

The Board of the Company (the “Board”) has conducted a review to assess the continuing commercial viability of the Company and sees little prospect of any significant improvement in the key issues affecting the rating of the Company’s shares in the market. As a result, the Board has concluded that it is appropriate to take action in the best interests of all shareholders.

Despite the Company’s investment mandate changing to the Asia Long-Term Unconstrained strategy (“ALTU”) in August 2014, and broadly meeting its investment objective since then, the Company’s shares have continually traded at a steep discount to their underlying net asset value, which has prevented material growth in the Company’s assets. The discount, and the relative size of the Company (as the smallest measured by net assets amongst the Association of Investment Companies’ Asian peer groups), along with poor liquidity in its shares, continue to present structural hurdles that deter potential new buyers of the Company’s shares.

However, the Company’s continuation vote in July 2018, and ongoing shareholder feedback, confirm that shareholders endorse the ALTU strategy, hence the Board’s recommendation to propose a scheme of reconstruction of the Company under section 110 of the Insolvency Act 1986 (the “Rollover Scheme”), which, if effected, would result in the voluntary liquidation of the Company and a tax efficient rollover of its assets into in an open ended vehicle (as described in the paragraph below), which should provide enhanced liquidity.

Therefore, the Board announces its intention to publish proposals to effect the Rollover Scheme, which, if effected, would provide the Company’s shareholders with the default option of rolling some or all of their shares into shares to be issued by an open ended investment company managed by Martin Currie Investment Management Limited, within the Legg Mason Investment Funds ICVC umbrella. It is intended this open ended investment company will follow the Asia Long-Term Unconstrained strategy currently pursued by the Company and have a similar investment objective. The alternative for shareholders will be a cash exit.

Detailed proposals will be put forward in a circular to be sent to Shareholders in due course, which will include, inter alia, the terms and conditions of the Rollover Scheme and a timetable for the necessary general meetings to seek shareholder approval of the proposals. If the proposals are subsequently approved by shareholders, the conditions to the Rollover Scheme are fulfilled and the Rollover Scheme is effected, it is expected that the Company will go into voluntary liquidation.