

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you are recommended immediately to seek your own personal financial advice from your independent financial adviser, stockbroker, solicitor, accountant, bank manager or from an appropriately qualified independent adviser authorised pursuant to the Financial Services and Markets Act 2000. All Shareholders are strongly advised to consult their professional advisers regarding their own tax position.**

This Circular is not being sent to Shareholders with registered addresses in the United States, Australia, Canada, Japan or the Republic of South Africa. Accordingly copies of this document or any accompanying documents are not being mailed and must not be, directly or indirectly, mailed or otherwise distributed, forwarded or transmitted into the United States, Australia, Canada, Japan or the Republic of South Africa and all persons receiving such documents (including, without limitation, custodians, nominees and trustees) should observe these restrictions and must not mail or otherwise distribute, forward or transmit them in, into or from the United States, Australia, Canada, Japan or the Republic of South Africa.

If you have sold or otherwise transferred all of your Shares in the Company, please send this document (but not any accompanying personalised forms) at once to the purchaser or transferee or to the stockbroker, bank or other person through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. However, such documents should not be distributed, forwarded or transmitted in or into the United States, Australia, Canada, Japan or the Republic of South Africa or into any other jurisdiction if to do so would constitute a violation of the relevant laws and regulations in such other jurisdiction.

Numis Securities, which is authorised and regulated in the United Kingdom by the Financial Services Authority in the conduct of investment business, is acting for the Company in connection with the Tender Offer and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Numis Securities nor for providing advice in relation to the Tender Offer described in this document.

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## **SCHRODER ASIAPACIFIC FUND plc**

*(an investment company under section 833 of the Companies Act 2006  
registered in England and Wales number 03104981)*

### **Tender Offer for up to 15 per cent. of the issued ordinary share capital of the Company and Notice of General Meeting**

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Applications by Shareholders to tender Shares for purchase under the Tender Offer may only be made on the applicable Tender Form or, in the case of Shares held in uncertificated form (that is, in CREST), by making an appropriate CREST instruction (a TTE Instruction).

The Tender Offer is not being made directly or indirectly in, into, or from the United States, Australia, Canada, Japan or the Republic of South Africa, except where permitted by applicable law. Accordingly, the Tender Form may not be distributed or sent in, into or from (whether by use of mails or by any means or instrumentality of interstate or foreign commerce) the United States, Australia, Canada, Japan or the Republic of South Africa and doing so may render invalid any purported tender. Any person (including, without limitation, custodians, nominees and trustees) who may have a contractual or legal obligation to forward the Tender Form should read paragraph 9 of Part IV of this document before taking any action.

**The Tender Offer described in this document is conditional on approval from Shareholders, which is being sought at the General Meeting of the Company** to be held at 12.00 noon on 31 January 2011 at 31 Gresham Street, London EC2V 7QA. Notice of the General Meeting is set out at the end of this document.

Shareholders are requested to return the Form of Proxy accompanying this document. To be valid, the Form of Proxy accompanying this document for use by Shareholders at the General Meeting must be completed and returned in accordance with the instructions therein so as to be received by post or by hand (only during normal business hours) at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6RE, as soon as possible and, in any event, not later than 12.00 noon on 29 January 2011. A first class reply-paid envelope for use in the United Kingdom only is enclosed for your convenience. The lodging of a Form of Proxy will not prevent a Shareholder from attending the General Meeting and voting in person if they so wish.

Enclosed with this document is a Tender Form for use by Shareholders in connection with the Tender Offer. To be effective, such forms must be returned as indicated on the relevant form so as to be received as soon as possible and, in any event, not later than 3.00 p.m. on 28 January 2011.

**Your attention is drawn to the sections headed "Action to be Taken" and "Part I – Risk Factors" on pages 4 and 5, respectively, of this document.**

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for participation in the Tender Offer	close of business on 23 December 2010
Latest time and date for receipt of Tender Forms from Shareholders in respect of the Tender Offer	3.00 p.m. on 28 January 2011
Latest time and date for receipt of Forms of Proxy from Shareholders in respect of the General Meeting	12.00 noon on 29 January 2011
<b>General Meeting</b>	12.00 noon on 31 January 2011
Calculation Date	close of business on 31 January 2011
Results of the Tender Offer and Tender Price announced	7 February 2011
Settlement date – cheques despatched and CREST accounts credited with proceeds in respect of successfully tendered Shares and with unsold uncertificated Shares	10 February 2011
Balancing certificates despatched in respect of unsold certificated Shares	week commencing 14 February 2011

*Each of the times and dates in the expected timetable may be extended or brought forward without further notice. If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Shareholders by an announcement through a Regulatory Information Service provider.*

*All references to times are to London times.*

## **ACTION TO BE TAKEN**

**You are not under any obligation to tender your Shares but to the extent that you tender Shares in respect of less than the whole of your Basic Entitlement (or do not tender Shares at all), other Shareholders may tender in excess of their Basic Entitlement.**

If you do not wish to tender any of your Shares, do not complete and return the Tender Form.

Enclosed with this document are a Form of Proxy and a Tender Form.

**Whether or not you wish to tender any of your Shares under the Tender Offer, you are requested to complete and return your Form of Proxy in accordance with the instructions therein so as to be received as soon as possible and, in any event, not later than the times and dates specified on page 3 of this document.**

Full details of the action to be taken are set out in this document and in the instructions on the respective forms. You should read the whole of this document which contains the terms of the Tender Offer. The attention of Overseas Persons is drawn to the section headed "Overseas Persons" in paragraph 9 of Part IV of this document.

### **Shareholder Helpline**

If you have any queries in relation to your Shareholding(s), please call Equiniti Limited on 0800 023 2842 (or, if you are calling from outside the United Kingdom, +44 121 415 0169). The helpline is available from 8.30 a.m. to 5.30 p.m. Monday to Friday (except bank holidays) and will remain open until 5.30 p.m. on 24 February 2011. Calls to the 0800 023 2842 number from inside the United Kingdom are free of charge from a BT landline; other service providers' charges may vary. Calls to the +44 121 415 0169 number from outside the United Kingdom are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes.

Please note that, for legal reasons, the Shareholder Helpline is only able to provide information contained in this document, information relating to the Company's register of members and information regarding completion of forms and is unable to give advice on the merits of the Tender Offer or to provide legal, financial, tax or investment advice.

## **PART I**

### **RISK FACTORS**

**Shareholders considering whether to tender their Shares should read this document carefully.**

In considering the Tender Offer, Shareholders should have regard to the following risk factors. The risk factors below are those considered by the Board to be material to the Tender Offer at the date of this document; additional risks and uncertainties that are not currently known or are not currently considered material may emerge or become material.

#### ***Risk factors relating to the Tender Offer***

- If any Shares permitted to be tendered pursuant to the Tender Offer are tendered, the issued share capital of the Company will be reduced and the Company will be smaller. As a result, the fixed costs of the Company will be spread over fewer Shares.
- The proceeds of the Tender Offer will be dependent on, amongst other things the costs of realisation of such of the Company's investments as is necessary to meet the number of Shares tendered. and the price at which such assets are realised. There can be no assurance as to the value it is possible to realise from the sale of the assets.
- If the Tender Offer is more than 15 per cent. taken up, the Board expects that all of the costs of the Tender Offer will be borne by those Shareholders who tender Shares. If the Tender Offer is less than 15 per cent. taken up, it is expected that some of the costs will be borne by the Company to ensure that those Shareholders who tender Shares do not suffer more than a 5 per cent. deduction from the Diluted Net Asset Value on the Calculation Date.
- The Tender Offer is conditional on, amongst other things, approval from Shareholders at a General Meeting to be held at 12.00 noon on 31 January 2011, or such later date (being not later than 28 February 2011) as the Company and Numis Securities may determine.
- In the circumstances described in paragraph 2.1 of Part IV of this document, the Company (acting by its Directors) can either terminate the Tender Offer or postpone the Calculation Date or the completion of the Tender Offer for up to 30 Business Days, after which, to the extent not completed, the Tender Offer will lapse.
- Although the taxation consequences of the Tender Offer are expected to be as set out in Part V, such tax treatment may change as a result of changes in the law or HM Revenue & Customs custom and practice.

## PART II

### LETTER FROM THE CHAIRMAN

## SCHRODER ASIAPACIFIC FUND plc

*(an investment company under section 833 of the Companies Act 2006  
registered in England and Wales number 03104981)*

*Directors:*

The Hon. Rupert Carington (*Chairman*)  
Robert Binyon  
Robert Boyle  
The Rt. Hon. the Earl of Cromer  
Anthony Fenn  
Nicholas Smith

*Registered Office*

31 Gresham Street  
London EC2V 7QA

6 January 2011

**To: Shareholders in Schroder AsiaPacific Fund plc**

**Tender Offer for up to 15 per cent. of the issued ordinary share capital of the Company  
and**

**Notice of General Meeting**

### 1. Introduction

The Articles of Association contain provisions which require the Board to put to shareholders a resolution at the Annual General Meeting to be held on 31 January 2011, that the Company continues as an investment trust for a further five years.

The Board is unanimously recommending that the Company continues as an investment trust and the Directors intend to vote their shares accordingly. The Board considers that the Company is well established as an investment vehicle in its peer group and that its long-term investment objectives remain appropriate and the structure beneficial to Shareholders. The Board believes that the Company can continue to meet its investment objectives given its belief that the Asia-Pacific region will continue to provide opportunities for the Manager.

The Board maintains an ongoing dialogue with Shareholders and is aware that one of the Company's larger Shareholders believes that continuation votes should be accompanied by an event such as a partial tender offer.

The Board, having taken this Shareholder's position into account and consulted with its advisers, therefore intends to propose a Tender Offer of up to 15 per cent of the Company's issued shares at a discount of 2 per cent. to Formula Asset Value on the Calculation Date. The total number of Shares to be purchased under the Tender Offer will not exceed 25,711,701 Shares, representing 15 per cent. of the Company's issued Shares as at 23 December 2010.

The purpose of this document is to explain the mechanics of the Tender Offer and to provide Shareholders with terms and conditions relating to the Tender Offer and to explain how they may tender their Shares, should they wish to do so, and to convene a General Meeting of the Company as required by the 2006 Act to seek Shareholder approval of the Tender Offer. The Notice of the General Meeting is set out at the end of this document.

**This letter is not a recommendation for Shareholders to tender their Shares under the Tender Offer. Whether or not Shareholders tender their Shares will depend on, among other things, their view of the Company's prospects and their own individual circumstances, including their tax position, on which they should seek their own independent advice.**

**However, the Board recommends that Shareholders vote in favour of the Resolution to enable those Shareholders who wish to do so to realise all or part of their investment in the Company under the Tender Offer.**

## **2. Background**

The Company is an investment trust company, incorporated in 1995. The principal investment objective of the Company is to achieve capital growth from 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 (excluding Australasia), with the aim of achieving growth in excess of the MSCI All Countries Far East excluding Japan Index in Sterling, over the longer term. As at 31 December 2010 (the latest practicable date prior to publication of this document) the Company has gross assets of £449 million, net assets of £442 million and a market capitalisation of £349 million.

The Company's investment objective is to achieve capital growth with the aim of achieving outperformance of the benchmark, the MSCI All Countries Far East excluding Japan Index. Over the five years ended 30 September 2010, the benchmark produced a total return of 102.7 per cent. while the Company's net asset value produced a total return of 102.2 per cent., and its share price a total return of 99.8 per cent.

The Board is changing the Company's benchmark to the MSCI All Countries Asia ex Japan index with effect from the date of the Annual General Meeting to be held on 31 January 2011. The main effect of this change will be to include the Indian stock market in the Company's benchmark.

## **3. The Tender Offer**

### ***Introduction***

The Tender Offer is designed to enable those Shareholders (other than certain Overseas Persons) who wish to realise Shares or their beneficial interest in Shares (as the case may be) in the Company to do so. Shareholders who successfully tender their shares will receive a Tender Price per Share which will be equal to the Net Asset Value per Share (inclusive of undistributed revenue reserves) on the Calculation Date, from which the direct costs and expenses of the Tender Offer (including stamp duty), together with a 2 per cent. discount, have been deducted.

If the Tender Offer is more than 15 per cent. taken up, the Board expects that all of the costs of the Tender offer will be borne by those Shareholders who tender Shares. If the Tender Offer is less than 15 per cent. taken up, it is expected that some of the costs will be borne by the Company to ensure that those Shareholders who tender Shares do not suffer more than a 5 per cent. deduction from the Diluted Net Asset Value on the Calculation Date.

Further details of the Tender Offer are set out in Part IV of this document.

### ***Benefits of the Tender Offer***

The Board believes that proposing the Tender Offer on the terms set out here and in Part IV of this document is in the interests of Shareholders as a whole because:

- a tender offer for up to 15 per cent. of the Shares in issue provides opportunity for exit for those Shareholders who wish to receive cash, while maintaining the Company as a viable investment vehicle;
- a tender offer conducted on a formula asset value basis is designed to protect Shareholders who do not tender any shares from the cost of the Tender Offer; and
- a tender offer conducted at a discount to formula asset value may provide continuing Shareholders with a small uplift to their Net Asset Value per Share following completion of the Tender Offer.

**Shareholders are not obliged to tender any Shares and, if they do not wish to participate in the Tender Offer, Shareholders should not complete or return their Tender Form.**

Under the terms of the Tender Offer, Shareholders (other than certain Overseas Persons) will be entitled to tender up to 15 per cent. of the Shares they hold as at the Record Date (their "**Basic Entitlement**"). Such Shareholders will be able to tender additional Shares but such excess tenders will only be satisfied to the extent that other Shareholders tender less than their aggregate Basic Entitlements, and will be satisfied on a *pro rata* basis. Tenders will be rounded down to the nearest whole number of Shares.

The Tender Offer is being made by Numis Securities. Numis Securities will purchase the Shares tendered as principal and, following the completion of all such purchases, will sell the relevant Shares on to the Company pursuant to the Repurchase Agreement at the Tender Price by way of a market transaction. Those Shares which the Company acquires from Numis Securities will be cancelled on acquisition. The repurchase of Shares by the Company under the Tender Offer will be funded from the sale of investments in the Company's portfolio and/or the Company's resources which could include short-term borrowings. Subscription Shares are not included in the Tender Offer and no offer is being made to purchase Subscription Shares.

### **Conditions**

Implementation of the Tender Offer will require approval by Shareholders at the General Meeting, which is to be held at 12.00 noon on 31 January 2011. The Tender Offer is also conditional upon Numis Securities being satisfied that the Company has sufficient funds available to meet its obligations under the Repurchase Agreement. In addition, the Tender Offer may be postponed or terminated in certain other circumstances as set out in paragraph 2 of Part IV of this document.

### **Other**

The Company's authority to repurchase its own Shares, to be proposed at the Company's Annual General Meeting on 31 January 2011 in respect of up to 14.99 per cent. of the Company's issued share capital as at 23 December 2010, will, if approved by Shareholders, remain in force and unaffected by the Tender Offer.

The attention of Shareholders is drawn to the letter from Numis Securities set out in Part III of this document and to Part IV of this document which, together with the accompanying Tender Form, constitute the terms and conditions (the "**Terms and Conditions**") of the Tender Offer. Details of how to tender Shares can be found in paragraph 4 of Part IV of this document.

Further details of the calculation of the Tender Price are set out in paragraph 3 of Part IV of this document. The full Terms and Conditions of the Tender Offer are set out in Part IV of this document.

## **4. Overseas Persons**

The making of the Tender Offer to persons outside the United Kingdom, the Channel Islands or the Isle of Man may be prohibited or affected by the relevant laws of the relevant overseas jurisdictions. Shareholders with registered or mailing addresses outside the United Kingdom, the Channel Islands or the Isle of Man or who are citizens or nationals of, or resident in, a jurisdiction other than the United Kingdom, the Channel Islands or the Isle of Man should read carefully paragraph 9 of Part IV of this document.

It is the responsibility of all Overseas Persons to satisfy themselves as to the observance of any legal requirements in their jurisdiction including, without limitation, any relevant requirements in relation to the ability of such persons to complete and return a Form of Proxy or Tender Form or to make a TTE Instruction.

The Tender Offer is not being made directly or indirectly in, into, or from the United States, Australia, Canada, Japan or the Republic of South Africa, except where permitted by applicable law. Accordingly, the Tender Form may not be distributed or sent in, into or from (whether by use of mails or by any means or instrumentality of interstate or foreign commerce) the United States, Australia, Canada, Japan or the Republic of South Africa and doing so may render invalid any purported tender. Any person (including, without limitation, custodians, nominees and trustees) who may have a contractual or legal obligation to forward the Tender Form should read paragraph 9 of Part IV of this document before taking any action.

Any Shareholder who is unable to give the warranties set out in paragraphs 6.1.8, 6.1.9 and 6.1.10 in Part IV of this document will be deemed not to have tendered their Shares pursuant to the Tender Offer and their Tender Forms may be rejected.

## **5. Taxation**

**The following paragraphs are intended only as a general guide to certain aspects of current UK tax law and HM Revenue & Customs' published practice, and do not constitute tax advice. They are of a general nature and only apply to Shareholders who are resident or ordinarily resident in the UK (except where indicated) and who hold their Shares beneficially as an investment.**

Shareholders who sell Shares in the Tender Offer should, subject to the following, be treated as having sold their Shares in the normal way and may, depending on their individual circumstances, incur a liability to taxation on chargeable gains. UK individual Shareholders and trustee Shareholders should be aware that HM Revenue & Customs may seek to treat part of the disposal proceeds of their Shares as income under the provisions of Chapter 1 of Part 13 ITA 2007, although it is not expected that these provisions would apply to sales made for genuine commercial reasons.

The attention of Shareholders is drawn to Part V of this document which sets out a general guide to certain aspects of current UK taxation law and HM Revenue & Customs' published practice.

The ability of the Company to qualify as an investment trust for the purposes of Chapter 4 of Part 24 CTA 2010 will not be affected by the Tender Offer.

**Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the UK should consult an appropriate professional adviser.**

## **6. General Meeting**

The Tender Offer set out in this document is subject to Shareholder approval at the General Meeting that has been convened for 12.00 noon on 31 January 2011, to be held at 31 Gresham Street London EC2V 7QA. Notice of the General Meeting is set out at the end of this document. The Resolution to be proposed is:

- to authorise the Company to make market purchases of its Shares pursuant to the Tender Offer on the terms set out in this document; and
- if approved at the Annual General Meeting to be held on 31 January 2011, to continue the effect of any authority of the Company to make market purchases of its Shares.

## **7. Action to be Taken**

### ***Form of Proxy***

Shareholders will find enclosed a Form of Proxy for use at the General Meeting. Shareholders do not need to tender their Shares in the Tender Offer in order to be able to vote at the General Meeting. **Whether or not you wish to tender your Shares under the Tender Offer and regardless of whether you intend to attend the General Meeting, you are requested to complete the accompanying Form of Proxy in accordance with the instructions printed therein and return it to be received by post or by hand (only during normal business hours) at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6RE, as soon as possible and, in any event, not later than 12.00 noon on 29 January 2011.** A first class reply-paid envelope for use in the United Kingdom only is enclosed for your convenience. Completion and return of a Form of Proxy will not affect your right to attend the General Meeting and vote in person should you so wish.

### ***Tender Form***

Shareholders who wish to participate in the Tender Offer, and who hold their Shares in certificated form, should complete the Tender Form in accordance with the instructions set out therein and return the completed Tender Form and Share certificate(s) and/or other documents of title to be received by post or by hand (during normal business hours only) to Equiniti Limited, Corporate Actions, Aspect

House, Spencer Road, Lancing, West Sussex, BN99 6DA, as soon as possible and, in any event, so as to be received by no later than 3.00 p.m. on 28 January 2011. A first-class reply-paid envelope for use in the UK only is enclosed for your convenience.

Shareholders who hold their Shares in uncertificated form (that is, in CREST) should arrange for the relevant Shares to be transferred to escrow as described in paragraph 4.2.2 of Part IV of this document, by sending a TTE Instruction in accordance with the provisions of Part IV of this document.

**If you are in any doubt about the contents of this document, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 immediately.**

## **8. Recommendation**

The Board, which has received advice from Numis Securities, considers that the Tender Offer is in the interests of Shareholders as a whole. Accordingly, the Board recommends that Shareholders vote in favour of the Resolution to be proposed at the General Meeting, as those Directors who hold beneficial interests in Shares intend to do in respect of their own beneficial holdings of Shares which, in aggregate, amount to 323,800 Shares representing approximately 0.116 per cent. of the issued share capital of the Company.

Whether or not Shareholders decide to tender any of their Shares will depend, among other things, on their individual circumstances including their tax position and on their view of the Company's prospects. Shareholders in any doubt as to the action they should take should consult an appropriately qualified independent financial adviser, authorised under the Financial Services and Market Act 2000, without delay.

Yours faithfully,

**The Hon. Rupert Carington**  
*Chairman*

## PART III

### LETTER FROM NUMIS SECURITIES

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

**To: Ordinary Shareholders in Schroder AsiaPacific Fund plc**

6 January 2011

Dear Sir or Madam,

#### **Tender Offer**

As explained in the letter from your Chairman in Part II of this document, Shareholders (other than certain Overseas Persons, as described in more detail in paragraph 9 of Part IV of this document) are being given the opportunity to tender their Shares under the Tender Offer, subject to passing the Resolution to such effect. The purpose of this letter is to set out the principal terms and conditions of the Tender Offer.

Numis Securities hereby invites Shareholders (other than certain Overseas Persons) on the Register on the Record Date to tender Shares for purchase by Numis Securities for cash at a price per Share equal to the Formula Asset Value per Share as at the Calculation Date subject to a discount of 2 per cent. The Tender Offer is subject to the Terms and Conditions set out in Part IV of this document and in the accompanying Tender Form.

Shareholders will be entitled to sell as little or as much of their shareholding as they wish, save that where Shareholders tender Shares in excess of their Basic Entitlement, such tender shall, to the extent that other Shareholders tender Shares in respect of less than the whole of their Basic Entitlement (or do not tender any Shares), be satisfied on a *pro rata* basis by reference to each tendering Shareholder's. Tenders will be rounded down to the nearest whole number of Shares.

The total number of Shares to be purchased under the Tender Offer will not in any event exceed 25,711,701 Shares, representing 15 per cent. of the Company's issued Ordinary Shares as at 23 December 2010. Subscription Shares are not included in the Tender Offer and no offer is being made to purchase Subscription Shares.

#### **Procedure for tendering Shares**

Shareholders who hold their Shares in certificated form and who wish to tender Shares should complete the Tender Form in accordance with the instructions set out therein and return the completed form to be received by post or by hand (during normal business hours only) to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA as soon as possible and, in any event, so as to be received not later than 3.00 p.m. on 28 January 2011. A first class reply-paid envelope for use in the United Kingdom only is enclosed for your convenience.

Shareholders who hold their Shares in certificated form should also return the Share certificate(s) and/or other documents) of title in respect of the Shares tendered with their Tender Form. Shareholders who hold their Shares in uncertificated form (that is, in CREST) should not complete a Tender Form and should instead arrange for their Shares to be transferred to escrow as described in paragraph 4 of Part IV of this document and in the Tender Form. **Shareholders should note that, once tendered, Shares may not be sold, transferred, charged or otherwise disposed of.**

Full details of the procedure for tendering are set out in Part IV of this document and the Tender Form. By signing and returning the Tender Form, Shareholders will be deemed to have appointed Equiniti Limited as their agent in respect of the sale of Shares to Numis Securities under the Tender Offer. Numis Securities will therefore issue a contract note to Equiniti Limited on behalf of all Shareholders for the sale of Shares under the Tender Offer.

### **Validity of Tenders and Purchases**

Tender Forms that are received after the deadlines specified above or which at that time are incorrectly completed and/or not accompanied by all relevant documents or instructions may be rejected and returned to Shareholders together with any accompanying Share certificate(s) and/or other document(s) of title, in each case at the risk of Shareholders.

Numis Securities reserves the right to treat as valid Tender Forms which are not entirely in order and/or which are not accompanied (in the case of Shares held in certificated form) by the relevant Share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof.

### **Overseas Persons**

The making of the Tender Offer to persons outside the United Kingdom, the Channel Islands or the Isle of Man may be prohibited or affected by the relevant laws of the overseas jurisdiction. Shareholders who are citizens or nationals of, or resident in, a jurisdiction other than the United Kingdom, the Channel Islands or the Isle of Man should read paragraph 9 of Part IV of this document carefully.

### **Conditions**

The Tender Offer is conditional, amongst other things, on the passing of the Resolution set out in the Notice of General Meeting at the end of this document not later than 31 January 2011 or such later date (being not later than 28 February 2011) as the Company and Numis Securities may determine. The Tender Offer is further conditional on the other matters specified in paragraph 2 of Part IV of this document.

### **Termination or postponement of Tender Offer**

The Tender Offer may be terminated or postponed in the circumstances described in paragraph 2 of Part IV of this document.

### **Settlement**

Subject to the Tender Offer becoming unconditional, payment of the consideration due to Shareholders whose tenders under the Tender Offer have been accepted is expected to be despatched (by cheque or by a CREST payment, as appropriate) by 10 February 2011.

### **The City Code on Takeovers and Mergers**

Shareholders should note the important information in paragraph 1 of Part VI of this document relating to certain provisions of the City Code, which will be relevant to purchases of Shares after 16 December 2010.

### **Further information**

Your attention is drawn to the information contained in the rest of this document, including, in particular, the risk factors and Terms and Conditions of the Tender Offer in Parts I and IV, respectively, of this document.

Yours faithfully,

### **Nathan Brown**

*Director, Corporate Broking*

For and on behalf of Numis Securities Limited

## PART IV

### TERMS AND CONDITIONS OF THE TENDER OFFER

#### 1. Tenders

- 1.1 All Shareholders (other than certain Overseas Persons) may tender Shares for purchase by Numis Securities as principal, subject to the Terms and Conditions set out in this document and in the accompanying Tender Form (which together with this document constitute the Tender Offer). Shareholders are not obliged to tender any Shares.
- 1.2 The Tender Offer will be made at the Tender Price calculated in accordance with paragraph 3 of this Part IV. The consideration for each tendered Share acquired by Numis Securities pursuant to the Tender Offer will be paid in accordance with the settlement procedures set out in paragraph 5 of this Part IV.
- 1.3 Upon the Tender Offer becoming unconditional and unless the Tender Offer has been (and remains) suspended or has lapsed or has been terminated in accordance with the provisions of paragraph 2 of this Part IV, Numis Securities will accept the offers of Shareholders validly made in accordance with this Part IV, subject as mentioned below, on the following basis:
  - 1.3.1 each Shareholder (other than certain Overseas Persons) will be entitled to sell to Numis Securities their Basic Entitlement; and
  - 1.3.2 a facility is available under which Shareholders (other than certain Overseas Shareholders) may tender Shares in excess of their Basic Entitlement. Such excess tender requests will be satisfied to the extent that other Shareholders tender Shares in respect of less than the whole of their Basic Entitlement (or do not tender Shares at all), *pro rata* in proportion to the amount in excess of the Basic Entitlement tendered (rounded down to the nearest whole number of Shares).
- 1.4 A maximum number of 25,711,701 Shares, representing 15 per cent. of the existing issued Shares as at 23 December 2010, will be acquired by Numis Securities under the Tender Offer. If more than 25,711,701 Shares are tendered for purchase such tenders shall be rounded down *pro rata* such that the aggregate number of Shares deemed to be tendered shall equal, in aggregate, 25,711,701 Shares.

#### 2. Conditions, Suspension and Termination

- 2.1 The Tender Offer is conditional on the following (together the "**Conditions**"):
  - 2.1.1 the passing of the Resolution, as set out in the Notice of the General Meeting at the end of this document, by not later than 31 January 2011 or such later date (being not later than 28 February 2011) as the Company and Numis Securities may determine;
  - 2.1.2 Numis Securities being satisfied that the Company has in its control or to its order the aggregate amount payable under the Tender Offer in accordance with the Repurchase Agreement; and
  - 2.1.3 the Tender Offer not having been terminated in accordance with this paragraph 2 of this Part IV prior to the fulfilment of the conditions referred to in sub-paragraphs 2.1.1 and 2.1.2 above.

Numis Securities will not purchase Shares pursuant to the Tender Offer unless the Conditions have been satisfied in full or waived. The Conditions, other than that contained in sub-paragraph 2.1.2 above, may not be waived by Numis Securities. If the Conditions are not satisfied prior to the close of business on 31 January 2011, the Company may postpone the Tender Offer for up to 30 Business Days, after which time the Tender Offer, if not then completed, will lapse.

If the Company (acting through the Directors) shall at any time prior to Numis Securities effecting the purchase as principal of the tendered Shares (in accordance with the settlement provisions outlined in paragraph 5 of this Part IV) notify Numis Securities in writing that, in its reasonable opinion, either (i)

there has occurred a change in national or international financial, economic, political or market conditions such that it has either become impractical or inappropriate for the Company to dispose of its investments or otherwise to raise finance to enable it to fund the repurchase of such of the Shares as are to be repurchased by it pursuant to the Repurchase Agreement without materially harming Shareholders as a whole, including amongst other things, (i) the cost of realisation of investments having become excessive or (ii) the completion of the purchase of Shares under the Tender Offer would have unexpected adverse fiscal consequences (whether by reason of a change in legislation or practice or otherwise) for the Company or its Shareholders if the Tender Offer were to proceed, Numis Securities may either terminate the Tender Offer by written notice to the Company or postpone the Calculation Date or the completion of the Tender Offer for up to 30 Business Days, after which the Tender Offer, if and to the extent not then completed by reason of the postponement circumstances continuing, will lapse.

### **3. Calculation of the Tender Price**

The Tender Price will be calculated as follows:

3.1 The Company will calculate its Diluted Net Asset Value per Share (calculated to four decimal places with 0.00005 being rounded upwards) as at the Calculation Date which, for the purposes of the Tender Offer, shall mean the value of all the assets (including the revenue account for the period since 30 September 2010) less all the liabilities of the Company. Such Diluted Net Asset Value per Share shall be calculated before taking account of the expenses of the Tender Offer and to the extent that any such expenses have already been paid or accrued, the amount thereof shall be added back into the Diluted Net Asset Value. For this purpose the following bases of valuation shall be adopted:

- 3.1.1 the value of those investments of the Company which are listed, quoted or dealt in on a stock exchange shall be calculated by reference to bid quotations or prices or the last trade prices recorded, as the case may be, as at the close of business on the Calculation Date, provided that if no price is available then the relevant investment shall be deemed to come within paragraph 3.1.2 below and not this paragraph 3.1.1;
- 3.1.2 the value of all other investments of the Company shall be calculated as being their fair values (calculated in accordance with the normal accounting policies of the Company) as at the close of business on the Calculation Date as determined by the Directors;
- 3.1.3 any value otherwise than in pounds Sterling shall be converted at the rate (whether official or otherwise) which the Directors deem appropriate in the circumstances, having regard to any relevant conversion costs;
- 3.1.4 an amount which reflects all other liabilities and obligations of the Company whatsoever (including a fair provision for any contingent liabilities (if any) but excluding liabilities under the Repurchase Agreement) or losses as at the Calculation Date shall be calculated, as determined by the Directors; and
- 3.1.5 notwithstanding the foregoing, the Directors may in their absolute discretion permit an alternative method of valuation to be used if they consider that such valuation better reflects the fair value of any asset or liability.

No party shall have any liability by reason of the fact that a price reasonably believed to be the appropriate price for any quoted or unquoted investment may be found subsequently not to be such.

3.2 The resulting Diluted Net Asset Value per Share, calculated in accordance with paragraph 3.1 above, shall be multiplied by the number of Shares to be purchased by Numis Securities pursuant to the Tender Offer (the **Tendered Shares**) to produce the aggregate Diluted Net Asset Value of the Tendered Shares and the costs of the Tender Offer (excluding stamp duty) will be deducted therefrom to produce the Formula Asset Value.

3.3 A 2 per cent. discount shall then be applied to the Formula Asset Value of the Tendered Shares (calculated in accordance with paragraph 3.2 above). Stamp duty of 0.5 per cent. will be deducted from the discounted Formula Asset Value and the resulting sum will then be divided by

the total number of Tendered Shares to four decimal places with 0.00005 pence being rounded upwards.

- 3.4 The Tender Price per Tendered Share will be the amount resulting from the application of paragraphs 3.1, 3.2 and 3.3 above and expressed to four decimal places with 0.00005 pence being rounded upwards.
- 3.5 If the Tender is more than 15 per cent. taken up, the Board expects that all of the costs of the Tender Offer will be borne by those Shareholders who tender Shares. If the Tender Offer is less than 15 per cent. taken up, it is expected that some of the costs will be borne by the Company to ensure that those Shareholders who tender Shares do not suffer more than 5 per cent. deduction from the Diluted Net Asset Value on the Calculation Date.
- 3.6 Except as otherwise stated above, all assets and liabilities of the Company will be taken into account in accordance with UK GAAP and, subject thereto, consistently with the accounting policies of the Company outlined in its audited accounts for the year ended 30 September 2010.

#### **4. Procedure for tendering Shares**

##### **4.1 Completion of Tender Forms**

To tender Shares, Shareholders who hold their Shares in certificated form must complete, sign and return the accompanying Tender Form in accordance with this paragraph 4 and the instructions printed on the Tender Form, which shall be deemed to form part of the Tender Offer.

By signing and returning the Tender Form, Shareholders will be deemed to have appointed Equiniti Limited as their agent in respect of the purchase of Shares by Numis Securities. Numis Securities will therefore issue a contract note to Equiniti Limited on behalf of all Shareholders whose Shares are so purchased and will remit the cash consideration to Equiniti Limited with instructions that such consideration be remitted to Shareholders in accordance with the instructions set out in the Tender Form.

Shareholders should complete separate Tender Forms for Shares held in certificated form but under different designations.

Additional Tender Forms are available from Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, telephone number 0800 023 2842 (or, if you are calling from outside the United Kingdom, +44 121 415 0169). The helpline is available from 8.30 a.m. to 5.30 p.m. Monday to Friday (except bank holidays) and will remain open until 5.30 p.m. on 24 February 2011. Calls to the 0800 023 2842 number from inside the United Kingdom are free of charge from a BT landline; other service providers' charges may vary. Calls to the +44 121 415 0169 number from outside the United Kingdom are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes.

Please note that, for legal reasons, the Shareholder Helpline is only able to provide information contained in this document, information relating to the Company's register of members and information regarding completion of forms and is unable to give advice on the merits of the Tender Offer or to provide legal, financial, tax or investment advice.

If you hold Shares in uncertificated form (that is, in CREST), you may only tender such Shares by TTE Instruction in accordance with the procedures set out in paragraph 4.2.2 below and, if those Shares are held under different account IDs, you should send a separate TTE Instruction for each member account ID.

##### **4.2 Return of Tender Forms**

The completed and signed Tender Form should be sent to be received by post or by hand (only during normal business hours) at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, **as soon as possible and, in any event, so as to be received not later than 3.00 p.m. on 28 January 2011. A first class reply-paid envelope for use in the United Kingdom only is enclosed for your convenience. No**

**Tender Forms received after that time will be accepted.** No acknowledgement of receipt of documents will be given. Any Tender Form received in an envelope postmarked from outside the United Kingdom, the Channel Islands or the Isle of Man or otherwise appearing to Numis Securities or its agents to have been sent from any jurisdiction outside the United Kingdom, the Channel Islands or the Isle of Man may be rejected as an invalid tender. Further provisions relating to Overseas Persons are contained in paragraph 9 of this Part IV.

4.2.1 *Shares held in certificated form (that is, not in CREST)*

The completed and signed Tender Form should be accompanied by the relevant Share certificate(s) and/or other document(s) of title. If Share certificate(s) and/or other document(s) of title are not readily available (for example, if they are with a stockbroker, bank or other agent) or are lost, the Tender Form should nevertheless be completed, signed and returned as described above so as to be received by Equiniti Limited at the address detailed below not later than 3.00 p.m. on 28 January 2011 together with any Share certificate(s) and/or other document(s) of title that may be available, accompanied by a letter stating that the (remaining) Share certificate(s) and/or other document(s) of title will be forwarded as soon as possible thereafter and, in any event, not later than 3.00 p.m. on 28 January 2011.

Shareholders who have lost their Share certificate(s) and/or other document(s) of title should write to the Company's Registrars, Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, for a letter of indemnity in respect of the lost Share certificate(s) which, when completed in accordance with the instructions given, should be returned to Equiniti Limited at the addresses referred to at the beginning of this paragraph 4.2 so as to be received not later than 3.00 p.m. on 28 January 2011.

4.2.2 *Shares held in uncertificated form (that is, in CREST)*

If the Shares which a Shareholder wishes to tender are held in uncertificated form, the Shareholder should take (or procure to be taken) the action set out below to transfer (by means of a TTE Instruction) the number of Shares which they wish to tender under the Tender Offer to an escrow balance, specifying Equiniti Limited (in its capacity as a CREST receiving agent under its participant ID referred to below) as the escrow agent, as soon as possible and, in any event, so that the transfer to escrow settles not later than 3.00 p.m. on 28 January 2011.

If a Shareholder is a CREST sponsored member, they should refer to their CREST Sponsor before taking any action. A Shareholder's CREST Sponsor will be able to confirm details of such Shareholder's participant ID and the member account ID under which such Shares are held. In addition, only a Shareholder's CREST Sponsor will be able to send the TTE Instruction to CREST in relation to the Shares which they wish to tender.

Shareholders should send (or, if they are a CREST sponsored member procure that their CREST Sponsor sends) a TTE Instruction to CREST which must be properly authenticated in accordance with CREST's specification and which must contain, in addition to other information that is required for the TTE Instruction to settle in CREST, the following details:

- the number of Shares to be transferred to an escrow balance;
- the Shareholder's member account ID;
- the Shareholder's participant ID;
- the participant ID of the escrow agent, Equiniti Limited, in its capacity as a CREST receiving agent. This is 5RA16;
- the member account ID of the escrow agent, Equiniti Limited. This is RA043301;
- the Corporate Action Number for the Tender Offer. This is allocated by CREST and can be found by viewing the relevant corporate action details in CREST;
- a contact name and telephone number in the shared note field on the TTE Instruction;

- the intended settlement date for the transfer to escrow. This should be as soon as possible and, in any event, not later than 3.00 p.m. on 28 January 2011;
- the corporate action ISIN of the Shares. This is GB0007918872; and
- input with standard delivery instruction of priority 80.

After settlement of the TTE Instruction, a Shareholder will not be able to access the Shares concerned in CREST for any transaction or for charging purposes, notwithstanding they will be held by Equiniti Limited as the Shareholder's agent until completion or lapsing of the Tender Offer. If the Tender Offer becomes unconditional, Equiniti Limited will transfer the Shares which are accepted for purchase by Numis Securities to itself as the Shareholder's agent.

Shareholders are recommended to refer to the CREST Manual for further information on the CREST procedures outlined above.

**Shareholders should note that CREST does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. Shareholders should therefore ensure that all necessary action is taken by them (or by their CREST Sponsor) to enable a TTE Instruction relating to their Shares to settle prior to 3.00 p.m. on 28 January 2011. In this connection Shareholders are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.**

An appropriate announcement will be made if any of the details contained in this paragraph 4.2.2 are altered.

#### **4.3 Deposits of Shares into, and withdrawals of Shares from, CREST**

Normal CREST procedures (including timings) apply in relation to any Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Tender Offer (whether such conversion arises as a result of a transfer of Shares or otherwise). Shareholders who are proposing to convert any such Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Shares as a result of the conversion to take all necessary steps in connection with such person's participation in the Tender Offer (in particular, as regards delivery of Share certificates and/or other documents of title or transfers to an escrow balance as described above) prior to 3.00 p.m. on 28 January 2011.

#### **4.4 Validity of Tender Forms**

Notwithstanding the powers in paragraph 8.5 below, Numis Securities reserves the right to treat as valid only Tender Forms which are received entirely in order by 3.00 p.m. on 28 January 2011 and which are accompanied (in the case of Shares held in certificated form) by the relevant Share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof or (in the case of Shares held in uncertificated form) by the relevant TTE Instruction, in each case in respect of the entire number of Shares tendered. The Record Date for the Tender Offer is close of business on 23 December 2010.

Notwithstanding the completion of a valid Tender Form, the Tender Offer may be suspended, terminated or lapse in accordance with the Terms and Conditions set out in this Part IV.

The decision of Numis Securities as to which Shares have been validly tendered shall be conclusive and binding on all Shareholders.

If a Shareholder is in any doubt as to how to complete the Tender Form or as to the procedure for tendering Shares, they should contact Equiniti Limited by telephone on 0800 023 2842 (or, if you are calling from outside the United Kingdom, +44 121 415 0169). The helpline is available from 8.30 a.m. to 5.30 p.m. Monday to Friday (except bank holidays) and will remain open until 5.30 p.m. on 24 February 2011. Calls to the 0800 023 2842 number from inside the UK are free

of charge from a BT landline; other service providers' charges may vary. Calls to the +44 121 415 0169 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes.

Please note that, for legal reasons, the Shareholder Helpline is only able to provide information contained in this document, information relating to the Company's register of members and information regarding completion of forms and is unable to give advice on the merits of the Tender Offer or to provide legal, financial, tax or investment advice.

**If Shareholders are in any doubt about what action to take they should seek their own personal financial advice from their independent financial adviser, stockbroker, solicitor, accountant, bank manager or from an appropriately qualified independent adviser authorised pursuant to the Financial Services and Markets Act 2000.** Shareholders are reminded that, if they are a CREST sponsored member, they should contact their CREST Sponsor.

#### 4.5 **General**

No acknowledgement of receipt of documents will be given. Any Tender Form in an envelope postmarked in the United States, Australia, Canada, Japan or the Republic of South Africa or otherwise appearing to Numis Securities or its agents to have been sent from the United States, Australia, Canada, Japan or the Republic of South Africa may be rejected as an invalid Tender. Further information on Overseas Persons is contained in paragraph 9 of this Part IV.

### 5. **Tender Offer Settlement**

5.1 Settlement of the consideration to which any Shareholder is entitled pursuant to valid tenders accepted by Numis Securities is expected to be made by 10 February 2011 as follows:

#### 5.1.1 *Shares held in certificated form (that is, not in CREST)*

Where an accepted tender relates to Shares held in certificated form, cheques for the consideration due will be despatched by Equiniti Limited by first class post to the person or agent whose name and address (outside the United States, Australia, Canada, Japan or the Republic of South Africa) is set out in Box 1 (or, if relevant, Box 3) of the Tender Form or, if none is set out, to the registered address of the tendering Shareholder or, in the case of joint holders, the address of the first named. All cash payments will be made in pounds Sterling by cheque drawn on a branch of a UK clearing bank.

#### 5.1.2 *Shares held in uncertificated form (that is, in CREST)*

Where an accepted tender relates to Shares held in uncertificated form, the consideration due will be paid by means of a CREST payment obligation in favour of the tendering Shareholder's payment bank in accordance with the CREST payment arrangements.

5.2 If only part of a holding of Shares is sold pursuant to the Tender Offer or if, because of scaling back, any tendered Shares in excess of a Shareholder's Basic Entitlement are not purchased pursuant to the terms of the Tender Offer:

5.2.1 where the Shares are held in certificated form, the relevant Shareholder will be entitled to receive a certificate in respect of the balance of the unsold Shares; or

5.2.2 where the Shares are held in uncertificated form (that is, in CREST), the unsold Shares will be transferred by the escrow agent by means of a TFE Instruction to the original available balance from which those Shares came.

### 6. **Tender Form Representations and Warranties**

6.1 Each Shareholder by whom, or on whose behalf, a Tender Form is executed irrevocably undertakes, represents, warrants and agrees to and with Numis Securities (for itself and on behalf of the Company) (so as to bind themselves, their personal representatives, heirs, successors and assigns) that:

- 6.1.1 the execution of the Tender Form shall constitute an offer to sell to Numis Securities as principal such Shareholder's Basic Entitlement or, if relevant, such higher or lower number of Shares as is inserted in Box 1A or 1B of the Tender Form or deemed (in accordance with paragraph 7.1) to be tendered, in each case on and subject to the Terms and Conditions set out or referred to in this document and the Tender Form, and that, once lodged, such offer shall be irrevocable;
- 6.1.2 such Shareholder has full power and authority to tender, sell, assign or transfer the Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by Numis Securities, Numis Securities as principal will acquire such Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after 31 January 2011, including the right to receive all dividends and other distributions declared after that date;
- 6.1.3 the execution of the Tender Form will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of Numis Securities as such Shareholder's attorney and/or agent ("**Attorney**"), and an irrevocable instruction to the Attorney to complete and execute all or any instruments of transfer and/or other documents at the Attorney's discretion in relation to the Shares referred to in sub-paragraph 6.1.1 above in favour of Numis Securities or such other person or persons as Numis Securities may direct and to deliver such instrument(s) of transfer and/or other documents at the discretion of the Attorney, together with the Share certificate(s) and/or other document(s) relating to such Shares, for registration within six months of the Tender Offer becoming unconditional and to do all such other acts and things as may in the opinion of such Attorney be necessary or expedient for the purpose of, or in connection with, the Tender Offer and to vest such Shares in Numis Securities or its nominee(s) or such other person(s) as Numis Securities may direct;
- 6.1.4 such Shareholder agrees to ratify and confirm each and every act or thing which may lawfully be done or effected by Numis Securities or any of its directors or officers or any person nominated by Numis Securities in the proper exercise of their powers and/or authorities hereunder;
- 6.1.5 such Shareholder holding Shares in certificated form will deliver to Equiniti Limited his Share certificate(s) and/or other document(s) of title in respect of the Shares referred to in sub-paragraph 6.1.1 above, or an indemnity acceptable to Numis Securities in lieu thereof, or will procure the delivery of such document(s) to such person as soon as possible thereafter and, in any event, not later than 3.00 p.m. on 28 January 2011;
- 6.1.6 the provisions of the Tender Form shall be deemed to be incorporated into the Terms and Conditions of the Tender Offer;
- 6.1.7 such Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by Numis Securities to be desirable, in each case to complete the purchase of the Shares and/or to perfect any of the authorities expressed to be given hereunder;
- 6.1.8 such Shareholder, if an Overseas Person, has fully observed any applicable legal requirements and the invitation under the Tender Offer may be made to them and may be accepted by him under the laws of the relevant jurisdiction;
- 6.1.9 such Shareholder has not received or sent copies or originals of this document, the Tender Form or any related documents in or into the United States, Australia, Canada, Japan or the Republic of South Africa and has not otherwise utilised in connection with the Tender Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, electronically or telephonically) of interstate or foreign commerce, or of any facility of a national securities exchange, of the United States, Australia, Canada, Japan or the Republic of South Africa, that the Tender Form has not been mailed or otherwise sent in, into or from the United States, Australia, Canada, Japan or the Republic of South Africa and that such Shareholder is not accepting the Tender Offer from the United States, Australia, Canada, Japan or the Republic of South Africa;

- 6.1.10 such Shareholder is not accepting the Tender Offer from the United States, Australia, Canada, Japan or the Republic of South Africa;
- 6.1.11 on execution the Tender Form takes effect as a deed;
- 6.1.12 the execution and delivery of the Tender Form constitutes such Shareholder's submission to the jurisdiction of the courts of England in relation to all matters arising out of or in connection with the Tender Offer or the Tender Form;
- 6.1.13 in the case of Shares held in uncertificated form (that is, in CREST) the creation of a CREST payment in favour of such Shareholder's payment bank in accordance with the CREST payment arrangements as referred to in paragraph 5 of this Part IV will, to the extent of the obligations so created, discharge fully any obligation of Numis Securities to pay to such Shareholder the cash consideration to which he is entitled under the Tender Offer; and
- 6.1.14 in the case of Shares in certificated form, the despatch of a cheque in respect of the Tender Price to a Shareholder at his registered address or such other address as is specified in the Tender Form will constitute a complete discharge by Numis Securities of its obligations to make such payment to such Shareholder.

A reference in this paragraph 6.1 to a Shareholder includes a reference to the person or persons executing the Tender Form and in the event of more than one person executing a Tender Form, the provisions of this paragraph will apply to them jointly and to each of them.

## **7. Additional provisions**

- 7.1 Each Shareholder may tender some of or all of their holding of Shares on 23 December 2010 subject to the scaling back of tenders in excess of such Shareholder's Basic Entitlement on the basis provided in paragraph 1.4 above. If (i) Box 2 of the Tender Form is not completed; or (ii) in Numis Securities' determination (in its absolute discretion) Box 2 has not been validly completed, provided that the Tender Form is otherwise in order and accompanied by all other relevant documents, the tender may be accepted as a valid tender in respect of the whole of the tendering Shareholder's Basic Entitlement.
- 7.2 If a Shareholder does not return his Share certificate(s) and/or other documents of title by 3.00 p.m. on 28 January 2011, Numis Securities may deem (in its absolute discretion) that such Shareholder has only tendered the number of Shares in respect of which Share certificates have been received.
- 7.3 Shares acquired by Numis Securities as principal under the Tender Offer will be market purchases in accordance with the rules of the London Stock Exchange and UK Listing Authority.
- 7.4 Shares sold by Shareholders pursuant to the Tender Offer will be acquired by Numis Securities with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after 31 January 2011, including the right to receive all dividends and other distributions declared after that date. Shareholders will still be entitled to receive any dividends in respect of Shares tendered by them where the record date in respect of such dividends is earlier than 31 January 2011.
- 7.5 Unless suspended or terminated in accordance with the provisions of this Part IV, the Tender Offer will close at 3.00 p.m. on 28 January 2011 and it is expected that by 7 February 2011 the Company will make a public announcement of the total number of Shares tendered and the Tender Price.
- 7.6 Each Shareholder who tenders or procures the tender of Shares will thereby be deemed to have agreed that, in consideration of Numis Securities agreeing to process their tender, such Shareholder will not revoke his tender or withdraw his Shares. Shareholders should note that, once tendered, Shares may not be sold, transferred, charged or otherwise disposed of.
- 7.7 Any omission to despatch this document or the Tender Form or any notice required to be despatched under the terms of the Tender Offer to, or any failure to receive the same by, any

person entitled to participate in the Tender Offer shall not invalidate the Tender Offer in any way or create any implication that the Tender Offer has not been made to any such person.

- 7.8 No acknowledgement of receipt of any Tender Form, Share certificate(s) and/or other document(s) of title will be given. All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from Shareholders (or their designated agents) will be delivered by or sent to or from such Shareholders (or their designated agents) at their own risk.
- 7.9 All powers of attorney and authorities on the terms conferred by or referred to in this Part IV or in the Tender Form are given by way of security for the performance of the obligations of the Shareholders concerned and are irrevocable in accordance with section 4 of the Powers of Attorney Act 1971.
- 7.10 All tenders must be made on the Tender Form duly completed in accordance with the instructions set out therein which constitute part of the terms of the Tender Offer. A tender will only be valid when the procedures contained in these Terms and Conditions and in the Tender Form are complied with. The Tender Offer and all tenders will be governed by and construed in accordance with English law. Execution and delivery of a Tender Form will constitute submission to the jurisdiction of the English Courts. All communications in respect of the Tender Offer will be in the English language.
- 7.11 If the Tender Offer does not become unconditional or is terminated, all documents lodged pursuant to the Tender Offer will be returned promptly by post, within 14 Business Days of the Tender Offer lapsing, to the person or agent whose name and address (outside the United States, Australia, Canada, Japan or the Republic of South Africa) is set out in Box 1 of the Tender Form or, if none is set out, to the tendering Shareholder or, in the case of joint holders, the first named at their registered address. In the case of Shares held in uncertificated form, Equiniti Limited in its capacity as the escrow agent will, within 14 Business Days of the Tender Offer lapsing, give instructions to CREST to transfer all Shares held in escrow balances and in relation to which it is the escrow agent for the purposes of the Tender Offer by TFE Instruction to the original available balances from which those Shares came. In any of these circumstances, Tender Forms will cease to have any effect.
- 7.12 Subject to paragraphs 8 and 9 below, the Tender Offer is open to Shareholders and will close at 3.00 p.m. on 28 January 2011. No Tender Form, Share certificate(s) and/or other document(s) of title or indemnity or TFE Instruction received after that time will be accepted.
- 7.13 The instructions, terms, provisions and authorities contained in or deemed to be incorporated in the Tender Form shall constitute part of the terms of the Tender Offer.
- 7.14 Further copies of this document and the Tender Form may be obtained on request from Equiniti Limited at the address set out on page 1 of the Tender Form.
- 7.15 If Shareholders have any complaints, they should contact Equiniti Limited.
- 7.16 The decision of Numis Securities as to which Shares have been successfully tendered shall be conclusive and binding on all Shareholders.

## **8. Miscellaneous**

- 8.1 Any changes to the terms, or any suspension, extension or termination of the Tender Offer will be followed as promptly as practicable by a public announcement thereof no later than 1.00 p.m. on the Business Day following the date of such changes. Such an announcement will be released to a Regulatory Information Service. References to the making of an announcement by the Company includes the release of an announcement on behalf of the Company by Numis Securities to the press and delivery of, or telephone or facsimile or other electronic transmission of, such announcement to a Regulatory Information Service.
- 8.2 Shares purchased pursuant to the Tender Offer will, following the completion of the Tender Offer, be acquired from Numis Securities by the Company on the London Stock Exchange pursuant to the Repurchase Agreement and such Shares will subsequently be cancelled.

- 8.3 Tendering Shareholders will not be obliged to pay brokerage fees, commissions or transfer taxes or stamp duty in the UK on the purchase by Numis Securities as principal of Shares pursuant to the Tender Offer. The stamp duty costs to be borne by the Company on the repurchase of Shares will be reflected in the Formula Asset Value as described in Parts II and IV of this document.
- 8.4 Except as contained in this document, no person has been authorised to give any information or make any representations with respect to the Company or the Tender Offer and, if given or made, such other information or representations should not be relied on as having been authorised by Numis Securities or the Company. Under no circumstances should the delivery of this document or the delivery of any consideration pursuant to the Tender Offer create any implication that there has been no change in the assets, properties, business or affairs of the Company since the date of this document.
- 8.5 Numis Securities reserves the absolute right to inspect (either itself or through its agents) all Tender Forms and may consider void and reject any Tender Form that does not, in Numis Securities' sole judgement (acting reasonably), meet the requirements of the Tender Offer. Numis Securities also reserves the absolute right to waive any defect or irregularity in the tender of any Shares, including any Tender Form (in whole or in part) which is not entirely in order or which is not accompanied by (in the case of Shares held in certificated form) the relevant Share certificate(s) and/or other document(s) of title or an indemnity acceptable to Numis Securities in lieu thereof. In that event, for Shares held in certificated form, the consideration under the Tender Offer will only be despatched when the Tender Form is entirely in order and the Share certificate(s) and/or other document(s) of title or indemnities satisfactory to Numis Securities has/have been received. None of Numis Securities, the Company, the Registrars or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification.
- 8.6 The provisions of the Contracts (Rights of Third Parties) Act 1999 do not apply to this document.

## **9. Overseas Persons**

- 9.1 The making of the Tender Offer in, or to persons who are citizens or nationals of, or resident in, jurisdictions outside the United Kingdom, the Channel Islands or the Isle of Man or custodians, nominees or trustees for citizens, nationals or residents of jurisdictions outside the United Kingdom, the Channel Islands or the Isle of Man may be prohibited or affected by the laws of the relevant overseas jurisdiction. Shareholders who are Overseas Persons should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such Overseas Person wishing to tender Shares to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes or other requisite payments due in such jurisdiction. Any such Overseas Person will be responsible for payment of any such transfer or other taxes or other requisite payments due by whomsoever payable and Numis Securities and the Company and any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Person for any such transfer or other taxes or other requisite payments such person may be required to pay. No steps have been taken to qualify the Tender Offer or to authorise the extending of the Tender Offer or the distribution of the Tender Forms in any territory outside the United Kingdom, the Channel Islands or the Isle of Man.
- 9.2 In particular, the Tender Offer is not being made, directly or indirectly, in or into, or by use of the mails, or by any means or instrumentality (including, without limitation, electronically or telephonically) or interstate or foreign commerce, or of any facility of a national securities exchange of, the United States, Australia, Canada, Japan or the Republic of South Africa and the Tender Offer cannot be accepted by any such use, means, instrumentality or facility or from within the United States, Australia, Canada, Japan or the Republic of South Africa.
- 9.3 Accordingly, copies of this document, the Tender Form and any related documents are not being and must not be mailed or otherwise distributed or sent in or into the United States, Australia, Canada, Japan or the Republic of South Africa including to Shareholders with registered addresses in the United States, Australia, Canada, Japan or the Republic of South Africa, or to persons whom Numis Securities knows to be custodians, nominees or trustees holding Shares for persons in the

United States, Australia, Canada, Japan or the Republic of South Africa. Persons receiving such documents (including, without limitation, custodians, nominees and trustees) or wishing to accept the Tender Offer should not distribute or send them in or into or from the United States, Australia, Canada, Japan or the Republic of South Africa or use such mails or any such means, instrumentality or facility in connection with the Tender Offer, and so doing will render invalid any related purported acceptance of the Tender Offer. Envelopes containing Tender Forms should not be postmarked in the United States, Australia, Canada, Japan or the Republic of South Africa. All accepting Shareholders must provide addresses outside the United States, Australia, Canada, Japan or the Republic of South Africa for the remittance of cash or the return of documents lodged pursuant to the Tender Offer.

- 9.4 A Shareholder will be deemed not to have made a valid Tender if: (i) such person is unable to make the representations and warranties set out in paragraphs 6.1.8, 6.1.9 and 6.1.10 of this Part IV; or (ii) such person has an address in the United States, Australia, Canada, Japan or the Republic of South Africa and such person does not insert where indicated on the Tender Form the name and address of a person or agent outside the United States, Australia, Canada, Japan or the Republic of South Africa to whom they wish the consideration to which they are entitled under the Tender Offer to be sent, subject to the provisions of this paragraph and the applicable laws; or (iii) such person inserts on the Tender Form the name and address of a person or agent in the United States, Australia, Canada, Japan or the Republic of South Africa to whom they wish the consideration to which such person is entitled under the Tender Offer to be sent; or (iv) the Tender Form received from such Shareholder is in an envelope postmarked in, or which otherwise appears to Numis Securities or its agents to have been sent from, the United States, Australia, Canada, Japan or the Republic of South Africa. Numis Securities reserves the right, in its absolute discretion, to investigate, in relation to any acceptance, whether the representations and warranties referred to in paragraphs 6.1.8, 6.1.9 and 6.1.10 above given by any Shareholder are correct and, if such investigation is undertaken and as a result Numis Securities determines (for any reason) that such representation and warranty is not correct, such acceptance shall not be valid.
- 9.5 If, in connection with making the Tender Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, a Tender Form or any related offering documents in, into or from the United States, Australia, Canada, Japan or the Republic of South Africa or uses the mails of, or any means or instrumentality (including, without limitation, electronically or telephonically) of interstate or foreign commerce or any facility of a national securities exchange of, the United States, Australia, Canada, Japan or the Republic of South Africa in connection with such forwarding, such persons should: (i) inform the recipient of such fact; (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and (iii) draw the attention of the recipient to this paragraph 9.
- 9.6 The provisions of this paragraph 9 and any other terms of the Tender Offer relating to Overseas Persons may be waived, varied or modified as regards specific Overseas Persons or on a general basis by Numis Securities in its absolute discretion but only if Numis Securities is satisfied that such waiver, variance or modification will not constitute or give rise to a breach of applicable securities or other law.
- 9.7 The provisions of this paragraph 9 supersede any terms of the Tender Offer inconsistent herewith.

**Overseas Persons should inform themselves about and observe any applicable or legal regulatory requirements, If any Shareholder is in any doubt about their position, they should consult their professional adviser in the relevant territory.**

## PART V

### TAXATION IN THE UNITED KINGDOM

**The following comments are intended only as a general guide to certain aspects of current UK law and HM Revenue & Customs published practice and do not constitute tax advice. They are of a general nature and only apply to Shareholders who are resident or ordinarily resident in the UK (except where indicated) and who hold their Shares beneficially as an investment. They do not address the position of certain classes of Shareholders such as dealers in securities.**

Subject to the following paragraph, a Shareholder who sells Shares in the Tender Offer should be treated, for the purposes of UK taxation, as though the Shareholder had sold them in the normal way to a third party. Accordingly, any such Shareholder who is UK resident may, depending on that Shareholder's personal circumstances, be subject to capital gains tax (or in the case of a corporate Shareholder, corporation tax on chargeable gains) in respect of any gain arising on such sale. Shareholders who are not resident or ordinarily resident in the UK for taxation purposes will not normally be liable to UK taxation on chargeable gains arising from the sale of their Shares unless those Shares are held through a UK branch, agency or permanent establishment, and the Shares have been used, held or acquired for the purposes of such branch, agency or permanent establishment, or trade carried through it, although they may be subject to foreign taxation depending on their personal circumstances. Shareholders who are subject to tax in a jurisdiction other than the UK or who are in any doubt as to the potential tax consequences of selling their Shares are strongly recommended to consult their own professional advisers before making any such sales.

Application has not been made to HM Revenue & Customs for clearance under section 701 ITA 2007 or section 748 CTA 2010 that section 698 ITA 2007 or section 733 CTA 2010, respectively, will not apply to the Tender Offer. Under section 698 ITA 2007, HM Revenue & Customs may seek to assess individual Shareholders and trustee Shareholders to income tax (as opposed to capital gains tax) on the portion of the Tender Price which exceeds the amount originally subscribed (including any premium) for the Shares.

Section 698 ITA 2007 does not apply if the relevant Shareholder can show that the sale did not have as its main purpose or as one of its main purposes the obtaining of an income tax advantage.

Section 698 ITA 2007 should also not apply where the Company is not a close company. The Directors intend to direct the affairs of the Company so as to enable the Company not to be and to continue not to be a close company, because this is one of the conditions necessary for it to be approved by HM Revenue & Customs as an investment trust under Chapter 4 of Part 24 CTA 2010.

Stamp duty at the rate of 0.5 per cent. of the purchase price of any Shares rounded up to the nearest £5 (if necessary) will be payable by the Company as a result of the Tender Offer.

**The information relating to taxation set out above is a general guide and is not exhaustive. It is based on law and published practice currently in force in the United Kingdom and is subject to changes therein (potentially with retrospective effect). If you are in any doubt as to your taxation position you should consult an appropriate professional adviser without delay.**

## PART VI

### GENERAL INFORMATION

#### 1. City Code on Takeovers and Mergers

Under Rule 9 of the City Code, any person or group of persons deemed to be acting in concert who acquires 30 per cent. or more of the voting shares of a company to which the City Code applies is normally required by the Panel to make a general offer to shareholders of that company to acquire their shares. Rule 9 of the City Code also provides that any person or group of persons deemed to be acting in concert who own between 30 per cent. and 50 per cent. of the voting shares of a company to which the City Code applies will be unable, without the Panel's consent, to acquire, either individually or together, any further voting rights in the company without being required to make a general offer to shareholders of that company to acquire their shares.

Under Rule 37.1 of the City Code, when a company purchases its own voting shares, a resulting increase in the percentage of voting rights carried by shareholdings of the Directors and persons acting in concert with them is treated as an acquisition for the purpose of Rule 9. A shareholder not acting in concert with the Directors will not normally incur an obligation to make a general offer under Rule 9, if, as a result of the purchase of its own shares by a company, he comes to exceed the percentage limits set out in Rule 9. However, this exception will not apply when a shareholder not acting in concert with the Directors has purchased shares at a time when he had reason to believe that such a purchase of its own shares by the company would take place.

A shareholder not acting in concert with the Directors may, therefore, incur an obligation under Rule 9 to make a general offer to Shareholders to acquire their Shares if, as a result of the purchase by the Company of its own Shares from other Shareholders, he comes to hold or acquire 30 per cent. or more of the Shares following the Tender Offer and he has purchased Shares after 16 December 2010, being the date when he had reason to believe that the Company would purchase its own Shares under the Tender Offer.

#### 2. Repurchase Agreement

On 6 January 2011, the Company entered into a letter agreement (the "**Repurchase Agreement**") with Numis Securities. Under the Repurchase Agreement, upon the Tender Offer becoming unconditional in accordance with its terms, Numis Securities has agreed to sell to the Company at the Tender Price, and the Company has agreed to purchase at the Tender Price, any Tendered Shares.

Under the Repurchase Agreement, the Company represents to Numis Securities that the Tender Offer complies with the law and regulations in force in each jurisdiction in which the Tender Offer is to be made. So far as permitted by applicable law, the Company indemnifies Numis Securities against all liability of any nature in respect of claims made by Shareholders against Numis Securities unless such liability is determined to have arisen out of the bad faith, fraud, wilful default or negligence on the part of Numis Securities or breach by Numis Securities of the FSA Rules.

#### 3. General

- 3.1 Numis Securities has given and not withdrawn its written consent to the issue of this document with the inclusion of its letter and with the references to its name in the form and context in which they are included.
- 3.2 Assuming the Tender Offer is subscribed in full, the costs in connection with the Tender Offer (ignoring portfolio realisation costs necessary to meet the number of Shares tendered) are estimated to be approximately £600,000 (inclusive of stamp duty) plus VAT.

6 January 2011

## DEFINITIONS

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

<b>"2006 Act"</b>	the Companies Act 2006, as amended
<b>"AGM" or "Annual General Meeting"</b>	the annual general meeting of the Company
<b>"Articles" or "Articles of Association"</b>	the articles of association of the Company
<b>"Australia"</b>	the Commonwealth of Australia, its states, territories and possessions
<b>"Basic Entitlement"</b>	the entitlement of each Shareholder to tender for purchase by Numis Securities up to 15 per cent. of the Shares registered in such Shareholder's name on the Record Date, rounded down to the nearest whole number
<b>"Benchmark Index"</b>	the MSCI All Countries Far East excluding Japan Index in Sterling
<b>"Board" or "Directors"</b>	the board of directors of the Company
<b>"Business Day"</b>	any day other than a Saturday, Sunday or public holiday in England and Wales on which clearing banks in London are open for general banking business
<b>"Calculation Date"</b>	the close of business on 31 January 2010
<b>"Canada"</b>	Canada, its provinces and territories and all areas under its jurisdiction and political sub-divisions thereof
<b>"certificated"</b>	or in "certificated not in uncertificated form"
<b>"City Code"</b>	The City Code on Takeovers and Mergers
<b>"Company"</b>	Schroder AsiaPacific Fund plc, an investment company under section 833 of the 2006 Act registered in England and Wales number 03104981
<b>"CREST Manual"</b>	the CREST Manual issued by CREST
<b>"CREST Regulations"</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
<b>"CREST Sponsor"</b>	a CREST participant admitted to CREST as a CREST sponsor being a sponsoring system participant (as defined in the CREST Regulations)
<b>"CREST"</b>	the facilities and procedures for the time being of the relevant system of which Euroclear UK & Ireland Limited has been approved as operator pursuant to the CREST Regulations
<b>"CTA"</b>	the Corporation tax Act 2010, as amended
<b>"Diluted Net Asset Value"</b>	the Net Asset Value calculated to recognise the exercise of all of the Subscription Shares in existence as at the Calculation Date. Diluted Net Asset Value per Share shall be calculated by dividing the Diluted Net Asset Value by the number of Shares in issue or deemed to be in issue on the Calculation Date
<b>"Form of Proxy"</b>	the form of proxy accompanying this document, for use by Shareholders in connection with the General Meeting

<b>"Formula Asset Value"</b>	the formula asset value calculated in accordance with paragraph 3 of Part IV of this document
<b>"FSA"</b>	the United Kingdom Financial Services Authority
<b>"General Meeting"</b>	a general meeting of the Company convened for 12.00 noon on 31 January 2011 (or any adjournment thereof), notice of which is set out at the end of this document
<b>"ITA 2007"</b>	the Income Tax Act 2007, as amended
<b>"Japan"</b>	Japan, its cities, prefectures, territories and possessions
<b>"Listing Rules"</b>	the Listing Rules of the UK Listing Authority
<b>"London Stock Exchange"</b>	London Stock Exchange plc
<b>"Manager"</b>	Schroder Investment Management Limited
<b>"Net Asset Value and 'NAV'"</b>	net asset value of the Company as calculated by the Company in accordance with the Company's normal accounting policies. For the avoidance of doubt, this will include all undistributed revenue reserves up to the date of calculation (but will take no account of the costs of the Tender Offer). Net Asset Value per Share on any relevant date shall be calculated by dividing the Net Asset Value by the number of Shares in issue on that date (excluding Treasury shares)
<b>"Numis Securities"</b>	Numis Securities Limited, which is authorised and regulated in the United Kingdom by the ESA in the conduct of investment business
<b>"Ordinary Shares"</b>	ordinary shares of 10 pence each in the capital of the Company
<b>"Overseas Person"</b>	a Shareholder who is a citizen or national of, or resident in, a jurisdiction outside the United Kingdom, the Channel Islands or the Isle of Man or a custodian, nominee or trustee for a citizen, national or resident of a jurisdiction outside the United Kingdom, the Channel Islands or the Isle of Man
<b>"Panel"</b>	the Panel on Takeovers and Mergers
<b>"Record Date"</b>	the close of business on 23 December 2010
<b>"Register"</b>	the register of members of the Company
<b>"Registrars"</b>	Equiniti Limited
<b>"Regulatory Information Service"</b>	one of the service providers listed in Schedule 12 of the Listing Rules
<b>"Republic of South Africa"</b>	the Republic of South Africa, its territories and possessions
<b>"Repurchase Agreement"</b>	the agreement dated 6 January 2011 between the Company and Numis Securities relating to the repurchase by the Company through the facilities of the London Stock Exchange of the Shares purchased by Numis Securities pursuant to the Tender Offer, as summarised in paragraph 2 of Part VI of this document
<b>"Resolution"</b>	the special resolution to be proposed for Shareholder approval at the General Meeting
<b>"Shareholders"</b>	holders of Shares
<b>"Shares"</b>	the Ordinary Shares

<b>“Subscription Shares”</b>	subscription shares of 1p each in the capital of the Company
<b>“Tender Form”</b>	the tender form accompanying this document for use by Shareholders in connection with the Tender Offer
<b>“Tender Offer”</b>	the invitation by Numis Securities to Shareholders (other than certain Overseas Persons) to tender, in aggregate, up to 25,711,701 Shares, representing 15 per cent. of the Company’s issued Shares as at 23 December 2010, on the terms and subject to the conditions set out in this document
<b>“Tender Price”</b>	the price per Share at which Shares will be purchased pursuant to the Tender Offer calculated as provided in Part IV of this document
<b>“Terms and Conditions”</b>	as the meaning given to it under the heading “The Tender Offer” on page 8 of this document
<b>“TFE Instruction”</b>	a transfer from escrow instruction (as defined by the CREST Manual)
<b>“TTE”</b>	a transfer to escrow instruction (as defined by the CREST Manual)
<b>“UK Listing Authority”</b>	the FSA, in its capacity as the United Kingdom Listing Authority
<b>“uncertified” or “in uncertified form”</b>	recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
<b>“United States” or “US”</b>	the United States of America, its territories and possession, any state of the United States and the District of Columbia

# SCHRODER ASIAPACIFIC FUND plc

(an investment company under section 833 of the Companies Act 2006 registered in England and Wales number 03104981)

## NOTICE OF GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a **GENERAL MEETING** (“**GM**”) of the Company will be held at 31 Gresham Street London EC2V 7QA on 31 January 2011 at 12.00 noon to consider and, if thought fit, pass the following resolution, which will be proposed as a special resolution:

### SPECIAL RESOLUTION

**THAT:**

- (A) the Company be and is hereby authorised in accordance with section 701 of the Companies Act 2006 (the “**2006 Act**”) to make market purchases (within the meaning of section 693 of the 2006 Act) of its Ordinary Shares of 10 pence each (the “**Shares**”) pursuant to the tender offer (the “**Tender Offer**”) on the terms set out in the circular to Shareholders of the Company dated 6 January 2011 (a copy of which is produced to the meeting and signed by the chairman of the meeting for the purpose of identification) (the “**Circular**”) provided that:
- (i) the maximum number of Shares hereby authorised to be purchased shall be 25,711,701;
  - (ii) the price which may be paid for a Share shall be the relevant Tender Price as defined in the Circular (which in each case shall be both the maximum and the minimum price for the purposes of section 701 of the 2006 Act); and
  - (iii) unless renewed, the authority hereby conferred shall expire on the earlier of (i) the completion of the Tender Offer or (ii) the anniversary of one year from the date of passing of this resolution;
- (B) the Company’s authority to make market purchases of its Shares (within the meaning of section 693 of the 2006 Act) approved by Ordinary Shareholders at the annual general meeting of the Company held on 31 January 2011 shall continue in effect and shall not be affected by the passing of this resolution nor shall any part of that authority be utilised in connection with the Tender Offer; and
- (C) terms defined in the Circular shall have the same meaning in this Notice, save where the context otherwise requires.

*Registered Office*  
31 Gresham Street  
London EC2V 7QA

*By Order of the Board*  
Schroder Investment Management Limited  
*Company Secretary*

Dated: 6 January 2011

## **Explanatory notes to the Notice of General 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 accompanies this document. 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 023 2842, 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 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 6RE, 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 resolution 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, Task ID and Shareholder Reference Number 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](http://www.shareview.co.uk) and clicking on the link to vote on your Schroder AsiaPacific Fund plc holdings 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 12:00 noon on Saturday, 29 January 2011. If you have any difficulties with online voting, you should contact the shareholder helpline on 0800 023 2842.

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 General Meeting or any related documents to communicate with the Company for any purposes other than expressly stated.

Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives – [www.icsa.org.uk](http://www.icsa.org.uk) – for further details of procedures on corporate representatives.

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 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. A special resolution requires 75 per cent. of the votes cast by those Shareholders voting in person or by proxy at the GM (excluding any votes which are withheld) to be voted in favour of the Resolution.
4. 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 29 January 2011, or 12.00 noon 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 that time on 29 January 2011 shall be disregarded in determining the right of any person to attend and vote at the meeting.
5. 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](http://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 RA 19) by the latest time for receipt of proxy appointments.
6. As at close of business on 31 December 2010 (being the latest practicable date prior to publication of this document), the Company's issued share capital comprised 171,411,341 Ordinary Shares and 29,216,076 Subscription Shares. No shares are

held in treasury and the subscription shares carry no voting rights. Accordingly, the total number of voting rights of the Company as at 31 December 2010 was 171,411,341.

7. 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 to download from the website [www.schroderasiapacificfund.com](http://www.schroderasiapacificfund.com).
8. Pursuant to section 319A of the Companies Act 2006, the Company must cause to be answered at the Meeting any question relating to the business being dealt with at the Meeting 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.

