

Fidelity Asian Values PLC

Half-Yearly Report

For the 6 months ended 31 January 2009



Managed by



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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 – total return (includes reinvested income)

	Six months to 31 January 2009	From launch 13 June 1996 to 31 January 2009
Net asset value ("NAV")	-23.4%	+6.6%
Share price	-19.7%	+3.2%
MSCI All Countries (Combined) Far East Free ex Japan Index (£)	-20.5%	-12.9%

Standardised performance on a total return basis

	Year to 31/01/05	Year to 31/01/06	Year to 31/01/07	Year to 31/01/08	Year to 31/01/09
NAV per share	+9.3%	+43.9%	+8.7%	+19.4%	-31.6%
Share price	+15.1%	+43.6%	+6.7%	+20.8%	-28.5%

Sources: Fidelity and Datastream

Past performance is not a guide to future returns

Summary of Results

	31 January 2009	31 July 2008	% change
Assets			
Total assets employed ¹	£68.7m	£145.0m	-52.6 ²
Shareholders' funds	£61.1m	£135.9m	-55.0 ²
Borrowings as % of shareholders' funds	12.5%	6.7%	
Borrowings less cash as % of shareholders' funds	3.8%	0.1%	
NAV per share	100.18p	131.78p	-24.0

Stockmarket Data

MSCI All Countries (Combined) Far East Free ex Japan Index ³		177.87	226.14	-21.3
Share price	period end	94.75p	119.00p	-20.4
	high	119.25p	171.00p	
	low	71.00p	108.50p	
Discount to NAV	period end	5.42%	9.70%	
	high	17.79%	12.87%	
	low	1.23%	2.62%	

Returns for the six months to 31 January	2009	2008
Capital loss per ordinary share	(29.66p)	(8.90p)
Capital + revenue loss per ordinary share	(28.89p)	(8.46p)

Total Returns ⁴ for the six months to 31 January	2009	2008
NAV	-23.4%	-5.5%
Share price	-19.7%	-2.2%
MSCI All Countries (Combined) Far East Free ex Japan Index ³	-20.5%	-4.4%

1 total assets less current liabilities excluding fixed term loan liability

2 total assets employed and shareholders' funds include £53.1m which related to the tender offer on 5 September 2008 and represented 39% of the Company on that date

3 price index, sterling adjusted

4 includes reinvested income

PERFORMANCE

For the six months to 31 January 2009, Fidelity Asian Values' net asset value underperformed its benchmark. The portfolio returned -23.4%, compared with -20.5% for the benchmark MSCI All Countries (Combined) Far East Free ex Japan Index. (All figures in sterling terms and on a total return basis).

The discount at which the ordinary shares traded to the net asset value of the Company narrowed to 5.4% at the period end from 9.7% six months previously.

MARKETS

Over the six month review period, equities in the Far East region fell in line with world markets. The collapse of large US financial institutions in September precipitated a steep decline in equity indices in October. The pace at which the global financial crisis developed caught even the most bearish observers by surprise. Traditional flight to quality assets, coupled with deleveraging, led to an indiscriminate sell-off in regional markets. Disappointing economic data further weighed on market performance. Waning export demand, decelerating industrial production and cautious consumer spending resulted in weak economic growth in many Asian countries over the second half of 2008.

Hong Kong and Singapore, the key barometers of regional economic health, slipped into recession. China recorded a GDP growth of 6.8% in the fourth quarter of 2008 as compared with 9.0% in the September quarter, reflecting deep retrenchment in inventories and production. Exports contracted significantly in China,

Korea, Singapore, Thailand and Taiwan and economic expansion in Korea, Taiwan and Thailand was weaker than expected.

The weakening in international trade led to increased project cancellations and lower GDP growth expectations across most countries. The deteriorating macroeconomic conditions led to a demand-related drop in commodities prices. The materials and industrials sectors suffered accordingly. Energy stocks lost ground amid falling crude oil prices and decreased demand. A sharp rise in the number of earnings downgrades over the period drove share prices lower.

Efforts by several governments to increase liquidity and promote growth provided some support towards the end of the review period. Hong Kong guaranteed all bank deposits until the end of 2010 and set up a fund to provide capital to local lenders to restore confidence in the banking system. China announced a RMB 4 trillion stimulus package as well as a lowered cash reserve ratio and interest rates cuts. The Indian government announced two fiscal packages, which included rate cuts, easier external capital borrowing norms, increased foreign investment limits in corporate bonds and an emphasis on infrastructure developments. Most other countries in the region including Korea, Malaysia, Indonesia and Taiwan also reduced borrowing costs and took additional steps to boost growth.

PORTFOLIO REVIEW

The portfolio's exposure to the consumer discretionary sector weighed upon relative performance, notably in Hong Kong. In particular, the holdings in ladies' footwear firm Belle International and garments company Ports Design, detracted from

performance. Over the review period, the Portfolio Manager trimmed the overweight position in the sector but continued to hold quality names. Elsewhere, a lack of exposure to electric utility companies proved unrewarding; stocks such as CLP Holdings and Hongkong Electric benefited from increased risk aversion among investors. The Portfolio Manager, nevertheless, remains cautious about these stocks given unattractive valuations and limited growth potential. Certain holdings in commodity traders and conglomerates including Keppel Corporation and Noble Group were unpopular with investors and consequently weighed upon performance. These stocks were among the positions which were liquidated over the period.

Conversely, the strategy to remain underweight in materials firms and maintain overweight positions in the consumer staples sector added to returns. The holding in Korean personal products company AmorePacific contributed following the success of its new product launches. A lack of exposure to steel producers such as POSCO and China Steel proved beneficial, as steel prices fell notably. Similarly, having no exposure to coal miners Bumi Resources and China Coal enhanced performance, as declining oil prices reduced the appeal of alternative fuels.

Over the period, the Portfolio Manager continued to look for companies with a proven track record of maintaining stable earnings through business cycles. Typically, these names tend to perform better than average during downturns and are likely to

emerge stronger thereafter. The Manager also positioned the portfolio more defensively and raised exposure to domestically-driven businesses. In line with this strategy, a new position in a Chinese provider of online instant messaging services, Tencent Holdings, was added. The management's strong execution capabilities are important given the economic slowdown in China and across the globe. The company generates its revenues from millions of users (mostly teenagers) making micro payments, so is relatively resilient to a macroeconomic slowdown. The Manager also increased positions in banking and financials with healthy balance sheets, as valuations became attractive. Towards the end of the review period, selected property related names were added to the portfolio in view of home buyers' revived interest in the luxury segment area in Hong Kong.

The Manager avoided firms exporting to the US and European markets and sold stocks affected by volatility in equity markets. In particular, the holdings in retail fashion firm Esprit, which accrues more than four-fifths of its sales from Europe, was sold due to the weak economic environment there. The overweight stance in the consumer discretionary sector was trimmed due to a deteriorating consumption outlook. Against that the Manager significantly increased the funds in industrials, mainly by reducing allocation to construction stocks and commodity traders. Given the weakening oil price, the exposure to China's largest offshore oil producer CNOOC was reduced and a holding in Malaysia based energy equipment supplier KNM was sold.

OUTLOOK FOR THE REGION

Over the next 6 to 12 months Asian markets are likely to remain volatile as weakening export earnings dampen domestic demand. Though the private consumption component of GDP should remain robust, sentiment seems likely to remain negative. More positively the stimulus measures implemented by Asian governments are likely to be further enhanced. Inflationary pressures have also eased and the focus is clearly on reviving economic growth. Long term structural trends of high savings and investment in China as well as increasing industry consolidation remain intact. However it is clear that growth in the region has been hit hard by the global economic recession. Markets are likely to continue to be affected by structural overhangs, such as undercapitalised banks, declining capital expenditure and rising unemployment. Although market upside is constrained by weak global growth and the operating environment will undoubtedly remain challenging, cheap valuations are emerging and government stimulus policies should provide support. There should be good opportunities for the adroit stockpicker.

VAT ON MANAGEMENT FEES

The decision of the European Court of Justice in the JPMorgan Claverhouse Investment Trust/AIC case (C-363/05) confirmed that the VAT exemption applicable to the management of special investment funds will also extend to investment trust companies. Although the Company had recovered virtually all the VAT charged, as a result of this case it has further recovered £12,385 VAT plus interest previously charged on such management fees from HM Revenue and Customs.

TENDER OFFER AND REDUCTION OF CAPITAL

During the six month period under review a tender offer was made for up to 40% of the Company's issued share capital. The Board took this action to avoid the potentially destabilising effect on the share price of certain shareholders wishing to realise their holdings.

Following shareholders' approval at an Extraordinary General Meeting of the Company held on 5 September 2008 and completion of the tender offer a total of 41,262,764 ordinary shares were cancelled from the Register of Members. The shares were repurchased at 126.3940 pence per share. This equated to 40% of the issued share capital immediately prior to the offer being made. Exiting shareholders bore the costs involved and the remaining shareholders received the benefit of uplift to the net asset value of some 2% on the day the tender offer was completed.

As agreed by shareholders at the 5 September 2008 EGM the Company applied to the Court to confirm a reduction of capital by way of the cancellation of the share premium account and capital redemption reserve, including the capital redemption reserve arising on the implementation of the tender offer. This was done in order to ensure that the Company would have sufficient distributable reserves to continue to implement share repurchases.

Half-Yearly Report

PRINCIPAL RISKS AND UNCERTAINTIES

The Board believes that the principal risks and uncertainties faced by the Company continue to fall into six broad categories:

- Market Risk
- Performance Risk
- Income Risk
- Share Price Risk
- Gearing Risk
- Control Systems Risk

Information on each of these is given in the Business Review section of the Annual Report for the year ended 31 July 2008.

REPURCHASE OF SHARES

In addition to the shares repurchased under the tender offer the Company repurchased 951,935 ordinary shares during the six months to 31 January 2009, with the total repurchase enhancing the NAV for remaining shareholders by 0.50 pence per share.

By order of the Board

FIL Investments International
19 March 2009

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'; and
- b) the Half-Yearly financial report (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.
- 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 2009 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 auditor.

The Half-Yearly financial report was approved by the Board on 19 March 2009 and the above responsibility statement was signed on its behalf by Sir Victor Garland, Chairman.

Twenty Largest Investments as at 31 January 2009

Country of Listing	Holding	Fair Value		
		£'000	% ¹	
CHINA	China Mobile An investment holding company providing mobile telecommunications and related services in 31 provinces, autonomous regions and directly administered municipalities in mainland China and Hong Kong.	4,465	6.5	
	China Merchants Bank A commercial bank offering corporate banking, retail banking and treasury businesses. It is headquartered in Shenzhen.	3,127	4.6	
	Tencent Holdings The company provides internet, mobile and telecommunications value-added services in China. It has an instant messaging community in China. It also provides advertising services.	2,081	3.0	
	China National Offshore Oil Corporation (CNOOC) The company mainly engages in China's offshore oil and natural gas exploration, production and sales activities.	1,669	2.4	
	HONG KONG	Hang Seng Bank The bank in which HSBC Group has a majority ownership provides banking and related financial services. It operates more than 210 service outlets, including 106 branches.	3,609	5.3
		Huabao International Holdings The company, through its subsidiaries, produces and supplies flavours and fragrances for tobacco, food and household related products. The company also provides product research, development and marketing services to its customers.	2,339	3.4
		Swire Pacific The company operates through five business divisions: property, marine services, aviation, beverages and trading and industrial. It holds large developed and undeveloped commercial and residential real estate, distributes the products of The Coca Cola Company and operates a fleet of speciality vessels.	2,050	3.0
		Hutchison Whampoa An international corporation whose activities are focused on five core businesses: ports and related services; property and hotels; retail; energy, infrastructure, finance and investments; and telecommunications.	1,999	2.9
China Life Insurance The largest life insurance company in China providing individual and group life insurance, accident insurance and health insurance.		1,828	2.7	
Cheung Kong Holdings An investment holding and project management company. Its subsidiaries are engaged in property development and investment, hotel and serviced suite operation, property and project management and investment in securities.		1,589	2.3	
Sun Hung Kai Properties The company through its subsidiaries develops and invests in properties, operates hotels, manages properties, car parking and transportation infrastructure. In addition Sun Kai operates logistics business, construction, financial services, telecommunication internet infrastructure and enabling services.		1,573	2.3	

Country of Listing	Holding	Fair Value	
		£'000	% ¹
KOREA	Samsung Electronics The company specialises in the provision of communication products. It operates its business through five business divisions: communication, semiconductor, digital media, liquid crystal display (LCD) and home appliances.	3,423	5.0
	AmorePacific Corporation The company develops, manufactures and exports skincare, make-up and fragrance products. It also produces and markets personal care and health related products, such as shampoos, soaps, toothpastes, and health teas.	2,148	3.1
	NHN Corporation The company is engaged in the online media industry and owns the biggest internet search portal in Korea called Naver. The company also operates websites in Korea.	1,387	2.0
	DC Chemical A chemical manufacturer that specialises in the areas of basic chemicals, agro chemicals, fine chemicals, petro chemicals, coal chemicals and material processing. It also produces polyvinyl chloride (PVC) windows.	1,250	1.8
	Shinhan Financial Group A financial holding company offering a range of financial products and services, including commercial banking, corporate banking, private banking, asset, brokerage and insurance services.	1,233	1.8
	SINGAPORE	DBS Group Holdings DBS and its subsidiaries provide a variety of financial services which are organised into consumer and wholesale banking business groups and central operations.	1,727
TAIWAN		Taiwan Semiconductor Manufacturing Company The company is engaged in the manufacturing, selling, packaging, testing and computer-aided designing of integrated circuits (ICs) and other semiconductor devices and the manufacturing of masks. It manufactures semiconductors for customers based on their own or third parties' IC designs.	3,905
	MediaTek The company designs, manufactures and markets compact disk-read only memory (CD-ROM) and digital versatile disc read only memory (DVD-ROM) chip sets. It sells its products in Taiwan and exports to other countries in Asia.	1,887	2.7
	Hon Hai Precision The company is principally engaged in the production and sale of electronic products. It provides its products under three categories: electronic parts and components, such as connectors and cable assemblies; modules, including mechanic modules and electronic modules; and assembled electronic products. The products are applied in computer, communication and consumer electronics (3C) products.	1,193	1.7
Twenty largest investments		44,482	64.7

¹ % of total assets less current liabilities, excluding loan liability

Income Statement

		for the six months ended 31.01.09		
		unaudited		
	Notes	revenue £'000	capital £'000	total £'000
Losses on investments		–	(20,567)	(20,567)
Income	2	1,375	–	1,375
Investment management fee	3	(442)	–	(442)
Other expenses		(199)	–	(199)
Exchange gains/(losses) on other net assets		177	2,158	2,335
Exchange losses on loans		–	(2,455)	(2,455)
Net return/(loss) before finance costs and taxation		911	(20,864)	(19,953)
Interest payable		(254)	–	(254)
Loan redemption costs*		–	(83)	(83)
Net return/(loss) on ordinary activities before taxation		657	(20,947)	(20,290)
Taxation on return on ordinary activities	4	(115)	–	(115)
Net return/(loss) on ordinary activities after taxation for the period		542	(20,947)	(20,405)
Return/(loss) per ordinary share	5	0.77p	(29.66p)	(28.89p)

* This relates to the cost incurred on the partial redemption of the loan and was included in the costs of the tender offer to shareholders.

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.

These financial statements have been prepared in accordance with the AIC Statement of Recommended Practice ("SORP") issued in January 2003 and revised in December 2005.

for the year ended 31.07.08			for the six months ended 31.01.08		
audited			unaudited		
revenue £'000	capital £'000	total £'000	revenue £'000	capital £'000	total £'000
–	(26,390)	(26,390)	–	(9,053)	(9,053)
4,579	–	4,579	2,151	–	2,151
(1,688)	–	(1,688)	(938)	–	(938)
(474)	–	(474)	(258)	–	(258)
(14)	(26)	(40)	(2)	(103)	(105)
–	(247)	(247)	–	(206)	(206)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
2,403	(26,663)	(24,260)	953	(9,362)	(8,409)
(516)	–	(516)	(256)	–	(256)
–	–	–	–	–	–
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1,887	(26,663)	(24,776)	697	(9,362)	(8,665)
(398)	–	(398)	(232)	(13)	(245)
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1,489	(26,663)	(25,174)	465	(9,375)	(8,910)
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1.43p	(25.57p)	(24.14p)	0.44p	(8.90p)	(8.46p)
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Reconciliation of Movements in Shareholders' Funds

	Notes	called up share capital £'000	share premium account £'000	capital redemption reserve £'000
Opening shareholders' funds: 1 August 2007		27,336	15,359	3,487
Net recognised capital gains/(losses) for the period		–	–	–
Repurchase of ordinary shares	10	(1,547)	–	1,547
Net revenue after taxation for the period		–	–	–
Closing shareholders' funds: 31 January 2008		25,789	15,359	5,034
Opening shareholders' funds: 1 August 2007		27,336	15,359	3,487
Transfer between reserves*		–	–	–
Net recognised capital losses for the year		–	–	–
Repurchase of ordinary shares	10	(1,547)	–	1,547
Net revenue after taxation for the year		–	–	–
Closing shareholders' funds: 31 July 2008		25,789	15,359	5,034
Net recognised capital losses for the period		–	–	–
Share premium account cancelled		–	(15,359)	–
Capital redemption reserve cancelled		–	–	(13,803)
Repurchase of ordinary shares	10	(238)	–	238
Ordinary shares cancelled on completion of the tender offer	11	(10,316)	–	10,316
Net revenue after taxation for the period		–	–	–
Dividend paid to shareholders	8	–	–	–
Closing shareholders' funds: 31 January 2009		15,235	–	1,785

* In accordance with TECH 01/08: Distributable Profits, changes in the fair value of investments which are readily convertible to cash without accepting adverse terms at the balance sheet date are included in realised capital reserves rather than unrealised capital reserves. This change was effective from 1 August 2007 and the balances on both reserves at that date have been amended by a reserve transfer. At the balance sheet date all investments held by the Company were considered to be readily convertible to cash.

other non-distributable reserve £'000	other reserve £'000	capital reserve realised £'000	capital reserve unrealised £'000	revenue reserve £'000	total equity £'000
7,367	53,749	10,798	53,615	(990)	170,721
-	-	13,006	(22,381)	-	(9,375)
-	(9,606)	-	-	-	(9,606)
-	-	-	-	465	465
7,367	44,143	23,804	31,234	(525)	152,205
7,367	53,749	10,798	53,615	(990)	170,721
-	-	52,787	(52,787)	-	-
-	-	(26,432)	(231)	-	(26,663)
-	(9,606)	-	-	-	(9,606)
-	-	-	-	1,489	1,489
7,367	44,143	37,153	597	499	135,941
-	-	(15,116)	(5,748)	-	(20,864)
-	15,359	-	-	-	-
-	13,803	-	-	-	-
-	(988)	-	-	-	(988)
-	(53,082)	-	-	-	(53,082)
-	-	-	-	542	542
-	-	-	-	(496)	(496)
7,367	19,235	22,037	(5,151)	545	61,053

Balance Sheet

	Notes	31.01.09 unaudited £'000	31.07.08 audited £'000	31.01.08 unaudited £'000
Fixed assets				
Investments at fair value through profit or loss		64,070	136,356	154,773
Current assets				
Debtors		168	634	1,808
Cash at bank		5,333	8,954	6,673
		5,501	9,588	8,481
Creditors - amounts falling due within one year				
Other creditors		(889)	(916)	(2,003)
Fixed rate unsecured loan	9	(7,629)	-	-
		(8,518)	(916)	(2,003)
Net current (liabilities)/assets				
		(3,017)	8,672	6,478
Total assets less current liabilities				
		61,053	145,028	161,251
Creditors - amounts falling due after more than one year				
Fixed rate unsecured loan	9	-	(9,087)	(9,046)
Total net assets				
		61,053	135,941	152,205
Capital and reserves				
Called up share capital		15,235	25,789	25,789
Share premium account		-	15,359	15,359
Capital redemption reserve		1,785	5,034	5,034
Other non-distributable reserve		7,367	7,367	7,367
Other reserve		19,235	44,143	44,143
Capital reserve - realised		22,037	37,153	23,804
Capital reserve - unrealised		(5,151)	597	31,234
Revenue reserve		545	499	(525)
Total equity shareholders' funds				
		61,053	135,941	152,205
Net asset value per ordinary share				
	6	100.18p	131.78p	147.55p

Cash Flow Statement

	31.01.09 unaudited £'000	31.07.08 audited £'000	31.01.08 unaudited £'000
Operating activities			
Investment income received	1,345	3,546	1,570
Deposit interest received	66	154	69
Investment management fee paid	(357)	(1,272)	(963)
Directors' fees paid	(57)	(60)	(41)
Other cash receipts/(payments)	216	(566)	(421)
Net cash inflow from operating activities	<u>1,213</u>	<u>1,802</u>	<u>214</u>
Returns on investments and servicing of finance			
Interest paid	(287)	(511)	(252)
Net cash outflow from returns on investments and servicing of finance	<u>(287)</u>	<u>(511)</u>	<u>(252)</u>
Financial investment			
Purchase of investments	(19,890)	(84,344)	(46,830)
Disposal of investments	77,115	96,901	58,561
Net cash inflow from financial investment	<u>57,225</u>	<u>12,557</u>	<u>11,731</u>
Dividend paid to shareholders	<u>(496)</u>	–	–
Net cash inflow before financing	<u>57,655</u>	<u>13,848</u>	<u>11,693</u>
Financing			
Repurchase of ordinary shares	(988)	(9,606)	(9,606)
Ordinary shares cancelled on completion of the tender offer	(53,082)	–	–
5.60% fixed rate unsecured loan part repaid	(3,710)	–	–
Net cash outflow before financing	<u>(57,780)</u>	<u>(9,606)</u>	<u>(9,606)</u>
(Decrease)/increase in cash	<u>(125)</u>	<u>4,242</u>	<u>2,087</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 dated 31 July 2008.

2 INCOME

	31.01.09 unaudited £'000	31.07.08 audited £'000	31.01.08 unaudited £'000
Overseas dividends	1,278	4,188	1,859
Overseas scrip dividends	42	241	227
Deposit interest	55	150	65
	<u>1,375</u>	<u>4,579</u>	<u>2,151</u>

3 INVESTMENT MANAGEMENT FEE

	31.01.09 unaudited £'000	31.07.08 audited £'000	31.01.08 unaudited £'000
Investment management fee	454	1,688	938
VAT recovered*	(12)	-	-
	<u>442</u>	<u>1,688</u>	<u>938</u>

*The decision of the European Court of Justice in the JPMorgan Claverhouse Investment Trust/AIC case (C-363/05) confirmed that the VAT exemption applicable to the management of special investment funds will also extend to investment trust companies. Although the Company had recovered virtually all the VAT charged, as a result of this case it has further recovered £12,385.

4 TAXATION ON RETURN ON ORDINARY ACTIVITIES

	31.01.09 unaudited			31.07.08 audited			31.01.08 unaudited		
	revenue £'000	capital £'000	total £'000	revenue £'000	capital £'000	total £'000	revenue £'000	capital £'000	total £'000
Overseas taxation suffered	115	-	115	398	-	398	245	-	245
Tax (credit)/charge for the use of revenue expenses	-	-	-	-	-	-	(13)	13	-
	<u>115</u>	<u>-</u>	<u>115</u>	<u>398</u>	<u>-</u>	<u>398</u>	<u>232</u>	<u>13</u>	<u>245</u>

Notes to the Financial Statements

5 RETURN/(LOSS) PER ORDINARY SHARE

	31.01.09 unaudited	31.07.08 audited	31.01.08 unaudited
Revenue	0.77p	1.43p	0.44p
Capital	(29.66p)	(25.57p)	(8.90p)
Total	(28.89p)	(24.14p)	(8.46p)

Returns/(losses) per ordinary share are based on the net revenue return on ordinary activities after taxation of £542,000 (31.07.08: £1,489,000; 31.01.08: £465,000), the capital loss in the period of £20,947,000 (31.07.08: £26,663,000; 31.01.08: £9,375,000) and the total loss of £20,405,000 (31.07.08: £25,174,000; 31.01.08: £8,910,000) and on 70,632,359 ordinary shares (31.07.08: 104,262,596; 31.01.08: 105,355,977), being the weighted average number of ordinary shares in issue during the period.

6 NET ASSET VALUE PER ORDINARY SHARE

The basic net asset value per ordinary share is based on net assets of £61,053,000 (31.07.08: £135,941,000; 31.01.08: £152,205,000) and on 60,942,501 ordinary shares (31.07.08: 103,157,200; 31.01.08: 103,157,200), being the number of ordinary shares in issue at the period end.

7 COSTS OF INVESTMENT TRANSACTIONS

Included in the losses on investments are the following costs of investment transactions:

	31.01.09 unaudited £'000	31.07.08 audited £'000	31.01.08 unaudited £'000
Purchases expenses	49	162	100
Sales expenses	168	250	179
Total	217	412	279

8 DIVIDEND

No dividend has been declared in respect of the current period. The dividend shown in the Reconciliation of Movements in Shareholders' Funds for the six months ended 31 January 2009 relates to the year ended 31 July 2008.

Notes to the Financial Statements

9 LOAN FACILITY

A fixed rate unsecured loan from Lloyds TSB Bank PLC of US\$18,000,000 was drawn down on 27 September 2006 for a period of three years at an interest rate of 5.60% per annum. US\$7,000,000 of this loan was repaid on 12 September 2008 as part of the Tender Offer to shareholders. The balance of US\$11,000,000 is repayable on 25 September 2009.

10 SHARE REPURCHASES

The following ordinary share repurchases were made in the periods:

	31.01.09 unaudited	31.07.08 audited	31.01.08 unaudited
Number of ordinary shares repurchased	951,935	6,190,000	6,190,000
Average price per share	103.79p	155.19p	155.19p
Total cost including stamp duty and commission	£988,000	£9,606,000	£9,606,000

11 TENDER OFFER

On completion of the tender offer a total of 41,262,764 ordinary shares were cancelled from the Register of Members. Below are details of the costs and expenses of the tender offer borne by the exiting shareholders:

	31.01.09 unaudited £'000
Assets attributable to tender offer	53,082
Costs associated to the tender offer	(522)
Loan redemption costs incurred	(83)
Stamp duty paid on the cost of shares repurchased	(261)
Commission paid to JPMorgan Cazenove	(63)
Cash paid to exiting shareholders	<u>52,153</u>

12 UNAUDITED FINANCIAL STATEMENTS

The results for the six months to 31 January 2009 and 31 January 2008, which are unaudited, constitute non-statutory accounts within the meaning of s240 of the Companies Act 1985. The figures and financial information for the year ended 31 July 2008 are extracted from the latest published financial statements. These financial statements, on which the auditor gave an unqualified report, have been delivered to the Registrar of Companies.

CONTACT INFORMATION

Private investors call free to:

0800 41 41 10

9am to 6pm, Monday to Saturday.

Financial advisers call free to:

0800 41 41 81

8am to 6pm, Monday to Friday

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 of Fidelity Asian Values PLC), Northern House, Woodsome Park, Fenay Bridge, Huddersfield, Yorkshire, HD8 0GA.

Telephone: 0871 664 0300 (calls to this number cost 10p per minute plus network extras.) If calling from overseas, telephone +44 208 639 3399

Email: ssd@capitaregistrars.com

Share Plan investors:

Fidelity Investment Trust Share Plan Equiniti Limited* PO Box 4605, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6QY.

Telephone: 0871 384 2781 (calls to this number are charged at 8p per minute from a BT landline. Other telephone providers' costs may vary.)

* Formerly Lloyds TSB Registrars

Fidelity ISA investors:

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

UK Customer Service, Fidelity International, Oakhill House, 130 Tonbridge Road, Hildenborough, Tonbridge, Kent, TN11 9DZ.

Fidelity Share Network:

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

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.

www.fidelity.co.uk/its

FINANCIAL CALENDAR 2009

- 31 January – Half-Yearly period end
- 20 March – announcement of Half-Yearly results to 31 January
- April – publication of Half-Yearly report
- 31 July – financial year end
- October – publication of Annual Report
- December – Annual General Meeting

BOARD OF DIRECTORS

The Hon Sir Victor Garland, KBE (Chairman)

Hugh Bolland

(Chairman of Audit Committee)

William Knight

Kathryn Matthews

Sir Robin McLaren, KCMG

(Senior Independent Director)

MANAGER, SECRETARY AND REGISTERED OFFICE

FIL Investments International

Beech Gate, Millfield Lane,

Lower Kingswood,

Tadworth,

Surrey, KT20 6RP.

FINANCIAL ADVISERS AND STOCKBROKERS

JPMorgan 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,

Northern House,

Woodsome Park,

Fenay Bridge,

Huddersfield,

Yorkshire, HD8 0GA.

LAWYERS

Slaughter and May,

One Bunhill Row,

London, EC1Y 8YY.

The Fidelity Individual Savings Account ("ISA") is offered and managed by Financial Administration Services Limited. The Fidelity Investment Trust Share Plan is managed by FIL Investments International, administered by Equiniti Limited and with shares held in the name of Lloyds TSB Registrars Savings Nominees Limited. The value of tax savings and eligibility to invest in an ISA will depend on individual circumstances and all tax rules may change in the future. Fidelity Investment Trusts are managed by FIL Investments International. FIL Investments International is authorised and regulated in the UK by the Financial Services Authority. Fidelity only gives information about its own products and services and does not provide investment advice based on individual circumstances. For funds that invest in overseas markets, changes in currency exchange rates may affect the value of your investment. Investments in small and emerging markets can be more volatile than other more developed markets. Should you wish to seek advice please contact a Financial Adviser. Issued by Fidelity Asian Values PLC, authorised and regulated in the UK by the Financial Services Authority.

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WARNING TO SHAREHOLDERS - BOILER ROOM SCAMS

Over the last year, many companies have become 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. These operations are commonly known as 'boiler rooms'. These 'brokers' can be very persistent and extremely persuasive, and a 2006 survey by the Financial Services Authority (FSA) has reported that the average amount lost by investors is around £20,000.

It is not just the novice investor that has been duped in this way; many of the victims had been successfully investing for several years. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation
- Check that they are properly authorised by the FSA before getting involved by visiting www.fsa.gov.uk/register
- Report the matter to the FSA either by calling 0845 606 1234 or visiting www.moneymadeclear.fsa.gov.uk
- If the calls persist, hang up.

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme. The FSA can be contacted by completing an online form at www.fsa.gov.uk/pages/doing/regulated/law/alerts/overseas.shtml

Details of any share dealing facilities that the Company endorses will be included in Company mailings. More detailed information on this or similar activity can be found on the FSA website www.moneymadeclear.fsa.gov.uk



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A handwritten signature in black ink, appearing to read "John Morris", written over a dotted line.

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