Schroder AsiaPacific Fund plc

Report and Accounts for the year ended 30 September 2012

Schroders

Investment Objective

The Company's principal investment objective is to achieve capital growth through investment primarily in equities of companies located in the continent of Asia (excluding the Middle East and Japan), together with the Far Eastern countries bordering the Pacific Ocean, with the aim of achieving growth in excess of the MSCI All Countries Asia excluding Japan Index in Sterling Terms (Benchmark Index) over the longer term.

Directors

The Hon. Rupert Carington
(Aged 64) (Chairman)
was appointed as a director of the Company on 18 September 1995. He has run his own financial advisory business since leaving Morgan Grenfell, the merchant bank, in 1987 after a career of 17 years including a period as Chief Executive of the Hong Kong office. He has considerable experience of investment trust companies having been Chairman of the Korea Asia Fund for 10 years and Chairman of the Schroder Emerging Countries Fund for 7 years as well as a director of the Fleming Natural Resources Investment Trust. He currently sits on the board of Vietnam Infrastructure Limited and Alger Associates, the US fund management company and a number of corporate advisory boards around the world.

Robert Binyon (Aged 61)
was appointed as a director of the Company on 17 February 2000. Until March 2003, he was a Managing Director of CDC Capital Partners responsible for CDC's investments and operations in the Asia Pacific region. He continues to be based in the region and is a director on a number of funds and companies in Asia.

Robert Boyle (Aged 64)
was appointed as a director of the Company on 26 November 2009. He is a Chartered Accountant and was a partner of PricewaterhouseCoopers LLP, where he was responsible for multi-national client accounts, specialising in the telecoms and media sectors: he was chairman of the PwC European Entertainment and Media Practice for twelve years and retired in 2006. He is a non-executive director, and chairman of the audit committee, of Maxis Berhad (in Malaysia), Witan Investment Trust PLC, Prosperity Voskhod Fund Ltd (an AIM listed company) and Centaur Media plc.

Anthony Fenn (Aged 70)
was appointed as a director on 1 June 2005. He retired at the end of 2003 after 38 years as an Investment Executive with Sun Life Financial of Canada. He held various positions in the course of his career and was for the last 6 years Head of Investments, Asia. Before moving to Asia he was Chief Investment Officer for the UK and oversaw the setting up of Sun Life's investment management subsidiary there. He also has investment experience in Hong Kong, Japan, China, Indonesia, India, and the Philippines.

Rosemary Morgan (Aged 58)
was appointed as a Director of the Company on 1 July 2012. She studied Japanese at university in Australia, Japan and the US and worked as a Japanese equity fund manager for 16 years at John Govett before joining the institutional Client team at Fidelity. She was at RBS from mid 2007 where she managed long only and alternative funds of funds specialising in Japan, the Pacific Basin and Emerging Markets. The team moved to Aberdeen Asset Management in February 2010 and she retired in March 2012. She is a Trustee of the London Library Pension Fund and a Director of the Landau Forte Charitable Trust.

Nicholas Smith (Aged 61)
was appointed as a Director of the Company on 28 May 2010. He was appointed as the Senior Independent Director on 1 April 2012. He joined the Jardine Fleming Group in 1986 in Hong Kong serving, from 1993, as Chief Financial Officer and as a member of the Executive Committee. After returning to the UK, Mr Smith became a director of Robert Fleming International Ltd in 1998 and the Director of Origination – Investment Banking serving until 2000. Mr Smith currently serves as Chairman of Ophir Energy plc and as a non-executive director of Asian Citrus Holdings Ltd and Sorbic International Ltd.

Each Director is also a member of the Audit, Management Engagement and Nomination Committees.
The Hon. Rupert Carington is chairman of the Nomination Committee. Mr Smith is Senior Independent Director and chairman of the Audit Committee.
Mr Fenn is chairman of the Management Engagement Committee.

Advisers

Investment Manager
Schroder Investment Management Limited
31 Gresham Street, London EC2V 7QA

Company Secretary and Registered Office
Schroder Investment Management Limited
31 Gresham Street, London EC2V 7QA
Telephone: 020 7658 3206

Lending Bank
Scotiabank Europe PLC
201 Bishopsgate
6th Floor
London EC2M 3NS

Custodian
JP Morgan Chase Bank, N.A.
1 Chaseside
Bournemouth BH7 7DB

Independent Auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London SE1 2RT

Stockbrokers
Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London EC4M 7LT

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

Shareholder Helpline: 0800 032 0641*
Website: www.shareview.co.uk

*Calls to this number are free of charge from UK landlines.

Contents

Financial Highlights

	2012	2011	% Change
Total returns (including dividends reinvested) for the year ended 30 September			
Net asset value ("NAV") per share total return (based on diluted, ex-income NAV)[1]	**28.7%**	-5.4%	
Share price total return[1]	**25.7%**	-5.3%	
Benchmark[2]	**15.7%**	-12.2%	
NAV, share price and discount at 30 September			
Shareholders' funds (£'000)	**395,340**	307,280	+28.7
Ordinary shares in issue	**145,956,071**	145,921,120	
Subscription shares in issue	**28,444,645**	28,479,596	-0.1
Undiluted NAV per share	**270.86p**	210.58p	+28.6
Diluted NAV per share[3]	**266.64p**	210.16p	+26.9
Ordinary share price	**236.75p**	190.75p	+24.1
Subscription share price	**2.45p**	4.96p	-50.6
Revenue for the year ended 30 September			
Net revenue after taxation (£'000)	**4,916**	4,033	+21.9
Return per share	**3.37p**	2.60p	+29.6
Dividends per share	**3.35p**	2.75p	+21.8
Gearing[4]	**5.7%**	4.4%	
Ongoing Charges[5]	**1.18%**	1.15%	

[1]Source: Morningstar.
[2]Source: Thomson Financial Datastream. With effect from 31 January 2011, the Company's benchmark has been the MSCI All Countries Asia excluding Japan Index in Sterling terms. Prior to that date, the benchmark was the MSCI All Countries Far East excluding Japan Index in Sterling terms. The comparative return is based on a combination of both of these indices, calculated on a pro-rata basis.
[3]Return on net assets, using the diluted net asset value, which assumes that all outstanding Subscription shares were converted into Ordinary shares at the year-end.
[4]Net assets plus borrowings used for investment purposes, less cash, expressed as the percentage excess over net assets.
[5]Ongoing Charges represents the management fee and all other operating expenses excluding finance costs, expressed as a percentage of the average daily net asset values during the year. The Ongoing Charges figure is calculated in accordance with guidance issued by the Association of Investment Companies (the "AIC") in May 2012 and replaces the Total Expense Ratio published in previous years. The comparative figure has been restated and represents the expenses calculated as above, expressed as a percentage of the average month-end net asset values during the year.

Ten-Year Financial Record

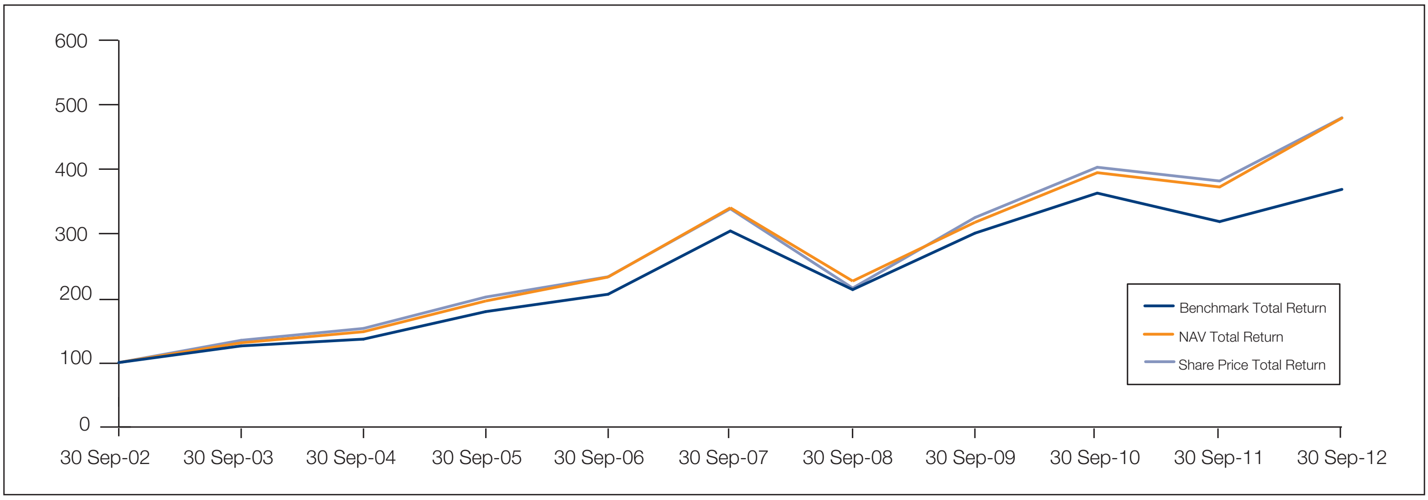
At 30 September 2012	2003	2004	2005[1]	2006	2007	2008	2009	2010	2011	2012
Shareholders' funds (£'000)	111,586	125,235	170,876	233,372	335,763	224,321	307,435	388,113	307,280	395,340
Diluted NAV per Ordinary share (pence)	80.16	89.97	118.94	139.59	200.83	134.17	183.88	224.76	210.16	266.64
Ordinary share price (pence)	74.75	84.25	109.75	124.75	179.00	113.00	166.75	203.75	190.75	236.75
Subscription share price (pence)	–	–	–	–	–	–	–	12.75	4.96	2.45
Gearing/(net cash)[2]	12.0	6.7	2.6	4.5	7.4	4.0	(0.8)	(3.7)	4.4	5.7

Year ended 30 September	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net revenue after taxation (£'000)	50	348	2,748	2,769	2,497	4,160	4,469	4,394	4,033	4,916
Diluted revenue return per Ordinary share (pence)	0.79	1.35	1.97	1.76	1.49	2.49	2.67	2.62	2.59	3.37
Dividends per Ordinary share (pence)	0.75	1.10	1.90	1.70	1.50	2.40	2.65	2.65	2.75	3.35
Ongoing Charges (%)[3]	1.44	1.37	1.31	1.23	1.27	1.18	1.32	1.22	1.15	1.18

Performance – rebased to 100 at 30 September 2002[4]	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
NAV Total Return (based on diluted ex-income NAV)[5]	100.0	130.6	147.8	195.5	232.6	340.0	226.4	317.5	394.5	372.3	479.2
Share price Total Return	100.0	134.5	152.9	201.6	233.0	338.5	215.5	324.9	402.9	381.6	479.7
Benchmark Total Return[6]	100.0	125.8	136.3	179.0	205.9	304.1	213.1	300.7	362.8	318.6	368.6

[1]The results for the year ended 30 September 2005 have been restated, where necessary, in accordance with Financial Reporting Standards 21, 25 and 26. Years prior to 2005 have not been restated.
[2]Net assets plus borrowings used for investment purposes, less cash, expressed as the percentage excess over net assets. If the amount so calculated is negative, this is shown as a "net cash" position.
[3]Ongoing Charges represents the management fee and all other operating expenses excluding finance costs, expressed as a percentage of the average daily net asset values during the year. The Ongoing Charges figure is calculated in accordance with guidance issued by the AIC in May 2012 and replaces the Total Expense Ratio published in previous years. The figures for 2011 and prior years have been restated and represent the expenses calculated as above, expressed as a percentage of the average month-end net asset values during the year.
[4]Source: Morningstar/Thomson Financial Datastream.
[5]The diluted net asset value assumes that all outstanding Subscription shares were converted into Ordinary shares at the year end.
[6]With effect from 31 January 2011, the Company's benchmark has been the MSCI All Countries Asia excluding Japan Index in Sterling terms. Prior to that date the benchmark was the MSCI All Countries Far East excluding Japan Index in Sterling terms. The return for 2011 is based on a combination of both of these indices, calculated on a pro-rata basis.

Ten-year performance of NAV, Share Price and Benchmark[1]



[1]Source: Morningstar/Thomson Financial Datastream. Rebased to 100 at 30 September 2002.

Chairman's Statement

Investment Performance

The year to 30 September 2012 was a positive year for investors in Asia and the Company's diluted net asset value produced a total return of 28.7%. The Company also significantly out-performed its benchmark Index, the MSCI All Countries Asia ex Japan Index, which produced a total return of 15.7% over the year. The Company's share price also performed well producing a total return of 25.7% over the year.

Further comment on performance and investment policy may be found in the Investment Manager's Report.

Appointment of a Director

As part of our commitment to the refreshment of the composition of the Board over time, the Directors undertook a search for an additional Board member during the year. Following a successful conclusion of that search, we are pleased to announce the appointment of Mrs Rosemary Morgan as a non-executive Director of the Company with effect from 1 July 2012. In accordance with the Company's Articles of Association, the election of Mrs Morgan will be proposed at the forthcoming Annual General Meeting. We recommend that shareholders vote in favour of the resolution which is set out in the Notice of Meeting on page 41.

A full biography for Mrs Morgan can be found on the inside front cover of the Annual Report.

Final Dividend

The Directors recommend the payment of a final dividend of 3.35 pence per share for the year ended 30 September 2012, an increase of 21.8% from the 2.75 pence per share paid in respect of the previous financial year. Net revenue after taxation for the year significantly increased when compared to the previous year (2012: £4,916,000 – 2011: £4,033,000). If the resolution proposed at the Annual General Meeting to pay a final dividend is passed, the dividend will be paid on 30 January 2013 to shareholders on the Register on 4 January 2013.

Gearing

At the beginning of the year, the Company's gearing stood at 4.4% and this had increased to 5.7% at the end of the year. All of the borrowings were obtained via a revolving credit facility in order to provide flexibility, and the facility was renewed on an unsecured basis in May 2012. The Board continues to review the gearing position on a regular basis and believes that the ability to gear will add value over the long term.

Purchase of Shares for Cancellation

At the Company's last Annual General Meeting on 1 February 2012, the Company was given the authority to purchase up to 14.99% of its issued share capital for cancellation. The share buy-back facility is one of a number of tools that may be used to enhance shareholder value and to reduce discount volatility.

The Board continues to believe that it is not necessarily in the best interests of shareholders as a whole to adopt a rigid discount control mechanism that seeks to target a defined maximum discount level regardless of market conditions. Instead the Board continues to follow a more flexible strategy that takes into account the level of discount at which the Company's peer group trades as well as the absolute level of its own discount and prevailing market conditions. Over the last year, the longer term target maximum discount level was again set at approximately 10% and the Board will continue to target this level but will review it quarterly and will amend the target in line with market conditions as necessary. In this context the Board, together with its broker, monitors the discount at which the shares trade to the fully diluted capital-only net asset value which currently stands at 9.5% (as at 13 December 2012) and which averaged 8.6% over the year ended 30 September 2012.

The Directors did not need to utilise the authority given to them last year and no Ordinary shares were purchased for cancellation during the year ended 30 September 2012. However, a total of 4,700,000 Ordinary shares have been purchased for cancellation since the end of the year. The Board continues to monitor the discount to which the Company's Ordinary shares trade on the market and to consider whether purchases of the Ordinary shares should be made on a regular basis. It therefore proposes that this authority be renewed at the forthcoming Annual General Meeting.

Chairman's Statement

Subscription Shares

During the year under review, a total of 34,951 Subscription shares were converted into Ordinary shares, and since the end of the financial year, a further 1,118 Subscription shares have been converted into Ordinary shares.

A Circular reminding shareholders of the final subscription date on 31 December 2012, the final Subscription share price of 245p per share, outlining procedures for subscription and setting out the base costs for the Subscription shares for capital gains tax purposes, has already been sent to all Subscription shareholders.

We would urge all Subscription shareholders to consider whether they wish to convert their Subscription shares into Ordinary shares on 31 December 2012, as this is the final exercise date. The subscription price for the one remaining subscription date is 245p per share. Investors should seek independent financial advice if they are unsure about what action to take.

If Subscription shares remain unexercised on 31 December 2012, the last Subscription date, they will expire.

Annual General Meeting

The Annual General Meeting will be held on Tuesday 29 January 2013 at 11.30 a.m. and shareholders are encouraged to attend. As in previous years, Matthew Dobbs, on behalf of the Investment Manager, will give a presentation on the prospects for Asia and the Company's investment strategy.

Outlook

It is always pleasing to report on a year when both the share price and the net asset value are up by more than a quarter. It is also pleasing to report that, far from coincidentally, the Asia Pacific region is a relative oasis of calm at a time when most of the developed world continues to struggle with low growth and too much debt.

There are local risks, as discussed in the Manager's Review, and there must always be short-term concern about any market or investment strategy that outperforms Western markets by as much as has happened recently. Your Board continues to believe, however, that the region should be an integral part of most long-term investment portfolios, based on its growth potential and financial stability.

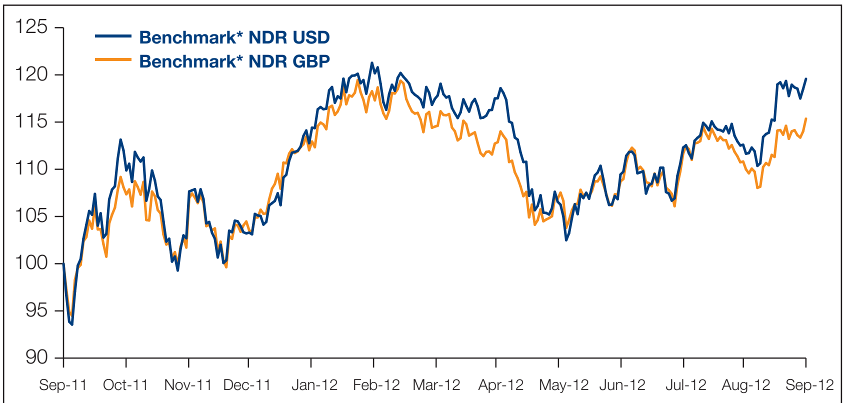
The Hon Rupert Carington
Chairman

14 December 2012

Investment Manager's Review

The net asset value of the Company recorded a total return of 28.7% over the twelve months to end September 2012. This represents substantial outperformance of the benchmark, the MSCI All Countries Asia ex Japan Index which rose 15.7% over the same period.

Performance of the MSCI AC Asia ex Japan Net Dividends Reinvested Index in GBP and USD – 30 September 2011 to 30 September 2012

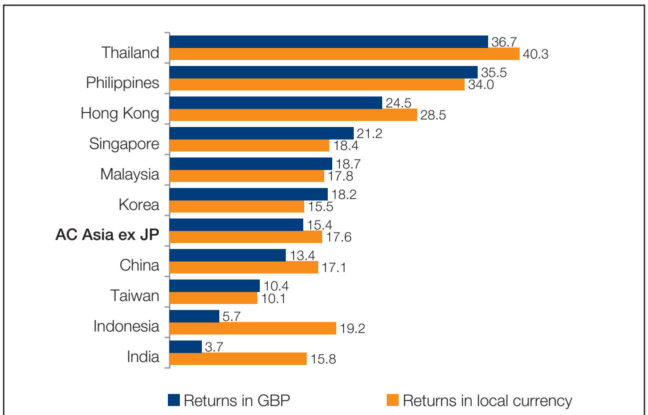


Source: Thomson Financial Datastream as at 30 September 2012

Regional markets made positive progress over the year under review despite some challenging global developments, particularly the continued bouts of uncertainty over the future of the euro with the focus shifting from the smaller economies of Greece and Portugal to the systemically more critical cases of Spain and Italy. The impact of a potential break-up and attendant economic dislocation in Europe would come through many channels. Most obviously the European economic bloc is a major trading partner of, and competitor to, Asia while European domiciled banking groups play important roles in the region, particularly in the corporate and trade finance sectors. The experience of 2008 has left Asian investors with a healthy respect for the indiscriminate effects of a global credit crunch.

While Europe has tended to grab the headlines, sluggish growth in the United States also contributed to the subdued sentiment. Washington brinkmanship over the debt ceiling, the downgrading of its sovereign rating, and a perception of policy drift has added to the mood even though America's economic performance has been respectable compared to other developed economies due to stabilization of private consumption and improvement in the net trade position.

Country returns of the MSCI AC Asia ex Japan Net Dividends Reinvested Index in GBP and local currency 30 September 2011 to 30 September 2012



Source: Factset

The big domestic talking point in the region was China. Expectations on growth were revised downwards with a modest recovery in the residential property market one of the few bright spots despite distinct ambivalence on the part of the authorities. Although there were some indications of monetary and fiscal loosening later in the period, the quantum was very limited, resulting in cautious sentiment among local investors, and a widespread feeling that the leadership transition was hampering any material Government-led initiatives.

Despite the lacklustre global back drop and the travails of both China and India as the regional giants, a number of markets offered respectable returns. This was particularly true in ASEAN where domestic factors dominated, and discipline in capital spending enhanced corporate returns. The exception was Indonesia given exposure to weak commodity prices and a negative swing in the trade balance.

Outside ASEAN, Hong Kong was able to shrug off the cold winds from its giant neighbour, as well as a flow of government measures seeking to cool the residential property market. The trade dependent markets of Taiwan and

Investment Manager's Review

Korea struggled to progress as exports have slowed and policy responses to lower inflationary pressures have been muted.

India has been the notable laggard overall, at least in sterling terms. Concern over weak fiscal and external balances have been compounded by the perception of political deadlock, contributing to a notable fall in the rupee exchange rate.

Performance and Portfolio Activity

The relative performance of the Company's portfolio has been strong over the period. The main contributors were strong stock selection in Korea, Hong Kong, Taiwan and Singapore, with lesser added value from the Philippines, Thailand and Indonesia. Country allocation also contributed, though to a lesser extent, with the underweightings in India and Indonesia and the overweighting in Thailand and Singapore being the main contributors.

Portfolio positioning in terms of country and sector exposure has been broadly stable over the period. At the margin, we added to Thailand, Indonesia and Australia at the expense of Singapore and Malaysia. Within HK/China, our emphasis has remained upon Hong Kong given superior corporate governance and more seasoned management in the face of an overall slowing in the Chinese economy.

Outlook and Policy

We remain wary of basing any substantive portion of portfolio policy on grand thinking on whether the United States will be stronger than people expect (though on balance we think it will not) and that Europe will be even weaker than expectations. It seems similarly futile to second guess the next stages of QE in its various forms apart from a suspicion that, for highly indebted Western democracies, the tendency must be towards inflation and devaluation of the currency as opposed to internal price adjustments. Consequently the creditors (savers including Asia) will end up sharing some of the pain of adjustment.

However, despite all this uncertainty, we believe there are pockets of value in Asia where valuations overall remain somewhat below the historic averages and consequently we maintain a modest level of gearing. Generally, we do not see much attractiveness in the more defensive sectors such as consumer staples, health care and utilities, and we are underweight these sectors. High valuations by historic standards reflect the fact that these sectors are over-owned and consensus. Even telecoms are not that cheap but their yield characteristics remain attractive. In contrast, a number of more cyclical areas such as industrials, information technology and basic materials are offering much better value.

Asia cannot be immune to the trends in the broader global economy and, at least in the short-term, the regional markets will remain somewhat correlated with developed equity markets. However, generally robust financial conditions and well capitalized banking sectors, high domestic savings and strong monetary and fiscal positions do give the region policy flexibility should external conditions deteriorate further.

The key domestic worry in Asia remains China, which also has potential ramifications for those parts of the region (commodity producers most obviously) which are the results of that country's investment led growth. The recent earnings season was tough for Chinese companies due to rising costs, slowing revenues, still strong capital spending and government measures which, generally consciously, are tending to squeeze SOE profitability. We continue to be underweight China along with Taiwan and Korea among major regional markets, while remaining overweight Hong Kong, Singapore and Thailand.

Country Weights – Schroder AsiaPacific Fund plc vs MSCI AC Asia ex Japan Index

Market	Net Asset Value Weightings (%) 30-Sep-12	30-Sep-11	Benchmark Index Weight (%) 30-Sep-12
HK	27.7	26.5	11.9
Korea	17.3	16.7	20.8
Singapore	15.2	17.5	7.3
Taiwan	11.2	11.7	14.8
India	8.2	8.4	9.4
Thailand	7.3	4.8	3.0
Australia/NZ	6.7	3.8	-
China	5.1	6.5	23.2
Indonesia	3.1	2.0	3.6
Other	2.0	2.9	-
Philippines	1.9	1.5	1.2
Malaysia	-	2.1	4.8
Other net assets	-5.7	-4.4	-
Total	**100.0**	**100.0**	**100.0**

Source: Schroders

Schroder Investment Management Limited
14 December 2012

Investment Portfolio

As at 30 September 2012

Company	Industrial Classification	Activity	Market Value of Holding £'000	% of Total Equity Shareholders' Funds
Samsung Electronics	Technology Hardware	South Korean electronics manufacturer	34,703	8.78
Jardine Strategic	General Industrials	Hong Kong diversified investment company	24,076	6.09
Taiwan Semiconductor	Technology Hardware	Taiwanese semiconductor manufacturer	22,752	5.75
Fortune Real Estate Investment Trust	Real Estate Investment Trusts	Owner operator of shopping malls in Hong Kong	13,437	3.40
LG Chemical	Chemicals	Korean petrochemicals producer	11,361	2.87
Swire Pacific	General Industrials	Hong Kong diversified industrial company	10,247	2.59
Techtronic Industries	Household Goods	Hong Kong electrical and electronic products manufacturer	9,716	2.46
Hyundai Motor Company	Automobiles and Parts	South Korean based vehicle producer	9,674	2.45
Sun Hung Kai Properties	Real Estate	Hong Kong real estate developer	9,628	2.43
CNOOC	Oil and Gas Producers	Chinese producer of oil and gas	9,588	2.43
Baidu	Software and Computer Services	Chinese web services provider	8,916	2.26
Bank Mandiri	Banks	Indonesian bank	8,877	2.25
Newcrest Mining	Mining	Australian operator of gold and copper mines	8,771	2.22
Capitamalls Asia	Real Estate and Investment	Singapore based shopping mall developer	7,676	1.94
Land & Houses	Real Estate	Real Estate developer in Thailand	7,672	1.94
LPN Development	Real Estate	Real Estate developer in Thailand	7,624	1.93
Bangkok Bank	Banks	Thai bank	7,273	1.84
Mediatek	Technology Hardware	Semi-conductor designer	7,115	1.80
Siliconware Precision	Technology Hardware	Taiwanese semiconductor packager	6,733	1.70
Sembcorp Marine	General Industrials	Singapore based marine construction	6,614	1.67
Top Twenty Holdings			**232,453**	**58.80**
Fletcher Building	Construction	New Zealand based building materials manufacturer	6,593	1.67
HDFC Bank	Banks	Indian bank	6,570	1.66
HSBC	Banks	Hong Kong based bank group	6,400	1.62
Hyundai Mobis	Automobiles and Parts	South Korean automobile parts manufacturer	6,351	1.61
AIA	Life Insurance	Asian regional life insurer	6,345	1.60
Total Access Communications	Telecommunications	Thai telecommunications provider	6,284	1.59
Yum Brands	Travel and Leisure	Fast food restaurant operator	6,217	1.57
BHP Billiton	Mining	Global mining company	5,909	1.49
Hong Kong Land	Real Estate and Investment	Hong Kong commercial property developer	5,793	1.47
Yue Yuen Industrial	Personal Goods	Hong Kong footwear manufacturer and distributor	5,581	1.41
Jaiprakash Associates	Construction and Materials	Indian conglomerate	5,418	1.37
Dah Chong Hong	General Retailers	Hong Kong listed conglomerate	5,287	1.34
Johnson Electric	Electronic and Electrical Equipment	Hong Kong listed manufacturer of micro motors	5,161	1.31
Reliance Industries	Oil and Gas Producers	Indian conglomerate	5,022	1.27
Hopewell	Real Estate	Property and toll roads operator in Hong Kong/China	4,878	1.23
Hexagon	Electronic and Electrical Equipment	Global technology company headquartered in Sweden	4,600	1.16
Mapletree Industrial	Real Estate Investment Trusts	Singapore based REIT	4,411	1.12
Kerry Properties	Real Estate and Investment	Hong Kong property developer	4,289	1.08
China Taiping Insurance	Life Insurance	Hong Kong listed life insurer	4,282	1.08

Investment Portfolio

As at 30 September 2012

Company	Industrial Classification	Activity	Market Value of Holding £'000	% of Total Equity Shareholders' Funds
Ayala Land	Real Estate and Investment	Philippines real estate developer	4,134	1.05
Largan Precision	Leisure Goods	Taiwanese designer and producer of camera lenses	4,014	1.02
Iluka Resources	Mining	Australian mineral sands operator	3,850	0.97
Biostime International	Food Producers	Hong Kong listed paediatric nutrition and baby care products provider	3,844	0.97
Lung Yen Life Service	Real Estate and Investment	Taiwanese funeral services provider	3,736	0.95
UOL	Real Estate and Investment	Singapore property developer	3,631	0.92
Idea Cellular	Mobile Telecommunications	Indian mobile network operator	3,578	0.91
PCCW	Fixed Line Telecommunications	Hong Kong telecommunications provider	3,548	0.90
Gujarat Pipavav Port	Industrial Transportation	Indian port operator	3,506	0.89
Holcim Philippines	Construction and Materials	Philippines cement producer	3,325	0.84
Shriram Transport Finance[1]	Financial Services	Indian hire purchase finance provider for trucks	3,113	0.78
Jardine Matheson	General Industrials	Hong Kong diversified investment company	3,016	0.76
Pacific Basin Shipping	Industrial Transportation	Hong Kong listed, dry bulk ships operator	2,907	0.74
Samsung Fire & Marine	Non-Life Insurance	South Korean general insurer	2,818	0.71
United Tractor	Industrial Engineering	Indonesian heavy plant distributor	2,627	0.66
GS Engineering and Construct	Construction and Materials	South Korean construction company	2,497	0.63
Baoxin Auto	Automobiles and Parts	Hong Kong listed car dealer	2,481	0.63
Cognizant Technology Solutions	Software and Computer Services	IT service provider	2,317	0.59
John Keells	General Industrials	Sri Lankan conglomerate	2,286	0.58
Parkson Retail	General Retailers	Department store operator in China	2,256	0.57
Niko Resources	Oil and Gas Producers	Oil and gas producer	2,136	0.54
Hengdeli	General Retailers	Hong Kong watch retailer	2,075	0.52
Charm Communications	Media	Advertising agency in China	2,049	0.52
China Vanke	Real Estate and Investment	Chinese property developer	1,960	0.50
China Lodging	Travel and Leisure	Economy hotels operator in China	1,955	0.49
Atlas Iron	Mining	Australian iron ore producer	1,403	0.35
Ping An Insurance[1]	Life Insurance	Insurance service provider in China	1,162	0.29
Vietnam Enterprise Investments	Country Fund	Vietnamese investment fund	981	0.25
Mcleod Russel India	Food Producers	Indian tea producer	932	0.24
Shinsegae	General Retailers	South Korean department store franchiser	792	0.20
Modern Photo	Leisure Goods	Indonesian camera lense manufacturer	553	0.14
Total investments			**417,326**	**105.56**
Other net liabilities			**(21,986)**	**(5.56)**
Total equity shareholders' funds			**395,340**	**100.00**

[1]Includes a holding of warrants.

The portfolio comprises entirely equity investments and warrants.

At 30 September 2011 the twenty largest investments represented 56.92% of total equity shareholders' funds.

Report of the Directors

Business Review

Company's Business

The Company carries on business as an investment trust and is an investment company within the meaning of Section 833 of the Companies Act 2006. In order to continue to obtain exemption from capital gains tax, the Company has conducted itself with a view to being an approved investment trust for the purposes of Section 1158 of the Corporation Tax Act 2010. The last accounting period for which the Company has been treated as approved by HMRC is for the year ended 30 September 2011 and the Company has subsequently directed its affairs so as to enable it to continue to qualify for approval under HMRC's qualifying rules. The Company is not a close company for taxation purposes.

Investment Objective

The principal investment objective of the Company is to achieve capital growth through investment primarily in equities of companies located in the continent of Asia (excluding the Middle East and Japan), together with the Far Eastern countries bordering the Pacific Ocean, with the aim of achieving growth in excess of the MSCI All Countries Asia excluding Japan Index in Sterling terms over the longer term.

Relationship with the Investment Manager

Schroder Investment Management Limited (the "Manager" and/or "Schroders"), which is authorised and regulated by the Financial Services Authority, provides investment management, accounting and company secretarial services to the Company under the terms of an investment management agreement. Schroders also provides general marketing support for the Company and manages relationships with key investors, in conjunction with the Chairman, other Board members or the corporate broker as appropriate.

The Company's assets are managed in line with appropriate restrictions placed on Schroders by the Board. These restrictions include limits on the type and relative size of holdings which may be held in the portfolio and on the use of gearing, hedging, cash, derivatives and other financial instruments. Schroders is also responsible for ensuring that the voting rights held in respect of portfolio companies are used as part of a process of effective engagement with the management of portfolio companies. The Company also gives instructions to Schroders to ensure that it discharges the obligations of the Stewardship Code on its behalf.

Schroders, in its capacity as Company Secretary, liaises with the Company's corporate broker to assist in the implementation of the Company's discount management policy. The Company Secretary also advises the Board on key relationships with other third party service providers and ensures regular review of the services provided by these parties.

All services carried out by Schroders are subject to regular reporting to and monitoring by the Board or its Committees.

Investment Strategy

The Board has delegated management of the Company's portfolio to Schroders, who manages the portfolio with the aim of helping the Company to achieve its investment objective. Details of the Manager's strategy, and other factors that have affected performance during the year, are set out in the Investment Manager's Review on pages 6 and 7.

Investment Policy

The Company principally invests in a diversified portfolio of companies located in the continent of Asia (excluding the Middle East and Japan) (for the purposes of this paragraph the "region"). Such countries include Hong Kong/China, Singapore, Taiwan, Malaysia, South Korea, Thailand, India, The Philippines, Indonesia, Pakistan, Vietnam and Sri Lanka and may include other countries in the region that permit foreign investors to participate in investing in equities, such as in their stock markets or other such investments in the future. Investments may be made in companies listed on the stock markets of countries located in the region and/or listed elsewhere but controlled from within the region and/or with a material exposure to the region.

The portfolio is predominantly invested in equities, but may also be invested in other financial instruments such as put options on indices and equities in the region. The Company does not use derivative contracts for speculative purposes. The Company may invest up to 5% of its assets in securities which are not listed on any stock exchange but would normally not make such an investment except where the Manager expects that the securities will shortly become listed on a stock exchange. In order to maximise potential returns, gearing may be employed by the Company from time to time. Where appropriate the Directors may authorise the hedging of the Company's currency exposure. While the Articles limit the amount of gearing the Company may have to a maximum of the Company's adjusted capital and reserves, Directors do not anticipate net effective gearing levels in excess of 20% of shareholders' funds.

Report of the Directors

Spread of Investment Risk

Risk in relation to the Company's investments is spread as a result of the Manager monitoring the Company's portfolio with a view to ensuring that the portfolio retains an appropriate balance to meet the Company's investment objective. The key restrictions imposed on the Manager are that: a) no more than 15% of the Company's total net assets, at the date of acquisition, may be invested in any one single company; b) no more than 10% of the Company's total net assets, at the date of acquisition, may be invested in other listed investment companies unless such companies have a stated investment policy not to invest more than 15% of their gross assets in other listed companies; c) no more than 15% of the Company's total net assets may be invested in open-ended funds and; d) no more than 25% of the Company's total net assets may be invested in the aggregate of unlisted investments and holdings representing 20% or more of the equity capital of any company. The Investment Portfolio on pages 8 and 9 demonstrates that, as at 30 September 2012, the Manager held 70 investments spread over several countries and in a range of industry sectors. The largest investment, Samsung Electronics, represented 8.8% of shareholders' funds at 30 September 2012. At the year end, the Company did not hold any unlisted investments, and did not hold any open-ended funds. The Company had an interest amounting to 4.5% of shareholders' funds in REITs, which are closed ended investment companies. The Board therefore believes that the objective of spreading risk has been achieved in this way.

Performance

An outline of performance, market background, investment activity and portfolio strategy during the year under review, as well as the outlook, is provided in the Chairman's Statement on pages 4 and 5 and the Investment Manager's Review on pages 6 and 7.

Gearing

The Company utilises a credit facility, currently in the amount of US$75 million (30 September 2011: US$75 million), which increases the funds available for investment through borrowing ("gearing"). The Company's gearing continues to operate within pre-agreed limits and Directors do not anticipate gearing levels in excess of 20% of shareholders' funds.

Measuring Success – Key Performance Indicators

The Board has adopted long-term key performance indicators ("KPIs") which assist it in measuring the development and success of the Company's business. The KPIs focus on the following areas: the measurement of the success of the Company's investment objective of providing growth in excess of the benchmark Index; the management of the discount; and the rate of expenses incurred by shareholders in the running of the Company.

Investment Performance

In order to measure the Company's investment performance, quarterly reports, including commentary on its view of markets, the impact of stock selection decisions and other attribution analysis, portfolio activity and strategy and outlook for the portfolio and the markets are provided by the Manager and form the basis of discussions at every board meeting. On a regular basis, the Board also reviews the investment processes of the Manager and considers reports from its broker on the perception of shareholders and the market on the Manager's performance and the Company's strategy.

For the year ended 30 September 2012, the Company produced a total return on net asset value of 28.7% compared to a total return of 15.7% for the benchmark. A chart showing the Company's ten-year performance against the benchmark to 30 September 2012 can be found on page 3 of this Report. Country distribution can be found in the Investment Manager's Review on pages 6 and 7.

Discount Management

The shares of the Company generally trade at a discount to net asset value and the management of this discount is a key factor for the Board. The Board has therefore adopted a second KPI, which measures the success of the Board's strategy to limit volatility in the discount.

As the discount is a function of the balance between the supply and demand for the Company's shares, a principal objective for the Board is to ensure that, through Schroders' marketing team and the Company's stockbrokers, potential shareholders and their advisers continue to be kept informed of the Company's progress and the ways they can invest in it.

Share buy-backs are a more direct way of managing the discount. The discount of the Company's share price to its underlying net asset value and the discounts of peer group companies are monitored. As more particularly described in the Chairman's Statement, the Board considers the use of its share buy-back authority on a regular basis and has adopted guidelines which outline circumstances in which the Company is prepared to buy back

Report of the Directors

shares. It was not necessary to purchase any shares for cancellation during the year ended 30 September 2012 (2011: 515,000 Ordinary shares purchased). However, a total of 4,700,000 Ordinary shares have been purchased for cancellation since the end of the year.

At 30 September 2012, the Company's share price stood at a discount of 10.3% to fully diluted capital only net asset value. During the year under review the discount averaged 8.6%.

Control of Ongoing Charges

The Board has adopted a third KPI which assists it in keeping the ongoing charges of the Company under review.

An analysis of the Company's costs, including management fees, Directors' fees and general expenses, is submitted to each Board meeting.

The Ongoing Charges figure for the year ended 30 September 2012 (representing the management fee and all other operating expenses excluding finance costs, expressed as a percentage of the average daily net asset values during the year) was 1.18% (2011: 1.15% as restated). The Ongoing Charges figure is calculated in accordance with guidance issued by the AIC in May 2012 and replaces the Total Expense Ratio published in previous years.

Principal Risks and Uncertainties

The Board has adopted a matrix of key risks which affect its business and a robust framework of internal control which is designed to monitor those risks to enable the Directors to mitigate them as far as possible and which assists in determining the nature and extent of the significant risks the Board is willing to take in achieving its strategic objectives. A full analysis of the Directors' system of internal control and its monitoring system is set out in the Corporate Governance Statement. The principal risks are considered to be as follows:

Financial Risk

The Company is exposed to the effect of market fluctuations due to the nature of its business. A significant fall in regional equity markets would have an adverse impact on the market value of the Company's underlying investments. The Board considers the portfolio's risk profile at each Board meeting and discusses with the Manager appropriate strategies to mitigate any negative impact of substantial changes in markets.

The Company invests in underlying assets which are denominated in a range of currencies and therefore has an exposure to changes in the exchange rate between Sterling and other currencies, which has the potential to have a significant effect on returns. While the Directors consider the Company's hedging policy on a regular basis, the Company did not engage in currency hedging to reduce the risk of currency fluctuations and the volatility of returns which might result from such currency exposure during the year ended 30 September 2012.

The Company may invest in put options on indices and equities in the region, to protect part of the capital value of the assets against market falls.

The Company utilises a credit facility, currently in the amount of US$75 million, which increases the funds available for investment through borrowing ("gearing"). Therefore, in falling markets, any reduction in the net asset value and, by implication, the consequent share price movement is amplified by the gearing. The Directors keep the Company's gearing under constant review and impose strict restrictions on borrowings to mitigate this risk. The Company's gearing continues to operate within pre-agreed limits so that gearing does not exceed 20% of shareholders' funds.

A full analysis of the financial risks facing the Company is set out in note 20 on pages 35 to 39.

Strategic Risk

Over time investment vehicles and asset classes can become out of favour with investors or may fail to meet their investment objectives. This may be reflected in a wide discount of the share price to underlying asset value. Directors periodically review whether the Company's investment remit remains appropriate and continually monitor the success of the Company in meeting its stated objectives. Further details may be found under "Investment Performance" and "Discount Management" above.

Accounting, Legal and Regulatory Risk

In order to continue to qualify as an investment trust, the Company must comply with the requirements of Section 1158 of the UK Corporation Tax Act 2010. Should the Company not comply with these requirements, it might lose investment trust status and capital gains within the Company's portfolio could, as a result, be subject to Capital Gains Tax.

Breaches of the UK Listing Rules, the Companies Acts or other regulations with which the Company is required to comply, could lead to a number of detrimental outcomes and damage the Company's reputation. Breaches of controls by service providers, including the Manager, could also lead to reputational damage or loss.

The Board's system of internal control seeks to mitigate the potential impact of these risks and it also relies on its advisers to assist it in ensuring continued compliance.

Report of the Directors

The Directors submit their Report and audited Financial Statements of the Company for the year ended 30 September 2012.

Revenue and Earnings

The net revenue return for the year after taxation was £4,916,000 (2011: £4,033,000), equivalent to a return of 3.37 pence per share (2011: 2.60 pence per share) and the Directors recommend the payment of a final dividend for the year ended 30 September 2012 of 3.35 pence per share (2011: 2.75 pence per share), payable on 30 January 2013 to shareholders on the Register on 4 January 2013, subject to approval by shareholders at the Annual General Meeting.

Directors and their Interests

The Directors of the Company and their biographical details can be found on the inside front cover of this Report. All Directors held office throughout the year under review with the exception of Mrs Rosemary Morgan, who was appointed as a Director on 1 July 2012.

In accordance with the Company's Articles of Association, Mrs Morgan will seek election at the forthcoming Annual General Meeting, this being the first Annual General Meeting since her appointment during the year. Full biographical details for Mrs Morgan may be found on the inside front cover of this Report.

In accordance with the Company's Articles of Association and the Company's policy on tenure, The Hon. Rupert Carington, Mr Robert Binyon and Mr Robert Boyle retire, and, being eligible, offer themselves for re-election. The Board has assessed the independence of all Directors. The Hon. Rupert Carington and Mr Binyon are considered to be independent in character and judgement, notwithstanding that they have served on the Board for more than nine years.

The Board supports the election of Mrs Morgan and the re-elections of The Hon. Rupert Carington, Mr Binyon and Mr Boyle, as it considers that each of these Directors continues to demonstrate commitment to his/her role and provides a valuable contribution to the deliberations of the Board through his/her knowledge of the Asia Pacific region and the investment industry. It therefore recommends that shareholders vote in favour of their election and/or re-election.

The Directors' interests in the Company's share capital at the beginning and end of the financial year ended 30 September 2012, all of which were beneficial, were as follows:

Director	**Ordinary shares of 10p each at 30 September 2012**	Ordinary shares of 10p each at 1 October 2011
The Hon. Rupert Carington	**94,960**	94,960
Robert Binyon	**48,000**	48,000
Robert Boyle	**15,000**	15,000
Anthony Fenn	**12,000**	12,000
Rosemary Morgan*	**Nil**	N/A
Nicholas Smith	**20,000**	20,000

*Rosemary Morgan was appointed as a Director of the Company on 1 July 2012.

There have been no changes in the above holdings between the end of the financial year and the date of this Report.

Share Capital

Details of changes in the Company's share capital during the year are set out in note 13 on page 33.

As at the date of this Report, the Company had 141,257,189 Ordinary shares of 10p each and 28,443,527 Subscription shares of 1p each in issue. No shares were held in Treasury and the Subscription shares carry no voting rights. Accordingly, the total number of voting rights in the Company at the date of this Report is 141,257,189.

Report of the Directors

Substantial Share Interests

As at the date of this Report, the Company has received notifications in accordance with the FSA's Disclosure and Transparency Rule 5.1.2R of the following interests in 3% or more of the voting rights attaching to the Company's issued share capital:

	Number of Ordinary shares	Percentage of total voting rights
City of London Investment Management Limited	35,619,186	25.22
Investec Wealth & Investment Limited	14,605,070	10.34
Legal & General	6,620,167	4.69

Investment Manager

Following their annual review, the Directors consider the continuing appointment of the Investment Manager on the terms of the existing investment management agreement to be in the best interests of the Company. Schroders provides the Company with considerable investment management resource and experience, thereby enhancing the ability of the Company to achieve its investment objective.

The investment management agreement can be terminated by either party on 12 months' notice or on immediate notice in the event of certain breaches or the insolvency of either party. At the date of this Report no such notice had been given by either party. The Investment Manager is entitled to a fee at a rate of 1.00% per annum on assets up to and including £100 million, of 0.95% per annum on assets between £100 million and £300 million, 0.90% per annum on assets between £300 and £400 million and of 0.85% per annum on assets above £400 million, payable quarterly in arrears and calculated by reference to the value of the Company's assets under management (net of current liabilities other than short term borrowings) at the end of the preceding quarter. The Manager's periodic charge, in respect of Schroder funds in which the Company invests, are rebated to the Company so that no double charging occurs. No investments in Schroders funds were held during the year ended 30 September 2012. The investment management fee payable in respect of the year ended 30 September 2012 is shown in note 4 to the accounts on page 30.

Schroder Investment Management Limited was entitled to receive a fee of £89,000 per annum (plus VAT) for corporate secretarial services provided to the Company for the year ended 30 September 2012 (30 September 2011: £84,000 (plus VAT)). The fee continues to be subject to annual adjustment in line with changes in the Retail Prices Index.

Policy for the Payment of Creditors

It is the policy of the Company to settle all investment transactions in accordance with the terms and conditions of the relevant markets in which it operates. All other expenses are paid on a timely basis in the ordinary course of business. There were no outstanding trade creditors, other than purchases for future settlement, at 30 September 2012 (2011: Nil).

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report, the Remuneration 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements respectively.

Report of the Directors

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Remuneration Report 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 Report of the Directors and Corporate Governance Statement that comply with that law and those regulations.

Each of the Directors, whose names and functions are set out in the inside front cover of this Report, confirms that, to the best of their knowledge:

- the financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), give a true and fair view of the assets, liabilities, financial position and net return of the Company; and
- the Report of the Directors includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

Going Concern

The Directors believe that, having considered the Company's investment objective (see inside front cover), risk management policies (see note 20 to the accounts on pages 35 to 39), capital management policies and procedures (see note 21 to the accounts on page 40), the nature of the portfolio and expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future. For these reasons, they consider that there is reasonable evidence to continue to adopt the going concern basis in preparing the financial statements.

Corporate Governance Statement

The Company's Corporate Governance Statement is set out on pages 19 to 22 and forms part of this Report of the Directors.

Anti-Bribery Policy

The Company continues to be committed to carrying out its business fairly, honestly and openly and continues to operate an anti-bribery policy which aims to prevent bribery being committed by Directors and persons associated with the Company on the Company's behalf and to ensure compliance with the Bribery Act 2010.

Corporate Social and Environmental Policy

As an investment company, the Company has no direct social or environmental responsibilities; its policy is focused on ensuring that its portfolio is properly managed and invested. The Company has however adopted an environmental policy, details of which are set out in the Corporate Governance Statement on page 22.

Independent Auditors

The Company's Auditors, PricewaterhouseCoopers LLP, have expressed their willingness to remain in office and resolutions to re-appoint them as Auditors to the Company and to authorise the Directors to determine their remuneration will be proposed at the forthcoming Annual General Meeting.

The Audit Committee remains satisfied with the effectiveness of the audit provided by PricewaterhouseCoopers LLP and therefore has not considered it necessary to require an independent tender process. The Auditors are required to rotate the Senior Statutory Auditor every five years and this is the fifth year that the current Senior Statutory Auditor has been in place. The appointment of a successor is under consideration by the Audit Committee.

The Audit Committee has adopted a pre-approval policy on the engagement of the auditors to supply non-audit services to the Company. £2,000 (2011: Nil) is payable to the Auditors for non-audit services provided in respect of taxation compliance.

Provision of Information to the Auditors

The Directors at the date of approval of this Report confirm that, so far as each of them is aware, there is no relevant audit information of which the Company's Auditors are unaware; and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

Report of the Directors

Annual General Meeting ("AGM")

The following information is important and requires your immediate attention. If you are in any doubt about the action you should take, you should consult an independent financial adviser, authorised under the Financial Services and Markets Act 2000. If you have sold or transferred all of your Ordinary shares in the Company, please forward this document with its accompanying form of proxy at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The AGM will be held on Tuesday, 29 January 2013 at 11.30 a.m. The formal notice of the AGM is set out on page 41.

Special Business to be proposed at the AGM

Resolutions relating to the following items of special business will be proposed at the AGM.

Resolution 10 – Increase in Aggregate Limit of Fees Payable to Directors (Ordinary Resolution)

The Articles of Association currently impose an aggregate cap on fees which may be paid to Directors of £150,000 per annum. This cap has remained at the same level since the beginning of 2005 and the Board is seeking an increase in the cap to £200,000 per annum at the forthcoming Annual General Meeting by way of an Ordinary Resolution. Fees paid to Directors have increased since 2005 in line with the market and to take account of the rise in time commitments expected of Directors.

There is no current intention of increasing fees at this time, following the increase during the year ended 30 September 2012, although fees continue to be reviewed each year. The Board believe that the increased cap will be sufficient to meet its requirements for the next few years. The Remuneration Report will continue to be submitted for approval by shareholders at each Annual General Meeting.

Resolution 11 – Authority to Make Market Purchases of the Company's own Ordinary shares (Special Resolution)

At the AGM held on 1 February 2012, the Company was granted authority to make market purchases of up to 25,694,560 Ordinary shares of 10p each for cancellation. A total of 4,700,000 Ordinary shares have been bought back under this authority, which will expire at the forthcoming AGM.

The Directors believe it is in the best interests of the Company and its shareholders to have a general authority for the Company to buy back its Ordinary shares in the market as they keep under review the share price discount to net asset value and the purchase of Ordinary shares. A special resolution will be proposed at the forthcoming AGM to give the Company authority to make market purchases of up to 14.99% of the Ordinary shares in issue on 14 December 2012. The Directors will exercise this authority only if the Directors consider that any purchase would be for the benefit of the Company and its shareholders, taking into account relevant factors and circumstances at the time. Any shares so purchased would be cancelled. The authority to be given at the 2013 AGM will lapse at the conclusion of the AGM in 2014 unless renewed or revoked earlier.

The maximum purchase price that may be paid for an Ordinary share will not be more than the greater of 5% above the average of the middle market values of the shares, as taken from the London Stock Exchange Daily Official List, for the five business days preceding the date of purchase and the higher of the price of the last independent trade in the shares and the highest then current independent bid for the shares on the London Stock Exchange. The minimum price will be 10p, being the nominal value per Ordinary share.

Recommendation

The Board considers that all the resolutions to be proposed at the forthcoming AGM are in the best interests of the Company and shareholders as a whole. Accordingly, the Board unanimously recommends to shareholders that they vote in favour of the resolutions to be proposed at the AGM, as they intend to do in respect of their own beneficial holdings.

By Order of the Board
Schroder Investment Management Limited
Company Secretary

14 December 2012

Remuneration Report

The determination of the Directors' fees is a matter dealt with by the Management Engagement Committee and the Board.

The Company's Articles of Association currently limit the aggregate fees payable to the Board of Directors to a total of £150,000 per annum. A resolution to increase this aggregate limit to £200,000 is being proposed at the forthcoming Annual General Meeting. Subject to this overall limit, it is the Company's policy to determine the level of Directors' fees having regard to the fees payable to non-executive directors in the industry generally, the role that individual Directors fulfil in respect of Board and Committee responsibilities, and time committed to the Company's affairs. The Directors' fees are reviewed annually by the Board. During the year ended 30 September 2011, the Chairman was entitled to receive a fee of £21,000 per annum, and the other members of the Board were entitled to receive fees of £16,000 per annum. Fees were increased with effect from 1 April 2012, and the Chairman now receives £26,000 per annum and Directors now receive £19,000 per annum. The Senior Independent Director and chairman of the Audit Committee receives an additional £2,000 per annum for his more onerous role.

Additional fees are also paid for membership of each of the Audit, Management Engagement and Nomination Committees. The Committee fees are payable to members of each committee for their contributions to the deliberations of such Committees. Members of the Audit Committee each receive an additional fee of £2,000 per annum and members of the Management Engagement and Nomination Committees each receive an additional £1,000 per annum.

No Director past or present has any entitlement to pensions, and the Company has not awarded any share options or long-term performance incentives to any of them. No element of Directors' remuneration is performance-related.

The Board believes that the principles of Section D of the UK Corporate Governance Code (the "Code") relating to remuneration do not apply to the Company, except as outlined above, as the Company has no executive Directors.

No Director has a service contract with the Company, however, Directors have a letter of appointment with the Company under which they are entitled to one month's notice in the event of termination. The Directors' terms of appointment are available for inspection at the Company's Registered Office address during normal business hours and at the Annual General Meeting.

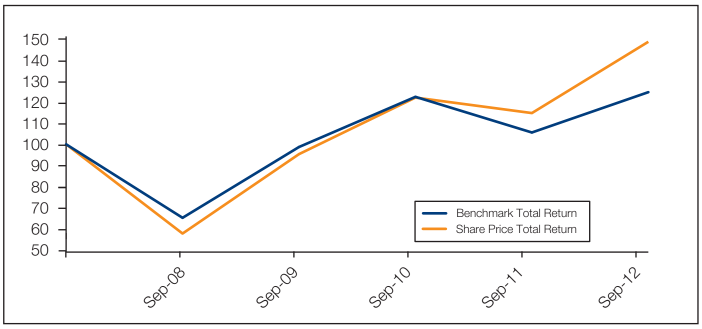
All Directors are appointed for an initial term covering the period from the date of their appointment until the first AGM thereafter, at which they are required to stand for election in accordance with the Articles of Association. Thereafter, Directors retire by rotation at least every three years and, as required by the Company's policy on tenure. The Chairman meets with each Director before such Director is proposed for re-election and, subject to the evaluation of performance carried out each year, the Board agrees whether it is appropriate for such Directors to seek an additional term.

When recommending whether an individual Director should seek re-election, the Board will take into account the provisions of the Code, including the merits of refreshing the Board and its Committees.

Remuneration Report

Performance Graph

A graph showing the Company's share price total return compared with its Benchmark over the last five years is shown below. With effect from 31 January 2011, the Company's benchmark has been the MSCI All Countries Asia excluding Japan Index in Sterling terms. Prior to that date the Benchmark was the MSCI All Countries Far East excluding Japan Index in Sterling terms. The return for the year ended 30 September 2011 was based on a combination of both of these indices, calculated on a pro-rata basis.



Source: Morningstar/Thomson Financial Datastream

All data has been rebased to 100 at start of period.

The following amounts were paid by the Company to the Directors for services as non-executive Directors:

Director	**For the year ended 30 September 2012 £**	For the year ended 30 September 2011 £
The Hon. Rupert Carington (Chairman)	**27,500**	25,000
Robert Binyon	**21,500**	20,000
Robert Boyle	**21,500**	20,000
The Rt. Hon. The Earl of Cromer[1]	**N/A**	6,667
Anthony Fenn	**21,500**	20,000
Rosemary Morgan[2]	**5,750**	N/A
Nicholas Smith	**22,500**	20,000
	120,250	111,667

[1] Retired as a Director on 31 January 2011.
[2] Appointed as a Director on 1 July 2012.

The information in the above table has been audited (see the Independent Auditors' Report on page 23).

By Order of the Board
Schroder Investment Management Limited
Company Secretary

14 December 2012

Corporate Governance

The Board is committed to high standards of corporate governance and has implemented a framework for corporate governance which it considers to be appropriate for an investment company in order to comply with the principles of the UK Corporate Governance Code (the "Code"), which is applicable to the Company for the year under review. The Code is published by the FSA and is available to download from www.fsa.gov.uk.

Compliance Statement

The UK Listing Authority requires all UK listed companies to disclose how they have complied with the provisions of the Code. This Corporate Governance Statement, together with the Statement of Directors' Responsibilities and Going Concern statement set out on pages 14 and 15, indicates how the Company has complied with the principles of good governance of the Code and its requirements on Internal Control.

The Board considers that the Company has, throughout the year under review, complied with all relevant provisions set out in the Code, save in respect of the appointment of a Senior Independent Director, which was put into effect during the year following an external Board Evaluation exercise. The Senior Independent Director leads the evaluation of the performance of the Chairman and is available to the Directors and/or shareholders if they have concerns which cannot be resolved through discussion with the Chairman.

Application of the Code's Principles

Role of the Chairman

The Chairman is responsible for leading the Board, ensuring its effectiveness in all aspects of its role and promoting a culture of openness and debate by facilitating the effective contribution of Directors, setting the Board's agenda and for ensuring that adequate time is available for discussion of all agenda items, including strategy.

Role of the Board

The Board is collectively responsible for the long-term success of the Company.

The Board determines and monitors the Company's investment objectives and policy, and considers the future strategic direction of the Company. Matters specifically reserved for decision by the Board have been adopted. The Board is responsible for presenting a balanced and understandable assessment of the Company's position and, where appropriate, prospects in annual and half-yearly accounts and other forms of public reporting. It monitors and reviews the shareholder base of the Company, marketing and shareholder communication strategies, and evaluates the performance of all service providers, with input from its Committees where appropriate. A procedure has been adopted for Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company, where appropriate. The Directors have access to the advice and services of the corporate Company Secretary through its appointed representative, who is responsible to the Board, inter alia, for ensuring that Board procedures are followed, and that applicable rules and regulations are complied with.

Composition and Independence

The Board currently consists of six non-executive Directors. Profiles of each of the Directors, including their age and length of service, may be found on the inside front cover of this Report. The Board considers each of the Directors to be independent. The independence of each Director is considered on a continuing basis.

The Board has no executive Directors and has not appointed a Chief Executive Officer as it has contractually delegated responsibility for the management of the Company's investment portfolio, the arrangement of custodial services and the provision of accounting and company secretarial services. The Company has no employees. Details of the relationship with the Investment Manager may be found in the Report of the Directors on page 10 of this Report.

The Board is satisfied that it is of sufficient size with an appropriate balance of skills and experience, independence and knowledge of both the Company and the wider investment company industry to enable Directors to discharge their respective duties and responsibilities effectively and that no individual or group of individuals is, or has been, in a position to dominate decision making.

Board Committees

The Board has delegated certain responsibilities and functions to Committees. Terms of Reference for each of these Committees, which are reviewed annually, are available on the Company's website at www.schroderasiapacificfund.com. Details of membership of the Committees at 30 September 2012 may be found on the inside front cover of this Report and information regarding attendance at Committee meetings during the year under review may be found on page 21.

Audit Committee

The role of the Audit Committee, chaired by Mr Smith, is to ensure that the Company maintains the highest standards of integrity in financial reporting and internal control. The Board considers each member of the Committee to be independent. The Board also considers that members of the Committee have recent and relevant financial experience.

Corporate Governance

To discharge its duties, the Committee met on two occasions during the year ended 30 September 2012 and considered the annual and half-yearly report and accounts, the external Auditors' year-end report, management representation letters, the effectiveness of the audit process, the independence and objectivity of the external Auditor and internal controls operating within the Manager and custodian.

Representatives of the Company's Auditors attend the Audit Committee meeting at which the draft Annual Report and Accounts are considered. Having reviewed the performance of the external Auditors, the Committee considered it appropriate to recommend their re-appointment. The Board supported this recommendation which will be put to shareholders at the forthcoming Annual General Meeting.

Management Engagement Committee

The role of the Management Engagement Committee is to ensure that the Company's Investment Manager remains suitable to manage the portfolio, that the management contract is competitive and reasonable for the shareholders, and that the Company maintains appropriate administrative and company secretarial support. In addition, the Committee reviews fees paid to Directors and makes recommendations to the Board in this regard. The Board considers each member of the Committee to be independent.

To discharge its duties, the Committee met on one occasion during the year ended 30 September 2012 and considered the performance and suitability of the Investment Manager, the terms and conditions of the management contract and the fees paid to Directors.

Nomination Committee

The role of the Committee is to consider and make recommendations to the Board on its composition so as to maintain an appropriate balance of skills, experience and diversity, including gender, and to ensure progressive refreshing of the Board. On individual appointments, the Committee leads the process and makes recommendations to the Board. The Board considers each member of the Committee to be independent.

Before the appointment of a new Director, the Nomination Committee prepares a description of the role and capabilities required for a particular appointment, having evaluated the balance of skills, knowledge and experience and diversity of the Board. When considering whether to replace a Director, the Company's policy on tenure is also taken into account. In light of this evaluation, the Nomination Committee considers a range of candidates sourced either from recommendation from within the Company or by using external consultants.

The Nomination Committee will assess potential candidates on merit against a range of criteria including experience, knowledge, professional skills and personal qualities as well as independence, if this is required for the role. Candidates' ability to commit sufficient time to the business of the Company is also key, particularly in respect of the appointment of the Chairman. The Chairman of the Nomination Committee is primarily responsible for interviewing suitable candidates and a recommendation will be made to the Board for final approval.

To discharge its duties, the Committee met on three occasions during the year ended 30 September 2012 and considered candidates for the appointment of a new Director. The Committee did not require the services of any external consultants in considering the appointment as a sufficient selection of suitable candidates had been put forward from existing contacts. As a result of the selection process, Mrs Morgan was appointed as a Director on 1 July 2012.

Tenure

The Directors have adopted a policy on tenure that is considered appropriate for an investment company. The Board does not believe that length of service, by itself, leads to a closer relationship with the Investment Manager, or that it necessarily affects a Director's independence of character or judgment. Therefore, the independence of Directors is assessed on a case by case basis. In order to give shareholders the opportunity to endorse this policy, and in accordance with the provisions of the Code, any Director who has served for more than nine years will thereafter be subject to annual re-election by shareholders.

Induction and Training

The Board has adopted a full, formal and tailored induction programme for new Directors, which is administered by the Company Secretary. Directors are provided, on a regular basis, with key information on the Company's policies, regulatory requirements and its internal controls. Regulatory and legislative changes affecting Directors' responsibilities are advised to the Board as they arise along with changes to best practice. Advisers to the Company also prepare reports for the Board from time to time. In addition, the Chairman reviews the training and development needs of each Director annually, as part of the evaluation process outlined below.

Board Evaluation

The Board has adopted a formal and rigorous annual evaluation of its own performance and that of its Committees and individual Directors. The evaluation takes place in two stages. First, the evaluation of individual Directors is led by the Chairman, and the evaluation of the Chairman's performance is led by the Senior Independent Director.

Corporate Governance

Secondly, the Board evaluates its own performance and that of its Committees. The Directors meet at least once a year without the Chairman present and the Senior Independent Director chairs this meeting.

Evaluation is conducted utilising a questionnaire combined with one to one meetings if appropriate. The Board has developed criteria for use at the evaluation, which focuses on the individual contribution to the Board and its Committees made by each Director, an analysis of the time which Directors are able to allocate to the Company to discharge their duties effectively and the responsibilities, composition and agenda of the Committees and of the Board itself.

For this year, an external evaluation of the Board was commissioned in December 2011. The external review was facilitated by Trust Associates and took the form of a series of one to one meetings with Directors and key advisers. A report was then submitted to the Board. This report did not highlight any material issues with the performance of the Board or its Committees. A number of recommendations were made and subsequently adopted by the Board, the most significant of which was that a Senior Independent Director should be appointed.

Meetings and Attendance

The Board meets at least four times each year and, in addition, meets specifically to discuss strategy once each year. Additional meetings are also arranged as required and regular contact between Directors, the Investment Manager and the Company Secretary is maintained throughout the year. Representatives of the Investment Manager and Company Secretary attend each meeting and other advisers also attend when requested to do so by the Board. Attendance at the four scheduled Board meetings and at Committee meetings held during the year under review was as follows.

Director	Nomination Committee	Board	Audit Committee	Management Engagement Committee
The Hon. Rupert Carington	3/3	4/4	2/2	1/1
Robert Binyon	3/3	4/4	2/2	1/1
Robert Boyle	3/3	4/4	2/2	1/1
Anthony Fenn	3/3	4/4	2/2	1/1
Nicholas Smith	3/3	4/4	2/2	1/1

Mrs Rosemary Morgan was appointed as a Director on 1 July 2012. No meetings were held between that date and the end of the financial year.

The Board is satisfied that each of the Chairman and the other non-executive Directors commits sufficient time to the affairs of the Company to fulfil their duties as Directors.

Information Flows

The Chairman ensures that all Directors receive, in a timely manner, relevant management, regulatory and financial information and are provided, on a regular basis, with key information on the Company's policies, regulatory requirements and internal controls. Accordingly, the Board receives and considers regular reports from the Investment Manager and ad hoc reports and information as required.

Directors' and Officers' Liability Insurance

During the year, the Company maintained insurance cover for its Directors and Officers under a Directors' and Officers' liability insurance policy.

Directors' Indemnities

The Company provides a Deed of Indemnity to each Director to the extent permitted by United Kingdom law whereby the Company is able to indemnify such Director against any liability incurred in proceedings in which the Director is successful, and for costs in defending a claim brought against the Director for breach of duty where the Director acted honestly and reasonably.

Conflicts of Interest

The Board has approved a policy on Directors' conflicts of interest. Under this policy, the Directors are required to disclose all actual and potential conflicts of interest to the Board as they arise for consideration and approval. The Board may impose restrictions or refuse to authorise such conflicts if deemed appropriate.

Substantial Share Interests

Interests of 3% or more of the voting rights attaching to the Company's issued share capital, which have been notified to the Company, are set out in the Report of the Directors on page 14.

Corporate Governance

Relations with Shareholders
The Board believes that the maintenance of good relations with both institutional and retail shareholders is important for the long-term prospects of the Company. It has since its launch, sought engagement with investors. The Chairman, and other Directors where appropriate, discuss governance and strategy with major shareholders and the Chairman ensures communication of shareholders' views to the Board. The Board receives feedback on the views of shareholders from its corporate broker and the Investment Manager.

The Board believes that the Annual General Meeting ("AGM") provides an appropriate forum for investors to communicate with the Board, and encourages participation. The Annual Report and Accounts is, when possible, sent to shareholders at least 20 business days before the AGM. The AGM is typically attended by all Directors and proceedings include a presentation by the Investment Manager. There is an opportunity for individual shareholders to question the Chairmen of the Board and its Committees and the Senior Independent Director at the AGM. Details of proxy votes received in respect of each resolution are made available to shareholders at the Meeting and on the Company's website as soon as practicable after the meeting.

The Board believes that the Company's policy of reporting to shareholders as soon as possible after the Company's year end, and holding the earliest possible AGM, is valuable. The Notice of Meeting on page 41 sets out the business of the AGM.

Environmental Policy
The Company's primary investment objective is to achieve optimal financial returns for shareholders, within established risk parameters and regulatory constraints. Provided that this objective is not compromised in the process the Board does, however, believe that it is also possible to develop a framework that, in the interests of our shareholders, allows a broader range of considerations, including environmental and social issues, to be taken into account when selecting and retaining investments. The investment process therefore contains a review of research into the environmental, social and ethical stance of companies. Where potential financial or reputational risks are identified, their materiality is assessed and given due consideration by the Manager when selecting or retaining investments.

Exercise of Voting Rights and the UK Stewardship Code
The Company has delegated responsibility for voting to Schroders, which votes in accordance with its corporate governance policy. A copy of this policy is available on the Company's website. The Board considers the UK Stewardship Code to be an important tool in shareholder engagement and monitors the voting policy of the Manager to ensure compliance. Schroders' compliance with the principles of the UK Stewardship Code is reported on its website, www.schroders.com.

Internal Control
The Code requires the Board to conduct at least annually a review of the adequacy of the Company's systems of internal control, including its risk management system, and report to shareholders that it has done so. The Board has undertaken a full review of all the aspects of the Turnbull Guidance as revised in October 2005 (the "Turnbull Guidance"), under which the Board is responsible for the Company's system of internal control and for reviewing its effectiveness. The Board has approved a detailed Risk Map identifying significant strategic, investment-related, operational and service provider-related risks and has in place a monitoring system to ensure that risk management and all aspects of internal control are considered on a regular basis, and fully reviewed at least annually. The monitoring system assists in determining the nature and extent of the significant risks the Board is willing to take in achieving its strategic objectives.

The Board believes that the key risks identified and the implementation of a continuing system to identify, evaluate and manage these risks are based upon and relevant to the Company's business as an investment company. Risk assessment, which has been in place throughout the financial year and up to the date of this report, includes consideration of the scope and quality of the systems of internal control, including any whistleblowing policies where appropriate, adopted by the Investment Manager and other major service providers, and ensures regular communication of the results of monitoring by third parties to the Board, the incidence of significant control failings or weaknesses that have been identified at any time and the extent to which they have resulted in unforeseen outcomes or contingencies that may have a material impact on the Company's performance or condition. No significant control failings or weaknesses were identified during the course of the year and up to the date of this report, from the Board's on-going risk assessment.

Although the Board believes that it has a robust framework of internal control in place this can provide only reasonable, and not absolute, assurance against material financial misstatement or loss and is designed to manage, not eliminate, risk.

The Company does not have an internal audit function as it employs no staff and contracts to third parties most of its operations. The Board will continue to monitor its system of internal control and will continue to take steps to embed the system of internal control and risk management into the operations of the Company. In doing so, the Audit Committee will review at least annually whether a function equivalent to an internal audit is needed.

Independent Auditors' Report

To the members of Schroder AsiaPacific Fund plc
We have audited the financial statements of Schroder AsiaPacific Fund plc for the year ended 30 September 2012 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).

Respective responsibilities of directors and auditors
As explained more fully in the Directors' Responsibilities Statement set out on pages 14 and 15, 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 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Accounts to 30 September 2012 to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30 September 2012 and of its profit and cash flows 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 Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Corporate Governance Statement set out on pages 19 to 22 with respect to internal control and risk management systems and about share capital structures on page 13 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 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; or
- a corporate governance statement has not been prepared by the Company.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 15, in relation to going concern;
- the parts 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 shareholders by the Board on Directors' remuneration.

Jeremy Jensen (Senior Statutory Auditor) for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors London

14 December 2012

Notes:

(a) The maintenance and integrity of the Schroder AsiaPacific Fund plc website is the responsibility of the Directors; the work carried out by the Auditors does not involve consideration of these matters and, accordingly, the Auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Income Statement

For the year ended 30 September

	Note	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000	2011 Revenue £'000	2011 Capital £'000	2011 Total £'000
Gains/(losses) on investments held at fair value through profit or loss	2	–	86,326	86,326	–	(25,272)	(25,272)
Net foreign currency gains/(losses)	14	–	809	809	–	(1,718)	(1,718)
Income from investments	3	9,897	–	9,897	9,284	242	9,526
Other interest receivable and similar income	3	229	–	229	117	–	117
Gross return/(loss)		10,126	87,135	97,261	9,401	(26,748)	(17,347)
Investment management fee	4	(3,617)	–	(3,617)	(3,527)	–	(3,527)
Administrative expenses	5	(699)	–	(699)	(777)	–	(777)
Net return/(loss) before finance costs and taxation		5,810	87,135	92,945	5,097	(26,748)	(21,651)
Finance costs	6	(456)	–	(456)	(260)	–	(260)
Net return/(loss) on ordinary activities before taxation		5,354	87,135	92,489	4,837	(26,748)	(21,911)
Taxation	7	(438)	(52)	(490)	(804)	(75)	(879)
Net return/(loss) on ordinary activities after taxation		4,916	87,083	91,999	4,033	(26,823)	(22,790)
Return/(loss) per Ordinary share	9						
Undiluted		3.37p	59.67p	63.04p	2.60p	(17.32)p	(14.72)p
Diluted		3.37p	59.67p	63.04p	2.59p	(17.22)p	(14.63)p

The "Total" column of this statement is the profit and loss account of the Company. The "Revenue" and "Capital" columns represent supplementary information prepared under guidance issued by The Association of Investment Companies. The Total column includes all the information that is required to be disclosed in a Statement of Total Recognised Gains and Losses ("STRGL"). For this reason a STRGL has not been presented.

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 28 to 40 form an integral part of these accounts.

Reconciliation of Movements in Shareholders' Funds

for the year ended 30 September 2012

	Called-up Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Share purchase reserve £'000	Warrant exercise reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 30 September 2010	17,103	81	25,592	110,529	8,704	221,101	5,003	388,113
Repurchase and cancellation of the Company's own Ordinary shares	(52)	52	–	(1,157)	–	–	–	(1,157)
Repurchase and cancellation of the Company's own Ordinary shares following a tender offer	(2,571)	2,571	–	(60,893)	–	–	–	(60,893)
Issue of Ordinary shares on exercise of Subscription shares	397	–	8,152	–	–	–	–	8,549
Net (loss)/return on ordinary activities	–	–	–	–	–	(26,823)	4,033	(22,790)
Ordinary dividends paid in the year	–	–	–	–	–	–	(4,542)	(4,542)
At 30 September 2011	14,877	2,704	33,744	48,479	8,704	194,278	4,494	307,280
Issue of Ordinary shares on exercise of Subscription shares	3	–	72	–	–	–	–	75
Net return on ordinary activities	–	–	–	–	–	87,083	4,916	91,999
Ordinary dividends paid in the year	–	–	–	–	–	–	(4,014)	(4,014)
At 30 September 2012	**14,880**	**2,704**	**33,816**	**48,479**	**8,704**	**281,361**	**5,396**	**395,340**

The notes on pages 28 to 40 form an integral part of these accounts.

Balance Sheet

at 30 September 2012

	Note	2012 £'000	2011 £'000
Fixed assets			
Investments held at fair value through profit or loss	10	417,326	320,519
Current assets			
Debtors	11	1,775	4,155
Cash and short-term deposits		11,493	12,274
		13,268	16,429
Current liabilities			
Creditors: amounts falling due within one year	12	(35,254)	(29,668)
Net current liabilities		(21,986)	(13,239)
Net assets		395,340	307,280
Capital and reserves			
Called-up share capital	13	14,880	14,877
Share premium	14	33,816	33,744
Capital redemption reserve	14	2,704	2,704
Share purchase reserve	14	48,479	48,479
Warrant exercise reserve	14	8,704	8,704
Capital reserves	14	281,361	194,278
Revenue reserve	14	5,396	4,494
Total equity shareholders' funds		395,340	307,280
Net asset value per Ordinary share	15		
Undiluted		270.86p	210.58p
Diluted		266.64p	210.16p

These accounts were approved and authorised for issue by the Board of Directors on 14 December 2012 and signed on its behalf by:

Rupert Carington
Chairman

The notes on pages 28 to 40 form an integral part of these accounts.

Registered in England and Wales.
Company Number: 3104981

Cash Flow Statement

for the year ended 30 September 2012

	Note	2012 £'000	2011 £'000
Net cash inflow from operating activities	16	**5,769**	5,322
Servicing of finance			
Interest paid		**(488)**	(224)
Net cash outflow from servicing of finance		**(488)**	(224)
Taxation			
UK tax paid		**–**	(40)
Overseas tax paid		**(442)**	(897)
Total taxation paid		**(442)**	(937)
Investment activities			
Purchases of investments		**(251,005)**	(409,875)
Sales of investments		**240,132**	437,770
Net cash (outflow)/inflow from investment activities		**(10,873)**	27,895
Dividends paid		**(4,014)**	(4,542)
Net cash (outflow)/inflow before financing		**(10,048)**	27,514
Financing			
Issue of Ordinary shares on exercise of Subscription shares		**75**	8,549
Repurchase and cancellation of the Company's own Ordinary shares		**–**	(1,157)
Repurchase and cancellation of the Company's own Ordinary shares following a tender offer		**–**	(60,893)
Bank loan drawn down		**9,482**	18,599
Net cash inflow/(outflow) from financing		**9,557**	(34,902)
Net cash outflow in the year	17	**(491)**	(7,388)

The notes on pages 28 to 40 form an integral part of these accounts.

Notes to the Accounts

for the year ended 30 September 2012

1. Accounting Policies

(a) Basis of accounting

The accounts are prepared in accordance with the Companies Act 2006. 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" (the "SORP") issued by the Association of Investment Companies in January 2009. All of the Company's operations are of a continuing nature.

The accounts have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments at fair value through profit or loss.

The policies applied in these accounts are consistent with those applied in the preceding year.

(b) 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 is provided internally on that basis to the Company's Board of Directors. Accordingly, upon initial recognition the investments are designated by the Company as "held at fair value through profit or loss". They are included initially at fair value which is taken to be their cost, excluding expenses incidental to purchase which are written off to capital at the time of acquisition. Subsequently the investments are valued at fair value, which are quoted bid prices for investments traded in active markets.

All purchases and sales are accounted for on a trade date basis.

(c) Accounting for reserves

Gains and losses on sales of investments, including the related foreign exchange gains and losses, are included in the Income Statement and in capital reserves within "Gains and losses on sales of investments". Increases and decreases in the valuation of investments held at the year-end including the related foreign exchange gains and losses, are included in the Income Statement and in capital reserves within "Investment holding gains and losses".

Foreign exchange gains and losses on cash and deposit balances are included in the Income Statement and in capital reserves. Unrealised exchange gains and losses on foreign currency loans are included in the Income Statement and in capital reserves.

The cost of repurchasing Ordinary shares including the related stamp duty and transactions costs is charged to "Share repurchase reserve".

(d) Income

Dividends receivable from equity shares are included in revenue on an ex-dividend basis except where, in the opinion of the Board, the dividend is capital in nature, in which case it is included in capital.

UK dividends are included net of tax credits. Overseas dividends are included gross of any withholding tax.

Where the Company has elected to receive scrip dividends in the form of additional shares rather than in cash, the amount of the cash dividend foregone is recognised in revenue. Any excess in the value of the shares received over the amount of the cash dividend is recognised in capital.

Deposit interest outstanding at the year-end is calculated and accrued on a time apportionment bases using market rates of interest.

(e) Expenses

All expenses are accounted for on an accruals basis. Expenses are allocated wholly to the revenue column of the Income Statement except that expenses incidental to the purchase or sale of an investment are charged to capital. These expenses are commonly referred to as transaction costs and mainly comprise brokerage commission. Details of transactions costs are given in note 10 on page 32.

(f) Finance costs

Finance costs are accounted for on an accruals basis using the effective interest method and in accordance with the provisions of FRS 25 "Financial Instruments: Presentation" and FRS 26 "Financial Instruments: Measurement".

Finance costs are allocated wholly to the revenue column of the Income Statement.

(g) Financial instruments

Cash and short-term deposits may comprise cash and demand deposits which are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

Other debtors and creditors do not carry any interest, are short-term in nature and are accordingly stated at nominal value, with debtors reduced by appropriate allowances for estimated irrecoverable amounts.

Bank loans and overdrafts are classified as loans and receivables and are measured at amortised cost. They are recorded at the proceeds received net of direct issue costs. Finance costs, including any premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis using the effective interest method.

(h) Taxation

Current tax is provided at the amounts expected to be received or paid.

Deferred tax is accounted for in accordance with FRS 19: "Deferred Tax".

Deferred tax is provided on all timing differences that have originated but not reversed by the balance sheet date. Deferred tax liabilities are recognised for all taxable timing differences but deferred tax assets are only recognised to the extent that it is probable that taxable profits will be available against which those timing differences can be utilised.

Notes to the Accounts

Tax relief is allocated to expenses charged to the capital column of the Income Statement on the "marginal basis". On this basis, if taxable income is capable of being entirely offset by revenue expenses, then no tax relief is transferred to the capital column.

Deferred tax is measured at the tax rate which is expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates that have been enacted or substantively enacted at the balance sheet date and is measured on an undiscounted basis.

(i) Value added tax ("VAT")

Expenses are disclosed inclusive of any related irrecoverable VAT.

(j) Foreign currency

In accordance with FRS 23: "The effects of changes in Foreign Currency Exchange Rates" the Company is required to nominate a functional currency, being the currency in which the Company predominantly operates. The Board, having regard to the currency of the Company's share capital and the predominant currency in which its shareholders operate, has determined that Sterling is the functional currency. Sterling is the also the currency in which the accounts are presented.

Transactions denominated in foreign currencies are converted at actual exchange rates as at the date of the transaction. Monetary assets, liabilities and equity investments held at fair value, denominated in foreign currencies at the year-end are translated at the rates of exchange prevailing at the year-end.

(k) Dividends payable

In accordance with FRS 21: "Events after the Balance Sheet Date", dividends are included in the accounts in the year in which they are paid.

(l) Repurchases of Ordinary shares for cancellation

The cost of repurchasing Ordinary shares including the related stamp duty and transaction costs is charged to "Share repurchase reserve" and dealt with in the Reconciliation of Movements in Shareholders' Funds. Share repurchase transactions are accounted for on a trade date basis. The nominal value of Ordinary share capital repurchased and cancelled is transferred out of "Called-up share capital" and into "Capital redemption reserve".

(m) Conversion of Subscription shares

When the holders of Subscription shares exercise their right to convert their shares into Ordinary shares, the nominal value of those Subscription shares is debited to called-up share capital and the nominal value of the Ordinary shares into which the Subscription shares convert is also credited to called-up share capital. The balance of the consideration received is credited to share premium.

2. Gains/(losses) on investments held at fair value through profit or loss

	2012 £'000	2011 £'000
Gains on sales of investments based on historic cost	17,080	63,620
Amounts recognised in investment holding gains and losses in the previous year in respect of investments sold in the year	13,312	(39,182)
Gains on sales of investments based on the carrying value at the previous balance sheet date	30,392	24,438
Net movement in investment holding gains and losses	55,934	(49,710)
Gains/(losses) on investments held at fair value through profit or loss	86,326	(25,272)

3. Income

	2012 £'000	2011 £'000
Income from investments:		
Overseas dividends	9,772	9,050
UK dividends	125	71
Scrip dividends	–	163
	9,897	9,284
Other interest receivable and similar income:		
Stock lending fees	181	64
Deposit interest	48	53
	229	117
Total income	10,126	9,401
Capital:		
Special dividend allocated to capital	–	242

Notes to the Accounts

4. Investment management fee

	2012 £'000	2011 £'000
Investment Management fee	3,617	3,527

The basis for calculating the investment management fee is set out in the Report of the Directors on page 14.

5. Administrative expenses

	2012 £'000	2011 £'000
Administration expenses	469	563
Directors' fees	120	112
Secretarial fee	89	84
Auditors' remuneration for audit services	19	18
Auditors' remuneration for taxation compliance services	2	–
	699	777

6. Finance costs

	2012 £'000	2011 £'000
Interest on bank loans and overdrafts	456	260

7. Taxation

	2012			2011		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(a) Analysis of charge in the year:						
Irrecoverable overseas tax	438	–	438	804	–	804
Capital gains tax	–	52	52	–	75	75
Current tax charge for the year	438	52	490	804	75	879

The Company has no corporation tax liability in the year to 30 September 2012 (2011: £nil).

(b) Factors affecting tax charge for the year

The tax assessed for the year is lower (2011: higher) than the Company's applicable rate of corporation tax for the year of 25% (2011: 27%). The factors affecting the current tax charge for the year are as follows:

	2012			2011		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net return/(loss) on ordinary activities before taxation	5,354	87,135	92,489	4,837	(26,748)	(21,911)
Net return/(loss) on ordinary activities before taxation multiplied by the Company's applicable rate of corporation tax for the year of 25% (2011: 27%)	1,339	21,784	23,123	1,306	(7,222)	(5,916)
Effects of:						
Capital (returns)/losses on investments	–	(21,784)	(21,784)	–	7,287	7,287
Income not chargeable to corporation tax	(2,164)	–	(2,164)	(2,197)	(65)	(2,262)
Overseas withholding tax	438	–	438	804	–	804
Overseas withholding tax allowed as a deductible expense	(9)	–	(9)	(20)	–	(20)
Capital gains tax	–	52	52	–	75	75
Expenses not deductible for tax purposes	(1)	–	(1)	1	–	1
Unrelieved expenses	835	–	835	910	–	910
Current tax charge for the year	438	52	490	804	75	879

Notes to the Accounts

(c) Deferred taxation

The Company has an unrecognised deferred tax asset of £2,243,000 (2011: £1,666,000) based on a prospective corporation tax rate of 23% (2011: 26%). The reduction in the standard rate of corporation tax was substantively enacted on 3 July 2012 and is effective from 1 April 2013. The deferred tax asset has arisen due to the cumulative excess of deductible expenses over taxable income. Given the composition of the Company's portfolio, it is not likely that this asset will be utilised in the foreseeable future and therefore no asset has been recognised in the accounts.

Given the Company's intention to meet the conditions required to obtain approval as an Investment Trust Company, no provision has been made for deferred UK capital gains tax on any capital gains or losses arising on the revaluation or disposal of investments.

8. Dividends

(a) Dividend paid and proposed

	2012 £'000	2011 £'000
2011 final dividend paid of 2.75p (2010: 2.65p)	**4,014**	4,542

	2012 £'000	2011 £'000
2012 final dividend proposed of 3.35p (2011: 2.75p)	**4,890**	4,014

(b) Dividend for the purposes of Section 1158 of the Corporation Tax Act 2010 ("Section 1158")

The requirements of Section 1158 are considered on the basis of the dividend proposed in respect of the financial year as shown below. The revenue available for distribution by way of dividend for the year is £4,916,000 (2011: £4,033,000).

	2012 £'000	2011 £'000
2012 final dividend proposed of 3.35p (2011: 2.75p)	**4,890**	4,014

9. Return/(loss) per Ordinary share

	2012 £'000	2011 £'000
Revenue return	**4,916**	4,033
Capital return/(loss)	**87,083**	(26,823)
Total return/(loss)	**91,999**	(22,790)
Undiluted:		
Weighted average number of Ordinary shares in issue during the year used for the purpose of the undiluted calculation	**145,950,002**	154,830,888
Revenue return per share	**3.37p**	2.60p
Capital return/(loss) per share	**59.67p**	(17.32)p
Total return/(loss) per share	**63.04p**	(14.72)p
Diluted:		
Weighted average number of Ordinary shares in issue during the year used for the purpose of the diluted calculation	**145,950,002**	155,803,975
Revenue return per share	**3.37p**	2.59p
Capital return/(loss) per share	**59.67p**	(17.22)p
Total return/(loss) per share	**63.04p**	(14.63)p

The diluted return per Ordinary share represents the return on ordinary activities after taxation divided by the weighted average number of Ordinary shares in issue during the year as adjusted in accordance with Financial Reporting Standard 22 "Earnings per share".

There was no dilution to the return per Ordinary share for the year ended 30 September 2012.

Notes to the Accounts

10. Investments held at fair value through profit or loss

	2012 £'000	2011 £'000
Opening book cost	**329,921**	296,860
Opening investment holding (losses)/gains	**(9,402)**	79,490
Opening valuation	**320,519**	376,350
Purchases at cost	**248,050**	410,187
Sales proceeds	**(237,569)**	(440,746)
Gains on sales of investments based on the carrying value at the previous balance sheet date	**30,392**	24,438
Net movement in investment holding gains and losses	**55,934**	(49,710)
Closing valuation	**417,326**	320,519
Closing book cost	**357,482**	329,921
Closing investment holding gains/(losses)	**59,844**	(9,402)
Total investments held at fair value through profit or loss	**417,326**	320,519

During the year, prior year investment holding losses amounting to £13,312,000 have been transferred to gains and losses on sales of investments as disclosed in note 14 on page 33.

The following transaction costs, comprising stamp duty and brokerage commission were incurred during the year:

	2012 £'000	2011 £'000
On acquisitions	**427**	861
On disposals	**509**	1,319
	936	2,180

11. Debtors

	2012 £'000	2011 £'000
Securities sold awaiting settlement	**821**	3,384
Dividends and interest receivable	**873**	695
Taxation recoverable	**52**	62
Other debtors	**29**	14
	1,775	4,155

The Directors consider that the carrying amount of debtors approximates to their fair value.

12. Creditors: amounts falling due within one year

	2012 £'000	2011 £'000
Bank loan	**34,060**	25,677
Securities purchased awaiting settlement	**15**	2,970
Other creditors and accruals	**1,179**	1,021
	35,254	29,668

The loan represents US$55 million drawn down on the Company's US$75 million, one year, revolving credit facility with Scotiabank, which was arranged on 4 May 2012. The facility is unsecured but is subject to covenants and restrictions which are customary for a facility of this nature, all of which have been complied with during the year. Further details of the facility are given note 20(a)(ii) on page 37.

The loan at the prior year end represented US$40 million drawn down on a credit facility with ING Bank, which expired on 4 May 2012.

The Directors consider that the carrying amount of creditors falling due within one year approximates to their fair value.

Notes to the Accounts

13. Called-up share capital

	2012 £'000	2011 £'000
Ordinary shares allotted, called-up and fully paid:		
Ordinary shares of 10p each:		
Opening balance of 145,921,120 (2011: 167,737,237) Ordinary shares	**14,592**	16,774
Repurchase and cancellation of Nil (2011: 25,711,701) Ordinary shares following a Tender Offer	**–**	(2,571)
Repurchase and cancellation of Nil (2011: 515,000) Ordinary shares	**–**	(52)
Issue of 34,951 (2011: 4,410,584) Ordinary shares on exercise of Subscription shares	**4**	441
Closing balance of 145,956,071 (2011: 145,921,584) Ordinary shares	**14,596**	14,592
Subscription shares of 1p each:		
Opening balance of 28,479,596 (2011: 32,890,180) Subscription shares	**285**	329
Exercise of 34,951 (2011: 4,410,584) Subscription shares into Ordinary shares	**(1)**	(44)
Closing balance of 28,444,645 (2011: 28,479,596) Subscription shares[1]	**284**	285
Total called-up share capital	**14,880**	14,877

[1] The Subscription shares were issued as a bonus issue to the Ordinary shareholders on 13 October 2009 on the basis of one Subscription share for every five Ordinary shares. Each Subscription share conferred the right (but not the obligation) to subscribe for one Ordinary share on 31 December, 31 March, 30 June, and 30 September until 31 December 2012 when the rights under the Subscription shares will lapse. During the year, holders of 27,995 and 6,956 Subscription shares exercised their right to convert those shares into Ordinary shares at prices of 208.0 and 245.0 pence per share respectively for a total consideration received of £75,000. Holders of Subscription shares have one remaining opportunity to exercise those shares on 31 December 2012 at a price of 245 pence per share.

14. Reserves

					Capital reserves		
	Share premium[1] £'000	Capital redemption reserve[2] £'000	Share purchase reserve[3] £'000	Warrant exercise reserve[4] £'000	Gains and losses on sales of investments £'000	Investment holding gains and losses £'000	Revenue reserve £'000
Opening balance	33,744	2,704	48,479	8,704	205,211	(10,933)	4,494
Gains on sales of investments based on the carrying value at the previous balance sheet date	–	–	–	–	30,392	–	–
Net movement in investment holding gains and losses	–	–	–	–	–	55,934	–
Transfer on disposal of investments	–	–	–	–	(13,312)	13,312	–
Realised exchange losses on cash and short-term deposits	–	–	–	–	(290)	–	–
Exchange (losses)/gains on foreign currency credit facility	–	–	–	–	(361)	1,460	–
Capital gains tax	–	–	–	–	(52)	–	–
Issue of Ordinary shares on exercise of Subscription shares	72	–	–	–	–	–	–
Dividend paid	–	–	–	–	–	–	(4,014)
Retained revenue for the year	–	–	–	–	–	–	4,916
Closing balance	**33,816**	**2,704**	**48,479**	**8,704**	**221,588**	**59,773**	**5,396**

[1] Share premium is a non-distributable reserve and represents the amount by which the fair value of the consideration received from shares issued exceeds the nominal value of shares issued.

[2] Represents the accumulated nominal value of Ordinary shares repurchased for cancellation.

[3] Arose following the cancellation of the balance of share premium in 1998 and was created for the purpose of financing share buy-backs.

[4] The warrant reserve is a non-distributable reserve and arose via an apportionment of the premium on the issue of Ordinary shares with warrants attached.

Notes to the Accounts

15. Net asset value per Ordinary share

	2012 £'000	2011 £'000
Undiluted:		
Net assets attributable to the Ordinary shareholders (£'000)	**395,340**	307,280
Number of Ordinary shares in issue	**145,956,071**	145,921,120
Undiluted net asset value per Ordinary share	**270.86p**	210.58p
Diluted:		
Net assets attributable to the Ordinary shareholders assuming exercise of Subscription shares (£'000)	**465,029**	366,518
Number of potential Ordinary shares in issue	**174,400,716**	174,400,716
Diluted net asset value per Ordinary share	**266.64p**	210.16p

The diluted net asset value per Ordinary share assumes that all outstanding Subscription shares were converted into Ordinary shares at the year-end.

The diluted net asset value per Ordinary share has been calculated on the assumption that the 28,444,645 (2011: 28,479,596) Subscription shares in issue are converted at 245 pence per share (2011: 208 pence per share), resulting in a total number of shares in issue of 174,400,716 (2011: 174,400,716).

16. Reconciliation of total return/(loss) on ordinary activities before finance costs and taxation to net cash inflow from operating activities

	2012 £'000	2011 £'000
Total return/(loss) on ordinary activities before finance costs and taxation	**92,945**	(21,651)
Less capital (return)/loss on ordinary activities before finance costs and taxation	**(87,135)**	26,748
Special dividend allocated to capital	**–**	242
Scrip dividends received as income	**–**	(163)
(Increase)/decrease in accrued dividends and interest receivable	**(216)**	221
(Increase)/decrease in other debtors	**(15)**	18
Increase/(decrease) in accrued expenses	**190**	(93)
Net cash inflow from operating activities	**5,769**	5,322

17. Analysis of changes in net debt

	At 30 September 2011 £'000	Cash flow £'000	Exchange movements £'000	At 30 September 2012 £'000
Cash and short-term deposits	12,274	(491)	(290)	**11,493**
Bank loan	(25,677)	(9,482)	1,099	**(34,060)**
Net debt	(13,403)	(9,973)	809	**(22,567)**

18. Transactions with the Manager

The Company has appointed Schroder Investment Management Limited, a wholly owned subsidiary of Schroders plc, to provide investment management, accounting, company secretarial and administration services. If the Company invests in funds managed or advised by the Manager or any of its associated companies, those funds are excluded from the assets used for the purposes of the management fee calculation and therefore attract no fee. Under the terms of the Investment Management Agreement, the Manager is also entitled to receive a company secretarial fee. Details of the Investment Management Agreement are given in the Report of the Directors on page 14.

The management fee payable in respect of the year ended 30 September 2012 amounted to £3,617,000 (2011: £3,527,000), of which £993,000 (2011: £769,000) was outstanding at the year-end. The company secretarial fee payable to Schroders in respect of the year ended 30 September 2012 amounted to £89,000 (2011: £84,000), of which £51,000 (2011: £37,000) was outstanding at the year-end.

Current account facilities were provided during the year by Schroder & Co Limited. At 30 September 2012, the balance held at Schroder & Co Limited was £499,000 (2011: £498,000).

No Director of the Company served as a director of Schroder Investment Management Limited, or any member of the Schroder Group, at any time during the year.

Notes to the Accounts

19. Disclosures regarding financial instruments measured at fair value

The Company's financial instruments within the scope of FRS 29 that are held at fair value comprise its investment portfolio. The Company currently holds no derivative financial instruments and its liabilities are not held at fair value.

The investments are categorised into a hierarchy consisting of the following three levels:

Level 1 – valued using quoted prices in active markets.

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted market 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.

Details of the valuation techniques used by the Company are given in note 1(b) on page 28.

At 30 September 2012, the Company's investment portfolio comprised entirely equity investments and warrants included in Level 1 (2011: Same).

There have been no transfers between Levels 1, 2 or 3 during the year (2011: Nil).

20. Financial instruments' exposure to risk and risk management policies

The Company's principal investment objective is to achieve capital growth through investment primarily in equities of companies located in the continent of Asia (excluding the Middle East and Japan), together with the Far Eastern countries bordering the Pacific Ocean, with the aim of achieving growth in excess of the MSCI All Countries Asia excluding Japan Index in Sterling Terms (Benchmark Index) over the longer term. In pursuing this objective, the Company is exposed to a variety of financial risks that could result in a reduction in the Company's net assets or a reduction in the profits available for dividends. These financial risks include market risk (comprising currency risk, interest rate risk and market price risk), liquidity risk and credit risk. The Directors' policy for managing these risks is set out below. The Board coordinates the Company's risk management policy.

The objectives, policies and processes for managing the risks and the methods used to measure the risks that are set out below, have not changed from those applying in the comparative year.

The Company's classes of financial instruments are as follows:

– investments in equity shares and equity related instruments, which are held in accordance with the Company's investment objective;

– short-term debtors, creditors and cash arising directly from its operations; and

– a US Dollar credit facility with Scotiabank, the purpose of which is to assist in financing the Company's operations.

(a) Market risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – currency risk, interest rate risk and market price risk. Information to enable an evaluation of the nature and extent of these three elements of market risk is given in parts (i) to (iii) of this note, together with sensitivity analyses where appropriate. The Board reviews and agrees policies for managing these risks and these policies have remained unchanged from those applying in the comparative year. The Manager assesses the exposure to market risk when making each investment decision and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

(i) Currency risk

Certain of the Company's assets, liabilities and income are denominated in currencies other than Sterling, which is the Company's functional currency and the presentational currency of the accounts. As a result, movements in exchange rates will affect the Sterling value of those items.

Management of currency risk

The Manager monitors the Company's exposure to foreign currencies on a daily basis and reports to the Board, which meets on at least four occasions each year. The Manager measures the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the rates of exchange to which the Company's assets, liabilities, income and expenses are exposed. The Company may use foreign currency borrowings or forward foreign currency contracts to limit the exposure to anticipated changes in exchange rates which might otherwise adversely affect the value of the portfolio of investments. Income denominated in foreign currencies is converted into Sterling on receipt.

Notes to the Accounts

Foreign currency exposure

The fair value of the Company's monetary items that have foreign currency exposure at 30 September are shown below. The Company's investments (which are not monetary items) have been included separately in the analysis so as to show the overall level of exposure.

2012

	Hong Kong Dollars £'000	**US Dollars £'000**	**South Korean Won £'000**	**New Taiwan Dollars £'000**	**Singapore Dollars £'000**	**Thai Baht £'000**	**Indian Rupees £'000**	**Other £'000**	**Total £'000**
Current assets	**2,496**	**239**	**758**	**51**	**4,001**	**7**	**48**	**2,661**	**10,261**
Current liabilities	**–**	**(34,082)**	**–**	**–**	**–**	**–**	**(15)**	**–**	**(34,097)**
Foreign currency exposure on net monetary items	**2,496**	**(33,843)**	**758**	**51**	**4,001**	**7**	**33**	**2,661**	**(23,836)**
Investments held at fair value through profit or loss that are equities	**113,911**	**57,206**	**68,197**	**44,350**	**22,331**	**28,852**	**27,414**	**55,065**	**417,326**
Total net foreign currency exposure	**116,407**	**23,363**	**68,955**	**44,401**	**26,332**	**28,859**	**27,447**	**57,726**	**393,490**

2011

	Hong Kong Dollars £'000	US Dollars £'000	South Korean Won £'000	New Taiwan Dollars £'000	Singapore Dollars £'000	Thai Baht £'000	Indian Rupees £'000	Other £'000	Total £'000
Current assets	75	13,228	–	62	243	13	30	686	14,337
Current liabilities	(1,750)	(26,951)	–	–	–	–	–	–	(28,701)
Foreign currency exposure on net monetary items	(1,675)	(13,723)	–	62	243	13	30	686	(14,364)
Investments held at fair value through profit or loss that are equities	87,450	56,065	51,254	31,577	26,591	14,777	11,949	35,875	315,538
Total net foreign currency exposure	85,775	42,342	51,254	31,639	26,834	14,790	11,979	36,561	301,174

The above year-end amounts are broadly representative of the exposure to foreign currency risk during the current and comparative year.

Foreign currency sensitivity

The following tables illustrate the sensitivity of net return after taxation for the year and net assets with regard to the Company's monetary financial assets and financial liabilities and exchange rates. The sensitivity analysis is based on the Company's monetary currency financial instruments held at each balance sheet date and assumes a 10% (2011: 10%) appreciation or depreciation in Sterling against the currencies to which the Company is exposed, which is considered to be a reasonable illustration based on the volatility of exchange rates during the year.

If Sterling had weakened by 10% this would have had the following effect:

	2012 £'000	2011 £'000
Income Statement – return after taxation		
Revenue return	**995**	927
Capital return	**(2,384)**	(1,436)
Total return after taxation for the year	**(1,389)**	(509)
Net assets	**(1,389)**	(509)

Notes to the Accounts

Conversely if Sterling had strengthened by 10% this would have had the following effect:

	2012 £'000	2011 £'000
Income Statement – return after taxation		
Revenue return	(995)	(927)
Capital return	2,384	1,436
Total return after taxation for the year	1,389	509
Net assets	1,389	509

In the opinion of the Directors, the above sensitivity analysis with respect to monetary financial assets and liabilities is broadly representative of the whole of the current and comparative year. The sensitivity with regard to the Company's investments and foreign currency is subsumed into market price risk sensitivity on page 38.

(ii) Interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits and the interest payable on variable rate borrowings when interest rates are re-set.

Management of interest rate risk

Liquidity and borrowings are managed with the aim of increasing returns to shareholders. The Board would not expect gearing to exceed 20% where gearing is defined as net assets plus borrowings used for investment purposes, less cash, expressed as the percentage excess over net assets.

The possible effects on cash flows that could arise as a result of changes in interest rates are taken into account when the Company draws on the credit facility. However, amounts drawn on this facility are for short-term periods and therefore exposure to interest rate risk is not significant.

Interest rate exposure

The exposure of financial assets and financial liabilities to floating interest rates, giving cash flow interest rate risk when rates are re-set, is shown below:

	2012 £'000	2011 £'000
Exposure to floating interest rates:		
Cash at bank and short-term deposits	11,493	12,274
Creditors: amounts falling due within one year – drawings on the credit facility	(34,060)	(25,731)
Total exposure	(22,567)	(13,457)

Interest receivable on cash balances, or paid on overdrafts, is at a margin below or above LIBOR respectively (2011: Same).

During the year, the Company arranged a US$75 million 364 day Revolving Credit Facility with Scotiabank, which expires in May 2013. Interest is payable at a rate of LIBOR as quoted in the market for the loan period plus a margin, plus Mandatory Costs, which are the lender's costs of complying with certain regulatory requirements of the Bank of England. At 30 September 2012, the Company had drawn down US$55 million (£34.1 million) on this facility at an interest rate of 1.18% per annum.

At the prior year-end, the Company had drawn down US$40 million (£25.7 million) on a credit facility with ING Bank, which was replaced during the year.

The above year-end amounts are not representative of the exposure to interest rates during the year as the level of cash balances and drawings on the Credit Facility have fluctuated. The maximum and minimum net cash/(loan) balances during the year are as follows:

	2012 £'000	2011 £'000
Maximum debit interest rate exposure during the year – net loan balances	(29,523)	(1,620)
Minimum debit/maximum credit interest rate exposure during the year – net (loan)/cash balances	(3,828)	28,273

Notes to the Accounts

Interest rate sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to a 0.5% (2011: 0.5%) increase or decrease in interest rates in regards to the Company's monetary financial assets and financial liabilities. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's monetary financial instruments held at the balance sheet date with all other variables held constant.

	2012		2011	
	0.5% increase in rate £'000	**0.5% decrease in rate £'000**	0.5% increase in rate £'000	0.5% decrease in rate £'000
Income statement – return after taxation				
Revenue return	**(113)**	**113**	(67)	67
Capital return	**–**	**–**	–	–
Total return after taxation for the year	**(113)**	**113**	(67)	67
Net assets	**(113)**	**113**	(67)	67

In the opinion of the Directors, this sensitivity analysis may not be representative of the Company's future exposure to interest rate changes due to fluctuations in the level of cash balances and drawings on the credit facility.

(iii) Market price risk

Market price risk includes changes in market prices, other than those arising from interest rate risk, which may affect the value of equity investments.

Management of market price risk

The Board meets on at least four occasions each year to consider the asset allocation of the portfolio and the risk associated with particular countries and industry sectors. The investment management team has responsibility for monitoring the portfolio, which is selected in accordance with the Company's investment objective and seeks to ensure that individual stocks meet an acceptable risk/reward profile. The Board may authorise the Manager to enter derivative transactions for the purpose of protecting the portfolio against falls in market prices.

Market price risk exposure

The Company's total exposure to changes in market prices at 30 September comprises its holdings in equity investments as follows:

	2012 £'000	2011 £'000
Equity investments held at fair value through profit or loss	**417,326**	320,519

The above data is broadly representative of the exposure to market price risk during the year.

Concentration of exposure to market price risk

An analysis of the Company's investments is given on pages 8 and 9. This shows that the portfolio mainly comprises investments quoted on Asian stockmarkets. Accordingly there is a concentration of exposure to that region. However it should be noted that an investment may not be entirely exposed to the economic conditions in its country of domicile or of listing.

Market price risk sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to an increase or decrease of 20% (2011: 20%) in the fair values of the Company's equities. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's equities and adjusting for the change in the management fee, but with all other variables held constant.

	2012		2011	
	20% increase in fair value £'000	**20% decrease in fair value £'000**	20% increase in fair value £'000	20% decrease in fair value £'000
Income statement – return after taxation				
Revenue return	**(751)**	**751**	(609)	609
Capital return	**83,465**	**(83,465)**	64,104	(64,104)
Total return after taxation for the year and net assets	**82,714**	**(82,714)**	63,495	(63,495)
Percentage change in net asset value	**20.9%**	**(20.9%)**	20.7%	(20.7%)

Notes to the Accounts

(b) Liquidity risk

This is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Management of the risk

Liquidity risk is not significant as the Company's assets comprise mainly readily realisable securities, which can be sold to meet funding requirements if necessary. Short-term flexibility is achieved through the use of a credit facility. The Board's policy is for the Company to remain fully invested in normal market conditions and that short-term borrowings be used to manage short-term liabilities and working capital requirements and to gear the Company as appropriate.

Liquidity risk exposure

Contractual maturities of the financial liabilities, based on the earliest date on which payment can be required are as follows:

	2012 Three months or less £'000	2011 Three months or less £'000
Creditors: amounts falling due within one year		
Bank loan - including interest	**34,093**	25,771
Securities purchased awaiting settlement	**15**	2,970
Other creditors and accruals	**1,157**	967
	35,265	29,708

(c) Credit risk

Credit risk is the risk that the failure of the counterparty to a transaction to discharge its obligations under that transaction could result in loss to the Company.

Management of credit risk

This risk is not significant and is managed as follows:

Portfolio dealing

The Company invests in markets that operate a "Delivery Versus Payment" settlement process which mitigates the risk of losing the principal of a trade during settlement. The Manager continuously monitors dealing activity to ensure best execution, which involves measuring various indicators including the quality of trade settlement and incidence of failed trades. Counterparties must be pre-approved by the Manager's credit committee.

The Company may sometimes invest in equity linked securities, such as participatory notes which provide synthetic equity exposure where the Company may otherwise find it problematic to invest in the underlying asset directly. They have the same economic risks as a direct investment, except that there is a counterparty risk to the issuing investment bank. Counterparties must be approved by the Manager's Credit Risk Team based on a list of criteria and are monitored on an on-going basis by the Portfolio Compliance Team.

Cash

Counterparties are subject to daily credit analysis by the Manager. Cash balances will only be deposited with reputable banks with high quality credit ratings.

Exposure to the Custodian

JPMorgan Chase is the Custodian of the Company's assets. The Company's assets are segregated from JPMorgan Chase's own trading assets and are therefore protected from creditors in the event that JPMorgan Chase were to cease trading.

Credit risk exposure

The amounts shown in the balance sheet under debtors and cash and short-term deposits represent the maximum exposure to credit risk at the current and comparative year-ends. No debtors are past their due date and none have been provided for.

The value of securities on loan at 30 September 2012 amounted to £9,535,000 (2011: £11,601,000). The highest value of securities on loan during the year ended 30 September 2012 amounted to £15,522,000 (2011: £14,847,000). Collateral is obtained by the Manager and is called in on a daily basis to a value of 102% of the value of the securities on loan if that collateral is denominated in the same currency as the securities on loan and 105% if it is denominated in a different currency. Collateral acceptable under the Stock Lending Agreement may comprise Eurozone, UK, or US government securities.

(d) Fair values of financial assets and financial liabilities

All financial assets and liabilities are either carried in the balance sheet at fair value or the balance sheet amount is a reasonable approximation of fair value.

Notes to the Accounts

21. Capital management policies and procedures

The Company's objectives, policies and processes for managing capital are unchanged from the preceding year.

The Company's debt and capital structure comprises the following:

	2012 £'000	2011 £'000
Debt		
Bank loan	**34,060**	25,677
Equity		
Called-up share capital	**14,880**	14,877
Reserves	**380,460**	292,403
	395,340	307,280
Total debt and equity	**429,400**	332,957

The Company's capital management objectives are to ensure that it will continue as a going concern and to maximise the capital return to its equity shareholders through an appropriate level of gearing.

The Board would not expect gearing to exceed 20%. Gearing for this purpose is defined as net assets plus borrowings used for investment purposes, less cash, expressed as the percentage excess over net assets.

	2012 £'000	2011 £'000
Net assets plus borrowings used for investment purposes, less cash	**417,907**	320,683
Net assets	**395,340**	307,280
Gearing	**5.7%**	4.4%

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

– the planned level of gearing, which takes into account the Manager's views on the market;

– the need to buy back equity shares, which takes into account the share price discount;

– the opportunities for issues of new shares; and

– the amount of dividends to be paid, in excess of that which is required to be distributed.

22. Post balance sheet event

On 19 November 2012, the Company repurchased 4,700,000 of its own Ordinary shares for cancellation at a price of 233.75p per share. The total consideration payable for this purchase amounted to £11,063,000 including stamp duty and transaction costs.

Notice of Meeting

Notice is hereby given that the Annual General Meeting of Schroder AsiaPacific Fund plc will be held at 11.30 a.m. on Tuesday, 29 January 2013 at 31 Gresham Street, London EC2V 7QA, to consider and, if thought fit, pass the following resolutions, of which resolutions 1 to 10 will be proposed as Ordinary Resolutions and resolution 11 will be proposed as a Special Resolution:

1. To receive the Report of the Directors and the audited Accounts for the year ended 30 September 2012.
2. To approve a final dividend of 3.35p per share for the financial year ended 30 September 2012.
3. To approve the Remuneration Report for the year ended 30 September 2012.
4. To elect Mrs Rosemary Morgan as a Director of the Company.
5. To re-elect Mr Robert Binyon as a Director of the Company.
6. To re-elect Mr Robert Boyle as a Director of the Company.
7. To re-elect The Hon. Rupert Carington as a Director of the Company.
8. To re-appoint PricewaterhouseCoopers LLP as Auditors of the Company.
9. To authorise the Directors to determine the remuneration of PricewaterhouseCoopers LLP as Auditors of the Company.
10. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
    "That the aggregate limit of all fees payable to Directors, as set out in Article 90 of the Company's Articles of Association, be increased to £200,000 per annum".
11. To consider and, if thought fit, to pass the following resolution as a special resolution:
    "That the Company be and is hereby generally and unconditionally authorised in accordance with section 693 of the Companies Act 2006 (the "Act"), to make market purchases (within the meaning of section 693(4) of the Act) of Ordinary shares of 10p each in the capital of the Company ("Shares"), at whatever discount the prevailing market price represents to the prevailing net asset value per share provided that:
    (a) the maximum number of shares hereby authorised to be purchased shall be 21,174,452, representing 14.99% of the issued Ordinary share capital as at 14 December 2012;
    (b) the minimum price which may be paid for a share is 10p;
    (c) the maximum price which may be paid for a share is an amount equal to the greater of (i) 105% of the average of the middle market quotations for a share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is purchased and (ii) the higher of the price of the last independent trade in the shares of that class and the highest then current independent bid for the shares of that class on the London Stock Exchange;
    (d) purchases may only be made pursuant to this authority if the shares are (at the date of the proposed purchase) trading on the London Stock Exchange at a discount to net asset value;
    (e) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company unless such authority is renewed or revoked prior to such time; and
    (f) the Company may make a contract to purchase shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of shares pursuant to any such contract."

By Order of the Board
Schroder Investment Management Limited
Company Secretary

Registered Office:
31 Gresham Street
London EC2V 7QA

Registered Number: 3104981
14 December 2012

Explanatory Notes to the Notice of Meeting

1. Ordinary shareholders are entitled to attend and vote at the meeting and to appoint one or more proxies, who need not be a shareholder, as their proxy to exercise all or any of their rights to attend, speak and vote on their behalf at the meeting.

   A proxy form is attached. If you wish to appoint a person other than the Chairman as your proxy, please insert the name of your chosen proxy holder in the space provided at the top of the form. If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if this proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account). Additional proxy forms can be obtained by contacting the Company's Registrars, Equiniti Limited, on 0800 032 0641 or +44(0) 121 415 0207 for overseas callers, or you may photocopy the attached proxy form. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. Completion and return of a form of proxy will not preclude a member from attending the Annual General Meeting and voting in person.

   On a vote by show of hands, every ordinary shareholder who is present in person has one vote and every duly appointed proxy who is present has one vote. On a poll vote, every ordinary shareholder who is present in person or by way of a proxy has one vote for every share of which he/she is a holder.

   The "Vote Withheld" option on the proxy form is provided to enable you to abstain on any particular resolution. However it should be noted that a "Vote Withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.

   A proxy form must be signed and dated by the shareholder or his or her attorney duly authorised in writing. In the case of joint holdings, any one holder may sign this form. The vote of the senior joint holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder and for this purpose seniority will be determined by the order in which the names appear on the Register of Members in respect of the joint holding. To be valid, proxy form(s) must be completed and returned to the Company's Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, in the enclosed envelope together with any power of attorney or other authority under which it is signed or a copy of such authority certified notarially, to arrive no later than 48 hours before the time fixed for the meeting, or an adjourned meeting. Shareholders may also appoint a proxy to vote on the resolutions being put to the meeting electronically at http://www.sharevote.co.uk. Shareholders who are not registered to vote electronically, will need to enter the Voting ID and Shareholder Reference ID set out in their personalised proxy form. Alternatively, shareholders who have already registered with Equiniti's Shareview service can appoint a proxy by logging onto their portfolio at www.shareview.co.uk and clicking on the link to vote under their Schroder AsiaPacific Fund plc holding details. The on-screen instructions give details on how to complete the appointment process. Please note that to be valid, your proxy instructions must be received by Equiniti no later than 11.30 a.m. on 27 January 2013. If you have any difficulties with online voting, you should contact the shareholder helpline on 0800 032 0641 (or +44(0) 121 415 0207 for overseas callers).

   If an ordinary shareholder submits more than one valid proxy appointment, the appointment received last before the latest time for receipt of proxies will take precedence.

   Shareholders may not use any electronic address provided either in this Notice of Annual General Meeting or any related documents to communicate with the Company for any purposes other than expressly stated.

   Representatives of shareholders that are corporations will have to produce evidence of their proper appointment when attending the Annual General Meeting.

2. 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 or her and the shareholder by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

   The statement of the rights of ordinary shareholders in relation to the appointment of proxies in note 1 above does not apply to Nominated Persons. The rights described in that note can only be exercised by ordinary shareholders of the Company.

3. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those shareholders registered in the Register of members of the Company at 6.00 p.m. on 27 January 2013, or 6.00 p.m. two days prior to the date of an adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the Register of Members after 6.00 p.m. on 27 January 2013 shall be disregarded in determining the right of any person to attend and vote at the meeting.

4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual. The CREST manual can be viewed at www.euroclear.com/CREST. A CREST message appointing a proxy (a "CREST proxy instruction") regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction previously given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time for receipt of proxy appointments.

5. Copies of the terms of appointment of the non-executive Directors and a statement of all transactions of each Director and of his family interests in the shares of the Company, will be available for inspection by any member of the Company at the registered office of the Company during normal business hours on any weekday (English public holidays excepted) and at the Annual General Meeting by any attendee, for at least 15 minutes prior to, and during, the Annual General Meeting. None of the Directors has a contract of service with the Company.

6. The biographies of the Directors offering themselves for election and re-election are set out on the inside front cover of the Company's Annual Report and Accounts for the year ended 30 September 2012.

7. As at 14 December 2012, 141,257,189 Ordinary shares of 10 pence each and 28,443,527 Subscription shares of 1p each were in issue (no shares were held in Treasury). The Subscription shares carry no voting rights, therefore the total number of voting rights of the Company as at 14 December 2012 was 141,257,189.

8. A copy of this Notice of meeting, which includes details of shareholder voting rights, together with any other information as required under Section 311A of the Companies Act 2006, is available from the Company's website, www.schroderasiapacificfund.com.

9. Pursuant to Section 319A of the Companies Act 2006, the Company must cause to be answered at the Annual General Meeting any question relating to the business being dealt with at the AGM which is put by a member attending the meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered or if to do so would involve the disclosure of confidential information.

Company Summary and Shareholder Information

The Company

Schroder AsiaPacific Fund plc was established in 1995. It is an independent investment trust whose shares are listed on the London Stock Exchange. As at 14 December 2012, the Company had 141,257,189 Ordinary shares of 10p each and 28,443,527 Subscription shares of 1p each in issue (no shares were held in treasury). The Company's assets are managed and it is administered by Schroders. The Company measures its performance on a total return basis against the MSCI All Countries Asia ex Japan Index in Sterling terms.

It is not intended that the Company should have a limited life, but the Directors consider it desirable that the shareholders should have the opportunity to review the future of the Company at appropriate intervals. Accordingly, the Articles of Association of the Company contain provisions requiring the Directors to put a proposal for the continuation of the Company to shareholders at the Annual General Meeting of the Company in 2016 and thereafter at five yearly intervals.

Website and Price Information

The Company has a dedicated website, which may be found at www.schroderasiapacificfund.com. The website has been designed to be utilised as the Company's primary method of electronic communication with shareholders. It contains details of the Company's share price (subject to a delay of 15 minutes) and copies of Report and Accounts and other documents published by the Company as well as information on the Directors, Terms of Reference of Committees and other governance arrangements. In addition, the site contains links to announcements made by the Company to the market, Equiniti's shareview service and Schroders' website. There is also a section entitled "How to Invest" which provides details of the Schroder ISA.

The Company releases its Net Asset Value on both a cum and ex income basis to the market on a daily basis.

Share price information may also be found in the Financial Times and on Schroders' website at www.schroders.co.uk/its.

Registrar Services

Communications with shareholders are mailed to the address held on the register. Any notifications and enquiries relating to shareholdings, including a change of address or other amendment should be directed to Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. The helpline telephone number of Equiniti Registrars is 0800 032 0641. Calls to this number are free of charge from UK landlines.

Equiniti maintain a web-based enquiry service for shareholders. Currently the "Shareview" site (address below) contains information available on public registers.

Shareholders will be invited to enter their name, shareholder reference (account number) and post code and will be able to view information on their own holding. Visit www.shareview.co.uk for more details.

Association of Investment Companies

The Company is a member of the Association of Investment Companies. Further information on this association can be found on its website, www.theaic.co.uk.

www.schroderasiapacificfund.com

Schroders