

Investment Trusts

Managed by Fidelity Worldwide Investment

Fidelity Asian Values PLC

# Half-Yearly Report

For the 6 months ended 31 January 2012



the currency of investing

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# Investment Objective and Performance Summary

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

## Performance (on a total return basis) (%)

	Six months to 31 January 2012
Net Asset Value ("NAV") – undiluted	-9.6
Net Asset Value ("NAV") – diluted	-8.2
Ordinary Share Price	-5.9
MSCI All Countries (Combined) Far East ex Japan Index (net) – in UK sterling terms	-6.4

## Performance (on a total return basis) (%)

	Year to 31/1/08	Year to 31/1/09	Year to 31/1/10	Year to 31/1/11	Year to 31/1/12
NAV – undiluted	+19.4	-31.6	+72.7	+33.5	-9.8
NAV – diluted	+19.4	-31.6	+72.7	+29.9	-8.4
Ordinary share price	+20.8	-28.5	+68.3	+30.3	-7.7

Sources: Fidelity and Datastream

Past performance is not a guide to future returns

# Summary of Results

	31 January 2012	31 July 2011	% change
<b>Assets</b>			
Total assets employed <sup>1</sup>	£134.9m	£150.4m	-10.3
Shareholders' funds	£125.4m	£141.3m	-11.3
NAV per ordinary share - undiluted	205.98p	229.21p	-10.1
NAV per ordinary share - diluted <sup>2</sup>	203.61p	223.20p	-8.8
Borrowings as a % of shareholders' funds	7.6%	6.5%	
Borrowings less cash as a % of shareholders' funds	5.8%	3.3%	

## Share data

Ordinary share price period end	189.50p	202.63p	-6.5
period high	207.00p	213.00p	
period low	161.00p	174.00p	
Discount period end - undiluted	8.0%	11.6%	
period high	12.3%	13.5%	
period low	2.6%	8.4%	
Discount period end - diluted	6.9%	9.2%	
Subscription share price period end	13.88p	27.13p	
period high	27.50p	38.75p	
period low	8.25p	16.25p	

## Returns for the six months to 31 January

	2012	2011
Revenue return/(loss) per ordinary share - undiluted	0.94p	(0.24p)
Capital (loss)/return per ordinary share - undiluted	(23.64p)	38.03p
Total (loss)/return per ordinary share - undiluted	(22.70p)	37.79p

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

	2012	2011
NAV per ordinary share - undiluted	-9.6	+19.6
Ordinary share price	-5.9	+17.5
MSCI All Countries (Combined) Far East ex Japan Index (net) - in UK sterling terms	-6.4	+15.4

1 total assets less current liabilities, excluding loan liability

2 the NAV per ordinary share is greater than the 191 pence exercise price of the subscription shares and, therefore, if all the subscription shares had been converted into ordinary shares at the period end, the NAV per ordinary share would have been diluted

Sources: Fidelity and Datastream

Past performance is not a guide to future returns

## PERFORMANCE

Over the six months to 31 January 2012, the net asset value of Fidelity Asian Values PLC registered a decline and underperformed its Benchmark Index, the MSCI All Countries (Combined) Far East ex Japan Index (net). The fund returned -9.6%, compared with a return of -6.4% for the Benchmark Index. (All figures in sterling terms and on a total return basis).

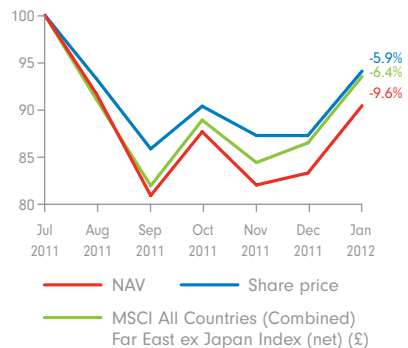
## MARKETS

After charting an uneven course in the first half of 2011, markets in the Asia Pacific ex Japan region endured severe volatility in the August to January reporting period. Share prices suffered as the worsening economic crisis in advanced economies turned investors away from risky assets. Continued uncertainty over a resolution to the European sovereign debt crisis, fears of a double dip recession in the developed world and the downgrade of the US credit rating led to a sharp rise in volatility. Countries with high levels of dependence on exports suffered the most as consumer confidence indicators declined in the Eurozone and the US. Investor sentiment improved towards the end of 2011, when China started easing its monetary policy to stimulate the domestic economy. Macroeconomic risks diminished on the back of better than expected economic data from the US and China. Consumer staples and utilities stocks surpassed average market returns and telecommunications ended the period in positive territory. Information technology was the best performing sector as robust demand for smartphones supported related stocks. Investors avoided cyclical sectors such as materials, industrials and consumer discretionary, impacting their performance.

Although growth projections for the region were adjusted downwards, with inflation in China and elsewhere in Asia moderating recently, central banks and governments are expected to shift

focus towards measures to boost economic activity. Signs of monetary policy easing could be seen across the region. Furthermore, robust domestic demand and better than estimated growth in the US is likely to underpin a faster than expected economic expansion in Asia compared to the rest of the world. Government balance sheets across the region remain robust, offering them more room than developed countries to embark on fiscal and monetary measures to stimulate growth.

Total return performance for the six months to 31 January 2012



Sources: Fidelity and Datastream

## PORTFOLIO REVIEW

The positive stance towards discretionary stocks weighed on performance. Shares in China based GOME Electrical Appliances Holdings and Geely Automobile Holdings retreated as the rural subsidy programme ended and slow growth in automobile sales hurt investor sentiment. Disappointing earnings depressed shares in Macau based casino operator SJM Holdings and South Korean container manufacturer Lock & Lock. The holding in online travel services company Ctrip.com International also underperformed due to a rise in competition and lacklustre earnings

forecasts. The exposure to industrials held back gains. The overweight positions in conglomerate Hutchison Whampoa and global commodity trader Noble Group succumbed to uncertainty about growth. Meanwhile, the underweight stance in defensives such as telecommunications and utilities held back gains. Of note, non exposure to China Mobile hampered performance as share prices rose on account of its defensive earnings base.

Conversely, security selection in the information technology sector helped relative performance. A high conviction holding in real estate portal SouFun Holdings bolstered performance on account of its robust second quarter earnings and a favourable outlook for growth in online advertising, particularly by real estate agencies and brokerages. The overweight exposure to semiconductor stocks augmented gains as investors believed that inventory correction is reaching an end. Positions in Advanced Semiconductor Engineering and Taiwan Semiconductor Manufacturing contributed to returns. Elsewhere, the conservative stance in materials and financials added value.

The Manager took advantage of the downturn to purchase quality companies with healthy growth prospects at attractive valuations. Consequently, a number of stocks were added in the industrials and information technology sectors. South Korea based online games developer NCsoft was added to the portfolio in view of new products expected to be launched in 2012. The Manager increased the holding in real estate portal SouFun Holdings, which benefits from strong brand recognition as competition among small to medium developers leads to higher advertising budgets. The Manager also raised the stake in Hon Hai Precision, an electronic component manufacturer, and initiated a position in information technology services provider Infosys

at attractive valuations. Within industrials, the Manager added holdings in Daelim Industrial and Hyundai Heavy Industries because these companies are likely to benefit from the strong backlog for shipbuilding and industrial plant construction companies. A couple of quality stocks were also purchased in the real estate sector in China/Hong Kong as liquidity conditions started to ease. Meanwhile, the Manager scaled back exposure to the consumer discretionary sector by disposing of shares where the investment thesis had reached fruition or growth prospects had diminished. Notably, Genting Singapore, KFC Holdings (Malaysia), Minth Group and GOME Electrical Appliances Holdings were sold.

### OUTLOOK

The likelihood of a fall in Eurozone economic activity, slow growth in the US and relatively moderate expansion in the Asia Pacific region led to a decline in earnings expectations. As a result, valuations slid to levels last seen in mid 2009 and are well below their five year average. Although equity markets are likely to be driven by macroeconomic news flow in the first half of 2012, the outlook for good quality businesses with strong market leadership positions is positive. As earnings expectations decline to reflect the negative impact of slowing economic growth and weak demand in developed market economies, many quality stocks are available at attractive valuations. Moreover, corporate balance sheets remain stronger than during the 2009 downturn, with high interest coverage and attractive cashflows. The easing outlook for inflation and moderating economic growth may signal an end to the current cycle of monetary tightening, which could boost domestic demand. Against this backdrop, the Manager increased holdings in firms with a leadership position in their industries that are expanding their market share. The Manager sold positions that have limited growth opportunities and high valuations.

Macroeconomic data from China and the sharp rise in oil prices continue to be a cause for concern in equity markets. Nevertheless, continued improvement in US growth expectations, the easing of the Eurozone debt crisis and a recovery in Japanese GDP – buoyed by a low base effect – have proved supportive to markets since the end of January 2012. Earnings expectations are turning positive following downward revisions in 2011, whilst valuations remain attractive both from a yields and earnings perspective. Security selection will drive fund performance as company fundamentals return to focus.

## PRINCIPAL RISKS AND UNCERTAINTIES

The Board believes that the principal risks and uncertainties faced by the Company continue to fall in the following categories; market risks, loan risk, counterparty risk, performance risks, income risk, share price risks, gearing risks and control systems risks. Information on each of these is given in the Business Review section of the Annual Report for the year ended 31 July 2011.

## GOING CONCERN

The Board receives regular reports from the Manager and the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements as outlined in the Annual Report for the year ended 31 July 2011.

### By order of the Board

FIL Investments International  
26 March 2012

# Directors' Responsibility Statement

The Directors confirm to the best of their knowledge that:

- a) the condensed set of financial statements contained within the Half-Yearly financial report has been prepared in accordance with the UK Accounting Standards Board's Statement 'Half-Yearly Financial Reports';
- b) the Half-Yearly report narrative on pages 3 to 5 (constituting the interim management report) includes a fair review of the information required by Rule 4.2.7R of the FSA's Disclosure and Transparency Rules and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- c) in accordance with Disclosure and Transparency Rule 4.2.8R there have been no related parties transactions during the six months to 31 January 2012 and therefore nothing to report on any material effect by such a transaction on the financial position or the performance of the Company during that period; and there have been no changes in this position since the last Annual Report that could have a material effect on the financial position or performance of the Company in the first six months of the current financial year.

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

The Half-Yearly financial report was approved by the Board on 26 March 2012 and the above responsibility statement was signed on its behalf by Hugh Bolland, Chairman.



## Twenty Largest Investments as at 31 January 2012

Country	Investment	Market Value	
		£'000	%*
CHINA	<b>China Merchants Bank</b> A commercial bank offering corporate banking, retail banking and treasury businesses. It is headquartered in Shenzhen.	5,522	4.1
	<b>Tencent Holdings</b> The company provides internet, mobile and telecommunications value-added services in China. It has an instant messaging community in China and also provides advertising services.	4,684	3.5
	<b>SouFun Holdings</b> The company operates a real estate Internet portal and a home furnishing and improvement website in China.	3,085	2.3
	<b>China Construction Bank</b> The company provides a complete range of banking and other financial services to individuals and corporate customers. The bank's services include retail banking, international settlement, project finance and credit card services.	3,072	2.3
	<b>China Resources Cement Holdings</b> The company is an investment holding company. The Company's subsidiaries are principally engaged in the production and sale of cement, concrete and related products and services.	2,112	1.6
	HONG KONG	<b>Hutchison Whampoa</b> A diversified company that operates through its subsidiaries, in businesses such as ports and related services, telecommunications, e-commerce, property and hotels, retail and manufacturing, energy, infrastructure and finance and investment.	3,448
<b>SJM Holdings</b> The company offers amusement and recreation services. It operates casinos, hotels and other tourism-related services in Macau.		2,875	2.1
<b>Bank of China Hong Kong</b> A leading commercial banking group in Hong Kong in terms of both assets and customer deposits. With over 270 branches and 470 ATMs, and other distribution channels in Hong Kong, it offers a comprehensive range of financial products and services to retail and corporate customers.		2,685	2.0

## Twenty Largest Investments as at 31 January 2012

Country	Investment	Market Value	
		£'000	%*
	<p><b>Wharf Holdings</b> The holding company of a group with interests in property, communications, media, entertainment and logistics. It primarily operates in Hong Kong.</p>	2,239	1.7
	<p><b>Cheung Kong Holdings</b> The company through its subsidiaries develops and invests in real estate. It also provides real estate agency and management services, operates hotels and invests in securities.</p>	2,147	1.6
<b>SINGAPORE</b>	<p><b>DBS Group Holdings</b> An investment holding company that operates through its main subsidiary, DBS Bank Ltd, which is engaged in the provision of retail, small and medium-sized enterprise, corporate and investment banking services.</p>	2,489	1.8
	<p><b>Keppel</b> The company is an investment holding and management company which operates offshore and marine, infrastructure and property businesses.</p>	2,181	1.6
<b>SOUTH KOREA</b>	<p><b>Samsung Electronics</b> The company specialises in the provision of communication products. It operates through five business divisions: communication, semiconductor, digital media, liquid crystal display (LCD) and home appliances.</p>	9,396	7.0
	<p><b>LG Household and Healthcare</b> The company produces consumer goods such as household cleaning and personal care products. It also sells beauty care, dental care, laundry and cleaning products, through its household division and markets skin care and make-up products through its cosmetics division.</p>	3,170	2.4
	<p><b>KIA Motors</b> The company manufactures, sells and exports cars, mini buses, trucks and commercial vehicles. It also produces various auto parts.</p>	2,694	2.0
	<p><b>Hotel Shilla</b> The company is engaged in the operation of two hotels and duty free shops.</p>	2,586	1.9

## Twenty Largest Investments as at 31 January 2012

Country	Investment	Market Value	
		£'000	%*
TAIWAN	<b>Taiwan Semiconductor Manufacturing</b> The company manufactures and markets integrated circuits and provides the following services: wafer manufacturing, wafer probing, assembly and testing, mask production and design services. Its integrated circuits are used in computers, communications, consumer electronics, automotive and industrial equipment services.	5,540	4.1
	<b>Hon Hai Precision</b> The company is principally engaged in the production and sale of electronic products, which are applied in computer, communication and consumer electronic goods.	3,242	2.4
	<b>Advanced Semiconductor Engineering</b> A provider of semiconductor packaging and testing services, including semiconductor packaging, design and production of interconnect materials, front-end engineering testing, wafer probing and final testing services.	3,201	2.4
	<b>Nan Ya Plastics</b> The company is principally engaged in the manufacture and sale of plastic products, fiber products, electronic materials and petrochemical products. It also provides electromechanical engineering services.	2,126	1.6
	<b>Twenty Largest Investments</b>	<b>68,494</b>	<b>51.0</b>
<b>Other Investments</b>	<b>64,252</b>	<b>47.4</b>	
	<b>132,746</b>	<b>98.4</b>	
<b>Cash and other net current assets</b>	<b>2,130</b>	<b>1.6</b>	
	<b>134,876</b>	<b>100.0</b>	

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

# Income Statement

		for the six months ended 31.01.12 unaudited		
	Notes	revenue £'000	capital £'000	total £'000
(Losses)/gains on investments designated at fair value through profit or loss		-	(14,294)	(14,294)
Income	2	1,669	-	1,669
Investment management fee		(608)	-	(608)
Other expenses		(257)	-	(257)
Exchange gains/(losses) on other net assets		1	213	214
Exchange (losses)/gains on loans		-	(406)	(406)
<b>Net return/(loss) before finance costs and taxation</b>		<b>805</b>	<b>(14,487)</b>	<b>(13,682)</b>
Finance costs		(101)	-	(101)
<b>Net return/(loss) on ordinary activities before taxation</b>		<b>704</b>	<b>(14,487)</b>	<b>(13,783)</b>
Taxation on return/(loss) on ordinary activities	3	(129)	-	(129)
<b>Net return/(loss) on ordinary activities after taxation for the period</b>		<b>575</b>	<b>(14,487)</b>	<b>(13,912)</b>
<b>Return/(loss) per ordinary share</b>				
Undiluted	4	0.94p	(23.64p)	(22.70p)
Diluted	4	n/a	n/a	n/a

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

The total column of this statement is the profit and loss account of the Company.

All items in the above statement derive from continuing operations.

No operations were acquired or discontinued in the period.

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

for the year ended			for the six months ended		
31.07.11			31.01.11		
audited			unaudited		
revenue	capital	total	revenue	capital	total
£'000	£'000	£'000	£'000	£'000	£'000
-	22,068	22,068	-	23,244	23,244
3,070	-	3,070	1,099	-	1,099
(1,509)	-	(1,509)	(749)	-	(749)
(522)	-	(522)	(295)	-	(295)
7	(54)	(47)	2	(120)	(118)
-	287	287	-	135	135
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
1,046	22,301	23,347	57	23,259	23,316
(214)	-	(214)	(110)	-	(110)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
832	22,301	23,133	(53)	23,259	23,206
(312)	-	(312)	(96)	(10)	(106)
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520	22,301	22,821	(149)	23,249	23,100
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0.85p	36.35p	37.20p	(0.24p)	38.03p	37.79p
0.84p	36.10p	36.94p	(0.24p)	37.96p	37.72p
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## Reconciliation of Movements in Shareholders' Funds

	Notes	share capital £'000	share premium account £'000	capital redemption reserve £'000
<b>Opening shareholders' funds: 1 August 2010</b>		15,245	60	1,785
Issue of ordinary shares on the exercise of rights attached to the subscription shares	8	116	771	-
Net return/(loss) on ordinary activities after taxation for the period		-	-	-
<b>Closing shareholders' funds: 31 January 2011</b>		15,361	831	1,785
<b>Opening shareholders' funds: 1 August 2010</b>		15,245	60	1,785
Issue of ordinary shares on the exercise of rights attached to the subscription shares	8	163	1,080	-
Net return on ordinary activities after taxation for the year		-	-	-
<b>Closing shareholders' funds: 31 July 2011</b>		15,408	1,140	1,785
Repurchase of ordinary shares	8	(199)	-	199
Issue of ordinary shares on the exercise of rights attached to the subscription shares	8	6	41	-
Net (loss)/return on ordinary activities after taxation for the period		-	-	-
Dividend paid to shareholders	6	-	-	-
<b>Closing shareholders' funds: 31 January 2012</b>		15,215	1,181	1,984

other non-distributable reserve £'000	other reserve £'000	capital reserve £'000	revenue reserve £'000	total equity £'000
7,367	19,238	72,958	540	117,193
-	-	-	-	887
-	-	23,249	(149)	23,100
<u>7,367</u>	<u>19,238</u>	<u>96,207</u>	<u>391</u>	<u>141,180</u>
7,367	19,238	72,958	540	117,193
-	-	-	-	1,243
-	-	22,301	520	22,821
<u>7,367</u>	<u>19,238</u>	<u>95,259</u>	<u>1,060</u>	<u>141,257</u>
-	-	(1,424)	-	(1,424)
-	-	-	-	47
-	-	(14,487)	575	(13,912)
-	-	-	(614)	(614)
<u>7,367</u>	<u>19,238</u>	<u>79,348</u>	<u>1,021</u>	<u>125,354</u>

# Balance Sheet

	Notes	31.01.12 unaudited £'000	31.07.11 audited £'000	31.01.11 unaudited £'000
<b>Fixed assets</b>				
Investments designated at fair value through profit or loss		132,746	146,156	148,696
<b>Current assets</b>				
Debtors		3,191	738	2,060
Cash at bank		2,245	4,423	2,916
		5,436	5,161	4,976
<b>Creditors</b>				
Bank loans	7	(9,522)	(9,116)	(9,352)
Other creditors		(3,306)	(944)	(3,140)
		(12,828)	(10,060)	(12,492)
<b>Net current liabilities</b>				
		(7,392)	(4,899)	(7,516)
<b>Total net assets</b>				
		125,354	141,257	141,180
<b>Capital and reserves</b>				
Share capital	8	15,215	15,408	15,361
Share premium account		1,181	1,140	831
Capital redemption reserve		1,984	1,785	1,785
Other non-distributable reserve		7,367	7,367	7,367
Other reserve		19,238	19,238	19,238
Capital reserve		79,348	95,259	96,207
Revenue reserve		1,021	1,060	391
<b>Total equity shareholders' funds</b>				
		125,354	141,257	141,180
<b>Net asset value per ordinary share</b>				
Undiluted	9	205.98p	229.21p	229.77p
Diluted	9	203.61p	223.20p	223.58p



## Cash Flow Statement

	31.01.12 unaudited £'000	31.07.11 audited £'000	31.01.11 unaudited £'000
<b>Operating activities</b>			
Investment income received	1,494	2,410	910
Investment management fee paid	(999)	(1,105)	(349)
Directors' fees paid	(83)	(78)	(21)
Other cash payments	(184)	(322)	(176)
<b>Net cash inflow from operating activities</b>	<u>228</u>	<u>905</u>	<u>364</u>
<b>Servicing of finance</b>			
Interest paid on bank loans	(95)	(215)	(93)
<b>Net cash outflow from servicing of finance</b>	<u>(95)</u>	<u>(215)</u>	<u>(93)</u>
<b>Financial investment</b>			
Purchase of investments	(33,964)	(142,254)	(76,371)
Disposal of investments	33,416	139,813	73,176
<b>Net cash outflow from financial investment</b>	<u>(548)</u>	<u>(2,441)</u>	<u>(3,195)</u>
<b>Dividend paid to shareholders</b>	<u>(614)</u>	<u>-</u>	<u>-</u>
<b>Net cash outflow before financing</b>	<u>(1,029)</u>	<u>(1,751)</u>	<u>(2,924)</u>
<b>Financing</b>			
Repurchase of ordinary shares	(1,424)	-	-
Exercise of rights attached to subscription shares	62	1,244	887
Unsecured loan drawn down	-	22,028	3,758
Unsecured loan repaid	-	(18,354)	-
<b>Net cash (outflow)/inflow from financing</b>	<u>(1,362)</u>	<u>4,918</u>	<u>4,645</u>
<b>(Decrease)/increase in cash</b>	<u>(2,391)</u>	<u>3,167</u>	<u>1,721</u>

# Notes to the Financial Statements

## 1 ACCOUNTING POLICIES

The half-yearly financial statements have been prepared on the basis of the accounting policies set out in the Company's annual report and financial statements for the year ended 31 July 2011.

	31.01.12 unaudited £'000	31.07.11 audited £'000	31.01.11 unaudited £'000
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## 2 INCOME

### Income from investments designated at fair value through profit or loss

Overseas dividends	1,454	2,926	992
Overseas scrip dividends	215	144	107
<b>Total Income</b>	<b>1,669</b>	<b>3,070</b>	<b>1,099</b>

	31.01.12 unaudited £'000	31.07.11 audited £'000	31.01.11 unaudited £'000
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## 3 TAXATION ON RETURN/(LOSS) ON ORDINARY ACTIVITIES

### Overseas taxation suffered

Revenue	129	312	96
Capital	-	-	10
<b>Total</b>	<b>129</b>	<b>312</b>	<b>106</b>

# Notes to the Financial Statements

	31.01.12 unaudited	31.07.11 audited	31.01.11 unaudited
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## 4 RETURN/(LOSS) PER ORDINARY SHARE

### Undiluted

Revenue	0.94p	0.85p	(0.24p)
Capital	<u>(23.64p)</u>	<u>36.35p</u>	<u>38.03p</u>
Total	<u>(22.70p)</u>	<u>37.20p</u>	<u>37.79p</u>

The undiluted returns per ordinary share are based on net returns/(losses) on ordinary activities after taxation and the weighted average number of ordinary shares in the period. The returns for the period were: revenue return £575,000 (31.07.11: return £520,000; 31.01.11: loss £149,000), capital loss £14,487,000 (31.07.11: return £22,301,000; 31.01.11: return £23,249,000) and total loss £13,912,000 (31.07.11: return £22,821,000; 31.01.11: return £23,100,000). The undiluted weighted average number of ordinary shares in issue during the period was 61,279,714 (31.07.11: 61,354,249; 31.01.11: 61,134,742).

	31.01.12 unaudited	31.07.11 audited	31.01.11 unaudited
Revenue	n/a	0.84p	(0.24p)
Capital	<u>n/a</u>	<u>36.10p</u>	<u>37.96p</u>
Total	<u>n/a</u>	<u>36.94p</u>	<u>37.72p</u>

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

There was no dilution in the six months ended 31 January 2012 as the average market price of the ordinary shares during the period was below the exercise price of the rights attaching to the subscription shares. The weighted average number of ordinary shares for the year ended 31 July 2011 on the diluted basis was 61,778,942 and for the six months ended 31 January 2011 it was 61,242,998.

# Notes to the Financial Statements

## 5 INVESTMENT TRANSACTIONS COSTS

Included in (losses)/gains on investments designated at fair value through profit or loss are the following investment transaction costs:

	31.01.12 unaudited £'000	31.07.11 audited £'000	31.01.11 unaudited £'000
Purchases	61	321	197
Sales	<u>103</u>	<u>436</u>	<u>229</u>
	<u>164</u>	<u>757</u>	<u>426</u>

## 6 DIVIDENDS

No dividend has been declared in respect of the current period. The dividend payment of £614,000 shown in the Reconciliation of Movements in Shareholders' Funds for the six months ended 31 January 2012, is the final dividend of one penny per ordinary share paid for the year ended 31 July 2011.

## 7 BANK LOANS

On 3 February 2010 the Company entered into a 364 day revolving credit facility for an amount of up to US\$15,000,000 with ING Bank N.V. On 12 April 2010 US\$9,000,000 of this facility was drawn down, at an interest rate of 2.65% and on 19 November 2010 the remaining US\$6,000,000 was drawn down, at an interest rate of 2.24%. Both tranches of the facility were repaid on 3 February 2011 and the facility was renewed for a further one year. The full amount of US\$15,000,000 was drawn down and has been rolled over at the following interest rates: 3 months to 3 May 2011 2.06%, 3 months to 3 August 2011 2.02%, 3 months to 3 November 2011 2.01% and 3 months to 3 February 2012 2.18%. The facility was not renewed on 3 February 2012 and the loan was repaid.

A new two year revolving facility with Scotiabank Europe PLC for up to US\$15,000,000 was entered into on 28 February 2012. The full amount was drawn down on 29 February 2012 for a period of 3 months to 29 May 2012 at an interest rate of 1.87%.

# Notes to the Financial Statements

## 8 SHARE CAPITAL

	31.01.12 unaudited shares	31.07.11 audited shares	31.01.11 unaudited shares
<b>Issued, allotted and fully paid:</b>			
<b>Ordinary shares of 25 pence each</b>			
Beginning of the period	61,628,970	60,978,843	60,978,843
Issue of ordinary shares on the exercise of rights attached to the subscription shares	24,771	650,127	464,534
Repurchase of ordinary shares	(797,500)	-	-
End of the period	<u>60,856,241</u>	<u>61,628,970</u>	<u>61,443,377</u>
<b>Subscription shares of 0.01 pence each*</b>			
Beginning of the period	11,501,743	12,151,870	12,151,870
Exercise of rights attached to the subscription shares and conversion into ordinary shares	(24,771)	(650,127)	(464,534)
End of the period	<u>11,476,972</u>	<u>11,501,743</u>	<u>11,687,336</u>
	31.01.12 unaudited £'000	31.07.11 audited £'000	31.01.11 unaudited £'000
<b>Issued, allotted and fully paid:</b>			
<b>Ordinary shares of 25 pence each</b>			
Beginning of the period	15,407	15,244	15,244
Issue of ordinary shares on the exercise of rights attached to the subscription shares	6	163	116
Repurchase of ordinary shares	(199)	-	-
End of the period	<u>15,214</u>	<u>15,407</u>	<u>15,360</u>
<b>Subscription shares of 0.01 pence each*</b>			
Beginning of the period	1	1	1
Exercise of rights attached to the subscription shares and conversion into ordinary shares	-	-	-
End of the period	<u>1</u>	<u>1</u>	<u>1</u>
<b>Total share capital</b>	<u>15,215</u>	<u>15,408</u>	<u>15,361</u>

\* Each subscription share gives the holder the right, but not the obligation, to subscribe for one ordinary share upon payment of the subscription price of 191 pence per subscription share, on the last business day of each month, up to the last business day in May 2013.

# Notes to the Financial Statements

## 9 NET ASSET VALUE PER ORDINARY SHARE

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The undiluted net asset value per ordinary share is based on net assets of £125,354,000 (31.07.11: £141,257,000; 31.01.11: £141,180,000) and on 60,856,241 (31.07.11: 61,628,970; 31.01.11: 61,443,377) ordinary shares, being the number of ordinary shares in issue at the period end.

The diluted net asset value per ordinary share has been calculated on the basis that the outstanding subscription shares of 11,476,972 at 31 January 2012 (31.07.11: 11,501,743; 31.01.11: 11,687,336) were exercised on that date. This basis of calculation is in accordance with guidelines laid down by the Association of Investment Companies. Undiluted and diluted net asset per ordinary share are provided to the London Stock Exchange on a daily basis.

## 10 UNAUDITED FINANCIAL STATEMENTS

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The results for the six months to 31 January 2012 and 31 January 2011, which are unaudited, constitute non-statutory accounts within the meaning of s435 of the Companies Act 2006. The figures and financial information for the year ended 31 July 2011 are extracted from the latest published financial statements. These financial statements, on which the Independent Auditor gave an unqualified report, have been delivered to the Registrar of Companies.

## CONTACT INFORMATION

**Private investors** call free on:

0800 41 41 10

9am to 6pm, Monday to Saturday.

**Financial advisers** call free on:

0800 41 41 81 Lines are open from

8am to 6pm, Monday to Friday

[www.fidelity.co.uk/its](http://www.fidelity.co.uk/its)

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

**Holders of ordinary shares:**

Capita Registrars (Registrars to Fidelity Asian Values PLC), The Registry, 34 Beckenham Road, Beckenham,

Kent, BR3 4TU.

Telephone: 0871 664 0300 (calls to this number cost 10p per minute plus network extras) Lines are open from

8.30am to 5.30pm, Monday to Friday.

If calling from overseas, telephone

+44 208 639 3399

Email: [ssd@capitaregistrars.com](mailto:ssd@capitaregistrars.com)

Details of individual shareholdings and other information can also be obtained from the Registrar's website: [www.capitaregistrars.com](http://www.capitaregistrars.com)

**Fidelity Share Plan investors:**

Fidelity Investment Trust Share Plan

Block C Western House, Lynchwood Business Park, Peterborough PE2 6BP.

Telephone: 0845 358 1107 (calls to this number are charged at 4p per minute from a BT landline dependent on the tariff. Other telephone service providers' costs may vary.)

**Fidelity ISA investors:**

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

UK Customer Service, Worldwide Investment, Oakhill House, 130 Tonbridge Road, Hildenborough, Tonbridge, Kent, TN11 9DZ  
[www.fidelity.co.uk/its](http://www.fidelity.co.uk/its)

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

Telephone: 01732 361144

Fax: 01737 836892

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

## FINANCIAL CALENDAR 2012

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

# Directory

## BOARD OF DIRECTORS

Hugh Bolland (Chairman)

Kate Bolsover

(Audit Committee Chairman)

William Knight

(Senior Independent Director)

Kathryn Matthews

Philip Smiley

## MANAGER, SECRETARY AND REGISTERED OFFICE

FIL Investments International

Beech Gate, Millfield Lane,

Lower Kingswood,

Tadworth,

Surrey, KT20 6RP

## FINANCIAL ADVISERS AND STOCKBROKERS

J. P. Morgan Cazenove

20 Moorgate,

London, EC2R 6DA

## INDEPENDENT AUDITOR

Grant Thornton UK LLP

Chartered Accountants

and Registered Auditor,

30 Finsbury Square,

London, EC2P 2YU

## BANKERS AND CUSTODIAN

JPMorgan Chase Bank (London Branch)

125 London Wall,

London, EC2Y 5AJ

## REGISTRARS

Capita Registrars

The Registry,

34 Beckenham Road,

Beckenham,

Kent, BR3 4TU

## LAWYERS

Slaughter and May

One Bunhill Row

London, EC1Y 8YY

Speechly Bircham LLP

6 New Street Square,

London, EC4A 3LX

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

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

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# Warning To Shareholders

## SHARE FRAUD WARNING

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

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

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

## PROTECT YOURSELF

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

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

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

## REPORT A SCAM

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

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

**0300 123 2040**





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