements, that it is regularly reviewed by the Board and accords with the FRC's Internal Control: Revised Guidance.

The Board is responsible for the design, implementation and maintenance of controls and procedures to safeguard the assets of the Company, although the day to day management has been delegated to the Manager and the Custodian. The system extends to operational and compliance controls and risk management. Clear lines of accountability have been established between the Board and the Manager and regular reports on controls and compliance issues are provided to the Audit Committee and the Board. In carrying out its review, the Audit Committee has had regard to the activities of the Manager, the Manager's compliance and risk functions and the external Auditor. The Audit Committee's and Board's review also includes consideration of internal controls and similar reports issued by the Manager and other service providers.

The Board has reviewed the need for an internal audit function. The Board has decided that the systems and procedures employed by the Manager, including its internal audit function provide sufficient assurance that a sound system of internal control, which safeguards shareholders' investments and the Company's assets, is

maintained. An internal audit function, specific to the Company, is therefore considered unnecessary. The Audit Committee meets the Manager's Head of Internal Audit at least twice a year. The Chairman of the Audit Committee has direct access to the Manager's Head of Internal Audit and vice versa.

By the means of the procedures set out above the Directors have performed their review of the effectiveness of the Manager's internal controls systems throughout the period.

Whistle-blowing Procedure

Part of the Manager's role in ensuring the provision of a good service pursuant to the Management Agreement includes the ability for employees of Fidelity to raise concerns through a workplace concerns escalation policy (or "whistle-blowing procedure"). Fidelity is committed to providing the highest level of service to its customers and to applying the highest standards of quality, honesty, integrity and probity. The aim of the policy is to encourage employees and others working for Fidelity to assist the Company in tackling fraud, corruption and other malpractice within the organisation and in setting standards of ethical conduct. This policy has been endorsed accordingly.

Audit Committee and Auditor

The Audit Committee is chaired by Kate Bolsover and comprises all the independent Directors including the Chairman. The Committee considers that collectively its members have sufficient recent and relevant financial experience to discharge their responsibilities fully.

The Committee meets at least three times a year and its authority and duties are clearly defined in its written terms of reference which are available on the Company's website. These duties include: responsibility for making recommendations on the appointment, re-appointment and removal of the external Auditor, discussing with the external Auditor the nature and scope of the audit and reviewing the external Auditor's quality control procedures; considering the scope of work undertaken by the Manager's internal audit department; reviewing the Company's procedures for detecting fraud; monitoring the integrity of the financial statements of the Company; reviewing the half-yearly and annual financial statements of the Company prior to their submission to the Board; and reviewing the effectiveness of the internal control systems (including financial, operational and compliance controls and risk management). They also include responsibility for reviewing and monitoring the effectiveness of the audit process and the external Auditor's independence and objectivity with particular regard to the provision of non-audit services taking into consideration relevant UK professional and regulatory requirements and by seeking appropriate disclosures and comfort from the Auditor. The provision of non-audit services is also subject to prior Board approval.

Corporate Governance Statement

The last review of alternative audit service providers took place in 2006 resulting in a change of audit firm. The Auditor's continued appointment is reviewed each year and audit partners change at least once every five years. There are no contractual obligations that restrict the Committee's choice of auditor.

Shareholders have the opportunity at each Annual General Meeting to vote on the re-appointment of the external Auditor for the forthcoming year and to authorise the Directors to determine the level of Auditor's remuneration.

The Audit Committee also reviews corporate governance issues, the existence and performance of all controls operating in the Company (including the adherence to Section 1159 of the Corporation Tax Act 2010 status), the relationship with and the performance of third party service providers (such as the registrars and custodians) and the risks associated with audit firms withdrawing from the market which is considered in the Committee's risk evaluation and planning.

In the year to 31 July 2010 the Audit Committee discharged its responsibilities by, among other things:

- Reviewing the Company's draft annual and half-yearly financial statements prior to Board approval and reviewing the external Auditor's reports thereon
- Reviewing the appropriateness of the Company's accounting policies
- Reviewing the potential impact of any new Financial Reporting Standards
- Reviewing and approving the audit fee and reviewing any non-audit fees payable to the Company's external Auditor
- Reviewing the external Auditor's terms of engagement including the appointment, reappointment or removal of the Auditor as appropriate
- Reviewing the external Auditor's plan for the audit of the Company's financial statements
- Reviewing the external Auditor's quality control procedures
- Reviewing and monitoring the effectiveness of the external audit process and the external Auditor's independence and objectivity
- Considering the scope of work undertaken by the Manager's internal audit department
- Reviewing a semi-annual report on internal controls and reporting to the Board as described opposite

- Recommending the re-appointment of the external Auditor

Management Engagement Committee

The Management Engagement Committee was established in 1997 and meets at least once a year. The Committee's terms of reference are available on the Company's website. The Committee consists of all the independent Directors and is chaired by Mr Hugh Bolland who is considered to be independent of the Manager. The Committee meets at least annually and reports to the Board of Directors making recommendations where appropriate.

Details of the Management Agreement are set out in the Directors' Report on pages 18 and 19.

The Committee met on 3 June 2010 and the Board, upon the recommendation of the Committee, is of the opinion that the continued appointment of FIL Investments International as Investment Manager and Secretary, on the terms agreed in the Management Agreement, is in the interests of the shareholders as a whole and the Company.

The criteria which are taken into consideration in reviewing the performance of the Manager are set out below:

- Quality of the team – the skills and particularly the experience of the team involved in managing all aspects of the Company's business
- Commitment of the Manager to the investment trust business generally and to the Company in particular
- Managing the Company – in running and controlling the administration, the accounting and the secretaryship of the Company
- Investment management – portfolio management skills, experience and track record and other investment related considerations
- Shareholders – shareholder consciousness and relations, discount management and commitment to the Company's goals
- Management Agreement – consideration of fees, notice period and duties

DIRECTORS AND OFFICERS' LIABILITY INSURANCE

In addition to benefits enjoyed under the Manager's global Directors and Officers' liability insurance arrangements, the Company maintained insurance cover for its Directors and Officers under its own policy as permitted by the Companies Act 2006. The Board reviews the cover and terms on an annual basis.

Corporate Governance Statement

SUBSTANTIAL SHARE INTERESTS

As at 22 September 2010 notification had been received of the following interests in 3% or more of the voting rights of the Company.

Shareholder	Number of ordinary shares	%
FIL Limited	989,700 direct 13,650,418 indirect ²	24.00% ¹

¹ 21.74% of the issued share capital was held by investors in the Fidelity ISA and the Fidelity Investment Trust Share Plan

² Including investments through the Fidelity ISA and the Fidelity Investment Trust Share Plan

Analysis of Ordinary Shareholders as at 31 July 2010	
	% of issued share capital
Private individuals ¹	76.87
Mutual funds	13.27
Insurance companies	5.88
Pension funds	2.03
Charities	1.32
Trading companies	0.63

¹ Includes Share Plan and ISA investors

Analysis of Subscription Shareholders as at 31 July 2010	
	% of issued share capital
Private individuals ¹	78.63
Mutual funds	11.26
Insurance companies	5.26
Trading companies	2.52
Pension funds	1.65
Charities	0.68

¹ Includes Share Plan and ISA investors

RELATIONS WITH SHAREHOLDERS

The Chairman is responsible for ensuring that all Directors are made aware of shareholders' concerns and the Chairman, the Senior Independent Director and other Directors have meetings with major shareholders to discuss strategy and governance. The shareholder profile of the Company is regularly monitored and the Board liaises with the Manager and the Company's broker to canvass shareholder opinion and communicate views to shareholders. The Company is concerned to provide the maximum opportunity for dialogue between the Company and shareholders. It is believed that shareholders have proper access to the Manager at any time and to the Board if they so wish. If any shareholder wishes to contact a member of the Board directly they

should contact the Company Secretary whose details are given on page 12. All shareholders, particularly individual shareholders, are encouraged to attend the Annual General Meeting at which there will be a presentation of the past year's results and the forthcoming year's prospects, followed by the opportunity to meet representatives of the Manager and the Board. Analyst and Broker meetings with the Portfolio Manager and members of the Board are held throughout the year.

At general meetings all proxy votes are counted and, except where a poll is called, proxy voting is reported for each resolution after it has been dealt with on a show of hands. Proxy votes are disclosed on the Company's website.

The Notice of Meeting on pages 54 to 57 sets out the business of the meeting and the special resolutions are explained more fully in the Directors' Report on pages 20 and 21. A separate resolution is proposed on each substantially separate issue including the annual report and financial statements.

The Chairman of the Board, the Chairman of the Audit Committee and other Directors will be available to answer questions at the Annual General Meeting.

The Notice of the Annual General Meeting and related papers are sent to shareholders at least 20 working days before the meeting.

VOTING POLICY

The Board has adopted the Manager's Principles of Ownership in relation to investments. These principles include the pursuit of an active investment policy through portfolio management decisions, voting on resolutions at general meetings and maintaining a continuing dialogue with the management of investee companies. The Manager, in its Principles of Ownership, expressly declares that it supports the Financial Reporting Council's Stewardship Code setting out the responsibilities of institutional shareholders and agents.

Further details of the Manager's Principles of Ownership and voting may be found at www.fidelity.co.uk.

ARTICLES OF ASSOCIATION

Any amendments to the Company's Articles of Association must be made by special resolution.

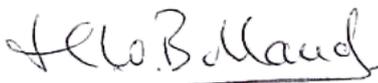
Corporate Governance Statement

DISCLOSURE AND TRANSPARENCY RULES

Information required to be disclosed pursuant to the Disclosure and Transparency Rules has been placed in the Directors' Report on pages 17 to 19 because it is information which refers to events that have taken place during the course of the year. The following is a list of that information:

- Directors' shareholdings
- Share capital
- Share issues
- Share repurchases

On behalf of the Board

A handwritten signature in black ink that reads "H. Bolland". The signature is written in a cursive style and is positioned above a horizontal line.

Mr Hugh Bolland
22 September 2010

Directors' Remuneration Report

This report has been prepared in accordance with the requirements of Sections 420 – 422 of the Companies Act 2006 in respect of the year ended 31 July 2010. An ordinary resolution for the approval of this report will be put to the members at the forthcoming Annual General Meeting. The law requires the Company's Auditor to audit certain of the disclosures provided. Where disclosures have been audited they are indicated as such. The Auditor's opinion is included in their report on page 31.

REMUNERATION POLICY

The Company's Articles of Association limit the fee payable to each Director to £50,000 pa. Subject to this overall limit, it is the Company's policy to determine the level of Directors' fees in line with the industry fees for non-executive Directors in general, the role each Director fulfils and the time committed to the Company.

It is intended that this policy will continue for the year ending 31 July 2011 and for subsequent years.

DIRECTORS' SERVICE CONTRACTS

No Director has a service contract with the Company. New Directors are provided with a letter of appointment which, amongst other things, provides that their appointment is subject to the Companies Act and the Articles of Association of the Company. The Company does not make payments to Directors on termination or compensation upon early termination of appointment. No Director received any bonus, taxable expenses, compensation for loss of office or non-cash benefits for

the year ended 31 July 2010, the year ended 31 July 2009 or for any previous period.

COMPANY PERFORMANCE

The Company's performance is measured against the MSCI All Countries (Combined) Far East Free ex Japan Index as this is the most appropriate in respect of its asset allocation and reflects the stated objective of the Company as set out on page 14.

Directors' Emoluments For the year (audited)	2010 £	2009 £
Sir Victor Garland ¹	19,000	23,000
Hugh Bolland ²	20,500	20,000
Kate Bolsover ³	11,000	n/a
William Knight	18,000	18,000
Kathryn Matthews ⁴	6,000	–
Sir Robin McLaren ⁵	9,000	18,000
Philip Smiley ⁶	10,500	n/a
Total	94,000	79,000

¹ Retired 3 June 2010

² Appointed Chairman of the Board on 3 June 2010

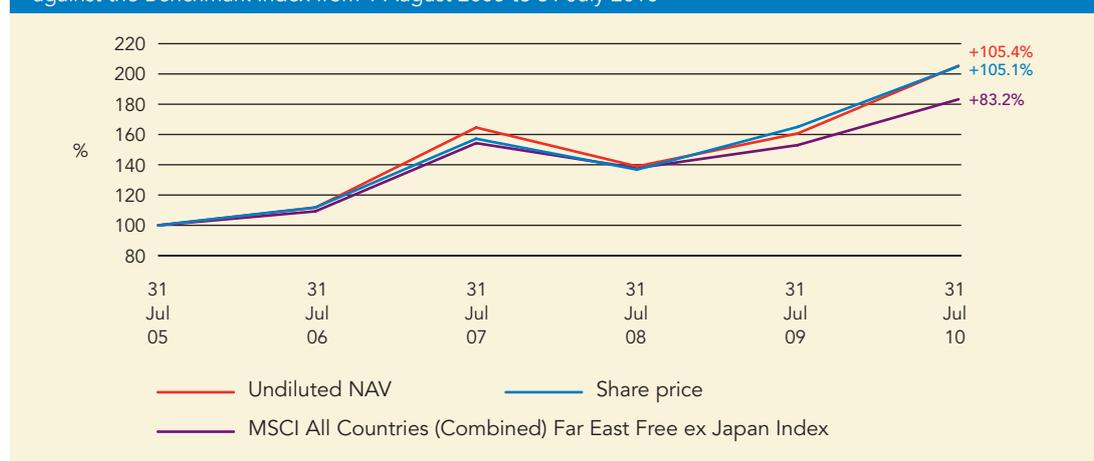
³ Appointed 1 January 2010, appointed Chairman of the Audit Committee on 3 June 2010

⁴ Ms Matthews waived her Director's fees of £18,000 in 2009

⁵ Retired 7 December 2009

⁶ Appointed 1 January 2010

Comparison of NAV and Share Price Total Return Performance against the Benchmark Index from 1 August 2005 to 31 July 2010



Sources: Fidelity and Datastream
Past performance is not a guide to future returns

Mr Hugh Bolland
22 September 2010

Independent Auditor's Report to the Shareholders of Fidelity Asian Values PLC

We have audited the financial statements of Fidelity Asian Values PLC for the year ended 31 July 2010 which comprise the Income Statement, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITOR

As explained more fully in the Statement of Directors' Responsibilities set out on page 22, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKP.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2010 and of its return for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following:

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

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

Under the Listing Rules, we are required to review:

- the Directors' statement, set out on pages 25 and 26, in relation to going concern; and
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the June 2008 Combined Code specified for our review

Marcus Swales

Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
22 September 2010

Income Statement

for the year ended 31 July 2010

	Notes	revenue £'000	2010 capital £'000	total £'000	revenue £'000	2009 capital £'000	total £'000
Gains on investments designated at fair value through profit or loss	9	–	25,432	25,432	–	9,210	9,210
Income	2	2,446	–	2,446	2,767	–	2,767
Investment management fee	3	(1,161)	–	(1,161)	(861)	–	(861)
Other expenses	4	(799)	–	(799)	(402)	–	(402)
Exchange gains on other net assets	13	9	181	190	153	1,972	2,125
Exchange losses on loan	13	–	(178)	(178)	–	(1,409)	(1,409)
Net return before finance costs and taxation		495	25,435	25,930	1,657	9,773	11,430
Interest payable on loan	5	(131)	–	(131)	(444)	–	(444)
Net return on ordinary activities before taxation		364	25,435	25,799	1,213	9,773	10,986
Taxation on return on ordinary activities	6	(200)	–	(200)	(233)	–	(233)
Net return on ordinary activities after taxation for the year		164	25,435	25,599	980	9,773	10,753
Return per ordinary share	8	0.27p	41.73p	42.00p	1.49p	14.85p	16.34p

A Statement of Total Recognised Gains and Losses has not been prepared as there are no gains and losses other than those reported in this Income Statement. The total column of the Income Statement is the profit and loss account of the Company. All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the year.

The Notes on pages 36 to 49 form an integral part of these financial statements.

Reconciliation of Movements in Shareholders' Funds

for the year ended 31 July 2010

	Notes	share capital £'000	share premium account £'000	capital redemption reserve £'000	other non-distributable reserve £'000	other reserve £'000	capital reserve £'000	revenue reserve £'000	total equity £'000
Opening shareholders' funds: 1 August 2008		25,789	15,359	5,034	7,367	44,143	37,750	499	135,941
Net recognised capital gains for the year		-	-	-	-	-	9,773	-	9,773
Share premium account cancelled		-	(15,359)	-	-	15,359	-	-	-
Capital redemption reserve cancelled		-	-	(13,803)	-	13,803	-	-	-
Repurchase of ordinary shares		(238)	-	238	-	(988)	-	-	(988)
Ordinary shares cancelled on completion of the Tender Offer		(10,316)	-	10,316	-	(52,153)	-	-	(52,153)
Costs associated with the Tender Offer		-	-	-	-	(842)	-	-	(842)
Loan redemption costs		-	-	-	-	(83)	-	-	(83)
Net revenue after taxation for the year		-	-	-	-	-	-	980	980
Dividend paid to shareholders	7	-	-	-	-	-	-	(494)	(494)
Closing shareholders' funds: 31 July 2009		15,235	-	1,785	7,367	19,239	47,523	985	92,134
Net recognised capital gains for the year	13	-	-	-	-	-	25,435	-	25,435
Bonus issue of subscription shares	13	609	-	-	-	(609)	-	-	-
Exercise of rights attached to subscription shares and conversion into ordinary shares	13	(2)	2	-	-	-	-	-	-
Issue of ordinary shares on exercise of rights attached to subscription shares	13	9	60	-	-	-	-	-	69
Net revenue after taxation for the year	13	-	-	-	-	-	-	164	164
Dividend paid to shareholders	7	-	-	-	-	-	-	(609)	(609)
Closing shareholders' funds: 31 July 2010		15,851	62	1,785	7,367	18,630	72,958	540	117,193

The Notes on pages 36 to 49 form an integral part of these financial statements.

Balance Sheet

as at 31 July 2010

	Notes	2010 £'000	2009 £'000
Fixed assets			
Investments designated at fair value through profit or loss	9	121,786	98,131
Current assets			
Debtors	10	1,187	1,161
Cash at bank		1,272	425
		2,459	1,586
Creditors – amounts falling due within one year			
Fixed rate unsecured loan	11	(5,729)	(6,584)
Other creditors	11	(1,323)	(999)
		(7,052)	(7,583)
Net current liabilities			
		(4,593)	(5,997)
Total net assets			
		117,193	92,134
Capital and reserves			
Share capital	12	15,851	15,235
Share premium account	13	62	–
Capital redemption reserve	13	1,785	1,785
Other non-distributable reserve	13	7,367	7,367
Other reserve	13	18,630	19,239
Capital reserve	13	72,958	47,523
Revenue reserve	13	540	985
Total equity shareholders' funds			
		117,193	92,134
Net asset value per ordinary share			
Basic	14	192.19p	151.18p
Diluted	14	191.99p	n/a

The financial statements on pages 32 to 49 were approved by the Board of Directors on 22 September 2010 and were signed on its behalf by:



Hugh Bolland,
Chairman

The Notes on pages 36 to 49 form an integral part of these financial statements.

Cash Flow Statement for the year ended 31 July 2010

	Notes	2010 £'000	2009 £'000
Operating activities			
Investment income received		2,257	2,655
Deposit interest received		–	68
Investment management fee paid		(1,145)	(1,268)
Directors' fees paid		(93)	(93)
Other cash payments		(720)	(337)
Net cash inflow from operating activities	15	<u>299</u>	<u>1,025</u>
Returns on investments and servicing of finance			
Interest paid		(215)	(495)
Net cash outflow from returns on investments and servicing of finance		<u>(215)</u>	<u>(495)</u>
Financial investment			
Purchase of investments		(91,819)	(47,992)
Disposal of investments		94,199	97,560
Net cash inflow from financial investment		<u>2,380</u>	<u>49,568</u>
Dividend paid to shareholders	7	<u>(609)</u>	<u>(494)</u>
Net cash inflow before use of financing		<u>1,855</u>	<u>49,604</u>
Financing			
Exercise of subscription share rights		52	–
Repurchase of ordinary shares		–	(988)
Ordinary shares cancelled on completion of the Tender Offer		–	(52,995)
Loan redemption costs on completion of the Tender Offer		–	(83)
2.65% fixed rate unsecured credit facility drawn down	16	5,857	–
5.60% fixed rate unsecured loan repaid	16	(6,890)	(3,912)
Net cash outflow from financing		<u>(981)</u>	<u>(57,978)</u>
Increase/(decrease) in cash	16	<u>874</u>	<u>(8,374)</u>

The Notes on pages 36 to 49 form an integral part of these financial statements.

Notes to the Financial Statements

1. ACCOUNTING POLICIES

The Company has prepared its financial statements in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP") and the AIC Statement of Recommended Practice ("SORP") for Investment Trusts issued in January 2009.

As a result of technical guidance by the Institute of Chartered Accountants in England and Wales in TECH 01/08: "Distributable Profits", changes in fair value of investments which are readily convertible to cash, without accepting adverse terms at the balance sheet date, can be treated as realised. As a result of the new SORP, capital reserves realised and unrealised are shown in aggregate as capital reserve in the Reconciliation of Movements in Shareholders' Funds and the Balance Sheet. At the balance sheet date all investments held by the Company were listed on a recognised stock exchange and were considered to be readily convertible to cash.

a) Basis of accounting – The financial statements have been prepared on a going concern basis and under the historical cost convention, except for the measurement at fair value of investments and on the assumption that approval as an investment trust will be granted.

b) Income – Income from equity investments is credited to the Income Statement on the date on which the right to receive the payment is established. Unfranked investment income includes tax deducted at source. Interest receivable on short term loans and deposits is dealt with on an accruals basis. Where the Company has elected to receive its dividends in the form of additional shares rather than cash foregone, the amount of the cash dividend foregone is recognised as revenue. Any excess in the value of the shares received over the amount of the cash dividend is recognised in the capital column of the Income Statement.

c) Special dividends – Special dividends are treated as a capital receipt or a revenue receipt depending on the facts and circumstances of each particular case.

d) Expenses and finance costs – All expenses are accounted for on an accruals basis and are charged in full to the revenue column of the Income Statement. Finance costs are accounted for using the effective interest method and in accordance with the provisions of Financial Reporting Standard ("FRS") 26 "Financial Instruments: Recognition and Measurement".

e) Taxation – Deferred taxation is recognised in respect of all timing differences that have originated, but not reversed, at the balance sheet date, where transactions or events that result in an obligation to pay more, or a right to pay less tax in the future have occurred. A deferred tax asset is recognised when it is more likely than not that the asset will be recoverable.

f) Foreign currency – The Directors, having regard to the currency of the Company's share capital and the predominant currency in which its investors operate, have determined the functional currency to be sterling. Transactions denominated in foreign currencies are calculated in sterling at the rate of exchange ruling as at the date of transactions. Assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All capital gains and losses, including exchange differences on the translation of foreign currency assets and liabilities, are dealt with in capital reserve.

g) Valuation of investments – The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. This portfolio of financial assets is managed and its performance evaluated on a fair value basis, in accordance with a documented investment strategy, and information about the portfolio is provided internally on that basis to the Company's Board of Directors and other key management personnel. Accordingly, upon initial recognition the investments are designated by the Company as "at fair value through profit or loss". They are included initially at fair value, which is taken to be their cost and subsequently, the investments are valued at "fair value", which is measured as follows:

- Investments listed overseas are valued at bid prices, where the bid price is available, or otherwise at fair value based on published price quotations;
- Unlisted investments where there is not an active market are valued using an appropriate valuation technique so as to establish what the transaction price would have been at the balance sheet date.

Transaction costs – In accordance with the AIC SORP the Company includes these costs in the gains/(losses) on investments purchased and has disclosed them in Note 9 on pages 40 and 41.

h) Loans – Loans are initially included in the financial statements at cost, being the fair value of the consideration received, net of any issue costs relating to the borrowing. After initial recognition, the loans are measured at amortised cost using the effective interest method. The amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

Notes to the Financial Statements

i) **Capital reserve** – The following are accounted for in capital reserve:

- Gains and losses on the disposal of investments;
- Changes in the fair value of investments held at the year end;
- Foreign exchange gains and losses of a capital nature;
- Dividends receivable which are capital in nature.

j) **Dividends** – In accordance with FRS21: “Events after the Balance Sheet Date” dividends declared and approved by the Company after the balance sheet date have not been recognised as a liability of the Company at the balance sheet date.

2010
£'000

2009
£'000

2. INCOME

Income from investments designated at fair value through profit or loss

Overseas dividends	2,256	2,626
Overseas scrip dividends	190	84
	<u>2,446</u>	<u>2,710</u>
Other income		
Deposit interest	–	55
Interest on VAT recovered on investment management fee*	–	2
	<u>–</u>	<u>57</u>
Total income	<u>2,446</u>	<u>2,767</u>

* This is interest received in the prior year on VAT on investment management fees reclaimed following the decision of the European Court of Justice in the JPMorgan Claverhouse Investment Trust/AIC case (C-363/05) (see Note 3 below).

2010
£'000

2009
£'000

3. INVESTMENT MANAGEMENT FEE

Investment management fee	1,161	873
VAT recovered*	–	(12)
	<u>1,161</u>	<u>861</u>

* The decision of the European Court of Justice in the JPMorgan Claverhouse Investment Trust/AIC case (C-363/05) confirmed that the VAT exemption applicable to the management of special investment funds will also extend to investment trust companies. Although the Company had recovered virtually all of the VAT charged, as a result of this case it recovered a further £12,385 in the prior year.

A summary of the terms of the Management Agreement is given in the Directors' Report on pages 18 and 19.

Notes to the Financial Statements

	2010 £'000	2009 £'000
4. OTHER EXPENSES		
AIC fees	9	14
Custody fees	87	57
Directors' fees	94	79
Directors' expenses*	49	8
Legal and professional fees**	32	4
Marketing expenses	74	88
Printing and publication expenses	60	54
Registrars' fees	36	36
Other expenses	45	42
Costs associated with Bonus Issue of subscription shares	295	–
Fees payable to the Company's Auditor for the audit of the annual financial statements	18	20
	799	402

* Directors' expenses for the prior year are lower as no overseas trip was undertaken by the Directors.

** Legal and professional fees for the current year include £27,000 in relation to the arrangement of the loan facility with ING Bank N.V.

Details of the breakdown of Directors' fees are provided on page 30 within the Directors' Remuneration Report.

	2010 £'000	2009 £'000
5. INTEREST PAYABLE		
Loan repayable within five years		
Fixed rate unsecured loan	131	444
	131	444

	revenue £'000	2010 capital £'000	total £'000	revenue £'000	2009 capital £'000	total £'000
6. TAXATION ON RETURN ON ORDINARY ACTIVITIES						
a) Analysis of charge in the year						
Corporation Tax	–	–	–	60	–	60
Double taxation relief	–	–	–	(60)	–	(60)
	–	–	–	–	–	–
Overseas taxation suffered	200	–	200	233	–	233
Total current taxation for year (see Note 6b)	200	–	200	233	–	233

Notes to the Financial Statements

b) Factors affecting the taxation charge for the year

The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an investment trust company of 28% (2009: 28%).

The differences are explained below.

	2010 £'000	2009 £'000
Return on ordinary activities before taxation	25,799	10,986
Return on ordinary activities multiplied by the standard rate of corporation tax of 28% (2009: 28%)	7,224	3,076
Effects of:		
Gains on investments not taxable	(7,122)	(2,736)
Income not taxable	(678)	(162)
Non-trading deficit not utilised/(utilised)	37	(113)
Excess management expenses	457	–
Disallowable expenses	83	–
Double taxation relief	–	(60)
Overseas taxation expensed	(1)	(5)
Overseas taxation	200	233
Current taxation charge (Note 6a)	200	233

Investment trust companies are exempt from taxation on capital gains if they meet the HM Revenue & Customs criteria set out in s1159 of the Corporation Tax Act 2010 for a given period.

Overseas taxation is made up as follows:

	2010 £'000	2009 £'000
Taxation on ordinary activities	186	216
Taiwan scrip dividends	14	17
	200	233

c) There are excess management expenses of £1,635,000 (2009: nil) resulting in a deferred tax asset of £458,000 (2009: nil) and there is a non trade deficit of £2,076,000 (2009: £1,944,000) resulting in a deferred tax asset of £581,000 (2009: £544,000). It is unlikely that the deferred tax assets will be utilised and have therefore not been recognised.

	2010 £'000	2009 £'000
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7. DIVIDENDS

Final dividend of 1.00 pence per share paid for the year ended 31 July 2009 (2008: 0.81 pence)	609	494
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No final dividend is proposed for the year ended 31 July 2010 (2009: 1.00 pence)

Notes to the Financial Statements

	revenue	2010 capital	total	revenue	2009 capital	total
8. RETURN PER ORDINARY SHARE						
Basic	0.27p	41.73p	42.00p	1.49p	14.85p	16.34p

Returns per ordinary share are based on the net revenue return on ordinary activities after taxation of £164,000 (2009: £980,000), the capital return in the year of £25,435,000 (2009: £9,773,000) and the total return in the year of £25,599,000 (2009: £10,753,000) and on 60,945,935 ordinary shares (2009: 65,827,251) being the weighted average number of ordinary shares in issue during the year.

No diluted return per ordinary share is shown as at the balance sheet date there was no dilution in respect of the conversion rights attached to the outstanding subscription shares.

	2010 £'000	2009 £'000
9. INVESTMENTS		
Listed overseas	121,786	98,131
	2010 listed overseas £'000	
Opening book cost	78,642	
Opening investment holding gains	19,489	
Opening fair value of investments	98,131	
Movements in the year		
Purchases at cost	92,867	
Sales – proceeds	(94,644)	
Sales – gains on sales in the year	21,842	
Movement in investment holding gains in the year	3,590	
Closing fair value of investments	121,786	
Closing book cost	98,707	
Closing investment holding gains	23,079	
Closing fair value of investments	121,786	
	2010 £'000	2009 £'000
Net gains on investments		
Gains on sales of investments in the year	21,842	5,588
Investment holding gains in the year	3,590	3,622
	25,432	9,210

The portfolio turnover rate for the year was 79.8% (2009: 84.3%).

Notes to the Financial Statements

Gains on investments on page 40 are shown net of costs of investment transactions as summarised below:

	2010 £'000	2009 £'000
Purchases expenses	187	114
Sales expenses	312	245
	<u>499</u>	<u>359</u>
	2010 £'000	2009 £'000

10. DEBTORS

Securities sold for future settlement	919	368
Currency receivable	–	368
Accrued income	234	413
Amount receivable on ordinary shares issued	16	–
Other debtors	18	12
	<u>1,187</u>	<u>1,161</u>
	2010 £'000	2009 £'000

11. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

Securities purchased for future settlement	1,027	273
Currency payable	–	368
Interest payable on loan	47	130
Other creditors	249	228
Fixed rate unsecured credit facility @ 2.65% per annum	5,729	–
Fixed rate unsecured loan @ 5.60% per annum	–	6,584
	<u>7,052</u>	<u>7,583</u>

On 3 February 2010 the Company entered into a 364 day revolving credit facility for an amount up to US\$15,000,000 with ING Bank N.V. US\$9,000,000 of this was drawn down on 12 April 2010 at an interest rate of 2.65% and is repayable on 3 February 2011.

The remaining balance of the US\$11,000,000 fixed rate loan from Lloyds TSB Bank PLC drawn down on 27 September 2006 at an interest rate of 5.60% per annum was repaid on 25 September 2009.

Notes to the Financial Statements

	2010 £'000	2009 £'000
12. SHARE CAPITAL		
Issued, allotted and fully paid:		
Beginning of year		
60,942,501 (2008: 103,157,200) ordinary shares of 25 pence each	15,235	25,789
1 August 2009 to 31 July 2010: issue of 36,342 ordinary shares of 25 pence each on the conversion of subscription shares	9	–
1 August 2009 to 31 July 2010: no ordinary shares of 25 pence each were repurchased (2009: 951,935)	–	(238)
Cancellation of 41,262,764 ordinary shares of 25 pence each on completion of the Tender Offer	–	(10,316)
End of year		
60,978,843 (2009: 60,942,501) ordinary shares of 25 pence each	15,244	15,235
Subscription shares*		
Issue of 12,188,212 (2009: nil) subscription shares of 5 pence each	609	–
Exercise of rights attached to 36,342 (2009: nil) subscription shares of 5 pence each and conversion into ordinary shares of 25 pence each	(2)	–
End of year		
12,151,870 (2009: nil) subscription shares of 5 pence each	607	–
Total share capital	15,851	15,235

* See Directors' Report on page 17 for further details of the rights attached to the subscription shares.

	share premium account £'000	capital redemption reserve £'000	other non- distributable reserve £'000	other reserve* £'000	capital reserve £'000	revenue reserve £'000
13. RESERVES						
Beginning of year	–	1,785	7,367	19,239	47,523	985
Exchange gains on other net assets	–	–	–	–	181	–
Net gains on investments in the year	–	–	–	–	25,432	–
Exchange losses on loan	–	–	–	–	(178)	–
Bonus issue of subscription shares	–	–	–	(609)	–	–
Exercise of rights attached to subscription shares and conversion into ordinary shares	2	–	–	–	–	–
Issue of ordinary shares on exercise of rights attached to subscription shares	60	–	–	–	–	–
Net revenue after taxation for the year	–	–	–	–	–	164
Dividend paid to shareholders	–	–	–	–	–	(609)
End of year	62	1,785	7,367	18,630	72,958	540

* The 'other reserve' is non-distributable and is used for the purpose of financing the repurchase of ordinary shares.

Notes to the Financial Statements

14. NET ASSET VALUE PER SHARE

The basic net asset value per ordinary share is based on net assets of £117,193,000 (2009: £92,134,000) and on 60,978,843 (2009: 60,942,501) ordinary shares, being the number of ordinary shares in issue at the year end.

The diluted net asset value per share has been calculated on the assumption that the outstanding subscription shares of 12,151,870 at 31 July 2010 (2009: nil) were exercised on that date. This basis of calculation is in accordance with guidelines laid down by the Association of Investment Companies and is provided to the London Stock Exchange on an ongoing basis.

2010
£'000

2009
£'000

15. RECONCILIATION OF NET RETURN BEFORE FINANCE COSTS AND TAXATION TO NET CASH INFLOW FROM OPERATING ACTIVITIES

Net return before finance costs and taxation	25,930	11,430
Capital return for the year	(25,435)	(9,773)
Net revenue return before finance costs and taxation	495	1,657
Scrip dividends	(190)	(84)
Decrease/(increase) in other debtors	541	(176)
Decrease in other creditors	(347)	(139)
Overseas taxation suffered	(200)	(233)
Net cash inflow from operating activities	299	1,025
	2010 £'000	2009 £'000

16. RECONCILIATION OF NET CASH MOVEMENTS TO MOVEMENT IN NET RESOURCES/(DEBT)

Net debt at beginning of the year	(6,159)	(133)
Net cash inflow/(outflow)	874	(8,374)
2.65% fixed rate unsecured credit facility drawn down	(5,857)	-
5.60% fixed rate unsecured loan repaid	6,890	3,912
Unrealised foreign exchange movement on other net assets	(27)	(155)
Foreign exchange movement on fixed rate unsecured loans – realised and unrealised	(178)	(1,409)
Change in net resources/(debt)	1,702	(6,026)
Net debt at end of the year	(4,457)	(6,159)

	2010 £'000	cash flows £'000	exchange movements £'000	2009 £'000
Analysis of balances				
Cash at bank	1,272	874	(27)	425
Fixed rate unsecured credit facility	(5,729)	1,033	(178)	(6,584)
End of year	(4,457)	1,907	(205)	(6,159)

Notes to the Financial Statements

17. FINANCIAL INSTRUMENTS

Management of risk

The general risk analysis undertaken by the Board and its overall policy approach to risk management are set out in the Business Review on pages 15 and 16. This Note is incorporated in accordance with FRS29 and refers to the identification, measurement and management of risks potentially affecting the value of financial instruments.

The Company's financial instruments comprise:

- Equity shares held in accordance with the Company's investment objective and policies
- Cash, liquid resources and short term debtors and creditors that arise from its operations
- US dollar borrowings to finance operations

The risks identified by FRS29 arising from the Company's financial instruments are market price risk (which comprises other price risk, interest rate risk and foreign currency exposure), liquidity risk, counterparty risk and credit risk. The Board reviews and agrees policies for managing each of these risks, which are summarised below. These policies have remained unchanged since the beginning of the accounting period.

Market price risk

Other price risk

Other price risk arises mainly from uncertainty about future prices of financial instruments used in the Company's business. It represents the potential loss the Company might suffer through holding market positions in the face of price movements and changes in exchange rates. The Board meets quarterly to consider the asset allocation of the portfolio and the risk associated with particular industry sectors within the parameters of the investment objective. The Investment Manager is responsible for actively monitoring the existing portfolio selected in accordance with the overall asset allocation parameters described above and seeks to ensure that individual stocks also meet an acceptable risk/reward profile.

Interest rate risk

The Company finances its operations through share capital raised. In addition, financing has been obtained through a fixed rate US\$9,000,000 revolving credit facility which falls due for repayment on 3 February 2011. In addition the Company has the facility to draw on a further US\$6,000,000 credit facility which expires on 3 February 2011. The Company is exposed, therefore, to a fair value interest rate risk if US dollar interest rates change. The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions.

Interest rate risk profile of financial assets and liabilities

The analysis below and on page 45 summarises the extent to which the Company's assets and liabilities are affected by changes in interest rates.

2010

	cash flow interest rate risk £'000	fair value interest rate risk* £'000	total £'000
Cash balances	1,272	–	1,272
Total financial assets	1,272	–	1,272
Fixed rate unsecured loan	–	(5,729)	(5,729)
Total financial liabilities	–	(5,729)	(5,729)
Total financial assets/(liabilities)	1,272	(5,729)	(4,457)

* The Company's US dollar denominated fixed rate unsecured credit facility is subject to a fair value interest rate risk if US dollar interest rates change.

Notes to the Financial Statements

2009

	cash flow interest rate risk £'000	fair value interest rate risk* £'000	total £'000
Cash balances	425	–	425
Total financial assets	425	–	425
Fixed rate unsecured loan	–	(6,584)	(6,584)
Total financial liabilities	–	(6,584)	(6,584)
Total financial assets/(liabilities)	425	(6,584)	(6,159)

* The Company's US dollar denominated fixed rate unsecured bank loan was subject to a fair value interest rate risk if US dollar interest rates had changed.

Foreign currency risk

The Company's total return and balance sheet can be affected by foreign exchange movements because the Company has assets and income which are denominated in currencies other than the Company's base currency which is sterling.

Three principal areas have been identified where foreign currency risk could impact the Company:

- Movements in rates affecting the value of investments and the loan facility
- Movements in rates affecting short term timing differences
- Movements in rates affecting the income received

The Company does not hedge the sterling value of investments or other net assets priced in other currencies by the use of derivative instruments. However, it has increased finance available to the Company for its investment activities with US dollar borrowings, thereby hedging part of the movements which are a result of exchange movements.

The Company might also be subject to short term exposure from exchange rate movements, for example between the date when an investment is bought or sold and the date when settlement of the transaction occurs. Income denominated in foreign currencies is converted to sterling on receipt.

Notes to the Financial Statements

Financial Assets

The Company's financial assets comprise equity investments, short term debtors and cash. The currency cash flow profile of these financial assets is shown below.

2010

	investments designated at fair value through profit or loss £'000	short term debtors book value £'000	cash £'000	total £'000
Chinese yuan renminbi	24,038	120	–	24,158
Hong Kong dollar	25,874	8	–	25,882
Indian rupee	2,492	–	–	2,492
Indonesian rupiah	4,526	15	–	4,541
Korean won	28,755	901	–	29,656
Malaysian ringgit	5,286	–	–	5,286
Philippine peso	832	–	–	832
Singapore dollar	13,995	–	–	13,995
Taiwan dollar	14,180	108	1	14,289
Thai baht	1,639	–	–	1,639
UK sterling	–	35	73	108
US dollar	169	–	1,198	1,367
	<u>121,786</u>	<u>1,187</u>	<u>1,272</u>	<u>124,245</u>

2009

	investments designated at fair value through profit or loss £'000	short term debtors book value £'000	cash £'000	total £'000
Chinese yuan renminbi	12,061	57	–	12,118
Hong Kong dollar	35,560	368	–	35,928
Indian rupee	2,107	–	–	2,107
Korean won	20,676	3	–	20,679
Malaysian ringgit	1,590	–	–	1,590
Singapore dollar	11,184	17	–	11,201
Taiwan dollar	14,953	336	–	15,289
UK sterling	–	12	26	38
US dollar	–	368	399	767
	<u>98,131</u>	<u>1,161</u>	<u>425</u>	<u>99,717</u>

Notes to the Financial Statements

Financial Liabilities

The Company finances its investment activities through its ordinary share capital, reserves and borrowings.

The Company's financial liabilities comprise its US dollar denominated revolving credit facility and other short term creditors.

The currency cash flow profile of these financial liabilities is shown below.

	2010			2009		
	US dollar denominated unsecured loan £'000	short term creditors £'000	total £'000	US dollar denominated unsecured loan £'000	short term creditors £'000	total £'000
Hong Kong dollar	–	200	200	–	368	368
Korean won	–	–	–	–	273	273
Philippine peso	–	827	827	–	–	–
UK sterling	–	249	249	–	228	228
US dollar	5,729	47	5,776	6,584	130	6,714
	<u>5,729</u>	<u>1,323</u>	<u>7,052</u>	<u>6,584</u>	<u>999</u>	<u>7,583</u>

Liquidity risk

The Company's assets comprise readily realisable securities, which can be sold easily to meet funding commitments if necessary. Short term flexibility is achieved by the use of overdraft facilities as required. Details of the Company's borrowing commitments are explained in Note 11 on page 41 to the financial statements.

Counterparty risk

All securities are transacted with brokers and carry the risk that the counterparty to a transaction may not meet its financial obligations. All counterparties for any type of trading are assessed by an independent credit research and analysis function and approved for use by any Fidelity managed company. Exposures to counterparties are monitored and reported frequently.

Credit risk

Investments may be adversely affected if any of the institutions with which money is deposited suffers insolvency or other financial difficulties. All transactions are carried out with a large number of brokers and are settled on a delivery versus payment basis and limits are set on the amount that may be due from any one broker. All security transactions are through brokers which have been approved as an acceptable counterparty. This is reviewed on an ongoing basis. At the year end, the exposure to credit risk includes cash at bank and outstanding securities transactions.

Notes to the Financial Statements

RISK SENSITIVITY ANALYSIS

Other price risk sensitivity analysis

Changes in market prices other than those arising from interest rate risk may also affect the value of the Company's net assets. Details of how the Board sets risk parameters and performance objectives can be found on pages 15 and 16 of the Directors' Report.

An increase of 10% in the fair value of the investments at 31 July 2010 would have increased the total return on ordinary activities and total assets by £12,179,000 (2009: £9,813,000). A decrease of 10% in the fair value of investments would have had an equal but opposite effect. The analysis for 2009 is performed on the same basis.

Interest rate risk sensitivity analysis

At 31 July 2010, if interest rates were to have increased by 0.5% the total return on ordinary activities would have increased by £6,000 (2009: £2,000). A decrease in the interest rates by 0.5% would have had an equal but opposite effect. The sensitivity is based on the Company's total cash balance held on 31 July 2010, with all other variables held constant. The analysis for 2009 is performed on the same basis.

Foreign currency risk sensitivity analysis

At 31 July 2010, if sterling had strengthened or weakened by 10% in relation to the larger currency exposures, then with all other variables held constant, total net assets and total return on ordinary activities would have (decreased)/increased by the amounts shown below. The analysis for 2009 is performed on the same basis.

If sterling had strengthened the impact would have been:

	2010 £'000	2009 £'000
Chinese yuan renminbi	(2,196)	(1,102)
Hong Kong dollar	(2,335)	(3,233)
Korean won	(2,696)	(1,855)
Singapore dollar	(1,272)	(1,018)
Taiwan dollar	(1,299)	(1,389)

If sterling had weakened the impact would have been:

	2010 £'000	2009 £'000
Chinese yuan renminbi	2,684	1,346
Hong Kong dollar	2,854	3,951
Korean won	3,295	2,267
Singapore dollar	1,555	1,245
Taiwan dollar	1,588	1,699

Fair value of financial assets and liabilities

Financial assets and liabilities are stated in the balance sheet at values which are not materially different to their fair values. As explained in Note 1g on page 36 investments are shown at fair value which is bid market price. In the case of cash, book value approximates to fair value due to the short maturity of the instruments. The exception is the US dollar denominated revolving credit facility, whose fair value as at 31 July 2010, given below, has been calculated by discounting future cash flows at current US dollar interest rates.

	2010		2009	
	fair value £'000	book value £'000	fair value £'000	book value £'000
Fixed rate unsecured credit facility @ 2.65% per annum	5,819	5,729	–	–
Fixed rate unsecured loan @ 5.60% per annum	–	–	6,710	6,584
	<u>5,819</u>	<u>5,729</u>	<u>6,710</u>	<u>6,584</u>

Notes to the Financial Statements

Fair value hierarchy

In 2009 the Accounting Standards Board amended FRS29 and requires investment companies to disclose the fair value hierarchy that classifies financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair values.

Classification Input

Level 1 Valued using quoted prices in active markets for identical assets

Level 2 Valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1

Level 3 Valued by reference to valuation techniques using inputs that are not based on observable market data

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset.

The valuation techniques used by the Company are explained in the Accounting Policies Note 1(g) on page 36. All investments held by the Company as at 31 July 2010 are considered to fall within Level 1.

Capital management

The Company does not have any externally imposed capital requirements. The capital of the Company is made up of the equity and bank facility and is managed in accordance with its investment policy in pursuit of its investment objective, both of which are detailed on page 14 of the Directors' Report. The principal risks and their management are disclosed above.

18. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There were no contingent liabilities or capital commitments as at 31 July 2010 (2009: nil).

19. TRANSACTIONS WITH THE MANAGER

The Directors have complied with the provisions of FRS8 which require disclosure of related party transactions and balances. FIL Investments International is the Manager and Secretary of the Company and details of the services provided and fees paid are given on pages 18 and 19.

Full Portfolio Listing as at 31 July 2010

Holding	Fair Value £'000	% ¹
China Merchants Bank	6,802	5.5
Samsung Electronics	6,049	4.9
Hon Hai Precision	4,578	3.7
Tencent Holdings	4,280	3.5
Li & Fung	3,746	3.1
BYD Company	3,638	3.0
Belle International	2,849	2.3
Genting	2,848	2.3
Hyundai Mobis	2,480	2.0
Bank of China Hong Kong	2,471	2.0
Focus Media	2,214	1.8
China Overseas Land & Investment	2,209	1.8
CJ O Shopping	2,204	1.8
Baidu Group	2,196	1.8
Advanced Semiconductor Engineering	2,159	1.8
Esprit Holdings	2,144	1.7
Lock&Lock	2,130	1.7
AmorePacific Corporation	2,095	1.7
Doosan Infracore	2,062	1.7
Au Optronics	2,052	1.7
Swire Pacific	1,890	1.5
LG Household and Healthcare	1,885	1.5
Keppel	1,850	1.5
DBS Group Holdings	1,726	1.4
Hang Seng Bank	1,724	1.4
Reliance Industries	1,703	1.4
Shinhan Financial Group	1,694	1.4
Taiwan Semiconductor Manufacturing	1,692	1.4
Hong Kong Exchanges & Clearing	1,658	1.4
Parkway Holdings	1,643	1.3
Krung Thai Bank	1,639	1.3
Gamuda	1,629	1.3
Hotel Shilla	1,531	1.2
China National Offshore Oil Corporation (CNOOC)	1,519	1.2
CapitaLand	1,514	1.2
Indocement Tunggul Prakarsa	1,500	1.2
Singapore Exchange	1,495	1.2
Anta Sports Products	1,364	1.1
PCD Stores	1,347	1.1
Li Ning	1,316	1.1
Samsung SDI	1,294	1.1

Full Portfolio Listing as at 31 July 2010

Holding	Fair Value £'000	% ¹
Zhaojin Mining Industry	1,273	1.0
Sarin Technologies	1,210	1.0
Gudang Garam	1,170	1.0
Minth Group	1,129	0.9
Noble Group	1,121	0.9
Chinatrust Financial Holdings	1,044	0.9
Kia Motors	1,016	0.8
Yuanta Financial Holdings	967	0.8
Wing Tai Holdings	931	0.8
Goodpack	930	0.8
Hyflux	897	0.7
Indofood Sukses Makmur	875	0.7
Siliconware Precision Industries	870	0.7
Hyundai Development	843	0.7
China Lotsynergy Holdings	826	0.7
First Financial Holding	819	0.7
Cimb Group Holdings	810	0.7
China Mobile	806	0.7
Punjab National Bank	789	0.6
Daum Communications	771	0.6
ZTE Corporation	699	0.6
Parkway Life Real Estate	677	0.6
Orient Overseas International	661	0.5
United Laboratories International Holdings	660	0.5
Cheil Worldwide	651	0.5
Universal Robina	621	0.5
PT Ramayana Lestari Sentosa Terbuka	594	0.5
Hanjin Shipping	557	0.5
Korea Exchange Bank	545	0.4
Hana Tour Service	507	0.4
Sino Prosper State Gold Resources	490	0.4
Suprema	441	0.4
United Tractors	387	0.3
Alliance Global Group	211	0.2
Charm Communications	169	0.1
Total holdings	121,786	99.1
Cash & other net current assets	1,136	0.9
	122,922	100.0

¹ % of total assets less current liabilities, excluding loan liability

Distribution of the Portfolio¹ at 31 July 2010

Equities (including convertibles)	China	Korea	Hong Kong	Taiwan	Singapore	Other	Total	Index ²	31 July 2009
Consumer Discretionary									
Automobiles	3.0	2.8	–	–	–	–	5.8	1.1	–
Diversified Consumer Services	–	1.6	0.7	–	–	2.8	5.1	1.6	1.1
Speciality Retail	2.3	–	1.7	–	–	–	4.0	0.7	5.2
Distributors	–	–	3.1	–	–	–	3.1	0.5	2.5
Multiline Retail	1.1	1.8	–	–	–	–	2.9	0.5	0.9
Media	1.9	0.5	–	–	–	–	2.4	0.3	–
Textiles, Apparel & Luxury Goods	2.2	–	–	–	–	–	2.2	1.2	4.9
Auto Components	0.9	–	–	–	–	–	0.9	2.3	0.9
Household Durables	–	–	–	–	–	–	–	–	1.1
Internet & Catalogue Retail	–	–	–	–	–	–	–	–	0.4
	11.4	6.7	5.5	–	–	2.8	26.4	8.2	17.0
Financials									
Commercial Banks	5.5	1.8	3.4	1.6	1.4	2.6	16.3	18.0	15.2
Real Estate Management & Development	1.8	–	1.5	–	2.0	–	5.3	7.4	6.7
Diversified Financial Services	–	–	1.4	–	1.2	–	2.6	2.5	5.6
Capital Markets	–	–	–	0.8	–	–	0.8	0.2	0.6
Real Estate Investment Trusts	–	–	–	–	0.6	–	0.6	0.6	1.0
Consumer Finance	–	–	–	–	–	–	–	–	0.8
Insurance	–	–	–	–	–	–	–	4.0	0.8
	7.3	1.8	6.3	2.4	5.2	2.6	25.6	32.7	30.7
Information Technology									
Semiconductor & Semiconductor Equipment	–	4.9	–	3.9	–	–	8.8	9.3	15.5
Electronic Equipment, Instruments & Components	–	1.5	–	5.4	–	–	6.9	7.3	6.2
Internet Software & Services	5.3	–	–	–	–	–	5.3	1.6	5.0
Communications Equipment	0.6	–	–	–	–	–	0.6	0.1	0.5
Software	–	0.6	–	–	–	–	0.6	–	0.4
	5.9	7.0	–	9.3	–	–	22.2	18.3	27.6
Industrials									
Construction & Engineering	–	0.7	–	–	1.0	1.3	3.0	1.0	4.2
Machinery	–	1.7	–	–	–	0.3	2.0	0.2	0.7
Transportation Infrastructure	–	0.5	0.5	–	0.8	–	1.8	4.4	–
Industrial Conglomerates	–	–	–	–	1.5	–	1.5	4.1	2.2
Trading Companies & Distributors	–	–	–	–	0.9	–	0.9	0.5	–
	–	2.9	0.5	–	4.2	1.6	9.2	10.2	7.1

Distribution of the Portfolio¹ at 31 July 2010

Equities (including convertibles)	China	Korea	Hong Kong	Taiwan	Singapore	Other	Total	Index ²	31 July 2009
Consumer Staples									
Personal Products	–	1.7	–	–	–	–	1.7	0.3	1.0
Household Products	–	1.5	–	–	–	–	1.5	0.4	0.3
Food Products	–	–	–	–	–	1.2	1.2	2.6	1.1
Tobacco	–	–	–	–	–	1.0	1.0	0.5	1.6
Food & Staples Retailing	–	–	–	–	–	0.2	0.2	0.9	2.0
Beverages	–	–	–	–	–	–	–	0.2	0.8
	–	3.2	–	–	–	2.4	5.6	4.9	6.8
Materials									
Containers & Packaging	–	1.7	–	–	–	–	1.7	–	–
Construction Materials	–	–	–	–	–	1.2	1.2	1.9	–
Metals & Mining	1.0	–	–	–	–	–	1.0	3.1	–
Chemicals	–	–	–	–	–	–	–	2.1	3.3
Paper & Forest products	–	–	–	–	–	–	–	0.2	–
	1.0	1.7	–	–	–	1.2	3.9	7.3	3.3
Energy									
Oil, Gas & Consumable Fuels	1.6	–	–	–	–	1.4	3.0	6.9	2.2
	1.6	–	–	–	–	1.4	3.0	6.9	2.2
Health Care									
Healthcare Providers & Services	–	–	–	–	1.3	–	1.3	0.2	0.5
Pharmaceuticals	–	–	0.5	–	–	–	0.5	0.1	–
	–	–	0.5	–	1.3	–	1.8	0.3	0.5
Telecommunications Services									
Wireless Telecommunications Services	0.7	–	–	–	–	–	0.7	7.5	3.1
	0.7	–	–	–	–	–	0.7	7.5	3.1
Utilities									
Water Utilities	–	–	–	–	0.7	–	0.7	–	1.1
Other	–	–	–	–	–	–	–	3.7	–
	–	–	–	–	0.7	–	0.7	3.7	1.1
Total Equities – 2010	27.9	23.3	12.8	11.7	11.4	12.0	99.1	100.0	99.4
Cash & Other Net Assets	–	–	–	–	–	–	0.9	–	0.6
Total – 2010	27.9	23.3	12.8	11.7	11.4	12.0	100.0	100.0	100.0
Index – 2010	29.8	21.6	11.9	17.2	8.0	11.5	100.0	100.0	–
Total Equities – 2009	24.1	21.1	24.1	15.1	11.3	3.7	99.4	–	100.0

¹ % total assets less current liabilities, excluding loan liability

² MSCI All Countries (Combined) Far East ex Japan Index

Notice of Meeting

Notice is hereby given that the Annual General Meeting of Fidelity Asian Values PLC will be held at 25 Cannon Street, London EC4M 5TA on Monday 29 November 2010 at 11.00 am for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and financial statements for the year ended 31 July 2010.
2. To elect Kate Bolsover as a Director of the Company.
3. To elect Philip Smiley as a Director of the Company.
4. To re-elect Kathryn Matthews as a Director of the Company.
5. To re-elect Hugh Bolland as a Director of the Company.
6. To re-elect William Knight as a Director of the Company.
7. To approve the Directors' Remuneration Report for the year ended 31 July 2010.
8. To re-appoint Grant Thornton UK LLP as Auditor of the Company, to hold office until the conclusion of the next general meeting at which financial statements are laid before the Company.
9. To authorise the Directors to determine the Auditor's remuneration.

SPECIAL BUSINESS

Resolution 10 will be proposed as an ordinary resolution. Resolutions 11 and 12 will be proposed as special resolutions.

Resolutions 10 and 11 will, if approved, authorise the Directors to allot a limited number of currently unissued ordinary shares for cash without first offering such shares to existing ordinary shareholders pro rata to their existing holdings. The limit set by the Board is 5% of the number of ordinary shares of the Company in issue on 22 September 2010. The Directors will only issue new shares under this authority to take advantage of opportunities in the market as they arise and only if they believe it is advantageous to the Company's shareholders to do so.

10. THAT the Directors be and they are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot relevant securities (as defined in that section) up to an aggregate nominal amount of £762,416 (approximately 5% of the aggregate nominal amount of the issued share capital of the Company as at 22 September 2010) such authority to expire at the conclusion of the next Annual General Meeting of the Company or the date 15 months after the

passing of this resolution, whichever is the earlier, but so that this authority shall allow the Company to make offers or agreements before the expiry of this authority which would or might require relevant securities to be allotted after such expiry as if the authority conferred by this resolution had not expired.

11. THAT, subject to the passing of Resolution 10 set out above, the Directors be and they are hereby authorised, pursuant to Section 570-573 of the Act to allot equity securities (as defined in Section 560 of the Act) pursuant to the authority given by the said Resolution 10 as if Section 561 of the Act did not apply to any such allotment, provided that this power shall be limited:

- a) to the allotment of equity securities in connection with a rights issue in favour of all holders of a class of relevant equity securities where the equity securities attributable respectively to the interests of all holders of securities of such class are either proportionate (as nearly as may be) to the respective numbers of relevant equity securities held by them or are otherwise allotted in accordance with the rights attaching to such equity securities (subject in either case to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange in any territory or otherwise); and
- b) to the allotment (otherwise than pursuant to a rights issue) of equity securities up to an aggregate nominal amount of £762,416 (approximately 5% of the aggregate nominal amount of the issued share capital of the Company as at 22 September 2010); and
- c) to the allotment of equity securities at a price of not less than the net asset value per share

and this power shall expire at the conclusion of the next Annual General Meeting of the Company or the date 15 months after the passing of this resolution, whichever is the earlier, save that this authority shall allow the Company to make offers or agreements before the expiry of this authority, and the Directors may allot equity securities in relation to such an offer or agreement as if the authority conferred by this resolution had not expired.

Resolution 12 is a special resolution which, if approved, will renew the Company's authority to purchase its ordinary shares and subscription shares for cancellation. The limit set by the Board is 14.99% respectively of the number of ordinary shares and subscription shares in issue on 22 September 2010. Purchases of shares will be

Notice of Meeting

made at the discretion of the Board and within guidelines set from time to time by the Board and in the light of prevailing market conditions. Purchases will only be made in the market at prices below the prevailing net asset value per share, thereby resulting in an increase in the net asset value per share.

12. THAT the Company be and is hereby generally and unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the "Act") to make market purchases (within the meaning of Section 693 of the Act) of ordinary shares of 25p each in the capital of the Company (the "ordinary shares") and of subscription shares of 0.01 pence each (the "subscription shares") provided that:

- a) the maximum number of shares hereby authorised to be purchased shall be 9,142,902 ordinary shares and 1,819,391 subscription shares;
- b) the minimum price which may be paid for an ordinary share is 25p and the minimum price which may be paid for a subscription share is 0.01p;
- c) the maximum price which may be paid for an ordinary share is an amount equal to 105% of the average of the middle market quotations for a share taken from the London Stock Exchange Official List for the five business days immediately preceding the day on which the share is purchased;
- d) the maximum price payable for a subscription share will not exceed the higher of (i) 5% above the average of the middle market quotations (as derived from the Official List) for the five consecutive dealing days ending on the dealing day immediately preceding the date on which the purchase is made and (ii) the higher of the price quoted for (a) the last independent trade of, or (b) the highest current independent bid for, any number of subscription shares on the trading venue where the purchase is carried out;
- e) the authorities hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company unless such authority is renewed prior to such time; and
- f) the Company may make a contract to purchase ordinary or subscription shares under the authority hereby conferred 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 shares pursuant to any such contract.

By order of the Board
FIL Investments International
Secretary
22 September 2010

Registered office:
Beech Gate
Millfield Lane
Lower Kingswood
Tadworth
Surrey KT20 6RB

Notes to Notice of Meeting

1. A member of the Company entitled to attend and vote at the Annual General Meeting may appoint a proxy or proxies to attend and to speak and vote instead of him. A member may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company.
2. A Form of Proxy is enclosed and must be returned to the Registrars at the address on the form to arrive not later than 11.00 am on 27 November 2010. Completion and return of the form of proxy will not prevent a shareholder from subsequently attending the meeting and voting in person if they so wish.
3. To be effective, the instrument appointing a proxy, and any power of attorney or other authority under which it is signed (or a copy of any such authority certified notarially or in some other way approved by the Directors), must be deposited with the Company's Registrars, Capita Registrars, P O Box 25, Beckenham, Kent BR3 4BR not less than 48 hours before the time for holding the meeting or adjourned meeting or, in the case of a poll taken more than 48 hours after it is demanded, not less than 24 hours before the time appointed for the taking of the poll at which it is to be used.
4. In the case of joint holders, the vote of the senior who tenders the vote shall be accepted to the exclusion of the votes of the other joint holders and for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.
5. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent RA10 by 11.00 am on 27 November 2010. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsored members and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and systems timings please refer to the CREST Manual. We may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. In any case your proxy form must be received by the Company's Registrars no later than 11.00 am on 27 November 2010.
6. All members are entitled to attend and vote at the Annual General Meeting and ask questions. The right to vote at the meeting will be determined by reference to the Register of Members as at 11.00 am on 25 November 2010.
7. Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him and the member by whom he was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in paragraph 1 above does not apply to Nominated Persons. The right described in that paragraph can only be exercised by members of the Company.
8. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes which are the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Services Authority. As a result, any member holding 3 per cent or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make separate notification to the Company and the Financial Services Authority.
9. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that to be entitled to attend and vote at the Annual General Meeting (and for the purpose of determining the number of votes they may cast), members must be entered on the Register of Members by 6.00pm on 27 November 2010. If the meeting is adjourned then, to be so entitled, members must be entered on the Register of Members at 6.00pm on the day two days before the time fixed for the adjourned meeting, or, if the Company gives notice of the adjourned meeting, at any other time specified in that notice.

Notes to Notice of Meeting

10. As at 22 September 2010 (the latest practicable date prior to the publication of this document) the Company's issued ordinary share capital consisted of 60,993,348 ordinary shares carrying one vote each and 12,137,365 subscription shares without voting rights. Therefore, the total number of voting rights in the Company as at 22 September 2010 was 60,993,348.
11. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
12. Shareholders and any proxies or representatives they appoint understand that by attending the meeting that they are expressly agreeing that they are willing to receive any communications, including communications relating to the Company's securities, made at the meeting.
13. It is possible that, pursuant to requests made by members of the Company under Section 527 of the Companies Act 2006, the Company may be required to publish on its website a statement setting out any matter relating to the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting or any circumstance connected with an Auditor of the Company ceasing to hold office since the previous meeting at which annual reports and financial statements were laid. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on its website.
14. Under Section 338 and Section 338A of the Companies Act 2006, members meeting the threshold requirements in those sections have the right to require the Company (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in such business. A resolution may properly be moved or a matter may properly be included in the business of the meeting unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business of the meeting, must be authorised by the person or persons making it, must be received by the Company not later than 15 October 2010, being the date six clear weeks before the meeting, and (in the case of a matter to be included in the business of the meeting only) must be accompanied by a statement setting out the grounds for the request.
15. No Director has a service contract with the Company.
16. A copy of this notice and other information required by Section 311A of the Companies Act 2006 is published on the Company's website at www.fidelity.co.uk/its

Registered office:
Beech Gate
Millfield Lane
Lower Kingswood
Tadworth
Surrey KT20 6RB

Financial Calendar

The key dates in the Company's calendar are:

31 July – financial period end
30 September – announcement of results to 31 July 2010
October – publication of this report
29 November – Annual General Meeting 2010
31 January – half-year end

March – announcement of half-yearly results to 31 January 2010

April – publication of half-yearly report

Additional Company Information

The Company was launched on 13 June 1996 with one warrant attached to every five shares (the final subscription date for the warrants was 30 November 2006). The original subscription price for each share was £1.

The Company issued one subscription share for every five ordinary shares held on 4 March 2010. The Company is a member of The Association of Investment Companies ("AIC") from whom general information on investment trusts can be obtained by telephoning 020 7282 5555 (email address: enquiries@theaic.co.uk).

PRICE INFORMATION

The market price of the ordinary shares is published daily in the Financial Times under the heading "Investment Trusts". The ordinary share price is also published in The Times, The Daily Telegraph and The Independent. You can also obtain current price information by telephoning Fidelity on 0800 41 41 10 (freephone) or by phoning FT Cityline on 0905 817 1690 (all calls charged at 60p per minute on a per second basis from a BT landline. Charges for other telephone networks may vary). The Reuters code for Fidelity Asian Values PLC is FAS.L for the ordinary shares and FASS for the subscription shares.

NAV INFORMATION

The net asset value of the Company is calculated on a daily basis and released to the London Stock Exchange.

CAPITAL GAINS TAX

Your Directors have been advised that, for the purposes of calculating an investor's possible liability to capital gains tax, the base cost of shares and warrants, acquired at the time of the Company's launch, is 93.04p for ordinary shares. All UK individuals are permitted to have £10,100 of capital gains in the current tax year 2010/2011 (2009/2010 tax year: £10,100) before being liable for Capital Gains Tax ("CGT"). CGT is charged at 18% and 28% dependant on the total amount of taxable income.

The receipt by ordinary shareholders of the subscription shares arising from the Bonus Issue is treated as a reorganisation of the share capital of the Company.

Accordingly, the subscription shares are treated as the same asset as a shareholder's holdings of ordinary shares and as having been acquired at the same time as the shareholder's holding of ordinary shares was acquired. As a result of the Bonus Issue the shareholder's original base cost in his or her ordinary shares will be apportioned between these ordinary shares and the subscription shares by reference to their respective market values on the day on which the subscription shares were admitted to trading on the London Stock Exchange's market for listed securities, ie 8 March 2010. The share prices of the ordinary shares and subscription shares at close of business on 8 March 2010 were 176.75 pence and 27.50 pence per share respectively.

Base cost of ordinary share equals
actual base cost to the shareholder of the ordinary shares
multiplied by
market value of the ordinary shares on 8 March 2010
divided by
market value of the ordinary shares on 12 November 2009
plus
market value of the subscription shares on the same date.

The base cost of the subscription shares is deemed to be the actual base cost of the ordinary shares less the deemed base cost of the ordinary shares calculated as described above. On the exercise of the right to convert any subscription shares into ordinary shares, the ordinary shares issued pursuant to the subscription share rights will be treated as the same asset as the subscription shares in respect of which the subscription share rights are exercised.

The base cost of each such ordinary share will be the deemed base cost of the subscription share that it replaces, calculated as described above, plus the applicable subscription price of 191 pence per share.

Investing in Fidelity Asian Values PLC

The Manager of the Company – FIL Investments International – offers a range of options, so that you can invest in the way that is best for you. As Fidelity Asian Values PLC is a company listed on the London Stock Exchange you can also buy its shares through a stockbroker, share shop or bank.

INVESTING INSIDE AN ISA

You may invest in the Company's shares through the Fidelity ISA ("Individual Savings Account"). A Fidelity ISA can be an excellent way to get more from your investment, because you will not have to pay income or capital gains tax on your returns.

The maximum investment in a stocks and shares ISA is £10,200 for the 2010/11 tax year.

The full amount may be invested in a Stocks and Shares ISA, or £5,100 in a Cash ISA and the balance in a Stocks and Shares ISA. The minimum investment in the Fidelity ISA is £1,000 as a lump sum, £250 as an additional top-up or from as little as £50 a month per company through our regular savings plan.

Charges – The standard initial charge for the Fidelity ISA is 3.5%. If you download the application via our website the initial charge is just 1.25%. There are no other charges for the Fidelity ISA but the Company pays an annual management charge to Fidelity of 1.0% plus VAT as set out in the Annual Report. There is an additional annual charge of 0.5% + VAT when you invest through a Financial Adviser.

MOVING MONEY FROM ISAS

If you have opened ISAs with other investment companies, you can move them into the Fidelity ISA and invest in Fidelity Asian Values PLC without losing any tax benefits. This is known as an ISA transfer and it can be a great way to give your portfolio a new focus, or to realign it with your current investment goals. Please note that during the transfer your money will not be invested in the stock market so you may miss out on any growth during this time.

Charges – a standard initial charge applies if you transfer of 3.5%. You will not have to pay any additional transfer costs. However, please bear in mind that your current ISA manager may ask you to pay an exit fee.

INVESTING OUTSIDE AN ISA

If you prefer to invest outside an ISA, or have already used your full ISA allowance, the Fidelity Investment Trust Share Plan offers you a low cost and convenient way to put money into Fidelity Asian Values PLC. The minimum investment is £1,000 as a lump sum, £250 as an additional top-up or as little as £50 a month through our regular savings plan. The Manager of the Company – FIL Investments International – offers a range of options, so that you can invest in the way that is best for you. As Fidelity Asian Values PLC is a company listed on the London Stock Exchange you can also buy its shares through a stockbroker, share shop or bank.

Investing for children – The Share Plan is a flexible and inexpensive way to invest on behalf of children. All you have to do is enter the initials or name of the child in the Designation Box on the Share Plan application form. A Guide on investing for children through investment trusts is available for free from Fidelity.

Charges – There are no charges for buying, selling or holding shares through the Fidelity Investment Trust Share Plan other than Stamp duty of 0.5%, which is currently payable on all share purchases. However, if you invest through an Independent Financial Adviser, there may be an initial charge of up to 3%.

Holding shares directly – If you have shares in Fidelity Asian Values PLC that you bought through a broker or share dealing site you can transfer them into the Fidelity Investment Trust Share Plan. Doing this allows you to reinvest your dividends and make further investments without having to pay brokerage fees. You will also be able to set up a monthly savings plan and receive statements and valuations twice a year.

KEEPING YOU UPDATED

The share price of Fidelity Asian Values PLC appears daily in The Financial Times. Price and performance information is also available at fidelity.co.uk/its

Investors can obtain the real-time share price by phoning FT Cityline on 0905 8171 690. Calls are charged at 75p per minute from a BT landline. Average call duration will be 1 minute for one stock quote. Cost from other networks and mobile phones may be higher.

Investing in Fidelity Asian Values PLC

BENEFICIAL OWNERS OF SHARES – INFORMATION RIGHTS

With effect from 1 October 2007 registered shareholders of fully listed companies are able to nominate the underlying beneficial owners of their shares to receive information rights from 1 January 2008. You should contact your registered shareholder direct to request to receive your information rights. Please note that beneficial owners of shares who have been nominated by the registered holder of those shares to receive information rights under Section 146 of the Companies Act 2006 are required to direct all communications to the registered holder of their shares rather than to the Company's Registrars, Capita Registrars, or to the Company direct.

INVESTING ONLINE

You can invest online in Fidelity Asian Values PLC shares via www.fidelity.co.uk/sharenetwork. Fidelity's online share dealing site ShareNetwork enables you to buy or sell shares in any listed company during normal London Stock Exchange trading hours – between 8am and 4.30pm any working day. Shares bought via ShareNetwork can either be held direct or in an ISA (there is no extra charge for holding shares in an ISA), subject to the normal ISA limits and restrictions. You will be shown a live price and be able to buy or sell immediately. If an order is placed when the market is closed, it will be processed as soon as the market reopens. Unlike many online share dealing services, Fidelity ShareNetwork gives you personal CREST membership for shares held direct. This means that shares are registered on the CREST system in your own name and everything relating to your shares – dividends, annual reports and so on – will be sent direct to you and you will be able to attend and vote at shareholder meetings in your own name. Personal CREST membership does not apply to ISA holdings which must be held in the name of the ISA manager's nominee under ISA regulations. Fidelity ShareNetwork has a very competitive cost structure.

The Share Dealing service, ShareNetwork, is provided by Xest which is the online trading division of Charles Stanley & Co Limited, a leading London stockbroker.

Share purchases or sales are executed online for only £9 per trade. (Stamp duty is also payable on purchases at the rate of 0.5%). There is an account administration fee of £5 per month, regardless of how many different shares you own and whatever their value.

CONTACT INFORMATION

Private investors: call free to 0800 41 41 10, 9am to 6pm, Monday to Saturday.

Financial advisers: call free to 0800 41 41 81, 8am to 6pm, Monday to Friday.

Existing shareholders who have a specific query regarding their holding or need to provide update information, for example a change of address, should contact the appropriate administrator:

Holders of ordinary shares

Capita Registrars, Registrars to Fidelity Asian Values PLC, Northern House, Woodsome Park, Fenay Bridge, Huddersfield, West Yorkshire HD8 0GA.

Telephone: 0871 664 0300

(calls cost 10p per minute plus network extras)

Email: ssd@capitaregistrars.com

Details of individual shareholdings and other information can also be obtained from the Registrars' website: www.capitaregistrars.com

Fidelity Share Plan investors

Fidelity Investment Trust Share Plan, BNP Paribas Securities Services, Block C, Western House, Lynchwood Business Park, Peterborough, PE2 6BP.

Telephone: 0845 358 1107 (calls to this number are charged at 3.95p per minute from a BT landline dependent on the tariff. Other telephone service providers' costs may vary.)

Fidelity ISA investors

Fidelity, using the freephone numbers given above, or by writing to: UK Customer Service, Fidelity Investment Managers, Oakhill House, 130 Tonbridge Road, Hildenborough, Tonbridge, Kent TN11 9DZ
www.fidelity.co.uk/its

Fidelity ShareNetwork

<http://www.fidelity.co.uk/sharenetwork>

General enquiries should be made to FIL Investments International, the Investment Manager and Secretary, at the Company's registered office, FIL Investments International, Investment Trusts, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP.

Telephone: 01732 36 11 44

Fax: 01737 83 68 92

www.fidelity.co.uk/its

ONLINE SHAREHOLDER SERVICES – SHARE PORTAL

Through the website of our Registrars, Capita Registrars, shareholders are able to manage their shareholding online by registering for the Share Portal, a free, secure, online access to your shareholding. Facilities include:

Investing in Fidelity Asian Values PLC

Account enquiry – Allows shareholders to access their personal shareholding, including share transaction history, dividend payment history and to obtain an up-to-date shareholding valuation.

Amendment of standing data – This allows you to change your registered postal address and add, change or delete dividend mandate instructions. You can also download from this site forms such as change of address, stock transfer and dividend mandate as well as buy and sell shares in the Company.

To make use of any of these facilities, please log on to the Capita Registrars website at www.capitashareportal.com and follow the links to the Share Portal.

Should you have any queries in respect of the above facilities, please do not hesitate to contact the Capita Share Portal helpline on 0871 664 0391 (calls cost 10p plus network extras), overseas +44 20 8639 3367, or by e-mail at shareportal@capita.co.uk

Capita Share Dealing Services

You can make use of a low cost share dealing service provided by Capita Registrars to buy or sell shares. Further information is available at www.capitadeal.com,

or by telephoning 0871 664 0454 (calls cost 10p per minute plus network extras). Using Capita Share Dealing Services you will also be able to deal in the shares of other companies for which Capita acts as registrar, provided you are already a shareholder in the relevant company, and that company offers the Share Deal facility to its shareholders.

Dividend Reinvestment Plan

This is a convenient way to build up your shareholding by using your cash dividends to buy more shares in the Company. If you prefer to receive shares for your next dividend instead of cash please complete an application form online at www.capitashareportal.com or call Capita IRG Trustees on 0871 644 0381 (calls cost 10p per minute plus network extras) from UK or +44 20 8639 3402 from overseas.

ShareGift

You may donate your shares to charity free of charge through ShareGift. Further details are available at www.sharegift.org.uk or by telephoning 020 7930 3737.

FURTHER INFORMATION

For application forms or more information about any of the investment options described here, please call the Fidelity Investment Trust Line on 0800 41 41 10 and talk to a Fidelity customer representative (9am to 6pm) Monday – Saturday.

Alternatively, you may like to visit the Fidelity London Investor Centre at 25 Cannon Street, near St Paul's Cathedral.

You can also find out more by visiting fidelity.co.uk/its or contacting your Financial Adviser.

The Fidelity Individual Savings Account ("ISA") is offered and managed by Financial Administration Services Limited. The Fidelity Investment Trust Share Plan is managed by FIL Investments International. Both companies are authorised and regulated by the Financial Services Authority. The Fidelity Investment Trust Share Plan is administered by BNP Paribas Securities Services and shares will be held in the name of Puddle Dock Nominees Limited. The value of savings and eligibility to invest in an ISA will depend on individual circumstances and all tax rules may change in the future. Fidelity investment trusts are managed by FIL Investments International. Fidelity only gives information about its own products and services and does not provide investment advice based on individual circumstances. Should you wish to seek advice, please contact a Financial Adviser. Issued by FIL Investments International, authorised and regulated by the Financial Services Authority.

For the purposes of Sections 21 and 25 of the Financial Services and Markets Act 2000, the content of this report has been approved by FIL Investments International.

Please note that the value of investments and the income from them may fall as well as rise and the investor may not get back the amount originally invested. Past performance is not a guide to future returns.

For funds that invest in overseas markets, changes in currency exchange rates may affect the value of your investment. Investing in small and emerging markets can be more volatile than other more developed markets.

Reference in this document to specific securities should not be construed as a recommendation to buy or sell these securities, but is included for the purposes of illustration only. Investors should also note that the views expressed may no longer be current and may already have been acted upon by Fidelity.

Fidelity, Fidelity Investment Managers and the Pyramid Logo are trademarks of FIL Limited.

WARNING TO SHAREHOLDERS – BOILER ROOM SCAMS

Over the year, many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. These operations are commonly known as 'boiler rooms'. These 'brokers' can be very persistent and extremely persuasive, and a 2006 survey by the Financial Services Authority ("FSA") has reported that the average amount lost by investors is around £20,000.

It is not just the novice investor that has been duped in this way; many of the victims had been successfully investing for several years. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation
- Check that they are properly authorised by the FSA before getting involved by visiting www.fsa.gov.uk/register
- Report the matter to the FSA either by calling 0845 606 1234 or visiting www.moneymadeclear.fsa.gov.uk
- If the calls persist, hang up.

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme. The FSA can be contacted by completing an online form at www.fsa.gov.uk/pages/doing/regulated/law/alerts/overseas.html

Details of any share dealing facilities that the Company endorses will be included in Company mailings. More detailed information on this or similar activity can be found on the FSA website www.moneymadeclear.fsa.gov.uk



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