

Fidelity Asian Values PLC

Preliminary Announcement of Audited Results For the year ended 31 July 2012

Chairman's Statement

PERFORMANCE

In the year to 31 July 2012, the undiluted Net Asset Value ("NAV") per share of the Company decreased by 14.3% whereas its Benchmark Index, the MSCI All Countries (Combined) Far East ex Japan Index (net), decreased by 6.6%. The ordinary share price of the Company decreased by 12.6% over the year and the discount narrowed from 11.6% to 9.9%. (All figures in UK sterling terms and on a total return basis.)

These results are disappointing against a background of continuing high volatility as described in further detail in the Manager's Review section of the annual report.

OUTLOOK

Asian economies have not been immune from the economic crisis affecting developed markets, although they have played an increasingly important role in the domestic consumption story, fuelled by rising wages and institutional reforms that encourage consumption, such as pension and tax reforms. This being the case, economies across the Far East ex Japan region are poised to deliver stronger growth relative to the rest of the world.

China's economy seems to have lost some momentum in the second quarter of 2012. This is likely to be an outcome of the slowdown in external demand led by the European crisis as well as China's over-tightening in 2010-11, rather than a deterioration of the country's fundamentals. Policy easing in recent months, including stepped-up project approval and reductions in the required reserve ratio and interest rates are encouraging signs.

The policy environment in the rest of the region remains supportive and factors driving structural growth, such as favourable demographics, a focus on infrastructure building and stable government finances are likely to fuel a multi-year expansion cycle. Against this backdrop, Asia continues to offer compelling investment opportunities in quality companies at attractive valuations. The Asia Pacific region remains within the fast lane of a two-speed global economy; the region also offers up a wide array of equity dividend opportunities.

In the face of these challenging markets, the Manager has increased his focus on fewer and higher quality stock names with clearer long-term visibility of earnings.

SUBSCRIPTION SHARES

The final date for exercising the rights attached to the subscription shares is 31 May 2013. Further details on the subscription shares may be found in the Directors' Report in the annual report. Details of the subscription shares exercised during the year are outlined in the notes section of the annual report.

SHARE REPURCHASES

Purchases of ordinary and subscription shares for cancellation are made at the discretion of the Board and within guidelines set from time to time by the Board in light of prevailing market conditions. Share repurchases will only be made when they will result in an enhancement to the net asset value of ordinary shares for remaining shareholders. Details of ordinary shares repurchased for cancellation during the year are outlined in the notes section of the annual report. No subscription shares were repurchased for cancellation during the reporting year.

DIVIDEND

Subject to shareholders' approval at the forthcoming Annual General Meeting, the Directors recommend a final dividend of one penny per ordinary share (2011: one penny). This dividend will be payable on 6 December 2012 to shareholders on the register at close of business on 5 October 2012 (ex-dividend date 3 October 2012). As the Company's objective is long term capital growth, any revenue surplus is a function of a particular year's business and it should not be assumed that dividends will continue to be paid in the future.

GEARING

The Company entered into a two year revolving loan facility with Scotiabank Europe PLC for up to US\$15,000,000 on 28 February 2012. The full amount was drawn down on 29 February 2012.

INVESTMENT POLICY

The broad thrust of investment policy continues without significant change. This being said, the Board is always looking for new ways of enhancing the way in which your Company operates.

Shareholders will have received a circular with the Annual Report detailing the Board's recommendation to change the Company's investment policy to permit the use of Contracts for Difference ("CFDs") for gearing purposes. A full explanation is provided in the circular.

The Board believes that it is in the best interests of shareholders for the Company to continue to have the ability to employ gearing. The ability to use CFDs for gearing purposes will increase flexibility and add to the range of gearing options available to the Board. The costs of using CFDs in the manner proposed are currently lower than the costs involved in traditional bank borrowing.

We continue to monitor and review the Company's gearing level. Currently it has net gearing of 4.9%.

CONTINUATION VOTE

In accordance with the Articles of Association of the Company, the Company is subject to a continuation vote every five years. The next continuation vote will therefore take place at the Annual General Meeting in 2016 rather than 2013 as stated in last year's annual report.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on Wednesday, 28 November 2012 at Fidelity's offices at 25 Cannon Street, London EC4M 5TA (St Paul's or Mansion House tube stations) commencing at 11.00 am. All shareholders and Fidelity Savings Plan and ISA Scheme investors are invited to attend. The Portfolio Manager will be making a presentation on the year under review and the immediate prospects for the Company.

Mr Hugh Bolland

Chairman

28 September 2012

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Income Statement for the year ended 31 July 2012

	2012	2012	total	revenue	2011	total
	revenue	capital	£'000	£'000	capital	£'000
	£'000	£'000	£'000	£'000	£'000	£'000
(Losses)/gains on investments designated at fair value through profit or loss	–	(21,037)	(21,037)	–	22,068	22,068
Income*	2,999	–	2,999	3,070	–	3,070
Investment management fee	(1,267)	–	(1,267)	(1,509)	–	(1,509)
Other expenses	(515)	–	(515)	(522)	–	(522)
Exchange (losses)/gains on other net assets	(10)	217	207	7	(54)	(47)
Exchange (losses)/gains on bank loans	–	(447)	(447)	–	287	287
Net return/(loss) before finance costs and taxation	1,207	(21,267)	(20,060)	1,046	22,301	23,347
Finance costs	(204)	–	(204)	(214)	–	(214)
Net return/(loss) on ordinary activities before taxation	1,003	(21,267)	(20,264)	832	22,301	23,133
Taxation on return/(loss) on ordinary activities**	(123)	–	(123)	(312)	–	(312)
Net return/(loss) on ordinary activities after taxation for the year	880	(21,267)	(20,387)	520	22,301	22,821
Return/(loss) per ordinary share						
Undiluted	1.45p	(34.99p)	(33.54p)	0.85p	36.35p	37.20p
Diluted	n/a	n/a	n/a	0.84p	36.10p	36.94p

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

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

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

No operations were acquired or discontinued in the year.

*** INCOME**

	2012	2011
	£'000	£'000
Income from investments designated at fair value through profit or loss		
Overseas dividends	2,784	2,926
Overseas scrip dividends	215	144
Total income	2,999	3,070

**Relates to overseas taxation only

Reconciliation of Movements in Shareholders' Funds

for the year ended 31 July 2012

	share capital £'000	share premium account £'000	capital redemption reserve £'000	other non- distributable reserve £'000	other reserve £'000	capital reserve £'000	revenue reserve £'000	total equity £'000
Opening shareholders' funds:								
1 August 2010	15,245	60	1,785	7,367	19,238	72,958	540	117,193
Exercise of rights attached to subscription shares and conversion into ordinary shares	-	-	-	-	-	-	-	-
Issue of ordinary shares on the exercise of rights attached to subscription shares	163	1,080	-	-	-	-	-	1,243
Net return on ordinary activities after taxation for the year	-	-	-	-	-	22,301	520	22,821
Closing shareholders' funds:								
31 July 2011	15,408	1,140	1,785	7,367	19,238	95,259	1,060	141,257
Exercise of rights attached to subscription shares and conversion into ordinary shares	-	-	-	-	-	-	-	-
Issue of ordinary shares on the exercise of rights attached to subscription shares	12	78	-	-	-	-	-	90
Repurchase of ordinary shares	(439)	-	439	-	(3,261)	-	-	(3,261)
Net (loss)/return on ordinary activities after taxation for the year	-	-	-	-	-	(21,267)	880	(20,387)
Dividend paid to shareholders	-	-	-	-	-	-	(615)	(615)
Closing shareholders' funds:								
31 July 2012	14,981	1,218	2,224	7,367	15,977	73,992	1,325	117,084

Balance Sheet as at 31 July 2012

	2012 £'000	2011 £'000
Fixed assets		
Investments designated at fair value through profit or loss	<u>123,758</u>	<u>146,156</u>
Current assets		
Debtors	206	738
Cash at bank	<u>3,769</u>	<u>4,423</u>
	<u>3,975</u>	<u>5,161</u>
Creditors		
Bank loans	(9,563)	(9,116)
Other creditors	<u>(1,086)</u>	<u>(944)</u>
	<u>(10,649)</u>	<u>(10,060)</u>
Net current liabilities	<u>(6,674)</u>	<u>(4,899)</u>
Total net assets	<u>117,084</u>	<u>141,257</u>
Capital and reserves		
Share capital	14,981	15,408
Share premium account	1,218	1,140
Capital redemption reserve	2,224	1,785
Other non-distributable reserve	7,367	7,367
Other reserve	15,977	19,238
Capital reserve	73,992	95,259
Revenue reserve	<u>1,325</u>	<u>1,060</u>
Total equity shareholders' funds	<u>117,084</u>	<u>141,257</u>
Net asset value per ordinary share		
Basic	195.40p	229.21p
Diluted	<u>194.70p</u>	<u>223.20p</u>

Cash Flow Statement for the year ended 31 July 2012

	2012 £'000	2011 £'000
Operating activities		
Investment income received	3,032	2,410
Investment management fee paid	(1,663)	(1,105)
Directors' fees paid	(123)	(78)
Other cash payments	(594)	(322)
Net cash inflow from operating activities	<u>652</u>	<u>905</u>
Servicing of finance		
Interest paid on bank loans	(219)	(215)
Net cash outflow from servicing of finance	<u>(219)</u>	<u>(215)</u>
Financial investment		
Purchase of investments	(108,698)	(142,254)
Disposal of investments	110,939	139,813
Net cash inflow/(outflow) from financial investment	<u>2,241</u>	<u>(2,441)</u>
Dividend paid to shareholders	(615)	–
Net cash inflow/(outflow) before financing	<u>2,059</u>	<u>(1,751)</u>
Financing		
Repurchase of ordinary shares	(3,035)	–
Exercise of rights attached to subscription shares	105	1,244
Net cash inflow from bank loans	–	3,674
Net cash (outflow)/inflow from financing	<u>(2,930)</u>	<u>4,918</u>
(Decrease)/increase in cash	<u>(871)</u>	<u>3,167</u>

The above statements have been prepared on the basis of the accounting policies as set out in the annual financial statements to 31 July 2012. This preliminary statement, which has been agreed with the Auditor, was approved by the Board on 28 September 2012. It is not the Company's statutory financial statements. The statutory financial statements for the financial year ended 31 July 2011 have been delivered to the Registrar of Companies. The statutory financial statements for the financial year ended 31 July 2012 have been approved and audited but have not yet been filed. The statutory financial statements for the financial years ended 31 July 2011 and 31 July 2012 received unqualified audit reports, did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying the report and did not contain statements under section 498(2) and (3) of the Companies Act 2006. The annual report and financial statements will be posted to shareholders as soon as is practicable and in any event no later than 26 October 2012.