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Henderson TR Pacific Investment Trust plc

Report and Financial Statements for the year ended 31 December 2010

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Henderson TR Pacific Investment Trust plc

Objective

- Henderson TR Pacific Investment Trust plc seeks a high rate of total return from companies operating primarily in the Pacific region excluding Japan and Australasia

Investment Policy

- The Company seeks to generate returns across the region from focused, bottom-up stock selection of mispriced growth stocks, with a country and sector overlay.
- The portfolio typically has 40 to 60 holdings
- The Company may borrow to enhance performance but borrowings will not exceed 30% of net asset value
- The Company will hold no more than 15% of its gross assets in any single investment

(Refer to page 15 for further details)

Performance Incentive

- A performance fee that rewards outperformance against the MSCI All Country Asia ex-Japan Index but penalises absolute falls in value as well as underperformance

Results

- NAV Total Return of 24 0%
  Share Price Total Return of 22 9%

Prospects

- Asia faces the risk of higher inflation in 2011 Economic policies are being tightened, resulting in market volatility Stock picking skills will be vital to ensure positive returns

A factsheet, which is updated each month, may be accessed on www hendersontrpacific com

Key data

Per ordinary share	**31 December 2010**	31 December 2009	Change %
Net asset value#	**221.5p**	179 9p	+23 1
Share price#	**201.3p**	165 5p	+21 6
Discount	**9.1%**	8 0%	
Total return†	**43 47p**	69 77p	-37 7
Net revenue return	**3.33p**	2 18p	+52 8
Dividend per ordinary share in respect of the year	**2.90p**	1 90p	+52 6
Gearing*	**14.1%**	7 8%	

#Excluding reinvested income

†See page 30

*Defined here as borrowings less cash balances and deposits as a percentage of shareholders funds

Performance

To 31 December 2010	1 year %	3 years %	5 years %	10 years %
Net asset value total return(1)	24 0	26 1	107 1	187 3
Share price total return(1)	22 9	31 1	118 3	196 0
Peer group net asset value total return(2)	25 2	31 1	106 7	279 5
MSCI All Country Asia ex-Japan Index(3)	23 7	25 7	103 7	233 0

(1) Source AIC Information Services Ltd (net income reinvested)
(2) Source AIC Information Services Ltd The performance of a group of leading investment trust competitors (weighted average)
(3) Source Datastream (gross income reinvested)

Dividend

An interim dividend, in lieu of a final dividend, of 2 90p per ordinary share will be paid on 1 April 2011 to shareholders on the Register of Members at the close of business on 18 March 2011 The Company's shares will be quoted ex-dividend on 16 March 2011

Historical record

31 December	Net revenue return per ordinary share in pence	Dividend in respect of the year in pence	Total net assets in £ 000	Net asset value per ordinary share in pence
2010	**3 33**	**2.90**	**357,570**	**221.5**
2009	2 18	1 90	290,451	179 9
2008	2 41	2 40	181,687	112 5
2007	2 18	2 00	312,560	183 5
2006	1 38	1 30	248,987	135 5
2005	1 92	1 85	213,952	114 8
2004	1 45	1 40	170,911†	88 5†
2003	1 26	1 00	183,774†	90 3†
2002	0 77	0 60	130,613	64 1
2001	0 75	0 50	161,334	79 0
2000	0 74	0 55	176,102	85 7

†Restated – The Company changed its accounting policy for the valuation of listed investments and the recognition of dividends payable in accordance with the provisions of FRS 26 – Financial Instruments Recognition and Measurement and FRS 21 – Events after the balance sheet date

Contents

Chairman's Statement

After the very strong performance of your Company in 2009, it is gratifying to be able to report another solid performance for 2010, despite concerns over the outlook for the Chinese economy from the middle of the year onwards

Performance

This performance was achieved as a result of your Portfolio Manager's skill in stock picking For, despite the underperformance of the Chinese market overall, compared with others in the region, the portfolio continued to perform extremely well This can be seen from the attribution analysis on page 7 Over the course of the year, the share price total return rose by 22 9% Meanwhile, the Company's net asset value total return rose by 24 0%, compared with a rise in the MSCI All Country Asia ex-Japan Index (sterling adjusted) of 23 7%

This performance, in line with the Index, was somewhat behind that of some of our peer group, and, as a result, your Company not only slipped back in the peer group rankings but also saw a widening of the discount to net asset value However, on a five year view, the period over which your Portfolio Manager has been responsible for investment, your Company has outperformed both the Index and the peer group in both net asset value and, particularly, share price terms

The performance last year, can largely be explained by the fact that your Portfolio Manager, supported by the Board, maintained a very high weighting in Chinese stocks during most of the year From the middle of the year, the Chinese market did not perform well as the authorities began to tighten monetary policy in order to dampen speculation in the property market and to head off potential inflation resulting from the significant monetary and fiscal expansion of 2009

Some of the outperformance of South East Asian markets was therefore missed and this accounted for the underperformance compared with some companies in the peer group which have eschewed China and remained much more heavily exposed to South East Asia over the past two years

Despite the tightening in Chinese economic policy, your Portfolio Manager and the Board remain convinced that robust growth in China continues to provide excellent opportunities for investment in mispriced growth stocks, whilst similar opportunities were extremely difficult to identify in some of the higher flying markets in 2010

Dividend

Although shareholders have indicated that yield is not a particularly important consideration in their ownership of shares in the Company, the Board continues to focus on total return rather than purely growth The high rate of dividend receipts, particularly from the financial stocks in the portfolio, along with good yields in Taiwan, has allowed for a healthy pay-out again this year

Compared with a dividend of 1 90p per share last year, the Board has declared an interim dividend, in lieu of a final dividend, of 2 90p per share this year, payable on 1 April 2011

Share Repurchases

Given the strong performance of the net asset value over the last year, and despite some widening of the discount, I am pleased to be able to report that there were no instances when share repurchases were required in 2010

Fees and Expenses

The usual base Management Fee of 0 6% of gross assets will be paid in respect of 2010

Despite the strong performance of your Company over the last two years, the net asset value performance, as adjusted in accordance with the agreed formula, is some 18 basis points behind the performance of the MSCI All Country Asia ex-Japan Index over the rolling three year period As a result, no top-up fee or performance fee is due to be paid for 2010

Total fees for the year have risen to £2,129,000 compared with £1,548,000 in 2009, simply due to the growth in gross assets over the period Nevertheless, the total expense ratio of 0 9% continues to compare very favourably with the average of our peer group, which stands at 1 3%

Chairman's Statement

continued

Custodian

During the course of the year, the Board undertook a review of the Company's custody, stock lending and borrowing arrangements, with input from an external advisor

On the basis that HSBC Bank plc is well represented in all of the markets in which we operate, would hold our securities on a segregated basis, would provide us with a competitive borrowing facility, and would also provide us with an indemnified stock lending opportunity, we changed our custodian during the year I am pleased to report that the handover from our previous custodian to HSBC went very smoothly

Outlook

Perceived wisdom appears to have shifted in recent months from an extremely gloomy prognosis for Western economies and Japan, towards a much more constructive outlook for the current year There are clearly downside risks to this scenario, not least the ongoing fear of default amongst the peripheral economies of the Eurozone, the risk that fiscal tightening will begin to be felt this year and just might tip individual economies, for example the UK, back into recession and that currency strength will dampen prospects in Japan However, with QE2 having been instituted by the US and interest rates in the major economies likely to remain at current low levels for the foreseeable future, there appears to be better than an even chance that the Western economies will continue to move forward in 2011 Certainly this is the message being put forward by the major international forecasters

This scenario would appear to be the most benign for economies in the Asia Pacific region There are considerable risks arising from the quantitative easing carried out by the US, as the further boost to global liquidity may, as some commentators are suggesting, lead to an asset bubble in emerging markets As we have suggested for the last couple of years, the macro-economic prospects for the Asia Pacific region have looked far better than those of the West both during and since the financial crisis This has led to speculative capital flows into the region and the prospect that these may well increase

In addition, it appears that there have also been speculative flows into commodities, which are already seeing increased demand from the region, particularly from China and India, whilst prices of foodstuffs have also recently come under upward pressure due to extreme weather conditions Inflation had already picked up in the region, partly due to the fiscal and monetary boost post the financial crisis, and a number of countries, most notably China, have already begun to take pre-emptive tightening measures However, the prospects for inflation in the region have, if anything, worsened of late

It appears therefore that tightening measures to dampen inflation may well continue and will attract further capital inflows as interest rates rise The most obvious way to deal with these, other than capital controls, will be to allow currencies to appreciate Also, it seems that central banks in the region may well feel that with the tightening already in place or contemplated, along with some further currency appreciation, they may well be able to "look through" the peak in inflation, but the risk for financial markets is that the tightening is overdone

Our central scenario is that this will not be the case and that regional indicators are far away from suggesting a bubble or a financial crisis in the region We continue to believe that any setback in markets as tightening fears rise may well be a buying opportunity, as market valuations are not stretched and the authorities are generally endeavouring to keep growth going at a good rate whilst not stoking the inflationary flames In this scenario, stock picking skills, as abundantly demonstrated by your Portfolio Manager over the past two years, are at a premium We expect to be able to continue to identify undervalued growth opportunities, particularly in areas such as leisure, health care and housing, which should provide further robust performance in 2011

David Robins

Chairman

1 March 2011

Portfolio Manager's Review

Market Background

MSCI Indices	2010 market movement local currency %	sterling adjusted (£) %
Asia excluding Japan	15 6	23 7
China	5 1	8 1
Hong Kong	23 5	27 1
India	16 2	24 8
Indonesia	29 1	38 9
Korea	23 9	31 1
Malaysia	23 4	41 3
The Philippines	28 4	39 8
Singapore	11 5	26 0
Taiwan	11 9	26 6
Thailand	41 3	61 2
Vietnam*	-2 0	-4 3

*Ho Chi Minh Stock Index

Asian stock markets performed well in the twelve months to the end of December 2010 with the MSCI All Countries Asia Excluding Japan Total Return Index rising by 23 7% in sterling terms The first half of the year was broadly flat for Asian equities followed by a strong rally from July to November as the outlook for the global economy stabilised For all markets, apart from China, Hong Kong and Vietnam, a substantial component of return was local currency appreciation against sterling driven by strong economic performance and capital inflows from overseas bond and equity investors

Chinese shares underperformed significantly the rest of Asia over the period Investors remained concerned about the prospect of measures by the Chinese authorities to rein in growth and control inflation after a very strong rebound in economic activity in late 2009, following the US financial crisis First quarter 2010 GDP was up 11 9% year on year driven by strong investment, rebounding exports and continued growth in consumer spending This led to a series of government policies to curtail growth in bank lending and squeeze out speculative activity from the overheating property market These measures were already beginning to bite when, in April, the crisis in Greek public finances led to concerns about the prospects for the entire Eurozone and the knock-on effect that this would have on Asian exports This was further exacerbated in the second quarter and through the summer as signs emerged of slower US growth leading to fears of a "double-dip" recession in the global economy The shares of Taiwanese and Korean export companies also suffered from this increased uncertainty

By the fourth quarter of the year, following a second round of quantitative monetary stimulus by the US Federal Reserve Bank and a £600 billion bailout package for struggling Eurozone countries, fears about renewed recession in the West had begun to fade Commodity prices were pushed higher as it became clear that the focus of policy in the West remained higher growth and investors looked for shelter in "hard" assets as a hedge against the risk of further debasement of the US dollar This coincided with a sharp spike in food prices in China and a series of unexpectedly high monthly inflation numbers As the year drew to a close, fears about much tighter policy in 2011 resulted in further underperformance of Chinese equities compared to the rest of the region

In contrast, India and South East Asian economies continued to accelerate through the first half of the year and were sheltered against mid-year fears of weaker Western economies by their relatively low manufacturing export exposure to the West In general, authorities in Singapore, India, Indonesia, Malaysia and the Philippines showed a much greater willingness than their North Asian counterparts to use the full range of policy tools available to them including currency appreciation to pre-empt economic overheating and inflation As a result, domestic monetary and fiscal policy settings remained more accommodative throughout the year and the region's domestic economies continued to flourish without generating excessive levels of headline inflation

The Thai market was a particularly strong performer despite the most bloody riots seen in the country for decades Rural supporters of the deposed Prime Minister, Thaksin Shinawatra, occupied central Bangkok for weeks in April and May forcing the Government to use the army to clear protesters, resulting in dozens of fatalities The surprising resilience of the stock market and Thai economy during this turbulence clearly demonstrated that after years of political problems, sentiment among

Portfolio Manager's Review

continued

company managers and investors had reached rock bottom Government measures to stimulate economic activity in the hope of shoring up its support before elections in 2011 provided much needed stimulus and by the end of the year it had become clear that private sector activity was also picking up strongly

Outlook

Asian markets have performed well over the last two years as the region rebounded strongly from the financial crisis in the US The outlook for economic growth remains strong and company earnings should continue to do well against a backdrop of strong domestic growth and recovering exports Despite this, the outlook for Asian equities has become more uncertain in recent months as the impact of loose monetary policy in Asia and the West together with rising commodity prices has pushed inflation rates higher Chinese equities performed poorly in 2010 as the authorities continued to wrestle with a booming property market and, more recently, sharp rises in food prices caused by bad weather The rest of the region has started to see similar pressures and there is no doubt that further policy tightening will be needed over the next few months The key issue is whether the current spike in commodity prices will be sustained and whether raw material price inflation leads to a more general inflation problem requiring more determined action by Asian policymakers

On balance, we believe that inflationary pressures can be contained through a combination of higher interest rates, currency appreciation and administrative measures to prevent companies in key sectors passing through their higher costs Stock picking will become increasingly important as investors will need to avoid those businesses that are adversely affected by higher costs and seek out those that can continue to grow profits Our focus on investing in companies with strong long term growth prospects, pricing power and highly scalable business models should be well suited to this environment and we are optimistic that we can deliver positive returns for our investors in 2011

Portfolio Review

The following table shows your Company's key stock positions versus the MSCI All Countries Asia ex-Japan Index at the beginning of 2010

Top Ten Positions as at 1 January 2010	Trust Holding %	Index Weight %	Active Weight %
Agile Property	3 8	0 1	3 7
Tencent Holdings	4 2	0 9	3 3
Bank Mandiri	3 4	0 2	3 2
Ctrip com	3 2	0 0	3 2
Mediatek	3 8	0 7	3 1
Standard Chartered	3 1	0 0	3 1
China Dongxiang	3 0	0 1	2 9
Yuanta Financial Holdings	3 0	0 2	2 8
Industrial & Commercial Bank of China	4 4	1 7	2 7
Sands China	2 7	0 1	2 6

Source Henderson/Factset

Your Company is run with a heavy emphasis on bottom up stock selection and consequently, the main sector and country biases are the accumulated result of individual stock selection decisions The most significant themes that emerge from this process are a bias towards high growth, domestic areas of the Chinese economy, particularly leisure and housing, through stocks such as gaming resort operator Sands China, online travel services provider Ctrip com and property developer Agile Property These existing positions were added to during the year with additional purchases in the Chinese online media company, SINA Corporation, and online games group, Perfect World Your Company also added to Korean technology shares, Samsung Electronics and LG Display However, Korea remains a large underweight position versus the MSCI Index given a general lack of attractive growth companies The auto sector across the region has become an important position for your Company through purchases during the year of Maruti Suzuki in India, Hyundai Motors in Korea and Dong Feng Motors in China We see tremendous opportunities for further growth in auto sales as household incomes continue to rise across the region

Portfolio Manager's Review

continued

Disposals of financial shares in China and Hong Kong were the main source of funding for these purchases The main sales were China Life and Standard Chartered where we believe that medium term growth prospects are fully reflected in market consensus earnings estimates and forward valuations Other sales in China included sportswear company China Dongxiang and ports operator China Merchant Holding The cumulative impact of these transactions led to a reduction in your Company's overweight position in China and Hong Kong and a material reduction in the overall allocation to the financial sector with an increase in the weights of consumer and technology shares Further significant purchases were made in the year in the energy sector and in the ASEAN markets of Indonesia, Thailand and Malaysia Integrated oil and gas distributor PTT in Thailand and Indonesian coal producer Adaro were among the key stocks added to your Company's holdings Both stocks are beneficiaries of strong growth in regional demand for energy Exposure to a wide range of agricultural and industrial commodities was also added through the purchase of Singapore listed, sourcing and logistics specialist, Noble Group Finally, in Malaysia, property company SP Setia and the Kuala Lumpur stock exchange, Bursa Malaysia, were added on improving growth prospects as a result of financial sector reform and increased government spending on transport infrastructure

Attribution Analysis

The estimated attribution of the portfolio's performance as between asset allocation and stock selection relative to the Index, and the impact of other factors, as listed, to explain the movement of net asset value over the year are shown in the table below

Year to 31 December 2010	Asset Allocation %	Stock Selection %	Contribution %	Comments
China	-2 5	2 0	-0 5	Sands China, CNOOC, Air China and SINA did well in a poor market
Hong Kong	-0 1	0 0	-0 1	
Indonesia	0 0	0 8	0 8	Bank Mandiri
India	0 0	-1 0	-1 0	Unitech, Bharat Heavy Electricals
South Korea	-0 6	-1 9	-2 5	KB Financial, Hyundai Engineering, LG Display
Malaysia	-0 8	0 5	-0 3	SP Setia
The Philippines	-0 1	0 0	-0 1	
Singapore	0 0	1 0	1 0	Keppel Corporation, Banyan Tree Resorts
Thailand	-0 1	-0 5	-0 6	
Taiwan	0 1	3 1	3 2	HTC, EVA and China Airlines
Non-Index Assets	-0 4	0 0	-0 4	
Total ex Gearing	**-4 5**	**4 0**	**-0.5**	Good stock selection offset by country allocation
Net Gearing	1 7	0 0	1 7	Gearing positive in a rising market
Share Re-purchases	0 0	0 0	0 0	No shares were re-purchased
Fees & Expenses	-0 9	0 0	-0 9	
Total	**-3.7**	**4.0**	**0.3**	

Portfolio Manager's Review

continued

Performance

The table below shows the top five contributors to and the bottom five detractors from, the Company's relative performance

Top five contributors to relative return	**12 Month Return %**	**Contribution to Company Performance versus the Index %**
HTC Corporation	208 4	2 8
Sands China	86 9	1 5
EVA Airways	195 3	1 0
Bank Mandiri	52 2	0 9
CNOOC	61 1	0 9

Bottom five detractors to relative return	**12 Month Return %**	**Detraction from Company Performance versus the Index %**
Mediatek	-11 1	-1 2
China Dongxiang	-22 0	-1 1
Shimao Property	-23 6	-1 1
Unitech	-13 5	-0 9
Agile Property	7 4	-0 7

Principal Contributors

HTC Corporation is a Taiwan based designer of smartphones The company has designed Windows based smartphones for many years In 2010, their tie up with Google and close involvement in the development of Google's mobile computing platform, Android, led to HTC emerging as one of the leading competitors to Apple in the mobile computing sector The development of an HTC designed tablet pc to compete with the iPad should cement the company's position in 2011 An ex-cash price-earnings ratio of 11 times current year earnings continues to represent good long term value

Sands China operates the largest gaming resort in Macau, the only Chinese territory where gambling is legal The market grew 60% in 2010, lifting all the listed casino players Sands' strategy is to target the mass market resort and conference sectors The opening of 6,000 new hotel rooms in 2012 should ensure significant market share gains and sustain growth even as the overall market slows The shares are still held as valuations do not look demanding versus the Macau and global peer group

EVA Airways is one of the largest airlines in Taiwan The company benefited from a recovery in passenger and cargo traffic in 2010 and the expansion of direct flights to and from mainland China Lower jet fuel prices and a strengthening in the Taiwanese currency also helped lower costs and boost margins We remain optimistic on the outlook for traffic and new routes in 2011 Higher jet fuel prices are a potential negative but a valuation of eight times forward earnings leaves us comfortable holding the shares for now

Portfolio Manager's Review

continued

Bank Mandiri is Indonesia's largest commercial bank The Indonesian market performed extremely well in 2010 and Mandiri benefited from continued strong growth in its high margin retail lending, the recycling of low yielding government bonds on its balance sheet into higher margin loans and growth in low cost deposit funding The shares were weak in the final few weeks of the year in anticipation of the bank launching a large rights issue to fund future growth Your Company remains a holder of the shares as we expect them to rebound strongly once this overhang is cleared

CNOOC is one of China's largest integrated oil and natural gas companies In 2010 it used a portion of its sizeable cash pile for well-received acquisitions in Argentina (from BP), Iraq (Missan) and the US (Eagle Ford) The company still has US$5 billion of cash on its balance sheet and further acquisition activity is expected over the next two years Production growth is likely to slow over the next three years but projections remain healthy at around 17% in 2011 and 10% in 2012 The company has also built a large natural gas business and is a beneficiary of rising oil prices The stock is still held by your Company

Principal Detractors

Mediatek is a Taiwan based chip designer supplying the mobile phone market The company dominates the China market and has used this position to grow aggressively in other emerging markets Sales were hit in 2010 by the emergence of strong new competitors in the low end handset market in China While this market is likely to remain intensely competitive we expect new growth as Mediatek's next generation smartphone chips help drive a rapid rise in smartphone penetration in emerging markets The stock is still held by your Company

China Dongxiang is a Chinese sportswear manufacturer and distributor The sportswear sector has suffered from overcapacity and slowing sales for most of the last twelve months The build up of excessive inventories at retailers has led to continued disappointment and falling earnings expectations Your Company holds no shares

Portfolio Manager's Review

continued

Unitech is an Indian based developer of affordable housing with most of its business focused on Mumbai and Delhi The Indian housing sector has remained fairly strong in 2010 and the affordable housing sector continues to benefit from rapid growth in the middle income segment of the population Unitech's problems have stemmed from an affiliate that became embroiled in a political scandal regarding the award of mobile telecom licences Your Company continues to hold the shares as they have fallen significantly and appear to offer value, but the position remains under review

Shimao and **Agile Property** are housing developers in China Shimao is largely focused on the Yangtze River Delta and Agile is mainly exposed to the Pearl River Delta and Hainan Island In general, the Chinese property sector has suffered from overheating in 2010 and been subject to stringent new measures by the central government designed to curb speculation and prevent further sharp rises in property prices The government has had mixed success with these measures as the market remains chronically undersupplied Valuations have reached levels that we consider attractive relative to our expectation for only relatively modest falls in property prices in 2011 We continue to hold both shares

Portfolio Outlook

The following table shows your Company's key stock positions versus the MSCI All Countries Asia ex-Japan Index at the end of 2010

Top Ten Active Positions as at 31 December 2010	Trust Holding %	Index Weight %	Active Weight %
Advanced Semiconductor	2 9	0 2	2 7
Agile Property	2 8	0 1	2 7
Sands China	2 9	0 2	2 7
PTT Public Company	2 6	–	2 6
Bank Mandiri	2 7	0 2	2 5
Ctrip com	2 5	–	2 5
Foxconn Technology	2 5	0 1	2 4
SINA Corporation	2 4	–	2 4
Sun Hung Kai Properties	3 1	0 8	2 3
Tencent Holdings	3 0	0 8	2 2

Brief descriptions of **Sands China**, **Bank Mandiri** and **Agile Property** have been included earlier These investments remain significant holdings for your Company A brief description of the remaining largest holdings follows

Portfolio Manager's Review

continued

Other Major Holdings at 31 December 2010

Sun Hung Kai Properties is one of Hong Kong's leading property development companies with a growing Chinese development portfolio Supply in the Hong Kong housing market remains tight as demand from mainland China has continued to grow Supply of new properties has also been very low in recent years and is not expected to increase substantially in the medium term We expect the recent strength in physical property prices to continue and believe that this will lead to a further rerating of the company's shares

Tencent Holdings is a leading Chinese internet company Rapid growth in internet usage continues to drive strong subscriber additions in the core instant messaging business Revenues per subscriber have also continued to grow as a result of Tencent's expanding internet game portfolio and other paid for services The company's move to open its platform of over 400 million subscribers to independent software designers has created the potential for a substantial new revenue stream Tencent remains one of the highest quality plays on the continued development of the internet in China

Advanced Semiconductor Engineering is the Taiwan based, global leader in silicon chip packaging and testing The company has dominated new, low-cost, copper based packaging and looks set to extend its lead in other emerging technologies over the next three years Prospects for the entire semiconductor industry also look strong given the rapidly increasing penetration of silicon chip heavy products such as tablet PCs and smartphones

PTT is Thailand's leading integrated oil and gas company with a monopoly in gas transmission and marketing and equity stakes in the nation's largest E&P, refinery and petrochemical companies PTT's core gas business is expected to benefit from higher volumes over the next few years as a result of new supply and a recovering Thai economy Profits are highly correlated to rising oil prices both indirectly and through affiliate company PTTEP

Ctrip com is the leading internet travel company in China The domestic tourism market is expected to continue to grow rapidly over the next few years Internet penetration is also rising rapidly creating a substantial opportunity for the company to capture new customers We expect strong earnings growth to continue over the next few years and believe that the share price does not fully reflect this potential

Foxconn Technology is a Taiwan based supplier of high end metal casings and related components for smartphones and computers Revenues are expected to grow strongly as a result of significant exposure to Apple's iPhone and iPad and Nintendo's new portable 3D games console Growth in these product areas will also provide an additional support for earnings as they use high end "light" casings which offer substantially better margins than commoditised aluminium casings used in notebook PCs

SINA Corporation is one of China's leading online media companies occupying an important niche in sports, entertainment and independent current affairs content These areas continue to generate substantial advertising revenues The company's latest offering is Weibo which, in less than a year, has grown to become China's largest micro-blogging site with over 50 million subscribers We expect higher internet penetration and SINA's unique offering to provide substantial further growth opportunities over the next few years

Andrew Beal
Portfolio Manager
1 March 2011

Geographical Analysis

Index weightings – MSCI All Country Asia ex-Japan Index country weightings (Source Factset and Henderson Global Investors)

Sector Analysis

Index weightings – MSCI All Country Asia ex-Japan Index sector weightings (Source Factset and Henderson Global Investors)

Key Stock Contributors and Detractors (relative total effect)

List and Valuation of Investments

at 31 December 2010

Stocks in **bold** are the twenty largest investments which by value account for 54 7% (2009 65 5%) of the total value of investments

	£'000	%
China		
Agile Property	**11,418**	**2.8**
Air China	8,657	2 1
Bank of China	**9,146**	**2.2**
China Coal Energy	6,462	1 6
China National Building Material	6,499	1 6
CNOOC	**11,652**	**2.8**
Ctrip Com	**10,301**	**2 5**
Dong Feng Motor Group	5,809	1 4
Industrial & Commercial Bank of China	**12,636**	**3.1**
Perfect World	5,280	1 3
Ping An Insurance	4,810	1 2
Sands China	**11,773**	**2 9**
Shimao Property Holdings	7,269	1 8
SINA Corporation	**9,671**	**2 4**
Tencent Holdings	**12,247**	**3 0**
Total China	133,630	32 7
Hong Kong		
Hang Lung Properties	7,467	1 8
Hong Kong Exchanges & Clearing	8,691	2 1
Midland Holdings	3,449	0 9
Sun Hung Kai Properties	**12,617**	**3.1**
Total Hong Kong	32,224	7 9
India		
Ashok Leyland	4,996	1 2
Bharat Heavy Electricals	8,997	2 2
Eredene Capital*	609	0 2
ICICI Bank	**13,229**	**3 3**
Maruti Suzuki	7,061	1 7
Tata Steel	8,702	2 1
Unitech	6,709	1 6
Total India	50,303	12 3
Indonesia		
Adaro Energy	8,507	2 1
Bank Mandiri	**11,120**	**2 7**
Total Indonesia	19,627	4 8

	£'000	%
Korea		
Hyundai Motor	7,789	1 9
Korea Investment Holdings	1,840	0 4
LG Display	8,066	2 0
Samsung Electronics	**15,504**	**3.8**
Shinhan Financial Group	**9,138**	**2.2**
Total Korea	42,337	10 3
Malaysia		
Bursa Malaysia	2,694	0 6
SP Setia	8,874	2 2
Total Malaysia	11,568	2 8
Singapore		
Banyan Tree Holdings	6,348	1 5
Keppel Corporation	**9,736**	**2.4**
Noble Group	7,574	1 9
Singapore Exchange	8,955	2 2
Total Singapore	32,613	8 0
Taiwan		
Advanced Semiconductor	**11,981**	**2.9**
China Airlines	5,094	1 3
EVA Airways	5,783	1 4
Foxconn Technology	**10,183**	**2.5**
HTC Corporation	**10,808**	**2.6**
Mediatek	**10,117**	**2.5**
Yuanta Financial Holdings	**9,759**	**2.4**
Total Taiwan	63,725	15 6
Thailand		
Bangkok Bank	7,577	1 9
PTT Public Company	**10,760**	**2 6**
Total Thailand	18,337	4 5
Vietnam		
Vietnam Enterprise Investments	4,532	1 1
Total Vietnam	4,532	1 1
Total Investments	**408,896**	**100 0**

*Listed on AIM in the UK

The list of investments is based on the companies business operations rather than the companies country of listing

Directors

Pictured from left to right Standing – Andrew Beal (Portfolio Manager), Christopher Keljik, Hugh Aldous and David Brief Seated – Alexandra Mackesy, David Robins and Struan Robertson

David Robins* (Chairman) was appointed to the Board in 2002 and became Chairman in April 2004 He began his career as an economist covering the Pacific Region and has a wide experience of Asian financial markets After a series of senior management roles for the UBS Group in Tokyo, New York and Zurich, he became CEO of UBS Ltd in London and subsequently Head of Europe, Africa and The Middle East Following the merger of UBS and SBC in 1998, he became CEO and then Chairman of ING Barings until 2000 A former Chairman of LCH Clearnet Ltd and Director of MPC Investors Ltd, he is currently Chairman of Oriel Securities Ltd, and a Director of Meggitt plc, Bending Light Ltd, Fidelity Japanese Values PLC and Hackney Empire Trading Limited He is also Chairman of two charities

Hugh Aldous*† was appointed to the Board in 2003 He is Chairman of Capita Sinclair Henderson Limited and SPL Guernsey ICC Limited He is also a director of Polar Capital Holdings plc, Innospec Inc, The Eastern European Trust plc and Elderstreet VCT plc He was a DTI Inspector with appointments from 1987 to 2003 He was a partner in Robson Rhodes LLP, latterly Grant Thornton LLP, up to 2008

*Independent Director and member of the Management Engagement Committee and the Nominations Committee, of which Mr Robins is Chairman

†Member of the Audit Committee, of which Mr Aldous is Chairman

David Brief† was appointed to the Board in November 2007 He is Chief Investment Officer of BAE Systems Pension Funds Investment Management Limited Mr Brief is one of the UK's most experienced pensions investment executives with almost thirty years in the investment business He is a non-executive director of The City of London Investment Trust plc

Christopher Keljik OBE*† was appointed to the Board in November 2007 He retired as a Director of Standard Chartered plc in May 2005 after 29 years, during which time he held a number of senior positions working in London, Hong Kong, New York and Singapore in corporate finance, treasury and general management Prior to his retirement, his responsibilities at Standard Chartered included its businesses in Africa, the Middle East, South Asia, the UK and the Americas He is a Chartered Accountant and is also a non-executive director of Foreign & Colonial Investment Trust plc and Millennium & Copthorne Hotels plc

Alexandra Mackesy*† was appointed to the Board in November 2008 She is a non-executive director of The Scottish Oriental Smaller Companies Trust Plc and RENN Universal Growth Investment Trust PLC Since 2000, she has worked as a part-time consultant at Credit Suisse Prior to this, she held posts in Hong Kong with Credit Suisse as Director, Head of Hong Kong and China Equity Research, JP Morgan as Director, Asian Equity Research and with SBC Warburg/SG Warburg as Director, Hong Kong Equity Research

Struan Robertson*† was appointed to the Board in 2004 He is a non-executive director of Forth Ports plc and Salamander Energy plc He stood down as a non-executive director of both Tomkins plc and International Power plc during 2010 He was previously Group Chief Executive of the Wates Group Ltd and was a Senior Independent Director of WS Atkins plc He retired from BP in May 2000 where he was Senior Vice President Technology and Marketing following an international career during which he held posts as Executive Chairman of BP Asia Pacific, Chief Executive Oil Trading International and Chief Executive of BP Malaysia He lived and worked in Asia between 1989 and 1997

Management

Henderson Global Investors Limited is appointed to manage the investment portfolio The terms of appointment are given in the Report of the Directors on pages 17 and 18 The portfolio has been managed by **Andrew Beal** since September 2005 He is supported by **Michael Kerley** Henderson Secretarial Services Limited is the Corporate Secretary to the Company and is represented by **Wendy King**

Report of the Directors

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2010

Business Review

The following review is designed to provide information primarily about the Company's business and results for the year ended 31 December 2010 The business review should be read in conjunction with the Chairman's Statement on pages 3 and 4 and the Portfolio Manager's Review on pages 5 to 11, which give a detailed review of the investment activities for the year and an outlook for the future

Status

The Company is incorporated in England and Wales and domiciled in the United Kingdom It is an investment company as defined in Section 833 of the Companies Act 2006 and operates as an investment trust in accordance with Section 1158 of the Corporation Tax Act 2010 It is required to seek HM Revenue & Customs ("HMRC") approval of its status as an investment trust under the above-mentioned Section 1158 every year, and this approval will continue to be sought HMRC approval of the Company's status as an investment trust has been received in respect of the year ended 31 December 2009 although this approval is subject to there being no subsequent enquiries under Corporation Tax Self Assessment The directors are of the opinion that the Company has continued to conduct its affairs in a manner that will enable it to continue to gain such approval

The Company is not a close company

The Company intends to continue to manage its affairs so that its investments fully qualify for inclusion in an ISA

Investment objective

The Company seeks a high rate of total return from companies operating primarily in the Pacific region, excluding Japan and Australasia, wherever they may be listed

The portfolio is constructed without specific reference to any individual market's index or the regional composite index

However, the Company does measure its performance against the MSCI All Country Asia ex-Japan Index While beating the Index is not an end in itself, comparison with the Index provides attribution analysis and consequent explanation and discussion of performance that is presented to each Board meeting

Investment policy

- Asset allocation

  The Company generates returns from high conviction, bottom-up stock selection, with a country and sector overlay The Portfolio Manager targets companies trading at a deep discount to long term franchise value with the ability to beat market consensus earnings expectations over a one to two year time horizon The Company invests in companies of all sizes and can take limited exposure to unlisted companies, with the Board's approval The portfolio typically has 40 to 60 holdings with an average active position size of index weight (if applicable) plus 200 to 400 basis points

- Dividend

  The Company aims to provide shareholders with a high rate of total return largely generated from capital growth, but is not constrained from also achieving a high dividend yield if conditions allow

- Gearing

  Borrowing is actively utilised to enhance performance Gearing will not exceed 30% of net asset value, and the Portfolio Manager tends to adhere to a normal working limit of 20%

- General

  The Company will not invest more than 15% in any one company or group of related companies Neither will the Company invest more than 15% of its gross assets in any other investment trust, investment company or collective vehicle

  The Manager may utilise selected derivatives as approved by the Board (Index Futures and Options) to protect the capital invested in the portfolio

Financial review

- Assets

  Total net assets at 31 December 2010 amounted to £357 6 million compared with £290 5 million at 31 December 2009, while the net asset value per ordinary share, excluding reinvested income, rose from 179 9p to 221 5p, an increase of 23 1% The contributions to the share price can be seen in the table overleaf

Report of the Directors
continued

		pence
Share price at 31 December 2009		165 5
Return derived from		
Index	39 2	
Attribution	-0 9	
Gearing	2 8	
(includes cost of gearing)		
Buy-backs	0 0	
Fees and expenses*	-1 5	
Total from NAV		**39 6**
Return from changes in discount		-3 8
Share price at 31 December 2010		**201 3**
Dividend Reinvested		2 2
Share price and dividends		**203 5**

*Fees and expenses on an accounting basis

Note attribution figures are based on the trust's returns gross of all fees and expenses on an accounting basis

Both the preceding Portfolio Manager's Review and the attribution analysis provide further detailed commentary on stock selection and the resultant country exposures In addition, the impact from gearing is shown in the table above and the attribution analysis on page 7, while the top five contributors to performance and the bottom five detractors are also shown in the Portfolio Manager's Review on page 8

Gearing resulted from Board policy decisions and is commented upon in the performance measurement and key performance indicators section which follow

At 31 December 2010, the Company held 49 investments (2009 41), as detailed on page 13

- Total net return
  The net return on ordinary activities after taxation for the year was £70 2 million, or 43 47p per share (2009 net return of £112 6 million or 69 77p per share)

- Dividend
  In line with Section 1158 of the Corporation Tax Act 2010, the retention should not exceed 15% of the net revenue return Accordingly, for the financial year under review, an interim dividend, in lieu of a final dividend, of 2 90p per share has been declared

- Payment of suppliers
  It is the payment policy for the financial year to 31 December 2011 to obtain the best possible terms for all business and, therefore, there is no single policy as to the terms used

  In general, the Company agrees with its suppliers the terms on which business will take place and it is the Company's policy to abide by such terms There were no trade creditors at 31 December 2010 (2009 £nil)

- Borrowings
  The Company's custodian provides an overdraft facility which allows the Company to borrow as and when appropriate At 31 December 2010 the Company had net borrowings of £51 million (2009 £23 million) The Company's actual gearing at the end of the year was 14 1% (2009 7 8%) The overdraft facility is subject to regular review

  The Portfolio Manager utilises gearing whenever the portfolio is fully invested in shares offering attractive returns and interesting opportunities arise which the Portfolio Manager does not wish to fund through share sales The Board monitors the level of gearing in the light of market conditions, and ensures that the Company is in compliance with the covenants attached to its borrowings at each of its meetings

  The foreign currency borrowings are limited to 30% of the net assets of the Company

- Future developments
  While the future performance of the Company is dependent, to a large degree, on the performance of international financial markets, which, in turn, are subject to many external factors, the Board's intention is that the Company will continue to pursue its stated investment objective in accordance with the strategy outlined in this report Further comments on the outlook for the Company for the next twelve months are set out in both the Chairman's Statement on pages 3 and 4 and the Portfolio Manager's Review on pages 5 to 11

Report of the Directors
continued

- Going Concern
  The assets of the Company consist mainly of securities which are readily realisable and the Company has adequate financial resources to continue in operational existence for the foreseeable future For these reasons the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the financial statements In reviewing the position as at the date of this report, the Board has considered the guidance on this matter issued by the Financial Reporting Council in October 2009

Performance measurement and key performance indicators

In order to measure the success of the Company in meeting its objectives and to evaluate the performance of the Manager, the Directors take into account the following key performance indicators

- Returns and Net Asset Value ("NAV")
  The Board reviews and compares, at each meeting, the performance of the portfolio as well as the net asset value and share price for the Company

  Thus, the stock selection process and the results of that process are discussed in detail, whilst the Board also reviews the active weights within the portfolio (the extent to which holdings diverge from the Index), the contributions to returns of individual stocks, the exposure to particular sectors and issues around liquidity

  The Company uses the MSCI All Country Asia ex-Japan Index for comparison and attribution analysis purposes, as detailed in the Portfolio Manager's Review on pages 5 to 11

- Discount to Net Asset Value
  At each Board meeting, the Directors monitor the level of the Company's discount to net asset value and review the average discount/premium for the Company's peer group

  The Board has sanctioned the use of share buy-backs to enhance shareholder value There were no share buy-backs made during the year

  The Company publishes a net asset value per share figure on a daily basis, through the official newswire of The London Stock Exchange This figure is calculated in accordance with the Association of Investment Companies ("AIC") formula and is shown both including and excluding current financial year revenue The net asset value per ordinary share calculated within the year end financial statements includes current financial year revenue

- Performance Against the Peer Group
  The Company is included in the AIC Asia Pacific excluding Japan sector The Directors view the comparison of performance against the peer group as even more important than a comparison against the sector index, and accordingly scrutinise the relative performance of the Company closely at each Board meeting

- Risk Measures
  The Board takes account of the degree of risk that the Portfolio Manager is incurring in order to generate high returns, by reviewing at every Board meeting fundamental market and economic risks as well as tracking error, volatility, portfolio concentration and the information ratio

Related party transactions

Investment management, accounting, company secretarial and administration services are provided to the Company by wholly owned subsidiary companies of Henderson Group plc ("Henderson") This is the only related party arrangement currently in place Other than the fees payable by the Company in the ordinary course of business, there have been no material transactions with this related party which have affected the financial position or performance of the Company in the financial year

Management arrangements

Throughout the year under review investment management, accounting, secretarial and administrative services were provided to the Company by Henderson and by BNP Paribas Securities Services

From 1 January 2006, the investment management fee has comprised a base fee and a performance fee In calculating any performance fees payable, the Company's performance and the MSCI All Country Asia ex-Japan Index are both measured on a total return basis

Report of the Directors
continued

The chart below provides a graphic illustration of how the management and performance fees are determined

- The Base Fee
  The base fee is calculated in the first instance at the rate of 0 60% per annum of gross assets, calculated and paid at the rate of 0 15% per quarter Gross assets are defined as the net asset value per ordinary share on the calculation date at the end of the quarter multiplied by the weighted average number of shares in issue throughout the relevant period, plus bank borrowings less, where relevant, provision for dividends to be paid out

  The base fee is subject to potential claw back A claw back can arise in two circumstances, if there is an absolute fall in NAV or if there is underperformance relative to the index

  In the case of an absolute fall in NAV, if, at the end of an annual period, the closing NAV per share is lower than the opening NAV per share by more than 2 5%, the "First Claw Back" provision applies If rolling underperformance relative to the index exceeds 2 5%, the "Second Claw Back" provision applies

  Rolling performance is based on a three year rolling average The amount of the claw back will be the greater of the fall in value or the value of underperformance, subject to a maximum claw back, in any accounting period, of half the basic fee for that period

- The Performance Fee
  A performance fee is payable if changes in the value of the Company's assets outperform changes in the index The amount of the performance fee will depend on the degree of this outperformance, which will be measured in three 'bands' The Band 1 performance fee, otherwise known as the 'Top Up Fee', will be payable on outperformance of up to 2 0%, at the rate of 0 3% of gross assets The Band 2 performance fee will be payable on NAV per share outperformance of between 2 0% and 8 0% at the rate of 10% of outperformance in excess of 2 0%, and a further Band 3 performance fee on NAV per share outperformance at the rate of 20% of outperformance in excess of 8 0% Band 2 and 3 performance fees are calculated on net assets

For any annual period, the combined total of the base fee plus any performance fees will be capped at 2 5% of the net assets of the Company as at the end of that period

Band 1, Band 2 and Band 3 are calculated on a rolling three year performance basis

Over the period since 1 January 2008, on a rolling three year average, the Company has underperformed its index by 0 18% as calculated in accordance with the formula set out in the management agreement Therefore no performance fee is payable

Report of the Directors

continued

Custody arrangements

Since May 2010 global custody services have been provided by HSBC Bank plc which replaced JPMorgan Bank, N A

Principal risks and uncertainties

The Board has drawn up a matrix of risks facing the Company and has put in place a schedule of investment limits and restrictions, appropriate to the Company's investment objective and policy, in order to mitigate these risks as far as practicable The principal risks which have been identified and the steps taken by the Board to mitigate these are as follows

- Portfolio and market

  Although the Company invests almost entirely in securities that are quoted on recognised markets, share prices may move sharply The companies in which investments are made may operate unsuccessfully, or fail entirely A fall in the market value of the Company's portfolio would have an adverse effect on shareholders' funds

  The Board manages the overall level of market risk in the investment portfolio by ensuring full and timely reporting of relevant information from the Manager on a bi-weekly basis The Board reviews the portfolio each month and endeavours to mitigate this risk through diversification of investments in the portfolio The Manager manages its exposure to market price risk through its asset allocation decisions and if necessary by buying/ selling put or call options on indices relevant to its portfolio Where appropriate, foreign currency borrowings are used to achieve the portfolio characteristics to minimise the exposure to foreign currency risk The possible effects on fair values and cash flows arising on account of changes in interest rates are considered when making investment decisions and the level of gearing

- Investment activity and performance

  An inappropriate investment strategy (for example, in terms of asset allocation or the level of gearing) may result in underperformance against the index and the companies in its peer group The Board monitors at each Board meeting the Manager's compliance with the Company's objectives, and is directly responsible for investment strategy, the level of gearing and asset allocation between countries and economies For managing the liquidity risk, the Board gives guidance to the Manager as to the maximum amount of the Company's exposure to individual investments Short term borrowings are used to manage short term cash requirements

- Tax and regulatory risks

  A breach of Section 1158 of the Corporation Tax Act 2010 could lead to a loss of investment trust status, resulting in capital gains realised within the portfolio being subject to corporation tax A breach of the UKLA Listing Rules could result in suspension of the Company's shares, while a breach of the Companies Act 2006 could lead to criminal proceedings, or financial or reputational damage The Company must also ensure compliance with the listing rules of the New Zealand Stock Exchange The Manager has contracted to provide investment, company secretarial, administration and accounting services through qualified professionals The Board receives internal control reports produced by the Manager on a quarterly basis, which confirm regulatory compliance during the year

- Financial

  By its nature as an investment trust, the Company's business activities are exposed to market risk (including currency risk, interest rate risk and market price risk), liquidity risk, and credit and counterparty risk

  Details of these risks, how they are managed and the exposures to these risks are given in this note and in note 14 to the Financial Statements on pages 41 to 44

- Operational

  Disruption to, or failure of, the Manager's accounting, dealing or payment systems or the Custodian's records could prevent the accurate reporting and monitoring of the Company's financial position The Company is also exposed to the operational risk that one or more of its suppliers may not provide the required level of service Details of how the Board monitors the services provided by the Manager and its other suppliers, and the key elements designed to provide effective internal control, are explained further in the internal control section on page 24

Charitable Projects

Since 2009 the Board has supported two charities in India, which deal with early childhood development and education

Report of the Directors
continued

They are

Prerana, which provides rescue, care and education for the children of women involved in the sex industry in Mumbai, and **Mobile Creches**, which promotes day care in and around Delhi for the children of migrant construction workers and slum dwellers, with a particular focus on providing and/or lobbying for nutrition, health and education

Each charity received £7,500 during the year and the Board has set specific targets for the utilisation of its donations, and will monitor the performance of the two organisations against these targets

Donations

No payments were made for political purposes

Corporate Governance Statement

a) Applicable Corporate Governance Codes

The Board is accountable to shareholders for the governance of the Company's affairs Paragraph 9 8 6 of the UK Listing Rules requires all listed companies to disclose how they have applied the principles and complied with the provisions of the 2008 Combined Code As an investment trust, most of the Company's day-to-day responsibilities are delegated to third parties The Company has no employees and the Directors are all non-executive Thus, not all the provisions of the 2008 Combined Code are directly applicable to the Company

The Financial Reporting Council (the "FRC") confirmed in February 2009 that it remained the view of the FRC that by following the Corporate Governance Guide for Investment Companies produced by the Association of Investment Companies (the "AIC Guide"), boards of investment companies should fully meet their obligations in relation to the Combined Code and paragraph 9 8 6 of the Listing Rules The AIC Code of Corporate Governance (the "AIC Code"), as explained by the AIC Guide, addresses all the principles set out in Section 1 of the 2008 Combined Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to investment trusts

The Board believes that reporting against the AIC Code by reference to the AIC Guide will provide the most appropriate information to shareholders and has therefore followed the principles and recommendations set out in the AIC Code Copies of the AIC Code and the AIC Guide can be found on www theaic co uk

In May 2010 the FRC published the new UK Corporate Governance Code which is effective for accounting periods commencing on or after 29 June 2010 ("the new code") The AIC updated its Corporate Governance Code ("the new AIC Code") in October 2010 which the FRC has endorsed The Company will report against these codes in the 2011 Annual Report

b) New Zealand

It should be noted that the UK Codes of Corporate Governance may materially differ from the New Zealand Stock Exchanges Corporate Governance rules and principles of the Corporate Best Practice Code

c) Statement of compliance

The AIC Code comprises 21 principles The Board attaches importance to the matters set out in the AIC Code and lists below how the AIC Code's principles have been applied

The Directors believe that during the year under review they have complied with the provisions of the AIC Code, and insofar as they apply to the Company's business, with the provisions of the 2008 Combined Code except as noted below

- The role of chief executive
  Since all Directors are non-executive and day-to-day management responsibilities are sub-contracted to the Manager, the Company does not have a Chief Executive
- Executive directors' remuneration
  As the Board has no executive Directors, it is not required to comply with the principles of the Combined Code in respect of executive Directors' remuneration and does not have a Remuneration Committee Directors' fees are detailed in the Directors' Remuneration Report on page 27
- Internal audit function
  As the Company delegates to third parties its day-to-day operations and has no employees, the Board has determined that there is no requirement for an internal audit function The Directors annually review whether a function equivalent to an internal audit is needed and will

Report of the Directors
continued

continue to monitor its systems of internal controls in order to provide assurance that they operate as intended

d) Directors

- Board Composition

  The Board currently consists of six non-executive Directors, five of whom are deemed to be independent of the Manager, the exception being Mr Brief who is also a Director of another investment trust managed by Henderson The Directors review their independence annually

- Directors' appointment, retirement and rotation

  All Directors are appointed for an initial term of three years The Board may appoint Directors to the Board without shareholder approval Any Director so appointed must stand for election by the shareholders at the next AGM in accordance with the Articles of Association The total number of Directors shall not be less than three nor more than nine

  The names and biographies of the Directors holding office at the date of this report are listed on page 14 All Directors served throughout the year

  In addition, under the Articles of Association, shareholders may remove a Director before the end of his/her term by passing a special resolution A special resolution is passed if more than 75 per cent of the votes cast, in person or by proxy, are in favour of the resolution

  The 2008 Combined Code requires that every Director retires by rotation at least every three years The Company's Articles of Association provide that one third of Directors retire by rotation each year Directors are also required to retire if they have served more than nine years on the Board, but may then offer themselves for re-election Mr Robins and Mr Keljik are the Directors retiring at the forthcoming AGM and, being eligible, offer themselves for re-election

  Mr Brief, who is also a Director of another investment trust managed by Henderson, must offer himself for annual re-election

  There were no contracts subsisting during or at the end of the year in which a Director of the Company is or was materially interested and which is or was significant in relation to the Company's business No Director has a service contract with the Company No Director is entitled to compensation for loss of office on the takeover of the Company

- Board Independence

  The Directors' biographies, on page 14, demonstrate the breadth of investment, commercial and professional experience relevant to their positions as Directors on the Board of the Company Directors visit the region periodically to ensure they are up to date with developments in both the Asia Pacific region and India The Board visited the region in March 2010 and intends to make these trips every year, with the next trip planned for October 2011 During these visits the Board meets with various representatives of governments and of companies in which the portfolio is invested or those in which the Portfolio Manager is considering making an investment

- Board Succession and Policy for Recruitment

  The Nominations Committee considers succession planning bearing in mind the balance of skills, knowledge and experience existing on the Board and will recommend to the Board when the further recruitment of non-executive Directors is required The Nominations Committee aims to maintain a balance of relevant skills, experience, ages and length of service of the Directors serving on the Board

  Once a decision is made to recruit additional Directors to the Board, a sub-committee of two independent Directors is formed and authorised to consider candidates Candidates are drawn from suggestions put forward by other Directors and by the use of an external agency The sub-committee puts forward up to two candidates for consideration by the Nominations Committee which then makes a recommendation to the Board

  Re-appointment as a Director is not automatic and follows a process of evaluation of each Director's performance Any Director who is subject to annual re-election due to length of service or appointment to other trusts also managed by Henderson is subject to particularly rigorous assessment of their contribution

- Directors' Remuneration

  A report on Directors' remuneration is on page 27

Report of the Directors

continued

- Directors' Interests in Shares

The interests of the Directors in the ordinary shares of the Company at the beginning and end of the financial year are shown below

	Ordinary shares of 5p	
	31 December 2010	1 January 2010
With beneficial interest		
Mr D A Robins (Chairman)	**23,000**	23,000
Mr H G C Aldous	**40,236**	40,131
Mr D Brief	**18,171**	18,171
Mr C A Keljik	**39,102**	32,172
Mrs A Mackesy	–	–
Mr D D S Robertson	**20,000**	20,000

There have been no changes in the Directors' interests since the end of the financial year

- Directors' Conflicts of Interest

Directors have a duty to avoid situations where they have, or could have, a direct or indirect interest that conflicts, or possibly could conflict, with the Company's interests From 1 October 2008, the Companies Act 2006 (the "Act"), has allowed Directors of public companies to authorise such conflicts and potential conflicts, where appropriate, but only if the Articles of Association contain a provision to this effect The Act also allows the Articles of Association to contain other provisions for dealing with Directors' conflicts of interest to avoid a breach of duty There are two safe harbours Either the situation can reasonably be regarded as unlikely to give rise to a conflict of interest or the matter has been authorised in advance by the Directors The Company's Articles of Association give the Directors the relevant authority required to deal with conflicts of interest

Each of the Directors has provided a statement of all conflicts of interest and potential conflicts of interest applicable to the Company A register of conflicts of interest has been compiled and approved by the Board Going forward, the Directors have also all undertaken to notify the Chairman as soon as they become aware of any new potential conflicts of interest that would need to be approved by the Board and added to the Register, which will be reviewed annually by the Board

It has also been agreed that Directors will advise the Chairman and the Company Secretary in advance of any proposed external appointment and new Directors will be asked to submit a list of potential situations falling within the conflicts of interest provisions of the 2006 Act in advance of joining the Board The Chairman will then determine whether the relevant appointment causes a conflict or potential conflict of interest and should therefore be considered by the Board

Only Directors who have no interest in the matter being considered will be able to participate in the Board approval process In deciding whether to approve a conflict of interest, Directors will also act in a way they consider, in good faith, will be most likely to promote the Company's success in taking such a decision The Board can impose limits or conditions when giving authorisation if the Directors consider this to be appropriate

The Board believes that its powers of authorisation of conflicts has operated effectively since they were introduced on 1 October 2008 The Board also confirms that its procedures for the approval of conflicts of interest have been followed by all the Directors

- Directors' professional development

When a new Director is appointed he or she is offered a training seminar which is held by the Manager Directors are also provided on a regular basis with key information on the Company's policies, regulatory and statutory requirements and internal controls Changes affecting Directors' responsibilities are advised to the Board as they arise Directors also regularly participate in relevant training and industry seminars

- Directors' Indemnity

Directors' and officers' liability insurance cover is in place in respect of the Directors The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for Directors in respect of costs which they may incur relating to the defence of any proceedings brought against them arising out of their positions as Directors, in which they are acquitted or judgement is given in their favour by the Court

e) The Board

- Chairman

The Chairman is an independent non-executive Director who has no conflicting relationships The Chairman's other significant commitments are detailed on page 14

Report of the Directors
continued

- Senior Independent Director
  Mr Robertson was appointed as Senior Independent Director on 23 April 2008

- Responsibilities of the Board and its Committees
  There are three Board Committees the Audit Committee, the Nominations Committee and the Management Engagement Committee The Committees have defined Terms of Reference which are available on the website, www hendersontrpacific com, and will be available for inspection at the AGM

- Audit Committee
  All Directors, with the exception of the Chairman, are members of the Audit Committee The Audit Committee is chaired by Mr Aldous and meets at least twice a year The Board has satisfied itself that at least one of the Committee's members has recent and relevant financial experience

  The Committee reviews the internal financial and non-financial controls, considers and recommends to the Board for approval the contents of the draft Half Year and Annual Reports and Financial Statements to shareholders and also the Interim Management Statements It also reviews the accounting policies and significant financial reporting judgements The Committee reviews the nature and scope of the external audit and the findings therefrom, and the terms of appointment of the auditors, including their remuneration and the provision of any non-audit services by them It also monitors the auditors' independence and objectivity and the effectiveness of the audit process Together with the Manager, the Committee reviews the Company's compliance with financial reporting and regulatory requirements Representatives of the Manager's internal Audit and Compliance department attend these meetings at the Chairman's request Representatives of PricewaterhouseCoopers LLP, the Company's auditors, attend the Committee meeting at which the draft Annual Report and Financial Statements are reviewed and are given the opportunity to speak to the Committee members without the presence of the representative of the Manager The Audit Committee remains satisfied with the effectiveness of the audit provided by PricewaterhouseCoopers LLP The auditors are required to rotate the audit partner every five years and this is the first year that the current partner has been in place

  The Manager and BNP Paribas Securities Services have arrangements in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters

  The Chairman of the Audit Committee will be present at the AGM to answer questions relating to the financial statements

- Nominations Committee
  The Nominations Committee meets at least annually and is responsible for Board succession planning and the review of the performance of the Company, the Manager's representatives, the Board as a whole and each individual Director All Directors are members of the Nominations Committee The Chairman of the Board acts as Chairman of the Nominations Committee but does not participate when the Chairman's performance, re-election or his successor is being considered

- Management Engagement Committee
  The Management Engagement Committee meets at least annually and is responsible for the annual review of the terms of the management contract All Directors are members of the Management Engagement Committee which is chaired by the Chairman of the Board

- Board Attendance
  Six Board meetings are scheduled for the coming year to deal with matters including the setting and monitoring of investment strategy, approval of borrowings, the review of investment performance, the level of the discount or premium to net asset value and the evaluation of the service providers A full day's Strategy meeting is also held each year Additional meetings of the Board may be arranged as required A formal schedule of matters specifically reserved for decision by the full Board has been defined and a procedure adopted for Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company

  The number of formal meetings of the Board and its committees held during the financial year and the attendance of individual directors are shown below Whenever possible all Directors attend the AGM

Report of the Directors

continued

	Board	Strategy	Audit Committee	Management Engagement Committee	Nominations Committee
No. of scheduled meetings	**6**	**1**	**2**	**1**	**1**
Mr D A Robins(i)	6	1	n/a	1	1
Mr H G C Aldous	6	1	2	1	1
Mr D Brief	6	1	2	1	1
Mr C A Keljik	6	1	2	1	1
Mrs A Mackesy	5	1	2	1	1
Mr D D S Robertson	6	1	2	1	1

Notes

(i) Mr Robins is not a member of the Audit Committee although he may be invited to attend

f) Performance Evaluation

- The Company

  The performance of the Company is considered at each Board meeting and the Company's performance against its peer group on a rolling twelve month basis is considered quarterly Underperformance triggers are included in the management agreement

- The Board

  In order to review the effectiveness of the Board, the Committees and the individual Directors, a thorough appraisal process has been put in place This is implemented by way of a questionnaire and discussions with the Chairman In respect of the Chairman, discussions were held between the Directors and the Senior Independent Director The process is considered by the Board to be constructive in terms of identifying areas for improving the functioning and performance of the Board and the Committees, the contribution of individual Directors as well as building on and developing individual and collective strengths

g) Internal Controls

The Board is responsible overall for the Company's system of internal control and for reviewing its effectiveness These controls aim to ensure that assets of the Company are safeguarded, proper accounting records are maintained and the financial information used within the business and for publication is reliable Control of the risks identified, covering financial, operational, compliance and risk management is embedded in the controls of the Company by a series of regular investment performance reviews and analysis, Manager's reports and quarterly internal control reports However, such a system is designed to manage rather than eliminate risks of failure to achieve the Company's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss

The Board has established a process for identifying, evaluating and managing any major risks faced by the Company The process is subject to regular review by the Board and accords with the Internal Control Guidance for Directors on the Combined Code published in September 1999 and revised in October 2005 and June 2006 ("the Turnbull Guidance") The process was fully in place during 2010 and up to the date of approval of this annual report

The Manager and Custodian have established an internal control framework to provide reasonable but not absolute assurance on the effectiveness of the internal controls operated on behalf of its clients The effectiveness of the internal controls is assessed by the Manager's compliance and risk department on a continuing basis

The Board, assisted by the Manager, has undertaken an annual review of the effectiveness of the Company's system of internal control and the business risks have been analysed and recorded in a risk map which is reviewed regularly The Board receives each quarter from the Manager a formal report which details the steps taken to monitor the areas of risk, including those that are not directly the responsibility of the Manager, and which reports the details of any known internal control failures The Board receives each year from the Manager a report on its internal controls which includes a report from the Manager's auditors on the control policies and procedures in operation Steps will continue to be taken to embed the system of internal control and risk management into the operation and culture of the Company and its key suppliers No significant failings or weaknesses in respect of the Company were identified in the year under review

The Company does not have an internal audit function, it delegates to third parties most of its operations and does not employ any staff The system of internal control is owned by Henderson and BNP Paribas Securities Services, not the Board The Board will continue to monitor the system of internal control in order to provide assurance that it operates as intended and the Directors annually review whether a function equivalent to internal audit is needed

Report of the Directors

continued

h) Accountability and relationship with the Manager

The Statement of Directors' Responsibilities in respect of the Financial Statements is set out on page 28, the Independent Auditors Report on page 29 and the Statement of Going Concern on page 17

The Board has delegated contractually to external third parties, including the Manager, the management of the investment portfolio, the custodial services (which include the safeguarding of the assets), the day to day accounting, company secretarial and administration and registration services Each of these contracts was entered into after careful consideration by the Board of the quality and cost of the services offered, including the control systems in operation in so far as they relate to the affairs of the Company

The Board receives and considers regular reports from the Manager and ad hoc reports and information are supplied to the Board as required In addition, the Chairman attends meetings of all the Chairmen of the investment trust companies managed by the Manager These meetings provide both a forum to discuss industry matters and those issues common to the Chairmen which they wish to discuss with the Manager and on which the Chairman then reports to the Board

i) Continued appointment of the Manager

The Board reviews the performance of the Manager at each Board meeting and the Company's performance against a peer group of investment companies and the MSCI All Country Asia ex-Japan Index

In the opinion of the Directors the continued appointment of the Manager on the terms agreed is in the interests of the Company's shareholders as a whole The investment team provided by the Manager, led by Mr Beal, has long experience of investment in the Pacific region and is supported by both an office in Singapore and by dedicated analytical support staff in London In addition, the Manager has extensive investment management resources and wide experience in managing and administering investment trust companies

j) Share capital and Shareholders

- Share Capital

  The Company's share capital comprises ordinary shares of 5p nominal value each The voting rights of the shares on a poll are one vote for every share held There are no restrictions on the transfer of the Company's ordinary shares and there are no shares which carry specific rights with regard to control of the Company

  At 31 December 2010 there were 161,451,407 shares in issue Since 31 December 2010 and up to the date of this document there have been no changes to the share capital or voting rights of the Company

- Substantial Share Interests

  Declarations of interest in the voting rights of the Company as at 1 March 2011, are set out below

Shareholder	% of voting rights
City of London Investment Management	12 0
Sarasin & Partners	8 9
British Steel Pension Scheme	8 3
Advance Developing Markets Fund	6 1
Lazard Asset Management	4 8
Legal & General	3 8

In addition, the Board is aware that, at 31 December 2010, 5 5% of the issued share capital was held on behalf of participants in the Halifax Share Dealing products run by Halifax Share Dealing Limited ("HSDL"), which is now part of Lloyds Banking Group In accordance with the arrangements made between HSDL and Henderson, the participants in the Halifax Share Dealing products are given the opportunity to instruct the nominee company of HSDL to exercise the voting rights appertaining to their shares in respect of all general meetings of the Company HSDL has undertaken to instruct its nominee company to exercise the voting rights of any shares held through the Halifax Share Dealing products that have not been exercised by the individual participants in them It will do so by voting for or against all resolutions to be put at all general meetings of the Company (or by withholding votes on such resolutions) pro rata to the aggregate voting instructions for each resolution received from those participants who have chosen to exercise their voting rights

- Relations with Shareholders

  Shareholder relations are given high priority by both the Board and the Manager The prime medium by which the Company communicates with shareholders is through the Half Year and Annual Reports which aim to provide shareholders with a clear understanding of the Company's activities and its results In

Report of the Directors

continued

addition Interim Management Statements will be issued twice per annum in accordance with the Transparency Directive This information is supplemented by the daily calculation and by the publication at the London and New Zealand Stock Exchanges of the net asset value of the Company's ordinary shares and a monthly fact sheet Information can also be found on www hendersontrpacific com

The Board monitors the shareholder register of the Company at each meeting and maintains regular contact with major shareholders

The Board is keen that the AGM be a participative event which private shareholders are encouraged to attend The Chairmen of the Board and the Committees attend the AGM and are available to respond to queries and concerns from shareholders The Portfolio Manager makes a presentation to shareholders and answers questions on investment performance The Company has adopted a nominee share code which is set out on page 48 and proxy votes received are relayed to the meeting

The Board believes that the Company's policy of reporting to shareholders as soon as possible after the Company's year end is valuable It is the intention of the Board that the Annual Report and Notice of the AGM be issued to shareholders so as to provide at least twenty working days notice of the AGM Shareholders wishing to lodge questions in advance of the AGM are invited to do so by writing to the Company Secretary at the address given on the inside back cover At other times the Company responds to letters from shareholders on a range of issues

k) Corporate Responsibilities

Responsible Investment

Codes of good corporate governance now extend to a company's policies on the environment, employment, human rights and community relationships Corporations are playing an increasingly important role in global economic activity and the adoption of good corporate governance enhances a company's economic prospects by reducing the risk of Government and regulatory intervention and any ensuing damage to its business or reputation

This Company's policy is to monitor the policies and actions of the companies in which it invests with a view to encouraging management to recognise and address any issues Its overriding objective remains the pursuit of a high rate of total return

Exercise of Voting Powers

The Company has approved a corporate governance voting policy which accords with current best practice whilst maintaining a primary focus on financial returns

The policy also sets out how Henderson implements the Stewardship Code The Company has delegated responsibility for voting to the Manager The Board will receive a report, at least annually, on the voting undertaken by the Manager on behalf of the Company

Employee and environmental matters

The Company has no employees and outsources its investment management and company secretarial services to subsidiaries of Henderson Henderson has implemented environmental management practices, which include systems to limit the use of non-renewable resources and minimise the impact of operations on the environment, and is focused on reducing greenhouse gas emissions and minimising waste, where possible

Annual General Meeting ("AGM")

The AGM will be held on Monday 11 April 2011 at 12 30 pm Separate resolutions will be proposed for each substantive issue The formal notice of the AGM as well as full details of the resolutions to be put at the AGM are contained in the separate circular which has been sent to shareholders with this Annual Report

Directors' Statement as to Disclosure of Information to Auditors

The Directors who were members of the Board at the time of approving this Report are listed on page 14 Each of those Directors confirms that

- to the best of his/her knowledge and belief, there is no information relevant to the preparation of the Annual Report and Financial Statements of which the Company's auditors are unaware, and
- he/she has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information

By order of the Board

Wendy King, FCIS

For and on behalf of

Henderson Secretarial Services Limited, Secretary

1 March 2011

Directors' Remuneration Report

Introduction

This report is submitted in accordance with Sections 420-422 of the Companies Act 2006 The report also meets the relevant provisions of the Listing Rules issued by the Financial Services Authority and describes how the Board has applied the principles relating to Directors' remuneration As required by the Act, a resolution to approve the report will be proposed at the AGM The Company's auditors are required to report on certain information contained within this report

Remuneration Policy

The Board as a whole considers the Directors' remuneration The Board has not appointed a committee to consider matters relating to Directors' remuneration The Board has not been provided with advice or services by any person in respect of its consideration of the Directors' remuneration although the Directors regularly review the fees paid to the boards of Directors of other investment trust companies of similar type and size

The Board consists entirely of non-executive Directors New Directors are appointed with the expectation that they will serve for an initial period of three years Directors' appointments are reviewed formally every three years thereafter by the Board as a whole None of the Directors has a contract of service or a contract for services and a Director may resign by notice in writing to the Board at any time, there are no set notice periods The Company's policy is for the Directors to be remunerated in the form of fees, payable quarterly in arrears, to the Director personally There are no long term incentive schemes, share option schemes or pension arrangements provided by the Company and the fees are not specifically related to the Directors' performance, either individually or collectively

The Company's policy is that the fees payable to the Directors should reflect the time spent by the Board on the Company's affairs and the responsibilities borne by the Directors and should be sufficient to enable candidates of high calibre to be recruited The policy is for the Chairmen of the Board and Audit Committee to be paid a higher fee than the other Directors in recognition of the additional responsibilities

The policy is to review Directors' fees annually, although such review will not necessarily result in any change to the rates

Directors' Fees and Expenses

The Company's Articles of Association do not limit the fees payable to the Directors In the year under review and in 2009 the Directors' fees were paid at the following annual rates the Chairman £27,000, the Audit Committee Chairman £18,500, the other Directors £17,000 each

Audited Information

The fees payable by the Company in respect of each of the Directors who served during the year and during 2009, were as follows

	2010	2009
Mr D A Robins (Chairman)	**£27,000**	£27,000
Mr H G C Aldous	**£18,500**	£18,500
Mr D Brief	**£17,000**	£17,000
Mr C A Keljik	**£17,000**	£17,000
Mrs A Mackesy	**£17,000**	£17,000
Mr D D S Robertson	**£17,000**	£17,000
TOTAL	**£113,500**	£113,500

The highest paid Director's emoluments thus totalled £27,000 (2009 £27,000)

Directors' fees were reviewed during the year and it was agreed to increase them from 1 January 2011 as follows Chairman £29,000, Audit Committee Chairman £20,500, the other Directors £19,000 each

Performance Graph

A line graph, as required by the Act, showing the Company's share price total return compared to the MSCI All Country Asia ex-Japan Index has been provided below

By order of the Board
Wendy King, FCIS
For and on behalf of
Henderson Secretarial Services Limited, Secretary
1 March 2011

Statement of Directors' Responsibilities in respect of the Annual Report, the Directors' Remuneration Report and the Financial Statements

The Directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulations

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

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

The Directors confirm that they have complied with the above requirements in preparing the Company's financial statements

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Statement under DTR 4 1 12

Each of the Directors, who are listed on page 14 confirm that, to the best of their knowledge

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

For and on behalf of the Board

David Robins
Chairman
1 March 2011

The financial statements are published on the www hendersontrpacific com website, which is a website maintained by the Company's Manager, Henderson Global Investors Limited ("Henderson") The maintenance and integrity of the website maintained by Henderson or any of its subsidiaries is, so far as it relates to the Company, the responsibility of Henderson The work carried out by the auditors does not involve consideration of the maintenance and integrity of this website and, accordingly, the auditors accept no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions

Independent Auditors' Report

to the members of Henderson TR Pacific Investment Trust plc

We have audited the financial statements of Henderson TR Pacific Investment Trust plc for the year ended 31 December 2010 which comprise the Income Statement, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet, the Cash Flow Statement and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 28, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

Opinion on financial statements

In our opinion the financial statements

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

Opinion on other matters prescribed by the Companies Act 2006

In our opinion

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following

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

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

Under the Listing Rules we are required to review

- the Directors' statement, set out on page 17, in relation to going concern,
- the parts of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the June 2008 Combined Code specified for our review, and
- certain elements of the report to shareholders by the Board on Directors' remuneration

Clare Thompson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
1 March 2011

Income Statement

for the year ended 31 December 2010

Notes		Year ended 31 December 2010 Revenue return £'000	Capital return £'000	Total £'000	Year ended 31 December 2009 Revenue return £ 000	Capital return £ 000	Total £'000
2	Gains from investments held at fair value through profit or loss	**–**	**66,723**	**66,723**	–	110,175	110,175
3	Income from investments held at fair value through profit or loss	**7,694**	**–**	**7,694**	5,248	–	5,248
4	Other interest receivable and similar income	**4**	**–**	**4**	38	–	38
	Gross revenue and capital gains	**7,698**	**66,723**	**74,421**	5,286	110,175	115,461
5	Management fee	**(720)**	**(1,409)**	**(2,129)**	(574)	(974)	(1,548)
6	Other administrative expenses	**(688)**	**–**	**(688)**	(562)	–	(562)
	Net return on ordinary activities before finance charges and taxation	**6,290**	**65,314**	**71,604**	4,150	109,201	113,351
7	Finance charges	**(166)**	**(499)**	**(665)**	(67)	(202)	(269)
	Net return on ordinary activities before taxation	**6,124**	**64,815**	**70,939**	4,083	108,999	113,082
8	Taxation on net return on ordinary activities	**(752)**	**–**	**(752)**	(566)	123	(443)
	Net return on ordinary activities after taxation	**5,372**	**64,815**	**70,187**	3,517	109,122	112,639
9	**Basic and diluted return per ordinary share**	**3 33p**	**40.14p**	**43 47p**	2 18p	67 59p	69 77p

The total column of this statement represents the Income Statement of the Company The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies All revenue and capital items in the above statement derive from continuing operations No operations were acquired or discontinued during the year The Company had no recognised gains or losses other than those disclosed in the Income Statement

The notes on pages 34 to 46 form part of these financial statements

Reconciliation of Movements in Shareholders' Funds

for the years ended 31 December 2010 and 31 December 2009

Notes	**Year ended 31 December 2010**	**Called up share capital £'000**	**Capital redemption reserve £'000**	**Special reserve £'000**	**Other capital reserves £'000**	**Revenue reserve £'000**	**Total £'000**
	At 31 December 2009	**8,073**	**7,833**	**51,500**	**212,552**	**10,493**	**290,451**
	Net return from ordinary activities after taxation	**–**	**–**	**–**	**64,815**	**5,372**	**70,187**
10	Dividend paid in respect of year ended 31 December 2009 (paid 1 April 2010)	**–**	**–**	**–**	**–**	**(3,068)**	**(3,068)**
15, 16	**At 31 December 2010**	**8,073**	**7,833**	**51,500**	**277,367**	**12,797**	**357,570**

Notes	Year ended 31 December 2009	Called up share capital £'000	Capital redemption reserve £'000	Special reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
	At 31 December 2008	8,073	7,833	51,500	103,430	10,851	181,687
	Net return from ordinary activities after taxation	–	–	–	109,122	3,517	112,639
10	Dividend paid in respect of year ended 31 December 2008 (paid 30 April 2009)	–	–	–	–	(3,875)	(3,875)
15, 16	At 31 December 2009	8,073	7,833	51,500	212,552	10,493	290,451

The notes on pages 34 to 46 form part of these financial statements

Balance Sheet

at 31 December 2010

Notes		2010 £'000	2009 £'000
11	**Fixed asset investments held at fair value through profit or loss**		
	Quoted at market value	**408,896**	312,623
	Current assets		
12	Debtors	**45**	2,084
	Cash at bank	**–**	9,344
		45	11,428
13	**Creditors** amounts falling due within one year	**(51,371)**	(33,600)
	Net current liabilities	**(51,326)**	(22,172)
	Total net assets	**357,570**	290,451
	Capital and reserves		
15	Called up share capital	**8,073**	8,073
16	Capital redemption reserve	**7,833**	7,833
16	Special reserve	**51,500**	51,500
16	Other capital reserves	**277,367**	212,552
16	Revenue reserve	**12,797**	10,493
	Shareholders' funds	**357,570**	290,451
17	**Net asset value per ordinary share**	**221.5p**	179 9p

The financial statements were approved and authorised for issue by the Board of Directors on 1 March 2011 and signed on their behalf by

David Robins
Chairman

The notes on pages 34 to 46 form part of these financial statements

Cash Flow Statement

for the year ended 31 December 2010

Notes		2010 £'000	2010 £'000	2009 £'000	2009 £'000
18	**Net cash inflow from operating activities**		**3,854**		3,593
	Servicing of finance				
	Interest paid	**(576)**		(277)	
	Net cash outflow from servicing of finance		**(576)**		(277)
	Taxation				
	Corporation tax paid	**(1,030)**		–	
	Net tax paid		**(1,030)**		–
	Financial investment				
	Purchases of investments	**(124,836)**		(116,979)	
	Sales of investments	**98,124**		110,214	
	Net cash outflow from financial investment		**(26,712)**		(6,765)
	Equity dividends paid		**(3,068)**		(3,875)
	Net cash outflow before financing		**(27,532)**		(7,324)
	Financing				
	(Repayment)/drawdown of multi-currency loan facility	**(35,134)**		11,981	
	Net cash (outflow)/inflow from financing		**(35,134)**		11,981
	(Decrease)/increase in cash		**(62,666)**		4,657
	Reconciliation of net cash flow to movement in net debt				
	(Decrease)/increase in cash as above		**(62,666)**		4,657
	Net outflow/(inflow) from financing		**35,134**		(11,981)
	Change in net debt resulting from cash flows		**(27,532)**		(7,324)
	Exchange movements		**(385)**		76
			(27,917)		(7,248)
	Net debt at 1 January		**(22,601)**		(15,353)
19	**Net debt at 31 December**		**(50,518)**		(22,601)

The notes on pages 34 to 46 form part of these financial statements

Notes to the Financial Statements

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared on a going concern basis and under the historical cost basis of accounting, as modified to include the revaluation of investments at fair value The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice and with the Statement of Recommended Practice ("the SORP") for investment trusts issued by the Association of Investment Companies ("the AIC") in January 2009 All of the Company's operations are of a continuing nature The Company's accounting policies are consistent with the prior year

b) Valuation of investments held at fair value through profit or loss

The Company's investments are classified as held at fair value through profit or loss in accordance with FRS 29 – Financial Instruments Recognition and Measurement and are managed and evaluated on a fair value basis in accordance with its investment strategy

All investments are designated upon initial recognition as held at fair value through profit or loss Accordingly, they are recognised at fair value, excluding transaction costs, and are subsequently measured at fair value, which is deemed to be bid price or the last trade price depending on the convention of the Exchange on which the investment is quoted

Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Income Statement as "gains or losses on investments held at fair value through profit or loss" All purchases and sales are accounted for on a trade date basis Transaction costs incurred on the purchase and disposal of investments are included within the cost or deducted from the proceeds of the investment

In order to improve the disclosure of how companies measure the fair value of their financial investments, the disclosure requirements in FRS 29 include fair value hierarchy which consists of the following three levels

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability

Level 3 – inputs for the asset or liability that are not based on observable market data (unquoted)

The fair value hierarchy of the Company's investments held at fair value through profit or loss, at the balance sheet date, is disclosed in note 14 1 on page 42

c) Foreign currency

The results and financial position of the Company are expressed in pounds sterling, which is the functional and presentational currency of the Company Sterling is the functional currency because it is the currency of the primary economic environment in which the Company operates

Transactions recorded in foreign currencies during the year are translated into sterling at the appropriate daily exchange rates Monetary assets and liabilities and equity investments held at fair value through profit or loss which are denominated in foreign currencies at the balance sheet date are translated into sterling at the exchange rates ruling at that date

Any gains or losses on the translation of foreign currency balances, whether realised or unrealised, are taken to the capital or to the revenue return of the Income Statement, depending on whether the gain or loss is of a capital or revenue nature

d) Income

Dividends receivable (including overseas withholding taxes) from equity shares are taken to the revenue return on an ex-dividend basis except where, in the opinion of directors, the dividend is capital in nature, in which case it is taken to the capital return Income from fixed interest debt securities and preference shares is recognised using the

Notes to the Financial Statements

continued

1 Accounting policies (continued)

effective interest rate method in accordance with the SORP The ordinary element of scrip dividends received in lieu of cash dividends is recognised as revenue Any enhancement above the cash dividend is treated as capital

Bank interest and income from stock lending are accounted for on an accruals basis

e) Management and administrative expenses and finance charges

All expenses and finance charges are accounted for on an accruals basis On the basis of the Board's expected long-term split of total returns in the form of capital and revenue returns of 75% and 25%, respectively, the Company charges 75% of its finance costs and investment management fees to capital As in previous years, the amount of the management fee attributable to accounting, secretarial and administration services has been charged wholly to revenue return Any performance fees payable (including top-up and claw-backs) are allocated wholly to capital, reflecting the fact that, although they are calculated on a total return basis, they are expected to be attributable largely, if not wholly, to capital performance The apportionment of the management fee between investment management and other services can be found in note 5 on page 37 Expenses which are incidental to the purchase or sale of an investment are charged to the capital return column of the Income Statement, and are included within the gains/losses from investments held at fair value through profit or loss All other administrative expenses are charged to the revenue return column of the Income Statement

f) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax

The tax currently payable is based on the taxable profit for the year Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible The Company's liability for current tax is calculated using the effective tax rate of corporation tax for the accounting period

In line with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the supplementary information in the Income Statement is the "marginal basis" Under this basis, if taxable income is capable of being offset entirely by expenses presented in the revenue return column of the Income Statement, then no tax relief is transferred to the capital return column

Deferred taxation is provided on all timing differences that have originated but not reversed by the balance sheet date This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of timing differences can be deducted Any liability to deferred tax is provided at the average rate of tax expected to apply based on tax rates and laws that have been enacted or substantially enacted at the balance sheet date Deferred tax assets and liabilities are not discounted to reflect the time value of money

g) Borrowings

Interest bearing bank loans and overdrafts are recorded initially at fair value, being the proceeds received, less direct issue costs They are subsequently remeasured at amortised cost Finance charges, including interest payable, premiums on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the Income Statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise

Notes to the Financial Statements

continued

1 Accounting policies (continued)

h) Dividends payable to shareholders

Dividends payable to shareholders are recognised in the financial statements when they are paid or, in the case of final dividends, when they are approved by shareholders Dividends are dealt with in the Reconciliation of Movements in Shareholders' Funds

i) Issue and repurchase of ordinary shares and associated costs

The proceeds from the issue of new ordinary shares and the aggregate cost of repurchasing ordinary shares are taken directly to equity and dealt with in the Reconciliation of Movements in Shareholders' Funds Issue costs incurred in respect of new ordinary shares are offset against the proceeds received and dealt with in the share premium account Share issue and repurchase transactions are accounted for on a trade date basis

j) Capital reserves

Capital reserve arising on investments sold

The following are accounted for in this reserve

- gains and losses on the disposals of investments,
- expenses and finance costs allocated to capital net of tax relief,
- realised foreign exchange differences of a capital nature, and
- cost of repurchasing ordinary share capital

Capital reserve arising on revaluation of investments held

The following are accounted for in this reserve

- increases and decreases in the valuation of investments held at the year end, and
- unrealised foreign exchange differences of a capital nature

2 Gains from investments held at fair value through profit or loss

	2010 £'000	2009 £ 000
Gains/(losses) on sale of investments based on historical cost	**16,532**	(3,741)
Less revaluation gains recognised in previous years	**(17,475)**	(16,378)
Losses on investments sold in the year based on carrying value at previous balance sheet date	**(943)**	(20,119)
Revaluation of investments held at 31 December	**68,051**	130,218
Exchange (losses)/gains	**(385)**	76
	66,723	110,175

Notes to the Financial Statements

continued

3	**Income from investments held at fair value through profit or loss**	**2010 £'000**	2009 £'000
	Dividends from listed overseas equities	**7,289**	5,043
	Dividends from listed UK equities	**-**	83
	Taiwanese stock dividends	**405**	9
	Special dividends from listed overseas equities	**-**	113
		7,694	5,248

4	**Other interest receivable and similar income**	**2010 £'000**	2009 £'000
	Bank interest	**4**	3
	Interest on VAT refunds	**-**	35
		4	38

		Year ended 31 December 2010			Year ended 31 December 2009		
5	**Management fee**	**Revenue return £'000**	**Capital return £'000**	**Total £'000**	Revenue return £'000	Capital return £'000	Total £'000
	Investment management fee	**470**	**1,409**	**1,879**	333	1,001	1,334
	Accounting, secretarial and administration costs	**250**	**-**	**250**	250	-	250
	VAT recovered	**-**	**-**	**-**	(9)	(27)	(36)
		720	**1,409**	**2,129**	574	974	1,548

There is no performance fee in respect of the year ended 31 December 2010 (2009 £nil)

A summary of the terms of the management agreement is given in the Report of the Directors on pages 17 and 18

Notes to the Financial Statements

continued

6 **Other administrative expenses** (charged wholly to revenue return)	**2010 £'000**	2009 £'000
Directors' fees (see Directors' Remuneration Report on page 27)	**114**	114
Auditors' remuneration		
for audit services	**23**	22
for non-audit services (in respect of tax services)	**4**	4
Bank and custody charges	**216**	216
Marketing services	**66**	16
AIC subscriptions	**25**	25
Printing and postage	**38**	45
Registrar's fees	**31**	21
Listing fees	**24**	18
Directors' and Officers' Liability Insurance	**13**	12
PR Agency fee	**25**	25
Company broker fee	**20**	16
Other expenses*	**74**	28
Charitable donations (see Report of the Directors on page 20)	**15**	–
	688	562

*Other expenses include items such as advisors' fees, travel, subsistence and other miscellaneous expenses

7 **Finance charges**	**Year ended 31 December 2010** Revenue return £'000	Capital return £'000	Total £'000	Year ended 31 December 2009 Revenue return £'000	Capital return £'000	Total £'000
On loans repayable within one year	**44**	**132**	**176**	67	202	269
Overdraft repayable within one year	**122**	**367**	**489**	–	–	–
	166	**499**	**665**	67	202	269

75% of finance charges have been allocated to capital return in accordance with the Company's allocation policy set out in the accounting policies in note 1(e)

8 **Taxation on net return on ordinary activities**	**Year ended 31 December 2010** Revenue return £'000	Capital return £'000	Total £'000	Year ended 31 December 2009 Revenue return £'000	Capital return £'000	Total £'000
a) Analysis of charge in the period						
Corporation tax	–	–	–	174	–	174
Double taxation relief	–	–	–	(174)	–	(174)
Overseas tax	**752**	–	**752**	443	–	443
Tax relief on capitalised expenses and finance charges charged to capital	–	–	–	123	(123)	–
Current tax charge for the year	**752**	–	**752**	566	(123)	443

Notes to the Financial Statements

continued

8 Taxation on net return on ordinary activities (continued)

b) Factors affecting current tax charge for the year

The tax assessed for the year is lower than the effective rate of corporation tax in the UK for the year ended 31 December 2010 The differences are explained below

	Year ended 31 December 2010 Revenue return £'000	Capital return £'000	Total £'000	Year ended 31 December 2009 Revenue return £ 000	Capital return £ 000	Total £ 000
Net return on ordinary activities before taxation	**6,124**	**64,815**	**70,939**	4,083	108,999	113,082
Corporation tax at 28% (2009 28%)	**1,715**	**18,148**	**19,863**	1,143	30,520	31,663
Effects of						
Non-taxable UK dividends	–	–	–	(23)	–	(23)
Non taxable overseas dividends	**(2,154)**	–	**(2,154)**	(827)	–	(827)
Irrecoverable withholding tax suffered	**752**	–	**752**	443	–	443
Double tax relief	–	–	–	(174)	–	(174)
Expenses not deductible	**4**	–	**4**	4	–	4
Capital gains on investments not subject to tax	–	**(18,682)**	**(18,682)**	–	(30,849)	(30,849)
Increase in excess management expenses and finance charges	**435**	**534**	**969**	–	206	206
Current tax charge	**752**	–	**752**	566	(123)	443

Investment trusts are exempt from Corporation Tax on capital gains provided that the Company obtains agreement from HM Revenue and Customs in respect of each year that the tests under Section 1158 of the Corporation Tax Act 2010 have been met

c) Provision for deferred taxation

No provision for deferred taxation has been made in the current year or in the prior year The Company has not provided for deferred tax on capital gains or losses arising on the revaluation or disposal of investments as it is exempt from tax on these items because of its status as an investment trust

The Company has not recognised a deferred tax asset of £1,125,000 (2009 £206,000) arising as a result of excess management expenses and finance charges These expenses will only be utilised if the Company has profits chargeable to corporation tax in the future

Notes to the Financial Statements

continued

9 Return per ordinary share

The total return per ordinary share is based on the net return attributable to the ordinary shares of £70,187,000 (2009 £112,639,000) and on 161,451,407 ordinary shares (2009 161,451,407) being the weighted average number of shares in issue during the year

The total return can be further analysed as follows

	2010 £'000	2009 £'000
Revenue return	**5,372**	3,517
Capital return	**64,815**	109,122
Total	**70,187**	112,639
Weighted average number of ordinary shares	**161,451,407**	161,451,407
Revenue return per ordinary share	**3 33p**	2 18p
Capital return per ordinary share	**40 14p**	67 59p
Total return per ordinary share	**43.47p**	69 77p

The Company does not have any dilutive securities Therefore, the basic and diluted returns per share are the same

10 Dividends on ordinary shares

	Record date	Payment date	2010 £'000	2009 £ 000
Final dividend (2 40p) for the year ended 31 December 2008	27 March 2009	30 April 2009	–	3,875
Interim dividend (1 90p) for the year ended 31 December 2009	12 March 2010	1 April 2010	**3,068**	–
			3,068	3,875

The total dividend payable in respect of the financial year which forms the basis of the retention test under section 1158 of the Corporation Tax Act 2010 is set out below

	2010 £'000
Revenue available for distribution by way of dividend for the year	**5,372**
Interim of 2 90p for the year ended 31 December 2010 (based on 161,451,407 ordinary shares in issue at 1 March 2011)	**(4,682)**
Undistributed revenue for section 1158 purposes*	**690**

* Undistributed revenue comprises 9 5% of income from investments (excluding the Taiwanese stock dividends) of £7,289,000 (see note 3) and 12 8% of revenue after tax

Notes to the Financial Statements

continued

11	**Fixed asset investments held at fair value through profit or loss**	**Total £'000**
	Valuation at 1 January 2010	**312,623**
	Investment holding gains at 1 January 2010	**(77,152)**
	Cost at 1 January 2010	**235,471**
	Additions at cost	**125,241**
	Disposals at cost	**(79,544)**
	Cost at 31 December 2010	**281,168**
	Investment holding gains at 31 December 2010	**127,728**
	Valuation at 31 December 2010	**408,896**

Purchase transaction costs for the year ended 31 December 2010 were £343,000 (2009 £417,000) Sale transaction costs for the year ended 31 December 2010 were £315,000 (2009 £317,000)

12	**Debtors**	**2010 £'000**	2009 £'000
	Sales for future settlement	–	2,048
	Prepayments	**45**	27
	VAT recoverable	–	9
		45	2,084

13	**Creditors:** amounts falling due within one year	**2010 £'000**	2009 £'000
	Bank loans	–	31,945
	Bank overdraft	**50,518**	–
	Interest payable	**105**	16
	Corporation tax payable	–	1,030
	Accruals	**748**	609
		51,371	33,600

At 31 December 2010, the Company had no bank loans Details of the bank overdraft facility and gearing can be found in the Report of Directors on page 16

14 Financial Instrument Risk

14 1 Risk Management policies and procedures

The Company invests in securities of the Pacific region in the manner, and abiding by the Board policies, set out at the front of this Annual Report The Board's policies on risk management are set out in the Business Review on page 19 The Company's assets are managed so as to diversify market risk (including currency risk), price risk and liquidity risk The Directors receive and review a comprehensive investment risk report at every Board meeting to ensure the portfolio is being managed in line with policy It also satisfies itself that the internal risk management processes at the Manager are robust Although the investments are listed on recognised stock exchanges, from time to time some markets in the region have been known to experience a sudden loss of liquidity and the Board ensures that the Portfolio Manager

Notes to the Financial Statements

continued

14 Financial Instrument Risk (continued)

monitors the liquidity profile Interest rate risk only arises if the Portfolio Manager chooses to leverage the portfolio and note 13 shows that there was £50,518,000 (2009 £31,945,000) of borrowing at the year end Credit risk is mitigated by diversifying the counterparties through whom the Manager conducts transactions and the year end exposures were to cash at bank of £nil (2009 £9,344,000) and to debtors of £nil (2009 £2,057,000) No stock lending was undertaken in 2009 or 2010

The Directors note that the portfolio, as currently constructed, has an ex-ante beta of 1 2 All other things being equal, this suggests that the portfolio will have a volatility similar to the MSCI All Country Asia ex-Japan Index, which is the index by which the performance fee is measured In all material respects, this is borne out by the performance table on page 1 In other words, as long as the portfolio remains fully invested, the risk that can be attributed to it and any sensitivity analysis will reflect the performance of the index and be leveraged, up or down, by the level of borrowing

The only financial assets and liabilities recognised on the Company's balance sheet at fair value are investments held at fair value through profit or loss All of these investments are classified as Level 1 within the portfolio hierarchy as defined in the accounting policies on page 34 (2009 all within Level 1) There have been no transfers during the year between any of the Levels

The Directors consider that as the portfolio is prudently diversified, the biggest single contributor to risk is that of the performance of the equity markets in which it is invested Stock selection and leverage may amplify or reduce market risk

14 2 Concentration of exposure to market price risk

An analysis of the Company's investment portfolio is shown on page 13 This shows the significant amounts invested in China, Hong Kong, India, Korea, Singapore and Taiwan

Market price risk sensitivity

The impact of a 10% increase/decrease in the value of investments on the revenue return as at 31 December 2010 is a decrease/increase of £61,000 (2009 £47,000) and on the capital return is an increase/decrease of £40,705,000 (2009 £31,121,000)

14 3 Foreign currency exposure and sensitivity

The fair values of the Company's monetary items that have foreign currency exposure at 31 December 2010 are shown below Where the Company's equity investments, which are not monetary items, are denominated in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure

	Year ended 31 December 2010			Year ended 31 December 2009		
Currency	**Current assets £'000**	**Current liabilities £'000**	**Equity investments £'000**	Current assets £ 000	Current liabilities £ 000	Equity investments £'000
US dollar	**–**	**(29,858)**	**43,013**	7,299	–	23,319
Hong Kong dollar	**–**	**(31,371)**	**140,601**	992	(31,961)	135,744
Korean won	**–**	**–**	**42,337**	1	–	32,418
Taiwanese dollar	**–**	**–**	**63,725**	759	–	52,495
Indian rupee	**–**	**–**	**36,465**	–	–	27,367
Singapore dollar	**1,836**	**–**	**32,613**	–	–	19,966
Other (non sterling)	**–**	**–**	**49,533**	2,048	–	10,611
	1,836	**(61,229)**	**408,287**	11,099	(31,961)	301,920

The Singapore dollar cash asset of £1,836,000 is netted off in the overdraft of £50,518,000

Notes to the Financial Statements

continued

14 Financial Instrument Risk (continued)

The foreign currency sensitivities assume the following changes in exchange rates and are based on the Company's foreign currency financial assets and liabilities held at each balance sheet date

US Dollar/Sterling +/- 10% (2009 15%) HK Dollar/Sterling +/- 10% (2009 10%) Indian Rupee/Sterling +/- 10% (2009 15%) Korean Won/Sterling +/- 10% (2009 15%) Taiwanese Dollar/Sterling +/- 10% (2009 15%) Other Currencies/Sterling +/- 10% (2009 15%)

These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months

	Year ended 31 December 2010					
Impact on total return	**US$ £'000**	**HK$ £'000**	**Indian Rupee £'000**	**Korean Won £'000**	**Taiwanese Dollar £'000**	**Other £'000**
Sterling depreciates	**1,438**	**12,404**	**4,057**	**4,800**	**7,151**	**9,442**
Sterling appreciates	**(1,182)**	**(10,148)**	**(3,310)**	**(3,793)**	**(5,850)**	**(7,681)**

	Year ended 31 December 2009					
Impact on total return	US$ £'000	HK$ £'000	Indian Rupee £'000	Korean Won £'000	Taiwanese Dollar £ 000	Other £ 000
Sterling depreciates	4,137	11,832	4,885	5,719	9,560	5,531
Sterling appreciates	(3,724)	(9,682)	(3,616)	(4,227)	(7,053)	(4,073)

14.4 Interest rate exposure

The floating interest rate exposure of financial assets and financial liabilities to interest rate risk at 31 December 2010 in respect of cash was £nil (2009 £9,344,000) and bank overdraft was £50,518,000 (2009 bank loan of £31,945,000) The Company does not have any fixed interest rate exposure Interest receivable and payable is at a margin over LIBOR or its foreign currency equivalent The weighted average interest rate of the bank overdraft is 1 91% (2009 1 10%)

For each 100 basis points increase (or decrease) in interest rates in regard to the Company's financial assets and liabilities, the total return after taxation and the net assets of the Company would decrease (or increase) by £502,000 (2009 £227,000) if the cash and borrowings were maintained at the same level for a full year

Fair values of financial assets and financial liabilities

The financial assets and financial liabilities are either carried in the balance sheet at their fair value (investments) or the balance sheet amount is a reasonable approximation of fair value (due from brokers, dividends and interest receivable, due to brokers, accruals, cash at bank, bank overdrafts and amounts due under the loan facility)

Notes to the Financial Statements

continued

14 Financial Instrument Risk (continued)

14.5 Capital management policies and procedures

The Company's capital is represented by its net assets and borrowings, which are managed to achieve the Company's investment objectives as set out on the inside front cover

The Board's policies and procedures on capital management are set out in the Business Review on page 15

The Company is subject to externally imposed capital requirements through the Companies Act 2006, with respect to its status as a public company The Company's obligation and ability to pay dividends is governed by the provisions of section 1158 of the Corporation Tax Act 2010 and the Companies Act 2006 respectively The Company is subject to externally imposed capital requirements under the overdraft facility provided by HSBC

The Company has complied with these requirements throughout the year

15 Called up share capital	2010 £'000	2009 £'000
Allotted, issued and fully paid		
161,451,407 (2009 161,451,407) ordinary shares of 5p each	**8,073**	8,073

During the year the Company made no repurchases for cancellation of its own issued shares (2009 nil)

16 Reserves	Capital redemption reserve £'000	Special reserve £'000	Capital reserve arising on investments sold £'000	Capital reserve arising on revaluation of investments held £'000	Revenue reserve £'000
At 1 January 2010	7,833	51,500	135,805	76,747	10,493
Transfer on disposal of investments	–	–	17,475	(17,475)	–
Net (losses)/gains on investments	–	–	(943)	68,051	–
Net (losses)/gains on foreign exchange	–	–	(790)	405	–
Expenses and finance charges allocated to capital	–	–	(1,908)	–	–
Dividends paid (see note 10)	–	–	–	–	(3,068)
Net revenue return after taxation for the year	–	–	–	–	5,372
At 31 December 2010	**7,833**	**51,500**	**149,639**	**127,728**	**12,797**

The special reserve is available to purchase the Company's own ordinary shares

Notes to the Financial Statements

continued

17 Net asset value per ordinary share

The net asset value per ordinary share is based on net assets attributable to the ordinary shares of £357,570,000 (2009 £290,451,000) and on 161,451,407 (2009 161,451,407) ordinary shares in issue at 31 December 2010

The movements during the year of the assets attributable to the ordinary shares were as follows

	£ 000
Total net assets at 1 January 2010	290,451
Total net return on ordinary activities after taxation	70,187
Dividend paid in the year (paid 1 April 2010)	(3,068)
Total net assets at 31 December 2010	**357,570**

18 Reconciliation of net return on ordinary activities before finance charges and taxation to net cash inflow from operating activities

	2010 £'000	2009 £'000
Total return before finance charges and taxation	**71,604**	113,351
Less capital return before finance charges and taxation	**(65,314)**	(109,201)
Net revenue return before finance charges and taxation	**6,290**	4,150
(Increase)/decrease in prepayments and accrued income	**(18)**	378
Decrease in other debtors	**9**	60
Increase in creditors	**139**	431
Expenses allocated to capital return	**(1,409)**	(974)
Overseas withholding tax deducted at source	**(752)**	(443)
Taiwanese stock dividends	**(405)**	(9)
Net cash inflow from operating activities	**3,854**	3,593

19 Analysis of changes in net debt

	31 December 2009 £ 000	Cash flow £ 000	Exchange movements £'000	**31 December 2010 £'000**
Cash at bank less bank overdraft	9,344	(62,666)	2,804	**(50,518)**
Bank loans falling due within one year	(31,945)	35,134	(3,189)	**-**
Net debt	(22,601)	(27,532)	(385)	**(50,518)**

20 Capital commitments and contingent commitments

Capital commitments

There were no capital commitments as at 31 December 2010 (2009 £nil)

Contingent commitments

There were no contingent commitments in respect of sub-underwriting participations as at 31 December 2010 (2009 £nil)

Notes to the Financial Statements

continued

21 Transactions with the Investment Manager

Under the terms of an agreement dated 27 February 2007 the Company appointed wholly owned subsidiaries of Henderson to provide investment management, accounting, secretarial and administrative services Henderson has contracted BNP Paribas Securities Services to provide accounting and administrative services Details of the fee arrangements paid to Henderson for these services are given in the Report of the Directors on pages 17 and 18

The total base fee payable to Henderson under the management agreement for the year ended 31 December 2010 was £2,129,000 (2009 £1,584,000), of which £613,000 was outstanding at 31 December 2010 (2009 £484,000)

No performance fee is payable this year (2009 £nil) as the Company has underperformed its benchmark index by 0 18% on a rolling three year basis

In addition to the above services, Henderson has provided the Company with marketing services during the year The total fees paid or payable for these services for the year ended 31 December 2010 amounted to £66,000 (2009 £16,000), of which £17,000 was outstanding at 31 December 2010 (2009 £4,000)

Glossary of Terms

Index used for Comparison
The MSCI All Country Asia ex-Japan Index (Sterling adjusted)

Discount/Premium
The amount by which the share price of an investment trust is lower (discount) or higher (premium), than the net asset value per share The discount or premium is normally expressed as a percentage of the net asset value per share

Dividend Yield
The annual dividend expressed as a percentage of the share price

Gearing
Gearing is borrowing, less cash balances and deposits, as a percentage of shareholders' funds

Index Options
An agreement entered into by the Company that confers the right but not the obligation to sell or buy a specific stock market index within a specified period of time

Index Futures
An agreement entered into by the Company to sell or buy a specific stock market index at a specific future time and price

Individual Savings Account (ISA)
A savings product that enables UK tax residents to invest in shares in a tax efficient way, subject to a limit of £10,200 for the 2010/11 tax year and £10,680 for the 2011/12 tax year

Net Asset Value
The value of total assets less liabilities Liabilities for this purpose include current and long term liabilities The net asset value divided by the number of shares in issue produces the net asset value per share

Total Return
This is the return on the share price or net asset value per share taking into account both the rise and fall of share prices and the dividends paid to shareholders Any dividends received by a shareholder are assumed to have been reinvested in either additional shares (for share price total return) or the Company's assets (for net asset value total return)

Non-deliverable forwards (NDF)
An agreement entered into by the Company to sell or buy a non-convertible or restricted currency They involve no exchange of principal, are fixed at a pre-determined price and are typically settled in US dollars

Total Expense Ratio
The measure of the total expenses incurred by the Company including those charged to capital, expressed as a percentage of the average shareholders' funds at the beginning and end of the year

Warning to Shareholders
Many companies are aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders offering to sell them what often turn out to be worthless or high risk shares in US or UK investments They can be very persistent and extremely persuasive. Shareholders are therefore advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports
Please note that it is very unlikely that either the Company or the Company's Registrar, Equiniti Limited, would make unsolicited telephone calls to shareholders and that any such calls would relate only to official documentation already circulated to shareholders and never in respect of investment 'advice'.
If you are in any doubt about the veracity of an unsolicited phone call, please call either the Company Secretary or the Registrar at the numbers provided on the inside back cover of this report.

Investor Information

Results and Dividend

Half year results announced in August
Full year results announced in March
Interim Management Statements announced in May and October
Report and Financial Statements, posted in March
Annual General Meeting held in London in April
Annual dividend announced March, paid in April

Share Price Information

The market price of the Company's ordinary shares and the net asset value is quoted daily at www hendersontrpacific com The Financial Times, and other leading newspapers publish the share price daily The Financial Times also provides an estimate of the net asset value and of the discount/premium

The London Stock Exchange Daily Official List (SEDOL) code is 0871079

Investing in Henderson TR Pacific Investment Trust plc

Ordinary shares of Henderson TR Pacific Investment Trust plc may be bought or sold directly through a stockbroker, other independent financial adviser or through a number of banks or building societies which provide this service

New Zealand Listing

The Company has a listing for its ordinary shares on the New Zealand Stock Exchange Shareholders in New Zealand are able to trade their shares locally and receive dividends in New Zealand dollars Shares may be transferred to the Auckland branch register by contacting the registrars in New Zealand, Computershare Investor Services Limited

Nominee Code

Where shares in the Company are held by nominee companies, the Company undertakes to

- provide to nominees who have indicated in advance a wish to receive them, copies of shareholder communications for distribution to their customers, and
- encourage nominees to advise investors that they will be welcome to attend general meetings and to speak when invited to do so by the Chairman

Investors who invest via Halifax Share Dealing Limited or Henderson ISAs receive all shareholder communications A voting instruction form is provided to facilitate voting

Halifax Share Dealing Limited

Lovell Park Road
Leeds LS1 1NS
Telephone 0845 609 0408

Henderson ISA Department

Henderson Global Investors
PO Box 10665
Chelmsford
CM99 2BF
Telephone 0800 856 5656

Disability Statement

Copies of this Report and Accounts or other documents issued by the Company are available from the Company Secretary If needed, copies can be made available in a variety of formats, either Braille or on audio tape or larger type as appropriate

You can contact our Registrars, Equiniti Limited, who have installed textphones to allow speech and hearing impaired people who have their own textphones to contact them directly by ringing 0870 702 0005 without the need for an intermediate operator Specially trained operators are available during normal business hours to answer queries via this service

Alternatively, if you prefer to go through a 'typetalk' operator (provided by the Royal National Institute for Deaf People), dial 18001 followed by the number you wish to dial

AIC Best Information to Shareholders Award

Your Company won the Best Specialist Annual Report and Accounts award in 2010

From left to right Charlie Cade, Numis Securities, Chairman of the judging panel, Andrew Beal and Hugh Aldous

Investor Information

continued

Directors
David Robins (Chairman)*
Hugh Aldous*†
David Brief†
Christopher Keljik OBE*†
Alexandra Mackesy*†
Struan Robertson*†

*Independent director and member of the Management Engagement Committee and the Nominations Committee

†Member of the Audit Committee

The Management Engagement Committee and the Nominations Committee are chaired by David Robins and the Audit Committee by Hugh Aldous

Investment Manager
Henderson Global Investors Limited is authorised and regulated by the Financial Services Authority and is represented by Andrew Beal, supported by Michael Kerley Both are based in London

Secretary
Henderson Secretarial Services Limited, represented by Wendy King FCIS

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There is now a range of shareholder information online You can check your holding and find practical help on transferring shares or updating your details at www shareview co uk

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Henderson TR Pacific Investment Trust plc
Notice of 2011 Annual General Meeting

THURSDAY
296
COMPANIES HOUSE

Letter from the Chairman

Dear Shareholders

I hope that you will be able to attend the Annual General Meeting of the Company ('AGM'), which is to be held on Monday 11 April 2011 at 12 30pm at 201 Bishopsgate, London EC2M 3AE, the offices of Henderson Global Investors, our Investment Manager

The Notice of Meeting can be found on pages 1 and 2 of this document, together with a map showing the venue for the meeting Further details of each of the resolutions to be proposed at the Meeting are set out in the Explanatory Notes on pages 3 and 4 I also refer you to the Company's Annual Report and Financial Statements for the year ended 31 December 2010 (the Annual Report'), which is being sent to shareholders with this document

Our Portfolio Manager, Andrew Beal, will give a presentation at the Meeting and there will be opportunities to ask questions If you are not able to attend the AGM, I hope that you will vote by completing and returning your form of proxy

The Board considers that the resolutions to be proposed at the AGM are in the best interests of the Company's shareholders as a whole The Board therefore recommends unanimously to shareholders that they vote in favour of each of the resolutions, as the Directors intend to do in respect of their own beneficial holdings

Yours faithfully

David Robins
Chairman
1 March 2011

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to what action you should take, you should consult your stockbroker, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the UK, or if not from another appropriately independent professional adviser in your own jurisdiction

If you have sold, transferred or otherwise disposed of all your shares in Henderson TR Pacific Investment Trust plc (the 'Company'), please pass this circular and the accompanying Form of Proxy to the stockbroker, bank or other agent through whom you made the sale, transfer or disposal for transmission to the purchaser or transferee, except that such documents should not be sent to any jurisdiction under any circumstances where to do so might constitute a violation of local securities laws and regulations If you have sold or transferred or otherwise disposed of only part of your holding of shares in the Company, you should retain this circular and the accompanying Form of Proxy and consult the stockbroker, bank or other agent through whom you made the sale, transfer or disposal

Henderson TR Pacific Investment Trust plc

(an investment company within the meaning of section 833 of the Companies Act 2006, incorporated in England and Wales with registered number 2153093)

Notice of Annual General Meeting

Notice is hereby given that the Twenty Fourth Annual General Meeting of Henderson TR Pacific Investment Trust plc will be held at 201 Bishopsgate, London EC2M 3AE on **Monday, 11 April 2011 at 12 30 pm** to consider the following

Ordinary Business (As Ordinary Resolutions)

1 To receive the Report of the Directors and Financial Statements for the year ended 31 December 2010

2 To approve the Directors' Remuneration Report for the year ended 31 December 2010

3 To approve the re-election of Mr D A Robins as a Director of the Company

4 To approve the re-election of Mr D Brief as a Director of the Company

5 To approve the re-election of Mr C A Keljik as a Director of the Company

6 To re-appoint PricewaterhouseCoopers LLP as registered auditors to the Company

7 To authorise the Directors to determine the auditors' remuneration

Other Business

To consider, and if thought fit, pass the following resolutions

As an Ordinary Resolution

8 THAT in substitution for all existing authorities the Directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 ("the Act") to exercise all the powers of the Company to allot relevant securities (within the meaning of section 551 of the Act) up to an aggregate nominal amount of £807,257 (being 10% of the issued ordinary share capital at the date of this Notice for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the Annual General Meeting of the Company in 2012), but that the Company may make an offer or agreement which would or might require relevant securities to be allotted after expiry of this authority and the Board may allot relevant securities in pursuance of that offer or agreement

As Special Resolutions

9 THAT in substitution for all existing authorities and subject to the passing of resolution 8 the Directors be empowered pursuant to section 570 of the Companies Act 2006 ("the Act") to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by resolution 8 as if section 561 of the Act did not apply to the allotment This power shall be limited

(a) to the allotment of equity securities whether by way of a rights issue, open offer or otherwise to ordinary shareholders and/or holders of any other securities in accordance with the rights of those securities where the equity securities respectively attributable to the interests of all ordinary shareholders and/or such holders are proportionate (or as nearly as may be) to the respective numbers of ordinary shares and such equity securities held by them (or are otherwise allotted in accordance with the rights attaching to such equity securities) subject in either case to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or local or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange in any territory or otherwise howsoever,

(b) to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to a maximum aggregate nominal value of £807,257 (being 10% of the Company's issued ordinary share capital at the date of this Notice), and

(c) to the allotment of equity securities at a price not less than the Net Asset Value per share

and shall expire at the conclusion of the next Annual General Meeting of the Company in 2012, save that the directors may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired

Notice of Annual General Meeting
continued

10 THAT the Company be and is hereby generally and unconditionally authorised in accordance with Section 701 of the Companies Act 2006 ("the Act") to make market purchases (within the meaning of Section 693 of the Act) of ordinary shares of 5p each in the capital of the Company provided that

(a) the maximum number of ordinary shares which may be purchased is 14 99% of the Company's issued ordinary share capital at the date of the Annual General Meeting (equivalent to 24,201,565 ordinary shares at the date of this Notice),

(b) the maximum price (exclusive of expenses) which may be paid for an ordinary share shall not exceed 105% of the average of the middle market quotations for the shares as taken from the London Stock Exchange Daily Official List for the five business days preceding the date of purchase,

(c) the minimum price (exclusive of expenses) which may be paid for a share shall be 5p, being the nominal value per share,

(d) this authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company in 2012,

(e) the Company may make a contract to purchase ordinary shares under the authority hereby conferred which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of ordinary shares pursuant to any such contract, and

(f) any ordinary shares so purchased shall be cancelled

11 THAT a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice

By order of the Board

Wendy King FCIS
For and on behalf of
Henderson Secretarial Services Limited
Secretary
1 March 2011

Registered Office
201 Bishopsgate,
London EC2M 3AE

Annual General Meeting Venue

Henderson Global Investors is located in the City of London at Bishopsgate It is a few minutes walk from Liverpool Street mainline and underground stations, Bank and Moorgate underground stations

Explanation of the Resolutions

Resolution 1 Company's Report and Financial Statements (ordinary resolution)
The directors are required to present the Annual Report and Financial Statements and the Directors' Report and Auditors' Report in respect of the financial year ended 31 December 2010 to the meeting Shareholders will be given an opportunity at the meeting to ask questions on these items At the end of the discussion members will be invited to receive the Annual Report and Financial Statements

Resolution 2 Approval of the Directors' Remuneration Report (ordinary resolution)
Shareholders are requested to approve the Directors' Report on Remuneration, which is set out on page 27 of the Annual Report and Financial Statements

Resolutions 3, 4 & 5 Re-election of Directors (ordinary resolutions)
The Articles of Association of the Company require some of the directors to retire at each AGM In addition, the Combined Code on Corporate Governance requires those directors who have served for nine years or more or who are not deemed independent to stand for re-election annually David Robins, David Brief and Christopher Keljik will stand for re-election at the AGM

The directors have reviewed the performance and commitment of the directors standing for re-election and consider that each of those directors should continue as a director as he brings wide, current and relevant business experience which allows him to contribute effectively to the leadership of the Company

Biographical details for the directors are shown on page 14 of the Annual Report

Resolutions 6 and 7 Re-appointment and remuneration of the auditors (ordinary resolutions)
In accordance with sections 489 and 492 of the Companies Act 2006, shareholders are required to approve the appointment of the Company's auditors, PricewaterhouseCoopers LLP, each year and to give directors the authority to determine the auditors' remuneration PricewaterhouseCoopers LLP have expressed their willingness to continue as auditors to the Company

Other Business

Resolution 8 Directors' Authority to Allot Shares (ordinary resolution) **and Resolution 9 Authority for the Disapplication of Pre-emption Rights** (special resolution)
The Directors are seeking authority to allot a limited number of unissued ordinary shares for cash without first offering them to existing shareholders in accordance with statutory pre-emption procedures

Appropriate resolutions will be proposed at the 2011 AGM and are set out in full in the Notice of Annual General Meeting on pages 1 and 2 An ordinary resolution will be proposed to authorise the Directors to allot shares up to a maximum aggregate nominal amount of £807,257 (being 10% of the issued share capital as at the date of the Notice of the AGM) A special resolution will also be proposed to give the Directors authority to allot securities for cash on a non pre-emptive basis up to a maximum aggregate nominal amount of £807,257 (being 10% of the Company's issued share capital as at the date of the Notice of the AGM)

Explanation of the Resolutions

continued

The Directors do not intend to allot shares pursuant to these authorities other than to take advantage of opportunities in the market as they arise and only if they believe it to be advantageous to the Company's existing shareholders to do so and when it would not result in any dilution of NAV per share

If approved, both of these authorities will expire at the conclusion of the AGM in 2012

Resolution 10 Authority to Make Market Purchases of the Company's Own Shares (special resolution)
At the AGM held on 13 May 2010, the Company was authorised and sanctioned to make market purchases of up to 14 99% of the Company's own issued ordinary shares Since the AGM, the Company has not made any market purchases for cancellation, to date

The Board is seeking shareholder approval to renew the authority to purchase on the London Stock Exchange up to a maximum of 14 99% of the Company's ordinary shares in issue at the date of the AGM (equivalent to 24,201,565 ordinary shares of 5p each at the date of the Notice of the AGM)

The Directors do not intend to use this authority unless to do so would result in an increase in the net asset value per ordinary share and would be in the best interests of shareholders generally The authority being sought provides an additional source of potential demand for the Company's shares The Company may utilise the authority to purchase shares by either a single purchase or a series of purchases when market conditions allow, with the aim of maximising the benefit to shareholders

Resolution 11 Notice of general meetings
(special resolution)
Changes made to the Companies Act 2006 by the Shareholders' Rights Regulations increase the notice period required for general meetings of the Company to 21 days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days (AGMs will continue to be held on at least 21 clear days' notice)

Before the coming into force of the Shareholders' Rights Regulations on 3 August 2009, the Company was able to call general meetings other than an AGM on 14 clear days' notice without obtaining such shareholder approval In order to preserve this ability, Resolution 11 seeks such approval The approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed

The changes to the Companies Act 2006 mean that, in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting

Notes to the Notice of Annual General Meeting

1 Voting record date

Only members registered in the Register of Members of the Company at 6 00pm on 7 April 2011 shall be entitled to attend and vote at the AGM in respect of the number of voting rights registered in their name at that time Changes to entries on the Register of Members after 6 00pm on 7 April 2011 shall be disregarded in determining the rights of any person to attend and vote at the meeting

In the case of joint holders of a voting right, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding

2 Rights to attend and vote

Members are entitled to attend and vote at the forthcoming Annual General Meeting or at any adjournment(s) thereof On a poll each member has one vote for every share held

3 Right to appoint proxies

Pursuant to section 324 of the Companies Act 2006, a member entitled to attend and vote at the meeting may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares held by him A proxy need not be a member of the Company

A form of proxy is enclosed The completion of the form of proxy or any CREST proxy instruction (as described in paragraph 8 below) will not preclude a shareholder from attending and voting in person at the meeting

Section 324 does not apply to persons nominated to receive information rights pursuant to section 146 of the Companies Act 2006 Persons nominated to receive information rights under section 146 of the Companies Act 2006 have been sent this notice of meeting and are hereby informed, in accordance with section 149(2) of the Companies Act 2006, that they may have the right under an agreement with the registered member by whom they are nominated to be appointed, or to have someone else appointed, as a proxy for this meeting If they have such right or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights

Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements

The statement of rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to nominated persons

4 Proxies' rights to vote at the meeting

On a vote on a show of hands, each proxy has one vote

If a proxy is appointed by more than one member and all such members have instructed the proxy to vote in the same way, the proxy will only be entitled, on a show of hands, to vote "for" or "against" as applicable If a proxy is appointed by more than one member, but such members have given different voting instructions, the proxy may, on a show of hands, vote both "for" and "against" in order to reflect the different voting instructions

On a poll all or any of the voting rights of the member may be exercised by one or more duly appointed proxies However, where a member appoints more than one proxy, section 285(4) of the Companies Act 2006 does not authorise the exercise by the proxies taken together of more extensive voting rights than could be exercised by the member in person

5 Voting by corporate representatives

Corporate representatives are entitled to attend and vote on behalf of the corporate member in accordance with section 323 of the Companies Act 2006 provided they do not do so in relation to the same shares

6 Receipt and termination of proxies

A form of proxy is enclosed and to be valid must be lodged with the Company's Registrars (Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZR) before 12 30pm on 7 April 2011

A member may terminate a proxy's authority at any time before the commencement of the meeting Termination must be provided in writing and submitted to the Company's Registrar

In accordance with the Company's Articles of Association, in determining the time for delivery of proxies, no account shall be taken of any part of a day that is not a working day

7 Communication with the Company

You may not use any electronic address provided either in the Notice of Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated

Notes to the Notice of Annual General Meeting
continued

8 Electronic receipt of proxies
CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by utilising the procedures described in the CREST manual, which is available to download from the Euroclear website (www euroclear com/CREST) CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must be transmitted so as to be received by the Issuer's agent (RA19) by the latest time for receipt of proxy appointments specified in note 6 above For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time In this connection, CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) of the Uncertificated Securities Regulations 2001

9 Questions at the Annual General Meeting
Any member attending the meeting has the right to ask questions Section 319A of the Companies Act 2006 requires the Directors to answer any question raised at the AGM which relates to the business of the meeting, although no answer need be given (a) if to do so would interfere unduly with the preparation of the meeting or involve disclosure of confidential information, (b) if the answer has already been given on the Company's website, or (c) if it is undesirable in the best interests of the Company or the good order of the meeting that the question be answered

Members satisfying the thresholds in section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting, or (b) any circumstances connected with an auditor of the Company ceasing to hold office since the last Annual General Meeting, that the members propose to raise at the meeting The Company cannot require the members requesting the publication to pay its expenses Any statement placed on the website must also be sent to the Company's auditors no later than the time it makes its statement available on the website The business which may be dealt with at the meeting includes any statement that the Company has been required to publish on its website

By attending the meeting, members and their proxies and representatives are understood by the Company to have agreed to receive any communications relating to the Company's shares made at the meeting

10 Website
A copy of the notice of the Annual General Meeting, including these explanatory notes and other information required by section 311A of the Companies Act 2006, is included on the Company's website, www hendersontrpacific com

11 Total voting rights at date of notice
As at 1 March 2011 (being the last practicable date prior to the publication of this Notice) the total number of shares in the Company is 161,451,407 The total number of voting rights on that date is therefore 161,451,407