

Fidelity Asian Values PLC

Half-Yearly Report

For the 6 months ended 31 January 2013



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Investment Objective and Performance Summary

The investment objective of the Company is to achieve long term capital growth through investment principally in the stockmarkets of the Asian Region (excluding Japan)

Performance (on a total return basis) (%)

	Six months to 31 January 2013
Net Asset Value ("NAV") – undiluted	+16.1
Net Asset Value ("NAV") – diluted	+13.5
Ordinary Share Price	+12.6
MSCI All Countries (Combined) Far East ex Japan Index (net) – in UK sterling terms	+12.3

One Year Performance (on a total return basis) (%)

	01/02/12 to 31/01/13	01/02/11 to 31/01/12	01/02/10 to 31/01/11	01/02/09 to 31/01/10	01/02/08 to 31/01/09
NAV – undiluted	+10.0	-9.8	+33.5	+72.7	-31.6
NAV – diluted	+8.5	-8.4	+29.9	+72.7	-31.6
Ordinary share price	+4.6	-7.7	+30.3	+68.3	-28.5

Sources: Fidelity and Datastream

Past performance is not a guide to future returns

Summary of Results

	31 January 2013	31 July 2012	% change
Assets			
Total portfolio exposure ¹	£136.0m	£123.8m	+9.9
Shareholders' funds	£129.2m	£117.1m	+10.3
NAV per ordinary share – undiluted	225.69p	195.40p	+15.5
NAV per ordinary share – diluted ²	219.91p	194.70p	+12.9
Gearing ³	5.3%	5.7%	

Stockmarket data

Ordinary share price at period end	197.13p	176.00p	+12.0
Period high	198.25p	207.00p	
Period low	171.25p	161.00p	
Discount to NAV at period end – undiluted	12.7%	9.9%	
Period high	12.7%	13.6%	
Period low	8.9%	2.6%	
Discount to NAV at period end – diluted	10.4%	9.6%	
Subscription share price at period end	11.00p	6.75p	
Period high	14.00p	27.50p	
Period low	4.52p	5.75p	

Results for the six months to 31 January (undiluted)

– see pages 10 and 11

	2013	2012
Revenue return per ordinary share	0.25p	0.94p
Capital return/(loss) per ordinary share	29.77p	(23.64p)
Total return/(loss) per ordinary share	30.02p	(22.70p)

Total returns (includes reinvested income) for the six months to 31 January

	2013	2012
NAV per ordinary share – undiluted	+16.1%	–9.6%
Ordinary share price	+12.6%	–5.9%
MSCI All Countries (Combined) Far East Free ex Japan Index (net) ⁴	+12.3%	–6.4%

¹ The total exposure of the investment portfolio, including exposure to the investments underlying the long Contracts for Difference (“CFDs”)

² The diluted NAV per ordinary share is included since the NAV per ordinary share is greater than the 191 pence exercise price of the subscription shares. Hence, if all the subscription shares had been converted at the period end, the NAV per ordinary share in issue would have been diluted

³ Total portfolio exposure in excess of shareholders' funds

⁴ In UK sterling terms

Sources: Fidelity and Datastream

Past performance is not a guide to future returns

PERFORMANCE

Over the six months to 31 January 2013, the net asset value of Fidelity Asian Values PLC registered encouraging growth and outperformed the Benchmark Index. The net asset value per share increased by 16.1%, compared with an increase of 12.3% for the MSCI All Countries (Combined) Far East ex Japan Index. The increase in the net asset value per share was not fully reflected in the ordinary share price which rose by 12.0%. As a result the discount widened from 9.9% to 12.7% over the period. (All figures in UK sterling terms and on a total return basis).

MARKETS

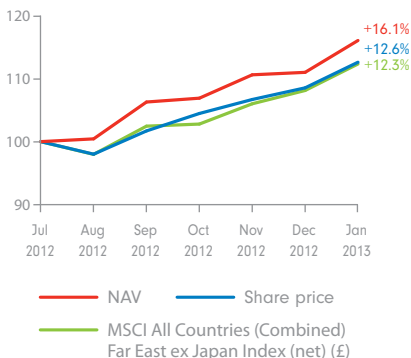
Far East ex Japan equities recovered from early losses in 2012, bolstered particularly by positive economic news-flow in the second half of the year. Concerns about a deepening of the sovereign debt crisis in the Eurozone eased; the uncertainty surrounding US elections ended; there was rising evidence of an up-turn in the Chinese economic cycle, whilst expectations that a change of guard in China would result in growth-oriented policy measures also proved supportive. The US Federal

Reserve initiated another round of quantitative easing which further boosted investor confidence. From a sector perspective, the financial and energy sectors outperformed the overall Index. Banks, insurance providers and real estate firms benefited from an improvement in growth prospects, given broadly strong balance sheets, and attractive earnings. Meanwhile, utilities firms were bolstered by their defensive positioning and attractive yields which proved a safeguard against volatility.

PORTFOLIO REVIEW

The robust turnaround in the Company's performance was primarily driven by a high conviction bias towards the information technology sector. The largest driver of outperformance in the period was the overweight position in SouFun Holdings, which is the leading real estate internet portal and home furnishing and improvement website in China. The share price was driven by robust earnings growth as slowing property sales in China attracted a larger number of small and medium sized developers to its marketing and listings services, whilst its cards business, which offers a discount to subscribers, also made strong progress. An overweight stance in personal computer, notebook and smartphone producer Lenovo Group also added value in light of better than expected earnings growth and strong growth prospects given its geographical diversification strategy. Meanwhile, an underweight allocation to the materials sector enhanced both relative and absolute performance. An overweight position in Nine Dragons Paper enhanced returns as interest costs declined and signs of a recovery in demand bolstered investor confidence. On the other hand, not holding a stake in steel producer POSCO and petrochemicals firm LG Chem bolstered relative performance. Within financials, a position in Hong Kong based Wharf Holdings also performed well on the back of positive earnings growth and was later driven by optimism about new development projects in China. A stake in floor care and power

Total return performance for the six months to 31 January 2013



Sources: Fidelity and Datastream

Half-Yearly Report as at 31 January 2013

tools manufacturer Techtronic Industries was also a leading contributor to overall gains.

Conversely, the stake in Li & Fung disappointed given an uncertain outlook for growth. A position in South Korea-based automobile producer KIA Motors retreated in view of productivity losses, disappointing quarterly results and uncertainty surrounding the overstatement of their cars' fuel efficiency. Elsewhere, selected IT holdings such as online games producer NCsoft and China-based internet search provider Baidu disappointed. Whilst the former declined following disappointing quarterly results, share prices in the latter were impacted by prospects of rising competitive pressure, due to concerns surrounding US listed Chinese companies.

The Manager significantly decreased the allocation to the consumer discretionary sector by selling the stake in Li & Fung as its growth strategy is unclear and valuations were not attractive. Additionally, the stake in KIA Motors was decreased, although the overweight stance in the firm is retained. A new holding was introduced in educational services provider New Oriental Education & Technology Group at attractive valuations as it seeks to cut costs and focus on increasing margins. The Manager also re-introduced the position in Macau-based casino operator SJM Holdings to benefit from a valuations upside from its expansion strategy and attractive yields. Meanwhile, the exposure to consumer staples was increased by introducing a position in Hengan International and cosmetics producer Korea Kolmar as both these companies benefit from changing consumer preferences. Exposure to both telecommunications and utilities segments was decreased due to limited valuations upside. The Manager continues to retain an overweight stance in the IT sector whilst retaining an underweight stance in financials. With respect to the latter, the Company continues to maintain a

substantial overweight in real estate firms such as Wharf Holdings and Sun Hung Kai Properties.

OUTLOOK

Although growth projections for the region were adjusted downwards, robust domestic demand and better than estimated growth in the US are likely to underpin a faster than expected economic expansion in Asia particularly when compared to the rest of the world. Whilst questions remain on the health of the US and the fragile economic conditions in Europe, the outlook for the Asian region is largely positive for 2013. Growth is likely to remain attractive, with inflation under control and debt at low levels. Most Asian economies have the ability to use counter-cyclical fiscal and monetary policies to support their economies. Balance sheets and cashflows among Asian corporations remain healthy, whilst valuations are attractive. The Manager's strategy remains focussed towards better quality businesses and it continues to favour companies with strong fundamentals and attractive growth strategies and yields.

GEARING

At the General Meeting held on 28 November 2012, shareholders approved a change to the Company's investment policy to permit the use of Contracts For Difference ("CFDs"). The ability to use CFDs will increase gearing flexibility.

The costs of using CFDs in the manner proposed by the Board and the Manager are currently lower than the costs involved in traditional gearing. Accordingly the Company repaid and cancelled the US\$15,000,000 loan facility with Scotiabank Europe PLC on 28 February 2013. The Company has now implemented its CFD investment programme. While gearing through CFDs is currently cheaper than using loans, a temporary increase in turnover will be seen in the next Annual Report as a result of the transition.

Under the investment policy the level of borrowing, whether through bank lending or CFDs, will not exceed 30% of the value of net assets at the time it was incurred. At 31 January 2013 the level of gearing was 5.3%.

SHARE REPURCHASES

During the six months to 31 January 2013, 2,703,000 ordinary shares were repurchased for cancellation. Following the end of the reporting period, a further 400,000 ordinary shares were repurchased for cancellation.

SUBSCRIPTION SHARES

The rights attaching to a total of 11,922 subscription shares were exercised during the six months to 31 January 2013. Since the end of the reporting period, a further 86,986 subscription shares have been exercised and the total number of subscription shares remaining in issue as at the date of this report is 11,355,524. The final date for exercising the rights attached to the subscription shares is 31 May 2013. The exercise price of the rights attaching to the subscription shares is 191 pence per subscription share and as at 25 March 2013 the ordinary share price of the Company was 201.5 pence per share.

After 31 May 2013, the Company will appoint a trustee to determine the net proceeds from the sale of ordinary shares arising on the exercise of the rights attaching to the subscription shares that have not been exercised after deduction of costs, expenses and fees. If these net proceeds are lower than the cost of exercising the rights attached to the said subscription shares, then the subscription share rights will lapse. If the net proceeds are higher than the cost of exercising the rights attached to the subscription shares then, within fourteen days of 31 May 2013, the Company will either:

- (i) exercise all the rights attached to the outstanding subscription shares and sell in the market place the ordinary shares resulting from the exercise of such rights; or
- (ii) accept any offer available for the purchase of the outstanding subscription shares in excess of the exercise price together with the relevant costs, expenses and fees

and the resulting net proceeds in excess of the exercise price will be paid to the holders of the outstanding subscription shares unless the amount arising to a subscription shareholder is less than £5.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board believes that the principal risks and uncertainties faced by the Company continue to fall in the following categories: market risk; performance risk; loan risk; gearing risk; currency risk; financial and financial instrument risks; income-dividend risk; share price, NAV and discount volatility risks; counterparty risk; and governance, operational, financial, compliance and administration. Information on each of these is given in the Business Review section of the Annual Report for the year ended 31 July 2012.

GOING CONCERN

The Board receives regular reports from the Manager and the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements as outlined in the Annual Report for the year ended 31 July 2012.

By order of the Board

FIL Investments International
26 March 2013

Directors' Responsibility Statement

The Directors confirm to the best of their knowledge that:

- a) the condensed set of financial statements contained within the Half-Yearly financial report has been prepared in accordance with the UK Accounting Standards Board's Statement 'Half-Yearly Financial Reports';
- b) the Half-Yearly report narrative on pages 3 to 5 (constituting the interim management report) include a fair review of the information required by Rule 4.2.7R of the FSA's Disclosure and Transparency Rules and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- c) in accordance with Disclosure and Transparency Rule 4.2.8R there have been no related parties transactions during the six months to 31 January 2013 and therefore nothing to report on any material effect by such a transaction on the financial position or the performance of the Company during that period; and there have been no changes in this position since the last Annual Report that could have a material effect on the financial position or performance of the Company in the first six months of the current financial year.

The Half-Yearly financial report has not been audited or reviewed by the Company's Independent Auditor.

The Half-Yearly financial report was approved by the Board on 26 March 2013 and the above responsibility statement was signed on its behalf by Hugh Bolland, Chairman.

Twenty Largest Investments as at 31 January 2013

Country	Investment	Exposure £'000	Fair Value ¹ £'000	Total Exposure ² %
CHINA	Tencent Holdings Provides internet, mobile and telecommunications, value-added services. It has an instant messaging community and it provides messaging services.	5,743	5,743	4.2
	Petrochina Produces and sells oil and gas related products.	4,164	4,164	3.1
	Lenovo Group Develops, manufactures and markets technology products such as personal computers, notebooks and smart phones.	3,717	3,717	2.7
	China Overseas Land & Investment An investment holding company engaged in property development and investment.	3,350	3,350	2.5
	SouFun Holdings Operates a real estate Internet portal and a home furnishing and improvement website.	3,212	3,212	2.4
	Nine Dragons Paper Holdings Manufactures and sells packaging paper, recycled printing and writing paper, pulp and high value specialty paper products	3,106	3,106	2.3
HONG KONG	Wharf Holdings³ The holding company of a group with interests in property, communications, media, entertainment and logistics, primarily operating in Hong Kong.	6,290	4,883	4.6
	Sun Hung Kai Properties The core business of the company is the development of property for sale and investment.	4,877	4,877	3.6
	Techtronic Industries Manufactures and sells electrical and electronic products.	4,863	4,863	3.6

¹ Fair value represents the carrying value in the Balance Sheet on page 14

² % of the total exposure of the investment portfolio, including exposure to the investments underlying the long CFDs

³ Investment is via a long CFD

Twenty Largest Investments as at 31 January 2013

Country	Investment	Exposure £'000	Fair Value ¹ £'000	Total Exposure ² %
	AIA Group An investment holding company providing products and services to individuals and businesses for their insurance, protection, savings, investment and retirement needs.	4,769	4,769	3.5
	Samsonite International Designs, manufactures and distributes luggage and other travel bags.	3,698	3,698	2.7
	SJM Holdings Offers amusement and recreation services. It operates casinos, hotels and other tourism-related services in Macau.	3,305	3,305	2.4
SOUTH KOREA	Samsung Electronics Provides communication products. It operates through five business divisions: communication, semiconductor, digital media, liquid crystal display ("LCD") and home appliances.	10,517	10,517	7.7
	LG Household & Healthcare Manufactures household goods, cosmetics and beverages. It sells beauty care, dental care, laundry and cleaning products through its household division, skin care and make-up products through its cosmetics division, and juice, tea, coffee and bottled water through its beverage division.	5,332	5,332	3.9
	LG Uplus Provides wireless telecommunication services.	3,992	3,992	2.9
	Hotel Shilla Operates hotels and duty free shops.	3,089	3,089	2.3
	Daelim Industrial A multinational operating engineering, construction and petrochemical businesses.	3,086	3,086	2.3

¹ Fair value represents the carrying value in the Balance Sheet on page 14

² % of the total exposure of the investment portfolio, including exposure to the investments underlying the long CFDs

³ Investment is via a long CFD

Twenty Largest Investments as at 31 January 2013

Country	Investment	Exposure £'000	Fair Value ¹ £'000	Total Exposure ² %
TAIWAN	Taiwan Semiconductor Manufacturing Researches, develops, manufactures and distributes integrated circuit related products. Its businesses include wafer manufacture, mask production, wafer testing and packaging components.	7,115	7,115	5.2
	Asustek Computer Manufactures and distributes computers, communication products and consumer electronics.	3,550	3,550	2.6
	Hon Hai Precision Produces and sells electronic products which are applied in computer, communication and consumer electronic goods.	3,218	3,218	2.4
Twenty largest investments		90,993	89,586	66.9
Other investments		45,027	45,027	33.1
Total portfolio (including long CFDs)		136,020	134,613	100.0

¹ Fair value represents the carrying value in the Balance Sheet on page 14

² % of the total exposure of the investment portfolio, including exposure to the investments underlying the long CFDs

³ Investment is via a long CFD

Income Statement

		for the six months ended 31.01.13 unaudited		
	Notes	revenue £'000	capital £'000	total £'000
Gains/(losses) on investments designated at fair value through profit or loss		-	17,437	17,437
Losses on derivative instruments held at fair value through profit or loss		-	(32)	(32)
Income	2	1,310	-	1,310
Investment management fee		(674)	-	(674)
Other expenses		(299)	-	(299)
Exchange (losses)/gains on other net assets		(9)	(58)	(67)
Exchange gains/(losses) on loans		-	102	102
Net return/(loss) before finance costs and taxation		328	17,449	17,777
Finance costs		(84)	-	(84)
Net return/(loss) on ordinary activities before taxation		244	17,449	17,693
Taxation on return/(loss) on ordinary activities	3	(99)	-	(99)
Net return/(loss) on ordinary activities after taxation for the period		145	17,449	17,594
Return/(loss) per ordinary share				
Undiluted	4	0.25p	29.77p	30.02p

A Statement of Total Recognised Gains and Losses has not been prepared as there are no gains and losses other than those reported in this Income Statement.

The total column of the Income Statement is the profit and loss account of the Company.

All revenue and capital items in the above statement derive from continuing operations.

No operations were acquired or discontinued in the period.

These financial statements have been prepared in accordance with the Association of Investment Companies ("AIC") Statement of Recommended Practice ("SORP") issued in January 2009.

for the year ended 31.07.12 audited			for the six months ended 31.01.12 unaudited		
revenue £'000	capital £'000	total £'000	revenue £'000	capital £'000	total £'000
-	(21,037)	(21,037)	-	(14,294)	(14,294)
-	-	-	-	-	-
2,999	-	2,999	1,669	-	1,669
(1,267)	-	(1,267)	(608)	-	(608)
(515)	-	(515)	(257)	-	(257)
(10)	217	207	1	213	214
-	(447)	(447)	-	(406)	(406)
1,207	(21,267)	(20,060)	805	(14,487)	(13,682)
(204)	-	(204)	(101)	-	(101)
1,003	(21,267)	(20,264)	704	(14,487)	(13,783)
(123)	-	(123)	(129)	-	(129)
880	(21,267)	(20,387)	575	(14,487)	(13,912)
1.45p	(34.99p)	(33.54p)	0.94p	(23.64p)	(22.70p)

Reconciliation of Movements in Shareholders' Funds

	Notes	share capital £'000
Opening shareholders' funds: 1 August 2011		15,408
Exercise of rights attached to subscription shares and conversion into ordinary shares		-
Issue of ordinary shares on exercise of rights attached to subscription shares	7	6
Repurchase of ordinary shares	7	(199)
Net (loss)/return on ordinary activities after taxation for the period		-
Dividend paid to shareholders	5	-
Closing shareholders' funds: 31 January 2012		<u>15,215</u>
Opening shareholders' funds: 1 August 2011		15,408
Exercise of rights attached to subscription shares and conversion into ordinary shares		-
Issue of ordinary shares on exercise of rights attached to subscription shares	7	12
Repurchase of ordinary shares	7	(439)
Net (loss)/return on ordinary activities after taxation for the year		-
Dividend paid to shareholders	5	-
Closing shareholders' funds: 31 July 2012		<u>14,981</u>
Exercise of rights attached to subscription shares and conversion into ordinary shares		-
Issue of ordinary shares on exercise of rights attached to subscription shares	7	3
Repurchase of ordinary shares	7	(676)
Net return on ordinary activities after taxation for the period		-
Dividend paid to shareholders	5	-
Closing shareholders' funds: 31 January 2013		<u>14,308</u>

share premium account £'000	capital redemption reserve £'000	other non- distributable reserve £'000	other reserve £'000	capital reserve £'000	revenue reserve £'000	total equity £'000
1,140	1,785	7,367	19,238	95,259	1,060	141,257
-	-	-	-	-	-	-
41	-	-	-	-	-	47
-	199	-	-	(1,424)	-	(1,424)
-	-	-	-	(14,487)	575	(13,912)
-	-	-	-	-	(614)	(614)
<u>1,181</u>	<u>1,984</u>	<u>7,367</u>	<u>19,238</u>	<u>79,348</u>	<u>1,021</u>	<u>125,354</u>
1,140	1,785	7,367	19,238	95,259	1,060	141,257
-	-	-	-	-	-	-
78	-	-	-	-	-	90
-	439	-	(3,261)	-	-	(3,261)
-	-	-	-	(21,267)	880	(20,387)
-	-	-	-	-	(615)	(615)
<u>1,218</u>	<u>2,224</u>	<u>7,367</u>	<u>15,977</u>	<u>73,992</u>	<u>1,325</u>	<u>117,084</u>
-	-	-	-	-	-	-
20	-	-	-	-	-	23
-	676	-	(4,946)	-	-	(4,946)
-	-	-	-	17,449	145	17,594
-	-	-	-	-	(596)	(596)
<u>1,238</u>	<u>2,900</u>	<u>7,367</u>	<u>11,031</u>	<u>91,441</u>	<u>874</u>	<u>129,159</u>

Balance Sheet

	Notes	31.01.13 unaudited £'000	31.07.12 audited £'000	31.01.12 unaudited £'000
Fixed assets				
Investments designated at fair value through profit or loss		134,645	123,758	132,746
Current assets				
Debtors		3,408	206	3,191
Cash at bank		2,761	3,769	2,245
		6,169	3,975	5,436
Creditors				
Derivative liabilities held at fair value through profit or loss		(32)	-	-
Bank Loans	6	(9,461)	(9,563)	(9,522)
Other creditors		(2,162)	(1,086)	(3,306)
		(11,655)	(10,649)	(12,828)
Net current liabilities		(5,486)	(6,674)	(7,392)
Total net assets		129,159	117,084	125,354
Capital and reserves				
Share capital	7	14,308	14,981	15,215
Share premium account		1,238	1,218	1,181
Capital redemption reserve		2,900	2,224	1,984
Other non-distributable reserve		7,367	7,367	7,367
Other reserve		11,031	15,977	19,238
Capital reserve		91,441	73,992	79,348
Revenue reserve		874	1,325	1,021
Total equity shareholders' funds		129,159	117,084	125,354
Net asset value per ordinary share				
Undiluted	8	225.69p	195.40p	205.98p
Diluted	8	219.91p	194.70p	203.61p

Cash Flow Statement

	31.01.13 unaudited £'000	31.07.12 audited £'000	31.01.12 unaudited £'000
Operating activities			
Investment income received	894	3,032	1,494
Investment management fee paid	(332)	(1,663)	(999)
Directors' fees paid	(67)	(123)	(83)
Other cash payments	(214)	(594)	(184)
Net cash inflow from operating activities	281	652	228
Finance costs			
Interest paid on long CFDs and bank loans	(87)	(219)	(95)
Net cash outflow from finance costs	(87)	(219)	(95)
Financial investments			
Purchase of investments	(50,986)	(108,698)	(33,964)
Disposal of investments	55,598	110,939	33,416
Net cash inflow/(outflow) from financial investments	4,612	2,241	(548)
Dividend paid to shareholders	(596)	(615)	(614)
Net cash inflow/(outflow) before financing	4,210	2,059	(1,029)
Financing			
Repurchase of ordinary shares	(5,172)	(3,035)	(1,424)
Exercise of rights attached to subscription shares	12	105	62
Net cash outflow from financing	(5,160)	(2,930)	(1,362)
Decrease in cash	(950)	(871)	(2,391)

Notes to the Financial Statements

1 ACCOUNTING POLICIES

The half-yearly financial statements have been prepared on the basis of the accounting policies set out in the Company's annual report and financial statements for the year ended 31 July 2012.

31.01.13 unaudited £'000	31.07.12 audited £'000	31.01.12 unaudited £'000
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2 INCOME

Income from investments designated at fair value through profit or loss

Overseas dividends	1,084	2,784	1,454
Overseas scrip dividends	226	215	215
Total Income	1,310	2,999	1,669

31.01.13 unaudited £'000	31.07.12 audited £'000	31.01.12 unaudited £'000
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3 TAXATION ON RETURN/(LOSS) ON ORDINARY ACTIVITIES

Overseas taxation suffered

Revenue	99	123	129
Capital	-	-	-
Total	99	123	129

Notes to the Financial Statements

	31.01.13 unaudited	31.07.12 audited	31.01.12 unaudited
4 RETURN/(LOSS) PER ORDINARY SHARE			
Undiluted			
Revenue	0.25p	1.45p	0.94p
Capital	29.77p	(34.99p)	(23.64p)
Total	30.02p	(33.54p)	(22.70p)

The undiluted returns/(losses) per ordinary share are based on net returns/(losses) on ordinary activities after taxation and the weighted average number of ordinary shares in issue. The returns for the six months ended 31 January 2013 were: revenue return £145,000 (31.07.12: £880,000; 31.01.12: £575,000), capital return £17,449,000 (31.07.12: loss £21,267,000; 31.01.12: loss £14,487,000) and total return £17,594,000 (31.07.12: loss £20,387,000; 31.01.12: loss £13,912,000). The undiluted weighted average number of ordinary shares in issue for the six months ended 31 January 2013 was 58,605,547 (31.07.12: 60,772,836; 31.01.12: 61,279,714).

There was no dilution in the six months ended 31 January 2013 (31.07.12: none; 31.01.12: none) because the average market price of the ordinary shares during the periods was below the 191 pence per share exercise price of the rights attaching to the subscription shares.

5 DIVIDENDS

No dividend has been declared in respect of the current period. The dividend payment of £596,000 shown in the Reconciliation of Movements in Shareholders' Funds for the six months ended 31 January 2013, is the final dividend of one penny per ordinary share paid for the year ended 31 July 2012, that was paid on 6 December 2012. The dividend payment of £615,000 shown in the Reconciliation of Movements in Shareholders' Funds for the year ended 31 July 2012 (six months ended 31 January 2012: £614,000), is the final dividend of one penny per ordinary share paid for the year ended 31 July 2011, that was paid on 8 December 2011.

6 BANK LOANS

The Company entered into a two year revolving credit facility with Scotiabank Europe PLC for an amount of up to US\$15,000,000 on 28 February 2012 and the full amount was drawn down for the 3 months to 29 May 2012, at an interest rate of 1.87%. This was further rolled over for the 3 months to 29 August 2012 at 1.84%, for the 3 months to 29 November 2012 at 1.80% and for the 3 months ending 28 February 2013 at an interest rate of 1.69%.

Since the reporting period end, the Company has repaid the loan and cancelled the US\$15,000,000 credit facility on 28 February 2013.

Notes to the Financial Statements

	31.01.13 unaudited shares	31.07.12 audited shares	31.01.12 unaudited shares
7 SHARE CAPITAL			
Issued, allotted and fully paid:			
Ordinary shares of 25 pence each			
Beginning of the period	59,918,781	61,628,970	61,628,970
Issue of ordinary shares on conversion of subscription shares	11,922	47,311	24,771
Repurchase of ordinary shares	(2,703,000)	(1,757,500)	(797,500)
End of the period	<u>57,227,703</u>	<u>59,918,781</u>	<u>60,856,241</u>
Subscription shares of 0.01 pence each¹			
Beginning of the period	11,454,432	11,501,743	11,501,743
Exercise of rights attaching to subscription shares and conversion into ordinary shares	(11,922)	(47,311)	(24,771)
End of the period	<u>11,442,510</u>	<u>11,454,432</u>	<u>11,476,972</u>
	31.01.13 unaudited £'000	31.07.12 audited £'000	31.01.12 unaudited £'000
Issued, allotted and fully paid:			
Ordinary shares of 25 pence each			
Beginning of the period	14,980	15,407	15,407
Issue of ordinary shares on conversion of subscription shares	3	12	6
Repurchase of ordinary shares	(676)	(439)	(199)
End of the period	<u>14,307</u>	<u>14,980</u>	<u>15,214</u>
Subscription shares of 0.01 pence each¹			
Beginning of the period	1	1	1
Exercise of rights attaching to subscription shares and conversion into ordinary shares	-	-	-
End of the period	<u>1</u>	<u>1</u>	<u>1</u>
Total share capital	<u>14,308</u>	<u>14,981</u>	<u>15,215</u>

¹ The terms of the rights attaching to the subscription shares are detailed in the Half-Yearly Report on page 5

Notes to the Financial Statements

8 NET ASSET VALUE PER ORDINARY SHARE

The undiluted net asset value per ordinary share is based on net assets of £129,159,000 (31.07.12: £117,084,000; 31.01.12: £125,354,000) and on 57,227,703 (31.07.12: 59,918,781; 31.01.12: 60,856,241) ordinary shares, being the number of ordinary shares in issue at the period end.

The diluted net asset value per ordinary share has been calculated on the basis that the outstanding subscription shares of 11,442,510 at 31 January 2013 (31.07.12: 11,454,432; 31.01.12: 11,476,972) were exercised on that date. This basis of calculation is in accordance with guidelines laid down by the AIC.

Undiluted and diluted net asset values per ordinary share are provided to the London Stock Exchange on a daily basis.

9 INVESTMENT TRANSACTIONS COSTS

Investment transaction costs are incurred in the acquisition and disposal of investments. These are included in the gains/(losses) on investments designated at fair value through profit or loss in the capital column of the Income Statement and are summarised below:

	31.01.13 unaudited £'000	31.07.12 audited £'000	31.01.12 unaudited £'000
Purchases	103	204	61
Sales	193	338	103
	<u>296</u>	<u>542</u>	<u>164</u>

10 UNAUDITED FINANCIAL STATEMENTS

The results for the six months to 31 January 2013 and 31 January 2012, which are unaudited, constitute non-statutory accounts within the meaning of Section 435 of the Companies Act 2006. The figures and financial information for the year ended 31 July 2012 are extracted from the latest published financial statements. These financial statements, on which the Independent Auditor gave an unqualified report, have been delivered to the Registrar of Companies.

Investor Information

CONTACT INFORMATION

Private investors call free on:

0800 41 41 10

9am to 6pm, Monday to Saturday.

Financial advisers call free on:

0800 41 41 81

8am to 6pm, Monday to Friday

www.fidelity.co.uk/its

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

Holders of ordinary shares:

Capita Registrars, Registrars to Fidelity Asian Values PLC, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

Telephone: 0871 664 0300 (calls cost 10p per minute plus network extras)

8.30am to 5.30pm, Monday to Friday.

Email: ssd@capitaregistrars.com

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

Fidelity Share Plan investors:

Fidelity Investment Trust Share Plan,
PO Box 24035, 12 Blenheim Place,
Edinburgh EH7 9DD.

Telephone: 0845 358 1107

(calls cost 3.95p per minute from a BT landline dependent on the tariff. Other telephone service providers' costs may vary.)

Fidelity ISA investors:

Fidelity, using the freephone numbers given, or by writing to:

UK Customer Service, Worldwide Investment,
Oakhill House, 130 Tonbridge Road,
Hildenborough, Tonbridge,
Kent, TN11 9DZ

www.fidelity.co.uk/its

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

Telephone: 01732 361144

Fax: 01737 836892

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

FINANCIAL CALENDAR 2013

31 January	- Half-Yearly period end
26 March	- Announcement of Half-Yearly results to 31 January
April	- Posting of Half-Yearly report
31 July	- Financial year end
October	- Publication of Annual Report
November	- Annual General Meeting

BOARD OF DIRECTORS

Hugh Bolland (Chairman)
William Knight
(Senior Independent Director)
Kate Bolsover
(Audit Committee Chairman)
Kathryn Matthews
Philip Smiley

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Chartered Accountants
and Registered Auditor
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EC2P 2YU

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Speechly Bircham LLP
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London
EC4A 3LX

Glossary of Terms

BENCHMARK

MSCI All Countries (Combined) Far East Free ex Japan Index (net)

CONTRACT FOR DIFFERENCE (CFD)

A [Contract For Difference](#) is a [derivative](#). It is a contract between the Company and a third party at the end of which the parties exchange the difference between the opening price and the closing price of an underlying asset of the specified financial instrument. It does not involve the Company buying or selling the underlying asset, only agreeing to receive or pay the movement in its share price.

A [Contract For Difference](#) allows the Company to gain access to the movement in the share price by depositing a small amount of cash known as margin. The Company may reason that the asset price will rise, by buying ("long" position) or fall by selling ("short" position). If the Company trades long, dividends are received and interest is paid. If the Company trades short, dividends are paid and interest is received. The Company only intends to use long [Contracts For Difference](#)

DERIVATIVES

Financial instruments (such as futures, options and [Contracts For Difference](#)) whose value is derived from the value of an underlying asset

DISCOUNT

If the share price of the Company is lower than the [net asset value](#) per share, the Company's shares are said to be trading at a [discount](#). The [discount](#) is shown as a percentage of the [net asset value](#). The opposite of a [discount](#) is a [premium](#). It is more common for an investment trust to trade at a [discount](#) than a [premium](#)

FAIR VALUE

The [fair value](#) is the best estimate of the value of the investments, including [derivatives](#), at a point in time and this is measured as:

- Listed investments valued at bid prices, or last market prices, where available, otherwise at published price quotations
- Unlisted investments valued using an appropriate valuation technique in the absence of an active market

GEARING

[Gearing](#) describes the level of a company's leverage and is usually expressed as a percentage. It can be obtained through the use of bank loans, bank overdrafts or [Contracts For Difference](#) in order to increase a company's exposure to stocks. If assets rise in value, [gearing](#) magnifies the return to shareholders. Correspondingly, if the assets fall in value, [gearing](#) magnifies the fall. [Gearing](#) reflects the amount of leverage the Company uses to invest in the market. [Contracts For Difference](#) are used as a way of gaining exposure to the price movements of shares without buying the underlying shares directly.

In a simple example, if a company has £100 million of net assets and £8 million of borrowings (either via bank loans or long [Contracts For Difference](#)) then the [Shareholders' funds](#) are 8% geared. Normally, the

Glossary of Terms

higher the **gearing** factor, the more sensitive an investment trust's shares will be to the movements up and down in the value of the investment portfolio.

NET ASSET VALUE (NAV)

Net asset value is sometimes also described as "**shareholders' funds**", and represents the total value of the Company's assets less the total value of its liabilities. For valuation purposes it is common to express the **net asset value** on a per share basis

PREMIUM

If the share price of the Company is higher than the **net asset value** per share, the Company's shares are said to be trading at a **premium**. The **premium** is shown as a percentage of the **net asset value**. The opposite of a **premium** is a **discount**

RETURN

The return generated in the period from the investments:

- **Revenue Return** reflects the dividends and interest from investments and other income net of expenses, finance costs and taxation
- **Capital Return** reflects the return on capital, excluding any revenue returns
- **Total Return** reflects the aggregate of revenue and capital returns in the period

SHARE REPURCHASES

An increasingly popular way for investment trust companies to return cash to their shareholders is through offering to repurchase a proportion of shares currently held. Companies seek the permission of shareholders to do so at their annual general meetings allowing them to repurchase a proportion of their total shares (up to 14.99%) in the market at prices below the prevailing **net asset value** per share. This process is also used to enhance the **net asset value** per share and to reduce the **discount** to **net asset value**

SHAREHOLDERS' FUNDS

Shareholders' funds are also described as "**net asset value**" and represent the total value of the Company's assets less the total value of its liabilities

TOTAL PORTFOLIO EXPOSURE

The value of the fixed asset investments at **fair value** plus the **fair value** of the underlying securities within the **Contracts For Difference**

TOTAL RETURN PERFORMANCE

The return on the ordinary share price or **net asset value** per share taking into account the rise and fall of ordinary share prices and the dividends paid to shareholders. Any dividends received by the shareholder are assumed to have been reinvested in additional ordinary shares (for share price total return) or the Company's assets (for **net asset value** total return)

FURTHER INFORMATION

The Fidelity Individual Savings Account ("ISA") is offered and managed by Financial Administration Services Limited. The Fidelity Investment Trust Share Plan is managed by FIL Investments International. Both companies are authorised and regulated by the Financial Services Authority. The Fidelity Investment Trust Share Plan is administered by Bank of New York Mellon and shares will be held in the name of Bank of New York Nominees Limited.

The value of savings and eligibility to invest in an ISA will depend on individual circumstances and all tax rules may change in the future. Fidelity investment trusts are managed by FIL Investments International. Fidelity only gives information about its own products and services and does not provide investment advice based on individual circumstances. Should you wish to seek advice, please contact a Financial Adviser.

Please note that the value of investments and the income from them may fall as well as rise and the investor may not get back the amount originally invested. Past performance is not a guide to future returns. For funds that invest in overseas markets, changes in currency exchange rates may affect the value of your investment. Investing in small and emerging markets can be more volatile than older developed markets.

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

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Warning To Shareholders

SHARE FRAUD WARNING

Share fraud includes scams where investors are called out of the blue and offered shares that often turn out to be worthless or non-existent, or an inflated price for shares they own. These calls come from fraudsters operating in 'boiler rooms' that are mostly based abroad.

While high profits are promised, those who buy or sell shares in this way usually lose their money.

The Financial Services Authority (FSA) has found most share fraud victims are experienced investors who lose an average of £20,000, with around £200m lost in the UK each year.

PROTECT YOURSELF

If you are offered unsolicited investment advice, discounted shares, a premium price for shares you own, or free company or research reports, you should take these steps before handing over any money:

1. Get the name of the person and organisation contacting you.
2. Check the FSA Register at www.fsa.gov.uk/fsaregister to ensure they are authorised.
3. Use the details on the FSA Register to contact the firm.
4. Call the FSA Consumer Helpline on **0845 606 1234** if there are no contact details on the Register or you are told they are out of date.
5. Search our list of unauthorised firms and individuals to avoid doing business with.
6. **REMEMBER: if it sounds too good to be true, it probably is!**

If you use an unauthorised firm to buy or sell shares or other investments, you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme (FSCS) if things go wrong.

REPORT A SCAM

If you are approached about a share scam you should tell the FSA using the share fraud reporting form at www.fsa.gov.uk/scams, where you can find out about the latest investment scams. You can also call the Consumer Helpline on **0845 606 1234**.

If you have already paid money to share fraudsters you should contact Action Fraud on

0300 123 2040



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