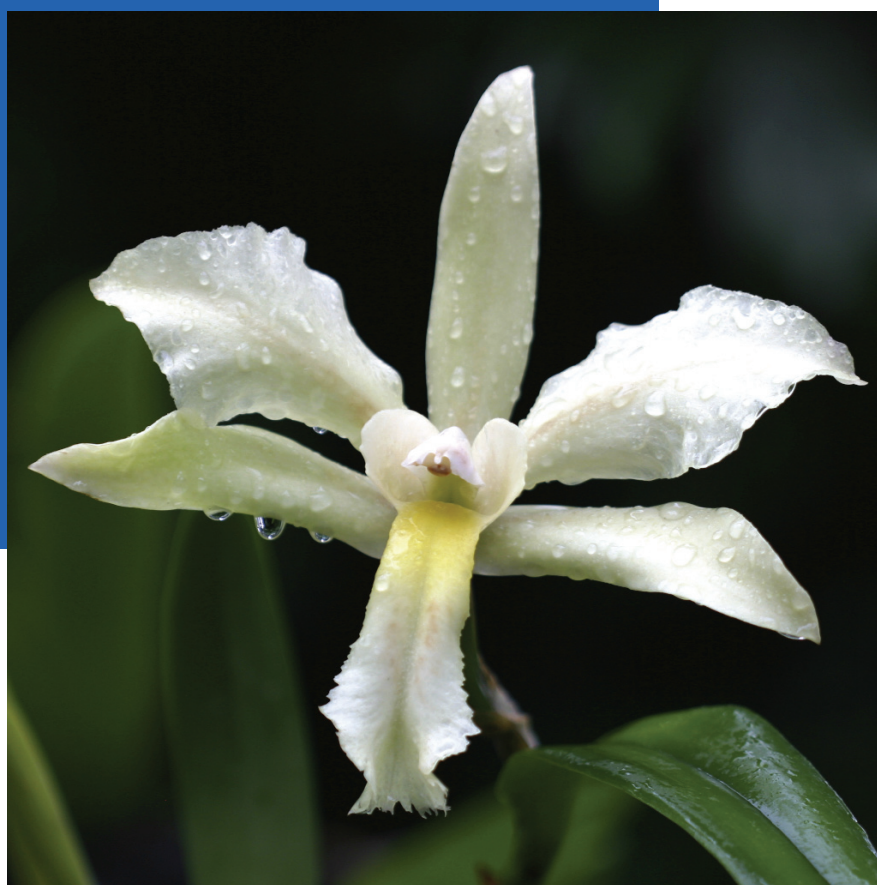


Fidelity Asian Values PLC

Annual Report

For the year ended 31 July 2011



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Objective and Highlights



Mr Hugh Bolland, Chairman

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

Performance	Year ended 31 July 2011
Net Asset Value ("NAV") Total Return – undiluted	+19.3%
Ordinary Share Price Total Return	+15.3%
MSCI All Countries (Combined) Far East Free ex Japan Index Total Return – in UK sterling terms	+16.3%
Equity Shareholders' Funds	£141.3m
Market Capitalisation	£128.0m
Ordinary shares of 25p in issue	61,628,970
Subscription shares of 0.01p in issue	11,501,743

Standardised Performance (on a total return basis) change %					
	1/8/2006 to 31/7/2007	1/8/2007 to 31/7/2008	1/8/2008 to 31/7/2009	1/8/2009 to 31/7/2010	1/8/2010 to 31/7/2011
NAV – undiluted	+47.4	-15.6	+15.7	+27.8	+19.3
NAV – diluted	+48.9	n/a	n/a	+27.7	+16.3
Ordinary share price	+40.6	-13.0	+20.6	+24.3	+15.3

Sources: Fidelity and Datastream

Past performance is not a guide to future returns

Financial Summary

	2011	2010	% change
Assets at 31 July			
Total assets employed ¹	£150.4m	£122.9m	+22.4
Shareholders' funds	£141.3m	£117.2m	+20.6
NAV per ordinary share – undiluted	229.21p	192.19p	+19.3
NAV per ordinary share – diluted ²	223.20p	191.99p	+16.3
Borrowings as % of shareholders' funds	6.5%	4.9%	
Borrowings less cash as % of shareholders' funds	3.3%	3.8%	
Results for the year to 31 July (undiluted)			
Revenue return per ordinary share	0.85p	0.27p	
Capital return per ordinary share	36.35p	41.73p	
Total return per ordinary share	37.20p	42.00p	
Dividend per ordinary share proposed for the year	1.00p	nil	
Stockmarket data at 31 July			
Ordinary share price year end	202.63p	175.75p	+15.3
High	213.00p	189.00p	
Low	174.00p	136.75p	
Discount year end – undiluted	11.6%	8.6%	
High	13.5%	13.7%	
Low	8.4%	2.8%	
Discount year end – diluted	9.2%	8.5%	
Subscription share price year end	27.13p	19.00p	
High	38.75p	31.50p	
Low	16.25p	19.00p	
Total returns (includes reinvested income) for the year to 31 July (%)			
NAV per ordinary share – undiluted	+19.3	+27.8	
Ordinary share price	+15.3	+24.3	
MSCI All Countries (Combined) Far East Free ex Japan Index ³	+16.3	+19.8	
Total Expense Ratio for the year to 31 July⁴			
	1.47%	1.52%	

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 ordinary shares exceeds the subscription share price of one of its subscription shares. Hence if the subscription shares were to have converted at the year end date, the net asset value per ordinary share in issue would be diluted

³ price index, in UK sterling terms

⁴ operating expenses before tax (excluding interest) based on average shareholders' funds for the reporting year

Sources: Fidelity and Datastream

Past performance is not a guide to future returns

Chairman's Statement

PERFORMANCE

In the year to 31 July 2011, the Net Asset Value (NAV) per share of the Company increased by 19.3% whereas its benchmark, the MSCI All Countries (Combined) Far East ex Japan Index (Benchmark Index), rose by 16.3% (All figures in UK sterling terms and on a total return basis). Although the ordinary share price increased by 15.3% over the year, the discount widened from 8.6% to 11.6%.

MARKETS

Asia Pacific equities advanced over the year under review, although markets turned increasingly volatile in 2011. Consumer discretionary stocks led the advance across the region as rising income levels boosted corporate earnings and raised growth expectations. Consumer staples stocks also advanced, particularly benefiting from rising risk aversion during the last quarter of the year. South Korean automobile manufacturers and Chinese retailers were among the best performers. Materials and energy stocks advanced in line with rising international prices. Both these sectors gave up some of their gains during the last quarter of the review period as Chinese policymakers intensified efforts to contain the rise in inflation and asset prices. In contrast, information technology, utilities, and telecommunications stocks underperformed the Benchmark Index.

The latter half of the period was characterised by increased volatility as the sovereign debt crisis in the European Union, political unrest in the Middle-East and North Africa, the devastating effects of the earthquake and tsunami in Japan and rising concerns about global economic growth dampened investor sentiment. Furthermore, weakening economic data in the US, the end of the second round of quantitative easing and an increasingly polarised debate about the US sovereign debt limit towards the end of the period contributed to risk aversion. Meanwhile, the rise in inflationary pressures across Asia resulted in a number of

Central Banks raising interest rates, which adversely impacted share prices. Nevertheless, optimism driven by the changing composition of growth in Asia – from export led to domestic demand driven – together with healthy corporate earnings growth, contributed to positive stock market performance.

OUTLOOK

Asian markets have dropped sharply in response to recent developments in the US and in the European Union, as they remain correlated to the West, but the region's economy is significantly less reliant on the West than in the past. Relative to the rest of the world, Asia has better potential for sustainable earnings growth, making it a favoured market for investors. Most Asian central banks have been tightening their monetary policies in the last few quarters. They will have the flexibility to relax interest rates and credit policy to offset a potential marginal downward revision in OECD growth. The Board continues to believe that Asia's healthy financial system, robust domestic demand, low debt levels and high savings rates will continue to support a multiyear growth cycle.

SUBSCRIPTION SHARES

On 4 March 2010 the Company allotted a total of 12,188,212 subscriptions shares to qualifying shareholders and dealings in these shares commenced on 8 March 2010 with an exercise price of 191.00 pence per share. Details of the subscription shares exercised during the year are outlined in Note 13 on page 43.

GEARING

On 3 February 2011 the Company renewed its one year revolving credit facility for US\$15 million with ING Bank N.V. The facility is fully drawn down at present and the Board continues to review the gearing position on a regular basis.

The chart below shows the performance of the share price of the ordinary shares compared with the exercise price of the subscription shares.



Sources: Fidelity and Datastream

Up to 31 July 2011, the Company issued a total of 686,469 ordinary shares on the exercise of the rights attaching to subscription shares leaving 11,501,743 subscription shares remaining to be exercised before 31 May 2013.

Chairman's Statement

DIVIDEND

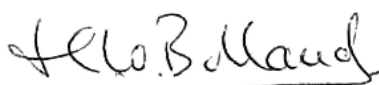
Subject to shareholders' approval at the forthcoming Annual General Meeting, the Directors recommend a final dividend of one penny per ordinary share (2010: nil). This dividend will be payable on 8 December 2011 to shareholders on the register at close of business on 7 October 2011 (ex-dividend date 5 October 2011). As the Company's objective is long term capital growth, any revenue surplus is a function of a particular year's business and it should not be assumed that dividends will continue to be paid in future.

CONTINUATION VOTE

In accordance with the Articles of Association of the Company, an ordinary resolution that the Company continue as an investment trust for a further two years was passed at the 2009 Annual General Meeting. A further continuation vote will take place at this year's Annual General Meeting. The Company's performance record has been excellent since launch with a NAV increase of 145.2% compared to an increase in the Benchmark Index of 69.4%. During the past 12 months the Company's NAV has outperformed the Benchmark Index by 3.0% and is also ahead of the Benchmark Index over 3, 5 and 10 years. Therefore your Board recommends that shareholders vote in favour of the continuation vote. A further continuation vote will take place at the Annual General Meeting in 2013.

ANNUAL GENERAL MEETING

The 2011 Annual General Meeting will be held on Wednesday, 23 November 2011 at Fidelity's Cannon Street office commencing at 11.00 am. All shareholders and Fidelity Saving Plan and ISA Scheme investors are invited to attend. The Portfolio Manager will be making a presentation on the year under review and the immediate prospects for the Company.



Mr Hugh Bolland

Chairman

26 September 2011

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 2011, had total assets under management exceeding £177 billion. Fidelity was one of the first Western groups to establish a research presence in the Asian region.



JOHN LO

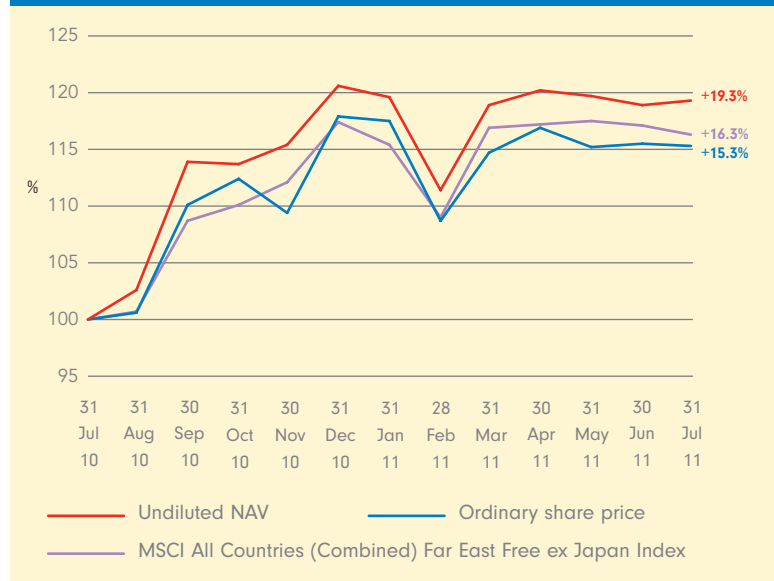
is a portfolio manager with FIL Investment Management (Singapore) Limited. He joined Fidelity in 1993 having worked previously as a consultant with General Portfolio until 1991 and then with Ernst and Young. He gained an MBA (distinction) at Manchester Business School in 1993. John is also involved with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

MARKETS

Stock markets in Far East ex Japan rose over the 12-month review period, underpinned by gains made in the early half of the year which was driven by expectations of sustained global economic recovery. The latter half of the year saw a return to volatility due to a number of geo-political events, along with rising inflation in Asia. These factors, combined with tightening monetary policies throughout the Asia Pacific ex-Japan region, contributed to uncertainty. Nevertheless, strong economic growth in Asia characterised by rising income levels and strong consumption growth, boosted confidence. Meanwhile corporate earnings were largely in line with expectations.

Thailand was the best performing market in the region, boosted by strong economic activity and return of political stability in the country. Korean equities advanced mainly on account of strong performance by shipbuilding and engineering firms, and also due to robust performance by its leading automobile manufacturers. Indonesian and Malaysian equities also advanced strongly in view of strong growth expectations as the former received a boost to its sovereign rating and the latter's government announced an economic transformation plan. Meanwhile, China delivered lacklustre growth as a rapid rise in inflation and fears about overheating in the economy prompted the People's Bank of China to raise interest rates and reserve requirements, and regulators were forced to tighten property markets. Notwithstanding the overall lacklustre performance, consumer discretionary and internet firms were leading contributors to positive growth in Chinese equities. Consumer staples names also advanced, particularly benefiting from rising risk aversion during the last quarter of the year. Materials and energy names advanced in-line with rising international commodity and energy prices. Information technology, utilities, and telecommunication names delivered positive returns but underperformed the Benchmark Index.

Total return performance for the year to 31 July 2011



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

On the economic front, inflationary pressure rose throughout the region and a number of Central Banks raised interest rates. Industrial Production and Purchasing Managers' indices showed signs of softening and the pace of export growth somewhat moderated. China's Purchasing Managers' Index (PMI) eased modestly in July to 50.7, whilst exports slipped by 0.6% from a month ago. The inflation rate increased further to a new high of 6.4 % in June, forcing the People's Bank of China to raise interest rates by 0.25% to 6.56% in July.

Manager's Review

PORTFOLIO REVIEW

The Company outperformed its Benchmark Index over the review period, with the NAV rising by 19.3% against the index return of 16.3%. The strong performance could largely be attributed to favourable stock selection in South Korea and Malaysia. Selected holdings in Hong Kong and Philippines also enhanced returns.

The Company's exposure to consumer discretionary names contributed strongly. I favour the sector due to the rapid consumption growth, particularly in China. For instance, an overweight holding in Macau-based casino operator SJM Holdings benefited from strong earnings growth, driven by a rise in VIP gaming. I remain optimistic about growth due to the firm's leadership position in Macau, and its strong cash holdings which will allow the firm to fund expansion projects. Holdings in South Korea-based KIA Motors and automobile component manufacturer Hyundai Mobis also boosted performance in view of strong earnings growth. In particular, the former gained from rising global brand recognition and strong sales growth. Korean automobile and component producers benefited due to a disruption in Japanese automobile production following the catastrophic earthquake in March 2011. Additionally, share prices in South Korea-based internet and catalogue retailer CJO Shopping surged, particularly in the last quarter of the review period on expectations that the firm will receive a business license to expand into all parts of China.

In addition, selected positions in the industrials space enhanced performance. A holding in Sarin Technologies, which manufactures machinery for the diamond industry advanced on account of a rise in demand. The overweight stance in construction equipment manufacturer Doosan Infracore and industrial plant construction firm Samsung Engineering also contributed to outperformance. Elsewhere, not having a stake in China Life Insurance added to relative performance as its share price declined due to slower growth in insurance premiums and falling investment returns.

Whilst the overall contribution from consumer discretionary names was positive, selected holdings disappointed. The holding in China-based automobile producer BYD Company weighed on performance as sales and earnings declined sharply. A stake in retail supply chain manager Li & Fung declined in line with a fall in US growth expectations and also due to expectations of a rise in the company's costs. Within financials, the overweight stance in China Merchants Bank eroded value as it gave up initial gains amidst rising interest rates, and increasing fund raising pressure due to capital constraints.

I have maintained a focus on companies that are leaders in their fields. This is reflected in their high and growing market shares and pricing power. The portfolio favours companies with management who have a proven track record of managing through extreme cycles. Typically these companies tend to outperform during downturns and are likely to emerge stronger after. Within the information technology space, a holding in mobile handset manufacturer HTC and real estate investment portal operator SouFun were significant new additions. Whilst the former leads in the smartphone handset market, the latter will benefit from a rise in advertising spending by property developers in an uncertain property market. Both these companies benefit from strong brand recognition in their respective markets. Exposure to industrials was raised to an overweight position. This was done by purchasing a position in diversified industrial conglomerate Hutchison Whampoa, which contributed to the outperformance, and buying a stake in Samsung Engineering. These purchases were funded by selling the stake in South Korea-based construction equipment manufacturer Doosan Infracore, which is likely to be impacted by slower growth in Chinese fixed asset investments, and in Malaysia-based Gamuda Berhad which reached our valuation.

New holdings in Taiwan-based Nan Ya Plastics and South Korea-based Honam Petrochemical were added in view of strong earnings growth potential given limited capacity expansion in the industry and a favourable pricing environment. Elsewhere, consumer staples firms namely, LG Household & Healthcare, Shenguan Holdings and President Chain Store in Taiwan were added.

Over the period, the underweight in financials was increased by selling companies which reached target valuations or were likely to be adversely impacted by rising interest rates, such as real estate firms. For instance, I sold the exposure to Hong Kong-based Swire Pacific, Singapore-based real estate firm CapitaLand and Parkway Life, which is a health care real estate investment trust, for better opportunities elsewhere. Instead, I initiated a holding in Cheung Kong Holdings in view of its strong balance sheet which enhances the company's positioning in an uncertain market environment. I also made changes in the exposure to banking names by trimming the stake in China Merchants Bank, whilst retaining an overweight exposure, and selling the stake in India-based Punjab National Bank. Whilst the former remains positioned for growth, the latter may suffer due to falling margins and a rise in non-performing assets. I also took profits by selling shares in Hang Seng Bank as share prices were likely to be impacted by regulatory changes.

Manager's Review

OUTLOOK FOR THE REGION

Activity across Asia remains upbeat, however the region's underlying economic momentum is slowing. The consensus outlook is for regional growth to moderate over the rest of the year against a backdrop of high inflation and tighter monetary conditions. However there is less pressure on both of these given the weakening growth outlook in developed markets. Furthermore, fiscal sustainability problems continue to cloud the outlook for developed economies, which are the region's key trading partners. Nevertheless, Asian economies are less indebted and far better positioned in terms of savings and currency reserves than most of their western counterparts. Fundamental secular growth drivers in Asia remain in place, hence compelling investment opportunities remain. I maintain consistency in my investment process and continue to focus on companies with high and growing market shares and pricing power.

John Lo

Portfolio Manager

26 September 2011

Ten Largest Investments as at 31 July 2011

Ten Largest Investments as at 31 July 2011 (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 services. It is headquartered in Shenzhen.	4,943	3.3
	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.	3,640	2.4
HONG KONG	Hutchison Whampoa A diversified company that operates through its subsidiaries, in businesses such as ports and related services, telecommunications, e-commerce, property, hotels, retail, manufacturing, energy, infrastructure, finance and investment.	5,026	3.3
	SJM Holdings The company offers amusement and recreation services. It operates casinos, hotels and other tourism-related services in Macau.	4,276	2.9
	Bank of China Hong Kong A leading commercial banking group in Hong Kong in terms of assets and customer deposits. With over 270 branches and 470 ATMs in Hong Kong, the Bank and its subsidiaries offer a comprehensive range of financial products and services to retail and corporate customers.	3,404	2.3
SOUTH KOREA	Samsung Electronics The company specialises in the provision of communication products. It operates through five business divisions: communication, semiconductor, digital media, liquid crystal display (LCD) and home appliances.	6,797	4.5
	LG Household & Healthcare The company produces consumer goods such as household cleaning and personal care products. It also sells beauty care, dental care, laundry and cleaning products, through its household division and it markets skin care and make-up products through its cosmetics division.	4,754	3.2
	Lock&Lock The company produces and sells plastic food storage and outdoor airtight containers. It also produces materials such as ceramic ware, pots, glass and other kitchen items.	3,890	2.6
	KIA Motors The company manufactures, sells and exports cars, mini buses, trucks and commercial vehicles. It also produces auto parts.	3,639	2.4
TAIWAN	Taiwan Semiconductor Manufacturing The company manufactures and markets integrated circuits and provides the following services: wafer manufacturing and probing, assembly and testing, mask production and design services. Its integrated circuits are used in computers, communications, consumer electronics, automotive and industrial equipment services.	4,995	3.3
Ten Largest Investments (2010: 32.3%)		45,364	30.2
Other Investments (75) (2010: 66.8%)		100,792	67.0
		146,156	97.2
Cash and other net current assets (excluding loans) (2010: 0.9%)		4,217	2.8
Total assets employed		150,373	100.0

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

Summary of Performance

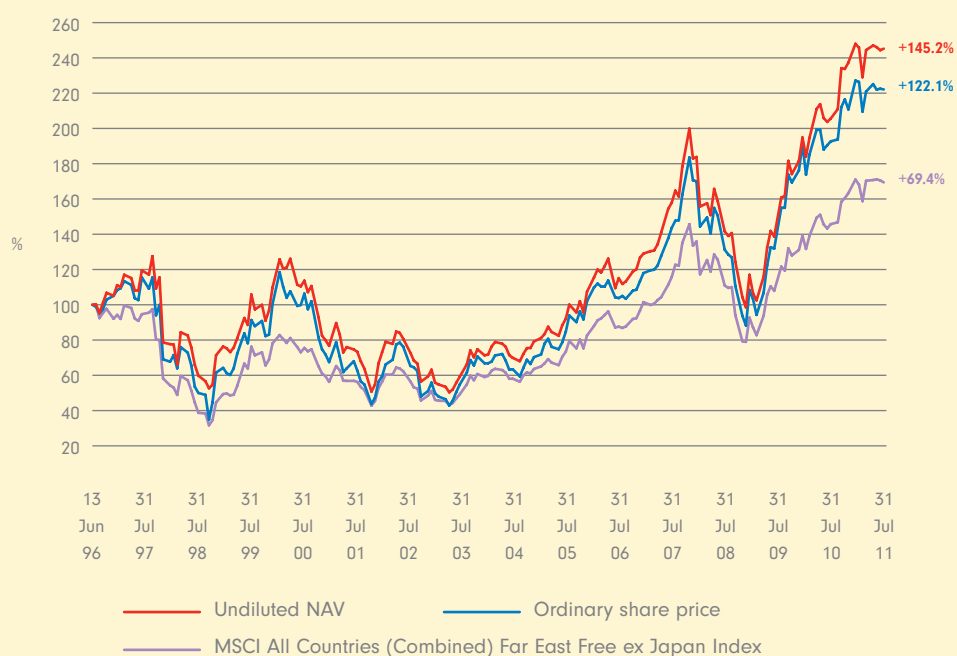
Historical record as at 31 July	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Total assets employed	£150.4m	£122.9m	£98.7m	£145.0m	£179.6m	£108.7m	£99.0m	£78.1m	£78.8m	£81.2m	£84.6m
Shareholders' funds	£141.3m	£117.2m	£92.1m	£135.9m	£170.7m	£99.1m	£88.7m	£60.4m	£58.9m	£60.7m	£62.2m
NAV per share – undiluted	229.21p	192.19p	151.18p	131.78p	156.13p	105.95p	94.86p	64.63p	63.02p	64.95p	64.50p
NAV per share – diluted	223.20p	191.99p	n/a	n/a	156.13p	104.88p	94.86p	64.63p	63.02p	64.95p	64.50p
Ordinary share price	202.63p	175.75p	142.25p	119.00p	136.75p	97.25p	87.00p	55.00p	57.00p	59.75p	52.25p
Subscription share price	27.13p	19.00p	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	n/a	4.50p	6.37p	2.25p	7.75p	10.00p	8.75p
Discount – undiluted	11.6%	8.6%	5.9%	9.7%	12.4%	8.2%	8.3%	14.9%	9.6%	8.0%	19.0%
Discount – diluted	9.2%	8.5%	n/a	n/a	12.4%	7.3%	8.3%	14.9%	9.6%	8.0%	19.0%
Revenue return/(loss) per ordinary share – undiluted	0.85p	0.27p	1.49p	1.43p	0.63p	(0.06p)	0.58p	(0.18p)	(0.36p)	(0.85p)	(1.31p)
Dividend per ordinary share	1.00p	nil	1.00p	0.81p	nil	nil	nil	nil	nil	nil	nil
Cost of running the Company (total expense ratio)	1.47%	1.52%	1.65%	1.34%	1.51%	1.71%	1.76%	1.68%	1.86%	1.77%	1.76%
Actual gearing ratio – net of cash	3.3%	3.8%	6.7%	0.1%	2.4%	8.0%	10.1%	6.0%	20.4%	14.3%	30.5%
NAV – undiluted total return	+19.3%	+27.8%	+15.7%	-15.6%	+47.4%	+11.7%	+47.2%	+2.6%	-3.0%	+0.7%	-36.7%
NAV – diluted total return	+16.3%	+27.7%	n/a	n/a	+48.9%	+10.6%	+47.2%	+2.6%	-3.0%	+0.7%	-36.5%
Ordinary share price total return	+15.3%	+24.3%	+20.6%	-13.0%	+40.6%	+11.8%	+58.2%	-3.5%	-4.6%	+14.4%	-42.1%
Benchmark Index total return	+16.3%	+19.8%	+11.0%	-10.7%	+41.3%	+9.2%	+41.1%	+2.7%	+3.2%	-0.3%	-27.5%

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 March 2010.

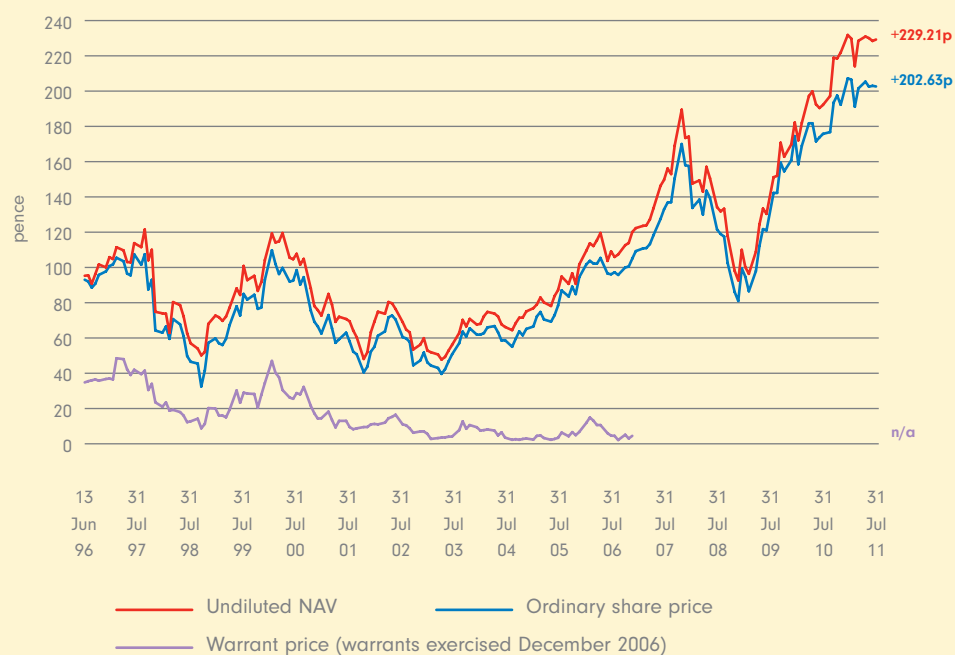
Sources: Fidelity and Datastream
Past performance is not a guide to future returns

Summary of Performance

Total return performance from launch to 31 July 2011



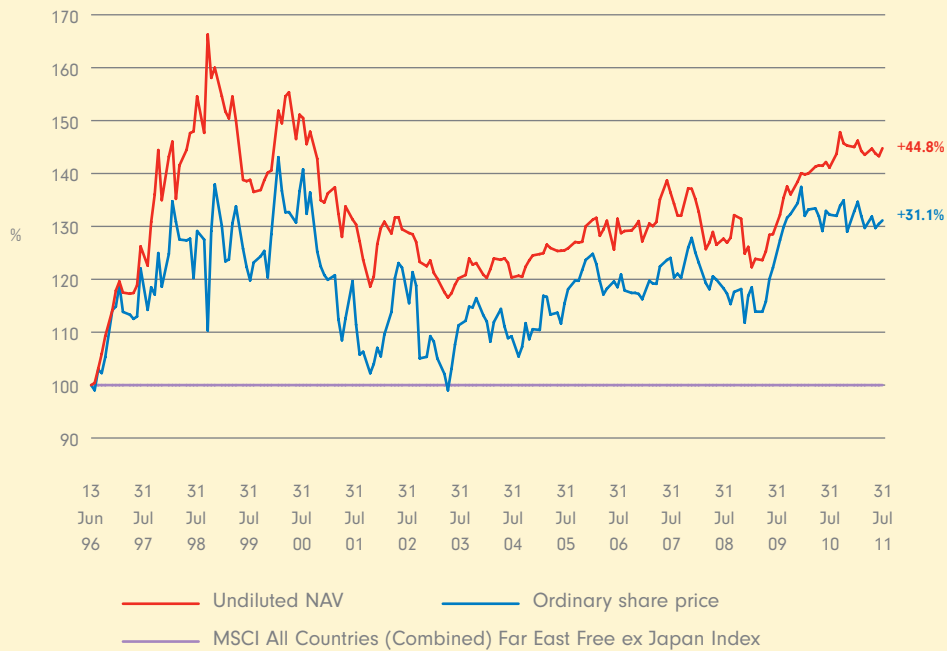
NAV, ordinary share price and warrant price from launch to 31 July 2011



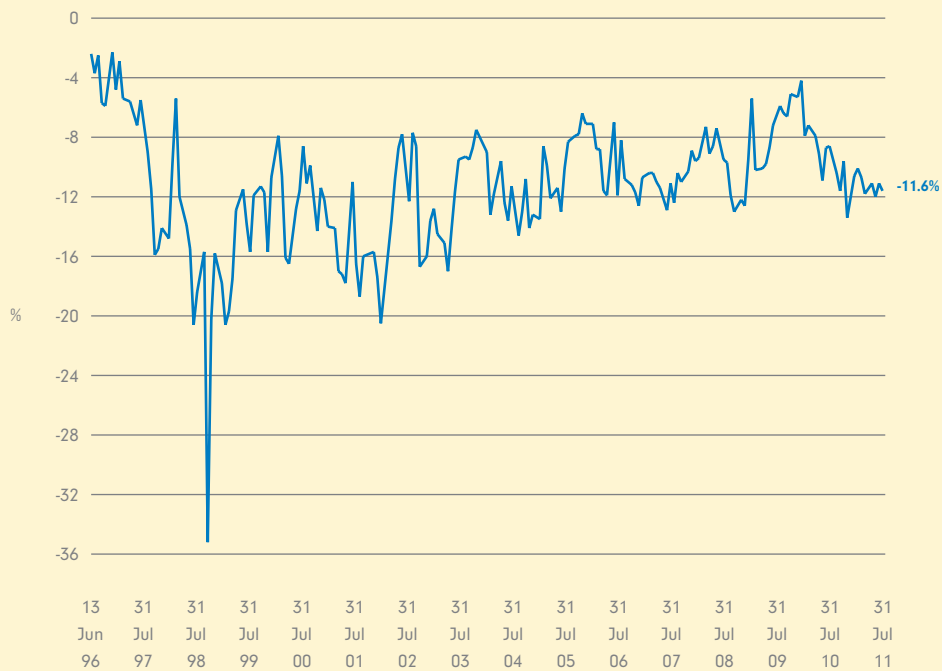
Sources: Fidelity and Datastream
Past performance is not a guide to future returns

Summary of Performance

Total return performance relative to the Benchmark Index from launch to 31 July 2011



Ordinary share price discount to NAV from launch to 31 July 2011



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

Collins Stewart Europe Limited
88 Wood Street
London EC2V 7QR

Independent Auditor

Grant Thornton UK LLP
Chartered Accountants and 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
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

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, Alliance Trust plc and Brand Saints Limited.



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 and Ceylon Guardian Investment Trust PLC.



Kathryn Matthews⁴

(Date of appointment as Director: 09.02.05) retired from her executive responsibilities at Fidelity at the end of March 2010. 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 of May 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 Aperam PLC.



Philip Smiley³

(Date of appointment as Director: 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 and Chairman of the Advisory Board of the Emerging Beachfront Land Investment Fund G.P. 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 2011.

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

HM Revenue & Customs has granted provisional approval under section 1159 of the Corporation Tax Act 2010 for the year ended 31 July 2010, although this approval may be subject to review should there be any subsequent enquiry under Corporation Tax Self Assessment. The Directors are of the opinion that the Company has subsequently conducted its affairs in a manner which will satisfy the conditions for continued approval as an investment trust in respect of the year ended 31 July 2011 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 close 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 UK sterling.

ACTIVITY

The Company pursues its 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 2011.

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 Portfolio 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 he considers 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.

Directors' Report

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. 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.

	2011	2010
NAV – undiluted	+19.3%	+27.8%
Ordinary share price	+15.3%	+24.3%
MSCI All Countries (Combined) Far East Free ex Japan Index	+16.3%	+19.8%
Discount to NAV – undiluted	11.6%	8.6%
Revenue return per share	0.85p	0.27p
Actual gearing ratio	3.3%	3.8%
Total expense ratio	1.47%	1.52%

All figures are calculated on a total return basis (ie cum income)
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 on pages 16 and 17 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 table on this page.

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 (undiluted) as at 31 July 2010	192.19
Impact of:	
Benchmark Index	31.24
UK Tax	1.18
Stock Selection	8.15
Gearing	1.81
Ordinary Share Issues	-0.44
Charges	-3.33
Cash	-0.34
Other	-1.25
NAV (undiluted) as at 31 July 2011	229.21

Directors' Report

PRINCIPAL RISKS AND UNCERTAINTIES

The Board confirms that there is an ongoing process for identifying, evaluating and managing the principal risks faced by the Company. The Board, with the assistance of the Manager, has developed a risk matrix which, as part of the internal controls process, identifies the key risks that the Company faces. The matrix has identified strategic, marketing, investment management, company secretarial and other support function risks. The Board reviews and agrees policies for managing these risks. The process is regularly reviewed by the Board. During this review, risks are

identified, introduced and graded. This process, together with the policies and procedures for the mitigation of risks, is updated and reviewed regularly in the form of comprehensive internal controls reports which are considered by the Audit Committee. 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 considers the following to be the major specific risks facing the Company:

Top Risks	Risk Mitigation
Poor management of assets or under performance for several years in succession	<p>The Company has a clearly defined strategy and investment remit. Performance is reviewed at each Board meeting, including performance attribution and income forecasts. There is a clearly defined management agreement, and borrowing limits are also set by the Board.</p> <p>The Company is managed by a highly experienced Portfolio Manager. The Asia Pacific Investment Management team supports the Portfolio Manager, and the Asia Pacific Chief Investment Officer and Board reviews performance regularly.</p>
Loss of reputation in the market place	Reputational risks are often the consequence of risk events in another category, such as investment performance, corporate governance rules or regulatory issues. The Board performs reviews of such risks on a periodic basis.
Hostile takeover	The Board reviews the Company's performance, including performance attribution, at each Board meeting. A premium/discount policy is in place and regular dialogue is undertaken with major shareholders through the Manager.
Unauthorised use of the Company's assets	There is an effective and appropriate segregation of duties in place. The Portfolio Manager is able to authorise, but not place, trades on behalf of the Company and does not have access to trading systems. Fidelity's trading desk deals only with approved counterparties, but does not settle trades or have contact with the Custodian. These are handled by the Investment Services department. The independent Custodian safeguards the Company's assets, including cash, which are held in the name of the nominee of the Custodian and segregated from the Manager's assets.
Breaches of investment restrictions	The Portfolio Manager is aware of the Company's investment restrictions. Fidelity's Investment Compliance group independently performs time of trade and end of day checks to ensure all investment restrictions are complied with.
Breaches of S.1159 regulations of the Corporation Tax Act 2010	Compliance with all investment restrictions including taxation rules imposed by Section 1159 is monitored on a daily basis by Fidelity's Investment Compliance group. Escalation procedures are in place to notify the Board of any breaches.
Breaches of UK Bribery Act 2010	The Bribery Act came into force on 1 July 2011, and the Board has adopted Fidelity's policies and controls in place to support ethical, non corrupt practices. The Board will be receiving reporting from Fidelity with respect to Bribery Act compliance.

Further risks identified within the matrix on page 16 are:

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 45 to 49 together with summaries of the policies for managing these risks. These comprise: market price risk (which comprises other price risk, interest rate risk and foreign currency exposure); liquidity risk, counterparty risk and credit risk.

Loan risk

The Company has a one year 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.

Counterparty risk

The Company relies on a number of main counterparties, namely the Manager, Registrar, Custodian and Auditor. The Manager is the 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 controls 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 and monitoring 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 facilities 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 the Board approved guidelines 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 Registrar 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 s1159 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 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 making 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 its report. Financial reports and

Directors' Report

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 £146,156,000 as at 31 July 2011. Shareholders' funds amounted to £141,257,000 resulting in an undiluted NAV per ordinary share of 229.21 pence. Changes to investments are shown in Note 9 to the financial statements on page 41.

DIVIDEND

The Directors propose that a final dividend of one penny (2010: nil) per ordinary share be paid on 8 December 2011 to shareholders on the register at the close of business on 7 October 2011 (ex dividend date 5 October 2011).

SHARE CAPITAL

As at 31 July 2011 the issued share capital of the Company was 61,628,970 ordinary shares and 11,501,743 subscription shares (2010: 60,978,843 ordinary shares and 12,151,870 subscription shares). Each ordinary 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 on pages 56 and 57. The Company's ordinary shares have a premium listing on the London Stock Exchange and the subscription shares have a standard listing.

SUBSCRIPTION SHARES

The subscription share rights may be exercised to have effect on the last business day of each month up to the last business day in May 2013, after which the subscription share rights will lapse. The exercise price is 191 pence per share. The ordinary shares arising on exercise of the subscription

share rights are 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, the rights attaching to 707,025 subscription shares had been exercised. The subscription shares do not carry voting or dividend rights.

SHARE ISSUES

Other than the issue of ordinary shares following the exercise of the rights attaching to subscription shares detailed in Note 13 on page 43, no shares were issued during the year.

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 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 29 November 2010 the Company's shareholders passed a special resolution which granted the Directors authority to purchase up to 9,142,902 ordinary shares and 1,819,391 subscription shares in the market for cancellation.

The authority to purchase shares expires on 23 November 2011 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 no shares were repurchased. Since the year end, 110,000 ordinary shares were repurchased for cancellation at 180.95 pence on 21 September 2011.

GEARING

The Company has a one year revolving loan facility with ING Bank N.V for US\$15,000,000. At the start of the year, an amount of US\$9,000,000 was drawn down and on 19 November 2010 the remaining US\$6,000,000 was drawn down. The facility was renewed for a further year on 3 February 2011. The Company's approach to gearing is explained in the Chairman's Statement on page 3 and the gearing risk is outlined on page 17.

PAYMENT OF CREDITORS

The Company's principal supplier is the Manager which is paid in the month following the end of each calendar quarter in accordance with the terms of the Management Agreement (see page 19). The Company's policy for the years to 31 July 2011 and 31 July 2012, 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 at the year end (2010: nil).

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 arrears 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 arrears, at the rate of £25,000 per annum subject, as from 1 January 1997, to annual indexation. For the year to 31 July 2011 £37,000 was paid in this regard (2010: £36,000).

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 2012, 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 2011 was £68,000 (2010: £74,000).

The total amount due to the Manager for investment management, secretarial, marketing and administration services at 31 July 2011, which is included within other creditors in Note 12 on page 42, was £636,000 (2010: £155,000). The increase is due mainly to a delay in the invoicing of fees by the Manager.

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 program 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 included in the gains on sales of investments in Note 9 on page 41. In the year to 31 July 2011 £103,000 was received (2010: £64,000). 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.

FIL Limited, the ultimate parent company of the Manager, currently has an interest of 13,078,984 ordinary shares (21.25%) and 2,290,538 subscription shares (19.95%) in the Company.

RESPONSIBILITY AS AN INSTITUTIONAL SHAREHOLDER AND 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.

DIRECTORS

The Directors who served during the year to 31 July 2011 are listed on pages 12 and 13 together with a brief description of their careers, each of which indicates their qualifications for Board membership. Any changes to the Board of Directors must be made in accordance with the Companies Act 2006 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 2011. Kate Bolsover was appointed Chairman of the Audit Committee with effect from 3 June 2011. William Knight was appointed Senior Independent Director with effect from 3 June 2011.

No Director is under a contract of service with the Company and no contracts existed during or at the end of the financial

Directors' Report

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 2011 and 2010 are set out in the table below. On 9 February 2011, Kathryn Matthews acquired 2,000 ordinary shares. On 28 March 2011, Hugh Bolland acquired 7,500 ordinary shares. On 13 April 2011, Kate Bolsover acquired 3,385 ordinary shares.

DIRECTORS' FEES

The Articles of Association of the Company prescribe that the maximum annual fee paid to each Director shall not exceed £50,000. Since 1 August 2010, a Director is paid £20,000 pa, the Chairman of the Audit Committee is paid a fee of £22,000 and the Chairman is paid £26,000 pa.

POLITICAL AND CHARITABLE DONATIONS

The Company has not made any political or charitable donations in the year (2010: 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 2011 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 but your Directors consider that the reasons for asking shareholders for such authority still apply.

Resolution 11 provides the Directors with a general authority to allot ordinary shares in the Company up to an aggregate

nominal value of £769,244. If passed, this resolution will enable the Directors to allot a maximum of 3,076,976 ordinary shares which represents approximately 5% of the issued ordinary share capital of the Company as at 26 September 2011.

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 12 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 £769,244 (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 12 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 2011 to issue and allot subscription shares and ordinary shares resulting from 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 Annual General Meeting to be held in 2013 and therefore do not need renewing.

	Ordinary Shares held at 31 July 2011	Ordinary Shares held at 31 July 2010	Subscription Shares held at 31 July 2011	Subscription Shares held at 31 July 2010
Hugh Bolland	17,500	10,000	2,000	2,000
Kate Bolsover	3,385	-	-	-
William Knight	3,300	3,300	660	660
Kathryn Matthews	2,000	-	-	-
Philip Smiley	-	-	-	-

Directors' Report

Resolution 13 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 9,224,774 ordinary shares of 25 pence (equivalent to 14.99% of the ordinary shares in issue at 26 September 2011). Resolution 13 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 1,721,029 subscription shares of 0.01 pence (equivalent to 14.99% of the subscription shares in issue at 26 September 2011).

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 NAV per share. Further details may be found in the section on Share Repurchases above.

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 resolutions 11 to 13 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 which amount in aggregate to 26,185 shares representing under 1% of the existing issued ordinary share capital of the Company.

CONTINUATION VOTE

In accordance with the Articles of Association of the Company, an ordinary resolution that the Company continues as an investment trust for a further two years was passed at the 2009 Annual General Meeting. A further continuation vote will take place at this year's Annual General Meeting. The Company's performance record has been excellent since launch with a NAV increase of 145.2% compared to an increase in the Benchmark Index of 69.4%. During the past 12 months the Company's NAV has outperformed the Index by 3% and is also ahead of the Index over 3, 5 and 10 years. Therefore your Board recommends that shareholders vote in favour of the continuation vote. A further continuation vote will take place at the Annual General Meeting in 2013.

CORPORATE GOVERNANCE

Full details are given in the Corporate Governance Statement on pages 23 to 29, which forms part of this 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 Annual General Meeting 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

26 September 2011

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.

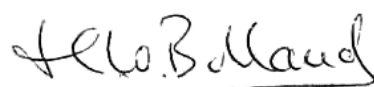
The Directors are responsible for ensuring that adequate accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that its financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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 have delegated the responsibility for the maintenance and integrity of the corporate and financial information included on the Company's section of the Manager's website www.fidelity.co.uk/its to the Manager. 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 26 September 2011 and signed on its behalf by



Hugh Bolland
Chairman
26 September 2011

Corporate Governance Statement

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 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 addresses the governance issues relevant to investment companies and enables boards to satisfy any requirements they may have under the UK Corporate Governance Code (UK 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 following the AIC Guide, will provide better information to shareholders.

The Board is accountable to the Company's shareholders for good governance and considers that the Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Code, except as set out below.

The UK 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 in the preamble to the UK 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. This statement forms part of the Directors' Report.

THE BOARD AND ITS COMMITTEES

The Board

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, structure, capital, share issues, share repurchases, financial reporting, risk management, the monitoring of investment performance, share price discount management, corporate governance and communication with shareholders, Board appointments and the appointment of the Manager, the Company Secretary and other service providers. The Company's investment policy is detailed on page 14.

The Board currently consists of five non-executive Directors, four of whom are independent of the Company's Manager and are considered to be free from any business or other relationship which materially interfere with the exercise of their independent judgement.

Under the terms of the UK Code, Kathryn Matthews is considered to be a non-independent Director, however the Board considers that she is free from any business or other relationship which they feel may influence or interfere with her judgement in respect of her role as a Director of the Company. In addition, the Directors consider that she brings a wealth of relevant financial services experience to the Board.

The Board follow a procedure of notification of other interests that may arise as part of considering any potential conflicts.

Senior Independent Director and Audit Committee Chairman

The Board has appointed William Knight as Senior Independent Director in which position he fulfils the role as a "sounding board" for the Chairman and as intermediary for other non-executive Directors where necessary. Kate Bolsover was appointed as Chairman of the Audit Committee on 3 June 2010.

Board balance

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 notes the recommendations of Lord Davies of Abersoch in his report "Women on Boards" published in February 2011. The Board aims to have a balance of skills, experience, length of service and knowledge of the Company. The Board carries out its candidate search from the widest possible pool of talent against a set of objective criteria on the basis of merit, with due regard for the benefits of diversity on the Board, including gender.

Corporate Governance Statement

	Regular Board Meetings	Nomination Committee Meetings	Audit Committee Meetings	Management Engagement Committee Meetings
Hugh Bolland	3/4	1/1	2/2	1/1
Kate Bolsover	4/4	1/1	2/2	1/1
William Knight	4/4	1/1	2/2	1/1
Kathryn Matthews	4/4	1/1	N/A	N/A
Philip Smiley	4/4	1/1	2/2	1/1

The Board meets formally at least four 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 detailed above 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 their Directors' duties.

The Company Secretary

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 Christopher Pirnie, 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 of its corporate governance responsibilities to the Audit, Management Engagement and Nomination Committees, membership of which is set out on pages 26 to 28. Key representatives of the Manager attend meetings by invitation, enabling Directors to probe further on matters of concern or to seek clarification if required.

Changes to the Board

All appointments to the Board and replacements of Directors take place in accordance with the Companies Act 2006 and the Company's Articles of Association. The Company complies with the requirements of the AIC Code in respect of appointments to the Board. Whilst the independent Directors take the lead in the appointment of new Directors, any proposal for a new Director will be discussed and approved by the whole Board.

The terms and conditions of appointment of Directors are available for inspection at the registered office of the Company and will be made available prior to the forthcoming Annual General Meeting.

The full Board is subject to re-appointment at each Annual General Meeting of the Company.

Re-appointment

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

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.

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.

Corporate Governance Statement

Performance evaluation

A formal and rigorous process for the evaluation of the Board, its Committees and its Directors has been put in place and takes place regularly. The process includes regular discussion and regular written questionnaires; although the format may change from time to time to ensure that the Board does not become complacent in fulfilling a “box-ticking” exercise. If appropriate, interviews are held. The performance of the Chairman is evaluated by the Board in the Chairman’s absence on an annual basis. The Company Secretary and Portfolio Manager also participate in parts of these processes to provide all-round feedback to the Board. The results of these evaluations are discussed by the Board and 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 the Board as a whole and concluded that in each case they have been effective and that they continue to demonstrate a strong commitment to their roles. Accordingly, the Committee has recommended their continued service and this has been endorsed by the Board as a whole which recommends the re-appointment of the entire Board at the forthcoming Annual General Meeting to shareholders.

Directors’ remuneration

The level of Directors’ fees is determined by the whole Board and therefore a separate Remuneration Committee has not been appointed.

Directors do not vote on their own specific fee. These fees take into account the responsibilities, commitment and work involved for the Directors together with the levels of remuneration paid by similar companies. Directors’ fees are disclosed fully in the Annual Report (see the Directors’ Remuneration Report on page 30). Levels of fees are considered to be competitive and sufficient to attract and retain the standard of Directors needed to manage the Company successfully. The limit on aggregate fees is governed by the Company’s Articles of Association. Shareholdings by Directors are encouraged and the Directors’ share interests are disclosed on page 20 of the Directors’ Report. The Directors do not receive performance related remuneration.

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 and 15. 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 17 and in the Notes to the Financial Statements on pages 36 to 49.

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.

Continuation Vote

In accordance with the Articles of Association of the Company, an ordinary resolution that the Company continue as an investment trust for a further two years was passed at the 2009 Annual General Meeting. A further continuation vote will take place at this year’s Annual General Meeting. The Company’s performance record has been excellent since launch with a NAV increase of 145.2% compared to an increase in the Benchmark Index of 69.4%. During the past 12 months the Company’s NAV has outperformed the Index by 3% and is also ahead of the Index over 3, 5 and 10 years. Therefore your Board recommends that shareholders vote in favour of the continuation vote. A further continuation vote will take place at the Annual General Meeting in 2013.

Internal Control

The Board is responsible for the Company’s systems of risk management and internal control and for reviewing their effectiveness. The Board has contractually delegated to external agencies, including the Manager, the management of the investment portfolio, the custodial services (which include the safeguarding of the assets), the registration services and the day to day accounting and company secretarial requirements. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of services offered including the control systems in operation in so far as they relate to the affairs of the Company. The Directors review the effectiveness of the Company’s systems of internal control on a regular basis.

The identification, control and evaluation of risks identified covering financial, operational and compliance matters is

Corporate Governance Statement

formulated by a series of quarterly investment performance reports, internal controls reports and quarterly compliance reports as provided by the Manager. This process is in accordance with the FRC's "Internal control: Revised Guidance for Directors", has been in place for the year ended 31 July 2011, continued to be in place up to the date of the approval of these financial statements and is expected to remain in place for the coming year. The systems of internal control are designed to manage and reduce rather than eliminate risk of failure to achieve business objectives and can only provide reasonable, but 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 recognises the requirement under the UK Code to determine the nature and extent of the significant risks it is willing to take in achieving its strategic objectives and that the FRC is currently undertaking consultation prior to issuing guidance. The Board has received regular updates on developments in this area and is fully prepared to make any additional disclosures which arise from the guidance once issued.

The Company's Audit Committee meets representatives of the Manager and receives reports on the quality and effectiveness of the accounting records and management information maintained on behalf of the Company. It reviews the annual and half-yearly financial statements and the nature and scope and findings of the statutory audit. The Board carries out a risk and control assessment including a review of the corporate strategy and the Manager's and other third party suppliers' risk management processes. The key element of this assessment is the internal controls report prepared by the Manager for its investment trust clients. The internal controls report sets out the Manager's control policies and procedures with respect to the management of its clients' investments. Whilst the Company, in common with most investment trusts, has no internal audit function, the effectiveness of these controls is monitored by the Manager's internal audit department. The Audit Committee receives and reviews the internal controls report on the effectiveness of the internal controls maintained on behalf of the Company and an annual compliance report from the Manager's Head of UK Compliance and European Risk.

By means of the procedures set out above and in accordance with the FRC's guidance, the Directors have established an ongoing process for identifying, evaluating and managing the significant risks faced by the Company and have reviewed the effectiveness of the Manager's internal controls systems throughout the period. The Board also receives each year from the Manager a report on the Manager's internal controls which includes a report from the Manager's reporting accountants on the control procedures in operation around the investment management and administration processes.

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 is endorsed accordingly.

Audit Committee and Auditor

The Audit Committee consists of all the independent Directors and is chaired by Kate Bolsover. Hugh Bolland is a member of the Audit Committee because the Board believes it to be appropriate for all the independent Directors, including the Chairman, to have such responsibility. The qualifications of the members of the Audit Committee are included in their biographies on pages 12 and 13. The Committee considers that collectively its members have sufficient recent and relevant financial experience to discharge their responsibilities fully.

The Committee meets at least twice a year and its authority and duties are clearly defined in its written terms of reference which are available on the Company's section of the Manager'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 by the Auditor. The provision of non-audit services is also subject to prior Board approval.

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 the Auditor's remuneration.

The Committee also reviews corporate governance issues, the existence and performance of all controls operating in the Company (including the adherence to Section 1159 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.

Corporate Governance Statement

In the year to 31 July 2011 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 on the annual financial statements;
- Determining 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;
- Assessing 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; and
- Reviewing reports on risk and internal controls and reporting to the Board.

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 the audit partner changes at least once every five years. There are no contractual obligations that restrict the Committee's choice of 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 section of the Manager's website. The Committee consists of all the independent Directors and is chaired by 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 page 19.

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 – effectiveness 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; and
- Management Agreement – consideration of fees, notice period and duties.

The Committee met on 7 June 2011 and reviewed the performance of the Manager. The Committee noted the Company's good long term performance record and the commitment, quality and continuity of the team which was responsible for the Company. The Committee concluded that it was in the interests of shareholders that the appointment of the Manager should continue.

Ownership and voting may be found at www.fidelity.co.uk

Relation 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 on occasions contacted 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 pages 12 and 60. 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.

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 section of the Manager's website.

Corporate Governance Statement

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.

Nomination Committee

All appointments to the Board and replacements of Directors take place in accordance with the Companies Act 2006 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 they have 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 section of the Manager'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.

The Committee met on 26 September 2011 to consider 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 recommends the re-appointment of the full Board at the forthcoming Annual General Meeting to shareholders.

DIRECTORS AND OFFICERS' LIABILITY INSURANCE

In addition to benefits enjoyed under the Manager's global Directors and Officers' liability insurance arrangements, the Company maintains 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.

SUBSTANTIAL SHARE INTERESTS

At the date of this report notification had been received that the shareholders listed in the table below hold more than 3% of the voting rights of the Company.

Shareholder	%
City of London Investment Management Company Limited	15.17%
Fidelity ISA and Share Plan investors	21.25%
Legal and General Assurance (Pensions Management) Limited	3.99%

Analysis of Ordinary Shareholders as at 31 July 2011	% of issued share capital
Private shareholders ¹	63.21
Mutual funds	14.26
Hedge funds	13.98
Insurance companies	3.79
Pension funds	4.4
Trading companies	0.36

¹ Includes Share Plan and ISA investors

Corporate Governance Statement

ARTICLES OF ASSOCIATION

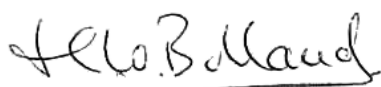
Any amendments to the Company's Articles of Association must be made by special resolution.

DISCLOSURE AND TRANSPARENCY RULES

Other information required to be disclosed pursuant to the Disclosure and Transparency Rules has been placed in the Directors' Report on pages 14 to 21 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; and
- Share issues

On behalf of the Board



Mr Hugh Bolland
26 September 2011

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 2011. 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 level of Directors' fees is determined by the whole Board and Directors do not vote on their own specific fee. 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. The Company's Articles of Association limit the fee payable to each Director to £50,000 per annum. Subject to this overall limit, the determination of fees takes regard of the matters set out above and the level of fees payable to non-executive directors in the industry generally.

Directors are not eligible for participation in any performance related fees, bonuses, pension benefits, share options, long term incentive schemes or other benefits. It is intended that this policy will continue for the year ending 31 July 2012 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 2006 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 2011, the year ended 31 July 2010 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 ¹ For the year (audited)	2011 £	2010 £
Hugh Bolland	26,000	20,500
Kate Bolsover	22,000	11,000
Sir Victor Garland ²	–	19,000
William Knight	20,000	18,000
Kathryn Matthews	20,000	6,000
Sir Robin McLaren ³	–	9,000
Philip Smiley	20,000	10,500
Total ⁴	108,000	94,000

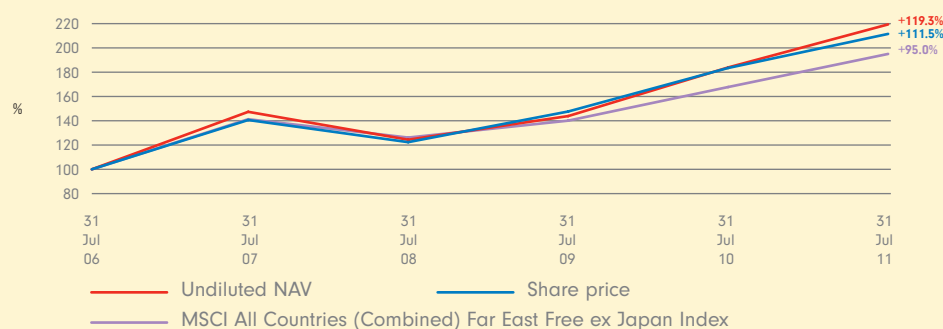
¹ Audited information

² Retired 3 June 2010

³ Retired 7 December 2010

⁴ With effect from 1 August 2010, the fee payable to the Chairman of the Board increased from £23,000 to £26,000 per annum, the fee payable to the Chairman of the Audit Committee increased from £20,000 to £22,000 per annum and the fee payable to the remaining Directors increased from £18,000 to £20,000 per annum.

Comparison of NAV and Ordinary Share Price Total Return Performance against the Benchmark Index from 1 August 2006 to 31 July 2011



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

Hugh Bolland

Mr Hugh Bolland
26 September 2011

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 2011 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 and to express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit and express an opinion 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 2011 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 and 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 Corporate Governance Statement, set out on page 25, in relation to going concern;
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to the shareholders by the Board on Directors' Remuneration.

Marcus Swales

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London

26 September 2011

Income Statement

for the year ended 31 July 2011

	Notes	revenue £'000	2011 capital £'000	total £'000	revenue £'000	2010 capital £'000	total £'000
Gains on investments designated at fair value through profit or loss	9	-	22,068	22,068	-	25,432	25,432
Income	2	3,070	-	3,070	2,446	-	2,446
Investment management fee	3	(1,509)	-	(1,509)	(1,161)	-	(1,161)
Other expenses	4	(522)	-	(522)	(799)	-	(799)
Exchange gains/(losses) on other net assets	7	7	(54)	(47)	9	181	190
Exchange gains/(losses) on loans	-	-	287	287	-	(178)	(178)
Net return before finance costs and taxation		1,046	22,301	23,347	495	25,435	25,930
Finance costs	5	(214)	-	(214)	(131)	-	(131)
Net return on ordinary activities before taxation		832	22,301	23,133	364	25,435	25,799
Taxation on return on ordinary activities	6	(312)	-	(312)	(200)	-	(200)
Net return on ordinary activities after taxation for the year		520	22,301	22,821	164	25,435	25,599
Return per ordinary share							
Undiluted	7	0.85p	36.35p	37.20p	0.27p	41.73p	42.00p
Diluted	7	0.84p	36.10p	36.94p	n/a	n/a	n/a

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 2011

	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 2009		15,235	-	1,785	7,367	19,239	47,523	985	92,134
Bonus issue of subscription shares*		1	-	-	-	(1)	-	-	-
Exercise of rights attached to subscription shares and conversion into ordinary shares*		-	-	-	-	-	-	-	-
Issue of ordinary shares on exercise of rights attached to subscription shares		9	60	-	-	-	-	-	69
Net return on ordinary activities after taxation for the year		-	-	-	-	-	25,435	164	25,599
Dividend paid to shareholders	8	-	-	-	-	-	-	(609)	(609)
Closing shareholders' funds: 31 July 2010		15,245	60	1,785	7,367	19,238	72,958	540	117,193
Exercise of rights attached to subscription shares and conversion into ordinary shares	13	-	-	-	-	-	-	-	-
Issue of ordinary shares on exercise of rights attached to subscription shares	13	163	1,080	-	-	-	-	-	1,243
Net return on ordinary activities after taxation for the year		-	-	-	-	-	22,301	520	22,821
Closing shareholders' funds: 31 July 2011		15,408	1,140	1,785	7,367	19,238	95,259	1,060	141,257

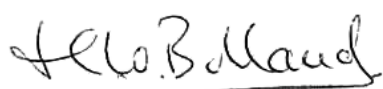
*Restated from 5 pence last year to reflect that the nominal value of the subscription shares is 0.01 pence.

Balance Sheet

as at 31 July 2011

	Notes	2011 £'000	2010 £'000
Fixed assets			
Investments designated at fair value through profit or loss	9	146,156	121,786
Current assets			
Debtors	10	738	1,187
Cash at bank		4,423	1,272
		5,161	2,459
Creditors			
Bank loans	11	(9,116)	(5,729)
Other creditors	12	(944)	(1,323)
		(10,060)	(7,052)
Net current liabilities		(4,899)	(4,593)
Total net assets		141,257	117,193
Capital and reserves			
Share capital	13	15,408	15,245
Share premium account		1,140	60
Capital redemption reserve		1,785	1,785
Other non-distributable reserve		7,367	7,367
Other reserve		19,238	19,238
Capital reserve		95,259	72,958
Revenue reserve		1,060	540
Total equity shareholders' funds		141,257	117,193
Net asset value per ordinary share			
Undiluted	14	229.21p	192.19p
Diluted	14	223.20p	191.99p

The financial statements on pages 32 to 49 were approved by the Board of Directors on 26 September 2011 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 2011

	Notes	2011 £'000	2010 £'000
Operating activities			
Investment income received		2,410	2,257
Investment management fee paid		(1,105)	(1,145)
Directors' fees paid		(78)	(93)
Other cash payments		(322)	(720)
Net cash inflow from operating activities	15	905	299
Servicing of finance			
Interest paid on bank loans		(215)	(215)
Net cash outflow from servicing of finance		(215)	(215)
Financial investment			
Purchase of investments		(142,254)	(91,819)
Disposal of investments		139,813	94,199
Net cash (outflow)/inflow from financial investment		(2,441)	2,380
Dividend paid to shareholders	8	-	(609)
Net cash (outflow)/inflow before financing		(1,751)	1,855
Financing			
Exercise of rights attached to subscription shares		1,244	52
Unsecured loan drawn down		22,028	5,857
Unsecured loan repaid		(18,354)	(6,890)
Net cash inflow/(outflow) from financing		4,918	(981)
Increase in cash	16	3,167	874

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 with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ("SORP"), issued by the Association of Investment Companies ("AIC") in January 2009.

a) Basis of accounting – The financial statements have been prepared on a going concern basis and under the historical cost convention, modified to include the valuation of fixed asset investments at fair value.

A resolution proposing the continuation of the Company as an investment trust will be put to shareholders at the Annual General Meeting on 23 November 2011. The Directors are recommending that shareholders vote in favour of this resolution. In light of their recommendation and in accordance with Financial Reporting Standard 18 "Accounting Policies", the Directors believe that it is appropriate to prepare the financial statements on a going concern basis. Accordingly the financial statements do not include any adjustments that may arise from a reconstruction or liquidation of the Company. Such adjustments would include expenses of reconstruction or liquidation along with any costs associated with realising the portfolio.

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 cash 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 income. 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 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 UK sterling. Transactions denominated in foreign currencies are calculated in UK 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, and subsequently measured, at fair value, which is measured as follows:

- Investments listed overseas are valued at bid prices, or last prices, depending on the convention of the exchange on which they are listed, or otherwise at fair value based on published price quotations; and
- 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.

In accordance with the AIC SORP, the Company includes transaction costs, incidental to the purchase or sale of investments, within gains or losses on investments and has disclosed them in Note 9 on page 41.

h) Bank 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; and
- Dividends receivable which are capital in nature.

As a result of technical guidance issued by the Institute of Chartered Accountants in England and Wales in TECH 02/10 “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. 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.

j) **Dividends** – In accordance with Financial Reporting Standard 21 “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.

2011	2010
£'000	£'000

2. INCOME

Income from investments designated at fair value through profit or loss

Overseas dividends	2,926	2,256
Overseas scrip dividends	144	190
Total income	3,070	2,446

2011	2010
£'000	£'000

3. INVESTMENT MANAGEMENT FEE

Investment management fee	1,509	1,161
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A summary of the terms of the Management Agreement is given in the Directors’ Report on page 19.

Notes to the Financial Statements

	2011 £'000	2010 £'000
4. OTHER EXPENSES		
AIC fees	10	9
Custody fees	112	87
Directors' expenses	35	49
Directors' fees*	108	94
Legal and professional fees	42	32
Marketing expenses	68	74
Printing and publication expenses	44	60
Registrars' fees	37	36
Fees payable to the Company's Auditor for the audit of the annual financial statements	19	18
Other expenses	47	45
Costs associated with the bonus issue of subscription shares	–	295
	<u>522</u>	<u>799</u>

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

	2011 £'000	2010 £'000
5. FINANCE COSTS		
Interest on unsecured bank loans	<u>214</u>	<u>131</u>

Notes to the Financial Statements

	revenue £'000	2011 capital £'000	total £'000	revenue £'000	2010 capital £'000	total £'000
6. TAXATION ON RETURN ON ORDINARY ACTIVITIES						

a) Analysis of the taxation charge for the year

Overseas taxation suffered (see Note 6b)	312	-	312	200	-	200
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b) Factors affecting the taxation charge for the year

The taxation charged for the year is lower than the standard rate of corporation tax in the UK for an investment trust company of 27.33% (2010: 28%).

The differences are explained below.

	2011 £'000	2010 £'000
Return on ordinary activities before taxation	23,133	25,799
Return on ordinary activities multiplied by the standard rate of corporation tax of 27.33% (2010: 28%)	6,323	7,224
Effects of:		
Gains on investments not taxable	(6,096)	(7,122)
Income not taxable	(825)	(678)
Non-trading deficit not utilised	-	37
Excess management expenses	599	457
Disallowable expenses	-	83
Overseas taxation expensed	(1)	(1)
Overseas taxation	312	200
Current taxation charge (Note 6a)	312	200

Investment trust companies are exempt from taxation on capital gains if they meet the HM Revenue & Customs criteria set out in section 1159 of the Corporation Tax Act 2010 for a given period.

Overseas taxation is made up as follows:

	2011 £'000	2010 £'000
Withholding tax deducted at source	287	186
Taiwan scrip dividends	25	14
	312	200

c) There are excess management expenses of £3,611,000 (2010: £1,635,000) and excess loan relationship deficits of £2,290,000 (2010: £2,076,000) resulting in a deferred taxation asset. It is unlikely that this deferred taxation asset will be utilised in the future and therefore it has not been recognised.

Notes to the Financial Statements

	revenue	2011 capital	total	revenue	2010 capital	total
7. RETURN PER ORDINARY SHARE						
Undiluted	0.85p	36.35p	37.20p	0.27p	41.73p	42.00p
Diluted	0.84p	36.10p	36.94p	n/a	n/a	n/a

The undiluted returns per ordinary share are based on net returns on ordinary activities after taxation and the weighted average number of ordinary shares in issue for the year ended 31 July 2011. The returns for the year were: revenue return £520,000 (2010: £164,000), capital return £22,301,000 (2010: £25,435,000) and total return £22,821,000 (2010: £25,599,000). The undiluted weighted average number of ordinary shares in issue during the year was 61,354,249 (2010: 60,945,935).

The diluted returns per ordinary share represent the net returns on ordinary activities after taxation divided by the weighted average number of ordinary shares in issue during the year, as adjusted for the conversion of all outstanding subscription shares at the year end into ordinary shares. For this purpose, the excess in the number of ordinary shares that would have been issued had all the outstanding subscription shares been converted, over the number of ordinary shares that could have been purchased, at the average market price during the year, with the 191 pence per share proceeds of the conversion, are treated as an issue of ordinary shares for no consideration at the start of the year. The weighted average number of ordinary shares for the year on this diluted basis was 61,778,942.

There were no diluted returns per ordinary share for the year ended 31 July 2010 because the average ordinary share price for the year was below the exercise price of the rights attaching to the subscription shares.

	2011 £'000	2010 £'000
8. DIVIDENDS		

No dividend paid for the year ended 31 July 2010 (2009: 1.00 pence)	-	609
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The Directors have proposed a final dividend of one penny per ordinary share, which is subject to approval by shareholders at the forthcoming Annual General Meeting and has not been included as a liability in these financial statements. The total dividend payable in respect of the year ended 31 July 2011, which is the amount distributable for the year on which compliance with the retention test, Condition D of section 1159 of the Corporation Taxes Act 2010, is measured is shown below:

	2011 £'000	2010 £'000
Proposed final dividend of one penny per ordinary share for the year ended 31 July 2011 (2010: nil), based on the number of shares in issue at the date of this report	615	-

Notes to the Financial Statements

	2011 £'000	2010 £'000
9. INVESTMENTS		
Listed overseas	146,156	121,786
	2011 listed overseas £'000	
Opening book cost	98,707	
Opening investment holding gains	23,079	
Opening fair value of investments	121,786	
Movements in the year		
Purchases at cost	141,451	
Sales – proceeds	(139,149)	
Sales – gains in the year	18,648	
Movement in investment holding gains in the year	3,420	
Closing fair value of investments	146,156	
Closing book cost	119,657	
Closing investment holding gains	26,499	
Closing fair value of investments	146,156	
	2011 £'000	2010 £'000
Net gains on investments		
Gains on sales of investments in the year	18,648	21,842
Investment holding gains in the year	3,420	3,590
	22,068	25,432

The portfolio turnover rate for the year was 98% (2010: 80%).

Gains on investments are shown net of investment transaction costs as summarised below:

	2011 £'000	2010 £'000
Purchases	321	187
Sales	436	312
	757	499

Notes to the Financial Statements

	2011 £'000	2010 £'000
10. DEBTORS		
Securities sold for future settlement	247	919
Accrued income	445	234
Amount receivable on ordinary shares issued	15	16
Other debtors	31	18
	<u>738</u>	<u>1,187</u>

	2011 £'000	2010 £'000
11. BANK LOANS		
Unsecured credit facility	<u>9,116</u>	<u>5,729</u>

On 3 February 2010 the Company entered into a 364 day revolving credit facility for an amount of up to US\$15,000,000 with ING Bank N.V. On 12 April 2010 US\$9,000,000 of this facility was drawn down, at an interest rate of 2.65%. On 19 November 2010 the remaining US\$6,000,000 was drawn down, at an interest rate of 2.24%. Both tranches of the facility were repaid on 3 February 2011 and the facility was renewed for a further one year. The full amount of US\$15,000,000 was drawn down and has been rolled over at the following interest rates: 3 months ended 3 May 2011 2.06%, 3 months ended 3 August 2011 2.02% and the 3 months to 3 November 2011 2.01%.

	2011 £'000	2010 £'000
12. OTHER CREDITORS		
Securities purchased for future settlement	99	1,027
Interest payable on bank loan	46	47
Other creditors	799	249
	<u>944</u>	<u>1,323</u>

Notes to the Financial Statements

	2011 shares	2011 £'000	2010 shares	2010 £'000
13. SHARE CAPITAL				
Issued, allotted and fully paid:				
Ordinary shares of 25 pence each				
Beginning of the year	60,978,843	15,244	60,942,501	15,235
Issue of ordinary shares of 25 pence each on the conversion of rights attaching to subscription shares	650,127	163	36,342	9
End of the year	61,628,970	15,407	60,978,843	15,244
Subscription shares of 0.01 pence each				
Beginning of the year	12,151,870	1	-	-
Issue of subscription shares of 0.01 pence each	-	-	12,188,212	1
Exercise of rights attaching to subscription shares and conversion into ordinary shares of 25 pence each	(650,127)	-	(36,342)	-
End of the year	11,501,743	1	12,151,870	1
Total share capital		15,408		15,245

The terms of the subscription shares are detailed on page 18.

14. NET ASSET VALUE PER ORDINARY SHARE

The undiluted net asset value per ordinary share is based on net assets of £141,257,000 (2010: £117,193,000) and on 61,628,970 (2010: 60,978,843) 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 basis that the outstanding subscription shares of 11,501,743 at 31 July 2011 (2010: 12,151,870) 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.

Notes to the Financial Statements

	2011 £'000	2010 £'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	23,347	25,930
Capital return for the year	(22,301)	(25,435)
Net revenue return before finance costs and taxation	1,046	495
Scrip dividends	(144)	(190)
Increase/(decrease) in other creditors	539	(347)
(Increase)/decrease in other debtors	(224)	541
Overseas taxation suffered	(312)	(200)
Net cash inflow from operating activities	905	299

	2011 £'000	2010 £'000
16. RECONCILIATION OF NET CASH MOVEMENTS TO MOVEMENT IN NET DEBT		
Net debt at the beginning of the year	(4,457)	(6,159)
Net cash inflow	3,167	874
Unsecured loan drawn down	(22,028)	(5,857)
Unsecured loan repaid	18,354	6,890
Foreign exchange movement on other net assets	(16)	(27)
Foreign exchange movement on unsecured loans	287	(178)
Change in net debt	(236)	1,702
Net debt at the end of the year	(4,693)	(4,457)

	2011 £'000	cash flows £'000	foreign exchange movements £'000	2010 £'000
Analysis of movements in net debt				
Cash at bank	4,423	3,167	(16)	1,272
Unsecured loans	(9,116)	(3,674)	287	(5,729)
	(4,693)	(507)	271	(4,457)

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 14 and 15. This Note is incorporated in accordance with Financial Reporting Standard 29 "Financial Instruments: Disclosures" ("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 managing and 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 an unsecured US\$15,000,000 revolving credit facility which expires on 3 February 2012. The Company has currently drawn down the full amount of this facility as described in Note 11 on page 42. Therefore, the Company may become exposed 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 summarises the extent to which the Company's assets and liabilities are affected by changes in interest rates.

2011

	cash flow interest rate risk £'000	fair value interest rate risk* £'000	total £'000
Cash balances	4,423	-	4,423
Total interest bearing financial assets	4,423	-	4,423
Unsecured bank loan	-	(9,116)	(9,116)
Total interest bearing financial liabilities	-	(9,116)	(9,116)
Total interest bearing financial assets/(liabilities)	4,423	(9,116)	(4,693)

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

Notes to the Financial Statements

2010

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

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

Foreign currency risk

The Company's total return and net assets can be affected by foreign exchange movements because the Company has income and assets which are denominated in currencies other than the Company's base currency which is UK 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
- Movements in rates affecting short term timing differences
- Movements in rates affecting income received

The Company does not hedge the UK sterling value of investments or other net assets priced in other currencies by the use of derivative instruments. However, finance is available to the Company for its investment activities through US dollar borrowings, thereby hedging part of the effect 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 UK sterling on receipt.

Currency exposure of 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.

2011

currency	investments designated at fair value through profit or loss £'000	short term debtors £'000	cash £'000	total £'000
Australian dollar	1,012	–	–	1,012
Chinese renminbi	26,918	–	–	26,918
Hong Kong dollar	27,540	99	58	27,697
Indian rupee	2,275	–	–	2,275
Indonesian rupiah	2,139	25	–	2,164
Korean won	44,263	34	–	44,297
Malaysian ringgit	5,936	160	25	6,121
Singapore dollar	9,673	34	–	9,707
Taiwan dollar	24,149	340	1	24,490
Thai baht	2,251	–	–	2,251
UK sterling	–	46	340	386
US dollar	–	–	3,999	3,999
	146,156	738	4,423	151,317

Notes to the Financial Statements

2010	investments designated at fair value through profit or loss £'000	short term debtors £'000	cash £'000	total £'000
currency				
Chinese 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>

Currency exposure of 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 bank loan and other short term creditors.

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

	2011			2010		
	US dollar denominated bank loan £'000	other creditors £'000	total £'000	US dollar denominated bank loan £'000	other creditors £'000	total £'000
Hong Kong dollar	-	99	99	-	200	200
Philippine peso	-	-	-	-	827	827
UK sterling	-	799	799	-	249	249
US dollar	<u>9,116</u>	<u>46</u>	<u>9,162</u>	<u>5,729</u>	<u>47</u>	<u>5,776</u>
	<u>9,116</u>	<u>944</u>	<u>10,060</u>	<u>5,729</u>	<u>1,323</u>	<u>7,052</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 42 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. Exposures to counterparties are monitored and reported frequently.

Notes to the Financial Statements

Credit risk

Investments may be adversely affected if any of the institutions with which money is deposited suffer 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.

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 14 and 15 of the Directors' Report.

An increase of 10% in the fair value of the investments at 31 July 2011 would have increased the total return on ordinary activities and total net assets by £14,616,000 (2010: £12,179,000). A decrease of 10% in the fair value of investments would have had an equal but opposite effect.

Interest rate risk sensitivity analysis

At 31 July 2011, if interest rates had increased by 0.5% the total return on ordinary activities would have increased by £22,000 (2010: £6,000). 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 2011, with all other variables held constant.

Foreign currency risk sensitivity analysis

At 31 July 2011, if UK 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 the 2010 has been performed on the same basis.

If UK sterling had strengthened the impact would have been:

	2011 £'000	2010 £'000
Chinese renminbi	(2,447)	(2,196)
Hong Kong dollar	(2,509)	(2,335)
Korean won	(4,027)	(2,696)
Singapore dollar	(882)	(1,272)
Taiwan dollar	(2,226)	(1,299)

If UK sterling had weakened the impact would have been:

	2011 £'000	2010 £'000
Chinese renminbi	2,991	2,684
Hong Kong dollar	3,066	2,854
Korean won	4,922	3,295
Singapore dollar	1,079	1,555
Taiwan dollar	2,721	1,588

Fair value of financial assets and liabilities

As explained in Note 1(g) on page 36, investments are shown at fair value, which is bid, or last market price. Financial assets and liabilities are stated in the Balance Sheet at values which are not materially different to their fair values. 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 unsecured loan, whose fair value, given below, has been calculated by discounting future cash flows at current US dollar interest rates.

Notes to the Financial Statements

	2011		2010	
	fair value £'000	book value £'000	fair value £'000	book value £'000
Unsecured bank loan	9,163	9,116	5,819	5,729

Fair value hierarchy

Under FRS29, financial companies are required 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 2011 are considered to fall within Level 1 (2010: all Level 1).

Capital Management

The Company does not have any externally imposed capital requirements. The capital of the Company comprises of its bank loan, capital and reserves and is disclosed in the Balance Sheet on page 34 and is managed in accordance with its investment policy in pursuit of its investment objective, both of which are detailed on pages 14 and 15 of the Directors' Report. The principal risks and their management are disclosed in this Note.

18. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There were no contingent liabilities or capital commitments as at 31 July 2011 (2010: none).

19. RELATED PARTY TRANSACTIONS

The Directors have complied with the provisions of Financial Reporting Standard 8 "Related Party Disclosures" ("FRS 8"), 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. Fees paid to the Directors are disclosed in the Directors' Remuneration Report on page 30.

Full Portfolio Listing as at 31 July 2011

Investment	Fair Value £'000	%*
Samsung Electronics	6,797	4.5
Hutchison Whampoa	5,026	3.3
Taiwan Semiconductor Manufacturing	4,995	3.3
China Merchants Bank	4,943	3.3
LG Household & Healthcare	4,754	3.2
SJM Holdings	4,276	2.9
Lock&Lock	3,890	2.6
Tencent Holdings	3,640	2.4
KIA Motors	3,639	2.4
Bank Of China Hong Kong	3,404	2.3
Genting	3,351	2.2
Shinhan Financial Group	3,349	2.2
Advanced Semiconductor Engineering	2,847	1.9
Nan Ya Plastics	2,664	1.8
HTC	2,647	1.8
Samsung Engineering	2,597	1.7
President Chain Store	2,370	1.6
Cheung Kong Holdings	2,338	1.6
Gome Electrical Appliances Holding	2,303	1.5
Keppel	2,233	1.5
Sarin Technologies	2,078	1.4
DBS Group Holdings	2,077	1.4
Emperor Watch & Jewellery	2,017	1.3
Hon Hai Precision	1,978	1.3
Hotel Shilla	1,978	1.3
CJ O Shopping	1,935	1.3
Honam Petrochemical	1,850	1.2
Hong Kong Exchanges & Clearing	1,837	1.2
Li & Fung	1,784	1.2
Banpu Public Company	1,592	1.1
Chinatrust Financial Holding Company	1,588	1.1
S.M. Entertainment	1,532	1.0
Unimicron Technology	1,489	1.0
Daum Communications Corporation	1,456	1.0
Malaysian Resources	1,453	1.0
Vtech Holdings	1,453	1.0
KFC Holdings	1,444	1.0
Zhaojin Mining Industry	1,374	0.9
Shenguan Holdings	1,359	0.9
Pacific Basin Shipping	1,323	0.9
Noble Group	1,305	0.9
SouFun Holdings	1,297	0.9
CNOOC	1,280	0.9
Hyundai Mobis	1,269	0.8
Mando Group	1,267	0.8
Minth Group	1,261	0.8

Full Portfolio Listing as at 31 July 2011

Investment	Fair Value £'000	%*
China Lilang	1,259	0.8
Paradise	1,259	0.8
Hana Tour Service	1,252	0.8
Fubon Financial Holding	1,206	0.8
AmorePacific Corporation	1,204	0.8
First Financial Holding	1,191	0.8
Yuanta Financial Holdings	1,175	0.8
Geely Automobile Holdings	1,142	0.8
Infrastructure Development Finance	1,108	0.7
Eva Precision Industrial Holdings	1,059	0.7
Hyundai Department Store	1,056	0.7
Ports Design	1,041	0.7
Korea Electric Power	1,038	0.7
Telstra	1,012	0.7
Hankook Tire	984	0.7
Embry Holdings	983	0.7
Gudang Garam	949	0.6
Haitian International Holdings	940	0.6
Huabao International Holdings	940	0.6
CIMB Group Holdings	908	0.6
Baidu Group	885	0.6
WuXi PharmaTech	872	0.6
T.K. Corporation	813	0.5
AIA Group	772	0.5
Petronas Chemicals	761	0.5
Ctrip.com International	759	0.5
Rallis India	740	0.5
Shangri-La Asia	679	0.5
REXLot Holdings	670	0.4
Bangkok Bank	660	0.4
Indofood Sukses Makmur	607	0.4
United Tractors	583	0.4
Sands China	533	0.3
Reliance Industries	426	0.3
Cheung Kong Infrastructure Holdings	405	0.3
Loen Entertainment	345	0.2
Anta Sports Products	327	0.2
China Liansu Group Holdings	239	0.1
Dickson Concepts	35	-
Total investments	146,156	97.2
Cash and other net current assets	4,217	2.8
Total assets employed	150,373	100.0

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

Distribution of the Portfolio¹

as at 31 July 2011

Equities	South Korea	Hong Kong	China	Taiwan	Singapore	Other	Total	Index ²	31 July 2010
Consumer Discretionary									
Diversified Consumer Services	3.0	3.8	0.9	–	1.3	1.9	10.9	1.9	5.1
Automobiles	2.4	–	0.8	–	–	–	3.2	3.6	5.8
Auto Components	2.3	–	0.8	–	–	–	3.1	1.5	0.9
Speciality Retail	–	1.3	1.5	–	–	–	2.8	0.7	4.0
Textiles, Apparel & Luxury Goods	–	1.3	1.1	–	–	–	2.4	0.4	2.2
Internet & Catalogue Retail	1.3	–	–	–	–	–	1.3	–	–
Distributors	–	–	1.2	–	–	–	1.2	1.0	3.1
Media	1.2	–	–	–	–	–	1.2	0.2	2.4
Multiline Retail	0.7	–	–	–	–	–	0.7	0.8	2.9
	10.9	6.4	6.3	–	1.3	1.9	26.8	10.1	26.4
Information Technology									
Semiconductor Equipment & Products	4.5	–	–	5.2	–	–	9.7	8.5	8.8
Internet Software & Services	1.0	–	3.9	–	–	–	4.9	1.4	5.3
Communications Equipment	–	1.0	–	1.8	–	–	2.8	0.9	0.6
Electronic Equipment & Instruments	–	–	–	2.3	–	–	2.3	5.4	6.9
Software	–	–	–	–	–	–	–	0.3	0.6
	5.5	1.0	3.9	9.3	–	–	19.7	16.5	22.2
Financials									
Commercial Banks	2.2	2.3	3.3	1.8	1.4	1.0	12.0	17.2	16.3
Diversified Financial Services	–	1.2	–	0.8	–	0.8	2.8	1.7	2.6
Capital Markets	–	–	–	0.8	–	–	0.8	0.8	0.8
Insurance	–	0.5	–	–	–	–	0.5	4.4	–
Real Estate Investment Trusts	–	–	–	–	–	–	–	0.5	0.6
Real Estate Management & Development	–	–	–	–	–	–	–	5.9	5.3
	2.2	4.0	3.3	3.4	1.4	1.8	16.1	30.5	25.6
Industrials									
Industrial Conglomerates	–	3.3	–	–	1.5	1.0	5.8	3.5	1.5
Machinery	0.5	–	1.3	–	1.4	0.4	3.6	2.2	2.0
Construction & Engineering	1.7	–	0.2	–	–	–	1.9	1.9	3.0
Trading Companies & Distributors	–	–	–	–	0.9	–	0.9	0.2	0.9
Transportation Infrastructure	–	0.9	–	–	–	–	0.9	2.4	1.8
	2.2	4.2	1.5	–	3.8	1.4	13.1	10.2	9.2
Materials									
Chemicals	1.2	–	0.6	1.8	–	1.0	4.6	4.3	–
Containers & Packaging	2.6	–	–	–	–	–	2.6	–	1.7
Metals & Mining	–	–	0.9	–	–	–	0.9	3.0	1.0
Construction Materials	–	–	–	–	–	–	–	1.5	1.2
	3.8	–	1.5	1.8	–	1.0	8.1	8.8	3.9

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

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

Distribution of the Portfolio¹ as at 31 July 2011

Equities	South Korea	Hong Kong	China	Taiwan	Singapore	Other	Total	Index ²	31 July 2010
Consumer Staples									
Household Products	3.2	-	-	-	-	-	3.2	0.7	1.5
Food & Staples Retailing	-	-	-	1.5	-	-	1.5	0.9	0.2
Food Products	-	-	0.9	-	-	0.4	1.3	2.6	1.2
Personal Products	0.8	-	-	-	-	-	0.8	0.4	1.7
Tobacco	-	-	-	-	-	0.6	0.6	0.5	1.0
Beverages	-	-	-	-	-	-	-	0.1	-
	4.0	-	0.9	1.5	-	1.0	7.4	5.2	5.6
Utilities									
Other Utilities	-	1.5	-	-	-	-	1.5	0.9	-
Electric Utilities	0.3	0.7	-	-	-	-	1.0	1.8	-
Water Utilities	-	-	-	-	-	-	-	0.1	0.7
	0.3	2.2	-	-	-	-	2.5	2.8	0.7
Energy									
Oil, Gas & Consumable Fuels	-	0.8	-	-	-	1.4	2.2	9.0	3.0
	-	0.8	-	-	-	1.4	2.2	9.0	3.0
Telecommunications Services									
Diversified Telecommunication Services	-	-	-	-	-	0.7	0.7	2.9	-
Wireless Telecommunications Services	-	-	-	-	-	-	-	3.5	0.7
	-	-	-	-	-	0.7	0.7	6.4	0.7
Health Care									
Pharmaceuticals	-	-	0.6	-	-	-	0.6	0.3	0.5
Healthcare Providers & Services	-	-	-	-	-	-	-	0.2	1.3
	-	-	0.6	-	-	-	0.6	0.5	1.8
Total Equities – 2011	28.9	18.6	18.0	16.0	6.5	9.2	97.2	100.0	99.1
Cash & Other Net Assets	-	-	-	-	-	-	2.8	-	0.9
Total assets employed – 2011	28.9	18.6	18.0	16.0	6.5	9.2	100.0	100.0	100.0
Index – 2011	23.2	17.7	21.2	17.0	7.8	13.1	100.0		
Total Equities – 2010	23.3	12.8	27.9	11.7	11.4	12.0	99.1		

¹ % of 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 Wednesday 23 November 2011 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 2011.
2. To approve the final dividend.
3. To re-appoint Hugh Bolland as a Director of the Company.
4. To re-appoint William Knight as a Director of the Company.
5. To re-appoint Kate Bolsover as a Director of the Company.
6. To re-appoint Philip Smiley as a Director of the Company.
7. To re-appoint Kathryn Matthews as a Director of the Company.
8. To approve the Directors' Remuneration Report for the year ended 31 July 2011.
9. 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.
10. To authorise the Directors to determine the Auditor's remuneration.

SPECIAL BUSINESS

Resolution 11 will be proposed as an ordinary resolution. Resolutions 12 and 13 will be proposed as special resolutions.

Resolutions 11 and 12 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 26 September 2011. 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.

11. 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 £769,244 (approximately 5% of the aggregate nominal amount of the issued ordinary share capital of the Company as at 26 September 2011) 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.

12. THAT, subject to the passing of Resolution 11 set out above, the Directors be and they are hereby authorised, pursuant to Sections 570 and 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 11 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 £769,244 (approximately 5% of the aggregate nominal amount of the issued share capital of the Company as at 26 September 2011); 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 13 is a special resolution which, if approved, will renew the Company's authority to purchase its ordinary 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 26 September 2011. 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, thereby resulting in an increased net asset value per share.

Notice of Meeting

13. 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 25 pence 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 9,224,774 ordinary shares and 1,721,029 subscription shares;
- b) the minimum price which may be paid for an ordinary share is 25 pence and the minimum price which may be paid for a subscription share is 0.01 pence;
- 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.

Resolution 14 is an ordinary resolution, which relates to the continuation of the Company as an investment trust.

14. THAT the Company continue to carry on business as an investment trust.

By order of the Board
FIL Investments International
Secretary
26 September 2011

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 21 November 2011. 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 notari ally 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 21 November 2011. 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 21 November 2011.
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 21 November 2011.
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 21 November 2011. 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.
10. As at 26 September 2011 (the latest practicable date prior to the publication of this document) the Company's issued ordinary share capital consisted of 61,539,526 ordinary shares carrying one vote each and 11,481,187 subscription shares without voting rights. Therefore, the total number of voting rights in the Company as at 26 September 2011 was 61,539,526.
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.

Notes to Notice of Meeting

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 10 October 2011, 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 2011	- financial year end	Mid December 2011	- interim management statement (as at 31 October 2011)
27 September 2011	- announcement of results to 31 July 2011	31 January 2012	- half-year end
5 October 2011	- ex-dividend date	March 2012	- announcement of half-yearly results to 31 January 2012
7 October 2011	- record date	April 2012	- publication of half-yearly report
October 2011	- publication of this report	Mid June 2012	- interim management statement (as at 30 April 2012)
23 November 2011	- Annual General Meeting		
8 December 2011	- payment of the final dividend		

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 £10,680 for the 2011/12 tax year. The full amount may be invested in a Stocks and Shares ISA, or you can invest up to half the ISA allowance 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 a top-up or £50 a month per company in a regular savings plan.

Charges – The standard initial charge for the Fidelity ISA is 3.5% but if you download the online application form you will pay just 1.25% initial charge. The initial charge for investments through a Financial Adviser will be up to 3.5%. Fidelity pays stamp duty from the initial charge. There are no other charges for the Fidelity ISA but the Company pays an annual management charge to Fidelity of 1.0% as set out in the Annual Report.

MOVING MONEY FROM A PREVIOUS ISA

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. 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 – Fidelity does not apply an initial charge for a transfer into Fidelity Asian Values PLC. You will also 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. If your old fund provider charges you a fee for leaving them, you can claim it back from Fidelity. Please note this offer does not apply to Fidelity's share dealing service.

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 a top-up or £50 a month through in a regular savings plan.

Holding shares within the Share Plan 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.

Investing for children – the Share Plan is a flexible and inexpensive way to invest on behalf of children. All you need to do is enter the initials or name of the child in the Designation Box on the Share Plan application form.

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 a Financial Adviser, there may be an initial charge of up to 3%.

BENEFICIAL OWNERS OF SHARES – INFORMATION RIGHTS

Registered shareholders of fully listed companies are able to nominate the underlying beneficial owners of their shares to receive information rights. You should contact your registered shareholder direct to request to receive 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.

KEEPING YOU UPDATED

If you hold Fidelity Asian Values PLC shares in an ISA, you will receive a yearly report detailing all of your transactions and the value of your shares. Investors with the Fidelity Investment Trust Share Plan will receive statements and valuations twice a year.

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

You can also obtain current price information by telephoning Fidelity on 0800 41 41 10 (freephone) or FT Cityline on 0905 817 1690 (voice activated service) (calls charged at 60p per minute on a per second basis from a BT landline. Charges from other telephone networks may vary).

Investing in Fidelity Asian Values PLC

INVESTING ONLINE

Whilst you cannot use a Debit Card online to buy an ISA or Share Plan the application forms you need are all available via www.fidelity.co.uk/its. You can also invest online in Fidelity Asian Values PLC shares via the share trading facility available via our website www.fidelity.co.uk/sharenetwork. The Share Dealing service, ShareNetwork, is provided by Xest which is the online trading division of Charles Stanley & Co Limited, a leading London stockbroker. ShareNetwork enables you to buy or sell shares in any listed company during normal London Stock Exchange trading hours – between 8 am and 4.30 pm any working day. Shares in ShareNetwork can either be held direct or 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 CREST personal 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. There is no extra charge for opening a ShareNetwork ISA and share purchases or sales are executed on line 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 £5.10 per month, regardless of how many different shares you own and whatever their value. Of course, you need to remember that the value of tax savings and eligibility to invest in an ISA will depend on your individual circumstances, and all tax rules may change in the future.

CONTACT INFORMATION

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

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

www.fidelity.co.uk/its

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, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4BR. Telephone: 0871 664 0300 (calls cost 10p per minute plus network extras. Lines are open 8.30 am – 5.30 pm Monday to Friday) 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, 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 International, Oakhill House, 130 Tonbridge Road, Hildenborough, Tonbridge, Kent TN11 9DZ.

General enquiries should be made to Fidelity, 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 361144.

Fax: 01737 836 892

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:

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;

Investing in Fidelity Asian Values PLC

Amendment of Standing Data – Allows shareholders to change their registered postal address and add, change or delete dividend mandate instructions. Shareholders can also download from this site forms such as change of address, stock transfer and dividend mandate forms 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

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. Lines are open 8.30 am – 5.30 pm Monday to Friday). 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 the 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 (9 am to 6 pm Monday to Saturday).

Alternatively, you may like to visit the Fidelity London Investor Centre at 25 Cannon Street, next to 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 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.

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 older 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 have already been acted upon by Fidelity.

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The contents of websites referred to in this document do not form part of the Annual Report.

Investment Trust Range of the Manager



FIDELITY CHINA SPECIAL SITUATIONS PLC

- Invests primarily in securities issued by companies listed in China or Hong Kong and Chinese companies listed elsewhere
- Unconstrained by benchmark, the portfolio manager looks for companies that are undervalued by the market
- Taking a contrarian style, the portfolio contains stocks with growth or recovery potential



FIDELITY EUROPEAN VALUES PLC

- Invests in shares listed on Continental Europe stock markets
- The core of the portfolio is focused on stocks able to grow earnings faster than the market in the medium term
- This company also invests in small and emerging European markets



FIDELITY JAPANESE VALUES PLC

- Invests mainly in small to medium sized companies
- The portfolio manager favours companies with superior mid to long term earnings growth
- The company invests across a wide range of industries and sectors



FIDELITY SPECIAL VALUES PLC

- Invests primarily in small and medium-sized UK companies
- Up to 20% can be invested in Europe and other markets
- The portfolio manager is a value investor, naturally seeking out stocks that are often unloved and unfashionable at the current time

The value of investments can go down as well as up and you may not get back the amount you originally invest. The eligibility to invest in an ISA depends on individual circumstances and all tax rules may change. Overseas investments are subject to currency fluctuations and emerging markets may be more volatile than established markets. If you are unsure about the suitability of an investment, please contact an adviser.

The information on this page is provided by Fidelity and should not be seen as a recommendation by the Board of Fidelity Asian Values PLC.

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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