

**THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to the action you should take or the contents of this document, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank, solicitor, accountant, or other appropriate independent financial adviser, who is authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

This document comprises a prospectus (the “Prospectus”) relating to Aberdeen Emerging Markets Investment Company Limited (the “Company”) in connection with the issue of Shares in the Company pursuant to a scheme of reconstruction (“Scheme Shares”) of Aberdeen New Thai Investment Trust PLC (“ANW”) under section 110 of the Insolvency Act 1986 (the “Scheme”), and a subsequent Placing Programme of up to 25 million Shares (“Placing Shares”), prepared in accordance with the UK version of the EU Prospectus Regulation ((EU) 2017/1129) which is part of UK law by virtue of the European Union Withdrawal Act 2018 (as amended and supplemented from time to time (including, but not limited to, by the Prospectus (Amendment etc.) (EU Exit) Regulations 2019/1234 and The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019)) (the “UK Prospectus Regulation”) and the prospectus regulation rules of the Financial Conduct Authority (the “FCA”) made pursuant to section 73A of FSMA (the “Prospectus Regulation Rules”). This Prospectus has been approved by the FCA, as the competent authority under the UK Prospectus Regulation. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Company and of the quality of the Shares that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Shares.

Applications will be made for the Scheme Shares and for any Placing Shares issued pursuant to the Placing Programme to listing on the premium listing category of the Official List and to trading on the Main Market. It is not intended that any class of shares in the Company be admitted to listing or trading in any other jurisdiction. It is expected that Admission will become effective and that dealings for normal settlement in the Scheme Shares will commence at 8.00 a.m. on 10 November 2021.

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## **ABERDEEN EMERGING MARKETS INVESTMENT COMPANY LIMITED**

*(a closed-ended investment company incorporated with limited liability  
under the laws of Guernsey with registration number 50900)*

### **Issue of Scheme Shares pursuant to a scheme of reconstruction of Aberdeen New Thai Investment Trust PLC under section 110 of the Insolvency Act 1986**

### **Placing Programme of up to 25 million Placing Shares**

*Sponsor*

**Shore Capital and Corporate Limited**

*Sole Bookrunner*

**Shore Capital Stockbrokers Limited**

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The Company and each of the Directors and the prospective Directors whose names appear on page 40 of this Prospectus accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company, the Directors and the prospective Directors, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

Aberdeen Standard Fund Managers Limited (the “AIFM”) and abrdn Hong Kong Limited (the “Investment Manager”) accept responsibility for the information contained in: (a) the risk factors contained under the following headings: “Risks relating to the Investment Policy” and “Risks relating

to the AIFM and the Investment Manager”; (b) section 1 (Introduction), section 2 (Background), section 5 (Target Return), section 7 (Dividend Policy) and section 10 (Net Asset Value Calculation and Publication) of Part I (*Information on the Company*) of this Prospectus; (c) Part II (*Market Opportunity and Strategy*) of this Prospectus; (d) section 3 (The Investment Manager) and section 4 (Investment Team) of Part III (*Directors, Management and Administration*) of this Prospectus; (e) section 2 (The AIFM), section 19 (Additional UK AIFMD Laws Disclosures) and section 20 (EU SFDR Disclosure on Integration of Sustainability Risks) of Part VII (*Additional Information on the Company*) of this Prospectus, and any other information or opinion related to or attributed to either of them or to any of their Affiliates. To the best of the knowledge of the AIFM and the Investment Manager, the information contained in those parts of this Prospectus for which they are responsible is in accordance with the facts and those parts of this Prospectus for which they are responsible make no omission likely to affect their import.

Shore Capital and Corporate Limited (the “**Sponsor**”) and Shore Capital Stockbrokers Limited (the “**Bookrunner**”, and together with the Sponsor, “**Shore Capital**”), which are authorised and regulated in the United Kingdom by the FCA, are acting exclusively for the Company and for no one else in connection with the Issue and the Placing Programme. Shore Capital will not be responsible to anyone (whether or not a recipient of this Prospectus) other than the Company for providing the protections afforded to clients of Shore Capital or for providing advice in relation to the Issue and the Placing Programme, the contents of this Prospectus or any matters referred to in this Prospectus. Shore Capital is not responsible for the contents of this Prospectus. This does not exclude any responsibilities which Shore Capital may have under FSMA or the regulatory regime established thereunder.

Apart from the liabilities and responsibilities (if any) which may be imposed on Shore Capital by FSMA or the regulatory regime established thereunder, Shore Capital makes no representations, express or implied, nor accepts any responsibility whatsoever for the contents of this Prospectus nor for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Shares, the Issue or the Placing Programme. Shore Capital and its Affiliates accordingly disclaim all and any responsibility or liability (save for any statutory liability), whether arising in tort, contract or otherwise which it or they might otherwise have in respect of this Prospectus or any such statement.

The Company has not been and will not be registered under the United States Investment Company Act of 1940 (the “**US Investment Company Act**”), and as such investors in the Scheme Shares and the Placing Shares will not be entitled to the benefits of the US Investment Company Act. The Scheme Shares and the Placing Shares have not been and will not be registered under the United States Securities Act of 1933 (the “**US Securities Act**”), or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, delivered, assigned or otherwise transferred, directly or indirectly, into or within the United States or to, or for the account or benefit of, any “U.S. persons” as defined in Regulation S under the US Securities Act (“**US Persons**”), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and in a manner which would not result in the Company being required to register under the US Investment Company Act. There has been and will be no public offer of the Scheme Shares and the Placing Shares in the United States.

This document does not address the US federal income tax considerations applicable to an investment in the Scheme Shares or the Placing Shares. Each prospective investor should consult its own tax advisers regarding the US federal income tax consequences of any such investment.

The Scheme Shares are being offered or sold only (i) outside the United States in “offshore transactions” to non-US Persons pursuant to Regulation S under the US Securities Act, and (ii) to persons who are both “qualified purchasers” as defined in the US Investment Company Act (“**Qualified Purchasers**”) and “accredited investors” as defined in Regulation D under the US Securities Act (“**Accredited Investors**”), pursuant to an exemption from the registration requirements of the US Securities Act, and who, in the case of (ii), have executed an AI/QP Investor Letter in the form annexed to this Prospectus (“**AI/QP Investor Letter**”) and returned it to the Company and the Receiving Agent.

Subject to certain limited exceptions, the Placing Shares are being offered and sold only outside the United States in “offshore transactions” to non-US Persons pursuant to Regulation S under the US Securities Act.

**Neither the US Securities and Exchange Commission (the “SEC”) nor any securities regulatory authority of any state or other jurisdiction of the United States has approved or disapproved of the Scheme Shares or the Placing Shares or passed upon or endorsed the merits of the offering of the Scheme Shares or the Placing Shares or the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.**

In addition, the Scheme Shares and the Placing Shares are subject to significant restrictions on transferability and resale in certain jurisdictions and may not be transferred or resold except as permitted under applicable securities laws and regulations and under the Articles. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions and may subject the holder to the forced transfer and other provisions set out in the Articles. For further information on restrictions on offers, sales and transfers of the Scheme Shares, please refer to the section entitled “*Overseas ANW Shareholders*” at paragraph 8 of Part IV (*Details of the Scheme and the Issue*) of this Prospectus. For further information on restrictions on offers, sales and transfers of the Placing Shares, please refer to the section entitled “*United States Transfer Restrictions*” at paragraph 10 of Part V (*The Placing Programme*) of this Prospectus.

In addition, until 40 days after the commencement of the Placing, an offer or sale of the Placing Shares within the United States by any dealer (whether or not participating in the Placing) may violate the registration requirements of the US Securities Act.

In connection with the Issue and the Placing Programme, Shore Capital and its Affiliates, acting as an investor for its or their own account(s), may acquire Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities of the Company, any other securities of the Company or other related investments in connection with the Issue, the Placing Programme or otherwise. Accordingly, references in this Prospectus to the Shares being issued, offered, acquired, subscribed or otherwise dealt with, should be read as including any issue or offer to, acquisition of, or subscription or dealing by, Shore Capital and any of its Affiliates acting as an investor for its or their own account(s). Neither Shore Capital nor any of its Affiliates intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase, subscribe for or otherwise acquire, any securities by any person in any circumstances or jurisdiction in which such offer or solicitation would be unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, the AIFM, the Investment Manager or Shore Capital.

The distribution of this Prospectus and the offer of the Shares in certain jurisdictions may be restricted by law. Other than in the United Kingdom, no action has been or will be taken to permit the possession, issue or distribution of this Prospectus (or any other offering or publicity material relating to the Shares) in any jurisdiction where action for that purpose may be required or doing so is restricted by law. Accordingly, neither this Prospectus, nor any advertisement, nor any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus (or any other offering materials or publicity relating to the Shares) comes should inform themselves about and observe any such restrictions. None of the Company, the AIFM, the Investment Manager, Shore Capital or any of their respective Affiliates or advisers, accepts any legal responsibility to any person, whether or not a prospective investor, for any such restrictions.

The Company is a closed-ended investment company registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended, and the Registered Collective Investment Scheme Rules 2018, issued by the Guernsey Financial Services Commission (“GFSC”). The GFSC, in granting registration, has not reviewed this document but has relied upon specific declarations provided by Vistra Fund Services (Guernsey) Limited, the Company’s designated administrator.

Neither the GFSC nor the States of Guernsey take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

Capitalised terms contained in this Prospectus shall have the meanings ascribed to them in Part X (*Definitions*) of this Prospectus, save where the context indicates otherwise.

**Prospective investors should read this entire Prospectus and, in particular, the section entitled “*Risk Factors*” beginning on page 13 when considering an investment in the Company.**

This Prospectus is dated 4 October 2021.

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## SUMMARY

<b>1.</b>	<b>Introduction</b>															
<b>a.</b>	<b>Name and ISIN of securities</b>															
i.	Ticker for the Shares: AEMC (to become ACIC upon approval of the proposed change of the Company's name to "abrdn China Investment Company Limited") ISIN of the Shares: GG00B45L2K95															
<b>b.</b>	<b>Identity and contact details of the issuer</b>															
i.	Name: Aberdeen Emerging Markets Investment Company Limited (proposed to be changed to "abrdn China Investment Company Limited") (the " <b>Company</b> ") Address: 11 New Street, St Peter Port, Guernsey, GY1 2PF (Tel: 0808 500 0040)															
<b>c.</b>	<b>Identity and contact details of the competent authority</b>															
i.	Name: Financial Conduct Authority Address: 12 Endeavour Square, London, E20 1JN, United Kingdom (Tel: 0207 066 1000)															
<b>d.</b>	<b>Date of approval of the Prospectus</b>															
i.	4 October 2021															
<b>a.</b>	<b>Warnings</b>															
i.	This summary should be read as an introduction to this Prospectus. Any decision to invest in ordinary shares of the Company (the " <b>Shares</b> ") should be based on consideration of this Prospectus as a whole by the investor. The investor could lose all or part of the invested capital. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Shares.															
<b>2.</b>	<b>Key information on the issuer</b>															
<b>e.</b>	<b>Who is the issuer of the securities?</b>															
i.	<b>Domicile and legal form, LEI, applicable legislation and country of incorporation</b> The Company is a non-cellular investment company limited by shares, registered and incorporated in Guernsey under the Companies Law on 16 September 2009, with registration number 50900. The Company's Legal Entity Identifier (LEI) is 213800RIA1NX8DP4P938. The Company intends to carry on its business at all times so as to be eligible to be an investment trust for the purposes of section 1158 CTA 2010.															
ii.	<b>Principal activities</b> The Company's investment objective is to produce long-term capital growth by investing predominantly in Chinese equities. The Company seeks to achieve its investment objective by investing in companies listed, incorporated or domiciled in China, or companies that derive a significant proportion of their revenues or profits from China operations or have a significant proportion of their assets there.															
iii.	<b>Major Shareholders</b> The below table sets out the persons who had notified the Company of an interest which represents three per cent. or more of the voting share capital of the Company, based on the information available to the Company as at 29 September 2021 (the " <b>Latest Practicable Date</b> ").															
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Shareholder</th> <th style="text-align: right; border-bottom: 1px solid black;">No. of Shares</th> <th style="text-align: right; border-bottom: 1px solid black;">Percentage of total issued share capital</th> </tr> </thead> <tbody> <tr> <td>City of London Investment Management Company Limited</td> <td style="text-align: right;">13,174,328</td> <td style="text-align: right;">28.7%</td> </tr> <tr> <td>Lazard Asset Management LLC</td> <td style="text-align: right;">12,573,656</td> <td style="text-align: right;">27.4%</td> </tr> <tr> <td>Wells Capital Management Inc.</td> <td style="text-align: right;">9,274,498</td> <td style="text-align: right;">20.2%</td> </tr> <tr> <td>1607 Capital Partners LLC</td> <td style="text-align: right;">5,480,870</td> <td style="text-align: right;">11.9%</td> </tr> </tbody> </table>	Shareholder	No. of Shares	Percentage of total issued share capital	City of London Investment Management Company Limited	13,174,328	28.7%	Lazard Asset Management LLC	12,573,656	27.4%	Wells Capital Management Inc.	9,274,498	20.2%	1607 Capital Partners LLC	5,480,870	11.9%
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	Save as disclosed above, the Company is not aware of any person who, as at the Latest Practicable Date, directly or indirectly, has a holding which is notifiable under applicable law or who directly or indirectly, jointly or severally, exercises or could exercise control over the Company. There are no differences between the voting rights enjoyed by the Shareholders described above and those enjoyed by any other holder of Shares.															
iv.	<b>Directors</b> Mark Hadsley-Chaplin (Chairman), William Collins, Helen Green, Eleonore de Rochechouart, Anne Gilding (prospective) and Sarah MacAulay (prospective).															

v.	<b>Statutory auditors</b> KPMG Channel Islands Limited of Glatigny Court, Glatigny Esplanade, St Peter Port, Guernsey, GY1 1WR.																																																																																																																																																																															
b.	<b>What is the key financial information regarding the issuer?</b>																																																																																																																																																																															
i.	<p><b>Selected historical financial information</b></p> <p>The key audited figures that summarise the financial condition of the Company in respect of the financial years ended 31 October 2018, 31 October 2019 and 31 October 2020, and the key unaudited figures in respect of the six month period ended 30 April 2021, are set out in the tables below.</p> <p><b>Statement of Comprehensive Income</b></p> <table border="1"> <thead> <tr> <th></th> <th>For year ended 31 October 2020 (£'000)</th> <th>For year ended 31 October 2019 (£'000)</th> <th>For year ended 31 October 2018 (£'000)</th> <th>For six months ended 30 April 2021 (£'000)</th> </tr> </thead> <tbody> <tr> <td>Gains/(losses) on investments at fair value through profit or loss</td> <td>25,522</td> <td>37,730</td> <td>(41,807)</td> <td>68,879</td> </tr> <tr> <td>Losses on currency movements</td> <td>(166)</td> <td>(392)</td> <td>(157)</td> <td>(151)</td> </tr> <tr> <td><b>Net investment gains/(losses)</b></td> 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<td>924</td> <td>72</td> <td>—</td> <td>—</td> </tr> <tr> <td>Other receivables</td> <td>367</td> <td>350</td> <td>297</td> <td>416</td> </tr> <tr> <td></td> <td><b>9,606</b></td> <td><b>1,612</b></td> <td><b>1,334</b></td> <td><b>11,724</b></td> </tr> <tr> <td><b>Total assets</b></td> <td><b>334,581</b></td> <td><b>330,325</b></td> <td><b>296,935</b></td> <td><b>397,079</b></td> </tr> <tr> <td><b>Current liabilities</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Purchases for future settlement</td> <td>—</td> <td>(104)</td> <td>—</td> <td>(1,940)</td> </tr> <tr> <td>Other payables</td> <td>(1,111)</td> <td>(344)</td> <td>(351)</td> <td>(616)</td> </tr> <tr> <td>Finance costs payable</td> <td>—</td> <td>—</td> <td>(28)</td> <td>—</td> </tr> <tr> <td>Bank loan payable</td> <td>(12,500)</td> <td>(25,000)</td> <td>(20,000)</td> <td>(10,000)</td> </tr> <tr> <td><b>Total liabilities</b></td> <td><b>(13,611)</b></td> <td><b>(25,448)</b></td> <td><b>(20,379)</b></td> 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	For year ended 31 October 2020 (£'000)	For year ended 31 October 2019 (£'000)	For year ended 31 October 2018 (£'000)	For six months ended 30 April 2021 (£'000)																																																																																																																																																																												
Gains/(losses) on investments at fair value through profit or loss	25,522	37,730	(41,807)	68,879																																																																																																																																																																												
Losses on currency movements	(166)	(392)	(157)	(151)																																																																																																																																																																												
<b>Net investment gains/(losses)</b>	<b>25,356</b>	<b>37,338</b>	<b>(41,964)</b>	<b>68,728</b>																																																																																																																																																																												
Investment income	4,187	4,861	5,019	2,033																																																																																																																																																																												
Investment management fees	(2,216)	(2,331)	(2,515)	(1,346)																																																																																																																																																																												
Other expenses	(842)	(883)	(886)	(454)																																																																																																																																																																												
<b>Operating profit/(loss) before finance costs and taxation</b>	<b>26,485</b>	<b>38,985</b>	<b>(40,364)</b>	<b>68,961</b>																																																																																																																																																																												
Finance costs	(212)	(315)	(312)	(112)																																																																																																																																																																												
<b>Operating profit/(loss) before taxation</b>	<b>26,273</b>	<b>38,670</b>	<b>(40,658)</b>	<b>68,849</b>																																																																																																																																																																												
Withholding tax expense	(183)	(223)	(326)	(125)																																																																																																																																																																												
<b>Total profit/(loss) and comprehensive income for the year</b>	<b>26,090</b>	<b>38,447</b>	<b>(40,984)</b>	<b>68,724</b>																																																																																																																																																																												
Earnings/(losses) per ordinary share	56.76p	83.58p	(84.80p)	149.51p																																																																																																																																																																												
	As at 31 October 2020 (£'000)	As at 31 October 2019 (£'000)	As at 31 October 2018 (£'000)	As at 30 April 2021 (£'000)																																																																																																																																																																												
<b>Non-current assets</b>																																																																																																																																																																																
Investments at fair value through profit or loss	324,975	328,713	295,601	385,355																																																																																																																																																																												
<b>Current assets</b>																																																																																																																																																																																
Cash and cash equivalents	8,315	1,190	1,037	11,308																																																																																																																																																																												
Sales for future settlement	924	72	—	—																																																																																																																																																																												
Other receivables	367	350	297	416																																																																																																																																																																												
	<b>9,606</b>	<b>1,612</b>	<b>1,334</b>	<b>11,724</b>																																																																																																																																																																												
<b>Total assets</b>	<b>334,581</b>	<b>330,325</b>	<b>296,935</b>	<b>397,079</b>																																																																																																																																																																												
<b>Current liabilities</b>																																																																																																																																																																																
Purchases for future settlement	—	(104)	—	(1,940)																																																																																																																																																																												
Other payables	(1,111)	(344)	(351)	(616)																																																																																																																																																																												
Finance costs payable	—	—	(28)	—																																																																																																																																																																												
Bank loan payable	(12,500)	(25,000)	(20,000)	(10,000)																																																																																																																																																																												
<b>Total liabilities</b>	<b>(13,611)</b>	<b>(25,448)</b>	<b>(20,379)</b>	<b>(12,556)</b>																																																																																																																																																																												
<b>Net assets</b>	<b>320,970</b>	<b>304,877</b>	<b>276,556</b>	<b>384,523</b>																																																																																																																																																																												
<b>Equity</b>																																																																																																																																																																																
Share capital	149,616	149,616	150,082	149,616																																																																																																																																																																												
Capital reserve	176,563	161,204	132,546	240,120																																																																																																																																																																												
Revenue reserve	(5,209)	(5,943)	(6,072)	(5,213)																																																																																																																																																																												
<b>Total equity</b>	<b>320,970</b>	<b>304,877</b>	<b>276,556</b>	<b>384,523</b>																																																																																																																																																																												
<b>Net asset value per ordinary share</b>	<b>698.29p</b>	<b>663.28p</b>	<b>600.59p</b>	<b>836.55p</b>																																																																																																																																																																												

<b>Statement of Changes in Equity</b>				
	<b>For year ended 31 October 2020 (£'000)</b>	<b>For year ended 31 October 2019 (£'000)</b>	<b>For year ended 31 October 2018 (£'000)</b>	<b>For six months ended 30 April 2021 (£'000)</b>
Balance as at start of the period	304,877	276,556	361,471	320,970
Profit/(loss) for the period	26,090	38,447	(40,984)	68,724
Dividends paid	(9,997)	(9,660)	(10,083)	(5,171)
Tender offer	—	—	(33,413)	—
Tender offer costs	—	—	(254)	—
Purchase of own ordinary shares	—	(466)	(181)	—
<b>Balance as at end of the period</b>	<b>320,970</b>	<b>304,877</b>	<b>276,556</b>	<b>384,523</b>
<b>Statement of Cash Flows</b>				
	<b>For year ended 31 October 2020 (£'000)</b>	<b>For year ended 31 October 2019 (£'000)</b>	<b>For year ended 31 October 2018 (£'000)</b>	<b>For six months ended 30 April 2021 (£'000)</b>
<b>Operating activities</b>				
Cash inflow from investment income	4,184	4,830	4,908	1,958
Cash outflow from management expenses	(2,305)	(3,243)	(3,407)	(2,269)
Cash inflow from disposal of investments*	93,513	110,609	73,523	71,991
Cash outflow from purchase of investments*	(65,209)	(105,959)	(27,668)	(60,628)
Cash outflow from withholding tax	(183)	(223)	(326)	(125)
<b>Net cash flow from operating activities</b>	<b>30,000</b>	<b>6,014</b>	<b>47,030</b>	<b>10,927</b>
<b>Financing activities</b>				
(Repayment of)/drawdown from bank borrowings	(12,500)	5,000	(5,000)	(15,000)
Proceeds from bank borrowings	—	—	—	12,500
Borrowing commitment fee and interest charges	(212)	(343)	(319)	(112)
Dividend paid	(9,997)	(9,660)	(10,083)	(5,171)
Tender offer and associated costs	—	—	(33,667)	—
Share buybacks	—	(466)	(181)	—
<b>Net cash flow used in financing activities</b>	<b>(22,709)</b>	<b>(5,469)</b>	<b>(49,250)</b>	<b>(7,783)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>7,291</b>	<b>545</b>	<b>(2,220)</b>	<b>3,144</b>
Effect of foreign exchange	(166)	(392)	(157)	(151)
Cash and cash equivalents at start of the period	1,190	1,037	3,414	8,315
<b>Cash and cash equivalents at end of the period</b>	<b>8,315</b>	<b>1,190</b>	<b>1,037</b>	<b>11,308</b>
* Receipts from the disposal and purchase of investments have been classified as components of cash flow from operating activities because they form part of the Company's operating activities.				
ii.	<b>Selected pro forma financial information</b>			
	N/A			
c.	<b>Closed end funds</b>			
i.	<b>Additional information relevant to closed end funds</b>			
	The data set out in the table below is at the date of the latest published net asset value of the Company, being 29 September 2021.			
	<b>Share class</b>	<b>Total NAV (£)</b>	<b>No. of shares</b>	<b>NAV per share (pence)</b>
	Ordinary	371,421,400	45,965,159	808.05
ii.	<b>Statement of comprehensive income for closed end funds</b>			
		<b>For year ended 31 October 2020 (£'000)</b>	<b>For year ended 31 October 2019 (£'000)</b>	<b>For year ended 31 October 2018 (£'000)</b>
	Net profit/(loss)	26,090	38,447	(40,984)
	Investment management fee (accrued/paid)	2,216	2,331	2,515
	Any other material fees (accrued/paid) to service providers	94	158	187



iii.	<b>Statement of financial position for closed end funds</b> This information is set out in boxes b(i) and c(i) above.
d.	<b>What are the key risks that are specific to the issuer?</b>
iv.	<p><b>Risks relating to the Company</b></p> <ul style="list-style-type: none"> <li>The Company has no employees and the Directors have been appointed on a non-executive basis. The Company is therefore reliant upon the performance of third-party service providers for its executive functions and is exposed to the risk that misconduct by employees of those service providers, any failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, or the termination of those appointments could have an adverse effect on the Portfolio and the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares</li> </ul> <p><b>Risks relating to the investment policy</b></p> <ul style="list-style-type: none"> <li>There can be no guarantee that the Company will achieve its investment objective or that investors will get back the full value of their investment.</li> <li>The investments of the Company are subject to the risk of changes in market prices or macroeconomic factors. Any such changes could have an adverse effect on the value of the Portfolio, the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.</li> <li>The Company's NAV is inherently sensitive to the performance of Chinese equity markets which could result in the Company's Shares trading at a discount and consequently being less liquid.</li> <li>The Portfolio will be concentrated in a single country and will therefore be exposed to risks associated with geographical concentration, including being exposed to the fluctuations of a more limited geographical market and fewer currencies than a less concentrated portfolio.</li> <li>The Company is exposed to particular economic, regulatory, political, geopolitical, environmental and taxation risks associated with investments in the People's Republic of China, which could have an adverse effect on the Portfolio, the Company's financial condition, results of operations and prospects were they to materialise, with a consequential adverse effect on the market value of the Shares.</li> <li>The Company is exposed to currency and foreign exchange risk as a result of holding investments denominated in currencies other than Sterling which could have an adverse effect on the Portfolio and the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares.</li> </ul> <p><b>Risks relating to the Investment Manager</b></p> <ul style="list-style-type: none"> <li>The success of the Company is dependent on the AIFM and the Investment Manager and their expertise, key personnel, and ability to source and advise appropriately on investments. As a result of this, the Company's Portfolio, financial condition, results of operations, prospects and the value of the Shares could be adversely affected by: competitive pressures on the AIFM or the Investment Manager's ability to source and make successful investments; any failure by the AIFM or the Investment Manager to carry out due diligence and obtain relevant information on prospective investments; or any loss of key personnel of the AIFM or the Investment Manager and any inability to recruit appropriate replacements in a timely fashion.</li> </ul> <p><b>Risks relating to regulation, taxation and the company's operating environment</b></p> <ul style="list-style-type: none"> <li>The COVID-19 pandemic may adversely affect the performance of Investee Companies due to ongoing macroeconomic and market uncertainty, which may in turn adversely impact the Company's financial performance and prospects and the value of its Portfolio.</li> <li>Changes in the laws or regulations in Guernsey or the UK which govern the Company's and the Investment Manager's operations may have an adverse effect on the ability of the Company and the Investment Manager to carry on their respective businesses and any such changes could have an adverse effect on the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares.</li> </ul>
<b>3.</b>	<b>Key information on the securities</b>
a.	<b>What are the main features of the securities?</b>
i.	<b>Type, class and ISIN of the securities being admitted to trading on a regulated market</b> The Shares being offered under the Issue and the Placing Programme are ordinary shares in the capital of the Company. The ISIN of the Shares is GG00B45L2K95.
ii.	<b>Currency, denomination, par value, number of securities issued and term of the securities</b> The Shares will be denominated in Sterling and will be ordinary shares of £0.01 par value in the capital of the Company. The issue price of the Shares to be issued pursuant to the Issue will be determined on the Calculation Date. The issue price of the Shares which may be issued pursuant to the Placing Programme will be not less than the NAV per Share at the time of issue (plus issue expenses). The Shares have an infinite term.
iii.	<b>Rights attached to the securities</b> <i>Life</i> The Company has been established with an unlimited life but, pursuant to the Articles, an ordinary resolution for the continuation of the Company was required to be proposed at the Company's annual general meeting in 2013 and must be proposed at every fifth annual general meeting thereafter. Conditional on the approval by Shareholders of an amendment to the Articles at the Extraordinary General Meeting, the next annual general meeting at which such a continuation resolution must be proposed will take place in 2027. <i>Variation of rights</i> If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution of the holders of the shares of that class. <i>Dividends</i> The holders of Shares are entitled to such dividends as may be declared by the Company from time to time. Shares held in treasury do not receive dividends.

	<p><i>Distribution of assets on a winding up</i></p> <p>On a winding up, the ordinary shares (excluding treasury shares) shall rank <i>pari passu</i> for the nominal capital paid up thereon and in respect of any surplus.</p> <p><i>Voting rights</i></p> <p>Holders of ordinary shares are entitled to attend, speak and vote at general meetings of the Company. Each ordinary share (excluding shares in treasury) carries one vote. Treasury shares do not carry voting rights.</p>
iv.	<p><b>Relative seniority of the securities</b></p> <p>The Scheme Shares and the Placing Shares are ordinary shares and will, when issued and fully paid, have the same rights as the existing Shares, including in respect of rights to dividends and in respect of a winding up of the Company.</p>
v.	<p><b>Restrictions on free transferability of the securities</b></p> <p>At their absolute discretion, the Directors may refuse to register the transfer of a share in certificated form which is not fully paid provided that, if the share is traded on a regulated market, such refusal does not prevent dealings in the shares from taking place on an open and proper basis. The Directors may also refuse to register a transfer of a share in certificated form unless the instrument of transfer:</p> <ul style="list-style-type: none"> <li>• is lodged, duly stamped, at the registered office of the Company or such other place as the Directors may appoint and is accompanied by the certificate for the share to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and/or the transferee to receive the transfer (including such written certifications in form and substance satisfactory to the Company as the Directors may determine in accordance with applicable law);</li> <li>• is in respect of only one class of share; and</li> <li>• is not in favour of more than four transferees.</li> </ul> <p>The Directors may refuse to register a transfer of a share in uncertificated form to a person who is to hold it thereafter in certificated form in any case where the Company is entitled to refuse (or is excepted from the requirement) under the Uncertificated Securities (Guernsey) Regulations, 2009 (as amended from time to time) to register the transfer.</p>
vi.	<p><b>Dividend policy</b></p> <p>The Company's intention is to achieve its results primarily through capital appreciation. As such, no specific dividend policy has been established and any distributions will be made as required to maintain the Company's intended status as an investment trust under UK tax legislation and otherwise entirely at the discretion of the Board, subject to compliance with the solvency test prescribed by Guernsey law.</p>
b.	<p><b>Where will the securities be traded?</b></p>
i.	<p>The Shares will be admitted to listing on the premium listing category of the Official List and to trading on the Main Market.</p>
c.	<p><b>What are the key risks that are specific to the securities?</b></p>
i.	<p><b>Risks relating to an investment in the Shares</b></p> <ul style="list-style-type: none"> <li>• It may be difficult for Shareholders to realise their investment as there may not be a liquid market in the Shares, and Shareholders have no right to have their Shares redeemed or repurchased by the Company. In particular, the Company's free float is presently calculated at approximately 16 per cent. of the Shares and is therefore below the usual minimum level of 25 per cent under the Listing Rules. Whilst the Proposals may result in an improvement in the Company's free float and the FCA has agreed to modify the relevant Listing Rule for an initial period to 6 March 2022, there can be no guarantee that the Proposals will have such an effect or that the FCA will extend its modification beyond such date.</li> <li>• Investors may not recover the full amount of their investment in the Shares.</li> <li>• The Shares may trade at a discount to Net Asset Value and the price that can be realised for Shares will be subject to market fluctuations.</li> </ul>
4.	<p><b>Key information on the admission to trading on a regulated market</b></p>
a.	<p><b>Under which conditions and timetable can I invest in this security?</b></p>
i.	<p><b>General terms and conditions</b></p> <p>The Scheme Shares being issued pursuant to the Issue are only available to ANW Shareholders, pursuant to the terms of a scheme of reconstruction of ANW under section 110 of the Insolvency Act 1986.</p> <p>The Issue is conditional, <i>inter alia</i>, on:</p> <ul style="list-style-type: none"> <li>• adoption of the New Investment Policy at the Extraordinary General Meeting of the Company;</li> <li>• passing of the resolutions to approve the Scheme at the general meetings of ANW Shareholders and the Scheme becoming unconditional;</li> <li>• the directors of ANW resolving to proceed with the Scheme; and</li> <li>• admission of the Scheme Shares to the Official List with a Premium Listing and to the Main Market of the London Stock Exchange.</li> </ul> <p>Each Placing is conditional, <i>inter alia</i>, on:</p> <ul style="list-style-type: none"> <li>• the Placing Agreement not having been terminated on or before the date of the relevant Placing and having become unconditional (save for any condition relating to the relevant Subsequent Admission);</li> <li>• the relevant Subsequent Admission occurring and becoming effective by no later than 8:00 a.m. (London time) on such date as the Company and the Placing Agent agree, not being later than the Final Closing Date; and</li> <li>• a valid supplementary prospectus being published by the Company if such is required by the Prospectus Regulation Rules.</li> </ul>

ii.	<p><b>Expected timetable</b></p> <p><b>Scheme</b></p> <table border="0"> <tr> <td>Publication of this Prospectus</td> <td style="text-align: right;">4 October 2021</td> </tr> <tr> <td>First ANW General Meeting</td> <td style="text-align: right;">10 a.m. on 26 October 2021</td> </tr> <tr> <td>Extraordinary General Meeting of the Company</td> <td style="text-align: right;">2 p.m. on 26 October 2021</td> </tr> <tr> <td>Record date for entitlements under the Scheme</td> <td style="text-align: right;">6 p.m. on 4 November 2021</td> </tr> <tr> <td>Calculation date for the Scheme</td> <td style="text-align: right;">Close of business on 4 November 2021</td> </tr> <tr> <td>Second ANW General Meeting</td> <td style="text-align: right;">10 a.m. on 9 November 2021</td> </tr> <tr> <td>Announcement of results of Scheme and respective FAVs per share</td> <td style="text-align: right;">9 November 2021</td> </tr> <tr> <td>Admission and dealings in Scheme Shares commence</td> <td style="text-align: right;">8 a.m. on 10 November 2021</td> </tr> <tr> <td>CREST accounts credited to ANW Shareholders in respect of Scheme Shares in uncertificated form</td> <td style="text-align: right;">8 a.m. on 10 November 2021</td> </tr> <tr> <td>Certificates despatched by post in respect of Scheme Shares</td> <td style="text-align: right;">week commencing 15 November 2021</td> </tr> </table> <p><b>Placing Programme</b></p> <table border="0"> <tr> <td>Publication of this Prospectus</td> <td style="text-align: right;">4 October 2021</td> </tr> <tr> <td>Publication of Placing Price in respect of each Placing</td> <td style="text-align: right;">as soon as practicable following the closing of each Placing</td> </tr> <tr> <td>Subsequent Admission and crediting of CREST accounts in respect of each Placing</td> <td style="text-align: right;">as soon as practicable following the closing of each Placing</td> </tr> <tr> <td>Share certificates in respect of Placing Shares issued pursuant to the relevant Placing despatched (if applicable)</td> <td style="text-align: right;">as soon as practicable following any Subsequent Admission</td> </tr> <tr> <td>Last date for Placing Shares to be issued pursuant to the Placing Programme</td> <td style="text-align: right;">3 October 2022</td> </tr> </table> <p>References to times are to London times unless otherwise stated. Any changes to the expected timetable set out above will be notified to the market by the Company via an RIS announcement.</p>	Publication of this Prospectus	4 October 2021	First ANW General Meeting	10 a.m. on 26 October 2021	Extraordinary General Meeting of the Company	2 p.m. on 26 October 2021	Record date for entitlements under the Scheme	6 p.m. on 4 November 2021	Calculation date for the Scheme	Close of business on 4 November 2021	Second ANW General Meeting	10 a.m. on 9 November 2021	Announcement of results of Scheme and respective FAVs per share	9 November 2021	Admission and dealings in Scheme Shares commence	8 a.m. on 10 November 2021	CREST accounts credited to ANW Shareholders in respect of Scheme Shares in uncertificated form	8 a.m. on 10 November 2021	Certificates despatched by post in respect of Scheme Shares	week commencing 15 November 2021	Publication of this Prospectus	4 October 2021	Publication of Placing Price in respect of each Placing	as soon as practicable following the closing of each Placing	Subsequent Admission and crediting of CREST accounts in respect of each Placing	as soon as practicable following the closing of each Placing	Share certificates in respect of Placing Shares issued pursuant to the relevant Placing despatched (if applicable)	as soon as practicable following any Subsequent Admission	Last date for Placing Shares to be issued pursuant to the Placing Programme	3 October 2022
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Share certificates in respect of Placing Shares issued pursuant to the relevant Placing despatched (if applicable)	as soon as practicable following any Subsequent Admission																														
Last date for Placing Shares to be issued pursuant to the Placing Programme	3 October 2022																														
iii.	<p><b>Details of admission to trading on a regulated market</b></p> <p>The Shares are currently listed on the premium listing category of the Official List of the FCA and traded on the London Stock Exchange's main market for listed securities. Applications will be made for: (i) the Scheme Shares to be issued pursuant to the Scheme; and (ii) any Placing Shares to be issued pursuant to the Placing Programme, to be admitted to listing on the premium listing category of the Official List and to trading on the Main Market.</p>																														
iv.	<p><b>Plan for distribution</b></p> <p>The Company will notify ANW Shareholders of the number of Scheme Shares to which each ANW Shareholder is entitled and the results of the Issue will be announced by the Company on or around 9 November 2021 via an RIS announcement. It is expected that Admission will become effective and that unconditional dealings in the Scheme Shares issued pursuant to the Issue will commence at 8.00 a.m. on 10 November 2021.</p>																														
v.	<p><b>Amount and percentage of immediate dilution resulting from the Issue</b></p> <p>If 7,643,782 Scheme Shares were to be issued pursuant to the Issue then, based on the issued share capital at the date of this Prospectus, and assuming that an existing Shareholder did not participate in the Issue, an investor holding 1 per cent. of the Company's issued share capital at the date of this Prospectus and who participates pro rata in the Tender Offer would then hold 0.84 per cent. of the Company's issued share capital following the Issue.</p> <p><b>Dilution in connection with the Placing Programme</b></p> <p>If 25 million Placing Shares were to be issued pursuant to Placings, being the target number of Placing Shares that the Directors intend to issue under the Placing Programme (and assuming: (i) 7,643,782 Scheme Shares were issued pursuant to the Scheme; (ii) no other Shares had been issued other than the Scheme Shares and the Placing Shares; (iii) the relevant investor did not participate in any Placings; and (iv) the Tender Offer is fully taken up), an investor holding 1 per cent. of the Enlarged Company's issued share capital after the Issue would then hold 0.65 per cent. of the Enlarged Company's issued share capital following completion of all the Placings.</p>																														
vi.	<p><b>Estimate of the total expenses of the Issue and the Placing Programme</b></p> <p>The costs and expenses of the Issue are not expected to exceed £0.9 million. The AIFM has agreed to make a contribution to the costs of the Issue by means of a waiver of the Management Fee otherwise payable by the Company to the AIFM for the first six months following the completion of the Scheme. Any surplus costs will be covered by the Company from its existing resources.</p> <p>The Directors expect that the total costs and expense of the Placing Programme will not exceed 0.85 per cent. of the aggregate gross proceeds of the Placing Programme.</p>																														
vii.	<p><b>Estimated expenses charged to the investor</b></p> <p>No expenses will be charged directly to investors by the Company in connection with the Issue, Admission, the Placing Programme or any Subsequent Admission.</p>																														
b.	<p><b>Why is this prospectus being produced?</b></p>																														
i.	<p><b>Reasons for the Issue and the Placing Programme</b></p> <p>The Scheme Shares are being issued to ANW Shareholders in connection with the recommended proposals to merge the Company and ANW, pursuant to a scheme of reconstruction of ANW under section 110 of the Insolvency Act 1986.</p>																														

	Placings under the Placing Programme will be undertaken strategically at the Board's discretion in order to grow the Enlarged Company and raise proceeds for investments in accordance with the New Investment Policy.
ii.	<p><b><i>The use and estimated net amount of the proceeds</i></b></p> <p>The Scheme Shares are being issued to ANW Shareholders in consideration for the transfer of the Rollover Pool to the Company. The Rollover Pool will consist of investments aligned with the New Investment Policy, cash and cash equivalents. Any cash in the Rollover Pool and any proceeds of the realisation of cash equivalents in the Rollover Pool will be used to acquire investments in accordance with the New Investment Policy.</p> <p>The net cash proceeds of any Placings under the Placing Programme will be used to acquire investments in accordance with the New Investment Policy. The amount of any such net proceeds is not known as at the date of this Prospectus.</p>
iii.	<p><b><i>Underwriting</i></b></p> <p>Neither the Issue nor the Placing Programme will be underwritten.</p>
iv.	<p><b><i>Material conflicts of interest</i></b></p> <p>There are no conflicts of interests that are material to the Issue, the Placing Programme or the Admission.</p>

## RISK FACTORS

An investment in the Shares carries a number of risks including the risk that the entire investment may be lost. In addition to all other information set out in this Prospectus, the following specific factors should be considered when deciding whether to make an investment in the Shares. The risks set out below are those which are considered to be the material risks relating to an investment in the Shares but are not the only risks relating to the Shares or the Company. No assurance can be given that the Shareholders will realise profit on, or recover the value of, their investment in the Shares, or that the Company will achieve any of its target returns. It should be remembered that the price of securities and the income from them can go down as well as up.

The success of the Company will depend on the ability of the Investment Manager to pursue the investment policy of the Company successfully and on broader market conditions and the risk factors set out below in this section.

Additional risks and uncertainties of which the Company is presently unaware or that the Company currently believes are immaterial may also adversely affect its business, financial condition, results of operations and the value of the Shares.

Prospective investors should note that the risks relating to the Company, its investment policy and strategy and the Shares summarised in the section of this Prospectus headed “*Summary*” are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Prospectus headed “*Summary*” but also, among other things, the risks and uncertainties described in this “*Risk Factors*” section of this Prospectus. Additional risks and uncertainties not currently known to the Company or the Directors or that the Company or the Directors consider to be immaterial as at the date of this Prospectus may also have a material adverse effect on the Company’s financial condition, business, prospects and results of operations and, consequently, the Company’s NAV and/or the market price of the Shares.

Potential investors in the Shares should review this Prospectus carefully and in its entirety and consult with their professional advisers before purchasing Shares.

### RISKS RELATING TO THE COMPANY

***The Company has no employees and is reliant on the performance of third-party service providers***

The Company has no employees and the Directors have been appointed on a non-executive basis. Whilst the Company has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third-party service providers for its executive functions. In particular, the Investment Manager, the Registrar, the Administrator and the Depositary will be performing services which are integral to the operation of the Company. Misconduct by employees of those service providers, any failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, or the termination of those appointments could have an adverse effect on the Portfolio and the Company’s financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares.

### RISKS RELATING TO THE INVESTMENT POLICY

***There can be no guarantee that the Company will achieve its investment objective or that investors will get back the full value of their investment***

The success of the Company is dependent on the continued ability of the Investment Manager to pursue the Company’s investment policy successfully and on broader market conditions as discussed elsewhere in this Prospectus. There can be no assurance that the Investment Manager will continue to be successful in pursuing the Company’s investment policy or that the Investment Manager will be able to invest the Company’s assets on attractive terms, generate any investment

returns for the Company's investors, pay a dividend or avoid investment losses. In addition, the success of the Company will depend on the performance of the Chinese stock and securities market and the Chinese economy more broadly.

The investment objective of the Company is a target only and should not be treated as an assurance or guarantee of performance. There is no assurance that any appreciation in the value of the Shares will occur or that the investment objective of the Company will be achieved. This could have an adverse effect on the Portfolio and the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares.

***The investments of the Company are subject to the risk of changes in market prices or macroeconomic factors***

The Company is at risk from the failure of the entire investment strategy followed by the Investment Manager resulting from changes in market prices or macroeconomic factors. While the Company will hold a diversified portfolio, there are certain general market conditions in which any investment strategy is unlikely to be profitable. The Investment Manager does not have the ability to control or predict such market conditions.

The performance of the Company's investments depends to a great extent on correct assessments of the future course of market price movements and economic cycles. There can be no assurance that the Investment Manager will be able to predict accurately these price movements or cycles. The global financial markets have in recent years been characterised by great volatility and unpredictability.

General economic and market conditions, such as currency exchange rates, interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls and national and international political circumstances may affect the price level, volatility and liquidity of securities and result in losses for the Company. This could have an adverse effect on the value of the Portfolio, the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.

This risk may be increased due to the concentration of the Portfolio in particular sectors or industries. For more information, please also see the risk factor entitled "*The Company's investments may be adversely affected by poor performance of a particular sector or industry*" below.

***The Company's NAV is inherently sensitive to the performance of Chinese equity markets and volatility in the Company's NAV could cause the Company's Shares to trade at a discount, which may reduce their liquidity***

Given that the Company invests predominantly in listed or quoted securities, the Company's NAV is inherently sensitive to the performance of Chinese equity markets. If Chinese capital markets experience volatility and disruption, the Company's NAV could also become volatile and it is likely that the Company's Shares will trade at a discount to the Company's NAV. In any event, although the Company has the ability to provide liquidity in the form of share buybacks, trading at a discount to the Company's NAV could make the Company's Shares less liquid and more difficult to sell.

***Risks associated with geographical concentration***

Pursuant to the New Investment Policy, the Company will invest in companies listed, incorporated or domiciled in the People's Republic of China (the "PRC"), or companies that derive a significant proportion of their revenues or profits from China operations or have a significant proportion of their assets there. Having a portfolio which is concentrated in a single country is generally considered to be a higher risk investment strategy than investing more widely, as it exposes the investor to the fluctuations of a limited geographical market and fewer currencies. Any adverse effect on the relevant markets and/or the value of the relevant currencies could have an adverse effect on the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares.

***Economic and regulatory risks associated with investments in the People's Republic of China***

Pursuant to the New Investment Policy, the Company will make investments in securities and instruments that are economically tied to the PRC. Such investment may be made through various

available market access programmes including, but not limited to, PRC Qualified Foreign Institutional Investor (“QFII”) programme and/or the Renminbi Qualified Foreign Institutional Investor (“RQFII”) programme.

The risks of investing in the PRC include (without limitation): (a) inefficiencies resulting from erratic growth; (b) the unavailability of consistently reliable economic data; (c) potentially high rates of inflation; (d) dependence on exports and international trade; (e) relatively high levels of asset price volatility; (f) potential shortage of liquidity and limited accessibility by foreign investors; (g) greater competition from regional economies; (h) fluctuations in currency exchange rates or currency devaluation by the PRC government or central bank, particularly in light of the relative lack of currency hedging instruments and controls on the ability to exchange local currency for Sterling; (i) the relatively small size and absence of operating history of many PRC companies; (j) the developing nature of the legal and regulatory framework for securities markets, custody arrangements and commerce; (k) uncertainty and potential changes with respect to the rules and regulations of the QFII / RQFII programme and other market access programmes through which such investments are made; (l) the commitment of the PRC government to continue with its economic reforms; (m) Chinese regulators may suspend trading in Chinese issuers (or permit such issuers to suspend trading) during market disruptions, and that such suspensions may be widespread; (n) different regulatory and audit requirements related to the quality of financial statements of Chinese issuers; (o) limitations on the ability to inspect the quality of audits performed in China, particularly the lack of access to inspect accounting firms in China; (p) limitations on the ability of outside authorities to enforce actions against companies and persons operating in China; and (q) limitations on the rights and remedies of investors as a matter of law.

The Company may have exposure to a number of companies with all or part of their business in variable interest entity (“VIE”) structures in China. A VIE structure facilitates foreign investment in sectors of the Chinese domestic economy which prohibit foreign ownership. The essential purpose of the VIE structure is to convey the economic benefits and operational control of ownership without direct equity ownership itself. As these entities have a controlling interest that is not based on the majority of voting rights, there is a risk of investors being unable to enforce their ownership rights in certain circumstances. In addition, investment through a VIE structure carries the risk of the structure being deemed tax resident in China such that the worldwide income of the VIE becomes subject to Chinese enterprise income tax, and of the Chinese government enforcing the prohibition on VIE structures.

In addition, there also exists control on foreign investment in the PRC and limitations on repatriation of invested capital. Under the QFII / RQFII programme, there are certain regulatory restrictions particularly on aspects including (without limitation to) investment scope, repatriation of funds, foreign shareholding limit and account structure. Although the relevant QFII / RQFII regulations have recently been revised to relax regulatory restrictions on onshore capital management by QFII / RQFII (including removing investment quota limits and simplifying the process for repatriation of investment proceeds), it is a very new development and therefore subject to uncertainties as to whether and how it will be implemented in practice, especially at this early stage. As a result of PRC regulatory requirements, the Company may be limited in its ability to invest in securities or instruments tied to the PRC and/or may be required to liquidate its holdings in securities or instruments tied to the PRC. Under certain instances such as when the price of the securities is at a low level, the involuntary liquidations may result in losses for the Company. In addition, securities exchanges in the PRC typically have the right to suspend or limit trading in any security traded on the relevant exchange. The PRC government or relevant PRC regulators may also implement policies that may adversely affect the PRC financial markets. Such suspensions, limitations or policies may have a negative impact on the performance of the Company’s investments.

### ***Political, geopolitical and environmental risks associated with investments in the People’s Republic of China***

Although the PRC has experienced a relatively stable political environment in recent years, there is no guarantee that such stability will be maintained in the future or that existing geopolitical tensions, including between China and the US, will not increase. The Company may be precluded from investing in certain Chinese issuers due to compliance with US sanctions or other investment restrictions that may be introduced from time to time, such as the list of Chinese Military-Industrial Complex Companies (“CMICs”) issued by executive order of President Biden on 3 June 2021. There is a risk that such sanctions or restrictions will be extended to further issuers and therefore that the

Company may, in order to ensure its compliance, be obliged to sell investments in Chinese issuers at a disadvantageous time.

The PRC is ruled by the Communist Party. Investments in the PRC are subject to risks associated with greater governmental control over and involvement in the economy. Unlike in the United States, the PRC's currency is not determined by the market, but is instead managed at artificial levels relative to the US Dollar. This type of system can lead to sudden and large adjustments in the currency, which, in turn, can have a disruptive and negative effect on foreign investors. The PRC also may restrict the free conversion of its currency into foreign currencies, including the US Dollar. Currency repatriation restrictions may have the effect of making securities and instruments tied to the PRC relatively illiquid, particularly in connection with redemption requests (where relevant). In addition, the government of the PRC exercises significant control over economic growth through direct and heavy involvement in resource allocation and monetary policy, control over payment of foreign currency denominated obligations and provision of preferential treatment to particular industries and/or companies. Economic reform programmes in the PRC have contributed to growth, but there is no guarantee that such reforms will continue.

The PRC has historically been prone to natural disasters such as droughts, floods, earthquakes and tsunamis, and the region's economy may be affected by such environmental events in the future. Any investment by the Company in the PRC is, therefore, subject to the risk of such events. In addition, the relationship between the PRC and Taiwan is particularly sensitive, and hostilities between the PRC and Taiwan may present a risk to the Company's investments in the PRC.

Crystallisation of any of these risks could have an adverse effect on the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares.

#### ***Taxation risks associated with investments in the People's Republic of China***

Tax laws in the PRC are burdensome to private enterprises and individuals. The Company may be subject to income tax or other tax in the PRC. New tax laws, possibly with retroactive effect, may be enacted in the PRC. Changes to taxation treaties (or their interpretation) may adversely affect the Company's ability to efficiently realise income or capital gains. Consequently, it is possible that the Company may face unfavourable tax treatment in the PRC, which may materially adversely affect the value of the Company's investments.

The use of intermediate holding companies may be challenged by the PRC tax authorities under anti-avoidance rules. The State Administration of Taxation has introduced a series of regulations on the PRC tax treatment of an indirect transfer of assets by a non-resident intermediate holding company. In particular, under Bulletin 7 issued on 3 February 2015, when a non-resident enterprise engages in an indirect transfer of Chinese taxable assets through an arrangement that does not have a *bona fide* commercial purpose in order to avoid paying PRC Enterprise Income Tax, the transfer should be re-characterised as a direct transfer of the Chinese assets.

Because the rules governing taxation of investments in securities and instruments economically tied to the PRC are not always clear, the Company may provide for capital gains taxes if it invests in such securities and instruments by reserving both realised and unrealised gains from disposing or holding securities and instruments economically tied to the PRC. This approach is based on current market practice and the Investment Manager's understanding of the applicable tax rules. Changes in market practice or understanding of the applicable tax rules may result in the amounts reserved being too great or too small relative to actual tax burdens.

Crystallisation of any of these risks could have an adverse effect on the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares.

#### ***Currency and foreign exchange risk***

The Company has and may in the future have further investments denominated in currencies other than Sterling. The Company therefore is and will continue to be exposed to foreign exchange risk. Changes in the rates of exchange between Sterling and any currency will cause the value of any investment denominated in that currency, and any income arising out of the relevant investment, to go down or up in Sterling terms. The Company may enter into hedging transactions to mitigate its exposure to fluctuations in foreign exchange rates. However, such currency exposure could have an



adverse effect on the Portfolio and the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares.

***The due diligence process that the Investment Manager undertakes in evaluating the Company's investments may not reveal all facts that may be relevant in connection with such investments***

Before making investments, the Investment Manager conducts such due diligence as it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. There can be no assurance that due diligence investigations with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating that investment opportunity.

Any failure by the Investment Manager to identify relevant facts through the due diligence process may lead to inappropriate investment decisions being made, or investments being made at a higher value than their fair value, which could have an adverse effect on the value of the Portfolio, the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the returns to Shareholders and the market value of the Shares.

***The Company is subject to risks associated with any hedging or derivative transactions in which it participates***

The Company may engage in derivative transactions in limited circumstances for the purposes of efficient portfolio management. Derivative instruments in which the Company may invest may include foreign exchange forwards, exchange-listed and over-the-counter options, futures, options on futures, swaps and similar instruments. Derivative transactions may be volatile and involve various risks different from, and in certain cases, greater than the risks presented by other instruments. The primary risks related to derivative transactions include counterparty, correlation, illiquidity, leverage, volatility and OTC trading risks.

Counterparty risk is the risk that a counterparty in a derivative transaction will not fulfil its contractual or financial obligations to the Company or the risk that the reference entity in a swap or similar derivative will not fulfil its contractual or financial obligations. Correlation risk is the risk that an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the Company from achieving the intended hedging effect or expose the Company to the risk of loss. Liquidity risk is the risk that derivative transactions may not be liquid in all circumstances, such that in volatile markets it may not be possible to close out a position without incurring a loss. Volatility risk is the risk resulting from the fact that the prices of many derivative instruments, including many options and swaps, are highly volatile, due to being influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, and national and international political and economic events and policies, as well as (in the case of options and swaps agreements) the price of the securities or currencies underlying the relevant derivative agreement.

A small investment in derivatives could have a large potential impact on the Company's performance, effecting a form of investment leverage on the Portfolio. In certain types of derivative transactions, the entire amount of the investment could be lost. In other types of derivative transactions, the potential loss is theoretically unlimited.

***The Company may invest in securities, including debt securities or equities, which rank behind other outstanding securities and obligations of the issuer***

The Company may invest in securities, including debt securities or equities, which rank behind other outstanding securities and obligations of the issuer, all or a significant proportion of which may be secured on substantially all of that issuer's assets. The Company may, therefore, be subject to credit and liquidity risk in relation to such investments.

In the event of the liquidation of an issuer, holders of listed securities would typically be paid after the holders of other securities. To the extent that the Company holds equity securities, it would typically be paid in respect of such equity securities after holders of debt securities have been paid. Consequently, there is no guarantee that the Company would receive any value for its holdings of an issuer's listed securities if the issuer were to go into liquidation. This could have a significant adverse effect on the value of the Portfolio, the Company's financial condition, results of operations

and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.

***The Company's investments may be adversely affected by poor performance of a particular sector or industry***

The Company's investments are intended to be diversified by sector and industry. The diversification of its investments is intended to mitigate the Company's exposure to adverse events associated with specific investments and sectors. The Company's returns may, however, still be adversely affected by the unfavourable performance of particular sectors or industries if they affect the performance or prospects of Investee Companies. This adverse effect may be amplified if more Investee Companies are in, or connected to, the affected sector or industry (in other words, if the Portfolio has a greater concentration of investments in any affected sector or industry). This could have an adverse effect on the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares.

***The Company's investment strategy may involve the use of leverage, which exposes the Company to risks associated with borrowings***

Pursuant to its investment policy, the Company may borrow an aggregate amount equivalent to 20 per cent. of the then gross asset value, calculated at the time of drawdown. The Company will pay interest on any borrowing it incurs. As such, the Company may be exposed to interest rate risk due to fluctuations in the prevailing market rates.

While leverage presents opportunities for increasing total returns, it can also have the opposite effect of increasing losses. If income and capital appreciation on investments made with borrowed funds are less than the costs of the leverage, the Net Asset Value of the Company will decrease. The effect of the use of leverage is to increase the investment exposure, the result of which is that, in a market that moves adversely, the possible resulting loss to investors' capital would be greater than if leverage were not used.

Leverage may be generated through the use of options, futures, options on futures, swaps and other synthetic or derivative financial instruments. Such financial instruments inherently contain much greater leverage than a non-margined purchase of the underlying security or instrument. This is due to the fact that, generally, only a very small portion (and in some cases none) of the value of the underlying security or instrument is required to be paid in order to make such leveraged investments. As a result of any leverage employed by the Company, small changes in the value of the underlying assets may cause a relatively large change in the Net Asset Value of the Company. Many such financial instruments are subject to variation or other interim margin requirements, which may force the premature liquidation of investment positions. This could have an adverse effect on the value of the Portfolio, the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.

***The Company may be exposed to market risks, principally equity securities price risk, as a result of its equity investments in Private Investee Companies that subsequently become Public Investee Companies***

The Company may be exposed to market risks, principally in the form of equity securities price risk, including as a result of investments in Private Investee Companies that the Company continues to hold after the relevant Investee Companies become admitted to trading on a public stock exchange.

The market value of the Company's holdings in Public Investee Companies could be affected by a number of factors including, but not limited to: a change in sentiment in the market regarding the Public Investee Companies; the market's appetite for specific asset classes; and the financial or operational performance of the Public Investee Companies, which may be driven by, amongst other things, the cyclicity of some of the sectors in which some or all of the Public Investee Companies operate.

Equity prices and returns from investing in equity markets are sensitive to various factors including but not limited to: expectations of future dividends and profits; economic growth; exchange rates; interest rates; and inflation. The value of any investment in equity markets is therefore volatile and it is possible, even when an investment has been held for a long time, that an investor may not get back the sum invested. Any adverse effect on the value of any equities in which the Company invests from time to time could have an adverse effect on the Portfolio and on the Company's

financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares.

***The Company may make short term investments in Unquoted Companies which are not and will not be liquid, which may limit its ability to realise investments at short notice, at a fair value or at all***

The Company may make investments in Unquoted Companies where the Investment Manager has a reasonable expectation that such companies will seek a listing in the near future. Investments in Unquoted Companies are highly illiquid and have no public market. There may not be a secondary market for interests in Unquoted Companies and such illiquidity may affect the Company's ability to vary its Portfolio or dispose of or liquidate part of its Portfolio, in a timely fashion (or at all) and at satisfactory prices in response to changes in economic or other conditions. If the Company were required to dispose of or liquidate an investment on unsatisfactory terms, it may realise less than the value at which the investment was previously recorded, which could result in a decrease in Net Asset Value. This could have an adverse effect on the Portfolio and the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares.

Furthermore, there may be restrictions on the transfer of interests in Unquoted Companies that mean that the Company will not be able to freely transfer its interests. For instance, the sale or transfer of interests in Unquoted Companies is normally subject to the consent or approval of the issuer or (other) holders of the relevant interests and obtaining such consent or approval cannot be guaranteed. Contractual restrictions on transfer may exist in shareholder agreements or the issuer's constitutional documents. Accordingly, if the Company were to seek to exit from any of its investments in Unquoted Companies while they remain private, the sale or transfer of the interests in those Unquoted Companies may be subject to delays or additional costs or may not be possible at all. This could have an adverse effect on the Portfolio and the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares.

#### **RISKS RELATING TO THE AIFM AND THE INVESTMENT MANAGER**

***The success of the Company is dependent on the AIFM and the Investment Manager and their expertise, key personnel, and ability to source and advise appropriately on investments***

In accordance with the Management Agreement, the AIFM is solely responsible for the management of the Company's investments, with the AIFM delegating its portfolio management responsibilities to the Investment Manager. The Company does not have any employees and its Directors are appointed on a non-executive basis. All of its investment and asset management decisions are in the ordinary course made by the AIFM and the Investment Manager (and any of their delegates) and not by the Company. The Investment Manager is not required to and generally does not submit individual investment decisions for approval to the Board. The Company is therefore reliant upon, and its success depends on, the AIFM and the Investment Manager and their personnel, services and resources.

Returns on Shareholders' investments in Shares will depend upon the AIFM's and the Investment Manager's ability to source and make successful investments on behalf of the Company in the face of competition from other entities seeking to invest in investment opportunities identified for the Company. Those entities may be more established or have greater financial, technical or other resources than the Company. Competition can create significant upward pressure on pricing, thereby reducing the potential investment returns. Competition may also limit the AIFM's and the Investment Manager's negotiating position and access to information. These competitive pressures may prevent the AIFM and the Investment Manager from identifying investments that are consistent with the Company's investment objectives or that generate attractive returns for Shareholders or from matching future investment prices, structures and terms offered by competitors. There is no guarantee that competitive pressures will not have a material adverse effect on the Company's financial position and returns for investors.

Many of the AIFM's and the Investment Manager's investment decisions will depend upon the ability of their employees and agents to carry out due diligence and obtain relevant information. There can be no guarantee that such information will be available or that the AIFM and the Investment Manager and their employees and agents will be able to obtain it. The AIFM and the Investment

Manager may be required to make investment decisions without complete information, or in reliance upon information provided by third parties that is impossible or impracticable to fully verify. Further, the AIFM and the Investment Manager may not conduct due diligence which is wide enough in scope to reveal the potential risks of a particular investment. There can be no assurance that the AIFM and the Investment Manager will correctly identify and evaluate the nature and magnitude of the various factors that could affect the value of and return on the Company's investments. Any failure by the AIFM and the Investment Manager to perform effective due diligence on potential investments may adversely affect the investment returns expected from a particular investment.

Further, the ability of the Company to pursue its investment policy successfully depends on the continued service of key personnel of the AIFM and the Investment Manager, and/or the AIFM's and the Investment Manager's ability to recruit individuals of similar experience and calibre. Whilst the AIFM and the Investment Manager seek to ensure that the principal members of its management teams are suitably incentivised, the retention of key members of those teams cannot be guaranteed. There is no guarantee that, following the death, disability or departure from the AIFM or the Investment Manager of any key personnel, the AIFM or the Investment Manager would be able to recruit a suitable replacement or avoid any delay in doing so. The loss of key personnel and any inability to recruit an appropriate replacement in a timely fashion could have an adverse effect on the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares.

***There can be no assurance that the Board would be able to find a replacement AIFM or investment manager if the AIFM or the Investment Manager were to resign or the Management Agreement were to be terminated***

Under the terms of the Management Agreement, the AIFM may resign as the Company's manager by giving the Company not less than six months' written notice. Further, the Management Agreement may be terminated immediately upon notice by the AIFM or by the Company in certain circumstances.

The Board would, in such circumstances, have to find a replacement AIFM and/or investment manager for the Company. There can be no assurance that a replacement with the necessary skills and experience would be available and could be appointed on terms acceptable to the Company. If the Management Agreement is terminated and a suitable replacement is not secured in a timely manner, this could have an adverse effect on the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares.

***The past performance of investments made by the AIFM and the Investment Manager is not a guarantee or an indication of the future performance of the Company***

The information contained in this Prospectus relating to the prior performance of investments made by the AIFM and the Investment Manager on behalf of the Company is being provided for illustrative purposes only and is not indicative of the likely performance of the Company. As the Board intends to adopt the New Investment Policy, the relevance of information in this Prospectus relating to the Company's historic performance to the Company's future performance is low as there is not expected to be any continuity between the current and future investment portfolios. In considering the prior performance information contained in this Prospectus, prospective investors should bear in mind the proposed adoption of the New Investment Policy, that past performance is not necessarily indicative of future results and there can be no assurance that the Company will achieve comparable results or be able to avoid losses.

***Operational risks may disrupt the AIFM's and the Investment Manager's businesses, result in losses or limit the Company's growth***

The Company relies heavily on the financial, accounting and other data processing systems of the AIFM and the Investment Manager. If any of these systems do not operate properly or are disabled, the Company could suffer financial loss or reputational damage. A disaster or a disruption in the infrastructure that supports the Company, or a disruption involving electronic communications or other services used by the AIFM or the Investment Manager or third parties with whom the Company conducts business, could have a material adverse impact on the ability of the Company to continue to operate its business without interruption. The disaster recovery programmes used by the AIFM or the Investment Manager or third parties with whom the Company conducts business

may not be sufficient to mitigate the harm that may result from such disaster or disruption. As such, this may have an adverse effect on the value of the Portfolio, the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the returns to Shareholders and the market value of the Shares.

***The AIFM's and the Investment Manager's information and technology systems may be vulnerable to cyber security breaches***

The AIFM's and the Investment Manager's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorised persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the AIFM and the Investment Manager have implemented various measures to manage risks relating to these types of events, if the AIFM's and/or the Investment Manager's information and technology systems are compromised, become inoperable for extended periods of time or cease to function properly, the AIFM and/or the Investment Manager may have to make a significant investment to fix or replace them. The failure for any reason of these systems and/or of disaster recovery plans could cause significant interruptions in the AIFM's and/or the Investment Manager's and/or the Company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors. Such a failure could harm the AIFM's and/or the Investment Manager's and/or the Company's reputation, subject any such entity and their respective Affiliates to legal claims and otherwise affect their business and financial performance. This could have an adverse effect on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares.

***Reputational risks, including those arising from litigation against the AIFM, the Investment Manager or the Company, may disrupt the Company's investment strategy and growth***

The Company may be exposed to reputational risks, including from time to time the risk that litigation, misconduct, operational failures, negative publicity and press speculation (whether or not valid) may harm the reputation of the AIFM, the Investment Manager or the Company. If the AIFM, the Investment Manager or the Company is named as a party to litigation or becomes involved in regulatory inquiries, this could cause substantial reputational damage to the AIFM, the Investment Manager and the Company and result in potential counterparties, target companies and other third parties being unwilling to deal with the AIFM, the Investment Manager and/or the Company. Damage to the reputation of the AIFM, the Investment Manager and/or the Company may disrupt the Company's investment strategy, business or potential growth, which could have an adverse effect on the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares.

**RISKS RELATING TO REGULATION, TAXATION AND THE COMPANY'S OPERATING ENVIRONMENT**

***The Company will be subject to various political, economic and other risks***

The Company is subject to various macro political and economic risks incidental to investing. Political, economic, military and other events around the world may impact the economic conditions in which the Company operates, by, for example, causing currency devaluation; causing exchange rate fluctuations (particularly where the Company generates revenue in a currency other than Sterling); interest rate changes; heightened competition; tax disadvantages; inflation; reduced economic growth or recession, each of which may affect the availability of opportunities for the Company to make investments. Such events are not in the control of the Company and may impact the Company's performance.

Investors should be aware that if any of these risks materialise, they could have an adverse effect on the value of the Company's Portfolio, financial condition, results of operations and prospects, with a consequential adverse effect on the returns to Shareholders and the market value of the Shares.

***The COVID-19 pandemic may adversely affect the performance of Investee Companies which may in turn adversely impact the Company's financial performance and prospects and the value of its Portfolio***

The COVID-19 pandemic has significantly increased the level of macroeconomic and market uncertainty globally, and may adversely affect the performance of Investee Companies, which may in turn adversely impact the performance of the Company itself. In addition, global capital markets are seeing significant volatility as COVID-19 continues to have a sustained impact on business across the world. Such volatility and downturn could have an impact on the liquidity of the Shares.

The pandemic has resulted in, and until fully resolved is likely to continue to result in, the following, among other things: (i) government imposition of various forms of "stay at home" orders and the closing of "non-essential" businesses resulting in (a) significant disruption to many businesses including both supply chains and demand, and (b) lay-offs of employees, which effects are hoped to be temporary but may be permanent for some of these businesses; (ii) shutdowns and significant delays at government agencies; (iii) increased drawings by borrowers on revolving lines of credit; (iv) increased requests by borrowers for amendments and waivers of their credit agreements to avoid default, and increased defaults by such borrowers and/or increased difficulty in obtaining refinancing at the maturity dates of their loans; (v) volatility and disruption of the loan market including greater volatility in pricing and spreads and difficulty in valuing loans during periods of increased volatility, and liquidity issues; and (vi) rapidly evolving proposals and/or actions by state and federal governments to address problems being experienced by the markets and by businesses and the economy in general.

The future development of the outbreak is highly uncertain and there is no assurance that the pandemic will not have a material adverse impact on the performance of investments within the Portfolio and on the Company itself. The extent of the impact will depend on the continued range of the virus, infection rates, the severity and mortality rates of the virus, the timing and efficacy of a vaccine, the steps taken nationally and globally to prevent the spread of the virus as well as fiscal and monetary stimuli offered by governments globally.

The Investment Manager's ability to operate effectively, including the ability of its personnel or its service providers and other contractors to function, communicate and travel to the extent necessary to implement the investment objective and investment policy of the Company has been, and may continue to be impaired by the pandemic. The spread of COVID-19 within the Investment Manager or any of the Company's other service providers could also significantly affect the Investment Manager's ability to properly oversee the affairs of the Company (particularly to the extent that any affected personnel include key investment professionals or other members of senior management).

Investors should be aware that if any of the global impacts of COVID-19 continue for a sustained period of time, and should any of the risks identified above materialise, it could have a material adverse effect on the value of the Portfolio, financial condition, results of operations and prospects, with a consequential adverse effect on the returns to Shareholders and the market value of the Shares.

***Changes in laws or regulations governing the Company's or the Investment Manager's operations may adversely affect the business and performance of the Company***

The Company and the Investment Manager are subject to laws and regulations enacted by national and local governments.

The Company is subject to, and will be required to comply with, certain legal and regulatory requirements that are applicable to Guernsey-domiciled investment funds and will, if and once the Company becomes an investment trust, be required to comply with various conditions to enable it to maintain its status as an investment trust under section 1158 CTA 2010. The Company is subject also to the continuing obligations imposed on all investment companies whose shares are admitted to trading on the Main Market.

The Investment Manager is subject to, and will be required to comply with, certain regulatory requirements set out in Hong Kong domestic legislation, rules and regulations, many of which could directly or indirectly affect the management of the Company. The Investment Manager is subject to, and will be required to comply with, certain regulatory requirements of the Securities and Futures Commission of Hong Kong, some of which affect the investment management of the Company.

The rules, laws and regulations affecting the Company and the Investment Manager are evolving and any changes in such rules, laws and regulations may have an adverse effect on the ability of the Company and the Investment Manager to carry on their respective businesses. Any such changes could have an adverse effect on the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares.

***Changes in taxation legislation or practice may adversely affect the Company and the tax treatment for Shareholders investing in the Company***

Any change in the Company's tax status, or in taxation legislation or practice in the United Kingdom, Guernsey or other jurisdictions to which the Company has exposure, could, depending on the nature of such change, adversely affect the value of investments in the Portfolio and the Company's ability to achieve its investment objective, or alter the post-tax returns to Shareholders. Statements in this Prospectus concerning the taxation of the Company and taxation of Shareholders are based upon current UK and Guernsey tax law and published practice, any aspect of which is in principle subject to change (potentially with retrospective effect) that could adversely affect the ability of the Company to pursue successfully its investment policy and/or which could adversely affect the taxation of the Company and the Shareholders.

It is the intention of the Directors to apply for, and thereafter to continue to conduct the affairs of the Company so as to satisfy the conditions for, approval of the Company by HMRC as an investment trust under section 1158 of the UK Corporation Tax Act 2010 (as amended) and pursuant to regulations made under section 1159 of the UK Corporation Tax Act 2010 (as amended). However, neither the Investment Manager nor the Directors can provide assurance that this approval will be granted or maintained. If such approval is granted, the Company will continue to have investment trust status in each of its accounting periods, unless the Company breaches the investment trust conditions so as to be treated as no longer approved by HMRC as an investment trust, pursuant to the regulations. For example, it is not possible to guarantee that the Company will be and will remain a company that is not a close company for UK tax purposes, which is a requirement to obtain and maintain its status as an investment trust, as the Shares are freely transferable. Breach of such conditions could, as a result, lead to the Company being subject to UK tax on its capital gains.

Any changes as described above may have an adverse effect on the ability of the Company to realise the value of the Portfolio, the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares.

Existing and potential investors should consult their tax advisers with respect to their particular tax situations and the tax effects of an investment in the Company.

***Shareholders may be subject to withholding and forced transfers under FATCA and there may also be reporting of Shareholders under other exchange of information arrangements***

The governments of the United States and Guernsey have entered into an intergovernmental agreement (the "US-Guernsey IGA") related to implementing FATCA which is implemented through Guernsey's domestic legislation. FATCA imposes certain information reporting requirements on a foreign financial institution ("FFI") or other non-US entity and, in certain cases, US federal withholding tax on certain US source payments. The Company is likely to be considered an FFI, and will therefore have to comply with certain registration and reporting requirements in order not to be subject to US withholding tax under FATCA. In addition, the Company may be required to withhold US tax at the rate of 30 per cent. on "withholdable payments" or certain "foreign passthru payments" to persons that are not compliant with FATCA or that do not provide the necessary information or documents, to the extent such payments are treated as attributable to certain US source payments.

Guernsey has also implemented the Common Reporting Standard or "CRS" regime with effect from 1 January 2016. Accordingly, reporting in respect of periods commencing on or after 1 January 2016 is required in accordance with the CRS (as implemented in Guernsey).

Under the CRS and legislation enacted in Guernsey to implement the CRS, certain disclosure requirements are imposed in respect of certain investors who are themselves (or are entities that are controlled by one or more natural persons who are) residents of any of the jurisdictions that have also adopted the CRS, unless a relevant exemption applies. Where applicable, information to

be disclosed will include certain information about investors, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Company. The CRS has been implemented through Guernsey's domestic legislation in accordance with guidance issued by the Organisation for Economic Co-operation and Development as supplemented by guidance notes in Guernsey. Under the CRS, disclosure of information is made to the Director of Revenue Service in Guernsey for transmission to the tax authorities in other participating jurisdictions.

If and once the Company becomes resident for tax purposes in the UK, UK FATCA is likely also to become applicable to the Company.

The UK has concluded an intergovernmental agreement with the US (the "**US-UK IGA**"), pursuant to which parts of FATCA have effectively been incorporated into UK law. Under the US-UK IGA an FFI that is resident in the UK (a "**Reporting FI**") is not subject to withholding under FATCA provided that it complies with the terms of the US-UK IGA, including requirements to register with the IRS and requirements to identify, and report certain information on, accounts held by certain US persons owning, directly or indirectly, an equity or debt interest in the company (other than equity and debt interests that are regularly traded on an established securities market, as described below) and report on accounts held by certain other persons or entities to HMRC, which will exchange such information with the IRS.

The Company expects that it will be treated as a Reporting FI pursuant to the IGA and that it will comply with the requirements under the IGA and relevant UK legislation. The Company also expects that its Shares may, in accordance with the current HMRC practice, comply with the conditions set out in the IGA to be "regularly traded on an established securities market" meaning that the Company should not have to report specific information on its Shareholders and their investments to HMRC.

However, there can be no assurance that the Company will be treated as a Reporting FI, that its Shares will be considered to be "regularly traded on an established securities market" or that it will not in the future be subject to withholding tax under FATCA or the US-UK IGA.

The UK has also implemented the CRS, under which the Company may be required to collect and report to HMRC certain information regarding Shareholders and HMRC may pass this information on to tax authorities in other jurisdictions.

The requirements under FATCA, the CRS and similar regimes and any related legislation, IGAs and/or regulations may impose additional burdens and costs on the Company or Shareholders. There is no guarantee that the Company will be able to satisfy such obligations and any failure to comply may materially adversely affect the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares, and the Company's ability to deliver target total NAV return to Shareholders. In addition, there can be no guarantee that any payments in respect of the Shares will not be subject to withholding tax under FATCA. To the extent that such withholding tax applies, the Company is not required to pay any additional amounts to Shareholders.

In subscribing for or acquiring Shares, each Shareholder is agreeing, upon the request of the Company or its delegate, to provide such information as is necessary to comply with FATCA, the CRS and other similar regimes and any related legislation and/or regulations. In particular, investors should be aware that certain forced transfer provisions contained in the Articles may apply in the case that the Company suffers any pecuniary disadvantage as a result of the Company's failure to comply with FATCA.

Investors should consult with their respective tax advisers regarding the possible implications of FATCA, the CRS and similar regimes concerning the automatic exchange of information and any related legislation, IGAs and/or regulations.

***The Company may be treated as a passive foreign investment company***

The Company may be treated as a "passive foreign investment company" (often referred to as a "**PFIC**") for US federal income tax purposes, which could have adverse consequences for any investors who are US taxpayers. If the Company is classified as a PFIC for any taxable year, holders of Shares that are US taxpayers may be subject to adverse US federal income tax consequences. Further, prospective investors should assume that a "qualified electing fund" election, which, if made, could serve as an alternative to the general PFIC rules and could reduce any adverse consequences to US taxpayers if the Company were to be classified as a PFIC, will not be



available because the Company does not expect to provide the information needed to make such an election. A “mark-to-market” election may be available, however, if the Company’s ordinary shares are regularly traded. Prospective investors that are US taxpayers are urged to consult with their own tax advisers concerning the US federal income tax considerations associated with acquiring, owning and disposing of Shares in light of their particular circumstances.

***The Company may be regarded as a “covered fund” under the Volcker Rule. Any prospective investor that is or may be considered a “banking entity” under the Volcker Rule should consult its legal advisers regarding the potential impact of the Volcker Rule on its investments and other activities prior to making any investment decision with respect to the Scheme Shares or the Placing Shares or entering into other relationships or transactions with the Company***

Section 13 of the US Bank Holding Company Act of 1956, as amended, and Regulation VV (12 C.F.R. Section 248) promulgated thereunder by the Board of Governors of the Federal Reserve System (such statutory provision together with such implementing regulations, being generally known as the “**Volcker Rule**”), generally prohibits “banking entities” (which term is broadly defined to include any US bank or savings association whose deposits are insured by the Federal Deposit Insurance Corporation, any company that controls any such bank or savings association, any non-US bank treated as a bank holding company for purposes of Section 8 of the US International Banking Act of 1978, as amended, and any Affiliate or subsidiary of any of the foregoing entities) from: (i) engaging in proprietary trading as defined in the Volcker Rule; (ii) acquiring or retaining an “ownership interest” in, or “sponsoring”, a “covered fund”; and (iii) entering into certain other relationships or transactions with a “covered fund”.

As the Company may be regarded as a “covered fund” under the Volcker Rule, any prospective investor that is or may be considered a “banking entity” under the Volcker Rule should consult its legal advisers regarding the potential impact of the Volcker Rule on its investments and other activities, prior to making any investment decision with respect to the Scheme Shares or the Placing Shares or entering into other relationships or transactions with the Company. If the Volcker Rule applies to an investor’s ownership of Shares, the investor may be forced to sell its Shares or the continued ownership of Shares may be subject to certain restrictions. Violations of the Volcker Rule may also subject an investor to potential penalties imposed by the applicable bank regulatory authority or other enforcement action.

***The Company has not, does not intend to and may be unable to become registered as an investment company under the US Investment Company Act and related rules***

The Company has not, does not intend to and may be unable to become registered with the SEC as an “investment company” under the US Investment Company Act and related rules. The US Investment Company Act provides certain protections to investors and imposes certain restrictions on companies that are registered as investment companies. As the Company is not so registered, does not intend to so register and may be unable to so register, none of these protections or restrictions are or will be applicable to the Company. However, if the Company were to become subject to the US Investment Company Act because of a change of law or otherwise, the various restrictions imposed by the US Investment Company Act, and the substantial costs and burdens of compliance therewith, could adversely affect the operating results and financial performance of the Company. Moreover, parties to a contract with an entity that has improperly failed to register as an investment company under the US Investment Company Act may be entitled to cancel or otherwise void their contracts with the unregistered entity and shareholders in that entity may be entitled to withdraw their investment. In order to ensure compliance with exemptions that permit the Company to avoid being required to register as an investment company under the US Investment Company Act and related rules, the Company has implemented appropriate restrictions on the ownership and transfer of Shares, which may affect a US investor’s ability to hold or transfer Shares and may in certain circumstances require the US investor to transfer or sell its Shares.

***The ability of certain persons to hold Shares and make secondary transfers in the future may be restricted as a result of ERISA and other regulatory considerations***

Each initial purchaser and subsequent transferee of Scheme Shares and/or Placing Shares is required to represent and warrant or will be deemed to represent and warrant that it is not a “benefit plan investor” as defined in Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), and that it is not, and is not using assets of, a plan or

other arrangement subject to provisions under applicable federal, state, local, non-US or other laws or regulations that are substantially similar to Section 406 of ERISA or Section 4975 of the United States Internal Revenue Code of 1986, as amended (the “**US Tax Code**”) unless its purchase, holding and disposition of Scheme Shares and/or Placing Shares does not constitute or result in a non-exempt prohibited transaction or violation of any such substantially similar law. In addition, under the Articles, the Board has the power to refuse to register a transfer of Shares or to require the sale or transfer of Shares in certain circumstances, including any purported acquisition or holding of Shares by a benefit plan investor.

## **RISKS RELATING TO AN INVESTMENT IN THE SHARES**

***It may be difficult for Shareholders to realise their investment as there may not be a liquid market in the Shares, and Shareholders have no right to have their Shares redeemed or repurchased by the Company***

Admission should not be taken as implying that there will be an active and liquid market for the Shares. The number of Shares to be issued pursuant to the Issue and the Placing Programme is not yet known and there may, on Admission or any Subsequent Admission, be a limited number of holders of Shares. Consequently, the Share price may be subject to significant fluctuation on small volumes of trading. Limited numbers of Shares and/or holders of Shares may result in limited liquidity in such Shares, which may affect: (i) an investor's ability to realise some or all of its/their investment; and/or (ii) the price at which such Shares trade in the secondary market. The price at which the Shares will be traded will be influenced by a variety of factors, some specific to the Company and its investments and some which may affect companies generally.

Further, the Company is a closed-ended investment company and Shareholders will have no right to have their Shares redeemed or repurchased by the Company at any time. Subject to the Companies Law, the Directors retain the right to effect repurchases of Shares in the manner described in this Prospectus. However, they are under no obligation to use such powers at any time and Shareholders should not place any reliance on the willingness of the Directors to exercise such powers (given, in particular, the likely composition of the Portfolio). Shareholders wishing to realise their investment in the Company may therefore be required to dispose of their Shares on the market. There can be no guarantee that a liquid market in the Shares will develop or that the Shares will trade at prices close to their underlying Net Asset Value. Accordingly, Shareholders may be unable to realise their investment at such Net Asset Value, or at all.

The Company is ordinarily required by the Listing Rules to ensure that 25 per cent. of the Shares are publicly held (as defined by the Listing Rules) at all times; however, the Company's free float is presently calculated at approximately 16 per cent. of the Shares and is therefore below such minimum level. The Company has accordingly liaised with the FCA and the FCA has agreed to modify the relevant Listing Rule to continue to permit a reduced level of the Company's Shares in public hands, for an initial period to 6 March 2022. Whilst the Proposals may result in an improvement in the Company's free float, there can be no guarantee that they will have such effect and if, for any reason, the number of Shares in public hands were to be below an acceptable level (for example, if the Company's free float were to remain below 25 per cent. after 6 March 2022 and the FCA did not extend its modification of the relevant Listing Rule beyond this date), the FCA might cancel the listing of the Shares or the London Stock Exchange might suspend or terminate the trading of the Shares. Any such suspension or cancellation of the listing of the Shares could also adversely affect the Company's ability to obtain or retain investment trust status. This may have an adverse effect on the value of the Portfolio, the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares

### ***Investors may not recover the full amount of their investment in the Shares***

The Company's ability to achieve its investment objective and pursue its investment policy successfully may be adversely affected by the manifestation of any of the risks described in this “*Risk Factors*” section of this Prospectus or other market conditions (or significant changes thereto). The market price of the Shares may fluctuate significantly, particularly in the short term, and potential investors should regard an investment in the Shares as a medium to long term investment.

As with any investment, the price of the Shares may fall in value. The maximum loss on an investment in the Shares is equal to the value of the initial investment and, where relevant, any

gains or subsequent investments made. Investors therefore may not recover the full amount initially invested in the Shares, or any amount at all.

***The Shares may trade at a discount to Net Asset Value and the price that can be realised for Shares will be subject to market fluctuations***

It is unlikely that the price at which the Shares trade will be the same as their Net Asset Value (although they are related). The shares of an investment company such as the Company may trade at a discount to their net asset value. This could be due to a variety of factors, including due to market conditions or an imbalance between supply and demand for the Shares. While the Directors may seek to mitigate the discount to NAV through such discount management mechanisms as they consider appropriate, there can be no guarantee that they will do so or that such efforts will be successful. As a result of this, investors that dispose of their interests in the Shares in the secondary market may realise returns that are lower than they would have been if an amount equivalent to the Net Asset Value was distributed.

The market price of the Shares may fluctuate significantly and Shareholders may not be able to sell Shares at or above the price at which they purchased those Shares. Factors that may cause the price of the Shares to vary include those detailed in this “*Risk Factors*” section of this Prospectus, such as: changes in the Company’s financial performance and prospects, or in the financial performance and market prospects of the Company’s investments or those which are engaged in businesses that are similar to the Company’s business; the termination of the Management Agreement or the departure of some or all of the Investment Manager’s key investment professionals; changes in or new interpretations or applications of laws and regulations that are applicable to the Company’s business or to the companies in which the Company makes investments; sales of Shares by Shareholders; general economic trends and other external factors, including those resulting from war, incidents of terrorism, pandemics or responses to such events; poor performance in any of the Investment Manager’s activities or any event that affects the Company’s or the Investment Manager’s reputation; speculation in the press or investment community regarding the Company’s business or investments, or factors or events that may directly or indirectly affect the Company’s business or investments; and foreign exchange risk as a result of making and selling equity investments denominated in currencies other than Sterling.

Securities markets in general have experienced extreme volatility that has often been unrelated to the operating performance or fundamentals of individual companies. Market fluctuations may adversely affect the trading price of the Shares. As with any investment, the price of the Shares may fall in value with the maximum loss on such investments being equal to the value of the initial investment and, where relevant, any gains on subsequent investments made.

***The Company may in the future issue new Shares which may dilute Shareholders’ equity or have a detrimental effect on the market price of the Shares***

Further issues of Shares may, subject to compliance with the relevant provisions of the Companies Law and the Articles, be made on a non-pre-emptive basis. Any such issue may dilute the percentage of the Company held by the Company’s existing Shareholders. Additionally, such issues could have an adverse effect on the market price of the Shares.

***The Shares are subject to significant transfer restrictions for Shareholders in the United States***

The Scheme Shares and the Placing Shares have not been and will not be registered under the US Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, delivered, assigned or otherwise transferred, directly or indirectly, into or within the United States or to, or for the account or benefit of, US Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States and in a manner which would not result in the Company being required to register under the US Investment Company Act. There has been and will be no public offer of the Scheme Shares and the Placing Shares in the United States.

There are significant restrictions on the purchase and resale of Shares by Shareholders who are located in the United States, are US Persons, or who hold Shares for the account or benefit of US Persons and on the resale of Shares by any Shareholders to any person who is located in the United States or to, or for the account or benefit of, a US Person. If in the future the initial

purchaser, as well as any subsequent holder, decides to offer, sell, transfer, assign or otherwise dispose of the Shares, they may do so only: (i) outside the United States in an “offshore transaction” complying with the provisions of Regulation S under the Securities Act to a person not known by the transferor to be a US Person, by prearrangement or otherwise; or (ii) to the Company or a subsidiary thereof.

In order to avoid being required to register under the US Investment Company Act and to address certain ERISA, US Tax Code and other considerations, the Company has imposed significant restrictions on the transfer of the Shares which may materially affect the ability of Shareholders to transfer Shares in the United States, or to, or for the account or benefit of, US Persons. These restrictions may make it more difficult for a US Person or a Shareholder in the United States to resell the Shares and may have an adverse effect on the liquidity and market value of the Shares.

In connection with the Issue, the Scheme Shares are being offered or sold only (i) outside the United States in “offshore transactions” to non-US Persons pursuant to Regulation S under the US Securities Act, and (ii) to persons who are both Qualified Purchasers and Accredited Investors pursuant to an exemption from the registration requirements of the US Securities Act, and who, in the case of (ii), have executed the AI/QP Investor Letter and returned it to the Company and the Receiving Agent. If any person does not execute and return the AI/QP Investor Letter to the Company and the Receiving Agent and the Board believes such person is a Prohibited Person under the Articles (an “**Ineligible US Shareholder**”), the Board reserves the right, in its absolute discretion, to require any Scheme Shares to which such Ineligible US Shareholder is entitled and would otherwise receive, to be issued to the Liquidators as nominees for the relevant Ineligible US Shareholder and sold by the Liquidators in the market (which shall be done by the Liquidators without regard to the personal circumstances of the relevant Ineligible US Shareholder and the value of the ANW Shares held by the relevant Ineligible US Shareholder) and the net proceeds of such sale (after deduction of any costs incurred in effecting such sale) will be paid to the relevant Ineligible US Shareholder.

Subject to certain limited exceptions, the Placing Shares are being offered and sold only outside the United States in “offshore transactions” to non-US Persons pursuant to Regulation S under the US Securities Act.

## IMPORTANT INFORMATION

**Prospective investors should rely only on the information contained in this Prospectus and any supplementary prospectus published by the Company prior to the date of Admission or any relevant Subsequent Admission. No person has been authorised to give any information or to make any representation other than those contained in this Prospectus (or any supplementary prospectus published by the Company prior to the date of Admission or any relevant Subsequent Admission) in connection with the Issue and the Placings; if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Company, the AIFM, the Investment Manager, Shore Capital or any of their respective Affiliates, officers, directors, employees or agents. Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to Article 23 of the UK Prospectus Regulation, neither the delivery of this Prospectus nor any subscription or sale made under this Prospectus shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this Prospectus or that the information contained in this Prospectus is correct as of any time subsequent to its date.**

The contents of this Prospectus or any subsequent communications from the Company, the AIFM, the Investment Manager, Shore Capital or any of their respective Affiliates, officers, directors, employees or agents, are not to be construed as legal, business or tax advice. The tax legislation of a Shareholder's home jurisdiction, of Guernsey (as the country of incorporation of the Company and in which it is currently tax resident) and of the United Kingdom (as the jurisdiction in which the Company will be tax resident if it becomes a United Kingdom investment trust) may have an impact on the income received by the Shareholder from the Shares. Each prospective investor should consult their own solicitor, financial adviser or tax adviser for legal, financial or tax advice in relation to the purchase of Scheme Shares.

Apart from the liabilities and responsibilities (if any) which may be imposed on Shore Capital by FSMA or the regulatory regime established thereunder, Shore Capital, its Affiliates, officers, directors, employees or agents make no representations, express or implied, nor accept any responsibility whatsoever for the contents of this Prospectus (or any supplementary prospectus published by the Company prior to Admission or the date of any Subsequent Admission) nor for any other statement made or purported to be made by it or on its behalf in connection with the Company, the AIFM, the Investment Manager, the Shares, the Issue, the Placings or any admission. The Sponsor and its Affiliates, officers, directors, employees or agents accordingly disclaim all and any liability (save for any statutory liability) whether arising in tort or contract or otherwise which it or they might otherwise have in respect of this Prospectus or any such statement.

In connection with the Placings, the Sponsor and its Affiliates, officers, directors, employees or agents acting as an investor for its or their own account(s), may acquire Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities of the Company, any other securities of the Company or other related investments in connection with the Placings or otherwise. Accordingly, references in this Prospectus to Shares being issued, offered, acquired, subscribed for or otherwise dealt with pursuant to the Placings, should be read as including any issue or offer to, acquisition of, or subscription or dealing by, the Sponsor and any of its Affiliates, officers, directors, employees or agents acting as an investor for its or their own account(s). Neither the Sponsor nor any of its Affiliates, officers, directors, employees or agents intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The Shares are only suitable for long term investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may be equal to the whole amount invested) from such an investment. Accordingly, typical investors in the Shares are institutional investors, private clients through their wealth managers, experienced investors, high net worth investors, professionally advised investors and knowledgeable unadvised retail investors who have taken appropriate steps to ensure that they understand the risks involved in investing in the Company

The Shares are designed to be held over the long term and may not be suitable as short-term investments. There is no guarantee that any appreciation in the value of the Company's investments will occur and investors may not get back the full amount initially invested, or any amount at all.

The investment objective of, and target return proposed by, the Company are targets only and should not be treated as assurances or guarantees of performance. There can be no assurance that the Company's investment objective will be achieved or that the proposed target return will be achieved or paid.

A prospective investor should be aware that the value of an investment in the Company is subject to market fluctuations and other risks inherent in investing in securities. There is no assurance that any appreciation in the value of the Shares will occur or that the investment objective of the Company will be achieved. The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company.

## **GENERAL**

Prospective investors should rely only on the information contained in this Prospectus and any supplementary prospectus published by the Company prior to Admission or any Subsequent Admission. No broker, dealer or other person has been authorised by the Company, the Board or any Director, the AIFM, the Investment Manager or Shore Capital to issue any advertisement or to give any information or to make any representation in connection with the Issue or the Placings other than those contained in this Prospectus and such supplementary prospectus and, if issued, given or made, any such advertisement, information or representation must not be relied upon as having been authorised by the Company, the Board, any Director, the AIFM, the Investment Manager or Shore Capital.

The distribution of this Prospectus in certain jurisdictions may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions.

Prospective investors should not treat the contents of this Prospectus or any supplementary prospectus published by the Company prior to Admission or any Subsequent Admission as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (i) the legal requirements within their own countries for the purchase, holding, transfer, redemption, conversion or other disposal of the Shares; (ii) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption, conversion or other disposal of the Shares which they might encounter; and (iii) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, redemption, conversion or other disposal of the Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

Statements made in this Prospectus are based on the law and practice currently in force in England and Wales and Guernsey, and are subject to changes in such law and practice.

## **SELLING RESTRICTIONS**

**This Prospectus does not constitute, and may not be used for the purposes of, an offer or an invitation to apply for any Shares by any person: (i) in any jurisdiction in which such offer or invitation is not authorised; or (ii) in any jurisdiction in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation.**

**The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Accordingly, persons into whose possession this Prospectus comes are required to inform themselves about and observe any restrictions as to the offer or sale of Shares and the distribution of this Prospectus under the laws and regulations of any jurisdiction relevant to them in connection with any proposed applications for Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such jurisdiction.**

**Save for in the United Kingdom and save as explicitly stated elsewhere in this Prospectus, no action has been taken or will be taken in any jurisdiction by the Company that would permit a public offering of Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Prospectus in any other jurisdiction where action for that purpose is required.**

**THE SCHEME SHARES ARE ONLY AVAILABLE TO ANW SHAREHOLDERS AND ARE NOT BEING OFFERED TO EXISTING SHAREHOLDERS OR TO THE PUBLIC.**

**Notice to prospective investors in the EEA**

In relation to each EEA Member State, no Shares have been offered or will be offered pursuant to a Placing to the public in that EEA Member State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that EEA Member State, or, where appropriate, approved in another EEA Member State and notified to the competent authority in that EEA Member State, all in accordance with the EU Prospectus Regulation, except that the Shares may be offered to the public in that EEA Member State at any time:

- (a) to any legal entity which is a qualified investor as defined in Article 2 of the EU Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) in that EEA Member State; or
- (c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to any offer of Shares in any EEA Member State means a communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Scheme Shares.

Further, the AIFM has made the notifications or applications and received, where relevant, approvals for the marketing of the Shares to “professional investors” (as defined in the EU AIFM Directive) in the Republic of Ireland. Notwithstanding any other statement in this Prospectus, this Prospectus should not be made available to any investor domiciled in any EEA Member State. Prospective investors domiciled in the EEA that have received the Prospectus in any EEA Member States should not subscribe for Shares (and the Company reserves the right to reject any application so made, without explanation) unless: (i) the AIFM has confirmed that it has made the relevant notification or applications in that EEA Member State and is lawfully able to market Shares into that EEA Member State; or (ii) such investors have received the Prospectus on the basis of an enquiry made at the investor’s own initiative.

Notwithstanding that the AIFM may have confirmed that it is able to market Shares to professional investors in an EEA Member State, the Shares may not be marketed to retail investors (as this term is defined in the EU AIFM Directive as transposed in the relevant EEA Member State) in any EEA Member State unless the Shares have been qualified for marketing to retail investors in that EEA Member State in accordance with applicable local laws. At the date of the Prospectus, the Shares are not eligible to be marketed to retail investors in any EEA Member State. Accordingly, the Shares may not be offered, sold or delivered and neither the Prospectus nor any other offering materials relating to such Shares may be distributed or made available to retail investors in any EEA Member State.

**Notice to prospective investors with respect to United States federal securities laws**

The Company has not been and will not be registered under the US Investment Company Act and as such investors are not and will not be entitled to the benefits of the US Investment Company Act. The Scheme Shares and the Placing Shares have not been and will not be registered under the US Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, delivered, assigned or otherwise transferred, directly or indirectly, into or within the United States or to, or for the account or benefit of, US Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and in a manner which would not result in the Company being required to register under the US Investment Company Act. There has been and will be no public offer of the Scheme Shares and the Placing Shares in the United States.

In connection with the Issue, the Scheme Shares are being offered and sold only: (i) outside the United States in “offshore transactions” to non-US Persons pursuant to Regulation S; and (ii) to persons who are both Qualified Purchasers and Accredited Investors pursuant to an exemption from the registration requirements of the US Securities Act, and who, in the case of (ii), have executed the AI/QP Investor Letter and returned it to the Company and the Receiving Agent.

Subject to certain limited exceptions, the Placing Shares are being offered and sold only outside the United States in “offshore transactions” to non-US Persons pursuant to Regulation S under the US Securities Act.

Neither the SEC nor any state securities commission has approved or disapproved this Prospectus or the issue of the Scheme Shares or the Placing Shares or passed upon or endorsed the merits of the offering of the Scheme Shares or the Placing Shares or the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offence.

The Scheme Shares and the Placing Shares are subject to significant restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations and under the Articles. Any failure to comply with such restrictions may constitute a violation of applicable securities laws and may subject the holder to the forced transfer and other provisions set out in the Articles. For further information on restrictions on transfers of the Scheme Shares, please refer to the section entitled “*Overseas ANW Shareholders*” at paragraph 8 of Part IV (*Details of the Scheme and the Issue*) of this Prospectus. For further information on restrictions on transfers of the Placing Shares, please refer to the section entitled “*United States Transfer Restrictions*” at paragraph 10 of Part V (*The Placing Programme*) of this Prospectus.

In addition, until 40 days after the commencement of the Placing, an offer or sale of the Placing Shares within the United States by any dealer (whether or not participating in the Placing) may violate the registration requirements of the US Securities Act.

### **Forward-looking statements**

This Prospectus includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can typically be identified by the use of forward-looking terminology, including, but not limited to, terms such as “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places in this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Company, the Directors, the AIFM, or the Investment Manager concerning, amongst other things, the investment objective and investment policy, the Company’s target return, investment performance, results of operations, financial condition, prospects, and dividend policy of the Company and the markets in which it invests and/or operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company’s actual investment performance, results of operations, financial condition, dividends paid and its financing strategies may differ materially from the impression created by the forward-looking statements contained in this Prospectus. In addition, even if the investment performance, results of operations, financial condition of the Company and its financing strategies, are consistent with the forward-looking statements contained in this Prospectus, those results, its condition or strategies may not be indicative of results, its condition or strategies in subsequent periods. Important factors that could cause these differences include, but are not limited to, the factors set out in the “*Risk Factors*” section of this Prospectus.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. Prospective investors should carefully review the “*Risk Factors*” section of this Prospectus for a discussion of additional factors that could cause the Company’s actual results to differ materially from those that the forward-looking statements may give the impression will be achieved, before making an investment decision. Forward-looking statements speak only as at the date of this Prospectus. The Company, the AIFM, the Investment Manager and Shore Capital undertake no obligation to revise or update any forward-looking statements contained herein (save where required by the Prospectus Regulation Rules, the Listing Rules, UK MAR, EU



MAR, the Disclosure Guidance and Transparency Rules, the EU AIFM Directive or the UK AIFMD Laws), whether as a result of new information, future events, conditions or circumstances, any change in the Company's, the AIFM's or the Investment Manager's expectations with regard thereto or otherwise. However, Shareholders are advised to read any communications that the Company may make directly to them, and any additional disclosures in announcements that the Company may make through an RIS following the date of this document.

For the avoidance of doubt, nothing in the foregoing paragraphs under the heading "Forward-looking statements" constitutes a qualification of the working capital statement contained in Part VII (*Additional Information on the Company*) of this Prospectus.

#### **Important note regarding performance data**

This Prospectus includes information regarding the track record and performance data of the Investment Manager (the "**Track Record**"). Such information is not necessarily comprehensive and prospective investors should not consider such information to be indicative of the possible future performance of the Company or any investment opportunity to which this Prospectus relates. The past performance of the Investment Manager is not a reliable indicator of, and cannot be relied upon as a guide to, the future performance of the Company and/or the Investment Manager.

Investors should not consider the Track Record information (particularly the past returns) contained in this Prospectus to be indicative of the Company's future performance. Past performance is not a reliable indicator of future results and the Company will not make the same investments reflected in the Track Record information included herein. Prospective investors should be aware that any investment in the Company involves a significant degree of risk, and could result in the loss of all or substantially all of their investment.

For a variety of reasons, the comparability of the Track Record information to the Company's future performance is by its nature very limited. Without limitation, results can be positively or negatively affected by market conditions beyond the control of the Company or the Investment Manager which may be different in many respects from those that prevail at present or in the future, with the result that the performance of portfolios originated now may be significantly different from those originated in the past.

Prospective investors should consider the following factors which, among others, may cause the Company's results to differ materially from the historical results achieved by the Investment Manager, their Associates and certain other persons:

- some of the Track Record information included in this Prospectus was generated, where noted, in respect of different funds managed by the Investment Manager in different circumstances, and the people involved in managing those funds may differ from those who will manage the Company's investments;
- results can be positively or negatively affected by market conditions beyond the control of the Company and the Investment Manager;
- it is possible that the performance of the investment described in this Prospectus has been affected by exchange rate movements during the period of the investment;
- differences between the Company and the circumstances in which the Track Record information was generated include (but are not limited to) all or certain of: actual acquisitions and investments made, investment objective, fee arrangements, structure (including for tax purposes), terms, leverage, geography, performance targets and investment horizons. All of these factors can affect returns and impact the usefulness of performance comparisons and as a result, none of the historical information contained in this Prospectus is directly comparable to the Issue, the Placings or the returns which the Company may generate;
- the Company may be subject to taxes on some or all of their earnings in the various jurisdictions in which they invest. Any taxes paid or incurred by the Company and intermediate holding entities will reduce the proceeds available from the sale of an investment to make future investments or distributions and/or pay the expenses and other operating costs of the Company; and

- market conditions at the times covered by the Track Record may be different in many respects from those that prevail at present or in the future, with the result that the performance of portfolios originated now may be significantly different from those originated in the past. In this regard, it should be noted that there is no guarantee that these returns can be achieved or can be continued if achieved.

No representation is being made by the inclusion of the investment examples and strategies presented herein that the Company will achieve performance similar to the investment examples and strategies herein or avoid losses. There can be no assurance that the investment examples and strategies described herein will meet their objectives generally, or avoid losses. Past performance is no guarantee of future results.

### **UK AIFMD Laws and EU AIFM Directive disclosures**

The UK AIFMD Laws and EU AIFM Directive impose conditions on the marketing of entities such as the Company to investors in the UK and the EEA, respectively. The UK AIFMD Laws and EU AIFM Directive require that an “alternative investment fund manager” be identified to meet such conditions where such marketing is sought. For these purposes, Aberdeen Standard Fund Managers Limited, as the legal person responsible for performing portfolio and risk management of the Company, shall be the AIFM. Disclosures required to be made by the AIFM under the UK AIFMD Laws and EU AIFM Directive are addressed within this Prospectus.

### **Information to distributors**

Solely for the purposes of the product governance requirements contained within the FCA’s PROD3 Rules on product governance within the FCA Handbook (the “**FCA PROD3 Rules**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the FCA PROD3 Rules) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that the Shares to be issued pursuant to the Issue and the Placings are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in the FCA Glossary; and (ii) eligible for distribution through all distribution channels as are permitted by the FCA PROD3 Rules (the “**Target Market Assessment**”).

Notwithstanding the Target Market Assessment, distributors should note that: (i) the price of the Shares may decline and investors could lose all or part of their investment; (ii) the Shares offer no guaranteed income and no capital protection; and (iii) an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may be equal to the whole amount invested from such an investment. Accordingly, typical investors in the Shares are expected to be institutional investors, private clients through their wealth managers, experienced investors, high net worth investors, professionally advised investors and knowledgeable unadvised retail investors who have taken appropriate steps to ensure that they understand the risks involved in investing in the Company. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Issue or any Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Sponsor will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of the FCA PROD3 Rules; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares when determining appropriate distribution channels.

### **Non-mainstream pooled investments status and UK MiFID Laws**

As the Company is a closed-ended investment company which, if it were domiciled in the United Kingdom, would currently qualify as an investment trust (and the Company intends to obtain investment trust status), the Shares will be “excluded securities” under the FCA’s rules on non-

mainstream pooled investments. Accordingly, the promotion of the Shares is not subject to the FCA's restriction on the promotion of non-mainstream pooled investments. The Company intends to conduct its affairs so that its Shares can be recommended by financial advisers to retail investors in accordance with the rules on the distribution of financial instruments under the UK MiFID Laws. The Directors consider that the Shares should be considered "non-complex" for the purposes of the UK MiFID Laws.

### **UK PRIIPs Laws**

In accordance with the UK PRIIPs Laws, a key information document in respect of an investment in the Shares has been prepared by the AIFM and is available to investors at the Company's website at [www.aberdeenemergingmarkets.co.uk](http://www.aberdeenemergingmarkets.co.uk) under "Key Literature". If a new class of Shares is issued under the Placing Programme, the Company will make available a key information document in relation to such class of Shares as required under UK PRIIPS Laws.

### **Data protection**

The information that a prospective investor in the Company provides in documents in relation to a subscription for Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual ("**personal data**") is and will be held and processed by the Company (and any third party, functionary or agent in the United Kingdom or Guernsey to whom it may delegate certain administrative functions in relation to the Company) in compliance with the relevant data protection legislation and regulatory requirements of the United Kingdom or Guernsey (as applicable). Each prospective investor acknowledges and consents that such information will be held and processed by the Company (or any third party, functionary, or agent appointed by the Company) for the following purposes:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- contacting the prospective investor with information about other products and services provided by the AIFM and the Investment Manager, or their respective Affiliates, which may be of interest to the prospective investor;
- carrying out the business of the Company and the administering of interests in the Company;
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in the United Kingdom or elsewhere; and
- disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Each prospective investor acknowledges and consents that where appropriate it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:

- disclose personal data to third-party service providers, Affiliates, agents or functionaries appointed by the Company or its agents to provide services to prospective investors; and
- transfer personal data outside of the UK to countries or territories that do not offer the same level of protection for the rights and freedoms of prospective investors in the United Kingdom (as applicable).

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, functionary or agent and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, functionary or agent to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

Prospective investors are responsible for informing any third-party individual to whom the personal data relates as to the disclosure and use of such data in accordance with these provisions.

### **Defined terms**

Capitalised terms contained in this Prospectus shall have the meanings ascribed to them in Part X (*Definitions*) of this Prospectus, save where the context indicates otherwise.

**No incorporation of website**

The contents of the Company's website at [www.aberdeenemergingmarkets.co.uk](http://www.aberdeenemergingmarkets.co.uk) and the Investment Manager's website at [www.abrdn.com](http://www.abrdn.com), the contents of any website accessible from hyperlinks on the Company's website, the Investment Manager's website, or any other website referred to in this Prospectus are not incorporated into, and do not form part of this Prospectus. Investors should base their decision to invest on the contents of this Prospectus and any supplementary prospectus published by the Company prior to Admission or any Subsequent Admission alone and should consult their professional advisers prior to making an application to acquire Shares.

## EXPECTED TIMETABLE

### EXTRAORDINARY GENERAL MEETING

Posting of Circular, Forms of Proxy and Forms of Direction	4 October 2021
<b>Latest time and date for receipt of Forms of Direction for the Extraordinary General Meeting</b>	<b>1 p.m. on 19 October 2021</b>
<b>Latest time and date for receipt of Forms of Proxy for the Extraordinary General Meeting</b>	<b>1 p.m. on 22 October 2021</b>
Extraordinary General Meeting	2 p.m. on 26 October 2021
Announcement of results of the Extraordinary General Meeting	26 October 2021

### CHANGE OF INVESTMENT POLICY

New Investment Policy to take effect	26 October 2021
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### TENDER OFFER

Posting of Circular, Tender Form and Savings Scheme Tender Form	4 October 2021
<b>Latest time and date for receipt of Savings Scheme Tender Forms</b>	<b>1 p.m. on 25 October 2021</b>
<b>Latest time and date for receipt of Tender Forms and TTE Instructions</b>	<b>1 p.m. on 1 November 2021</b>
Record Date for Tender Offer	Close of business on 1 November 2021
Announcement of results of Tender Offer	2 November 2021
Calculation Date	Close of business on 4 November 2021
Announcement of Tender Price	9 November 2021
Distribution of consideration and crediting of CREST accounts	10 November 2021
Despatch of cheques, balancing Share certificates and TFE messages in respect of any unpurchased Eligible Shares	Week commencing 15 November 2021

## SCHEME

Publication of this Prospectus	4 October 2021
First ANW General Meeting	10 a.m. on 26 October 2021
Extraordinary General Meeting of the Company	2 p.m. on 26 October 2021
Record date for entitlements under the Scheme	6 p.m. on 4 November 2021
Calculation date for the Scheme	Close of business on 4 November 2021
Second ANW General Meeting	10 a.m. on 9 November 2021
Announcement of results of Scheme and respective FAVs per share	9 November 2021
Admission and dealings in Scheme Shares commence	8 a.m. on 10 November 2021
CREST accounts credited to ANW Shareholders in respect of Scheme Shares in uncertificated form	8 a.m. on 10 November 2021
Certificates despatched by post in respect of Scheme Shares	week commencing 15 November 2021

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*References to times are to London times unless otherwise stated. Any changes to the expected timetable set out above will be notified to the market by the Company via an RIS announcement.*

## PLACING PROGRAMME

Publication of this Prospectus	4 October 2021
Publication of Placing Price in respect of each Placing	as soon as practicable following the closing of each Placing
Subsequent Admission and crediting of CREST accounts in respect of each Placing	as soon as practicable following the closing of each Placing
Share certificates in respect of Placing Shares issued pursuant to the relevant Placing despatched (if applicable)	as soon as practicable following any Subsequent Admission
Last date for Placing Shares to be issued pursuant to the Placing Programme	3 October 2022

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*References to times are to London times unless otherwise stated. Any changes to the expected timetable set out above will be notified to the market by the Company via an RIS announcement.*

## STATISTICS

### SCHEME

Number of Scheme Shares to be issued

Based on the NAV and the ANW NAV as at the Latest Practicable Date the Scheme would result in the issue of 7,643,782 Scheme Shares

### PLACING PROGRAMME

Maximum size of Placing Programme

up to 25 million Placing Shares

Placing Price per Placing Share

At least NAV per Share at the time of issue (plus issue expenses)

## DEALING CODES

ISIN

GG00B45L2K95

SEDOL

B45L2K9

Ticker

AEMC\*

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\* To become ACIC upon approval of the proposed change of the Company's name to "abrdn China Investment Company Limited".

## DIRECTORS, ADVISERS AND OTHER SERVICE PROVIDERS

<b>Directors</b>	Mark Hadsley-Chaplin (Chairman) William Collins Helen Green Eleonore de Rochechouart
<b>Prospective Directors<sup>1</sup></b>	Anne Gilding Sarah MacAulay
<b>Registered Office</b>	11 New Street St Peter Port, Guernsey Channel Islands, GY1 2PE
<b>AIFM</b>	Aberdeen Standard Fund Managers Limited Bow Bells House 1 Bread Street London, EC4M 9HH
<b>Investment Manager</b>	abrdn Hong Kong Limited 6th Floor Alexandra House 18 Chater Road Central Hong Kong
<b>Sponsor</b>	Shore Capital and Corporate Limited Cassini House 57 St James's Street London, SW1A 1LD
<b>Sole Bookrunner</b>	Shore Capital Stockbrokers Limited Cassini House 57 St James's Street London, SW1A 1LD
<b>Legal advisers to the Company (as to English and US securities law)</b>	Herbert Smith Freehills LLP Exchange House Primrose Street London, EC2A 2EG
<b>Legal advisers to the Company (as to Guernsey law)</b>	Mourant LLP Royal Chambers St Julian's Avenue St Peter Port Guernsey, Channel Islands, GY1 4HP
<b>Depository</b>	Northern Trust (Guernsey) Limited Trafalgar Court Les Banques St Peter Port Guernsey, Channel Islands, GY1 3DA
<b>Administrator and Secretary</b>	Vistra Fund Services (Guernsey) Limited 11 New Street St Peter Port Guernsey, Channel Islands, GY1 2PE
<b>UK Administration Agent</b>	PraxisIFM Fund Services (UK) Limited 1st Floor, Senator House 85 Queen Victoria Street London EC4V 4AB

<sup>1</sup> If the Scheme becomes effective, Anne Gilding and Sarah MacAulay will join the Board on 9 November 2021.



<b>Registrar</b>	Link Market Services (Guernsey) Limited Mont Crevelt House Bulwer Avenue St Sampson Guernsey GY2 4LH
<b>Auditor</b>	KPMG Channel Islands Limited Gategny Court, Gategny Esplanade St Peter Port Guernsey, Channel Islands, GY1 1WR
<b>Reporting Accountant</b>	Ernst & Young LLP Atria One 144 Morrison Street Edinburgh EH3 8EX
<b>Receiving Agent</b>	Link Group Corporate Actions 10th Floor, Central Square 29 Wellington Street Leeds, LS1 4DL

## PART I – INFORMATION ON THE COMPANY

### 1. INTRODUCTION

The Company is a non-cellular closed-ended investment company limited by shares, incorporated in Guernsey on 16 September 2009 with registration number 50900. The Company does not have a fixed life. The Company is an alternative investment fund or “AIF” for the purposes of the UK AIFMD Laws and EU AIFM Directive.

The Company is externally managed by Aberdeen Standard Fund Managers Limited (the “AIFM”), who has agreed to delegate its investment management responsibilities to abrdn Hong Kong Limited (the “Investment Manager”). Further details on the AIFM and the Investment Manager are set out in Part II (*Directors, Management and Administration*) of this Prospectus.

The Company’s investment objective and investment policy are set out below. The Company may make its investments either directly or through one or more wholly-owned subsidiary companies.

The Company ensures that it treats all holders of the same class of its Shares that are in the same position equally in respect of the rights attaching to those shares.

### 2. BACKGROUND

Since commencing operations, the Company has pursued an investment policy of investing in a range of emerging markets on a fund of funds basis. Whilst the Board believes that the Company’s investment performance has been very commendable over a long period of time, the attractiveness of the Company’s Shares has been adversely affected by the current aversion to fund of fund structures and consequent look-through costs, particularly amongst wealth managers. This has resulted in an overly concentrated share register with limited free float, which is presently calculated at approximately 16 per cent and is therefore below the usual minimum level of 25 per cent. The Company has liaised with the FCA in relation to this issue and the FCA has agreed to modify the relevant Listing Rule to continue to permit a reduced level of the Company’s Shares in public hands, for an initial period to 6 March 2022.

If the number of the Company’s Shares in public hands were to remain below 25 per cent. after 6 March 2022 and the FCA did not extend its modification of the relevant Listing Rule beyond this date, the FCA might cancel the listing of the Shares or the London Stock Exchange might suspend or terminate the trading of the Shares.

As a result of these factors and following consultation with Shareholders, the Board has proposed that the Company adopts a new investment policy (the “New Investment Policy”), which will change the Company’s current policy to one of investing directly in the equities of Chinese companies. The Board has noted that, although China now ranks as the second largest economy in the world, there are relatively few listed closed-ended fund offerings in the UK specialising in investment into companies based, or with substantial operations, in China. The New Investment Policy has been proposed to take advantage of this opportunity. Adoption of the New Investment Policy is subject to the approval of Shareholders at the Extraordinary General Meeting.

As the board of ANW, like that of the Company, has been considering a move to an ‘All China’ investment mandate, the boards of the two companies consider that it would be beneficial for both companies to combine and as such have agreed terms for the Scheme, which will involve the voluntary liquidation of ANW and the rollover of its assets into the Company in exchange for the issue of Scheme Shares to ANW Shareholders.

Following completion of the Scheme and the implementation of the New Investment Policy, the Board intends to seek further opportunities for growth of the Enlarged Company through holding Placings under the Placing Programme.

The Company has therefore published this Prospectus in connection with the proposed issue of Scheme Shares to ANW Shareholders pursuant to the Scheme and the issue of Placing Shares pursuant to Placings under the proposed Placing Programme.

Both the Scheme and the Placing Programme are conditional on, among other things, approval of the New Investment Policy by Shareholders at the Extraordinary General Meeting of the Company convened for 2 p.m. on 26 October 2021. Further details of the conditions attaching to the Scheme and each Placing are set out, respectively, in paragraph 5 of Part IV (*Details of the Scheme and the Issue*) and paragraph 2 of Part V (*The Placing Programme*) of this Prospectus.

### 3. INVESTMENT OBJECTIVE AND INVESTMENT POLICY

**Potential investors should note that the below reflects the New Investment Policy proposed to be adopted at the Extraordinary General Meeting convened for 2 p.m. on 26 October 2021. Should the New Investment Policy not be approved, neither the Issue nor the Placing Programme will proceed and the Company will continue to pursue its existing investment policy.**

#### ***Investment objective***

To produce long-term capital growth by investing predominantly in Chinese equities.

#### ***Investment policy***

The Company invests in companies listed, incorporated or domiciled in the People's Republic of China ("**China**"), or companies that derive a significant proportion of their revenues or profits from China operations or have a significant proportion of their assets there. In furtherance of the investment policy, the portfolio will normally consist principally of quoted equity securities and depositary receipts although unlisted companies, fixed interest holdings or other non-equity investments may be held. Investments in unquoted companies will be made where the Manager has a reasonable expectation that the company will seek a listing in the near future. The Portfolio is actively managed and may be invested in companies of any size and in any sector.

The Company is expected to have an ESG rating equal to, or better than, the MSCI China All Shares Index and have meaningfully lower carbon intensity than the Index.

The Portfolio is actively managed and the Company aims to outperform the MSCI China All Shares Index (GBP). This index is used as a reference point for portfolio construction and as a basis for setting risk constraints, but does not incorporate any sustainability criteria. In order to achieve its objective, the Company will take positions whose weightings diverge from the index or invest in securities which are not included in the index. Investments may deviate significantly from the components of, and their respective weightings in, the MSCI China All Shares Index. Due to the active nature of the management process, the Company's performance profile may deviate significantly from that of the index.

The Portfolio is expected normally to comprise between 30 and 60 securities (including any unlisted securities held) but may hold up to 100. No individual issuer will represent a greater weight in the Portfolio than the lower of (i) 10% or (ii) its weight in the MSCI China All Shares Index (in Sterling) plus 5%, as measured at the time of investment. The maximum permitted exposure to a single group is 20% of the Company's total assets, as measured at the time of investment.

The Company may continue to hold certain illiquid assets which were acquired prior to adoption of this policy pending their orderly disposal. These assets are not expected to represent a significant proportion of the portfolio.<sup>2</sup>

### 4. CHANGES TO INVESTMENT POLICY

No material change will be made to the Company's investment policy without prior approval by ordinary resolution of the Shareholders.

The Company intends to conduct its affairs so as to be eligible, at all times, to be an investment trust for the purposes of section 1158 CTA 2010. Any proposed changes to the Company's investment policy are also required to be notified to HMRC in advance of the filing date for the accounting period in which the investment strategy is revised (together with details of why the change does not impact the Company's status as an investment trust).

### 5. TARGET RETURN

The Company aims to outperform the MSCI China All Shares Index in GBP.

<sup>2</sup> As at the date of this Prospectus, 12.02 per cent. of the net assets of the Company consists of holdings where redemptions have been requested and payment may not be made prior to adoption of the New Investment Policy, but is expected prior to the end of December 2021. In addition, 0.40 per cent. of the net assets of the Company consists of holdings in funds that are in liquidation. Distributions in respect of these holdings will be received in due course, but the timeframe for such distributions is not known as at the date of this Prospectus.

The above should not be taken as an indication of the Company's expected future performance, return or results over any period and does not constitute a profit forecast. There is no assurance that the target return can or will be achieved. The actual return generated by the Company will depend on a wide range of factors including, but not limited to, general economic and market conditions in the PRC, the performance of Investee Companies and the markets in which they operate, fluctuations in currency exchange rates, the terms of the investments made and the other risks that are described more fully in this Prospectus, including in particular in the section entitled "*Risk Factors*". Accordingly, prospective investors should not place any reliance on the target return in deciding whether to invest in the Shares.

## **6. USE OF PROCEEDS**

The Scheme Shares are being issued to ANW Shareholders in consideration for the transfer of the Rollover Pool to the Company. The Rollover Pool will consist of investments aligned with the New Investment Policy, cash and cash equivalents. Any cash in the Rollover Pool and any proceeds of the realisation of cash equivalents in the Rollover Pool will be used to acquire investments in accordance with the New Investment Policy.

The net cash proceeds of any Placings under the Placing Programme will be used to acquire investments in accordance with the New Investment Policy. The amount of any such net proceeds is not known as at the date of this Prospectus.

## **7. DIVIDEND POLICY**

The Company's intention is to achieve its results primarily through capital appreciation. As such, no specific dividend policy has been established and any distributions will be made as required to maintain the Company's intended status as an investment trust under UK tax legislation and otherwise entirely at the discretion of the Board, subject to compliance with the solvency test prescribed by Guernsey law.

The Company intends to comply with the requirements for maintaining investment trust status for the purposes of section 1158 CTA 2010 regarding distributable income. The Company will therefore distribute its income such that it does not retain in respect of any accounting period an amount greater than 15 per cent. of its income (as calculated for UK tax purposes) for that period.

Details in relation to the taxation of dividends and distributions are set out in Part VI (*Taxation*) of this Prospectus.

## **8. SHARE PURCHASES AND BUYBACKS**

### ***On-market Share buybacks***

The Board considers it desirable that the Company's Shares do not trade at a price which, on average, represents a discount that is out of line with the Company's direct peer group. To assist the Board in taking action to deal with a material and sustained deviation in the Company's discount from its peer group, it seeks authority from Shareholders annually to buy back Shares. Shares may be repurchased when, in the opinion of the Board and taking into account factors such as market conditions and the discounts of comparable companies, the Company's discount is higher than desired and Shares are available to purchase in the market. The Board is of the view that the principal purpose of share repurchases is to enhance NAV for remaining Shareholders, although it may also assist in addressing the imbalance between the supply of and demand for the Company's Shares and thereby reduce the scale and volatility of the discount at which the Shares trade in relation to the underlying NAV per Share.

The timing, price and volume of any buyback of Shares will be at the absolute discretion of the Directors and are subject to the Company having sufficient working capital for its requirements and surplus cash resources available. The acquisition of Shares pursuant to this authority is subject to compliance with the solvency test and any other relevant provisions of the Companies Law.

The Directors have been granted general authority to purchase in the market up to 14.99 per cent. of the number of Shares in issue at its last AGM held on 20 April 2021, with such authority expiring at the conclusion of the Company's AGM to be held in respect of the year ending 31 October 2022. The Directors intend to seek annual renewal of this authority from the Shareholders at each AGM of the Company, although the Directors also intend to seek renewal of such authority at the

Extraordinary General Meeting on 26 October 2021. If the relevant resolution is approved by Shareholders at the Extraordinary General Meeting, the Directors will have general authority to make market purchases of up to 14.99 per cent. of the issued ordinary share capital of the Company (excluding treasury shares) immediately following completion of the Scheme.

In the event that the Board decides to repurchase Shares, purchases will only be made through the market for cash at prices (after taking account of all commissions, costs and expenses of the purchases) not exceeding the last reported Net Asset Value per Share.

**Shareholders and prospective Shareholders should note that such repurchases of Shares by the Company are entirely discretionary and will not be on a *pro rata* basis. No expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions.**

#### ***The Tender Offer and future performance linked tender offer***

Prior to the Issue and the Scheme becoming effective (and conditional on the relevant Resolution being passed at the Extraordinary General Meeting of the Company convened for 26 October 2021), the Board intends to implement the Tender Offer to enable Shareholders to tender all or part of their Ordinary Shares for cash at a tender price equal to the FAV per Ordinary Share less 2 per cent., and subject to a maximum of 15 per cent. in aggregate of the Ordinary Shares in issue (excluding treasury shares) at the relevant time. To the extent that other Shareholders do not elect to exit up to 15 per cent. of their shareholding, those Shareholders who have elected to exit in excess of 15 per cent. of their shareholding will have their excess election satisfied on a *pro rata* basis, subject to the overall aggregate cap of 15 per cent. of the Ordinary Shares in issue.

In addition, the Board intends that if the Company's NAV total return over five years ending December 2026 does not exceed the total return of the MSCI China All Shares Index (in Sterling terms), the Company will undertake a tender offer for up to 25 per cent. of the Company's issued share capital (excluding any Shares held in treasury). Any such tender offer will be conditional on the passing of the Resolutions at the EGM and will be at a price equal to the then prevailing FAV per Share less two per cent.

#### ***Treasury Shares***

Shares purchased by the Company may be cancelled or held in treasury (or a combination of both). Any Shares held in treasury may be subsequently cancelled or sold for cash. The sale of Shares from treasury will be subject to the Articles and the provisions relating to rights of pre-emption contained therein, further details of which are referred to in the section entitled "*Share issuance*" below. Further, such sales will not be at a price per Share which would be less (after taking account of all commissions, costs and expenses of such sale) than the last reported Net Asset Value per Share at the relevant time plus issue expenses.

### **9. FURTHER ISSUES OF SHARES**

There are no provisions of Guernsey law which confer rights of pre-emption in respect of the issue of Shares. The Articles do, however, contain pre-emption rights in relation to the issue of Shares for cash.

Pursuant to a special resolution of the Shareholders dated 20 April 2021, the Directors have authority to allot, without regard to the pre-emption rights contained in the Articles or otherwise, up to 2,298,257 Shares. The authority lasts until the conclusion of the AGM to be held in 2022 and the Company has so far not issued any Shares thereunder. To the extent that the authority is used in full before the end of such period, the Company may convene a general meeting to refresh the authority, or it may refresh the authority at an AGM, and then renew such authority at each subsequent AGM of the Company.

In addition, at the Extraordinary General Meeting of the Company convened for 26 October 2021, the Directors will seek approval from Shareholders for a further disapplication of pre-emption rights in respect of the maximum number of 25 million Placing Shares to be issued pursuant to the Placing Programme. This further disapplication of pre-emption rights will be restricted to use only in connection with the Placing Programme and will therefore expire on 3 October 2022, being the latest date on which Shares can be issued pursuant to the Placing Programme.

Further issues of Shares will only be made if the Directors determine such issues to be in the best interests of Shareholders and the Company as a whole. Relevant factors in making such determination include the Company's performance, the discount/premium at which the Shares trade to the prevailing Net Asset Value per Share, perceived investor demand and investment opportunities. Shares will only be issued at prices per Share which, after taking into account any placing commission and expenses payable in respect of such issues, are not less than the last reported Net Asset Value per Share plus issue expenses.

Application will be made for any Shares issued by the Company to be admitted to listing on the Official List of the FCA and to trading on the premium segment of the Main Market.

#### **10. NET ASSET VALUE CALCULATION AND PUBLICATION**

The Net Asset Value is the value of all assets of the Company less liabilities (including provisions for such liabilities). The Net Asset Value per Share is the Net Asset Value attributable to the Shares divided by the number of Shares in issue at the relevant time (excluding any Shares held in treasury).

An unaudited Net Asset Value will be calculated in Sterling by the UK Administration Agent and issued by the Administrator on a daily basis, as described below. These will be notified on each Business Day through a RIS and will also be published on the Company's website at [www.aberdeenemergingmarkets.co.uk](http://www.aberdeenemergingmarkets.co.uk).

The Company's investments are valued on the basis of the following valuation methodologies:

- investments quoted or dealt on recognised stock exchanges in an active market are valued by reference to their market bid prices;
- investments other than those in (i) above which are dealt on a trading facility in an active market are valued by reference to broker bid price quotations, if available, for those investments;
- investments in underlying funds, which are not quoted or dealt on a recognised stock exchange or other trading facility or in an active market, are valued at the net asset values provided by such entities or their administrators. These values may be unaudited or may themselves be estimates and may not be produced in a timely manner. If such information is not provided, or is insufficiently timely, the Investment Manager uses appropriate valuation techniques to estimate the value of investments. In determining the fair value of such investments, the Investment Manager takes into consideration the relevant issues, which may include the impact of suspension, redemptions, liquidation proceedings and other significant factors. Any such valuations are assessed and approved by the Directors. The estimates may differ from actual realisable values;
- investments which are in liquidation are valued at the estimate of their remaining realisable value;
- any other investments are valued at the Directors' best estimate of fair value;
- monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into Sterling at the spot exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value through profit or loss are retranslated into Sterling at the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Sterling using the exchange rate at the date of the transaction; and
- at the reasonable discretion of the Directors, if the methods above are not available or an alternate method is considered to be a more accurate reflection of the fair value of any asset or liability, the Directors of the Company may in their reasonable discretion permit such an alternative method of valuation to be used to calculate Net Asset Value.

The Directors may temporarily suspend the calculation and publication of the Net Asset Value during a period when, in the Board's opinion:

- there are political, economic, military or monetary events or other extreme circumstances which are outside the control, responsibility or power of the Directors and which have either or both of the following effects: (i) disposal or valuation of investments of the Company, or other transactions in the ordinary course of the Company's business, would not be reasonably practicable without material detriment to the interests of Shareholders; and (ii) in the opinion of the Directors, the Net Asset Value cannot be fairly calculated;
- there is a breakdown of the means of communication which are normally employed in calculating or publishing the Net Asset Value; or
- it is not reasonably practicable to determine or publish the Net Asset Value on an accurate and timely basis.

To the extent that the Articles require a suspension in the calculation of the Net Asset Value, the suspension will be notified through a RIS as soon as practicable after the suspension occurs.

As at 29 September 2021 (being the date of the Company's most recently published NAV prior to the date of this Prospectus), the estimated, unaudited NAV of the Company was £371.4 million and the Net Asset Value per Share was 808.05p.

## 11. MEETINGS, REPORTS AND ACCOUNTS

The Company held its last AGM on 20 April 2021 and will hold an AGM in April 2022 and each year thereafter. The annual report and accounts of the Company are made up to 31 October in each year, with copies expected to be sent to Shareholders within the following four months. The Company also publishes unaudited interim reports to 30 April each year. The Company's financial statements are prepared in Sterling in accordance with IFRS.

The Company's audited annual report and accounts for the period from 1 November 2019 to 31 October 2020 were published on 18 February 2021 and are available on the Company's website. For the avoidance of doubt, such website and its contents are not incorporated by reference into this Prospectus. The Company's next annual report will be prepared to 31 October 2021.

Any ongoing disclosures required to be made to Shareholders pursuant to the UK AIFMD Laws will (where applicable) be contained in the Company's periodic or annual reports or on the Company's website, or will be communicated to Shareholders in written form as required.

## 12. TAXATION

Potential investors are referred to Part VI (*Taxation*) of this Prospectus for details of the taxation of the Company and of Shareholders in Guernsey, the UK and the US.

Shareholders considering disposing of their Shares are advised to consider their investment objectives and their own individual financial and tax circumstances. Shareholders who are in any doubt as to their tax position should seek professional advice from their own adviser.

## 13. REGULATORY ENVIRONMENT

The Company, as a Guernsey-incorporated closed-ended investment company trading on the premium segment of the Main Market, is subject to laws, regulations and rules in such capacity, including, whether directly or indirectly, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, UK MAR, the UK AIFMD Laws, the UK PRIIPs Laws, the AIC Code, the Registered Collective Investment Scheme Rules 2018 and the Companies Law. The Company is subject also to the continuing obligations imposed on all investment companies whose shares are admitted to trading on the premium segment of the Main Market set out in the Admission and Disclosure Standards published by the London Stock Exchange in force from time to time.

Together, these rules, regulations and laws govern the way that, amongst other things, the Company can be operated (e.g. its governance), how its Shares can be marketed, and how it must deal with its Shareholders, together with requiring the Company to make certain reports, filings and notifications.

The AIFM is subject to, and will be required to comply with, certain regulatory requirements of the FCA, some of which affect the management of the Company.

As the Company will invest predominantly in companies which: (i) are incorporated or domiciled; (ii) which derive a significant proportion of their revenues or profits from operations from; or (iii) which have a significant proportion of their assets in the PRC, the Investee Companies and the Company's investments in them will be subject to the Chinese regulatory environment (for further details, please see the risk factor entitled "*Risks associated with investments in the People's Republic of China*" in the section entitled "*Risk Factors*" of this Prospectus).

The rules, laws and regulations affecting the Company, the AIFM, the Investment Manager and/or the Investee Companies are evolving and any changes in such rules, laws and regulations may have an adverse effect on the ability of the Company, the AIFM, the Investment Manager and/or the Investee Companies to carry on their respective businesses.



## PART II – MARKET OPPORTUNITY AND STRATEGY

### 1. MARKET OPPORTUNITY

#### *Why China?*

China's equity markets have grown into the second largest financial market in the world, after the US. This is a US\$17 trillion market that is both deep and liquid. There are more than 5,000 Chinese companies listed onshore in mainland China and offshore, mostly in Hong Kong and the US, presenting vast opportunity.

Chinese markets are also becoming large and growing components of major global indices. For instance, Chinese equities now make up 33% of the MSCI Emerging Markets Index. If China A Shares were included fully (from the current 20%), this would push the overall weighting of Chinese equities to 53%.

A big driver of growth has been the Stock Connect programme, which was launched in 2014. This opened direct trading links connecting Shanghai and Shenzhen with Hong Kong, making A Shares more accessible to institutional investors outside the mainland. These days, any investor with a brokerage account in Hong Kong can invest in over 2,000 companies listed in Shenzhen and Shanghai. Two-way investor flows between mainland China and Hong Kong have flourished as a result.

Another draw is the low correlation between Chinese equities and other asset classes. In other words, A Shares provide a great opportunity to diversify portfolio risk and potentially enhance returns.

Investing in both the onshore and offshore markets offers an extensive range of opportunities in these markets. With the onshore market, investors gain greater exposure to unique sectors such as baijiu (a popular liquor), as well as the faster growing new economy ones like electric vehicles and batteries, specialist technology and niche industrial areas. As for the offshore market, investors gain more access to internet and e-commerce companies, along with investment opportunities in telecoms.

More broadly, China's financial reforms continue to improve the accessibility and liquidity of the domestic market. With more international investors' participation in the A-share market, it could shine a light on global best practice and help to raise governance standards of local companies over time.

#### *Why now?*

abrdn sees tremendous opportunity in China, and the portfolio is well positioned to capitalise on key areas of structural growth.

- **Aspiration:** As incomes increase and living standards improve in China, rising affluence is leading to fast growth in premium, or higher value, goods and services in areas including cosmetics, travel and food and beverage. The consumer story is attractive because boosting domestic spending forms a central component of China's reform agenda.
- **Digital:** Growing integration amid the widespread adoption of technology means a bright future for plays on e-commerce, cybersecurity and data centres supporting cloud services.
- **Green:** Policy makers globally are committing to a greener and lower carbon world and China is expected to have a transformational role to play. Investments in renewable energy, batteries, electric vehicles, related infrastructure, and environmental management all have a bright future. Grid parity will be game-changing.
- **Health:** Rising disposable incomes are driving demand for healthcare products and services. The opportunity set is diverse. The proposed holdings include a leading hospital, contract research providers and an internet healthcare platform.
- **Wealth:** Growing prosperity means structural growth for consumer finance, such as wealth management and insurance protection, as well as increasing investor participation on stock exchanges.

In China, standards of disclosure, reporting and access to management are increasingly moving towards international norms. Many Chinese companies are also moving up the quality curve steadily. China is already the leading global manufacturer of solar panels and wind turbines.

This quality aspect extends to the environment, social and governance (ESG) front as well. abrdn is finding that more and more Chinese companies are beginning to understand and appreciate the importance of, and value that can be created by, engaging with long-term investors and becoming more cognisant of ESG issues. Increasingly they are aware of their carbon footprint. They are realising that implementing sustainable practices can improve brand perception, customer loyalty and, ultimately, the share price. It can also help to guard against catastrophes that can have legal ramifications. abrdn is also engaging companies on social factors, such as how they interact with employees, vendors and society, explaining how supporting employee well-being can lead to a more productive workforce and help them to recruit and retain talent.

In all this, abrdn remains positive about the long-term prospects for Chinese equities and believes the private sector retains a critical role in ensuring that the Chinese economy continues to innovate and prosper and that China reaches its goal of being a moderately prosperous nation by 2035.

## **2. INVESTMENT STRATEGY**

The Company invests in companies listed, incorporated or domiciled in the People's Republic of China ("China"), or companies that derive a significant proportion of their revenues or profits from China operations or have a significant proportion of their assets there. In furtherance of the investment policy, the Portfolio will normally consist principally of quoted equity securities and depositary receipts although unlisted companies, fixed interest holdings or other non-equity investments may be held. Investments in unquoted companies will be made where the Investment Manager has a reasonable expectation that the company will seek a listing in the near future. The Portfolio is actively managed and may be invested in companies of any size and in any sector.

The Company is expected to have an ESG rating equal to, or better than, the MSCI China All Shares Index and have meaningfully lower carbon intensity than the Index.

The Portfolio is actively managed and the Company aims to outperform the MSCI China All Shares Index (GBP). This index is used as a reference point for portfolio construction and as a basis for setting risk constraints, but does not incorporate any sustainability criteria. In order to achieve its objective, the Company will take positions whose weightings diverge from the index or invest in securities which are not included in the index. Investments may deviate significantly from the components of, and their respective weightings in, the MSCI China All Shares Index. Due to the active nature of the management process, the Company's performance profile may deviate significantly from that of the index.

The Portfolio is expected normally to comprise between 30 and 60 securities (including any unlisted securities held) but may hold up to 100. No individual issuer will represent a greater weight in the Portfolio than the lower of (i) 10% or (ii) its weight in the MSCI China All Shares Index (in Sterling) plus 5%, as measured at the time of investment. The maximum permitted exposure to a single group is 20% of the Company's total assets, as measured at the time of investment.

The Company may continue to hold certain illiquid assets which were acquired prior to adoption of this policy pending their orderly disposal. These assets are not expected to represent a significant proportion of the portfolio.

### **Risk Management**

The Company will at all times be invested in several sectors. While there are no specific limits placed on exposure to any one particular sector, the Company will at all times invest and ensure that the Portfolio is managed in a manner consistent with spreading investment risk.

The Company may invest in unquoted securities and/or securities with lock-up periods provided that such investments, in aggregate, are limited to 10% of the Company's net assets at the time any such investment is made.

With prior approval of the Board, the Company may use derivatives for the purposes of efficient portfolio management in order to reduce, transfer or eliminate investment risk in the Company's portfolio. Derivative instruments in which the Company may invest may include foreign exchange forwards, exchange-listed and over-the-counter options, futures, options on futures, swaps and similar instruments. The Company does not intend to enter into derivative or hedging transactions to mitigate against wholesale general currency or interest rate risk.

The Company may invest no more than 10% in aggregate, of its gross asset value at the time of acquisition in other listed closed-ended investment funds, but this restriction will not apply to investments in such funds which themselves have stated investment policies to invest no more than 15% of their gross asset value in other closed-ended investment funds.

**Gearing**

The Company may employ gearing and may in aggregate borrow amounts equalling up to 20% of gross asset value, although the Board expects that borrowings will typically not exceed 15% of gross asset value at the time of drawdown.

While it is intended that the Company will be fully invested in normal market conditions, the Company may hold cash on deposit or invest on a temporary basis in a range of cash equivalent instruments. There is no restriction on the amount of cash or cash-equivalent instruments that the Company may hold.

**3. INVESTMENT HIGHLIGHTS**

The Investment Manager believes that the principal attributes and strengths of the proposed New Investment Policy and its investment process can be summarised in the following table:



Source: Aberdeen Standard Investments, May 2021. **Past performance is not a guide to future results**

**Market leading resources in Chinese Equities**

The Investment Manager has a very experienced and successful Chinese equities investment team with members based in Singapore, Hong Kong and Shanghai. abrdn has been investing in Chinese Equities since 1992 and has a team-based approach to investing. Its dedicated Chinese Equities team is well-resourced and benefits from being part of a broader Asia Pacific, Emerging Markets and Global Equity franchise.

**Fully integrated ESG analysis**

abrdn places constructive engagement and environmental, social and governance (ESG) risk considerations at the heart of all company research, ensuring that it is a responsible steward of its clients' assets. abrdn believes that this approach can mitigate risks and actively enhance returns for clients over the long term.

ESG considerations are key to and fully integrated into the investment process:

- **Financial Returns:** ESG factors can be financially material – the level of consideration they are given in a company will ultimately have an impact on corporate performance, either positively or negatively. Those companies that take their ESG responsibilities seriously tend to outperform those that do not over the longer term.

- **Fuller Insight:** Systematically assessing a company's ESG risks and opportunities alongside other financial metrics allows the Investment Manager to make more insightful investment decisions.
- **Corporate Advancement:** Informed and constructive engagement helps foster improved companies, protecting and enhancing the value of the Company's investments.

### World class research platform

abrtn believes that fundamental company research is the key to unlocking investment insights that drive investment returns in client portfolios. Its research platform brings together equity research on a global basis with insights from its credit and ESG teams. abrtn's large scale allows for broad market coverage, strong analytical capability and proactive corporate engagement.

### A strong culture of collaboration

Conviction is built through idea sharing, peer review and effective debate. The Investment Manager seeks to build high conviction portfolios where stock-specific insights drive performance, giving clients direct access to best investment ideas.

## 4. TRACK RECORD

As the Board is proposing that the Company's investment objective and mandate be changed to primarily investing in Chinese equities in accordance with the New Investment Policy, the track record of the Company as it has been managed in accordance with its existing investment policy is not relevant to its future performance. However, the members of the investment management team selected by abrtn to manage the Company's portfolio in accordance with the New Investment Policy have extensive experience of investing in the region and are responsible for various funds that employ the same process. The track records of comparable funds are shown below.

### Aberdeen Standard SICAV I – China A Share Equity Fund

	<u>1 yr %</u>	<u>3 yrs % p.a.</u>	<u>5 yrs % p.a.</u>
Fund	2.20	17.18	19.46
Benchmark	9.62	18.28	7.23
<b>Relative return</b>	<b>-7.42</b>	<b>-1.09</b>	<b>12.23</b>

Benchmark: MSCI China A from inception to 28 February 2018. From 1 March 2018, the benchmark name was changed by MSCI to MSCI China A Onshore  
Source: abrtn, BPSS, Refinitiv; Gross, GBP, 31 August 2021

### Aberdeen Standard SICAV I – All China Equity Fund

	<u>1 yr %</u>	<u>3 yrs % p.a.</u>	<u>5 yrs % p.a.</u>
Fund	-2.25	9.69	11.55
Benchmark	-2.18	6.12	9.79
<b>Relative return</b>	<b>-0.07</b>	<b>3.57</b>	<b>1.76</b>

Benchmark: MSCI Zhong Hua to 6 July 2020. From 7 July 2020, the benchmark was changed to MSCI China All Shares to better reflect the updated investment objective and policy, as well as the investment universe available to the Fund  
Source: abrtn, BPSS, Refinitiv; Gross, GBP, 31 August 2021

## PART III – DIRECTORS, MANAGEMENT AND ADMINISTRATION

### 1. DIRECTORS

The Directors are responsible for the determination of the Company's investment policy and investment strategy and have overall responsibility for the Company's activities, including the review of investment activity and performance and the control and supervision of the AIFM and Investment Manager. The Directors have appointed the AIFM as the Company's alternative investment fund manager and have accordingly delegated responsibility for managing the assets comprised in, and risks associated with, the Portfolio to the AIFM. The Company has consented to the AIFM delegating its portfolio management responsibilities to the Investment Manager, which is not required to, and generally will not, submit individual investment decisions for the approval of the Board.

All of the Directors are non-executive and are independent of the AIFM and the Investment Manager (as understood pursuant to the AIC Code).

The Directors meet as a Board at least quarterly, the Audit Committee meets at least twice a year and the Management Engagement Committee, the Nomination Committee and the Remuneration Committee all meet at least once a year.

In relation to transactions in which a Director is interested, the Articles provide that, as long as the Director discloses to the Board the nature and extent of any material interest, in accordance with section 162 of the Companies Law, a Director may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested and may be a director or other officer of, or employed by, or a party to any transaction with, any body corporate in which the Company is interested and shall not, by reason of their office, be accountable to the Company for any benefit they derive from any such office, employment, transaction or arrangement and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.

The Directors are as follows:

#### ***Mark Hadsley-Chaplin (Chairman)***

Mark Hadsley-Chaplin was appointed a Director on 26 April 2012 and the Chairman of the Board on 10 April 2017. A United Kingdom resident, Mark Hadsley-Chaplin founded RWC Partners Ltd, a London based fund management firm in 2000. He was CEO until 2006 and Chairman until 2010. Prior to this he was Vice Chairman of UBS Securities (East Asia) Ltd, based in Singapore and responsible for the management and development of the bank's Asian equity business worldwide.

#### ***William Collins (Senior Independent Director)***

William Collins was appointed a Director on 14 June 2012. He is a Guernsey resident and has over 45 years of experience in banking and investment. From September 2017 he was employed by Bank J Safra Sarasin (formerly Bank Sarasin) in Guernsey as a Director – Private Clients, retiring at the end of 2014. Prior to that he worked for Barings in Guernsey for over 18 years. In 1995 he was appointed a director and from 2003 until August 2007 was Managing Director of Baring Asset Management (CI) Ltd. From November 2007 until November 2017 he was chairman of Crystal Amber Fund Limited an AIM listed activist fund.

#### ***Helen Green***

Helen Green was appointed a Director on 1 July 2016. Mrs Green, a Guernsey resident, a chartered accountant and has been employed by Saffery Champness, a top 20 firm of chartered accountants, since 1984. She qualified as a chartered accountant in 1988 and became a partner in the London office in 1998. Since 2000 she has been based in the Guernsey office where she is Client Liaison Director responsible for trust and company administration. Mrs Green serves as a non-executive director on the board of a number of companies in various jurisdictions. Mrs Green holds other public company directorships in UK Mortgages Limited, Landore Resources Limited, CQS Natural Resources Growth and Income plc and JPMorgan Global Core Real Assets Limited.

#### ***Eleonore de Rochechouart***

Eleonore de Rochechouart, a United Kingdom resident, is a partner of Res Familiaris LLP, a London based wealth and corporate management advisory boutique. Prior to joining Res Familiaris in 2010, Eleonore spent 20 years in the financial services industry as an economist, researcher and asset

allocator in both the traditional and alternative investment arena. She started her career in 1992 at Dubin & Swieca Capital Management's branch in France, before joining Standard & Poor's Rating Agency in 1998. She was then appointed CIO of a French family office in 2003 before moving to London in 2010. Ms de Rochechouart currently holds a number of directorships in private companies.

#### *Proposed changes to the Board*

Following completion of the Scheme, it is intended that the Board will initially consist of six directors, comprising four directors from the current Board and two directors from the board of ANW and, consequently, two current directors of ANW will be appointed as non-executive directors of the Company with effect from 9 November 2021. William Collins will subsequently retire from the Board at the Company's annual general meeting in 2022 and it is also expected that Mark Hadsley-Chaplin will retire from the Board at the Company's annual general meeting in 2023.

The incoming Directors are as follows:

#### **Anne Gilding**

Anne Gilding is a Non-Executive Director of Momentum Multi-Asset Value Trust plc, a senior adviser to Peregrine Communications, and she has also served a term as a trustee of an educational charity. She has over twenty five years' experience of developing and leading global communications, branding and marketing solutions for a broad range of companies including Impax Asset Management Group plc (where she gained valuable experience of ESG criteria), BMO (formerly F&C), GAM, Vernalis Group plc and UBS.

#### **Sarah MacAulay**

Sarah MacAulay is Chairman of Schroder Asia Total Return Investment Company plc and JPMorgan Multi-Asset Growth and Income plc. She is also Senior Independent Director on the board of Fidelity Japan Trust. Previously she was a Director of Baring Asset Management (Asia) Limited in Hong Kong and Asian Investment Manager at Kleinwort Benson and Eagle Star in London. She has twenty years of Asian investment management experience in London and Hong Kong, managing and marketing investment portfolios across numerous jurisdictions. She is also a Trustee of Glendower School Trust, an educational charitable Trust.

## **2. THE AIFM**

The Company and the AIFM have entered into the Management Agreement pursuant to which the Company has appointed Aberdeen Standard Fund Managers Limited, a limited liability company incorporated in England and Wales with registered number 00740118, as its alternative investment manager. The registered office of the AIFM is Bow Bells House, 1 Bread Street, London, EC4M 9HH. The LEI of the AIFM is 213800LKZU3XUL41DI38.

Pursuant to the Management Agreement, the AIFM has been given responsibility, subject to the overall supervision of the Board, for active discretionary investment management of the Portfolio in accordance with the Company's investment objective and policy, which it has agreed to delegate to the Investment Manager by way of a group delegation agreement.

The AIFM is also responsible for certain aspects of the day-to-day administration of the Company, including but not limited to liaising with the Depositary and calculating the NAV on a monthly basis (or at such other intervals as may be agreed with the Company from time to time) in conjunction with the Administrator.

A summary of the material terms of the Management Agreement are set out in paragraph 12.1 of Part VII (*Additional Information on the Company*) of this Prospectus.

The AIFM is authorised and regulated as an AIFM by the FCA and, as such, is subject to its rules in the conduct of its investment business. The AIFM complies with the requirements of the UK AIFMD Laws with respect to cover for professional negligence liabilities through maintaining additional own funds, further details of which are set out in paragraph 19 of Part VII (*Additional Information on the Company*) of this Prospectus.

If the entity appointed as AIFM to the Company is changed, the Company will notify that change through a RIS.

### 3. THE INVESTMENT MANAGER

The Company has consented to the AIFM delegating its portfolio management responsibilities to abrdn Hong Kong Limited (the “**Investment Manager**”), a private company limited by shares that was incorporated in Hong Kong with company registration number 0145551, whose registered office is at 6th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong.

The Investment Manager is authorised and regulated by the Securities and Futures Commission of Hong Kong.

If the delegate of the AIFM (or any replacement investment manager) is changed, the Company will notify that change through a RIS.

### 4. INVESTMENT TEAM

Subject to the approval of the new Investment Policy, the existing investment management team of Andrew Lister and Bernard Moody, assisted by Omar Ene, will, in the longer term, cease to be involved with the day-to-day management of the Portfolio of the Company and will be replaced by the Chinese equities team, led by the individuals set out below.

#### ***Nicholas Yeo, CFA, Director and Head of Equities, China***

Nicholas Yeo is the Head of China/Hong Kong Equities team at abrdn. Nicholas joined abrdn in 2000 via the acquisition of Murray Johnstone. He was seconded to the London Global Emerging Market team for two years where he covered EMEA and Latin American companies, before returning to the Asian Equities team in Singapore in March 2004. In March 2007, he transferred to Hong Kong to lead Chinese equity research.

Nicholas holds a BA (Hons) in Accounting and Finance from The University of Manchester and an MSc in Financial Mathematics from Warwick Business School. Nicholas is a CFA charterholder.

#### ***Elizabeth Kwik, CFA, Investment Manager***

Elizabeth Kwik is an Investment Manager on the China/Hong Kong Equities Team at abrdn where she is responsible for researching the Consumer Discretionary, Automobiles & Components and Banking sectors. Elizabeth sits on the China A share and All China equity fund portfolio construction groups (pods). Elizabeth joined abrdn in 2013.

Elizabeth holds a Bachelor of Science in Economics from the London School of Economics. She is a CFA charterholder.

### 5. DEPOSITARY

Northern Trust (Guernsey) Limited has been appointed as the depositary of the Company pursuant to the Depositary Agreement (as supplemented from time to time) with the Company and the AIFM, further details of which are set out in paragraph 12.4 of Part VII (*Additional Information on the Company*) of this Prospectus. As depositary of the Company, it performs those duties prescribed under the UK AIFMD Laws. These include safekeeping of the Company’s assets, cash monitoring and oversight.

### 6. ADMINISTRATOR

Vistra Fund Services (Guernsey) Limited has been appointed as administrator, secretary and designated manager of the Company pursuant to the Administration and Secretarial Agreement, further details of which are set out in paragraph 12.5 of Part VII (*Additional Information on the Company*) of this Prospectus. The Administrator is responsible for certain aspects of the day-to-day administration and general secretarial functions of the Company in conjunction with the AIFM (including but not limited to the maintenance of the Company’s statutory records).

### 7. REGISTRAR

Link Group has been appointed as the Company’s registrar pursuant to the Offshore Registrar Agreement, further details of which are set out in paragraph 12.6 of Part VII (*Additional Information on the Company*) of this Prospectus. The Registrar is responsible for the maintenance of the Register, dealing with routine correspondence and enquiries, and the performance of all the usual duties of a registrar in relation to the Company.

## 8. AUDITOR

The auditor to the Company will be KPMG Channel Islands Limited of Gategny Court, Gategny Esplanade, St Peter Port, Guernsey, GY1 1WR. KPMG Channel Islands Limited is independent of the Company and is a member of the Institute of Chartered Accountants in England and Wales. The auditor's responsibility is to audit and express an opinion on the financial statements of the Company in accordance with applicable law and auditing standards. The annual report and accounts are prepared in accordance with IFRS.

## 9. FEES AND EXPENSES

### *Issue Expenses*

The costs and expenses of the Issue are not expected to exceed £0.9 million. The AIFM has agreed to make a contribution to the costs of the Issue by means of a six-month waiver of its Management Fee (as described below). Any surplus costs will be covered by the Company from its existing resources.

### *Placing Expenses*

The costs and expenses in relation to the Placings and Subsequent Admissions ("**Placing Expenses**") will include, without limitation: registration and admission fees; placing commissions; the cost of settlement arrangements; printing, advertising and distribution costs; and professional services fees, including legal fees; and any other applicable expenses. No such costs and expenses will be directly charged to the Placees in connection with the Placings and Subsequent Admission and such costs and expenses will instead be borne by the Company out of the gross proceeds of the Placing.

### *Ongoing expenses*

The Company will also incur ongoing expenses, which are not currently expected to exceed 0.9 per cent. of the NAV annually once the Issue is complete, taking into account all material fees payable directly or indirectly by the Company for services under arrangements entered into as at the date of this Prospectus. Investors should note, however, that some expenses are inherently unpredictable and, depending on circumstances, ongoing expenses may exceed this estimation. The relevant heads of ongoing expense which are borne by the Company are set out below, as are those ongoing expenses which are not readily quantifiable and therefore have not been taken into account in this estimation.

The AIFM has prepared a key information document as required under the UK PRIIPs Laws. Those laws require costs to be calculated and presented in accordance with detailed and prescriptive rules. The key information document is available on the Company's website at [www.aberdeenemergingmarkets.co.uk](http://www.aberdeenemergingmarkets.co.uk) under "Key Literature".

### *Directors*

Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. As at the date of this Prospectus, Mark Hadsley-Chaplin, as Chairman, is entitled to receive £38,000 per annum, Helen Green, as chairperson of the Audit Committee, is entitled to receive £33,000 per annum, and all other Directors are entitled to receive £28,000 per annum.

All of the Directors are also entitled to be paid all reasonable expenses properly incurred by them in connection with the performance of their duties. These expenses may include those associated with attending general meetings, Board or committee meetings and legal fees. If the Board requests one or more of the Directors to perform services outside of those considered to be ordinary course on behalf of the Company, the Board may determine that additional remuneration may be paid to the Director or Directors.

### *Management Fee*

Following completion of the Scheme, the annual management fee payable by the Company to the AIFM (the "**Management Fee**") will be calculated on a tiered basis by reference to the market capitalisation of the Company, with the first £150 million of market capitalisation being charged at 0.80 per cent., the next £150 million being charged at 0.75 per cent. and amounts thereafter being charged at 0.65 per cent.



The AIFM has agreed to make a contribution to the costs of implementing the Proposals by means of a waiver of the Management Fee otherwise payable by the Company to the AIFM for the first six months following the completion of the Scheme.

#### *Promotional Fee*

The Company has agreed to pay a fee to the AIFM for the provision of promotional activities at an annual rate of £123,400 with effect from 1 July 2020.

#### *Company Secretary and Administrator Fees*

Under the terms of the Administration and Secretarial Agreement, the Administrator is entitled to a fee at a rate of £40,000 per annum plus certain additional fees (during the year ended 31 October 2020, the Administrator's fee for ad hoc meetings held amounted to £8,250). The Administrator also receives the fees payable to the UK Administration Agent.

#### *UK Administration Agent Fees*

The UK Administration Agent receives from the Administrator a monthly fee equal to one twelfth of 0.1 per cent. of NAV subject to a maximum fee per annum (£151,736 for the year ended 31 October 2020). The maximum fee is increased annually, in November, by the change in the UK Retail Price Index (all items) over the preceding 12 months.

#### *Depositary and Custodian Fees*

Under the terms of the Depositary Agreement (as supplemented from time to time), the Depositary is entitled to receive a fee in respect of UK depositary services of 2.95 basis points per annum, subject to a minimum annual fee of £20,000 (exclusive of VAT). A custody fee in respect of global custodian services is also payable which are asset based fee equal to between 1.00 basis points and 60.00 basis points of the value of the assets of the Company. Transaction based fees are also payable of between £10 and £140 per transaction. The variable fees are dependent on the countries in which the individual holdings are registered. All fees are exclusive of VAT.

#### *Registrar Fees*

Under the terms of the Offshore Registrar Agreement, the Registrar is entitled to an annual maintenance fee per Shareholder account, which is subject to an annual minimum charge. These fees are subject to review by the Registrar in its absolute discretion not more than once per calendar year and to a minimum annual increase at the rate of the Retail Prices Index prevailing at the time. In the 12 months prior to publication of this Prospectus, such fees amounted to approximately £28,000.

#### *Other operational expenses*

Other ongoing operational expenses that are borne by the Company include the auditor's fees, corporate broker fees, legal fees, certain direct transaction expenses, the costs of any filings (including tax filings) or regulatory notifications, fees of the London Stock Exchange, fees for public relations services, directors and officers liability insurance premiums, and printing costs. The Company may also bear certain out of pocket expenses of the Investment Manager or its Affiliates, the Company's service providers and the Directors.

## **10. TAKEOVER CODE**

The Takeover Code applies to the Company. For more information, see paragraph 7 of Part VII (*Additional Information on the Company*) of this Prospectus.

## **11. CORPORATE GOVERNANCE**

The Company is committed to complying in all material respects with the corporate governance obligations which apply to Guernsey registered companies admitted to trading on the premium segment of the Main Market.

#### *AIC Code*

The Company is a member of the AIC and complies with the 2019 Code of Corporate Governance produced by the AIC (the "**AIC Code**"). The AIC Code provides a framework of best practice in respect of the governance of investment companies, such as the Company. The Board has

considered the principles and provisions of the AIC Code. The Company reports against the AIC Code.

In addition, the Disclosure Guidance and Transparency Rules require the Company to: (i) make a corporate governance statement in its annual report and accounts based on the code to which it is subject, or with which it voluntarily complies; and (ii) describe its internal control and risk management arrangements.

#### *Guernsey Code*

On 1 January 2012, the GFSC's "Finance Sector Code of Corporate Governance" (the "**GFSC Code**") came into effect, which applies to all companies that hold a licence from the GFSC under the regulatory laws or which are registered or authorised as collective investment schemes. The GFSC has stated in the GFSC Code (the latest version of which is dated June 2021) that companies which report against the AIC Code are deemed to meet the requirements of the GFSC Code. Therefore, as the Company reports against the AIC Code, it is deemed to meet the requirements of the GFSC Code.

#### ***Audit Committee***

The Company has established an Audit Committee which is chaired by Helen Green and currently consists of all the Directors except the Chairman, Mark Hadsley-Chaplin. The Audit Committee meets at least twice a year. The Board considers that the members of the Audit Committee have the requisite skills and experience to fulfil the responsibilities of the Audit Committee. The Audit Committee keeps under review the effectiveness of the Company's internal financial control systems, reviews the interim and annual reports of the Company and receives a report from the Investment Manager on an annual basis. The Audit Committee also reviews the scope, results, cost effectiveness, independence and objectivity of the Company's external auditor.

#### ***Management Engagement Committee***

The Company has established a Management Engagement Committee which is chaired by Mark Hadsley-Chaplin and currently consists of all the Directors. The Management Engagement Committee meets at least on an annual basis to consider the appointment and remuneration of the AIFM and all other suppliers of services to the Company.

#### ***Nomination Committee***

The Company has established a Nomination Committee, which is chaired by William Collins and currently consists of all the Directors. The Nomination Committee meets at least on an annual basis and has responsibility for: (i) identifying individuals qualified to become Board members and nominating candidates for election at general meetings of the Shareholders or for appointment to fill Board vacancies; (ii) recommending to the Board, membership of the Audit Committee; and (iii) considering the structure, size and composition of the Board and making recommendations with regard to any changes.

#### ***Remuneration Committee***

The Company has established a Remuneration Committee, which is chaired by William Collins and currently consists of all the Directors. The Remuneration Committee meets at least on an annual basis to consider the remuneration of the Directors. The Remuneration Committee reviews the remuneration of the Directors and Chairman against the fees paid to the directors of other investment companies of a similar size and nature, as well as taking into account other comparable data.

#### ***Senior Independent Director***

The Company has appointed William Collins as Senior Independent Director. The Senior Independent Director provides a sounding board for the chairperson and serves as an intermediary for the other directors and Shareholders.

## **12. DIRECTORS' SHARE DEALINGS**

The Directors have adopted a share dealing code that is compliant with UK MAR. Each Director is responsible for ensuring his or her compliance with the share dealing code.

### **13. MEETINGS, REPORTS AND ACCOUNTS**

The Company held its last AGM on 20 April 2021 and will hold an AGM in April 2022 and each year thereafter. The annual report and accounts of the Company are made up to 31 October in each year with copies sent to Shareholders within the following four months. The Company also publishes unaudited interim reports to 30 April each year.

The Company's audited annual report and accounts for the period from 1 November 2019 to 31 October 2020 were published on 18 February 2021 and are available on the Company's website at <https://www.aberdeenemergingmarkets.co.uk>. For the avoidance of doubt, such website and its contents are not incorporated by reference into this Prospectus. The Company's next interim report will be prepared to 30 April 2022.

Any ongoing disclosures required to be made to Shareholders pursuant to the UK AIFMD Laws will (where applicable) be contained in the Company's interim or annual reports or on the Company's website, or will be communicated to Shareholders in written form as required.

The Directors will include in the Company's annual and half-yearly reports sufficient information relating to the Portfolio and valuation methodologies to enable Shareholders to appraise the Portfolio.

## PART IV – DETAILS OF THE SCHEME AND THE ISSUE

### 1. THE SCHEME

The Scheme Shares are only available to ANW Shareholders under the Scheme and are not being offered to Existing Shareholders or to the public.

The Scheme Shares are being offered or sold only (i) outside the United States in “offshore transactions” to non-US Persons pursuant to Regulation S under the US Securities Act, and (ii) to persons who are both Qualified Purchasers and Accredited Investors pursuant to an exemption from the registration requirements of the US Securities Act, and who, in the case of (ii), have executed the AI/QP Investor Letter and returned it to the Company and the Receiving Agent. For further information on US restrictions on offers, sales and transfers of the Scheme Shares, please refer to paragraph 8 below.

The Issue is being undertaken pursuant to a proposed scheme of reconstruction under section 110 of the Insolvency Act 1986, which the Board of ANW has resolved to recommend to ANW Shareholders. The rationale for the Issue and the Scheme is to seek to provide ANW Shareholders with the opportunity (in light of ANW’s continued underperformance) to gain exposure to investment in Chinese equities through a larger more liquid vehicle (as further described in paragraph 2 of Part I (*Information on the Company*) and Part II (*Market Opportunity and Strategy*) of this Prospectus).

The Scheme is subject to, amongst other conditions, its approval by ANW Shareholders at the ANW General Meetings.

Under the Scheme, ANW will be put into liquidation and its assets split into the following three pools:

- (i) the pool of cash, undertaking and other assets to be established under the Scheme and to be transferred to the Company pursuant to the Transfer Agreement (the “**Rollover Pool**”);
- (ii) the fund comprising the pool of assets attributable to the shares of exiting ANW Shareholders (the “**Cash Pool**”); and
- (iii) the pool of cash and other assets to be retained by the Liquidators to meet all known and unknown liabilities of ANW and other contingencies (the “**Liquidation Pool**”).

ANW Shareholders will be entitled to elect for either or both of two options in respect of all or part of their holding of shares in ANW, being:

- a) to receive the Scheme Shares to be issued by the Company to ANW Shareholders (the “**Rollover Option**”); and/or
- b) to receive cash distributions out of the Cash Pool at a discount of 2 per cent. to the aggregate FAV (as defined in paragraph 2 below) of the ANW Shares in respect of which they make such election (the “**Cash Option**”).

The Cash Option shall be limited to 15 per cent. of the ANW Shares in issue (excluding treasury shares) on the Calculation Date and aggregate elections for the Cash Option in excess of this number will be scaled back on a *pro rata* basis. To the extent that other ANW Shareholders do not elect to exit 15 per cent. of their shareholding, those ANW Shareholders who have elected to exit in excess of 15 per cent. of their shareholding will have their excess election satisfied on a *pro rata* basis, subject to the overall aggregate cap of 15 per cent. of the ANW Shares in issue on the Calculation Date.

ANW Shareholders will be deemed to have elected to take part in the Rollover Option as the default option in the event that they do not make a formal election under the Scheme or to the extent elections for the Cash Option in excess of 15 per cent. of ANW Shareholders’ holdings are scaled back as a result of the Cash Option being oversubscribed.

As a result of the Scheme the total assets of the Company, and therefore its issued share capital, will increase, and the resulting improvement in liquidity should benefit all Shareholders. In addition, the fixed costs of the Company will be spread over a larger pool of assets, resulting in a lower ongoing charges ratio.

The transfer of the Rollover Pool to the Company will be implemented in accordance with the terms of the Transfer Agreement dated 4 October 2021 between the Company, ANW, the Liquidators and

the AIFM. Further details of the Transfer Agreement are provided in paragraph 12.8 of Part VII (*Additional Information on the Company*) of this Prospectus.

In advance of the transfer of the Rollover Pool, ANW and/or the AIFM (or their agents) will have realised or realigned the undertaking and business carried on by ANW in accordance with the Scheme so that ANW will hold, in addition to assets destined to become the Cash Pool and the Liquidation Pool, investments suitable for transfer to the Company under the Transfer Agreement. The Rollover Pool will therefore consist of investments aligned with the New Investment Policy, cash and cash equivalents.

## 2. DETAILS OF THE ISSUE

The number of Scheme Shares to be issued to ANW Shareholders will be based on the formula asset values (“FAVs”) of the Company and of ANW. FAVs will be calculated based on the Net Asset Values (cum income, debt at fair value) of a Share (the “FAV per Share”) and of an ANW Share (the “FAV per ANW Share”). The FAV per Share and the FAV per ANW Share will be calculated as at 6.00 p.m. on the Calculation Date using each company’s respective accounting policies and will take into account the following adjustments:

- the FAV per Share will be adjusted to take into account: (i) the costs and expenses of the Proposals; (ii) any dividends of the Company to which ANW Shareholders who elect for the Rollover Option will not be entitled; and (iii) the benefit to Shareholders who do not tender their Shares pursuant to the Tender Offer of the two per cent. discount applied under the Tender Offer; and
- the FAV per ANW Share will be adjusted to take into account: (i) the costs and expenses of the Scheme; (ii) a pre-liquidation dividend to be paid to ANW Shareholders to reflect a distribution of a majority of ANW’s revenue reserve; (iii) subject to the requirements of the Liquidators, the withholding of an amount (not expected to exceed £100,000) in respect of the Liquidation Pool; (iv) the write down of any remaining illiquid investments; and (v) the benefit to continuing ANW Shareholders of the two per cent. discount applied under the Cash Option.

ANW Shareholders who elect for the Rollover Option will be issued Scheme Shares based on the ratio of the FAV per Share to the FAV per ANW Share, multiplied by the number of ANW Shares owned.

Fractional entitlements to Scheme Shares will not be issued and entitlements will be rounded down to the nearest whole number. No cash payment shall be made or returned in respect of any fractional entitlements which will be retained for the benefit of the Company.

The number of Scheme Shares to be issued pursuant to the Scheme, the FAV per Share and the FAV per ANW Share will be announced through a Regulatory Information Service as soon as practicable following the Calculation Date. The Issue is not being underwritten.

**For illustrative purposes only**, had the Calculation Date been 29 September 2021, the FAV per Share and FAV per ANW Share would have been 808.81 pence and 454.97 pence, respectively. As at the same date, the closing share prices for the Shares and the ANW Shares were 726 pence and 437 pence respectively. Assuming maximum take-up under the Cash Option and the Tender Offer, the Issue would have resulted in the issue of 7,643,782 Scheme Shares to ANW Shareholders, representing approximately 16.4 per cent. of the issued ordinary share capital of the Enlarged Company (excluding treasury shares).

## 3. DILUTION IN CONNECTION WITH THE ISSUE

**For illustrative purposes only**, had the Calculation Date been 29 September 2021, assuming maximum take-up under the Cash Option and the Tender Offer, the Shares held by Existing Shareholders would have represented approximately 83.6 per cent. of the ordinary share capital of the Enlarged Company immediately following completion of the Scheme and on that basis Existing Shareholders would have their percentage shareholding diluted by approximately 16.4 per cent.

## 4. THE SCHEME SHARES

The Scheme Shares are ordinary shares in the Company and will rank *pari passu* in all respects with the existing issued Shares.

The attention of ANW Shareholders is drawn to paragraph 8 of Part V (*The Placing Programme*) of this Prospectus, which provides further details of the legal implications of an investment in the Company's Shares.

## **5. CONDITIONS OF THE ISSUE**

The Issue is conditional upon:

- (i) adoption of the New Investment Policy at the Extraordinary General Meeting of the Company (see paragraph 21 of Part VII (*Additional Information on the Company*) of this Prospectus);
- (ii) passing of the resolutions to approve the Scheme at the general meetings of ANW Shareholders and the Scheme becoming unconditional;
- (iii) the directors of ANW resolving to proceed with the Scheme; and
- (iv) admission of the Scheme Shares to the Official List with a Premium Listing and to trading on the Main Market of the London Stock Exchange.

Unless the conditions referred to above have been satisfied or, to the extent permitted, waived on or before 31 December 2021, no part of the Proposals will become effective and the Scheme Shares will not be issued.

If, within seven days of the passing of the special resolutions to be proposed at the First ANW General Meeting (or any adjournment thereof), dissenting shareholders of ANW validly exercise the right under Section 111(2) of the Insolvency Act 1986 in respect of more than 2 per cent. of the ANW Shares, the directors of ANW (or a duly authorised committee thereof) may, but shall not be obliged to, resolve not to proceed with the Scheme. Any such resolution by the directors of ANW (or a duly authorised committee thereof) shall only be effective if passed prior to the passing of the special resolution for winding-up ANW to be proposed at the Second ANW General Meeting (or any adjournment thereof).

## **6. COSTS AND EXPENSES OF THE PROPOSALS**

Each of the Company and ANW intends to bear its own costs and expenses incurred in relation to the Proposals, which will be reflected in the FAV per Share and the FAV per ANW Share. Any costs of realignment or realisation of the ANW Portfolio prior to the Scheme becoming effective will be borne by ANW and any stamp or other transaction taxes or investment costs incurred by the Company for the acquisition of the ANW Portfolio or the deployment of the cash therein upon receipt shall be borne by the Enlarged Company. As at the date of this Prospectus, the amount of costs and expenses that will be borne by the Company is not expected to exceed £0.9 million.

Furthermore, the AIFM will make a cost contribution to the costs of the Proposals comprising a waiver of the Management Fee chargeable for the first six months following the completion of the Scheme, which will be for the benefit of all Shareholders of the Enlarged Company. The AIFM has also agreed to waive this fee for a 12 month period following the implementation of the Proposals.

## **7. ADMISSION AND DEALINGS**

Applications will be made to the FCA for the Scheme Shares to be admitted to the premium segment of the Official List and to the London Stock Exchange for the Scheme Shares to be admitted to trading on the premium segment of the Main Market. If the Proposals become effective, it is expected that the Scheme Shares will be admitted to the Official List on, and the first day of dealings in such shares on the Main Market will be, 10 November 2021.

## **8. OVERSEAS ANW SHAREHOLDERS**

The terms of the Proposals, as they relate to Overseas ANW Shareholders, may be affected by the laws of the relevant jurisdiction. Overseas ANW Shareholders should inform themselves about, and observe, any applicable legal requirements.

It is the responsibility of Overseas ANW Shareholders to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the Proposals, including the obtaining of any governmental or other consents which may be required, compliance with necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

Overseas ANW Shareholders should note, however, that if they have a registered address in a Restricted Territory, they are not meant to receive this document relating to the Proposals, and will in accordance with the arrangements below, receive cash in ANW's liquidation.

Any Scheme Shares allotted to the Liquidators and which would otherwise be issued to an Excluded ANW Shareholder pursuant to the Scheme will instead be issued to the Liquidators as nominees on behalf of such Excluded ANW Shareholder who will arrange for such shares to be sold promptly by a market maker (without regard to the personal circumstances of the relevant Excluded ANW Shareholders and the value of the ANW Shares held by the relevant Excluded ANW Shareholders), in circumstances in which the Liquidators and/or the Company acting reasonably consider that notwithstanding that Excluded ANW Shareholder's entitlement to such Scheme Shares under the Scheme, any such issue of Scheme Shares to those ANW Shareholders would or may involve a breach of the securities laws or regulations of any jurisdiction, or if the Liquidators and/or the Company reasonably believes that the same may violate any applicable legal or regulatory requirements or may require the Company to become subject to additional regulatory requirements (to which it would not be subject but for such issue) and the Liquidators and/or the Company, as the case may be, have not been provided with evidence reasonably satisfactory to them that the relevant Excluded ANW Shareholders are permitted to hold Scheme Shares under any relevant securities laws or regulations of such overseas jurisdictions (or that the Company would not be subject to any additional regulatory requirements to which it would not be subject but for such issue). The net proceeds of such sales (after deduction of any costs incurred in effecting such sales) will be paid to the relevant Excluded ANW Shareholders entitled to them as soon as reasonably practicable, and in any event no later than 14 calendar days after the date of sale.

Overseas ANW Shareholders who are subject to taxation outside of the United Kingdom should consult their tax adviser as to the tax effect of the Proposals on them.

The Scheme Shares have not been and will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States, and the Scheme Shares may not be offered, sold, pledged or otherwise transferred within the United States, or to or for the benefit of US Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The Company is not, and does not intend to be, registered under the US Investment Company Act and investors in the Scheme Shares are not, and will not be, entitled to the benefits of the US Investment Company Act. There has been and will be no public offer of the Scheme Shares in the United States.

In connection with the Issue, the Scheme Shares are being offered or sold only (i) outside the United States in "offshore transactions" to non-US Persons pursuant to Regulation S under the US Securities Act, and (ii) to persons who are both Qualified Purchasers and Accredited Investors pursuant to an exemption from the registration requirements of the US Securities Act, and who, in the case of (ii), have executed the AI/QP Investor Letter and returned it to the Company and the Receiving Agent. Any person that does not execute and return the AI/QP Investor Letter to the Company and the Receiving Agent is deemed to represent that it is located outside of the United States and is not a US Person (and is not acting for the account or benefit of a US Person).

If any person does not execute and return the AI/QP Investor Letter to the Company and the Receiving Agent and the Board believes such person is an Ineligible US Shareholder, the Board reserves the right, in its absolute discretion, to require any Scheme Shares to which such Ineligible US Shareholder is entitled and would otherwise receive, to be issued to the Liquidators as nominees for the relevant Ineligible US Shareholder and sold by the Liquidators in the market (which shall be done by the Liquidators without regard to the personal circumstances of the relevant Ineligible US Shareholder and the value of the ANW Shares held by the relevant Ineligible US Shareholder) and the net proceeds of such sale (after deduction of any costs incurred in effecting such sale) will be paid to the relevant Ineligible US Shareholder entitled to them as soon as reasonably practicable, and in any event no later than 14 calendar days after the date of sale.

There are significant restrictions on the purchase and resale of Scheme Shares by persons who are located in the United States, are US Persons, or who hold Scheme Shares for the account or benefit of US Persons and on the resale of Scheme Shares to any person who is located in the United States or to, or for the account or benefit of, a US Person. If in the future the initial purchaser, as well as any subsequent holder, decides to offer, sell, transfer, assign or otherwise dispose of the Scheme Shares, they may do so only: (i) outside the United States in an "offshore

transaction” complying with the provisions of Regulation S under the Securities Act to a person not known by the transferor to be a US Person, by prearrangement or otherwise; or (ii) to the Company or a subsidiary thereof.

## 9. **TAXATION**

The attention of ANW Shareholders is drawn to the summary of tax matters set out in Part VI (*Taxation*) of this Prospectus. ANW Shareholders should seek tax advice from their own professional adviser about the taxation consequences of acquiring, holding or disposing of Scheme Shares.



## PART V – THE PLACING PROGRAMME

### 1. INTRODUCTION

Pursuant to this Prospectus, the Directors intend to implement the Placing Programme (being a programme of Placings of Placing Shares), pursuant to which the Company intends to issue up to 25 million Placing Shares.

The maximum size of the Placing Programme should not be taken as an indication of the number of Placing Shares which will in fact be issued.

The Placing Programme is not being underwritten.

### 2. PLACINGS UNDER THE PLACING PROGRAMME

Following completion of the Scheme, the Directors may, at their sole and absolute discretion, decide to carry out one or more Placings before the Final Closing Date, should the Board determine that market conditions are appropriate. Any such Placing will comprise the issue of Placing Shares.

In using their discretion under the Placing Programme, the Directors may also take into account the desirability of limiting any premium to Net Asset Value at which the Shares trade in order to ensure that Shareholders and new investors who acquire Shares are not disadvantaged by being required to acquire such Shares on the stockmarket at a high premium to the Net Asset Value per Share.

The maximum number of Placing Shares that may be issued under the Placing Programme is 25 million. The actual number of Placing Shares to be issued pursuant to any Placing is not known as at the date of this Prospectus and will be notified by the Company via a Regulatory Information Service announcement and the Company's website, prior to the relevant Subsequent Admission.

Subject to certain limited exceptions, the Placing Shares are being offered and sold only outside the United States in "offshore transactions" to non-US Persons pursuant to Regulation S under the US Securities Act.

Each Placing is conditional, *inter alia*, on:

- the Placing Agreement not having been terminated on or before the date of the relevant Placing and having become unconditional (save for any condition relating to the relevant Subsequent Admission);
- the relevant Subsequent Admission occurring and becoming effective by no later than 8:00 a.m. (London time) on such date as the Company and the Placing Agent agree, not being later than the Final Closing Date; and
- a valid supplementary prospectus being published by the Company if such is required by the Prospectus Regulation Rules.

In circumstances where these conditions are not fully met, the relevant Placing will not take place. The investors acknowledge that where a Placing does not take place, any monies paid by applicants will be returned to them without interest and at their own risk.

Any minimum gross proceeds in respect of each Placing will be fixed by the Directors prior to each Placing in consultation with the Placing Agent.

The terms and conditions which will apply to any subscriber for Placing Shares under each Placing are set out in Part IX (*Terms and Conditions of the Placing Programme*) of this Prospectus.

### 3. SCALING BACK AND ALLOCATION

If aggregate applications for Shares pursuant to a Placing exceed a level that the Directors determine, in their absolute discretion at the time of closing the relevant Placing, to be the appropriate maximum size of such Placing, applications under the Placing will be scaled back at the Placing Agent's discretion (after consultation with the Company and the AIFM). Accordingly, applicants for Placing Shares may, in certain circumstances, not be allotted the number of Placing Shares for which they have applied. The Placing Agent reserves the right, at its sole discretion but after consultation with the Company and the AIFM, to scale back applications for Placing Shares received pursuant to any Placing in such amounts as it considers appropriate. The Placing Agent on behalf of the Company reserves the right to decline in whole or in part any application for Placing Shares received pursuant to any Placing.

The Company will notify investors of the number of Placing Shares successfully applied for and the results of a Placing will be announced by the Company via an RIS announcement.

Subscription monies received for unsuccessful applications (or to the extent applications are scaled back) will be returned without interest at the risk of the applicant to the bank account from which the money was received forthwith following the relevant Subsequent Admission.

#### **4. DILUTION IN CONNECTION WITH PLACINGS**

If 25 million Placing Shares were to be issued pursuant to Placings, being the target number of Placing Shares that the Directors intend to issue under the Placing Programme (and assuming: (i) 7,643,782 Scheme Shares were issued pursuant to the Scheme; (ii) no other Shares had been issued other than the Scheme Shares and the Placing Shares; (iii) the relevant investor did not participate in any Placings; and (iv) the Tender Offer is fully taken up), an investor holding 1 per cent. of the Enlarged Company's issued share capital after the Issue would then hold 0.65 per cent. of the Enlarged Company's issued share capital following completion of all the Placings. The potential dilution in any Placing will be communicated by a RIS announcement in connection with such Placing.

#### **5. PLACING PRICE AND EXPENSES OF PLACINGS**

Subject to the requirements of the Listing Rules, the price at which Placing Shares will be issued pursuant to Placings will be calculated by reference to the most recently estimated Net Asset Value per Share plus issue expenses. The premium at which Placing Shares are issued has the potential ultimately to provide an enhancement to the Net Asset Value attributable to the Shares.

As at the date of this Prospectus, it is not possible to ascertain the exact costs and expenses of any Placing and such costs and expenses may or may not be capped. The expected expenses of a Placing will be announced by way of RIS announcement at the time of the relevant Placing. No Placing Shares issued pursuant to a Placing will be issued at a Placing Price (net of the expenses pertaining to that Placing) that is less than the most recently published Net Asset Value per Share.

Fractions of Shares will not be issued.

#### **6. DEALINGS IN PLACING SHARES**

Applications will be made to each of the FCA and the London Stock Exchange for Placing Shares issued pursuant to any Placing to be admitted to the premium listing category of the Official List under Chapter 15 of the Listing Rules and to trading on the premium segment of the Main Market.

It is anticipated that dealings in the Placing Shares will commence no more than three Business Days after the trade date for each issue of Placing Shares. If the Company decides to issue any Placing Shares in certificated form, it is expected that share certificates would be dispatched approximately two weeks after the relevant Subsequent Admission of the relevant Shares. No temporary documents of title will be issued.

The Company does not guarantee that at any particular time any market maker(s) will be willing to make a market in the Placing Shares, nor does it guarantee the price at which a market will be made in the Placing Shares. Accordingly, the dealing price of the Placing Shares may not necessarily reflect changes in the Net Asset Value per Share. Furthermore, the level of liquidity in the Placing Shares may vary significantly and liquidity on the Main Market cannot be known prior to trading.

#### **7. CREST**

CREST is a paperless settlement process enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Shares under the CREST system. Accordingly, settlement of transactions in the Shares may take place within the CREST system if any Shareholder so wishes.

CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so. An investor applying for Placing Shares in any Placing may elect to receive such Placing Shares in uncertificated form if such investor is a system-member (as defined in the CREST Regulations) in relation to CREST.

## **8. LEGAL IMPLICATIONS OF THE CONTRACTUAL RELATIONSHIP ENTERED INTO FOR THE PURPOSE OF INVESTMENT**

The Company is a non-cellular investment company limited by shares, incorporated in Guernsey under the Companies Law. While investors acquire an interest in the Company on subscribing for or purchasing Shares, the Company is the sole legal and/or beneficial owner of its investments. Consequently, Shareholders have no direct legal or beneficial interest in those investments. The liability of Shareholders for the debts and other obligations of the Company is limited to the amount unpaid, if any, on the Shares held by them. Shareholders' rights in respect of their investment in the Company are governed by the Articles and the Companies Law. Under Guernsey law, the following types of claim may in certain circumstances be brought against a company by its shareholders: contractual claims under its articles of incorporation; claims in misrepresentation in respect of statements made in its prospectus and other marketing documents; unfair prejudice claims; and derivative actions. If a Shareholder considers that it may have a claim against the Company in connection with such investment in the Company, such Shareholder should consult its own legal advisers.

### ***Jurisdiction and applicable law***

As noted above, Shareholders' rights are governed principally by the Articles and the Companies Law. By subscribing for Shares, investors agree to be bound by the Articles which are governed by, and construed in accordance with, the laws of Guernsey.

### ***Recognition and enforcement of foreign judgments***

A final and conclusive judgment under which a sum of money is payable (not being a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or penalty) obtained in the superior courts in the reciprocating countries set out in the Judgments (Reciprocal Enforcement) (Guernsey) Law, 1957 (the "**1957 Law**") (which includes the Supreme Court and the Senior Courts of England and Wales, excluding the Crown Court), after a hearing on the merits would be recognised as a valid judgment by the Guernsey courts and would be enforceable in accordance with and subject to the provisions of the 1957 Law.

The Guernsey courts would also recognise any final and conclusive judgment under which a sum of money is payable (not being a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty) obtained in a court not recognised by the 1957 Law provided such court is deemed to have jurisdiction in accordance with the principles of private international law as applied by Guernsey law (which are broadly similar to the principles accepted under English law) and such judgment would be sufficient to form the basis of proceedings in the Guernsey courts for a claim for liquidated damages in the amount of such judgment. In such proceedings, the Guernsey courts would not re-hear the case on its merits save in accordance with such principles of private international law.

## **9. OVERSEAS PERSONS AND TERRITORIES**

The attention of potential investors who are not resident in, or who are not citizens of, the UK is drawn to the sections below.

The offer of Placing Shares under any Placing to Overseas Persons may be affected by the laws of other relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to acquire Placing Shares under any Placing. It is the responsibility of all Overseas Persons receiving this Prospectus and/or wishing to subscribe for Placing Shares under any Placing to satisfy themselves as to full observance of the laws of the relevant territory in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities needing to be observed and paying any issue, transfer or other taxes due in such territory.

None of the Placing Shares have been or will be registered under the laws of any overseas territory. Accordingly, the Placing Shares may not be offered, sold, issued or delivered, directly or indirectly, within any overseas territory unless an exemption from any registration requirement is available.

No person receiving a copy of this Prospectus in any territory other than the UK may treat the same as constituting an offer or invitation to them, unless in the relevant territory such an offer can lawfully be made to them without compliance with any material further registration or other legal requirements.

Persons (including, without limitation, nominees and trustees) receiving this Prospectus should not distribute or send it to any person or in or into any other jurisdiction where to do so would or might contravene local securities laws or regulations. Investors should additionally consider the provisions set out under the heading “*Important Information*” on pages 29 to 36 of this Prospectus.

The Company reserves the right to treat as invalid any agreement to subscribe for Placing Shares under any Placing if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

## 10. UNITED STATES TRANSFER RESTRICTIONS

The Company has elected to impose the restrictions described in the section below entitled “*Representations, warranties and undertakings*” (in particular, see item (d) below) on offers and sales of and the future trading in the Placing Shares: (i) so that the Company will not be required to register any offering of the Placing Shares under the US Securities Act; (ii) so that the Company will not have an obligation to register as an “investment company” under the US Investment Company Act and related rules; and (iii) to address certain ERISA, US Tax Code and other considerations. These restrictions, which will remain in effect until the Company determines in its sole discretion to remove them, may adversely affect the ability of Shareholders to trade in the Placing Shares. The Company and its agents will not be obliged to recognise any resale or other transfer of the Placing Shares made other than in compliance with the restrictions described below.

Unless otherwise agreed with the Company in writing, the Placing Shares may not be acquired by:

- investors using assets of: (A) an “employee benefit plan” as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (B) a “plan” as defined in Section 4975 of the US Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the US Tax Code; or (C) an entity whose underlying assets are considered to include “plan assets” by reason of investment by an “employee benefit plan” or “plan” described in preceding clause (A) or (B) in such entity pursuant to the US Plan Assets Regulations, unless its purchase, holding and disposition of Placing Shares will not constitute or result in a non-exempt prohibited transaction; or
- a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Tax Code, unless its purchase, holding, and disposition of Placing Shares will not constitute or result in a violation of any such substantially similar law.

### ***Representations, warranties and undertakings***

Unless otherwise expressly agreed with the Company, each acquirer of the Placing Shares and each subsequent transferee, by acquiring such Placing Shares or any beneficial interest therein, will be deemed to have represented, warranted, undertaken, agreed and acknowledged to the Company and Shore Capital as follows:

- (a) it is located outside the United States, it is not a US Person, it is acquiring the Placing Shares in an “offshore transaction” meeting the requirements of Regulation S, and it is not acquiring the Placing Shares for the account or benefit of a US Person;
- (b) the Placing Shares have not been and will not be registered under the US Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, delivered, assigned or otherwise transferred, directly or indirectly, into or within the United States or to, or for the account or benefit of, US Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and in a manner which would not require the Company to register under the US Investment Company Act. There has been and will be no public offer of the Placing Shares in the United States;

- (c) the Company has not been and will not be registered under the US Investment Company Act and, as such, investors will not be entitled to the benefits of the US Investment Company Act and the Company has elected to impose restrictions on Placings and on the future trading in the Placing Shares to ensure that the Company is not and will not be required to register under the US Investment Company Act;
- (d) if in the future it decides to offer, sell, transfer, assign, pledge or otherwise dispose of the Placing Shares or any beneficial interest therein, it will do so only: (i) outside the United States in an “offshore transaction” complying with the provisions of Regulation S to a person not known by the transferor to be a US Person, by prearrangement or otherwise; or (ii) to the Company or a subsidiary thereof. It acknowledges and agrees that any offer, sale, transfer, assignment, pledge or other disposal made other than in compliance with the foregoing restrictions will be subject to the compulsory transfer provisions contained in the Articles;
- (e) it is not, and is not acting on behalf of, a Benefit Plan Investor, unless its purchase, holding, and disposition of the Placing Shares will not constitute or result in a non-exempt prohibited transaction or violation of any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Tax Code;
- (f) it is acquiring the Placing Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Placing Shares in any manner that would violate the US Securities Act, the US Investment Company Act or any other applicable securities laws;
- (g) it is aware and acknowledges that the Company reserves the right to make inquiries of any holder of the Placing Shares or interests therein at any time as to such person’s status under relevant laws and regulations (including, without limitation, US federal securities laws) and to require any such person that has not satisfied the Company that the holding by such person will not violate, require registration under, or cause the Company to lose an exemption or a status under, relevant laws or regulations to transfer such Placing Shares or interests in accordance with the Articles;
- (h) the representations, warranties, undertakings, agreements and acknowledgements contained in this Prospectus are irrevocable and it acknowledges that the Company, Shore Capital and their Affiliates and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of and compliance with the representations, warranties, undertakings, agreements and acknowledgements contained herein;
- (i) if any of the representations, warranties, undertakings, agreements or acknowledgements contained herein are no longer accurate or have not been complied with, it will immediately notify the Company and Shore Capital; and
- (j) if it is acquiring any Placing Shares as a fiduciary or agent for one or more accounts, it has sole investment discretion with respect to each such account and it has full power to make, and does make, the representations, warranties, undertakings, agreements and acknowledgements contained herein on behalf of each such account.

## PART VI – TAXATION

### 1. GENERAL

The information below, which relates only to Guernsey and the UK, summarises the advice received by the Board and is applicable to the Company and (except in so far as express reference is made to the treatment of other persons) to persons who are resident in Guernsey or the UK for taxation purposes and who hold Shares as an investment. It is based on current Guernsey and UK tax law and published practice, respectively, which law or practice is, in principle, subject to any subsequent changes therein (potentially with retrospective effect). It is not intended to be, nor should it be construed to be, legal or tax advice. Certain Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring their Shares in connection with their employment may be taxed differently and are not considered. The tax consequences for each Shareholder of investing in the Company may depend upon the Shareholder's own tax position and upon the relevant laws of any jurisdiction to which the Shareholder is subject.

In particular, the information below does not address the US federal income tax considerations applicable to an investment in the Scheme Shares or the Placing Shares. Each prospective investor should consult its own tax advisers regarding the US federal income tax consequences of any such investment.

**If you are in any doubt about your tax position, you should consult your professional adviser.**

### 2. GUERNSEY

#### 2.1 The Company (if maintaining its current tax exempt status in Guernsey)

The Company, as a registered closed-ended collective investment scheme, has applied to the States of Guernsey Revenue Service for exempt status under the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989, as amended, for the current year. The exemption must be applied for annually and will be granted by the Director of the Revenue Service in Guernsey, subject to the payment of an annual fee which is currently fixed at £1,200 provided that the Company continues to qualify under the applicable legislation for such exemption. It is the intention of the Directors to conduct the affairs of the Company so as to ensure that it qualifies, and continues to qualify, for exempt company status for the purposes of Guernsey taxation.

As an exempt company, the Company is and will be treated as if it were not resident in Guernsey for the purposes of liability to Guernsey income tax. Under current law and practice in Guernsey, if it qualifies as an exempt company, the Company will only be liable to tax in Guernsey in respect of income arising or accruing in Guernsey, other than bank deposit interest, from other exempt bodies or from shares in Guernsey companies.

#### Withholding tax

Under Guernsey tax law, no withholding of tax should be required in respect of Shareholders if, at the time a distribution is made, the Company has tax exempt status. In the event that the Company does not have tax exempt status at the time a distribution is made, it may be required to withhold tax at the applicable rate in respect of any distribution made (or deemed to have been made) to Shareholders who are Guernsey resident.

#### Capital taxes and stamp duty

Guernsey currently does not levy taxes upon capital inheritances, capital gains, gifts, sales or turnover (unless the varying of investments and the turning of such investments to account is a business or part of a business), nor are there any estate duties (save for registration fees and *ad valorem* duty for a Guernsey Grant of Representation where the deceased dies leaving assets in Guernsey which require presentation of such a grant).

No stamp duty is chargeable in Guernsey on the issue, transfer, disposal or redemption of shares other than Documents Duty which can apply in some instances where a company holds Guernsey situated real estate.

### Goods and Services Tax

The States of Guernsey is considering options for the introduction of a system of goods and services tax (“**GST**”) and published a policy letter in August 2021 regarding the introduction of GST. However, no decision as to the introduction of GST has been made and it is unlikely that GST will be introduced in Guernsey prior to 2024.

### Anti-avoidance

Guernsey has a wide ranging anti-avoidance provision. The provision targets transactions where the effect of the transaction or series of the transactions, is the avoidance, reduction or deferral of a tax liability. At their discretion, the Director of Revenue Service in Guernsey will make such adjustments to the tax liability to counteract the effect of the avoidance, reduction nor deferral of the tax liability.

In addition, Guernsey has committed to introduced mandatory disclosure rules for CRS avoidance arrangements and opaque offshore structures (“**MDR**”). These MDR rules would require promoters of avoidance arrangements and services providers to disclose information on the arrangement or structure to the Director of Revenue Service in Guernsey. Such information would include the identity of any user or beneficial owner and would then be exchanged with the tax authorities of the jurisdiction in which the users and/or beneficial owners are resident, where there is a relevant information exchange agreement.

## **2.2 Shareholders**

Provided the Company maintains its exempt status, Shareholders who are resident for tax purposes in Guernsey (which includes Alderney and Herm for these purposes) will suffer no deduction of tax by the Company from any distributions payable by the Company, but the Administrator may provide details of distributions made to Guernsey resident Shareholders to the Director of Revenue Service in Guernsey, including the names and addresses of the Guernsey resident Shareholders, the gross amount of any distribution paid and the date of the payment. The Director of Revenue Service can require the Company to provide the name and address of every Guernsey resident who, on a specified date, has a beneficial interest in the shares of the Company, with details of the interest. Such information is not required to be delivered to the Director of Revenue Service in respect of distributions payable to Shareholders not resident in Guernsey.

Shareholders resident outside Guernsey will not be subject to any tax in Guernsey in respect of distributions paid in relation to any shares in the Company owned by them or on the disposal of their holding of shares in the Company.

## **2.3 FATCA and CRS**

The governments of the United States and Guernsey have entered into the US-Guernsey IGA related to implementing the FATCA, which is implemented through Guernsey’s domestic legislation.

Guernsey has also implemented the CRS regime with effect from 1 January 2016. Accordingly, reporting in respect of periods commencing on or after 1 January 2016 is required in accordance with the CRS (as implemented in Guernsey).

Under the CRS and legislation enacted in Guernsey to implement the CRS, certain disclosure requirements are imposed in respect of certain investors who are, or are entities that are controlled by one or more natural persons who are, residents of any of the jurisdictions that have also adopted the CRS, unless a relevant exemption applies. Where applicable, information to be disclosed will include certain information about Shareholders, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Company. The CRS is implemented through Guernsey’s domestic legislation in accordance with guidance issued by the Organisation for Economic Co-operation and Development as supplemented by guidance notes in Guernsey.

Under the CRS, disclosure of information is made to the Director of Revenue Service in Guernsey for transmission to the tax authorities in other participating jurisdictions.

In subscribing for or acquiring Shares, each Shareholder is agreeing, upon the request of the Company or its delegate, to provide such information as is necessary to comply with FATCA, the CRS and other similar regimes and any related legislation, IGAs and/or regulations.

**Investors should consult with their respective tax advisers regarding the possible implications of FATCA, the CRS and similar regimes concerning the automatic exchange of information or any other related legislation, intergovernmental agreements and/or regulation.**

#### **2.4 The Company (if approval as an investment trust is obtained from HMRC)**

As described in further detail in paragraph 3.1 of this Part VI (*Taxation*) of this Prospectus, it is the intention of the Directors to apply for, and thereafter to continue to conduct the affairs of the Company so as to satisfy the conditions for, approval of the Company by HMRC as an investment trust under section 1158 of the UK Corporation Tax Act 2010 (as amended) and pursuant to regulations made under section 1159 of the UK Corporation Tax Act 2010 (as amended).

Subject to obtaining HMRC approval, it is the intention of the Directors to conduct the affairs of the Company so that it is resident in the United Kingdom for taxation purposes and not resident in Guernsey. If HMRC approval is granted, the Company intends to apply for non-resident status with the Guernsey Revenue Service and to the extent that an annual confirmation of non-residence may be required in Guernsey, the Directors intend to submit such application.

Upon the approval of non-resident status by the Guernsey Revenue Service, the Company will be treated as non-resident for Guernsey tax purposes and will only be subject to tax on Guernsey sourced income (excluding bank interest) and income from activities carried on from a permanent establishment in Guernsey.

##### *Shareholders*

Non-Guernsey resident Shareholders will not be subject to any income tax in Guernsey in respect of, or, in connection with the acquisition, holding or disposal of any Shares owned by them.

Distributions made by the Company to non-resident Shareholders will not be subject to withholding of any Guernsey income tax.

Distributions made by the Company to Guernsey resident Shareholders will be taxed on the Shareholder at the standard income tax rate of 20 per cent. for individuals (subject to the individual's personal circumstances, which may include payment of the tax cap or standard charge) and 0 per cent. for corporations irrespective of whether the corporation is itself taxable in Guernsey on sources of income at a rate other than 0 per cent.

Provided the Company obtains and maintains Guernsey non-resident status, there would be no requirement for the Company to withhold tax from the payment of a distribution to a Guernsey resident Shareholder.

### **3. UNITED KINGDOM**

#### **3.1 The Company**

The Directors have been advised that, pursuant to the United Kingdom tax rules contained in section 363A TIOPA, the Company is not currently treated as resident in the United Kingdom for United Kingdom tax purposes. Accordingly, and provided that the Company does not carry on a trade in the UK (whether or not through a branch, agency or permanent establishment situated therein), the Company is not currently subject to UK income tax or corporation tax.

However, the Company intends to apply to HMRC for approval as an investment trust under Chapter 4 of Part 24 CTA 2010 and Chapter 1 of Part 2 of The Investment Trust Tax Regulations with effect from the effective date of implementation of the Scheme, which is currently scheduled for 9 November 2021, or as soon as reasonably practicable thereafter.



If the Company becomes an investment trust, section 363A of TIOPA will no longer apply so that the Company may become resident in the United Kingdom for United Kingdom tax purposes. The Company will be so resident if its place of central management and control is in the UK and provided that it is not at the same time resident in any other jurisdiction.

If and once approval as an investment trust has been obtained, the Directors intend at all times to conduct the affairs of the Company so as to enable it to satisfy the conditions necessary for it to be eligible as an investment trust under Chapter 4 of Part 24, CTA 2010 and the Investment Trust Tax Regulations, including to ensure that it is and will continue to be tax resident in the UK. However, the Directors cannot provide assurance that this eligibility will be maintained. One of the conditions for a company to qualify as an investment trust is that it is not a “close company” for UK tax purposes. The Directors consider that the Company is not and should not become a close company as a result of the Proposals.

In respect of each accounting period for which the Company is approved by HMRC as an investment trust, the Company will be exempt from UK taxation on its chargeable gains. The Company will, however be liable to pay UK corporation tax on its income in the normal way. Income arising from overseas investments may be subject to foreign withholding taxes at varying rates, but double taxation relief may be available. The Company should in practice be exempt from UK corporation tax on dividend income received, provided that such dividends (whether from UK or non-UK companies) fall within one of the “exempt classes” in Part 9A of the Corporation Tax Act 2009.

An investment trust approved under Chapter 4 of Part 24, CTA 2010 is able to elect to take advantage of modified UK tax treatment in respect of its “qualifying interest income” for an accounting period (referred to here as the “streaming” regime). The Company may, if it so chooses, designate as an “interest distribution” all or part of the amount it distributes to Shareholders as dividends out of distributable profits realised in the accounting period, to the extent that it has “qualifying interest income” for that accounting period. Were the Company to designate any dividend it pays in this manner, it should be able to deduct such interest distributions from its income in calculating its taxable profit for the relevant accounting period.

### 3.2 Shareholders

#### *UK Offshore Fund Rules*

If the Company meets the definition of an “offshore fund” for the purpose of UK taxation, then in order for a UK Shareholder to be taxed under the regime for tax on chargeable gains (rather than on an income basis) on a disposal of Shares, the Company must apply to HM Revenue & Customs to be treated as a reporting fund and maintain reporting fund status throughout the period in which the UK Shareholder holds the Shares.

The Directors are of the opinion that, under current law, the Company should not be an “offshore fund” for the purposes of UK taxation, and legislation contained in Part 8, TIOPA 2010 (other than section 363A referred to above) should not apply.

Accordingly, Existing Shareholders (other than those holding Shares as dealing stock, who are subject to separate rules) who are resident in the UK, or who carry on business in the UK through a branch, agency or permanent establishment with which their investment in the Company is connected, may, depending on their circumstances and subject as mentioned below, be liable to UK tax on chargeable gains realised on the disposal of their Shares.

The UK offshore fund rules will no longer be relevant if and once the Company becomes a UK investment trust and for so long as such status is maintained.

#### *Tax on Chargeable Gains*

A disposal of Shares (including a disposal on a winding-up of the Company) by a Shareholder who is resident in the UK for tax purposes, or who is not so resident but carries on a trade in the UK through a branch, agency or permanent establishment in connection with which their investment in the Company is used, held or acquired, may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains, depending on the Shareholder’s circumstances and subject to any available exemption or relief.

UK-resident and domiciled individual Shareholders have an annual exemption, such that capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of this figure. The annual exemption is £12,300 for the tax year 2021-2022. For such individual Shareholders, capital gains tax will be chargeable on a disposal of Shares at the applicable rate (currently 10 per cent. (for basic rate taxpayers) or 20 per cent. (for higher or additional rate taxpayers)).

Generally, an individual Shareholder who has ceased to be resident in the UK for tax purposes for a period of five years or less and who disposes of Shares during that period may be liable, on their return to the UK, to UK taxation on any chargeable gain realised (subject to any available exemption or relief). Special rules apply to Shareholders who are subject to tax on a “split-year” basis, who should seek specific professional advice if they are in any doubt about their position.

Corporate Shareholders who are resident in the UK for tax purposes will generally be subject to corporation tax at the rate of corporation tax applicable to that Shareholder (currently at a rate of 19 per cent. and expected to increase to 25 per cent. from 1 April 2023) on chargeable gains arising on a disposal of their Shares.

Shareholders who are neither resident in the UK, nor temporarily non-resident for the purposes of the anti-avoidance legislation referred to above, and who do not carry on a trade in the UK through a branch, agency or permanent establishment with which their investment in the Company is connected, should not be subject to United Kingdom taxation on chargeable gains on a disposal of their Shares.

#### *Dividends*

The statements in the following three paragraphs apply in respect of dividends to which the “streaming” regime does not apply.

UK resident individuals are entitled to a nil rate of income tax on the first £2,000 of dividend income for the tax year 2021-2022 (the “**Nil Rate Amount**”). Any dividend income received by a UK resident individual Shareholder in respect of the Shares in excess of the Nil Rate Amount will be subject to income tax at a rate of 7.5 per cent. to the extent that it would (were it not dividend income) otherwise be charged to income tax at the basic rate; 32.5 per cent. to the extent that it would otherwise be charged to income tax at the higher rate; and 38.1 per cent. to the extent that it would otherwise be charged to income tax at the additional rate. For Scottish taxpayers, references to income tax that would otherwise be charged at the basic rate, higher rate and additional rate are to be read as if the individual was not a Scottish taxpayer.

Dividend income that is within the Nil Rate Amount counts towards an individual’s basic or higher rate limits – and will therefore affect the level of savings allowance to which they are entitled, and the rate of tax that is due on any dividend income in excess of the Nil Rate Amount. In calculating into which tax band any dividend income over the Nil Rate Amount falls, savings and dividend income are treated as the highest part of an individual’s income. Where an individual has both savings and dividend income, the dividend income is treated as the top slice.

On 7 September 2021 the UK Government announced its intention to increase each of the rates of dividend tax described above by 1.25 per cent from April 2022. This increase is expected to be legislated for in the next Finance Bill.

To the extent that an election is made by the Company to designate part or all of its dividends as an interest distribution in respect of an accounting period under the “streaming” regime, then the corresponding dividends paid by the Company will be taxed as interest income in the hands of UK resident individual shareholders. To the extent the Shareholder is within the basic rate band, interest received in excess of the savings allowance of £1,000 will be taxed at 20 per cent. To the extent the Shareholder is within the higher rate band, interest received in excess of the savings allowance of £500 will be taxed at 40 per cent. To the extent the Shareholder is within the additional rate band, interest received will be taxed at 45 per cent. The tax free savings income is not available for additional rate taxpayers.

The statements in the following two paragraphs apply in respect of dividends to which the “streaming” regime does not apply.

A corporate Shareholder who is tax resident in the UK or carries on a trade in the UK through a permanent establishment in connection with which its Shares are held will be subject to UK corporation tax on the gross amount of any dividends paid by the Company, unless the dividend falls within one of the exempt classes set out in Part 9A of the Corporation Tax Act 2009.

It is anticipated that dividends paid on the Shares to UK tax resident corporate Shareholders would generally (subject to anti-avoidance rules) fall within one of those exempt classes (including those which are a “small company” for the purposes of Part 9A, provided the Company is an investment trust), however, such Shareholders are advised to consult their independent professional tax advisers to determine whether such dividends will be subject to UK corporation tax. If the dividends do not fall within any of the exempt classes, the dividends will be subject to tax currently at a rate of 19 per cent. and expected to increase to 25 per cent. from 1 April 2023.

To the extent that an election is made by the Company to designate part or all of its dividends as an interest distribution in respect of an accounting period under the “streaming” regime, then the corresponding dividends paid by the Company will be taxed according to the loan relationship rules in the hands of UK resident corporate Shareholders and subject to corporation tax currently at a rate of 19 per cent. and expected to increase to 25 per cent. from 1 April 2023.

#### *Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)*

No UK stamp duty or SDRT should generally arise on the issue of Shares pursuant to the Issue or Placing Programme.

No UK stamp duty should generally be payable on a transfer of Shares in certificated form, on the basis that, although a technical charge to stamp duty is likely to arise on the instrument of transfer, it should not be necessary for such stamp duty to be paid in order to register a transfer of the Shares, and provided that the instrument of transfer is not required to be given in evidence in the UK.

Provided that the Shares are not registered in any register kept in the UK by or on behalf of the Company and that the Shares are not paired with shares issued by a company incorporated in the UK, any agreement to transfer the Shares, including the transfer of Shares in uncertificated form, should not be subject to UK SDRT.

#### *ISAs*

Shares acquired by a UK resident individual Shareholder may be eligible to be held in a stocks and shares ISA, subject to applicable annual subscription limits (£20,000 in the tax year 2021-2022). Investments held in ISAs will be free of UK tax on both capital gains and income. The opportunity to invest in shares through an ISA is restricted to certain UK resident individuals aged 18 or over. Junior ISAs are available to children under the age of 18 who are resident in the UK subject to the annual allowance of £9,000 for the 2021-2022 tax year. Sums received by a Shareholder on a disposal of Shares would not count towards the Shareholder’s annual limit; but a disposal of Shares held in an ISA will not serve to make available again any part of the annual subscription limit that has already been used by the Shareholder in that tax year.

### **3.3 Other UK Tax Considerations**

The attention of individuals resident in the UK for taxation purposes is drawn to Chapter 2, Part 13 of the Income Tax Act 2007, which may render them liable to income tax in respect of the undistributed income of the Company.

The UK “controlled foreign company” provisions subject UK resident companies to tax on the profits of companies not so resident in which they have certain interests and which are controlled by UK persons, subject to certain “gateway” provisions and exemptions. UK corporate Shareholders are advised to consult their own professional tax advisers as to the implications of these provisions.

The attention of persons resident in the UK for taxation purposes is drawn to the provisions of sections 3-3G Taxation of Chargeable Gains Act 1992 under which, in certain circumstances, a portion of chargeable gains made by a non-UK resident company can be attributed to UK resident participators to whom more than one quarter of any gain made by the company would be attributable. This applies if the non-UK resident company would be a close company were the company to be resident in the United Kingdom for taxation purposes.

These provisions should no longer be relevant to Shareholders if and once the Company becomes an investment trust and for so long as such status is maintained.

## PART VII – ADDITIONAL INFORMATION ON THE COMPANY

### 1. INCORPORATION OF THE COMPANY

- 1.1 The Company is a non-cellular investment company limited by shares, registered and incorporated in Guernsey under the Companies Law on 16 September 2009 with registration number 50900. The Company is a registered closed-ended investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended, and the Registered Collective Investment Scheme Rules 2018 issued by the GFSC. The Company's LEI is 213800RIA1NX8DP4P938.
- 1.2 The registered office and principal operating establishment and place of business of the Company is 11 New Street, St Peter Port, Guernsey, GY1 2PF. The telephone number of the Company is +44 (0)808 500 0040 . The statutory records of the Company will be kept at this address. The Company operates under the Companies Law and ordinances and regulations made thereunder. The Company is currently resident for tax purposes in Guernsey and currently has no employees.
- 1.3 The Company has an unlimited life. Pursuant to the Articles, an ordinary resolution for the continuation of the Company (a "**Continuation Resolution**") was required to be proposed at the Company's annual general meeting in 2013 and must be proposed at every fifth annual general meeting thereafter. Conditional on the approval by Shareholders of an amendment to the Articles at the Extraordinary General Meeting, the next annual general meeting at which a Continuation Resolution must be proposed will take place in 2027.
- 1.4 The principal activity of the Company is to invest its assets in accordance with the investment policy set out in Part I (*Information on the Company*) of this Prospectus.
- 1.5 KPMG Channel Islands Limited is the auditor of the Company and is a member of the Institute of Chartered Accountants of England and Wales.
- 1.6 The Company's accounting period ends on 31 October of each year. The Company's latest consolidated financial statements for the year ended 31 October 2020 were published on 18 February 2021 and the Company's latest unaudited financial statements for the six months ended 30 April 2021 were published on 23 June 2021.
- 1.7 The Company intends to apply to HMRC for approval as an investment trust under Chapter 4 of Part 24 CTA 2010 and Chapter 1 of Part 2 of The Investment Trust Tax Regulations with effect from 9 November 2021, or as soon as reasonably practicable thereafter. If and once approval as an investment trust has been obtained, the Directors intend at all times to conduct the affairs of the Company so as to enable it to satisfy the conditions necessary for it to be eligible as an investment trust under Chapter 4 of Part 24, CTA 2010 and the Investment Trust Tax Regulations
- 1.8 In summary, the conditions that must be met for a company to be approved as an investment trust in respect of an accounting period are that, in relation to that accounting period:
  - (a) all, or substantially all, of the business of the company is to invest its funds in shares, land or other assets with the aim of spreading investment risk and giving members of the company the benefit of the results of the management of its funds;
  - (b) the shares making up the company's ordinary share capital (or, if there are such shares of more than one class, those of each class) are admitted to trading on a regulated market;
  - (c) the company is not a venture capital trust or a real estate investment trust;
  - (d) the company is not a close company (as defined in section 439 of CTA 2010); and
  - (e) subject to particular rules that may apply where the company has accumulated revenue losses brought forward from previous accounting periods, the company does not retain an amount which is greater than the higher of: (i) 15 per cent. of its income for the accounting period; and (ii) any amount of income that the company is required to retain in respect of the accounting period by virtue of a restriction imposed by law.

## 2. THE AIFM

Aberdeen Standard Fund Managers Limited, a private limited company incorporated in England and Wales under the Companies Acts 1948 to 1967 with registered number 00740118, is the Company's AIFM. It is authorised and regulated by the FCA. The registered office of the AIFM is Bow Bells House, 1 Bread Street, London, EC4M 9HH United Kingdom and its telephone number is 0808 500 0040.

## 3. THE DEPOSITARY

Northern Trust (Guernsey) Limited has been appointed as depositary of the Company pursuant to the Depositary Agreement (further details of which are set out in paragraph 12.4 below), as supplemented from time to time. The Depositary is a private limited company incorporated in Guernsey under the Companies Act 1985 with registered number 2651. It is authorised by the GFSC. The address of the registered office of the Depositary is Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3DA and its telephone number is +44 1481 745000. The Depositary's LEI is 549300CACBCAF4N7SH07.

## 4. SHARE CAPITAL

- 4.1 The ISIN of the Shares is GG00B45L2K95, the SEDOL of the Shares is B45L2K9 and the ticker symbol of the Shares is AEMC (but on approval of the change of the Company's name to "abrdrn China Investment Company Limited" the ticker symbol will become ACIC).
- 4.2 As at the Latest Practicable Date, the Company had 45,965,159 Shares in issue and the unaudited NAV per Share as at 29 September 2021 (being the date of the latest published Net Asset Values as at the Latest Practicable Date) was 808.05p.
- 4.3 Set out below is the issued share capital of the Company (excluding Shares held in treasury): (a) as at the date of this Prospectus; and (b) immediately following the Issue (assuming that the Tender Offer and the Cash Option are taken up in full and 7,643,782 Scheme Shares are issued). All Scheme Shares issued pursuant to the Issue will be fully paid on Admission and, in addition, any Placing Shares issued pursuant to a Placing will be fully paid on the relevant Subsequent Admission.

	<u>At the date of this Prospectus</u>		<u>Immediately following the Issue</u>	
	<u>Number</u>	<u>Aggregate nominal value</u>	<u>Number</u>	<u>Aggregate nominal value</u>
Ordinary Shares	45,965,159	£459,651.59	46,714,168	£467,141.68

- 4.4 The effect of the Scheme will be to increase the net assets of the Company. For illustrative purposes only had the Calculation Date for the Scheme become been 29 September 2021, the net assets of the Company would have increased by approximately £6.4 million (assuming 7,643,782 Scheme Shares were issued to ANW Shareholders, assuming full take up of the Tender Offer and Cash Option and assuming a FAV per Share of 808.81p and a FAV per ANW Share of 454.97p).
- 4.5 At the AGM of the Company held on 20 April 2021, the Shareholders of the Company approved, amongst other matters, a resolution authorising the Directors to allot ordinary shares up to 2,298,257 Shares. This authority will expire at the conclusion of the AGM to be held in 2022.
- 4.6 Further, pursuant to a special resolution of the Shareholders dated 20 April 2021, the Directors have authority to allot, without regard to the pre-emption rights contained in the Articles or otherwise, up to 2,298,257 Shares, such authority to expire at the conclusion of the AGM to be held in 2022. In addition, at the Extraordinary General Meeting to be held on or around 26 October 2021, Resolutions will be tabled requesting Shareholder approval, among other matters, to authorise the Directors to issue up to a further 25 million Shares on a non pre-emptive basis pursuant to the Placing Programme.

- 4.7 The Directors have been granted general authority to purchase in the market up to 14.99% of the issued ordinary share capital of the Company (excluding treasury shares) as at the date of the AGM held on 20 April 2021, with such authority expiring at the conclusion of the AGM of the Company to be held in respect of the year ending 31 October 2021. The maximum price which may be paid for each Share shall not be more than the higher of: (i) 105 per cent. above the average closing market value on the London Stock Exchange of a Share over the five Business Days immediately preceding the date of purchase; and (ii) the higher of the last independent trade and the highest current independent bid on the London Stock Exchange. Such purchases will only be made in accordance with the Companies Law, which provides among other things that any such purchase is subject to the Company passing the solvency test contained in the Companies Law at the relevant time. The Directors intend to seek annual renewal of this authority from the Shareholders at the Company's AGMs.
- 4.8 At the Extraordinary General Meeting to be held on or around 26 October 2021, a Resolution will be tabled requesting further Shareholder approvals for: (i) the Directors to be authorised to make market purchases of the Company's Shares in connection with the proposed Tender Offer; and (ii) the Directors to be authorised (in substitution of the existing general authority described in paragraph 4.7 above) to make market purchases of up to 14.99% of the issued ordinary share capital of the Company (excluding treasury shares) immediately following completion of the Scheme.
- 4.9 The existing issued Shares have been, and the Scheme Shares and Placing Shares will be, issued and created in accordance with the Articles and the Companies Law. Details of the provisions of the Articles are set out at paragraph 6 below.
- 4.10 The Scheme Shares and the Placing Forms will be in registered form and, from the relevant admission, will be capable of being held in uncertificated form and title to such Shares may be transferred by means of a relevant system (as defined in the CREST Regulations). Where the Shares are held in certificated form, share certificates will be sent to the registered members or their nominated agent (at their own risk) within 10 days of the completion of the registration process or transfer of the Shares, as the case may be. Where Shares are held in CREST, the relevant CREST stock account of the registered members will be credited. The Registrar, whose registered address is set out on page 41 of this Prospectus, maintains a register of Shareholders holding their Shares in CREST.
- 4.11 Save as disclosed in this Prospectus, since the date of its incorporation, no share or loan capital of the Company:
- (a) has been issued or agreed to be issued, or is now proposed to be issued, either for cash or any other consideration and no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any such capital; or
  - (b) is under option or has been agreed conditionally or unconditionally to be put under option.
- 4.12 All Shares will be fully paid on Admission or the relevant Subsequent Admission. Subject as provided elsewhere in this Prospectus and in the Articles, Shares are freely transferable.

## **5. REDEMPTIONS AT THE OPTION OF SHAREHOLDERS**

There is no right or entitlement attaching to the Shares that allows them to be redeemed or repurchased by the Company at the option of the Shareholder.

## **6. MEMORANDUM AND ARTICLES OF INCORPORATION**

### **6.1 Memorandum**

The Memorandum does not restrict the objects of the Company.

### **6.2 Articles of incorporation**

The Articles contain (among others) provisions to the following effect:

#### 6.2.1 **Issue of shares**

Subject to the provisions of the Companies Law and the Articles, the unissued Shares shall be at the disposal of the Board which is authorised to allot, grant options over or otherwise dispose of them to such person on such terms and conditions and at such times as the Board determines but so that no Share shall be issued at a discount except in accordance with the Companies Law and so that the amount payable on application on each share shall be fixed by the Board.

#### 6.2.2 **Alteration to share capital**

The Company may by ordinary resolution consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares, and sub-divide its shares, or any of them, into shares of a smaller amount than its existing shares and determine that, as between the shares resulting from that sub-division, any of them may have any preference or advantage as compared with the others.

#### 6.2.3 **Redemption of shares**

The Company may, at the discretion of the Board, purchase any of its own shares, whether or not they are redeemable, and may pay the purchase price in respect of such purchase to the fullest extent permitted by the Companies Law.

#### 6.2.4 **Dividends and distributions**

(A) Subject to the provisions of the Companies Law and the Articles, the Company may at any time declare and pay such dividends as appear to be justified by the position of the Company. No dividend or other distribution shall exceed the amount recommended by the Directors or permitted by the Companies Law. Subject to the provisions of the Companies Law and the Articles, the Directors may declare and pay any fixed dividend which is payable on any shares of the Company half-yearly or otherwise on fixed dates whenever the position in the opinion of the Board so justifies.

(B) Subject to the provisions of the Companies Law and the Articles, all dividends and distributions shall be declared and paid *pro rata* according to the number of shares held by each Shareholder. If any share is issued on terms that it ranks for dividend or other distribution as from a particular date, it shall rank for dividend or other distribution accordingly.

(C) No dividend or other distribution or other money payable in respect of a share shall bear interest against the Company.

#### 6.2.5 **Distribution of assets on a winding up**

If the Company is wound up, the liquidator may, with the sanction of a special resolution and any other sanction required by law, divide among the Shareholders, *in specie*, any part of the assets of the Company. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the Shareholders as the liquidator may with the like sanction determine. Lastly, any assets available for distribution to the Shareholders shall, subject to any special terms of issue, be distributed according to the number of shares held by each Shareholder.

#### 6.2.6 **Voting rights**

(A) Subject to sub-paragraph 6.2.6(B) below and any rights or restrictions attached to any class of shares, at a general meeting, on a show of hands:

- (1) every Shareholder present in person has one vote;
- (2) every proxy present who has been duly appointed by a Shareholder entitled to vote has one vote; and
- (3) every corporate representative present who has been duly authorised by a corporation has the same voting rights as the corporation would be entitled to,



and on a poll every Shareholder (whether present in person or by proxy or corporate representative) has one vote for every share of which they are the holder or in respect of which they have been appointed the proxy or corporate representative. A Shareholder entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use the same way. In the case of joint holders, the vote of the joint holder whose name appears first on the Register in respect of the joint holding shall be accepted to the exclusion of the vote of the other joint holders.

- (B) No Shareholder shall have any right to vote at any general meeting or at any separate meeting of the holders of any class of shares, either in person or by proxy, in respect of any share held by them unless all amounts presently payable by them in respect of that share have been paid.

#### 6.2.7 **General meetings**

- (A) All general meetings other than AGMs shall be called extraordinary general meetings.
- (B) The Directors may call general meetings and, on the requisition of Shareholders pursuant to the provisions of the Companies Law, will convene and hold a general meeting within certain time limits. If there are not sufficient Directors to form a quorum in order to call a general meeting, any Director may call a general meeting.
- (C) A general meeting of the Company shall be called by at least 14 clear days' notice, unless called on shorter notice by agreement of all Shareholders entitled to attend and vote at the general meeting.
- (D) The quorum for a general meeting shall be two or more Shareholders present in person or by proxy provided that, if the Company shall have only one Shareholder entitled to attend and vote at the general meeting, that Shareholder shall constitute a quorum.
- (E) A Shareholder is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at a meeting of the Company. A Shareholder may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. Subject to the provisions of the Companies Law, any corporation (other than the Company itself) which is a Shareholder may, by resolution of its directors or other governing body, authorise any person(s) to act as its representative(s) at any meeting of the Company, or at any separate meeting of the holders of any class of shares. Delivery of an appointment of proxy shall not preclude a Shareholder from attending and voting at the meeting or at any adjournment of it.
- (F) The Directors may make arrangements for simultaneous attendance of and participation in any general meeting at other places by Shareholders and proxies and others entitled to attend the general meeting but excluded from the Principal Place.
- (G) Directors may attend and speak at general meetings and at any separate meeting of the holders of any class of shares, whether or not they are Shareholders.
- (H) A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is validly demanded. A poll on a resolution may be demanded either before a vote on a show of hands on that resolution or on the declaration of the result of such vote.

#### 6.2.8 **Restrictions on rights: Prohibited Shares**

If one of the following comes to the notice of the Directors, namely:

- (I) that a Prohibited Person holds or is a beneficial owner of shares;

- (II) that any shares are held or beneficially owned in a manner that would, in the Directors' absolute discretion, prevent the Company from relying on the exemption from the obligation to register as an "investment company" under the US Investment Company Act; or
- (III) the holding or beneficial ownership of any shares would, in the absolute discretion of the Directors, cause the assets of the Company to be considered "plan assets" within the meaning of the Plan Asset Regulations,

the Directors may decide, in their absolute discretion, that such shares are Prohibited Shares, in accordance with the Articles, and require the holder of such a share to (i) make a declaration, or to provide information within 21 days (or such other time as the Directors consider reasonable) that is relevant to the determination as to whether or not the share is a Prohibited Share; or (ii) sell or transfer (and/or procure the disposal of interests in) such share to another person so that it will cease to be a Prohibited Share and to provide the Directors with satisfactory evidence of such sale or transfer. Failure to comply with the Directors' request within 21 days (or such other time as the Directors consider reasonable) will result in the Directors either (i) imposing a penalty for each day such beneficial holder continues to hold Prohibited Shares or, (ii) to the extent permitted under the regulations of the Operator, arranging for the Company to sell such share at the best price reasonably obtainable to any other person so that the shares will cease to be Prohibited Shares.

#### 6.2.9 **Untraced Shareholders**

Subject to certain notice requirements, the Company may sell any of a Shareholder's shares if, during a period of 12 years, at least three dividends on such shares have become payable and have not been claimed by the Shareholder and no communication has been received by the Company with regard to such Shareholder's whereabouts or existence.

#### 6.2.10 **Borrowing powers**

The Directors may exercise all the powers of the Company to borrow money, to guarantee, to indemnify, to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital, and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. Under the current Articles, the Directors shall restrict the Company's borrowings to an aggregate amount equal to 15 per cent. of the NAV of the Company at the time of drawdown. However, conditional on the approval by Shareholders of the New Investment Policy and the amendments to the Articles at the Extraordinary General Meeting, the Articles will be amended to provide that the Director shall restrict the Company's borrowings to an aggregate amount equal to 20 per cent. of the gross asset value of the Company at the time of drawdown.

#### 6.2.11 **Transfer of shares**

- (A) A share in certificated form may be transferred by an instrument of transfer, which may be in any usual or common form or in any other form approved by the Directors, executed by or on behalf of the transferor and, where the share is not fully paid, by or on behalf of the transferee.
- (B) A share in uncertificated form may be transferred by means of the relevant system approved by the Directors in such manner provided for, and subject as provided, in the Guernsey Regulations or such as may otherwise from time to time be adopted by the Directors on behalf of the Company and the rules of any relevant system.
- (C) The Directors may, in their absolute discretion, refuse to register the transfer of a share in certificated form, or uncertificated form, which is not fully paid or on which the Company has a lien, provided that, if the share has been admitted to trading on a regulated market, such refusal does not prevent dealings in the

shares from taking place on an open and proper basis. The Directors may also refuse to register a transfer of a share in certificated form unless the instrument of transfer:

- (1) is lodged at the registered office of the Company or such other place as the Directors may appoint and is accompanied by the certificate(s) for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
  - (2) is in respect of only one class of share; and
  - (3) is in favour of a single transferee or not more than four joint transferees.
- (D) The Directors may refuse to register a transfer of a share in uncertificated form which is traded through the relevant system and in accordance with the Guernsey Regulations, where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four.
- (E) If the Directors refuse to register a transfer of a share, they shall send the transferee notice of that refusal within two months after the date on which the transfer was lodged with the Company.
- (F) No fee shall be charged for the registration of any instrument of transfer or other document or instruction relating to or affecting the title to any share.

#### **6.2.12 Appointment of Directors**

- (A) Unless the Company determines otherwise by ordinary resolution, the number of Directors shall not be less than two nor more than seven.
- (B) The Directors may appoint a person who is willing to act as a Director, and is permitted by law to do so, to be a Director, either to fill a vacancy or as an additional Director. A person appointed as a Director by the other Directors is required to retire at the Company's next AGM and shall then be eligible for reappointment by Shareholders.
- (C) Until otherwise determined by the Company by ordinary resolution, there shall be paid to the Directors such fees for their services in the office of Director as the Directors may determine, not exceeding in the aggregate an annual sum of £200,000 (or such larger amount as the Company may by ordinary resolution decide).

#### **6.2.13 Powers of Directors**

- (A) The business of the Company shall be managed by the Directors who, subject to the provisions of the Companies Law, the Articles and to any directions given by the Company to take, or refrain from taking, specified action, may exercise all the powers of the Company.
- (B) The Directors may establish any local boards or committees for managing any of the affairs of the Company and may appoint any one or more of its number or any other persons to be members of such local boards or committees and may, amongst other powers, fix their remuneration.
- (C) The Directors may engage the services of such custodians or depositories for the safekeeping of the Company's assets on such terms as they may, from time to time, deem fit.
- (D) Any Director (other than an alternate Director) may appoint any other Director (whether a Shareholder of the Company or not) to be an alternate Director and may remove such an alternate Director from office.

#### 6.2.14 **Voting at board meetings**

- (A) No business shall be transacted at any meeting of the Directors unless a quorum is present. The quorum may be fixed by the Directors from time to time, but unless so fixed at any other number, the quorum shall be two. A Director shall not be counted in the quorum present in relation to a matter or resolution on which he or she is not entitled to vote but shall be counted in the quorum present in relation to all other matters or resolutions considered or voted on at the meeting. An alternate Director who is not himself or herself a Director shall, if his or her appointor is not present, be counted in the quorum.
- (B) Questions arising at a meeting of the Directors shall be decided by a majority of votes. In the case of an equality of votes, the chairperson of the meeting shall, unless he or she is not entitled to vote on the resolution, have a second or casting vote.

#### 6.2.15 **Restrictions on voting**

Subject to any other provision of the Articles, a Director shall not vote at a meeting of the Directors on any resolution concerning a matter in which he or she has, directly or indirectly, a material interest (other than an interest in shares, debentures or other securities of, or otherwise in or through, the Company) unless his interest arises only because the case falls within certain limited categories specified in the Articles.

#### 6.2.16 **Directors' interests**

Provided that the Director has disclosed to the other Directors the nature and extent of any material interest of his or hers, a Director, notwithstanding his or her office, may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested, and may be a director or other officer of, or employed by or hold any position with, or be a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is interested.

#### 6.2.17 **Periodic retirement**

Each Director shall retire from office at each AGM except any Director appointed by the Board after the notice of that AGM has been given and before that AGM has been held.

#### 6.2.18 **Indemnity**

Subject to the Companies Law, the Company may: indemnify to any extent any person who is or was a Director, directly or indirectly (including by funding any expenditure incurred or to be incurred by the Director) against any loss or liability whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by them or otherwise in relation to the Company; and purchase and maintain insurance for any person who is or was a Director, against any loss or liability or any expenditure he or she may incur, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by them or otherwise, in relation to the Company.

#### 6.2.19 **Notice or other communication sent by electronic means**

Shareholders are deemed to have agreed to the sending of documents by electronic means in any particular electronic form and to the sending of documents by means of a website to the extent permitted under the Companies Law.

#### 6.2.20 **Continuation**

The Company has an unlimited life. At the Company's annual general meeting to be held in 2013 and at every fifth general meeting thereafter, the Directors undertake to propose a Continuation Resolution. If such resolution is not passed within four months of the vote to continue failing the Directors shall formulate and put to Shareholders proposals relating to the future of the Company having had regard to, *inter alia*, prevailing market conditions and applicable regulations and legislation. Conditional on the approval by Shareholders of the New Investment Policy and the

amendments to the Articles at the Extraordinary General Meeting, the next annual general meeting at which such a Continuation Resolution must be proposed will take place in 2027 (and not in 2023).

## **7. THE CITY CODE ON TAKEOVERS AND MERGERS**

### **7.1 Mandatory bid**

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if:

- (a) any person acquires, whether by a series of transactions over a period of time or otherwise, an interest in shares which, when taken together with shares in which they and persons acting in concert with them are interested, carry 30 per cent. or more of the voting rights in the Company; or
- (b) any person, together with persons acting in concert with them, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of the Company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with them, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which they are interested,

such person would be required (except with the consent of the UK Panel on Takeovers and Mergers) to make a cash or cash alternative offer for the outstanding shares at a price not less than the highest price paid for any interests in the shares by them or their concert parties during the previous 12 months. Such an offer must only be conditional on:

- (a) the person having received acceptances in respect of shares which (together with shares already acquired or agreed to be acquired) will result in the person and any person acting in concert with them holding shares carrying more than 50 per cent. of the voting rights; and
- (b) no reference having been made in respect of the offer to the Competition and Markets Authority by either the first closing date or the date when the offer becomes or is declared unconditional as to acceptances, whichever is the later.

Any Shareholder who, together with any persons with whom it is acting in concert, holds 30 per cent. or more of the Shares will only be permitted, together with any persons with whom it is acting in concert, to acquire, as a maximum, such percentage of the Placing Shares issued pursuant to a Placing as is equal to: (i) the percentage of Shares held by that Shareholder (together with any persons with whom it is acting in concert) at the Latest Practicable Date; or (ii) if lower, the percentage of Shares held by that Shareholder (together with any persons with whom it is acting in concert) at the point at which Placing Shares are allocated pursuant to the Placing.

A person not acting, or presumed not to be acting, in concert with any one or more of the directors will not normally incur an obligation to make a mandatory offer under Rule 9 if, as a result of the redemption or repurchase of shares by a company, they come to exceed the percentage limits set out in Rule 9.

As at 29 September 2021 City of London Investment Management Limited (“**CoL**”) held 28.7 per cent. of the voting rights in the Company and 29.0 per cent. of the voting rights in ANW. CoL has signed a binding letter indicating that it will take up its full entitlement to the Cash Option to be offered by ANW and the Tender Offer to be made by the Company, and this would ensure that its holding of shares carrying voting rights in the Company following completion of the Scheme would remain below 30 per cent.

However, the Company is seeking authority from Shareholders to make market purchases of its own shares up to an amount of 14.99 per cent. of the issued ordinary share capital of the Company (excluding treasury shares) immediately following completion of the Scheme. Based on: (i) the NAV of the Company and the NAV of ANW as at 29 September 2021 resulting in the issue of 7,643,782 Scheme Shares; (ii) the assumption that the buyback authority is utilised in full by the Company; and (iii) the assumption that these shares are bought back from shareholders other than CoL, the resultant holding of CoL could increase to as high as 33.8 per cent. of the voting rights of the Company.

The Panel on Takeovers and Mergers (the “**Panel**”) must be consulted in advance in any case where Rule 9 of the Code might be relevant. The Company has consulted with the Panel in relation to the proposed buy-back authority.

On the basis that CoL has not appointed a representative to the board of the Company and that none of the directors of the Company are acting in concert with CoL, the Panel has confirmed on an ex parte basis to the Company that the increase in CoL’s shareholding, as a result of the purchase by the Company of its own shares pursuant to the authority conferred by Resolution 3, will not trigger an obligation for CoL to make a mandatory offer for the Company under Rule 9 of the Code

## 7.2 **Compulsory acquisition**

The Companies Law provides that if an offer is made for the shares or any class of shares in the capital of a company and, within four months after the date of the offer, the offer is approved by shareholders comprising 90 per cent. in value of the shares affected (excluding any shares held as treasury shares), then the offeror may, within a period of two months immediately after the last day on which the offer can be approved or accepted, give notice to any dissenting shareholders informing them that it wishes to acquire their shares (an “**Acquisition Notice**”). Where an Acquisition Notice is given, the offeror is then entitled and bound to acquire the dissenting shareholders’ shares on the terms of the offer approved by the shareholders comprising 90 per cent. in value of the shares affected; and where the terms of the offer provided a choice of consideration, the Acquisition Notice must give particulars of the choice and state (a) the period within which, and the manner in which, the dissenting shareholder must notify the offeror of his choice, and (b) which consideration specified in the offer will apply if he does not so notify the offeror.

## 8. **INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS**

### 8.1 **Directors’ interests**

8.1.1 As at the date of this Prospectus the holdings of the Directors and prospective Directors in the Shares of the Company and the shares of ANW are as follows:

<b>Name</b>	<b>Number of Shares in the Company as at the date of this Prospectus</b>	<b>Number of shares in ANW as at the date of this Prospectus</b>
Mark Hadsley-Chaplin	30,000	Nil
William Collins	15,000	Nil
Helen Green	1,800	Nil
Eleonore de Rochechouart	Nil	Nil
Anne Gilding*	Nil	3,000
Sarah MacAulay*	Nil	5,000

\* If the Scheme becomes effective, Anne Gilding and Sarah MacAulay will join the Board on 9 November 2021.

As at the date of this Prospectus, there are no potential conflicts of interest between any duties owed to the Company by any of the Directors and their private interests and/or other duties. Save as disclosed above, no Director has any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company. The Directors do not intend to subscribe for Placing Shares pursuant to the Placing Programme.

## 8.2 Directors' contracts with the Company

- 8.2.1 No Director has a service contract with the Company, nor are any such contracts proposed, each Director having been appointed pursuant to a letter of appointment entered into with the Company.
- 8.2.2 The Directors' appointments can be terminated in accordance with the Articles and without compensation or in accordance with the Companies Law or common law. The Directors shall retire from office at each AGM, in accordance with the Articles.
- 8.2.3 Pursuant to the above mentioned appointment letters, the termination of a Director's appointment is subject to three months' notice. The Articles provide that the office of Director may be terminated by, among other things: (i) resignation; (ii) unauthorised absences from board meetings for twelve consecutive months or more; or (iii) the written request of all Directors.
- 8.2.4 As at the date of this Prospectus, Mr Mark Hadsley-Chaplin, as Chairman, is entitled to receive £38,000 per annum, Helen Green, as chairperson of the Audit Committee, is entitled to receive £33,000 per annum, and the other Directors are entitled to received £28,000 per annum.
- 8.2.5 The Company has not made any loans to the Directors which are outstanding, nor has it ever provided any guarantees for the benefit of any Director or the Directors collectively. No amounts have been set aside or accrued by the Company to provide pension, retirement or similar benefits.

## 8.3 Directors' other interests

- 8.3.1 As at the date of this Prospectus, the Directors and prospective Directors are, or have been during the five years preceding the date of this Prospectus, director, member of the administrative, management or supervisory body or partner of the following companies and partnerships (other than the Company):

<u>Name</u>	<u>Current</u>	<u>Previous</u>
Mark Hadsley-Chaplin	Boisdale of Mayfair Limited Boisdale of Mayfair Property Limited Boisdale Limited	Aberdeen Standard Asian Smaller Companies Investment Trust plc
William Collins	Nil	Crystal Amber Fund Limited
Helen Green	Champness Limited Corbiere Trust Company Limited CQS Natural Resources Growth and Income Plc Davos Trust Company Limited Goshawk Trust Company Limited Hunter REIM Guernsey Limited Jameson Services (Jersey) Limited JPMorgan Global Core Real Assets Limited Klosters Limited Landore Resources Limited Lewdown Holdings Limited Lions Hill Limited – In Receivership Mica Enterprises Limited SA Palmus Trust Company Limited Poincaré Advisors Limited RESS II (GP) Limited Rysaffe International Services Limited Rysaffe Nominees (C.I.) Limited Rysaffe North American Property PCC Limited Rysaffe Trustee Company (C.I.) Limited Saffery Champness Fund Services Limited Saffery Champness GAT Partnership	Acorn Income Fund Limited Balaga Limited Bella Vista Holdings Limited Henderson Diversified Income Limited Henderson Diversified Income (Luxembourg) Sarl Iver Resources Limited John Laing Infrastructure Fund Limited Juromant Investments Limited Parringrove Limited Polonius Limited Polonius No 2 Limited Red Holdings Limited Red Investments Limited Red R & D Holdings Limited Ripple (Leasing) Limited Rysaffe Actionnaires Sarl Rysaffe Administrateurs Sarl Rysaffe Fiduciaries Sarl Rysaffe Secretaires Sarl Saffery Champness Suisse SA Saffron Maritime Limited SpringOwl Investors (Guernsey) A Limited SpringOwl Investors Midco Limited The St John Ambulance & Rescue Service LBG

Name	Current	Previous
	Saffery Champness Holdings Limited Saffery Champness Management International Limited Saffery Champness SARL Saffery Champness Trust Corporation Saffery Limited Saffery Trustee Company (C.I.) Limited Sansiri Guernsey (2009) Limited Sansiri Guernsey (2015) Limited SGM Advisors (C.I.) Limited The Finance Sector Non-Executive Director Forum LBG True North EREP (Guernsey) Limited UK Mortgages Limited	Tidegrove Holdings Limited* Tidegrove Management Limited* UCAP Investment Management Fund PCC Limited UCAP Investment Management Limited Vanilla Thakeham Limited Yillman Limited
Eleonore de Rochechouart	LCDA UK Limited ResFamiliaris LLP World Matters Limited	LCDA Pets UK Limited
Anne Gilding**	Aberdeen New Thai Investment Trust PLC Momentum Multi-Asset Value Trust plc	None
Sarah MacAulay**	Aberdeen New Thai Investment Trust PLC Fidelity Japan plc JPMorgan Multi-Asset Growth and Income plc Schroder Asia Total Return Investment Co plc	JPMorgan Income and Capital Trust plc

\* Voluntary liquidation.

\*\* If the Scheme becomes effective, Anne Gilding and Sarah MacAulay will join the Board on 9 November 2021.

8.3.2 Save as disclosed in this Prospectus, in the five years before the date of this Prospectus, the Directors:

- (A) do not have any convictions in relation to fraudulent offences;
- (B) have not been associated with any bankruptcies, receiverships or liquidations of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and
- (C) have not been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administration, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.



## 8.4 Major Shareholders

8.4.1 As at the Latest Practicable Date, insofar as is known to the Company, the following persons are directly or indirectly interested in three per cent. or more of the Company's share capital:

Shareholder	No. of existing Shares	Percentage of Existing Shares in issue
City of London Investment Management Company Limited	13,174,328	28.7%
Lazard Asset Management LLC	12,573,656	27.4%
Wells Capital Management Inc.	9,274,498	20.2%
1607 Capital Partners LLC	5,480,870	11.9%

8.4.2 Except as described in paragraph 6.2.6 of this Part VII (*Additional Information on the Company*) of this Prospectus, none of the Shareholders has or will have voting rights attached to the Shares held by them which are different from the voting rights attached to any other Shares in the same class in the Company. So far as is known to the Company as at the date of this Prospectus, the Company will not, immediately following the Issue, be directly or indirectly owned or controlled by any single person or entity and there are no arrangements known to the Company the operation of which may subsequently result in a change of control of the Company.

8.4.3 All Shareholders have the same voting rights in respect of the share capital of the Company.

## 8.5 Related party transactions

Save for the entry into the Management Agreement, which is disclosed in section 12.1 below, the Company has not entered into any related party transaction at any time during the period from 1 November 2017 to the date of publication of this Prospectus.

## 8.6 Other material interests

8.6.1 The AIFM, the Investment Manager, other Investment Manager entities, any of their respective directors, officers, employees, agents and Affiliates and the Directors, and any person or company with whom they are affiliated or by whom they are employed, may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company.

8.6.2 In particular, interested parties may provide services similar to those provided to the Company to other entities and shall not be liable to account for any profit from any such services. For example, the AIFM, the Investment Manager, other Investment Manager entities, any of their respective directors, officers, employees, agents and Affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed may (subject to any restrictions contained in the relevant management agreement) acquire on behalf of a client an investment in which the Company may also invest.

## 9. SHARE OPTIONS AND SHARE SCHEME ARRANGEMENTS

No share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.

## 10. PORTFOLIO

As at the date of this Prospectus, the Portfolio consists of investments in a range of funds and other products which provide exposure to emerging markets, in accordance with the Company's existing investment policy. Conditional on approval by Shareholders, it is the intention of the Board to adopt the New Investment Policy (as set out in paragraph 3 of Part I (*Information on the Company*) of this Prospectus) and accordingly to transition the

Portfolio to direct investments in Chinese equities. As a result of this, the Company's current investments will be liquidated and the proceeds invested in accordance with the New Investment Policy.

## **11. OTHER INVESTMENT RESTRICTIONS**

- 11.1 The Company will at all times invest and manage its assets with the objective of spreading risk and in accordance with its published investment policy as set out in Part I (*Information on the Company*) of this Prospectus.
- 11.2 In the event of material breach of these investment restrictions applicable to the Company, Shareholders will be informed of the actions to be taken by the Investment Manager via an RIS announcement.

## **12. MATERIAL CONTRACTS**

Save as described below, the Company has not: (i) entered into any material contracts (other than contracts in the ordinary course of business) since its incorporation; or (ii) entered into any contracts that contain provisions under which the Company has any obligation or entitlement that is material to the Company as at the date of this Prospectus.

### **12.1 Management Agreement**

12.1.1 The Company and the AIFM have entered into the Management Agreement dated 4 October 2021, pursuant to which the AIFM will, conditional on the resolution approving the adoption of the New Investment Policy being passed at the Extraordinary General Meeting on 26 October 2021, be appointed to act as manager of the Company, with sole responsibility for the discretionary portfolio management, risk management of the investments and to advise the Company in relation to the investments on a day-to-day basis, in accordance with the investment policy of the Company and subject to the overall policies, supervision, review and control of the Board.

12.1.2 Entry into the Management Agreement constitutes a 'smaller related party transaction' for the purposes of Listing Rule 11.1.10 and therefore does not require the approval of Shareholders. Shore Capital, in its capacity as Sponsor, has accordingly provided written confirmation that the terms of the Management Agreement are fair and reasonable so far as Shareholders are concerned.

12.1.3 Under the terms of the Management Agreement and subject always to the investment guidelines contained in the Management Agreement, the AIFM has the power and authority to, *inter alia*: (i) receive and expend cash on behalf of the Company in furtherance of the Company's business and, in particular, to subscribe for, buy or otherwise acquire and to sell or otherwise dispose of investments; (ii) participate in issues or offers of investments; (iii) seek out and evaluate investment opportunities for the Company; (iv) provide any undertaking in relation to offers, placings or rights conferred by a particular investment; (v) exercise any governance or ownership right conferred by a particular investment; (vi) enter into derivatives contracts, to place cash on deposit and withdraw cash from deposit; (vii) negotiate borrowings; (viii) manage, operate and develop any property of the Company; (ix) deal in foreign currencies; (x) do such things, with respect to any of the foregoing, as the AIFM shall deem appropriate; and (xi) take such other action as it reasonably considers to be necessary, desirable or incidental to the performance of its obligations under the Management Agreement.

#### ***Fees and expenses***

12.1.4 The Company pays the AIFM a Management Fee, further details of which are described in paragraph 9 of Part III (*Directors, Management and Administration*) of this Prospectus.

12.1.5 The AIFM is entitled to be reimbursed by the Company for expenses incurred by it in the performance of its duties to the extent expressed to be recoverable pursuant to the Management Agreement.

### ***Service standard***

- 12.1.6 The AIFM has agreed to perform its obligations under the Management Agreement at all times in accordance with the following standard of care:
- (A) with such skill and care as would be reasonably expected of a professional discretionary investment manager of equivalent standing to the AIFM managing in good faith an investment company of comparable size and complexity to the Company and having a materially similar investment objective and investment policy; and
  - (B) ensuring that its obligations under the Management Agreement are performed by a team of appropriately qualified, trained and experienced professionals reasonably acceptable to the Board (the “**Service Standard**”).

### ***Termination***

- 12.1.7 The Management Agreement may be terminated by either the Company or the AIFM giving to the other not less than six months’ written notice.
- 12.1.8 In addition, the Company may terminate the Management Agreement with immediate effect if:
- (A) an order has been made or an effective resolution passed for the winding-up or liquidation of the AIFM (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously consented to in writing by the Company, or a receiver or similar officer has been appointed in respect of the AIFM or of any material part of the AIFM’s assets, or the AIFM enters into an arrangement with its creditors or any of them, or the AIFM is, or is deemed to be, unable to pay its debts;
  - (B) the AIFM ceases, or takes steps to cease, to carry on its business or substantially the whole of its business, or makes or threatens to make any material alteration to the nature of its business as carried on at the date of the Management Agreement;
  - (C) the AIFM has committed a breach of its obligations under the Management Agreement (except a breach of the Service Standard) that is material in the context of the Management Agreement, and where such breach is capable of remedy, fails to remedy such breach within 30 days after receiving notice from the Company requiring the same to be remedied;
  - (D) the AIFM has committed a breach of the Service Standard and fails to remedy such breach within 90 days after receiving notice from the Company requiring the same to be remedied;
  - (E) the AIFM ceases to maintain its permission from the FCA to act as AIFM of the Company, or such permission is suspended;
  - (F) the AIFM ceases to hold any other authorisation required in order to perform its obligations under the Management Agreement and fails to remedy the situation without any material adverse implications for the Company within such reasonable period as the Company may specify;
  - (G) the scope of the AIFM’s permission from the FCA to act as AIFM of the Company is restricted to the extent that, in the reasonable opinion of the Company, it impairs the AIFM’s ability to perform its obligations under the Management Agreement;
  - (H) the AIFM fails to notify the Company of an FCA enquiry or other circumstances;
  - (I) the AIFM materially breaches the provisions of the Management Agreement with respect to conflicts of interest and fails to remedy such breach within 30 days after receiving notice from the Company requiring the same to be remedied;

- (J) the AIFM breaches any provision of the Management Agreement and such breach results in either the listing of the Shares on the Official List or trading of the Shares on the London Stock Exchange being suspended or terminated or results in the Company losing its exempt tax status for the purposes of the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989, as amended; or
- (K) the Company is required by any relevant regulatory authority to terminate the AIFM's appointment.

#### ***Liability and indemnity***

- 12.1.9 The AIFM shall only be liable to the Company and its officers, directors, employees and agents for any direct loss, claim, costs, charges and expenses, liabilities or damages resulting from the negligence, wilful default, fraud or bad faith of the AIFM, its associates, delegates or agents, and the officers, directors or employees of the AIFM, or its associates, delegates or agents (each a "**Manager Indemnified Person**") or a breach of the Management Agreement or any applicable law or regulation by any Manager Indemnified Person.
- 12.1.10 The Company shall indemnify each Manager Indemnified Person against all claims by third parties which may be made against such Manager Indemnified Person in connection with the provision of services under the Management Agreement except to the extent that the claim is due to the negligence, wilful default, fraud or bad faith of any Manager Indemnified Person or a breach of the Management Agreement or any applicable law or regulation by any Manager Indemnified Person.

#### ***Governing law***

- 12.1.11 The Management Agreement is governed by the laws of England and Wales.

## **12.2 Placing Programme Agreement**

- 12.2.1 The Company, the AIFM and Shore Capital have entered into the Placing Programme Agreement dated 4 October 2021, pursuant to which, subject to certain conditions: (i) the Company has appointed Shore Capital as sponsor in respect of the Issue and each Placing in connection with the admission of Scheme Shares and Placing Shares to a premium listing on the Official List; and (ii) Shore Capital has agreed to use its reasonable endeavours to procure subscribers for Placing Shares at the Placing Price under the Placings.
- 12.2.2 The obligation of Shore Capital to use its reasonable endeavours to procure subscribers for Placing Shares is conditional upon certain conditions that are customary for agreements of this nature. These conditions include, *inter alia*: (i) the Placing Programme Agreement not having been terminated on or before the date of the relevant Placing; and (ii) a valid supplementary prospectus being published if required.

#### ***Fees and expenses***

- 12.2.3 In relation to each Placing, on the date of the relevant Subsequent Admission, the Company undertakes to pay Shore Capital a commission equal to 0.75 per cent. of the gross proceeds in respect of such Placing together with any VAT chargeable on such amount.
- 12.2.4 Shore Capital will be entitled to reimbursement of all costs, charges, fees and expenses of, in connection with, or incidental to, any Placing, any Subsequent Admission and the arrangements contemplated by the Placing Programme Agreement.

#### ***Termination***

- 12.2.5 The Placing Programme Agreement may be terminated by Shore Capital in certain customary circumstances.

### ***Liability and indemnity***

12.2.6 The Company and the AIFM have given warranties to Shore Capital concerning, *inter alia*, the accuracy of the information contained in this Prospectus. The Company and the AIFM have also given indemnities to Shore Capital. The warranties and indemnities given by the Company and the AIFM are standard for an agreement of this nature.

### ***Governing law***

12.2.7 The Placing Programme Agreement is governed by the laws of England and Wales.

## **12.3 Share Repurchase Agreement**

12.3.1 The Company and Shore Capital Stockbrokers Limited have entered into the Share Repurchase Agreement dated 4 October 2021, pursuant to which the Company agrees and covenants to purchase from Shore Capital and Shore Capital agrees and covenants to sell, as principal, to the Company such number of Shares that Shore Capital acquires pursuant to the Tender Offer, being up to a maximum of 15 per cent. of the Shares (excluding treasury shares) in issue at close of business on 1 November 2021.

12.3.2 Shore Capital's obligations to purchase any Shares pursuant to the Tender Offer are subject to the following conditions:

- (A) the Tender Offer becoming unconditional;
- (B) the Company at all times having performed in all material respects all of its obligations under the Share Repurchase Agreement and under its letter of engagement with Shore Capital;
- (C) the representations, undertakings and warranties of the Company in the Share Repurchase Agreement and its letter of engagement with Shore Capital being true and accurate;
- (D) Shore Capital not having been given written notice from the Directors of a decision by the directors not to proceed with the Tender Offer; and
- (E) Shore Capital being satisfied that the Receiving Agent has received cleared funds equal to the aggregate purchase price for the tendered Shares (as determined in accordance with the terms of the Tender Offer) on the Business Day immediately before the date on which the tendered Shares are to be purchased by Shore Capital pursuant to the Tender Offer (the "**Purchase Date**"), provided that Shore Capital may in its sole discretion agree in writing to extend the time for fulfilment of this condition.

### ***Fees and expenses***

12.3.3 The Company shall pay to Shore Capital the aggregate purchase price to be paid in respect of the acquisition by it of the Shares tendered pursuant to the Tender Offer.

12.3.4 Additionally, the Company shall pay to Shore Capital on the Purchase Date the aggregate of: (i) an amount equal to the fees, commissions and expenses payable pursuant to the engagement letter between the Company and Shore Capital; and (ii) except as already accounted for, an amount equal to any other fees and expenses payable to or by Shore Capital in respect of the Tender Offer.

### ***Termination***

12.3.5 The Tender Offer (and therefore the Share Repurchase Agreement) will not proceed if certain conditions set out in the Circular have not been satisfied prior to the Purchase Date. Such conditions include, *inter alia*: (i) the passing of the Resolutions at the EGM approving the adoption of the New Investment Policy and the repurchase of the tendered Shares; and (ii) valid tenders being received in respect of at least three per cent. of the Shares (excluding Shares held in treasury) by 1 p.m. on

1 November 2021. Shore Capital may also terminate the Tender Offer if, in its reasonable opinion, one or more of such conditions have not been satisfied prior to the Purchase Date.

12.3.6 The Company may, at its complete discretion, terminate the Tender Offer on written notice prior to the Tender Offer becoming unconditional in the event that:

- (A) the Board in its reasonable discretion concludes that the Tender Offer would no longer be in the best interests of the Company and/or the Shareholders as a whole;
- (B) as a result of any change in national or international financial, economic, political or market conditions, the cost of realisation of assets to fund the Tender Offer has become significantly more expensive;
- (C) in its reasonable opinion, there shall occur any material adverse change in the national or international, financial, economic, political or market conditions and/or in the financial position or prospects and/or circumstances of the Company which renders the Tender Offer temporarily or permanently impractical or inadvisable;
- (D) in its reasonable opinion, the Company will not satisfy the statutory solvency test prescribed under the Companies Law immediately following completion of the Tender Offer;
- (E) in its reasonable opinion, the completion of the purchase of Shares pursuant to the Tender Offer could have unexpected adverse fiscal or other consequences (whether by reason of a change in legislation or practice or otherwise) for the Company or its Shareholders if the Tender Offer were to proceed; or
- (F) Shore Capital's membership of the London Stock Exchange expires, is suspended, is revoked or is withdrawn.

***Liability and indemnity***

12.3.7 The Company agrees to indemnify and hold harmless Shore Capital against all liabilities which may be incurred by Shore Capital which directly or indirectly arise out of or in connection with the Share Repurchase Agreement unless and to the extent that such liabilities result directly and solely from Shore Capital's fraud, gross negligence, wilful default or breach of FSMA, UK MAR or the FCA Rules.

***Governing law***

12.3.8 The Share Repurchase Agreement is governed by the laws of England and Wales.

**12.4 Depositary Agreement**

12.4.1 The Company, Aberdeen Emerging Capital Limited and Northern Trust (Guernsey) Limited have entered into the Depositary Agreement dated 1 August 2014, pursuant to which Northern Trust (Guernsey) Limited has been appointed as Depositary to the Company. Aberdeen Emerging Capital Limited subsequently novated its rights and obligations under the Depositary Agreement to the AIFM by way of a novation agreement dated 1 June 2016.

***Fees and expenses***

12.4.2 The Depositary is entitled to receive payment as compensation for the performance of its duties under the Depositary Agreement for all fees as may be agreed upon between the parties from time to time. The Depositary is also entitled to reimbursement of expenses incurred in the performance of its duties under the Depositary Agreement.

### ***Termination***

- 12.4.3 A party may terminate the Depositary Agreement upon at least 90 calendar days' written notice to the other parties (or such shorter notice period as the other parties may agree to accept), provided that the termination of the Depositary's appointment may not take effect until a new depositary has been appointed.
- 12.4.4 A party may terminate the Depositary Agreement immediately upon notice in the event that:
- (A) any party becomes subject to certain insolvency events;
  - (B) any party commits any material breach of the provisions of the agreement and has (if such breach is capable of remedy) not remedied the same within 30 days after service of notice requiring it to be remedied;
  - (C) any party has acted fraudulently or in wilful default in performing their obligations under the Depositary Agreement;
  - (D) the continued performance of the Depositary Agreement shall for any reason cease to be lawful; or
  - (E) the Depositary identifies a matter in relation to the management of the Company which it, in its reasonable discretion, believes requires explanation and/or remedial action and such matter is not resolved by the AIFM or the Company as required by the Depositary pursuant to the escalation procedures provide for in the Depositary Agreement.

### ***Liability and indemnity***

- 12.4.5 Subject to certain customary limitations, the Depositary shall be liable to the Company in respect of any losses, damages, liabilities and all costs and expenses reasonably and properly incurred by the Company arising from the Depositary's negligence, wilful default, fraud or material breach in performing its obligations pursuant to the Depositary Agreement.
- 12.4.6 The Company shall indemnify and keep indemnified and hold harmless the Depositary, its directors, officers, employees and agents from and against any and all third-party actions, proceedings, claims, costs, demands and expenses which may be brought against, suffered or incurred by such indemnified parties other than: (i) such as may arise from fraud, wilful default, negligence or material breach of the Depositary Agreement; and (ii) any loss for which the Depositary is liable to the Company under the terms of the Depositary Agreement, as described in paragraph 12.4.5 above.

### ***Delegation***

- 12.4.7 The Depositary may delegate to third parties any of its functions and use sub-custodians under the Depositary Agreement in accordance with applicable laws and certain other requirements.

### ***Re-use***

- 12.4.8 Neither the Depositary nor any sub-custodian has any right of re-use in respect of the Company's investments.

### ***Governing law***

- 12.4.9 The Depositary Agreement is governed by the laws of the Island of Guernsey.

## **12.5 Administration and Secretarial Agreement**

- 12.5.1 The Company and Vistra Fund Services (Guernsey) Limited have entered into the Administration and Secretarial Agreement dated 30 September 2009, pursuant to which Vistra Fund Services (Guernsey) Limited has been appointed as Administrator and secretary of the Company.

### ***Fees and expenses***

- 12.5.2 Under the terms of the Administration and Secretarial Agreement, the Administrator is entitled to a fee to a fee at a rate of £40,000 per annum, plus certain additional fees in respect of company secretarial services provided on an ad hoc basis.

### ***Termination***

- 12.5.3 The Administration and Secretarial Agreement shall continue until terminated by either party giving to the other party at least 90 days' notice in writing.
- 12.5.4 Further, either party may terminate the Administration and Secretarial Agreement immediately upon notice if the other party:
- (A) commits any material breach of any of its obligations under the Administration and Secretarial Agreement and (if such breach is capable of remedy) fails to remedy such breach within 30 days of notice requiring it to do so; or
  - (B) is subject to certain insolvency situations.
- 12.5.5 The appointment of the Administrator shall terminate automatically if the Administrator ceases to be licensed by the GFSC to carry out its obligations and activities under the Administration and Secretarial Agreement.

### ***Liability and indemnity***

- 12.5.6 In respect of any loss or damage which the Company or any Shareholder of the Company may sustain or suffer arising out of the Administrator's obligations under the Administration and Secretarial Agreement, the Administrator shall have no liability except on account of bad faith, recklessness, negligence, wilful default, fraud or breach of the terms of the Administration and Secretarial Agreement or any provision of The Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended).
- 12.5.7 The Administrator shall indemnify and keep indemnified the Company against any loss, damage, claims, costs and expenses suffered or incurred by or made against the Company arising out of or in connection with bad faith, recklessness, negligence, wilful default or fraud on the part of the Administrator.
- 12.5.8 The Company shall indemnify and hold harmless the Administrator against all actions, proceedings, claims, costs, demands and expenses which may be brought against, suffered or incurred by the Administrator by reason of the proper performance of its duties under the terms of the Administration and Secretarial Agreement, including all reasonable legal, professional and other expenses properly incurred except such as shall arise from the Administrator's recklessness, bad faith, negligence, wilful default or fraud resulting in any liability or breach of any duties or obligations which the Administrator may have and excepting any liability incurred by the Administrator as a result of its breach of any statute, governmental decree or order, or rules or regulations made pursuant to the same or rules and/or code of conduct of any professional or regulatory body or association of which the Administrator is a member.

### ***Governing law***

- 12.5.9 The Administration and Secretarial Agreement is governed by the laws of the Island of Guernsey.

## **12.6 Offshore Registrar Agreement**

- 12.6.1 The Company and Link Market Services (Guernsey) Limited have entered into the Offshore Registrar Agreement dated 30 September 2009, pursuant to which Link Market Services (Guernsey) Limited has been appointed as Registrar to the Company.



### ***Fees and expenses***

- 12.6.2 Under the terms of the Offshore Registrar Agreement, the Registrar is entitled to an annual maintenance fee per Shareholder account, which is subject to an annual minimum charge. These fees are subject to review by the Registrar in its absolute discretion not more than once per calendar year and to a minimum annual increase at the rate of the Retail Prices Index prevailing at the time. In the 12 months prior to publication of this Prospectus, such fees amounted to approximately £28,000.
- 12.6.3 The Registrar is also entitled to levy certain charges on a per item basis and the Company shall reimburse the Registrar all reasonable out of pocket expenses properly incurred on behalf of the Company in the performance of the Registrar's duties under the Offshore Registrar Agreement.

### ***Termination***

- 12.6.4 Either party may terminate the Offshore Registrar Agreement by giving not less than three months' notice to the other party.
- 12.6.5 Either party may terminate the Offshore Registrar Agreement with immediate effect upon notice if the other party is subject to any of certain insolvency situations, or commits a material breach of the Offshore Registrar Agreement which (if capable of remedy) that party has failed to remedy within 30 days of notice requiring it to do so.
- 12.6.6 Further, the Offshore Registrar Agreement may be terminated by the Company with immediate effect in the event that the Registrar ceases to hold any licence, consent, permit or registration it requires for the performance of its duties thereunder.

### ***Liability and indemnity***

- 12.6.7 The Company has given certain market standard indemnities in favour of the Registrar in respect of the Registrar's potential losses in carrying on its responsibilities under the Registrar Agreement. The Registrar's liability under the Registrar Agreement is subject to a cap.

### ***Governing law***

- 12.6.8 The Offshore Registrar Agreement is governed by the laws of the Island of Guernsey.

## **12.7 Receiving Agent Services Agreement**

- 12.7.1 The Company and Link Group have entered into the Receiving Agent Services Agreement dated 4 October 2021, pursuant to which Link Group has been appointed as Receiving Agent to the Company.

### ***Fees and expenses***

- 12.7.2 Under the terms of the Receiving Agent Services Agreement, the Receiving Agent is entitled to a fee of £42,950.
- 12.7.3 The Receiving Agent is also entitled to reimbursement of reasonable out of pocket expenses incurred in connection with the provision of services under the Receiving Agent Services Agreement.

### ***Termination***

- 12.7.4 Either party may terminate the Receiving Agent Services Agreement with immediate effect upon written notice if:
- (A) the other party commits a material breach of its obligations under the Receiving Agent Services Agreement which that party has failed to remedy within 14 days of receipt of written notice from the first party requiring it to do so; or
  - (B) the other party is subject to any of certain insolvency situations.

### ***Liability and indemnity***

12.7.5 The Company has given certain market standard indemnities in favour of the Receiving Agent in respect of the Receiving Agent's potential losses in carrying on its responsibilities under the Receiving Agent Services Agreement. The Receiving Agent's liability under the Receiving Agent Services Agreement is subject to a cap.

### ***Governing law***

12.7.6 The Receiving Agent Services Agreement is governed by the laws of England and Wales.

## **12.8 Transfer Agreement**

12.8.1 The Company, ANW, the Liquidators and the AIFM have entered into the Transfer Agreement dated 4 October 2021, pursuant to which the assets and business of ANW comprised in the Rollover Pool are to be transferred to the Company in consideration for the issue by the Company of the Scheme Shares to ANW Shareholders who elect (or have deemed to have elected) for the Rollover Option under the Scheme.

12.8.2 The transfer of the Rollover Pool by ANW to the Company is subject to: (i) approval of the New Investment Policy by Shareholders and of the Scheme by ANW Shareholders; and (ii) approvals from the FCA and the London Stock Exchange (in respect of the applications for the Scheme Shares' admission to listing and trading respectively) having been received by 10 November 2021.

12.8.3 Completion of the transfer of the Rollover Pool shall take place on 9 November 2021 subject to the Scheme becoming unconditional or as soon as practicable thereafter and shall be irrevocable.

12.8.4 Upon or as soon as practicable following completion of the transfer, ANW acting by the Liquidators, at the Company risk, shall:

- (A) deliver to the Company duly executed transfers in favour of the Company in respect of all assets comprised in the Rollover Pool which pass by transfer, together with the relevant certificates or other documents of title relating thereto;
- (B) procure and deliver to the Company, or as it may direct, copies of any consents, licences and approvals necessary to transfer the assets comprised in the Rollover Pool;
- (C) deliver to the Company, or as it may direct, all bearer instruments and other assets comprised in the Rollover Pool which pass by delivery; and
- (D) promptly give instructions to any person, company or other undertaking holding any part of the assets comprised in the Rollover Pool as nominee or on trust for ANW or its nominee requiring such person, company or other undertaking to transfer such assets to, or to execute a declaration of nominee ship or trust in favour of, the Company and/or as the Company may direct.

### ***Liability***

12.8.5 Under the terms of the Transfer Agreement, no personal liability shall be imposed on the Liquidators save for any liability arising out of negligence, fraud, bad faith, breach of duty or wilful default in the performance of their duties.

### ***Governing law***

12.8.6 The Transfer Agreement is governed by the laws of England and Wales.

### 13. LITIGATION

There have been no governmental, legal or arbitration proceedings since the Company's incorporation, and the Company is not aware of any such proceedings which are pending or threatened, or of any such proceedings having been pending or threatened since the Company's incorporation, in each case which may have, or have had in the recent past, significant effects on the financial position or profitability of the Company.

### 14. SIGNIFICANT CHANGE

14.1 Save to the extent disclosed in paragraph 14.2 below, as at the date of this Prospectus, there has been no significant change in the financial position of the Company since 30 April 2021, being the end of the last financial period for which unaudited financial information has been published.

14.2 Since 30 April 2021, the following events have taken place:

14.2.1 on 24 June 2021, the Company announced an interim dividend in respect of the year ending 31 October 2021 of 5.75 pence per Share, which was paid on 24 September 2021 to Shareholders on the register as at 27 August 2021.

### 15. WORKING CAPITAL

The Company is of the opinion that the working capital available to it is sufficient for the present requirements of the Company, that is for at least 12 months from the date of this Prospectus.

### 16. CAPITALISATION AND INDEBTEDNESS

16.1 The following table shows the unaudited capitalisation of the Company as at 30 April 2021 (being the latest date in respect of which unaudited financial information has been published by the Company prior to the publication of this Prospectus):

#### Shareholders' equity (£'000) as at 30 April 2021

Share capital	149,616
Legal reserve	Nil
Other reserves	234,907
<b>Total</b>	<b>384,523</b>

As at the date of this Prospectus, there has been no material change in the capitalisation position of the Company since 30 April 2021, save that as at 29 September 2021 the net asset value of the Company has fallen in value by around 3.5%, which is in line with the fall in value of the MSCI Emerging Market Index in GBP of 4.3%. Consequently, the following table shows the unaudited capitalisation of the Company as at the Latest Practicable Date:

#### Shareholders' equity (£'000) as at 29 September 2021

Share capital	149,614
Legal reserve	Nil
Other reserves	221,808
<b>Total</b>	<b>371,421</b>

- 16.2 The following table shows the Company's unaudited gross indebtedness as at 31 August 2021 (being the latest date in respect of which unaudited indebtedness information on the Company is available as at the date of the publication of this Prospectus):

**Total current debt (£'000)**

Guaranteed	Nil
Secured	Nil
Unguaranteed/unsecured	Nil

**Total non-current debt (excluding current position of non-current debt) (£'000)**

Guaranteed	Nil
Secured	Nil
Unguaranteed/unsecured	Nil

- 16.3 The following table shows the Company's unaudited net indebtedness as at 31 August 2021 (being the latest date in respect of which unaudited indebtedness information on the Company is available as at the date of the publication of this Prospectus):

**Net indebtedness (£'000)**

A. Cash	5,439
B. Cash equivalents	Nil
C. Trading securities	Nil
D. Liquidity (A+B+C)	5,439
E. Current financial receivables	Nil
F. Current bank debt	Nil
G. Current portion of non-current debt	Nil
H. Other current financial debt	Nil
I. Current financial debt (F+G+H)	Nil
J. Net current financial indebtedness/(receivables) (I-E-D)	(5,439)
K. Non-current bank loans	Nil
L. Bonds issued	Nil
M. Other non-current loans	Nil
N. Non-current financial indebtedness (K+L+M)	Nil
O. Net financial indebtedness/(receivables) (J+N)	(5,439)

As at 31 August 2021, the Company had no indirect or contingent indebtedness and nil net indebtedness.

**17. THIRD-PARTY INFORMATION AND CONSENTS**

- 17.1 Where third-party information has been referenced in this Prospectus, the source of that third-party information has been disclosed. Where information contained in this Prospectus has been so sourced, the Company confirms that such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 17.2 Shore Capital has given and not withdrawn its written consent to the inclusion in this Prospectus of references to its name in the form and context in which it appears.
- 17.3 The AIFM and the Investment Manager have given and not withdrawn their written consent to the inclusion in this Prospectus of references to their names in the form and context in which they appear. The AIFM and the Investment Manager have given and not withdrawn their written consent to the inclusion in this Prospectus of the information and opinions contained in Part I (*Information on the Company*), Part II (*Market Opportunity and Strategy*), Part III (*Directors, Management and Administration*) and Part VII (*Additional Information on the*

*Company*) of this Prospectus, and any other information or opinion related to, or attributed to, them or other Investment Manager entities and the references to them in the form and context in which they appear, and have authorised such information and opinions.

## **18. GENERAL**

18.1 The Company is not dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Company's business or profitability.

18.2 In accordance with the Prospectus Regulation Rules, the Company will file with the FCA, and make available for inspection by the public, details of the number of Shares issued under this Prospectus. The Company will also notify the issue of the Shares through a RIS.

## **19. ADDITIONAL UK AIFMD LAWS DISCLOSURES**

### **19.1 UK AIFMD Laws leverage limits**

For the purposes of the UK AIFMD Laws, leverage is required to be calculated using two prescribed methods: (i) the gross method; and (ii) the commitment method, and expressed as the ratio between a fund's total exposure and its net asset value.

As measured using the gross method, the level of leverage to be incurred by the Investment Manager on behalf of the Company is not to exceed 200 per cent. of NAV (which is the equivalent of a ratio of 2:1).

As measured using the commitment method, the level of leverage to be incurred by the Investment Manager on behalf of the Company is not to exceed 200 per cent. of NAV (which is the equivalent of a ratio of 2:1).

### **19.2 Liquidity risk management**

There is no right or entitlement attaching to Shares that allows them to be redeemed or repurchased by the Company at the option of the Shareholder.

Liquidity risk is therefore the risk that a position held by the Company cannot be realised at a reasonable value sufficiently quickly to meet the obligations (primarily, repayment of any debt and the fees payable to the Company's service providers) of the Company as they fall due.

In managing the Company's assets, therefore, the Investment Manager will continue to seek to ensure that the Company holds at all times a Portfolio of assets that is sufficiently liquid to enable it to discharge its payment obligations.

### **19.3 Fair treatment of Shareholders**

The Company will ensure that it treats all holders of the same class of its shares that are in the same position equally in respect of the rights attaching to those shares.

The Investment Manager has entered into and may enter into further side letters or similar arrangements with certain institutional, governmental or regulated Shareholders to provide, to the extent permitted by any applicable law, such Shareholders with assistance with due diligence reviews, and with information and reporting that is in the possession of the Investment Manager and which is required by such Shareholders to meet specific tax, regulatory or legal or administrative requirements applicable to them.

The Company will not be party to or participate in the performance of any side letter or arrangement with any Shareholder.

### **19.4 Rights against third-party service providers**

The Company is reliant on the performance of third-party service providers, including the AIFM, the Investment Manager, Shore Capital, the Depositary, the Receiving Agent, the Administrator and the Registrar. Without prejudice to any potential right of action in tort that a Shareholder may have to bring a claim against a service provider, each Shareholder's

contractual relationship in respect of its investment in Shares is with the Company only. Accordingly, no Shareholder will have any contractual claim against any service provider with respect to such service provider's default.

If a Shareholder considers that it may have a claim against a third-party service provider in connection with such Shareholder's investment in the Company, such Shareholder should consult its own legal advisers.

The above is without prejudice to any right a Shareholder may have to bring a claim against an FCA authorised service provider under section 138D of FSMA (which provides that breach of an FCA rule by such service provider is actionable by a private person who suffers loss as a result), or any tortious cause of action. Shareholders who believe they may have a claim under section 138D of FSMA, or in tort, against any service provider in connection with their investment in the Company, should consult their legal adviser.

#### **19.5 Professional liability risks**

The AIFM is authorised under the UK AIFMD Laws and is therefore subject to the detailed requirements set out therein in relation to liability risks arising from professional negligence. The AIFM will maintain such additional own funds as are sufficient at all times to satisfy the requirements under the UK AIFMD Laws.

#### **20. EU SFDR DISCLOSURE ON INTEGRATION OF SUSTAINABILITY RISKS**

The AIFM integrates sustainability risks and opportunities into its research, analysis and investment decision-making processes. The AIFM believes that the consideration of sustainability risks and opportunities can have a material impact on long-term returns for investors. The Company is managed using an investment process integrating ESG factors but does not promote ESG characteristics or have specific sustainable investment objectives. This means that whilst ESG factors and risks are considered, they may or may not impact portfolio construction. The AIFM's ESG integration requires, in addition to its inclusion in the investment decision making process, appropriate monitoring of sustainability considerations in risk management, portfolio monitoring, engagement and stewardship activities. The AIFM also engages with policymakers on ESG and stewardship matters. Combining the integration of sustainability risks and opportunities with broader monitoring and engagement activities may affect the value of investments and therefore returns. Furthermore, investments within the Company's portfolio do not take into account the EU Taxonomy criteria for environmentally sustainable economic activities.

#### **21. EXTRAORDINARY GENERAL MEETING**

The Company will publish the Circular on or around the date of this Prospectus, containing the Resolutions to be tabled at the Extraordinary General Meeting of the Company to be held at 2 p.m. on 26 October 2021.

##### **The Resolutions will propose that:**

- (i) the Company adopts the New Investment Policy;
- (ii) the Company be authorised to make market purchases of its Shares in order to effect the proposed Tender Offer;
- (iii) the Company be generally authorised to make market purchases of its Shares of up to 14.99% of its issued share capital immediately following completion of the Scheme (in substitution for the existing authority granted at the 2021 AGM);
- (iv) Shareholders' pre-emption rights be disapplied in respect of Placings under the Placing Programme;
- (v) the Company's name be changed to "abrdn China Investment Company Limited"; and
- (vi) the Articles be amended so that the Company's borrowing limit is in line with the New Investment Policy and the next Continuation Resolution of the Company is not required to be put to Shareholders until the Company's annual general meeting in 2027.

The adoption of the New Investment Policy will not be conditional on approval of the other Resolutions. However, the Scheme (and therefore the Issue) will not proceed should the adoption of the New Investment Policy not be approved by Shareholders at the EGM.

## **22. DOCUMENTS AVAILABLE FOR INSPECTION**

22.1 The following documents will be available for inspection at the Company's website ([www.aberdeenemergingmarkets.co.uk](http://www.aberdeenemergingmarkets.co.uk)) from the date of this Prospectus until the date of Admission:

- (i) this Prospectus;
- (ii) the 2018 Annual Report;
- (iii) the 2019 Annual Report;
- (iv) the 2020 Annual Report;
- (v) the 2021 Interim Report; and
- (vi) the Articles.

22.2 In addition, a copy of this Prospectus has been submitted to the National Storage Mechanism and is available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

## PART VIII – FINANCIAL INFORMATION OF THE COMPANY

### 1. ANNUAL ACCOUNTS FOR THE FINANCIAL YEARS ENDED 31 OCTOBER 2018, 31 OCTOBER 2019 AND 31 OCTOBER 2020

The annual reports and audited accounts of the Company for the financial years ended 31 October 2018 (the “**2018 Annual Report**”), 31 October 2019 (the “**2019 Annual Report**”) and 31 October 2020 (the “**2020 Annual Report**”) have been prepared in accordance with IFRS as adopted in the EU.

The auditors’ reports and financial statements of the Company for each of the financial years ended 31 October 2018, 31 October 2019 and 31 October 2020 were unqualified.

### 2. HISTORICAL FINANCIAL INFORMATION

The published 2018 Annual Report, 2019 Annual Report and 2020 Annual Report included, on the pages specified in the table below, the following information. These sections are deemed relevant to investors for the purposes of this Prospectus and are incorporated by reference into this Prospectus:

	<b>For year ended 31 October 2020 Page No(s)</b>	<b>For year ended 31 October 2019 Page No(s)</b>	<b>For year ended 31 October 2018 Page No(s)</b>
Independent Auditor’s Report	44	27	27
Statement of Comprehensive Income	47	30	30
Statement of Financial Position	48	31	31
Statement of Changes in Equity	49	32	32
Statement of Cash Flows	50	33	33
Notes to the Financial Statements	51	34	34

The unaudited interim report for the six month period ended 30 April 2021 (the “**2021 Interim Report**”) included, on the pages specified in the table below, the following information. These are deemed relevant to investors for the purposes of this Prospectus and are incorporated by reference into this Prospectus:

	<b>For six months ended 30 April 2021 Page No(s)</b>
Independent Review Report	19
Condensed Unaudited Statement of Comprehensive Income	20
Condensed Unaudited Statement of Financial Position	21
Condensed Unaudited Statement of Changes in Equity	22
Condensed Unaudited Statement of Cash Flows	23
Selected Explanatory Notes to the Condensed Unaudited Financial Statements	24

### 3. SELECTED FINANCIAL INFORMATION

The key audited figures that summarise the financial condition of the Company in respect of the financial years ended 31 October 2018, 31 October 2019 and 31 October 2020, and the key unaudited figures in respect of the six month period ended 30 April 2021, each of which have been extracted without material adjustment from the historical financial information referred to above (unless otherwise indicated in the notes below the following table), are set out in the tables below.



### 3.1 Statement of Comprehensive Income

	For year ended 31 October 2020 (£'000)	For year ended 31 October 2019 (£'000)	For year ended 31 October 2018 (£'000)	For six months ended 30 April 2021 (£'000)
Gains/(losses) on investments at fair value through profit or loss	25,522	37,730	(41,807)	68,879
Losses on currency movements	(166)	(392)	(157)	(151)
<b>Net investment gains/(losses)</b>	<b>25,356</b>	<b>37,338</b>	<b>(41,964)</b>	<b>68,728</b>
Investment income	4,187	4,861	5,019	2,033
Investment management fees	(2,216)	(2,331)	(2,515)	(1,346)
Other expenses	(842)	(883)	(886)	(454)
<b>Operating profit/(loss) before finance costs and taxation</b>	<b>26,485</b>	<b>38,985</b>	<b>(40,364)</b>	<b>68,961</b>
Finance costs	(212)	(315)	(312)	(112)
<b>Operating profit/(loss) before taxation</b>	<b>26,273</b>	<b>38,670</b>	<b>(40,658)</b>	<b>68,849</b>
Withholding tax expense	(183)	(223)	(326)	(125)
<b>Total profit/(loss) and comprehensive income for the year</b>	<b>26,090</b>	<b>38,447</b>	<b>(40,984)</b>	<b>68,724</b>
Earnings/(losses) per ordinary share	56.76p	83.58p	(84.80p)	149.51p

### 3.2 Statement of Financial Position

	As at 31 October 2020 (£'000)	As at 31 October 2019 (£'000)	As at 31 October 2018 (£'000)	As at 30 April 2021 (£'000)
<b>Non-current assets</b>				
Investments at fair value through profit or loss	324,975	328,713	295,601	385,355
<b>Current assets</b>				
Cash and cash equivalents	8,315	1,190	1,037	11,308
Sales for future settlement	924	72	—	—
Other receivables	367	350	297	416
	<b>9,606</b>	<b>1,612</b>	<b>1,334</b>	<b>11,724</b>
<b>Total assets</b>	<b>334,581</b>	<b>330,325</b>	<b>296,935</b>	<b>397,079</b>
<b>Current liabilities</b>				
Purchases for future settlement	—	(104)	—	(1,940)
Other payables	(1,111)	(344)	(351)	(616)
Finance costs payable	—	—	(28)	—
Bank loan payable	(12,500)	(25,000)	(20,000)	(10,000)
<b>Total liabilities</b>	<b>(13,611)</b>	<b>(25,448)</b>	<b>(20,379)</b>	<b>(12,556)</b>
<b>Net assets</b>	<b>320,970</b>	<b>304,877</b>	<b>276,556</b>	<b>384,523</b>
<b>Equity</b>				
Share capital	149,616	149,616	150,082	149,616
Capital reserve	176,563	161,204	132,546	240,120
Revenue reserve	(5,209)	(5,943)	(6,072)	(5,213)
<b>Total equity</b>	<b>320,970</b>	<b>304,877</b>	<b>276,556</b>	<b>384,523</b>
<b>Net asset value per ordinary share</b>	<b>698.29p</b>	<b>663.28p</b>	<b>600.59p</b>	<b>836.55p</b>

### 3.3 Statement of Changes in Equity

	For year ended 31 October 2020	For year ended 31 October 2019	For year ended 31 October 2018	For six months ended 30 April 2021
	(£'000)	(£'000)	(£'000)	(£'000)
Balance as at start of the period	304,877	276,556	361,471	320,970
Profit/(loss) for the period	26,090	38,447	(40,984)	68,724
Dividends paid	(9,997)	(9,660)	(10,083)	(5,171)
Tender offer	—	—	(33,413)	—
Tender offer costs	—	—	(254)	—
Purchase of own ordinary shares	—	(466)	(181)	—
<b>Balance as at end of the period</b>	<b>320,970</b>	<b>304,877</b>	<b>276,556</b>	<b>384,523</b>

### 3.4 Statement of Cash Flows

	For year ended 31 October 2020	For year ended 31 October 2019	For year ended 31 October 2018	For six months ended 30 April 2021
	(£'000)	(£'000)	(£'000)	(£'000)
<b>Operating activities</b>				
Cash inflow from investment income	4,184	4,830	4,908	1,958
Cash outflow from management expenses	(2,305)	(3,243)	(3,407)	(2,269)
Cash inflow from disposal of investments*	93,513	110,609	73,523	71,991
Cash outflow from purchase of investments*	(65,209)	(105,959)	(27,668)	(60,628)
Cash outflow from withholding tax	(183)	(223)	(326)	(125)
<b>Net cash flow from operating activities</b>	<b>30,000</b>	<b>6,014</b>	<b>47,030</b>	<b>10,927</b>
<b>Financing activities</b>				
(Repayment of)/drawdown from bank borrowings	(12,500)	5,000	(5,000)	(15,000)
Proceeds from bank borrowings	—	—	—	12,500
Borrowing commitment fee and interest charges	(212)	(343)	(319)	(112)
Dividend paid	(9,997)	(9,660)	(10,083)	(5,171)
Tender offer and associated costs	—	—	(33,667)	—
Share buybacks	—	(466)	(181)	—
<b>Net cash flow used in financing activities</b>	<b>(22,709)</b>	<b>(5,469)</b>	<b>(49,250)</b>	<b>(7,783)</b>

	For year ended 31 October 2020 (£'000)	For year ended 31 October 2019 (£'000)	For year ended 31 October 2018 (£'000)	For six months ended 30 April 2021 (£'000)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>7,291</b>	<b>545</b>	<b>(2,220)</b>	<b>3,144</b>
Effect of foreign exchange	(166)	(392)	(157)	(151)
Cash and cash equivalents at start of the period	1,190	1,037	3,414	8,315
<b>Cash and cash equivalents at end of the period</b>	<b>8,315</b>	<b>1,190</b>	<b>1,037</b>	<b>11,308</b>

*\*Receipts from the disposal and purchase of investments have been classified as components of cash flow from operating activities because they form part of the Company's operating activities.*

#### 4. OPERATING AND FINANCIAL REVIEW

The published 2018 Annual Report, 2019 Annual Report, 2020 Annual Report and 2021 Interim Report included, on the pages specified in the table below, descriptions of the Company's financial condition (in both capital and revenue terms), changes in its financial condition and details of the Portfolio for this period. These sections are deemed relevant to investors for the purposes of this Prospectus and are incorporated by reference:

	For year ended 31 October 2020 Page No(s)	For year ended 31 October 2019 Page No(s)	For year ended 31 October 2018 Page No(s)	For six months ended 30 April 2021 Page No(s)
Chairman's statement	4	4	4	6
Investment Manager's Report	8	6	6	8

#### 5. AVAILABILITY OF ANNUAL REPORTS AND AUDITED ACCOUNTS FOR INSPECTION

Copies of the 2018 Annual Report, 2019 Annual Report, 2020 Annual Report and 2021 Interim Report are available on the Company's website at: [www.aberdeenemergingmarkets.co.uk](http://www.aberdeenemergingmarkets.co.uk).

#### 6. INFORMATION INCORPORATED BY REFERENCE

The following sections of the 2018 Annual Report, 2019 Annual Report, 2020 Annual Report and 2021 Interim Report are deemed relevant to investors for the purposes of this Prospectus and are incorporated by reference into this Prospectus:

- the sections listed in paragraph 2 (*Historical Financial Information*) of this Part VIII (*Financial Information of the Company*) above; and
- the sections listed in paragraph 4 (*Operating and Financial Review*) of this Part VIII (*Financial Information of the Company*) above.

The sections which have not been incorporated are not deemed relevant to investors for the purposes of this Prospectus.

Unless it has been incorporated by reference into this Prospectus as set out in this Part VIII (*Financial Information of the Company*), neither the information on the Company's or the Investment Manager's website (or any other website), nor the content of any website accessible from hyperlinks on the Company's or the Investment Manager's website (or any other website), is incorporated into or forms part of this Prospectus, or has been approved by the FCA. Investors should base their decision whether or not to invest in the Shares on the contents of this Prospectus alone.

## **PART IX – TERMS AND CONDITIONS OF THE PLACING PROGRAMME**

### **1. INTRODUCTION**

- 1.1 Each person who is invited to and who chooses to participate in a Placing (including individuals, funds or others) (a “**Placee**”) confirms its agreement (whether orally or in writing) to the Placing Agent to subscribe for Placing Shares under the relevant Placing and that it will be bound by these terms and conditions and will be deemed to have accepted them.
- 1.2 The Company and/or the Placing Agent may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it (in its absolute discretion) sees fit and/or may require any such Placee to execute a separate placing letter (a “**Placing Letter**”). The terms of this Part IX (*Terms and Conditions of the Placing Programme*) will, where applicable, be deemed to be incorporated into any such Placing Letters. Any references in this Prospectus or a Placing Letter to a Placee shall, in the context of a fund manager applying on behalf of its underlying discretionary clients, be deemed to be a reference to the relevant fund manager and not to its underlying discretionary clients.

### **2. AGREEMENT TO SUBSCRIBE FOR SHARES**

Conditional on:

- the relevant Subsequent Admission occurring and becoming effective by 8:00 a.m. (London time) on such dates as may be agreed between the Company, the AIFM and the Placing Agent prior to the closing of each Placing, not being later than the Final Closing Date;
- the Placing Agreement becoming unconditional in all respects (save for any condition relating to the relevant Subsequent Admission);
- a special resolution disapplying Shareholders’ pre-emption rights under the Articles being passed by the requisite majority at a general meeting of the Company held prior to the relevant Subsequent Admission;
- the Placing Agreement not having been terminated prior to the date of the relevant Subsequent Admission;
- the Placing Agent confirming to the Placees their allocation of Placing Shares; and
- a valid supplementary prospectus being published by the Company (if such is required by the UK Prospectus Regulation),

a Placee agrees to become a member of the Company and agrees to subscribe for those Placing Shares allocated to it by the Placing Agent at the applicable Placing Price. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.

### **3. PAYMENT FOR SHARES**

- 3.1 Prospective investors will only be able to subscribe for Placing Shares issued under a Placing in Sterling. The relevant Placing Price will be announced in Sterling, through a RIS announcement as soon as practicable in conjunction with each Placing. Fractions of Shares will not be issued.
- 3.2 Each Placee must pay the Placing Price for the Placing Shares allocated to the Placee in the manner and by the time directed by the Company and/or Shore Capital. If any Placee fails to pay as so directed and by the time required, the relevant Placee’s application for Placing Shares may, at the discretion of the Company or the Placing Agent (as appropriate), either be rejected or accepted. In the case of acceptance, paragraph 3.3 of these terms and conditions shall apply.
- 3.3 Each Placee is deemed to agree that if it does not comply with its obligation to pay the Placing Price for the Placing Shares allocated to it in accordance with paragraph 3.2 of these terms and conditions and the Company or the Placing Agent (as appropriate) elects to accept that Placee’s application, the Company or the Placing Agent (as appropriate) or, as applicable, any nominee of the Company or the Placing Agent (as appropriate), may sell all or any of the

Placing Shares allocated to the Placee on such Placee's behalf and retain from the proceeds, for the Company's or the Placing Agent's (as appropriate) own account and profit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The Placee will, however, remain liable for any shortfall below the aggregate amount owed by such Placee and it may be required to bear any tax or other charges (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf.

#### 4. REPRESENTATIONS AND WARRANTIES

By agreeing to subscribe for Placing Shares, each Placee which enters into a commitment to subscribe for Placing Shares will (for itself and any person(s) procured by it to subscribe for Placing Shares and any nominee(s) for any such person(s)) be deemed to agree, represent and warrant to each of the Company, the AIFM, the Investment Manager, the Placing Agent, the Receiving Agent and the Registrar that:

- (a) in agreeing to subscribe for Placing Shares, it is relying solely on this Prospectus and any supplementary prospectus published by the Company subsequent to the date of this Prospectus and prior to the relevant Subsequent Admission and not on any other information given, or representation or statement made at any time, by any person concerning the Company, the Placing Shares or any Placing. It agrees, to the fullest extent permissible under law, that none of the Company, the Registrar, the Placing Agent, the AIFM or the Investment Manager, nor any of their respective Affiliates, officers, agents or employees, will have any liability for any other information or representation. To the fullest extent permissible under law, it irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;
- (b) the content of this Prospectus and any supplementary prospectus published by the Company subsequent to the date of this Prospectus and prior to any Subsequent Admission is exclusively the responsibility of the Company and the Directors (and other persons that accept liability for the whole or part of this Prospectus and any such supplementary prospectus) and, apart from the responsibilities and liabilities, if any, which may be imposed on the Placing Agent by FSMA or the regulatory regime established thereunder, neither the Placing Agent nor any person acting on its behalf nor any of its Affiliates accepts any responsibility whatsoever for, or makes any representation or warranty, express or implied, as to the contents of this Prospectus or any supplementary prospectus published by the Company subsequent to the date of this Prospectus and prior to any Subsequent Admission or for any other statement made or purported to be made by the Company, or on its behalf, in connection with the Company, the Placing Shares, the Placing or Subsequent Admission and nothing in this Prospectus or any such supplementary prospectus will be relied upon as a promise or representation by the Placing Agent, whether or not it relates to the past or future. The Placing Agent accordingly disclaims all and any responsibility or liability, whether arising in tort, contract or otherwise (save as referred to above), which it or they might otherwise have in respect of this Prospectus or any such supplementary prospectus or any such statement;
- (c) it has not relied on the Placing Agent or any person affiliated with the Placing Agent in connection with any investigation of the accuracy of any information contained in the Prospectus and/or any supplementary prospectus issued by the Company and it has relied on its own investigation with respect to the Placing Shares and the Company in connection with its investment decision;
- (d) it acknowledges that neither the Placing Agent nor any of its Affiliates, nor any person acting on its or their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with a Placing or providing any advice in relation to a Placing and participation in any Placing is on the basis that it is not and will not be a client of the Placing Agent and that the Placing Agent does not have any duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to any Placing nor in respect of any representations, warranties, undertakings or indemnities otherwise required to be given by it in connection with its application under any Placing;

- (e) subject to certain limited exceptions, it is located outside the United States, it is not a US Person, it is acquiring the Placing Shares in an “offshore transaction” meeting the requirements of Regulation S, and it is not acquiring the Placing Shares for the account or benefit of a US Person;
- (f) it is aware and acknowledges that the Company reserves the right to make inquiries of any holder of the Placing Shares or interests therein at any time as to such person’s status under relevant laws and regulations (including, without limitation, US federal securities laws) and to require any such person that has not satisfied the Company that the holding by such person will not violate, require registration under or cause the Company to lose an exemption or a status under relevant laws or regulations to transfer such Placing Shares or interests in accordance with the Articles;
- (g) it acknowledges the representations, warranties, undertakings, agreements and acknowledgements set out in this Prospectus, including those set out in the section entitled “*United States Transfer Restrictions*” and “*Representations, Warranties and Undertakings*” in Part V (*The Placing Programme*) of this Prospectus;
- (h) it acknowledges that the representations, warranties, undertakings, agreements and acknowledgements contained in this Prospectus and in any Placing Letter or subscription letter, where relevant, are irrevocable, and that the Company and the Placing Agent and their respective Affiliates will rely upon the truth and accuracy of such representations, warranties, undertakings, agreements and acknowledgements. It agrees that if any of the representations, warranties, undertakings, agreements or acknowledgements made or deemed to have been made by it in connection with its subscription for the Placing Shares are no longer accurate, it shall promptly notify the Company and the Placing Agent;
- (i) it agrees that, having had the opportunity to read this Prospectus, it shall be deemed to have had notice of all information and representations contained in this Prospectus, that it is acquiring Placing Shares solely on the basis of this Prospectus and any supplementary prospectus published by the Company subsequent to the date of this Prospectus and prior to the relevant Subsequent Admission and no other information, and that in accepting a participation in a Placing it has had access to all information it believes necessary or appropriate in connection with its decision to subscribe for the Placing Shares;
- (j) it acknowledges that no person is authorised in connection with a Placing to give any information or make any representation other than as contained in this Prospectus and any supplementary prospectus published by the Company subsequent to the date of this Prospectus and prior to any relevant Subsequent Admission and, if given or made, any information or representation must not be relied upon as having been authorised, verified or approved by the Company, the AIFM, the Investment Manager, the Placing Agent or the Registrar or any of their respective Affiliates;
- (k) it represents and warrants that it will comply with the terms set out in this Part IX (*Terms and Conditions of the Placing Programme*) of this Prospectus and as set out in the Placing Letter;
- (l) it is not applying as, nor is it applying as nominee or agent for, a person which is, or may be, mentioned in any of sections 67, 70, 93 or 96 (depository receipts and clearance services) of the UK Finance Act 1986;
- (m) if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Placing Shares, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory;
- (n) it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Placing Shares and it is not acting on a non-discretionary basis for any such person;

- (o) it accepts that none of the Placing Shares have been or will be registered under the laws of any jurisdiction and, accordingly, the Placing Shares may not be offered, sold, issued or delivered, directly or indirectly, within any jurisdiction outside the UK unless an exemption from any registration requirement is available;
- (p) if it is outside the United Kingdom, neither this Prospectus nor any other offering, marketing or other material in connection with any Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Placing Shares pursuant to any Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Placing Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- (q) if it is a resident in an EEA Member State, it is a “qualified investor” within the meaning of Article 2(e) of the EU Prospectus Regulation;
- (r) if it is a “professional investor” (as defined in the EU AIFM Directive) resident, domiciled or with a registered office in the EEA: (a) the Placing Shares have only been promoted, offered, placed or otherwise marketed to it, and the subscription will be made from, (1) the United Kingdom, (2) an EEA Member State, provided that the AIFM has confirmed that it has made the relevant notification or applications and is lawfully able to market the Placing Shares to professional investors in that EEA Member State, or (3) a country outside the EEA; or (b) it has received the Prospectus on the basis of an enquiry made at its own initiative;
- (s) if it is within the United Kingdom, it is a person who falls within Articles 49(2)(a) to (d) or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or it is a person to whom the Placing Shares may otherwise lawfully be offered under such Order or is a person who is a “professional client” or an “eligible counterparty” within the meaning of Chapter 3 of the FCA’s Conduct of Business Sourcebook or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, it is a person to whom the Placing Shares may be lawfully offered under that other jurisdiction’s laws and regulations;
- (t) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person and acknowledges and agrees that no documents are being issued by the Placing Agent in its capacity as an authorised person under section 21 of FSMA and such documents may not therefore be subject to the controls which would apply if they were made or approved as a financial promotion by an authorised person;
- (u) it has not and will not offer or sell any Placing Shares to persons in the United Kingdom, except to persons whose ordinary activities involve them acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 102B of FSMA;
- (v) it acknowledges that neither the Placing Agent nor any of its Affiliates, nor any person acting on its behalf (or their respective Affiliates), is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with any Placing, or providing any advice in relation to any Placing, and its participation in any Placing is on the basis that it is not and will not be a client of the Placing Agent or any of its Affiliates, and that the Placing Agent and its Affiliates have no duties or responsibilities to it for providing the protections afforded to their respective clients or for providing advice in relation to any Placing or in respect of any representations, warranties, undertakings or indemnities contained in these terms and conditions or in any Placing Letter or subscription letter, where relevant;



- (w) it confirms that any of its clients, whether or not identified to the Placing Agent or any of its Affiliates or agents, will remain its sole responsibility and will not become clients of the Placing Agent or any of its Affiliates or agents for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- (x) where it or any person acting on its behalf is dealing with the Placing Agent, any money held in an account with the Placing Agent on its behalf and/or any person acting on its behalf will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require the Placing Agent to segregate such money as that money will be held by the Placing Agent under a banking relationship and not as trustee;
- (y) it is subscribing for or purchasing the Placing Shares for investment only and not for resale or distribution;
- (z) it irrevocably appoints any Director and any director of the Placing Agent to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Placing Shares for which it has given a commitment under any Placing, in the event of its own failure to do so;
- (aa) it accepts that if a Placing does not proceed or the conditions to the Placing Agreement are not satisfied or the Placing Shares for which valid applications are received and accepted are not admitted to listing on the premium listing category of the Official List or to trading on the premium segment of the Main Market for any reason whatsoever, then none of the Company, the AIFM, the Investment Manager or the Placing Agent, nor any of their respective Affiliates, nor persons controlling, controlled by or under common control with any of them, nor any of their respective employees, agents, officers, members, stockholders, partners and representatives, shall not have any liability whatsoever to it or any other person;
- (bb) it has not taken any action or omitted to take any action which will or may result in the Company, the AIFM, the Investment Manager, the Placing Agent or the Registrar, or any of their respective Affiliates, directors, officers, agents, employees or advisers, being in breach, directly or indirectly, of the legal or regulatory requirements of any territory in connection with the relevant Placing or its subscription of Placing Shares pursuant to the relevant Placing;
- (cc) in connection with its participation in the relevant Placing it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and countering terrorist financing, and its application is only made on the basis that it accepts full responsibility for any requirement to identify and verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is: (a) subject to and compliant with the UK Money Laundering Regulations, the EU Money Laundering Directive or the Guernsey AML Requirements; and/or (b) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and are based or incorporated in or formed under the law of a country which is a member of the Financial Action Task Force;
- (dd) due to anti-money laundering and the countering of terrorist financing requirements, the Company or the Placing Agent may require proof of identity of the Placee and its related parties and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the Placee to produce any information required for verification purposes, the Company and the Placing Agent may refuse to accept the application and the subscription monies relating thereto. It holds harmless and will indemnify the Company and the Placing Agent and their respective Affiliates against any liability, loss or cost ensuing due to the failure to process the application, if such information as has been required was not provided by it or was not provided on a timely basis;

- (ee) it and each person or body (including, without limitation, any local authority or the managers of any pension fund) on whose behalf it accepts Placing Shares pursuant to the Placing or to whom it allocates such Placing Shares have the capacity and authority to enter into and to perform their obligations as a Placee of the Placing Shares and will honour those obligations;
- (ff) as far as it is aware, save as otherwise disclosed in this Prospectus, it is not acting in concert (within the meaning given in the Takeover Code) with any other person in relation to the Company;
- (gg) it acknowledges that the Company and the Placing Agent (and any agent acting on their behalf) are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to it (or any person on whose behalf the Placee is acting);
- (hh) it confirms that it is not, and at Admission will not be, an Affiliate of the Company or a person acting on behalf of such Affiliate, and it is not acquiring Placing Shares for the account or benefit of an Affiliate of the Company or of a person acting on behalf of such an Affiliate;
- (ii) it will (or will procure that its nominee will) if applicable, make notification to the Company of the interest in its Placing Shares in accordance with Rule 5 of the Disclosure Guidance and Transparency Rules issued by the FCA and made under Part VI of FSMA as they apply to the Company;
- (jj) it accepts that the allocation of Placing Shares shall be determined by the Company, the Placing Agent and the AIFM, and that the Company, the Placing Agent and the AIFM may scale back any applications for this purpose on such basis as they may determine;
- (kk) time shall be of the essence as regards its obligations to settle payment for the Placing Shares and to comply with its other obligations under the relevant Placing;
- (ll) it has complied and will comply with all applicable provisions of the Criminal Justice Act 1993 and UK MAR with respect to anything done by it in relation to any Placing and/or the Placing Shares;
- (mm) it acknowledges that where it is subscribing for Placing Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (a) to subscribe for the Placing Shares for each such account; (b) to make on each such account's behalf the representations, warranties and agreements set out in this Prospectus; and (c) to receive on behalf of each such account any documentation relating to the relevant Placing in the form provided by the Company and/or the Placing Agent. It agrees that the provisions of this paragraph shall survive any resale of the Placing Shares by or on behalf of any such account; and
- (nn) it acknowledges that, save in the event of fraud on the part of the Placing Agent or any person acting on the Placing Agent's behalf, neither the Placing Agent, its ultimate holding companies nor any direct or indirect subsidiary undertakings of such holding companies, nor any of its directors, members, partners, officers and employees, shall be responsible or liable to a Placee or any of its clients for any matter arising out of its role as bookrunner or otherwise in connection with any Placing and that where any such responsibility or liability nevertheless arises as a matter of law the Placee and, if relevant, its clients, will immediately waive any claim against any of such persons which the Placee or any of its clients may have in respect thereof.

## 5. SUPPLY AND DISCLOSURE OF INFORMATION

If the Company, the AIFM, the Investment Manager, the Placing Agent or the Registrar, or any of their agents, request any information in connection with a Placee's agreement to subscribe for Placing Shares under a Placing or to comply with any relevant legislation, such Placee must promptly disclose it to them.

## 6. DATA PROTECTION

- 6.1 Each Placee acknowledges that it has been informed of the privacy notice that is available for review at <https://www.aberdeenemergingmarkets.co.uk/en/privacy> (the “**Privacy Notice**”) and that the Company and the AIFM will process personal data at all times in compliance with DP Legislation and the Privacy Notice.
- 6.2 The Placee represents and warrants that either: (i) it does not act as controller of personal data of any data subject in the UK, the EU or Guernsey (in which case paragraphs 6.3 and 6.4 below shall not apply), or (ii) if and insofar as it acts as controller in respect of any personal data of any data subject in the UK, the EU or Guernsey, it shall comply with its obligations under DP Legislation.
- 6.3 Each Placee acknowledges that, by submitting personal data to the Registrar (acting for and on behalf of the Company), it represents and warrants that:
- it has notified any underlying data subject of the purposes for which personal data will be used and by which parties it will be used; and
  - it has brought the Privacy Notice to the attention of any underlying data subjects on whose behalf or account the Placee may act or whose personal data will be disclosed to the Company and the AIFM as a result of the Placee agreeing to subscribe for Placing Shares under a Placing.
- 6.4 Where the Placee acts for or on account of an underlying data subject or otherwise discloses the personal data of an underlying data subject, the Placee shall, in respect of the personal data it processes in relation to or arising in relation to a Placing:
- comply with all applicable DP Legislation;
  - take appropriate technical and organisational measures against unauthorised or unlawful processing of the personal data and against accidental loss or destruction of, or damage to the personal data;
  - if required, agree with the Company, the AIFM and the Registrar (as applicable), the responsibilities of each such entity as regards relevant data subjects’ rights and notice requirements; and
  - immediately on demand, fully indemnify the Company, the AIFM and the Registrar (as applicable) and keep them fully and effectively indemnified against all costs, demands, claims, expenses (including legal costs and disbursements on a full indemnity basis), losses (including indirect losses and loss of profits, business and reputation), actions, proceedings and liabilities of whatsoever nature arising from or incurred by the Company, the AIFM and/or the Registrar in connection with any failure by the Placee to comply with the provisions set out above.

## 7. MISCELLANEOUS

- 7.1 The rights and remedies of the Company, the AIFM, the Investment Manager, the Placing Agent and the Registrar under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 7.2 On application, if a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Placing will be sent at the Placee’s risk. They may be returned by post to such Placee at the address notified by such Placee.
- 7.3 Each Placee agrees to be bound by the Articles (as amended from time to time) once the Placing Shares, which the Placee has agreed to subscribe for pursuant to a Placing, have been acquired by the Placee. The contract to subscribe for Placing Shares under a Placing, or any non-contractual obligations arising under or in connection with a Placing, and the appointments and authorities mentioned in this Prospectus will be governed by, and construed in accordance with, the laws of Guernsey. For the exclusive benefit of the Company, the AIFM, the Investment Manager, the Placing Agent and the Registrar, each Placee irrevocably submits to the jurisdiction of the courts of Guernsey and waives any objection to proceedings in any

such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against a Placee in any other jurisdiction.

- 7.4 In the case of a joint agreement to subscribe for Placing Shares under a Placing, references to a "Placee" in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.
- 7.5 The Company and the Placing Agent expressly reserve the right to modify any Placing (including, without limitation, its timetable and settlement) at any time before allocations are determined.
- 7.6 Each Placing is subject to the satisfaction of the conditions contained in the Placing Agreement and such agreement not having been terminated. The Placing Agent has the right to waive or not to waive any such conditions or terms and shall exercise that right without recourse or reference to Placees.

## PART X – DEFINITIONS

<b>“2021 AGM”</b>	the Company’s annual general meeting held on 20 April 2021
<b>“A Shares”</b>	Shares of publicly listed Chinese companies that trade on Chinese stock exchanges such as the Shenzhen and Shanghai Stock Exchanges
<b>“abrdn”</b>	the brand name for the asset management businesses of abrdn plc (formerly Standard Life Aberdeen plc)
<b>“Accredited Investor” or “AI”</b>	an “accredited investor” as defined in Regulation D under the US Securities Act
<b>“AI/QP Investor Letter”</b>	an Accredited Investor/Qualified Purchaser investor letter, the form of which is annexed to this Prospectus
<b>“Administration and Secretarial Agreement”</b>	the agreement dated 30 September 2009, between the Company and the Administrator summarised in paragraph 12.5 of Part VII ( <i>Additional Information on the Company</i> ) of this Prospectus
<b>“Administrator”</b>	Vistra Fund Services (Guernsey) Limited, a limited liability company incorporated in Guernsey with registered number 19606, whose registered office is at 11 New Street, St Peter Port, Guernsey, GY1 2PF
<b>“Admission”</b>	the admission of the Scheme Shares issued pursuant to the Issue to listing on the premium segment of the Official List and to trading on the Main Market of the London Stock Exchange
<b>“Affiliate”</b>	an affiliate of, or person affiliated with, a specified person, including a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified
<b>“AGM”</b>	annual general meeting
<b>“AIC”</b>	the Association of Investment Companies
<b>“AIC Code”</b>	the 2019 AIC Code of Corporate Governance, as revised or updated from time to time
<b>“AIFM”</b>	(i) an alternative investment fund manager, within the meaning of the EU AIFM Directive or the UK AIFMD Laws (as applicable) and (ii) in relation to the Company, Aberdeen Standard Fund Managers Limited, a limited liability company incorporated in England and Wales with registered number 00740118, whose registered office is at Bow Bells House, 1 Bread Street, London, EC4M 9HH
<b>“ANW”</b>	Aberdeen New Thai Investment Trust PLC, a limited liability company incorporated in England and Wales with registered number 02448580, whose registered office is at Bow Bells House, 1 Bread Street, London, EC4M 9HH
<b>“ANW Portfolio”</b>	the portfolio of investments in which the funds of ANW are invested and which is to be transferred to the Company pursuant to the Scheme
<b>“ANW Shareholder”</b>	a holder of ANW Shares
<b>“ANW Shares”</b>	ordinary shares in the capital of ANW
<b>“Articles”</b>	the articles of incorporation of the Company as at the date of this Prospectus
<b>“Audit Committee”</b>	the committee of this name established by the Board and having the duties described in the section entitled “ <i>Audit Committee</i> ” in Part III (Directors, Management and Administration) of this Prospectus

<b>“Benefit Plan Investor”</b>	as defined in Section 3(3) of the United States Employee Retirement Income Security Act of 1974
<b>“Board”</b>	the board of Directors of the Company, including any duly constituted committee thereof
<b>“Bookrunner”</b>	Shore Capital Stockbrokers Limited, a limited liability company incorporated in England and Wales with registered number 01850105, whose registered office is at Cassini House, 57 St James’s Street, London, SW1A 1LD
<b>“Business Day”</b>	a day on which the London Stock Exchange and banks in Guernsey are normally open for business
<b>“Cash Option”</b>	as defined in paragraph 1 of Part IV ( <i>Details of the Scheme and the Issue</i> ) of this Prospectus
<b>“Cash Pool”</b>	as defined in paragraph 1 of Part IV ( <i>Details of the Scheme and the Issue</i> ) of this Prospectus
<b>“certificated” or “in certificated form”</b>	not in uncertificated form
<b>“Chairman”</b>	the chairman of the Board
<b>“Circular”</b>	the shareholder circular relating to the Extraordinary General Meeting and the Resolutions published by the Company on or around the date of this Prospectus
<b>“CoL”</b>	City of London Investment Management Limited
<b>“Common Reporting Standard” or “CRS”</b>	the global standard for the automatic exchange of financial information between tax authorities developed by the Organisation for Economic Co-operation and Development
<b>“Companies Law”</b>	the Companies (Guernsey) Law, 2008, as amended
<b>“Company”</b>	Aberdeen Emerging Markets Investment Company Limited, an investment company incorporated in Guernsey under the Companies Law on 16 September 2009 with registration number 50900, whose registered office is at 11 New Street, St Peter Port, Guernsey, GY1 2PF
<b>“Continuation Resolution”</b>	an ordinary resolution of the Company that the Company continue in existence, as required to be put to Shareholders by the Board in accordance with the Articles
<b>“CREST”</b>	the relevant system as defined in the CREST Regulations in respect of which Euroclear is operator (as defined in the CREST Regulations), in accordance with which securities may be held in uncertificated form
<b>“CREST Account”</b>	an account in CREST
<b>“CREST Regulations”</b>	the UK Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755), as amended
<b>“CTA 2010”</b>	the UK Corporation Tax Act 2010
<b>“Depositary”</b>	Northern Trust (Guernsey) Limited, a limited liability company incorporated in Guernsey with registered number 2651, whose registered office is at PO Box 71, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3DA
<b>“Depositary Agreement”</b>	the agreement dated 1 August 2014, between the Company, the AIFM and the Depositary summarised in paragraph 12.4 of Part VII ( <i>Additional Information on the Company</i> ) of this Prospectus

<b>“Directors”</b>	the directors of the Company
<b>“Disclosure Guidance and Transparency Rules”</b>	the UK disclosure guidance and transparency rules made by the FCA under Part VI of FSMA
<b>“DP Legislation”</b>	the UK GDPR, the EU GDPR, the Data Protection (Bailiwick of Guernsey) Law 2017 (as amended) and any other data protection or privacy laws and regulations of the UK, the EU, Guernsey and, to the extent applicable, any other country
<b>“EEA”</b>	the European Economic Area
<b>“EEA Member State”</b>	any member state within the EEA
<b>“ERISA”</b>	the US Employment Retirement Income Security Act of 1974, as amended from time to time, and the applicable regulations thereunder
<b>“ESG”</b>	environmental, social and governance criteria, being three factors that investors consider in connection with a company’s activities
<b>“EU”</b>	the European Union
<b>“EU AIFM Delegated Regulation”</b>	Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision
<b>“EU AIFM Directive”</b>	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010
<b>“EU GDPR”</b>	the General Data Protection Regulation (EU) 2016/679 of the European Parliament and of the Council
<b>“EU Market Abuse Regulation” or “EU MAR”</b>	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and repealing the Directive of the European Parliament and of the Council of 28 January 2003 and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC
<b>“EU MiFID II”</b>	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU and its implementing and delegated acts, and Regulation (EU) No 600/2014 of the European Parliament and the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (“ <b>MiFIR</b> ”#)
<b>“EU Money Laundering Directive”</b>	Directive (2005/60/EC) of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing
<b>“EU PRIIPs Regulation”</b>	Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs) and its implementing and delegated acts
<b>“EU Prospectus Regulation”</b>	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC

<b>“EU SFDR”</b>	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, the operator of CREST
<b>“Excluded ANW Shareholder”</b>	an ANW Shareholder located in a Restricted Territory
<b>“Existing Shareholder”</b>	a Shareholder as at the date of this Prospectus
<b>“Extraordinary General Meeting” or “EGM”</b>	the extraordinary general meeting of the Company to be held on or around 26 October 2021
<b>“FATCA”</b>	Sections 1471 to 1474 of the US Tax Code, known as the US Foreign Account Tax Compliance Act (together with any regulations, rules and other guidance implementing such US Tax Code sections and any applicable IGA or information exchange agreement and related statutes, regulations, rules and other guidance thereunder)
<b>“FAV”, “FAV per ANW Share” and “FAV per Ordinary Share”</b>	as defined and further explained in paragraph 2 of Part IV ( <i>Details of the Scheme and the Issue</i> ) of this Prospectus
<b>“FCA” or “Financial Conduct Authority”</b>	the Financial Conduct Authority of the United Kingdom and any organisation which may replace it or take over the conduct of its affairs
<b>“FCA PROD3 Rules”</b>	the FCA’s PROD3 Rules on product governance within the FCA Handbook
<b>“FCA Rules”</b>	the rules and guidance set out in the FCA Handbook of Rules and Guidance from time to time
<b>“First ANW General Meeting”</b>	the general meeting of ANW in relation to the Scheme convened for 10.00 a.m. on 26 October 2021
<b>“FSMA”</b>	the UK Financial Services and Markets Act 2000, as amended
<b>“GFSC”</b>	the Guernsey Financial Services Commission and any organisation which may replace it or take over the conduct of its affairs
<b>“Guernsey AML Requirements”</b>	the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 (as amended or replaced from time to time), ordinances, rules and regulations made thereunder, and the GFSC’s Handbook for Financial Services Businesses on Countering Financial Crime and Terrorist Financing (as amended, supplemented and/or replaced from time to time)
<b>“HMRC”</b>	HM Revenue & Customs
<b>“IFRS”</b>	International Financial Reporting Standards
<b>“IGA”</b>	intergovernmental agreement
<b>“Ineligible US Shareholder”</b>	a US Shareholder who is a Prohibited Person under the Articles
<b>“Investee Company”</b>	a Public Investee Company or a Private Investee Company
<b>“Investment Manager”</b>	abrdn Hong Kong Limited, a private company limited by shares that was incorporated in Hong Kong with company registration number 0145551, whose registered office is at 6th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong
<b>“Investment Trust Tax Regulations”</b>	The Investment Trust (Approved Company) (Tax) Regulations 2011
<b>“IRS”</b>	the US Internal Revenue Service
<b>“ISA”</b>	an individual savings account approved in the UK by HMRC



<b>“Issue”</b>	the issue of Scheme Shares to ANW Shareholders who participate in the Rollover Option pursuant to the Scheme
<b>“Latest Practicable Date”</b>	29 September 2021
<b>“LEI”</b>	legal entity identifier
<b>“Liquidation Pool”</b>	as defined in paragraph 1 of Part IV ( <i>Details of the Scheme and the Issue</i> ) of this Prospectus
<b>“Liquidators”</b>	Derek Neil Hyslop and Richard Peter Barker of Ernst & Young LLP
<b>“London Stock Exchange”</b>	London Stock Exchange plc, a limited liability company registered in England and Wales with registered number 02075721, whose registered office is at 10 Paternoster Square, London, EC4M 7LS
<b>“Management Agreement”</b>	the agreement dated 4 October 2021, between the Company and the AIFM summarised in paragraph 12.1 of Part VII ( <i>Additional Information on the Company</i> ) of this Prospectus
<b>“Management Fee”</b>	as defined in paragraph 9 of Part III ( <i>Directors, Management and Administration</i> ) of this Prospectus
<b>“Memorandum”</b>	the memorandum of incorporation of the Company
<b>“NAV” or “Net Asset Value”</b>	the value of all assets of the Company less liabilities to creditors (including provisions for such liabilities) determined in accordance with the valuation policy of the Company from time to time
<b>“Net Asset Value per Share”</b>	the NAV attributable to the Shares in issue divided by the number of Shares in issue (excluding any Shares held in treasury) at the relevant time
<b>“New Investment Policy”</b>	the new investment policy proposed to be adopted by the Company
<b>“Offshore Registrar Agreement”</b>	the agreement dated 30 September 2009, between the Company and the Registrar summarised in paragraph 12.6 of Part VII ( <i>Additional Information on the Company</i> ) of this Prospectus
<b>“Overseas ANW Shareholder”</b>	any ANW Shareholder who is a citizen of, or resident in, a jurisdiction other than the United Kingdom, the Channel Islands or the Isle of Man
<b>“Overseas Persons”</b>	persons who are resident in, or who are citizens of, or who have registered addresses in, territories other than the UK
<b>“Panel”</b>	The Panel on Takeovers and Mergers
<b>“PFIC”</b>	a “passive foreign investment company” for US federal tax purposes
<b>“Placee”</b>	a person subscribing for Placing Shares under any Placing
<b>“Placing”</b>	a conditional placing of Placing Shares pursuant to the Placing Programme described in this Prospectus, on the terms and subject to the conditions set out in this Prospectus
<b>“Placing Agent”</b>	Shore Capital or such other placing agent as may be appointed from time to time to procure Placees in respect of any Placing
<b>“Placing Agreement”</b>	the Placing Programme Agreement or such other agreement pursuant to which the Company has appointed a Placing Agent in respect of any Placing
<b>“Placing Letter”</b>	as defined in paragraph 1 of Part VIII ( <i>Terms and Conditions of the Placing Programme</i> ) of this Prospectus

<b>“Placing Price”</b>	any price at which Placing Shares are issued pursuant to the Placing Programme
<b>“Placing Programme”</b>	the proposed programme of Placings to be carried out by the Placing Agent on behalf of the Company pursuant to the Placing Agreement
<b>“Placing Programme Agreement”</b>	the agreement dated 4 October 2021, between the Company, the AIFM, the Investment Manager, the Directors and Shore Capital, summarised in paragraph 12.2 of Part VII ( <i>Additional Information on the Company</i> ) of this Prospectus
<b>“Placing Shares”</b>	the Shares to be issued pursuant to the Placing Programme
<b>“Portfolio”</b>	the portfolio of investments in which the funds of the Company are invested from time to time
<b>“PRA”</b>	the Prudential Regulation Authority of the United Kingdom
<b>“PRC” or “China”</b>	The People’s Republic of China
<b>“Private Investee Companies”</b>	a business, established in any legal form, in which the Company invests and which is not admitted to trading on any public stock exchange
<b>“Prohibited Person”</b>	as defined in the Articles, a person whose holding of Shares in the Company would: (i) give rise to an obligation on the Company to register as an “investment company” under the US Investment Company Act or any similar legislation; (ii) give rise to an obligation on the Company to register under the US Exchange Act or any similar legislation; (iii) result in the Company not being considered a “Foreign Private Issuer” as such term is defined in Rule 3b-4(c) under the US Exchange Act; (iv) result in a Benefit Plan Investor holding Shares; or (v) result in a person holding Shares in violation of the transfer restrictions put forth in any prospectus published by the Company, from time to time
<b>“Proposals”</b>	the proposals in connection with the Company’s adoption of the New Investment Policy, including the Scheme, the Tender Offer and the Placing Programme, and as set out in further detail in the Circular
<b>“Prospectus”</b>	this document
<b>“Prospectus Regulation Rules”</b>	the UK prospectus rules and regulations made by the FCA under Part VI of FSMA
<b>“Public Investee Companies”</b>	a business, established in any legal form, in which the Company invests and which is admitted to trading on at least one public stock exchange
<b>“Purchase Date”</b>	has the meaning given in paragraph 12.3.2(E) of Part VII ( <i>Additional Information on the Company</i> ) of this Prospectus
<b>“Qualified Purchaser” or “QP”</b>	a “qualified purchaser” as defined in the US Investment Company Act
<b>“Receiving Agent”</b>	Link Group, a trading name of Link Market Services Limited, a limited liability company incorporated in England and Wales with registered number 2605568, whose registered office is at 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL
<b>“Receiving Agent Services Agreement”</b>	the agreement dated 4 October 2021, between the Company and the Receiving Agent summarised in paragraph 12.7 of Part VII ( <i>Additional Information on the Company</i> ) of this Prospectus
<b>“Register”</b>	the register of members of the Company

<b>“Registrar”</b>	Link Market Services (Guernsey) Limited, a company incorporated under the laws of the Island of Guernsey with registered number 38018, whose registered office is at Mont Crevelt House, Bulwer Avenue, St Sampson, Guernsey GY2 4LH
<b>“Regulation S”</b>	Regulation S under the US Securities Act
<b>“Resolutions”</b>	the resolutions to be tabled for approval by Shareholders at the Extraordinary General Meeting
<b>“Restricted Territory”</b>	Australia, Canada, Japan, New Zealand, South Africa and any other jurisdiction in which it would be unlawful to make or accept an offer to acquire the Scheme Shares and the Placing Shares
<b>“RIS”</b>	a service authorised by the FCA to release regulatory announcements to the London Stock Exchange
<b>“Rollover Option”</b>	the option for ANW Shareholders to be issued Scheme Shares pursuant to the Scheme
<b>“Rollover Pool”</b>	the pool of ANW’s assets to be transferred to the Company pursuant to the Transfer Agreement
<b>“Scheme”</b>	the proposed scheme of reconstruction of ANW under section 110 of the Insolvency Act 1986, pursuant to which the Issue shall be undertaken
<b>“Scheme Shares”</b>	the Shares to be issued to ANW Shareholders who elect for the Rollover Option pursuant to the Scheme
<b>“SDRT”</b>	stamp duty reserve tax imposed under Part IV of the UK Finance Act 1986
<b>“SEC”</b>	the US Securities and Exchange Commission and any organisation which may replace it or take over the conduct of its affairs
<b>“Second ANW General Meeting”</b>	the general meeting of ANW in relation to the Scheme convened for 10.00 a.m. on 9 November 2021
<b>“Service Standard”</b>	has the meaning given in paragraph 12.1.6 of Part VII ( <i>Additional Information on the Company</i> ) of this Prospectus
<b>“Shareholder”</b>	a holder of Shares in the capital of the Company
<b>“Share Repurchase Agreement”</b>	the agreement dated 4 October 2021 between the Company and Shore Capital summarised in paragraph 12.3 of Part VII ( <i>Additional Information on the Company</i> ) of this Prospectus
<b>“Shares”</b>	ordinary shares of £0.01 par value in the capital of the Company
<b>“Shore Capital”</b>	the Sponsor and the Bookrunner (together or individually, as the context requires)
<b>“Sponsor”</b>	Shore Capital and Corporate Limited, a limited liability company incorporated in England and Wales with registered number 02083043, whose registered office is at Cassini House, 57 St James’s Street, London, SW1A 1LD
<b>“Sterling”, “£” or “GBP”</b>	pounds sterling, the lawful currency of the UK
<b>“Subsequent Admission”</b>	an admission of Placing Shares issued pursuant to a Placing
<b>“Takeover Code”</b>	the City Code on Takeovers and Mergers
<b>“Tender Offer”</b>	the invitation by the Company to eligible Shareholders to tender Shares for purchase on the terms and subject to the conditions set out in the Circular
<b>“TIOPA”</b>	The UK Taxation (International and other Provisions) Act 2010

<b>“Transfer Agreement”</b>	the agreement dated 4 October 2021 between the Company, ANW, the Liquidators and the AIFM summarised in paragraph 12.8 of Part VII ( <i>Additional Information on the Company</i> ) of this Prospectus
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“UK Administration Agent”</b>	PraxisIFM Fund Services (UK) Limited, a limited liability company incorporated in England and Wales with registered number 09879916, whose registered office is at Senator House, 1st Floor, 85 Queen Victoria Street, London EC4V 4AB
<b>“UK AIFMD Laws”</b>	<ul style="list-style-type: none"> <li>(i) the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773) and any other implementing measure which operated to transpose the EU AIFM Directive in to UK law before 31 January 2020 (as amended from time to time including by the Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2019 (SI 2019/328)); and</li> <li>(ii) the UK versions of the EU AIFM Delegated Regulation and any other delegated regulations in respect of the EU AIFM Directive, each being part of UK law by virtue of the European Union (Withdrawal) Act 2018, as further amended and supplemented from time to time including by the Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2019 (SI 2019/328), the Technical Standards (Alternative Investment Funds Management Directive) (EU Exit) Instrument 2019 (FCA 2019/37) and the Exiting the European Union: Specialist Sourcebooks (Amendments) Instrument 2019 (FCA 2019/25#)</li> </ul>
<b>“UK GDPR”</b>	the UK version of the EU GDPR which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019
<b>“UK MAR”</b>	the UK version of the EU Market Abuse Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Market Abuse (Amendment) (EU Exit) Regulations 2019
<b>“UK MiFID Laws”</b>	<ul style="list-style-type: none"> <li>(i) the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017, the Data Reporting Services Regulations 2017, the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017, and the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2017, and any other implementing measure which operated to transpose EU MiFID II into UK law before 31 January 2020, each as amended and supplemented from time to time; and</li> <li>(ii) the UK version of MiFIR, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time.</li> </ul>
<b>“UK Money Laundering Regulations”</b>	the UK Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017
<b>“UK PRIIPs Laws”</b>	the UK version of the EU PRIIPs Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Packaged Retail and Insurance-based Investment Products

(Amendment)(EU Exit) Regulations 2019 (February 2019); and the Cross-Border Distribution of Funds, Proxy Advisors, Prospectus and Gibraltar (Amendment) (EU Exit) Regulations 2019

<b>“UK Prospectus Regulation”</b>	the UK version of the EU Prospectus Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (as amended and supplemented from time to time (including but, not limited to, by the Prospectus (Amendment etc.) (EU Exit) Regulations 2019/1234 and The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019))
<b>“uncertificated” or “uncertificated form”</b>	a share recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
<b>“Uncertificated Securities Regulations”</b>	Uncertificated Securities (Guernsey) Regulations, 2009 as amended from time to time
<b>“Unquoted Companies”</b>	a business, established in any legal form, in which the Company invests and which is not admitted to trading in any public stock exchange
<b>“United States” or “US”</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
<b>“US Dollars” or “US\$”</b>	United States dollars, the lawful currency of the United States
<b>“US Exchange Act”</b>	the US Securities Exchange Act of 1934
<b>“US Investment Company Act”</b>	the US Investment Company Act of 1940
<b>“US Person”</b>	a “U.S. person” as such term is defined under Regulation S
<b>“US Plan Assets Regulations”</b>	the regulations promulgated by the US Department of Labor at 29 CFR 2510.3-101, as modified under section 3(42) of ERISA
<b>“US Securities Act”</b>	the US Securities Act of 1933
<b>“US Shareholder”</b>	a Shareholder who is a US Person
<b>“US Tax Code”</b>	the US Internal Revenue Code of 1986, as amended
<b>“Volcker Rule”</b>	Section 13 of the US Bank Holding Company Act of 1956, as amended, and Regulation VV (12 C.F.R. Section 248) promulgated thereunder by the Board of Governors of the Federal Reserve System

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## ANNEX – FORM OF AI/QP INVESTOR LETTER

Aberdeen Emerging Markets Investment Company Limited (the “**Company**”)  
11 New Street  
St. Peter Port  
Guernsey  
GY1 2PF

Link Group (the “**Receiving Agent**”)  
Corporate Actions, 10th Floor  
Central Square  
29 Wellington Street  
Leeds  
LS1 4DL

\_\_\_\_\_ 2021

Ladies and Gentlemen:

In connection with the prospectus dated 4 October 2021 published by the Company (the “**Prospectus**”) and the issue of shares in the Company pursuant to the Scheme (the “**Scheme Shares**”), the person named below (or the accounts listed on the attachment hereto) (the “**Shareholder**”) agrees and acknowledges, on its own behalf or on behalf of each account for which it holds any shares in Aberdeen New Thai Investment Trust PLC (the “**ANW Shares**”), and makes the representations and warranties, on its own behalf or on behalf of each account for which it holds any ANW Shares, as set forth in paragraphs (1) through (14) of this AI/QP Investor Letter.

Unless otherwise indicated, capitalised terms in this AI/QP Investor Letter shall have the meaning given to them in the Prospectus.

### PLEASE COMPLETE THE FOLLOWING AND SIGN BELOW

Full Name of Registered Shareholder: \_\_\_\_\_  
\_\_\_\_\_

Full Address of Registered Shareholder: \_\_\_\_\_  
\_\_\_\_\_

CREST Designation: \_\_\_\_\_

Date \_\_\_\_\_ Signature \_\_\_\_\_

A signed copy of this page may be submitted by email to the Company at corporatesecretarial@gg.vistra.com and the Receiving Agent at operationalsupportteam@linkgroup.co.uk (cc: gaelen.perrone@hsf.com).

### Accredited Investor and Qualified Purchaser Status

- (1) The Shareholder is an “accredited investor” (an “**AI**”) within the meaning of Rule 501 of Regulation D under the US Securities Act of 1933 (the “**US Securities Act**”).
- (2) The Shareholder is (i) a “qualified purchaser” (a “**QP**”) within the meaning of Section 2(a)(51) and related rules under the US Investment Company Act of 1940 (the “**US Investment Company Act**”) and (ii) it holds any ANW Shares only for its account or for the account of another entity that is a QP.



### Transfer Restrictions

- (3) The Shareholder understands and agrees that: (i) the Scheme Shares have not been and will not be registered under the US Securities Act; (ii) the Company has not been and will not be registered as an investment company under the US Investment Company Act; and (iii) the Scheme Shares may not be transferred except as permitted in this paragraph (3) of this AI/QP Investor Letter. The Shareholder agrees that if, in the future, it decides to offer, resell, pledge or otherwise transfer such Scheme Shares, such Scheme Shares will be offered, resold, pledged or otherwise transferred only as follows:
- (a) in an offshore transaction in accordance with Regulation S under the US Securities Act (“**Regulation S**”) to a person outside the United States and not known by the transferor to be a “U.S. person” as defined in Regulation S (“**US Person**”), by pre-arrangement or otherwise; or
  - (b) to the Company or a subsidiary thereof.
- (4) Each of the foregoing restrictions is subject to any requirement of law that the disposition of the Shareholder’s property or the property of such account or accounts on behalf of which the Shareholder holds the Scheme Shares be at all times within the control of the Shareholder or of such accounts and subject to compliance with any applicable state securities laws.

### Investment Company Act

- (5) The Shareholder understands and acknowledges that the Company has not registered, and does not intend to register, as an “investment company” (as such term is defined in the US Investment Company Act and related rules) and that the Company has elected to impose the transfer and offering restrictions with respect to persons in the United States and US Persons described herein and will have no obligation to register as an investment company even if it were otherwise determined to be an investment company.
- (6) The Shareholder understands and acknowledges that the Company may require any US Person or any person within the United States who is required under this AI/QP Investor Letter to be QP, to provide the Company within ten Business Days, or other time period as may be provided in the Articles, with sufficient satisfactory documentary evidence to satisfy the Company that such Shareholder shall not cause the Company to be required to be registered as an “investment company” under the US Investment Company Act, and understands that if such documentary evidence is not provided and the US Person does not otherwise dispose of the Scheme Shares in a manner consistent with paragraph (3) of this AI/QP Investor Letter, the Company or the Directors may dispose of the Scheme Shares in the manner described in the Articles so as to ensure that the Company is not required to register under the US Investment Company Act.

### ERISA

- (7) On each day it holds Scheme Shares, including the date on which it disposes of such Scheme Shares, the Shareholder is not: (i) an “employee benefit plan” (within the meaning of Section 3(3) of the United States Employee Retirement Income Security Act of 1974 (“**ERISA**”)) that is subject to Part 4 of Title 1 of ERISA; (ii) a plan, individual retirement account or other arrangement that is subject to Section 4975 of the US Internal Revenue Code of 1986 (the “**US Code**”) or any other state, local, non-US or other laws or regulations that would have the same effect as regulations promulgated under ERISA by the US Department of Labor and codified at 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA, to cause the underlying assets of the Company to be treated as assets of that investing entity by virtue of its investment (or any beneficial interest) in the Company and thereby subject the Company (or other persons responsible for the investment and operations of the Company’s assets) to laws or regulations that are similar to the fiduciary responsibility or prohibited transaction provisions contained in Title I of ERISA or Section 4975 of the US Code; or (iii) an entity whose underlying assets are considered to include “plan assets” of any such plan, account or arrangement.



## General

- (8) The Shareholder has conducted its own investigation with respect to the Company, the Scheme Shares and the Proposals, and has received all information believed necessary or appropriate to participate in the action to be taken by each Shareholder as described in the Prospectus. The Shareholder has received a copy of the Prospectus and understands and agrees that the Prospectus speaks only as at its date and that the information contained therein may not be correct or complete as at any time subsequent to that date. The Shareholder has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the proposals described in the Prospectus. The Shareholder understands that none of the materials and information provided to it by the Company are intended to convey tax or legal advice. The Shareholder has consulted to the extent deemed appropriate by the Shareholder with the Shareholder's own advisers as to the financial, tax, accounting, legal and related matters related to the holding of Scheme Shares.
- (9) The Shareholder understands the limitations and restrictions regarding ownership regarding the Scheme Shares, including those described in the Articles. The Shareholder additionally understands that the Scheme Shares are subject to substantial transfer restrictions, including those described in the Articles and which restrict, among other conduct, any transfer which would result in the Company no longer being considered a "foreign private issuer" for the purposes of the US Securities Act or the US Exchange Act of 1934 (the "**US Exchange Act**"), or which would result in the Company being required to register under the US Exchange Act.
- (10) The party signing this AI/QP Investor Letter is acting for his or her own account or for the account of one or more Shareholders (each of which is an AI who is also a QP) as to which the party signing this AI/QP Investor Letter is authorised to make the acknowledgments, representations and warranties, and enter into the agreements, contained in this AI/QP Investor Letter.
- (11) The Shareholder will hold the Scheme Shares for investment purposes and not with a view to, or for offer or sale in connection with, any distribution thereof (within the meaning of the US Securities Act) that would be in violation of the securities laws of the United States or any state thereof.
- (12) The Shareholder has not been formed, organised, reorganised, capitalised or recapitalised for the purpose of acquiring Scheme Shares. Any Scheme Shares acquired by the Shareholder will comprise no more than 40 per cent. of the Shareholder's total assets or, if the Shareholder is a private investment fund with binding, unconditional capital commitments from the Shareholder's partners or members, no more than 40 per cent. of the Shareholder's committed capital.
- (13) The Shareholder acknowledges that the Company and others will rely on the acknowledgements, representations and warranties contained in this AI/QP Investor Letter as a basis for exemption of the Scheme Shares from registration under the US Securities Act, the exemption of the Company from registration under the US Investment Company Act, for compliance with ERISA and for other purposes. The party signing this AI/QP Investor Letter agrees to notify promptly to the Company if any of the acknowledgements, representations or warranties set forth herein are no longer accurate.
- (14) This AI/QP Investor Letter shall be governed by and construed in accordance with the laws of the State of New York.

