

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this Circular or the action you should take, you are recommended to seek immediately your own personal financial advice from your independent financial adviser, stockbroker, bank manager, solicitor, accountant or from an appropriately qualified and duly authorised independent adviser.

If you have sold or transferred all of your ordinary shares (“Shares”) in Aberdeen Emerging Markets Investment Company Limited (the “Company”), you should pass this Circular, together with the accompanying documents (excluding the personalised Tender Form or Savings Scheme Tender Form (as applicable)), as soon as possible, to the purchaser or transferee or to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee. This Circular should not, however, be forwarded or transmitted in or into any of the Restricted Territories.

The Tender Offer is not being made to Excluded Shareholders. In particular, the Tender Offer is not being made, directly or indirectly, in or into or by the use of mails by any means or instrumentality (including, without limitation, facsimile transmission, internet, telex and telephone) of interstate or foreign commerce, or any facility of a national securities exchange of the United States (subject to certain exceptions described herein), nor is it being made directly or indirectly in or into Australia, Canada Japan, South Africa or any other Restricted Territory and the Tender Offer cannot be accepted by any such use, means, instrumentality or facility or from within Australia, Canada Japan, South Africa or any other Restricted Territory.

The Shares are not and will not be registered under the United States Securities Act of 1933 (the “**US Securities Act**”), or the securities laws of any state or other jurisdiction of the United States, and the Shares may not be offered, sold, pledged or otherwise transferred within the United States, or to or for the benefit of “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. Additionally, the Company is not, and does not intend to be, registered as an investment company under the United States Investment Company Act of 1940 (the “**US Investment Company Act**”) and Shareholders are not, and will not be, entitled to the benefits of the US Investment Company Act. No issuance, offer, purchase, sale or transfer of Shares may be made except 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 Shares in the United States.

US Persons who are existing holders of Shares (“**US Shareholders**”) are requested to complete an accredited investor / qualified purchaser certificate (“**AI/QP Certification**”). Further details are set out in paragraph 13 of Part I of this Circular.

Shore Capital, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for the Company and no-one else in connection with the Proposals set out in this Circular and will not be responsible to any other person for providing the protections afforded to its clients or for providing advice in relation to the Tender Offer or to any other matter referred to herein. Nothing in this paragraph shall serve to exclude or limit any responsibilities which Shore Capital may have under the FSMA or the regulatory regime established thereunder.

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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)*

### **Proposal for a change to the Company’s Investment Policy**

### **Proposal for a Tender Offer for up to 15 per cent. of the Shares in issue**

### **Proposed combination with Aberdeen New Thai Investment Trust PLC**

### **Proposed Placing Programme and disapplication of pre-emption rights**

### **Proposed change of the Company’s name**

### **Proposed amendments to the Company’s Articles**

**and**

### **Notice of Extraordinary General Meeting**

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The Proposals described in this Circular are conditional on the approval of the Shareholders at an extraordinary general meeting (the “**Extraordinary General Meeting**” or “**EGM**”). The notice of the EGM, which will be held at 11 New Street, St Peter Port, Guernsey, GY1 2PF at 2 p.m. on 26 October 2021, is set out at the end of this Circular.

Shareholders are requested to return the Forms of Proxy, and Savings Scheme Participants are requested to complete the Forms of Direction, accompanying this Circular for use at the EGM. To be valid, the Forms of Proxy must be completed and returned in accordance with the instructions printed thereon so as to be received by Link Group, PXS, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL as soon as possible and in any event not later than 48 hours (excluding weekends and any bank holiday) before the time of the meeting to which the Form of Proxy relates. To be valid Forms of Direction must be completed and returned in accordance with the instructions printed thereon so as to be received by Link Group, PXS, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL as soon as possible and in any event not later

than 48 hours (excluding weekends and any bank holiday) before the time of the meeting to which the Form of Direction relates.

Eligible Shareholders who hold their Shares in certificated form (that is, not in CREST) who wish to tender their Shares under the Tender Offer will find enclosed with this Circular a Tender Form for use in connection with the Tender Offer which should be completed and returned with their share certificate(s) either by post or by hand (during normal business hours only) to Link Group Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL before 1.00 p.m. on 1 November 2021. A reply-paid envelope (for use in the UK only) is enclosed for your convenience.

Eligible Shareholders who hold their Shares in uncertificated form (that is, in CREST) who wish to tender their Shares under the Tender Offer should follow the procedure set out in the paragraph 4 in Part IV of this Circular, which can be found on page 30 and should ensure that their TTE Instruction(s) settles not later than 1.00 p.m. on 1 November 2021.

Savings Scheme Participants who wish to tender their Shares under the Tender Offer will find enclosed with this Circular a Savings Scheme Tender Form for use in connection with the Tender Offer which should be completed and returned by post or by hand (during normal business hours only) to Link Group Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL so as to arrive by no later than 1.00 p.m. on 25 October 2021.

### **NOTICE TO US SHAREHOLDERS**

The Tender Offer is being made in reliance on, and in compliance with, Regulation 14E under the United States Securities Exchange Act of 1934 (the “**US Exchange Act**”), and the rules and regulations thereunder (to the extent applicable). The Tender Offer is being made subject to United Kingdom disclosure requirements which are different from certain United States disclosure requirements. In addition, US Shareholders should be aware that this Circular has been prepared in accordance with a UK format and style, which differs from the US format and style. In particular, parts of this document contain information concerning the Tender Offer required by UK disclosure requirements which may be material and may not have been summarised elsewhere in the document. Furthermore, the Tender Offer will be subject to other procedural requirements, including with respect to withdrawal rights, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer procedures and law.

US Shareholders should note that the Shares are not listed on a US securities exchange and the Company is not subject to the periodic reporting requirements of the US Exchange Act and is not required to, and does not, file any reports with the US Securities and Exchange Commission thereunder (the “**SEC**”). The Tender Offer is not subject to the disclosure and other procedural requirements of Regulation 14D under the US Exchange Act.

In accordance with the City Code, normal UK practice and Rule 14e-5(b) of the US Exchange Act (if applicable), Shore Capital will continue to act as a connected exempt market maker or connected exempt principal trader in the Shares on the London Stock Exchange. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will only be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service of the FCA and will be available on the London Stock Exchange website, [www.londonstockexchange.com](http://www.londonstockexchange.com).

Neither the SEC nor any securities supervisory authority of any state or other jurisdiction in the United States has approved or disapproved the Tender Offer or reviewed it for its fairness, nor have the contents of this Circular or any other documentation relating to the Tender Offer been reviewed for accuracy, completeness or fairness by the SEC or any securities supervisory authority in the United States. Any representation to the contrary is a criminal offence in the United States.

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

### **NOTICE TO ALL INVESTORS**

The Tender Offer will close at 1 p.m. on 1 November 2021 and will only be available to Eligible Shareholders on the Register at the close of business on 1 November 2021.

**IF YOU DO NOT WISH TO TENDER ANY OF YOUR SHARES PURSUANT TO THE TENDER OFFER, DO NOT COMPLETE OR RETURN A TENDER FORM AND DO NOT SUBMIT A TTE INSTRUCTION.**

**This Circular should be read as a whole and your attention is drawn to the Risk Factors set out on page 6. Your attention is also drawn to the sections entitled “Action to be taken by Shareholders” and “Action to be taken by Savings Scheme Participants” (as applicable) on pages 21 and 22 of this Circular respectively. Capitalised terms used in this Circular shall have the meanings set out in the section entitled “Definitions” on page 46 of this Circular.**

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## EXPECTED TIMETABLE

### EXTRAORDINARY GENERAL MEETING

Posting of Circular, Forms of Proxy and Forms of Direction	4 October
Latest time and date for receipt of Forms of Direction for the Extraordinary General Meeting	1 p.m. on 19 October 2021
Latest time and date for receipt of Forms of Proxy for the Extraordinary General Meeting	1 p.m. on 22 October 2021
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 Tender 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

*If you have any enquiries in relation to the Tender Offer, please contact Link Group on +44 (0)371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.*

## **SCHEME**

Publication of this Circular	4 October 2021
First general meeting of ANW in relation to the Scheme	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 general meeting of ANW in relation to the Scheme	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

## **PLACING PROGRAMME**

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 Shares issued pursuant to the relevant Placing despatched (if applicable)	as soon as practicable following any Subsequent Admission
Last date for Shares to be issued pursuant to the Placing Programme	3 October 2022

**All times are UK times. Times and dates are subject to change.**

## RISK FACTORS

In considering the proposals set out in this Circular, Shareholders should have regard to and carefully consider the Risk Factors described below in addition to the other information set out in this Circular. The following are those Risk Factors which the Board considers to be material as at the date of this Circular (based on the assumption that the Tender Resolution is approved and the Tender Offer is implemented). If any of the adverse events described below actually occur, the Company's business, financial condition or results or prospects could be materially and adversely affected. Additional risks and uncertainties which were not known to the Board at the date of this Circular or that the Board considers at the date of this Circular to be immaterial (based on the assumption that the Tender Resolution is approved and the Tender Offer is implemented) may also materially and adversely affect the Company's business, financial condition or results or prospects.

### RISKS ASSOCIATED WITH THE NEW INVESTMENT POLICY AND PLACING PROGRAMME

- The value of, and the income derived from, the Shares can fluctuate and may go down as well as up and there is no guarantee that the market price of the Shares will fully reflect their underlying Net Asset Value.
- There can be no guarantee that the investment objective of the Company will be achieved or that any appreciation of the Company's assets will occur.
- The Company's past investment performance is not a reliable indicator of its future investment performance.
- Changes in economic conditions (including, for example, changes in interest rates, rates of inflation, industry conditions and competition), political, diplomatic, social and demographic events and trends, tax laws and other factors could substantially and adversely affect the values of the Company's portfolio investments and, as a consequence, the Company's investment performance, Share price, and prospects.
- If the proposed disapplication of pre-emption rights is approved by Shareholders, it may not be possible for existing Shareholders to participate in further issuances of Shares, which may dilute the existing Shareholders' voting interests in the Company.
- Any additional issuances of Shares by the Company pursuant to the Placing Programme, or the related costs of such issuance, may cause the market price of the existing Shares to decline.
- The Shares are subject to transfer restrictions for Shareholders in the United States and certain other jurisdictions.

***Further details of risks associated with the New Investment Policy and the Placing Programme can be found in the Prospectus dated the same date as this Circular.***

### RISKS ASSOCIATED WITH THE TENDER OFFER

- The proposed Tender Offer is subject to certain conditions (principally the need for Shareholder approval), the non-fulfilment of which would mean that the Tender Offer could not be implemented and that the Company would have to bear the abortive costs associated with the proposed Tender Offer.
- In order to pay the consideration to which Shareholders are entitled pursuant to valid tenders of Eligible Shares accepted by Shore Capital (which the Company is obliged to repurchase from Shore Capital), the Company may use a significant amount of its available cash and other liquid funds and through the realisation of some of the more liquid elements of its investment portfolio. As a result, the implementation of the Tender Offer will temporarily reduce the liquidity of the Company's portfolio and may therefore increase the time taken to realign the portfolio to reflect the Company's revised investment policy.
- As a result of the Tender Offer, the number of Shares in issue will be reduced and the Company will reduce in size. As a result, the Company's fixed costs will be spread over fewer Shares. Certain of the Company's current investments may also represent a larger proportion of the Company's portfolio after the Tender Offer. This risk will, however, be offset by the issue of Scheme Shares to ANW Shareholders pursuant to the proposed Scheme.

- Shareholders tendering Eligible Shares for sale under the Tender Offer will receive the Tender Price for each Tendered Share, which may be less than the price at which they bought their Shares.
- Any change in the Company's tax status, or in taxation legislation or in the interpretation or application of taxation legislation, could affect the value of investments held by the Company, the Company's ability to achieve its investment objective, the ability of the Company to provide returns to Shareholders and/or to alter the post-tax returns of Shareholders.
- This Circular does not address the US federal income tax considerations applicable to an investment in the Shares. US Shareholders should consult their own legal, financial and tax advisers with respect to the legal, financial and tax consequences of the Tender Offer in their particular circumstances.
- Tender Forms and TTE Instructions, once submitted, are irrevocable. The price of Shares and the Company's NAV may rise or fall following submission of a Tender Form.

#### **RISKS ASSOCIATED WITH THE SCHEME**

- Implementation of the Scheme is conditional, amongst other conditions, upon the approval of Shareholders at the Extraordinary General Meeting and ANW Shareholders approving the Scheme. If any condition of the Scheme is not met, the Scheme will not be implemented and certain costs and expenses incurred in connection with the Scheme may be borne by the Company. In these circumstances, the Company and ANW would remain as separate companies.
- The Company reserves the right, in its absolute discretion, to investigate in relation to US Shareholders, whether the representations and warranties set out in the AI/QP Investor Letter appended to the Prospectus given by any ANW Shareholder are correct and, if such investigation is undertaken and as a result the Company determines (for any reason) that such representation or warranty is not correct, the Board has the power under the Articles to sell the Shares held by such ANW Shareholder at the best price reasonably obtainable to any other person so that the Shares will cease to be held by such ANW Shareholder.

**The foregoing factors are not exhaustive and do not purport to be a complete explanation of all risks and significant considerations relating to the Proposals and the Company and accordingly, additional risks and uncertainties not presently known to the Board may also have an adverse effect on the Proposals and/or the Company's business, financial condition, results or prospects. Shareholders are encouraged to consult the Prospectus for further details of risk factors associated with the Proposals.**

## Part I

### LETTER FROM THE CHAIRMAN

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

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

(the “Company”)

*Directors:*

Mark Hadsley-Chaplin (Chairman)  
William Collins  
Helen Green  
Eleonore de Rochechouart

*Registered office:*

11 New Street  
St. Peter Port  
Guernsey  
GY1 2PF

4 October 2021

#### **PROPOSAL FOR A CHANGE TO THE COMPANY’S INVESTMENT POLICY**

#### **PROPOSAL FOR A TENDER OFFER FOR UP TO 15 PER CENT. OF THE SHARES IN ISSUE**

#### **PROPOSED COMBINATION WITH ABERDEEN NEW THAI INVESTMENT TRUST PLC**

#### **PROPOSED PLACING PROGRAMME AND DISAPPLICATION OF PRE-EMPTION RIGHTS**

#### **PROPOSED CHANGE OF THE COMPANY’S NAME**

#### **PROPOSED AMENDMENTS TO THE COMPANY’S ARTICLES**

#### **AND**

#### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

Dear Shareholder,

#### **1. INTRODUCTION AND BACKGROUND**

Following consultation with Shareholders, the Board is proposing to take a number of steps and make various changes to the Company’s investment policy and operations (the “**Proposals**”) which it believes will benefit the Company and its Shareholders as a whole going forward.

Whilst the Company’s investment performance has been very commendable over a long period of time, in the well-populated emerging markets investment funds sector, 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, presently calculated at approximately 16 per cent and in respect of which the FCA has agreed to modify the relevant Listing Rule for an initial period to 6 March 2022.

One consequence of this has been the Board’s inability to undertake a determined buy back campaign to address the discount to Net Asset Value at which the Shares have traded in the stock



market. In preparing the Proposals, the Board has sought to address these issues comprehensively and so secure a sound long-term future for the Company.

Key to the Proposals is the adoption of a new investment policy (the “**New Investment Policy**”), which will change the Company’s current policy of investing in emerging markets on a fund of funds basis to one of investing directly in the equities of Chinese companies. Terms have also been agreed for the combination of the Company with Aberdeen New Thai Investment Trust PLC (“**ANW**”), to be implemented through a scheme of reconstruction of ANW pursuant to section 110 of the Insolvency Act 1986 (the “**Scheme**”).

Prior to adoption of the New Investment Policy and the combination with ANW under the Scheme, the Board intends to make a Tender Offer for up to 15 per cent. of the Shares in issue, in order to provide an opportunity for Shareholders seeking to realise a proportion of their investment in the Company to do so.

Subsequently, the Board intends to seek further opportunities for growth of the enlarged Company through the implementation of a placing programme of up to 25 million Ordinary Shares (the “**Placing Programme**”).

This Circular provides details of the Proposals (including, in particular, the terms and conditions of the Tender Offer) and a notice of the Extraordinary General Meeting at which Shareholder approval will be sought for a number of matters in connection with the Proposals.

The Proposals are outlined below and further details are included in paragraphs 2 to 6 of this Part I of the Circular.

### ***Proposed changes to the Company’s investment policy***

The Board has noted that 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 and the Board conducted a thorough selection process before deciding to appoint abrdn to manage the Company under the proposed revised investment mandate. abrdn have been investing in China for over 30 years and have a large team based there. abrdn also brings a strong record of ESG integration into its investment process and engagement with investment managers supported by on-desk ESG specialists together with a very strong track record of investment in China.

The wording of the New Investment Policy is included in paragraph 2 of this Part I of the Circular.

In connection with the proposed adoption of the New Investment Policy, the Company is also seeking shareholder approval to change the Company’s name to “abrdn China Investment Company Limited”.

A description of the market opportunity for the New Investment Policy, as provided by abrdn, is set out below:

### ***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.

### ***Tender Offer***

The Board expects that many Shareholders will wish to continue with their investment in the Company and would encourage them to do so. Nevertheless, given the proposed change of investment policy, the Board believes it is appropriate to offer those Shareholders wishing to realise part, or potentially all, of their investment in the Company a chance to do so through a tender offer

for up to 15 per cent. of the Shares in issue (excluding Shares held in treasury) at a two per cent. discount to FAV (as defined on this page below) per Share.

Further details and the terms of the Tender Offer, including an explanation of how Eligible Shareholders may tender their Eligible Shares should they wish to do so, are set out below in this Circular.

**This letter is not a recommendation for Shareholders to tender their Shares pursuant to the Tender Offer. Whether Shareholders choose to tender their Shares will depend on, among other things, their view of the Company's prospects and their own individual circumstances, including their tax position, in relation to which they should seek their own independent advice.**

### ***Combination with Aberdeen New Thai Investment Trust PLC***

The board of ANW, like that of the Company, has been considering a move to an 'All China' investment mandate and consequently the boards of the two companies, following discussions with shareholders representing 53.1 per cent. of the companies' combined shares in issue (as at 31 August 2021), consider that it would be beneficial for both companies to combine. The combination, if approved by shareholders, will be implemented through the Scheme, resulting in the voluntary liquidation of ANW and the rollover of its assets into the Company in exchange for the issue of new Shares ("**Scheme Shares**") to ANW Shareholders.

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.

The combination with ANW is expected to help improve the Company's liquidity for all Shareholders as well as spread the fixed costs of the Company over a larger pool of assets. In addition, it should increase the level of the Company's free float. Due to the greater number of Shares that will be in issue following implementation of the Scheme, the Board intends to renew its existing authority to make market purchases of the Shares so that it may buy back up to 14.99 per cent. of the Company's issued share capital immediately following the Scheme's completion (as further detailed in paragraph 4 of this Part I of the Circular).

In the event that the adoption of the New Investment Policy is not approved by Shareholders at the EGM, the Scheme will not be implemented.

The Company has published a prospectus dated 4 October 2021 (the “**Prospectus**”) in relation to the issue of shares to ANW Shareholders pursuant to the Scheme, which is available on the Company’s website at [www.aberdeenemergingmarkets.co.uk](http://www.aberdeenemergingmarkets.co.uk) under “*Key Literature*”, or in hard copy on request to [operationalsupportteam@linkgroup.co.uk](mailto:operationalsupportteam@linkgroup.co.uk).

### ***Board structure***

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

### ***Management Agreement***

Following completion of the Scheme, the Company will enter into a new management agreement (the “**Management Agreement**”) with Aberdeen Standard Fund Managers Limited (“**ASFML**”), pursuant to which the management fee payable by the Company to ASFML will be calculated by reference to the market capitalisation of the Company, rather than its net assets (as is the case currently). The new management fee will be structured on a tiered basis, 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 Board believes that this will align ASFML with Shareholder aims such that it is better incentivised to ensure that the Share price discount to Net Asset Value is kept close to zero.

Furthermore, ASFML has agreed to make a contribution to the costs of implementing the Proposals by means of a waiver of the management fee for the first six months following the completion of the Scheme, which will be for the benefit of all remaining Shareholders of the enlarged Company.

Entry into the Management Agreement will be classifiable as a related party transaction under the Listing Rules. However, in light of the quantum of the proposed changes to the management fee, the Board has been advised that its entry into the Management Agreement will constitute a ‘smaller related party transaction’ for the purposes of Listing Rule 11.1.10 and will therefore not require the approval of Shareholders. Shore Capital, in its capacity as sponsor to the Company, has accordingly provided written confirmation that the terms of the Management Agreement are fair and reasonable so far as the Shareholders are concerned.

### ***Approval as an investment trust***

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. Further details of the implications of obtaining investment trust status are set out in Part V of this Circular.

### ***Placing Programme***

Following completion of the Scheme, and provided that the Shares trade at a premium to Net Asset Value, the Board intends to undertake the Placing Programme, pursuant to which the Company will issue up to 25 million Ordinary Shares in one or more placings prior to 3 October 2022.

Implementation of the Placing Programme shall be conditional on Shareholders approving, at the EGM, the waiver of their pre-emption rights in respect of Shares issued pursuant to any such placings. Further details of the Shareholder approvals sought are included in paragraph 4 of this Part I of this Circular.

Shareholders are referred to the Prospectus for full details of the Placing Programme, which is available on the Company’s website at [www.aberdeenemergingmarkets.co.uk](http://www.aberdeenemergingmarkets.co.uk) under “*Key Literature*”, or in hard copy on request to [operationalsupportteam@linkgroup.co.uk](mailto:operationalsupportteam@linkgroup.co.uk).

The Shares issued pursuant to any placings 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

Shares 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 benefit of any 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.

### ***Continuation Resolution and future performance linked tender offer***

Under the current Articles, the Board will be required to propose a Continuation Resolution at the Company's annual general meeting in 2023. In connection with the proposed adoption of the New Investment Policy, the Board considers that it would be appropriate to amend the Articles so that the next Continuation Resolution is postponed until the Company's annual general meeting in 2027. Further details of the proposed amendments to the Articles are set out in Paragraph 7 of this Part I of this Circular.

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 at a price equal to the then prevailing FAV per Share less two per cent.

### ***Benefits of the Proposals***

The Board believes that the Proposals will have the following benefits for Shareholders:

- The New Investment Policy will involve the Company moving to investing directly in Chinese equities, which the Board sees as an underserved sector despite China being the world's second largest economy.
- The Company will have access to the highly successful abrdn equities team specialising in China, locally based in Shanghai and Hong Kong.
- The Company will move away from a fund of funds structure to direct investment in equities, which the Board expects to improve the attractiveness of the Company's shares to its core investor base.
- The combination with ANW and, subsequently, the Placing Programme, will allow the Company to grow and result in a greater number of Shares in issue, which should improve liquidity and free float and reduce fixed costs per Share.
- The Tender Offer will provide an opportunity for Shareholders seeking to realise a proportion of their investment to do so.
- The disapplication of pre-emption rights will, in relation to the Placing Programme, give the Company the ability to issue new Ordinary Shares tactically, so as to continue to support orderly trading of the Company's Ordinary Shares and to grow the Company's share capital in an efficient and timely manner.

### ***Shareholder approval required***

The Board has posted this Circular to Shareholders to convene the Extraordinary General Meeting to seek approval for certain matters in connection with the Proposals outlined above. The Extraordinary General Meeting is scheduled for 26 October 2021 at 2 p.m.

The following resolutions shall be put to Shareholders at the Extraordinary General Meeting:

1. That the Company adopts the New Investment Policy ("**Resolution 1**").
2. That the Company be authorised to make market acquisitions of its Shares pursuant to the Tender Offer ("**Resolution 2**" or the "**Tender Resolution**").
3. That the Company be generally authorised to make market acquisitions of its Shares up to a maximum number of 14.99 per cent. of the Company's issued share capital immediately following completion of the Scheme ("**Resolution 3**").
4. That Shareholders shall waive their pre-emption rights with respect to any allotment and issue of Shares pursuant to the Placing Programme ("**Resolution 4**").

5. That the Company's name be changed to "abrdn China Investment Company Limited" ("**Resolution 5**").
6. That the proposed amendments to the Articles be approved ("**Resolution 6**").

Resolution 1, Resolution 2 and Resolution 3 are being proposed as Ordinary Resolutions. Resolution 4, Resolution 5 and Resolution 6 are being proposed as Special Resolutions.

Approval of Resolution 1 will not be conditional on approval of the other Resolutions. However, approval of each of Resolution 2, Resolution 3, Resolution 4, Resolution 5 and Resolution 6 will be conditional on adoption of the New Investment Policy and, hence, approval of Resolution 1.

Additionally, the Tender Offer will not proceed if Resolution 2 is not approved and the Placing Programme will not proceed if Resolution 4 is not approved.

This Circular sets out details of, and seeks your approval for, the Proposals and explains why the Board is recommending that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting to be held on 26 October 2021. The notice in respect of the Extraordinary General Meeting (the "**EGM Notice**") is set out at the end of this Circular.

### **Timings**

The Board shall be entitled to defer any effective date specified in this Circular and the implementation of the Proposals in its absolute discretion to accommodate any legal, regulatory or operational requirements that are not resolved prior to or on the relevant effective date. Any amendments to the timetable as set out in this Circular shall be announced via a Regulatory News Service.

## **2. ADOPTION OF THE NEW INVESTMENT POLICY (RESOLUTION 1)**

The Board is seeking Shareholder approval for the New Investment Policy set out below. The proposed New Investment Policy has been approved by the Financial Conduct Authority, subject to Shareholder approval.

The New Investment Policy will be as follows:

### ***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 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.

Shareholders should note that the approval of all of the Resolutions at the EGM (and the implementation of all of the other Proposals, whether or not the subject of a Resolution) shall be conditional on Shareholder approval of the New Investment Policy.

## **3. THE TENDER OFFER (RESOLUTION 2)**

### **3.1 General**

The Board proposes to make available a Tender Offer by Shore Capital for up to 15 per cent. of the Shares in issue (excluding treasury shares) on the Record Date to enable those Shareholders (other than Excluded Shareholders) who wish to realise a portion of their holding of Eligible Shares, to do so. The Tender Price will be calculated as described in paragraph 3 of Part IV of this Circular and will reflect a 2 per cent. discount to the FAV per Share as at the Calculation Date.

The Company intends to fund the Tender Offer through its available cash, and other liquid funds and through the realisation of a portion of its investment portfolio.

The Record Date for the Tender Offer is the close of business on 1 November 2021.

Under the terms of the Tender Offer, Shareholders (other than Excluded Shareholders) will be entitled to tender up to their Basic Entitlement, being 15 per cent. of the Eligible Shares they held as at the Record Date rounded down to the nearest whole number of Shares. Shareholders will also be able to tender additional Eligible Shares, but any such excess tenders will only be satisfied, on a *pro rata* basis, to the extent that other Shareholders tender less than their Basic Entitlement and subject to the overall aggregate cap of 15 per cent. of the Shares in issue on the Record Date. Tender applications will be rounded down to the nearest whole number of Shares.

The results of the Tender Offer are expected to be announced on 2 November 2021.

### **3.2 Conditions of the Tender Offer**

The Tender Offer is subject to (i) approval of Resolution 1 and Resolution 2 at the EGM and (ii) certain other conditions set out in paragraph 2 of Part IV of this Circular. In addition, the Tender Offer may be suspended or terminated in certain circumstances as set out in paragraph 6 of Part IV of this Circular.

The Tender Offer is also conditional upon Shore Capital having received payment from the Company in respect of the aggregate Tender Consideration in accordance with the Repurchase Agreement.

#### **Further details of the Tender Offer**

Eligible Shareholders are invited to tender for sale some or all of their Eligible Shares (subject to the overall limits of the Tender Offer) to Shore Capital who, as principal, will purchase the Eligible Shares validly tendered (subject to the overall limits of the Tender Offer) at the Tender Price and, following the completion of all those purchases, sell the relevant Tendered Shares on to the Company at the Tender Price by way of an on-market transaction, in accordance with the terms of the Repurchase Agreement. All transactions will be carried out on the London Stock Exchange.

The Tender Offer is subject to certain conditions and may be terminated in certain circumstances as set out in paragraph 6 of Part IV of this Circular. Further details of the calculation of the Tender Price are set out in paragraph 3 of Part IV of this Circular. Shareholders' attention is drawn to the letter from Shore Capital set out in Part II of this Circular and, for Shareholders who hold their Shares in certificated form, to the Tender Form and for Savings Scheme Participants, to the Savings Scheme Tender Form, whichever is applicable, which together constitute the terms and conditions of the Tender Offer.

Details of how to tender Eligible Shares can be found in paragraph 4 of Part IV of this Circular. Shareholders should note that, once tendered, Shares may not be sold, transferred, charged or otherwise disposed of other than in accordance with the Tender Offer.

Unless otherwise expressly agreed with the Company, any Shareholder that tenders Shares in the Tender Offer will be deemed to make the representations, warranties, undertakings, agreements and acknowledgements set out in the Tender Form, including that they are either: (i) located outside of the United States and are not a US Person (and are not acting for the account or benefit of a US Person), or (ii) both an "accredited investor" within the meaning of Rule 501 of Regulation D under the US Securities Act (an "AI") and a "qualified purchaser" as defined by Section 2(a)(51)(A) of the US Investment Company Act (a "QP").

**Shareholders are not obliged to tender their Shares and, if they do not wish to participate in the Tender Offer, Shareholders should not complete or return their Tender Form or send a TTE Instruction.**

**Shareholders who are in any doubt as to the contents of this Circular or as to the action to be taken should immediately consult their stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000 or other appropriately qualified adviser.**

**Shareholders' attention is also drawn to the Risk Factors set out on page 6 of this Circular.**

### **4. RENEWAL OF BUYBACK AUTHORITY (RESOLUTION 3)**

At the 2021 AGM, the Board was granted general authority to purchase in the market up to 14.99 per cent. of the number of Shares in issue as at that date, with such authority due to expire at the conclusion of the Company's AGM in 2022. As at the date of this Circular, the Board had not exercised this authority.

Following the proposed issue of Shares to ANW Shareholders pursuant to the Scheme, there will be a greater number of Shares in issue. Consequently, the Board is seeking approval from Shareholders for a renewal of its authority to undertake share buybacks such that it 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.



The new general authority sought by Resolution 3 will, if passed, be in substitution for the general authority granted at the 2021 AGM (and will accordingly expire on the same date) but will be in addition to the specific authority sought by Resolution 2 authorising the Board to make market acquisitions in connection with the Tender Offer. Should the Scheme not proceed for any reason, the authority granted by Resolution 3 will not be capable of exercise.

#### **5. DISAPPLICATION OF PRE-EMPTION RIGHTS PURSUANT TO THE PLACING PROGRAMME (RESOLUTION 4)**

The Board is seeking approval from Shareholders for a waiver of their pre-emption rights under Article 6 of the Articles, with respect to any allotment and issue of Shares pursuant to the proposed Placing Programme. This will mean that the Company will not be obliged to offer such new Ordinary Shares to Shareholders *pro rata* to their existing holdings.

At the 2021 AGM, the Directors were given authority to allot and issue up to 2,298,257 Shares on a non pre-emptive basis until the end of the next annual general meeting of the Company. The Board is now proposing Resolution 4 to disapply pre-emption rights in respect of the maximum number of Shares to be issued pursuant to the Placing Programme, in addition to the aforementioned existing authority.

The further disapplication of pre-emption rights being sought at the EGM will be restricted to use only in connection with the Placing Programme. As such, the waiver will expire on 3 October 2022, being the latest date on which Shares can be issued pursuant to the Placing Programme.

The Board will only issue new Shares at a price (net of issue costs) that is not lower than the latest published NAV per Share as at the relevant time.

Shareholders are referred to the Prospectus for full details of the Placing Programme, which is available on the Company's website at [www.aberdeenemergingmarkets.co.uk](http://www.aberdeenemergingmarkets.co.uk) under "Key Literature", or in hard copy on request to [operationalsupportteam@linkgroup.co.uk](mailto:operationalsupportteam@linkgroup.co.uk).

#### **6. CHANGE TO THE COMPANY'S NAME (RESOLUTION 5)**

The Company's current name reflects its existing investment policy. Consequently, in connection with the proposed adoption of the New Investment Policy, the Board is proposing that the name of the Company be changed from "Aberdeen Emerging Markets Investment Company Limited" to "abrdn China Investment Company Limited".

The change to the Company's name requires Shareholder approval. Shareholders are, therefore, being asked at the Extraordinary General Meeting to approve the change to the Company's name, subject to Shareholder approval of adoption of the New Investment Policy.

Shareholders who hold their Shares in certificated form (that is, not in CREST) should note that their existing share certificates will remain valid following the change of name and the Company does not intend to issue replacement share certificates in the Company's new name.

#### **7. AMENDMENTS TO THE COMPANY'S ARTICLES (RESOLUTION 6)**

##### ***Borrowing powers of the Board***

Article 31.1 of the Articles currently provides that the Directors shall restrict the Company's borrowings to an aggregate amount equal to 15 per cent. of the Net Asset Value of the Company at the time of drawdown. Under the New Investment Policy, this borrowing limit will be increased to 20 per cent. of the gross asset value of the Company at the time of drawdown and therefore the Board is proposing an amendment to the Articles to reflect this.

The new Article 31.1 will be as follows:

*"31.1 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. The Directors 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."*

### **Continuation Resolution**

In connection with the proposed adoption of the New Investment Policy, the Company also proposes to amend Article 49.2 of its Articles. The present Article 49.2 requires the Board to propose an Ordinary Resolution that the Company continue in existence (the “**Continuation Resolution**”) at every fifth annual general meeting. The first such Continuation Resolution was put successfully to Shareholders in 2013 and the second in 2018. Therefore, the next Continuation Resolution is currently due to be tabled at the annual general meeting of the Company to be held in 2023.

However, should the New Investment Policy be adopted, the Board considers that it would be appropriate to reset the interval between Continuation Resolutions so that the next Continuation Resolution will be put to Shareholders at the annual general meeting of the Company to be held in 2027.

The new Article 49.2 will be as follows:

*“49.2 The Company will have an unlimited life. At the Company’s annual general meeting to be held in 2027 and at every fifth annual general meeting thereafter, the Directors undertake to propose an ordinary resolution that the Company continue in existence (the “Continuation Resolution”). If the Continuation Resolution is not passed then within four months of the vote to continue failing the Directors shall formulate and put to Members proposals relating to the future of the Company having had regard to, inter alia, prevailing market conditions and applicable regulations and legislation.”*

### **Shareholder approval required**

The above amendments to the Articles require Shareholder approval of Resolution 6 and shall also be conditional on approval of the New Investment Policy.

## **8. EXTRAORDINARY GENERAL MEETING**

The Proposals are subject to Shareholder approval. The EGM Notice convening the Extraordinary General Meeting, to be held at 2 p.m. on 26 October 2021 at 11 New Street, St Peter Port, Guernsey, GY1 2PF, is set out on page 51 of this Circular. The EGM Notice includes the full text of the Resolutions.

In order to become effective, Resolution 1, Resolution 2 and Resolution 3, which are being tabled at the Extraordinary General Meeting as Ordinary Resolutions, must be approved by a simple majority of the votes cast by Shareholders present in person or by proxy at the Extraordinary General Meeting. Resolution 4, Resolution 5 and Resolution 6, which are being tabled at the Extraordinary General Meeting as Special Resolutions, shall require approval by a majority of not less than seventy five per cent. of the votes cast by Shareholders present in person or by proxy at the Extraordinary General Meeting. Approval of Resolution 1 will not be conditional on approval of the other Resolutions. However, approval of each of Resolution 2, Resolution 3, Resolution 4, Resolution 5 and Resolution 6 will be conditional on approval of Resolution 1.

The quorum for the Extraordinary General Meeting is two or more Shareholders present in person or by proxy. If the Extraordinary General Meeting needs to be adjourned because it is not quorate, it will be adjourned to the same time and place on the fifteenth calendar day following the adjourned EGM (or, if that day is not a Business Day, to the next Business Day), whereupon those Shareholders then present, in person or by proxy, shall form the quorum. In the event of any such adjournment the Company will announce the adjournment via a Regulatory Information Service but no notification will be sent directly to Shareholders.

The Company is closely monitoring the COVID-19 situation, including the Guernsey government guidance, and will continue to do so in the lead up to the Extraordinary General Meeting. If the current restrictions on inbound travel and isolation requirements introduced by the States of Guernsey in response to the COVID-19 pandemic remain in place at the intended time scheduled for the meeting, physical attendance at the Extraordinary General Meeting may be difficult for certain Shareholders, proxies and corporate representatives. Up to date information on Guernsey travel and local restrictions is available at <https://covid19.gov.gg>. Shareholders should carefully consider whether or not it is appropriate to attend the Extraordinary General Meeting if the guidance continues to be the same or becomes more restrictive. The situation in respect of COVID-19 may change rapidly and Shareholders should note that further changes may need to be put in place at

short notice in relation to the Extraordinary General Meeting. Updates on any changes to the proceedings of the Extraordinary General Meeting will be published on the Company's website [www.aberdeenemergingmarkets.co.uk](http://www.aberdeenemergingmarkets.co.uk) and notified by the Company through a Regulatory Information Service announcement.

#### **9. REPURCHASE AGREEMENT WITH SHORE CAPITAL**

On the date of this Circular, the Company and Shore Capital entered into the Repurchase Agreement, which imposes a binding obligation on Shore Capital to sell the Tendered Shares to the Company and on the Company to buyback such Tendered Shares at the Tender Price.

All purchases of Shares by the Company shall be effected on the London Stock Exchange in on-market transactions.

Shore Capital warrants to the Company that it is a member of the London Stock Exchange and the Company shall be entitled to terminate the Repurchase Agreement if such membership expires, is suspended, revoked or withdrawn at any time prior to the completion of the Tender Offer.

#### **10. COSTS AND EXPENSES ASSOCIATED WITH THE PROPOSALS**

The costs and expenses payable by the Company in connection with the Proposals are estimated to amount to approximately £0.9 million. All costs and expenses in relation to the Proposals will be borne by the Company.

#### **11. TAXATION**

Shareholders who sell Eligible Shares in the Tender Offer may, depending on their individual circumstances and subject to the availability of any exemption or relief, incur a liability to taxation. The attention of Shareholders is drawn to Part V of this Circular, which sets out a general guide and is not exhaustive. Shareholders should seek advice in relation to their own specific circumstances.

Shareholders who are in any doubt as to their tax position should seek advice from an appropriately qualified professional.

#### **12. EXCLUDED SHAREHOLDERS AND OVERSEAS SHAREHOLDERS**

The Tender Offer is not being made to Excluded Shareholders. Shareholders who are resident in, or citizens of, a Restricted Territory are excluded from the Tender Offer to avoid breaching local laws relating to the implementation of the Tender Offer. Accordingly, copies of this Circular, the Tender Form, the Savings Scheme Tender Form and any related documents are not being and must not be mailed or otherwise distributed in or into any of the Restricted Territories.

US Shareholders and Shareholders who are not Excluded Shareholders but who have a registered or mailing addresses outside the United Kingdom or who are citizens or nationals of, or resident in, a jurisdiction other than the United Kingdom should read paragraph 9 of Part IV of this Circular and the relevant provisions of the Tender Form.

#### **13. US SHAREHOLDERS**

The Shares are not 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 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 Shareholders are not, and will not be, entitled to the benefits of the US Investment Company Act.

Any US Shareholder (or any persons acting for the account or benefit of such US Shareholder) receiving this Circular is requested to execute the form of AI/QP Certification annexed to the Circular and return it to the Company and the Receiving Agent.

If a US Shareholder does not execute and return the form of AI/QP Certification annexed to this Circular and the Board believes such US Shareholder is a Prohibited Person under the Articles (an "**Ineligible US Shareholder**"), the Board has the power under the Articles, at its absolute

discretion, to sell the Shares held by such Ineligible US Shareholder at the best price reasonably obtainable to any other person so that the Shares will cease to be held by such Ineligible US Shareholder. If you have any queries relating to the completion of the AI/QP Certification, please contact Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL.

Non-US Shareholders are deemed to represent to the Company that they are located outside of the United States and are not US Persons (and are not acting for the account or benefit of a US Person).

#### 14. CITY CODE

Under Rule 9 of the City Code, any person who acquires an interest (as defined in the City Code) in shares which, taken together with shares in which he is already interested and in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the City Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person.

Under Rule 37.1 of the City Code, when a company redeems or repurchases its own voting shares, a resulting increase in the percentage of shares carrying voting rights in which a person or a group of persons acting in concert is interested will be treated as an acquisition for the purposes of Rule 9.

However, 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.

## 15. ACTION TO BE TAKEN BY SHAREHOLDERS

### 15.1 Forms of Proxy

Whether or not they wish to tender Eligible Shares and regardless of whether they intend to be present at the EGM, Shareholders (other than Savings Scheme Participants) are requested to complete and return the accompanying Forms of Proxy in accordance with the instructions printed thereon, so as to be received by Link Group, PXS, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL as soon as possible and in any event not later than 1 p.m. on 22 October 2021.

The completion of Forms of Proxy will not prevent a Shareholder from attending the EGM and voting in person should they wish to do so (subject to any restrictions relating to COVID-19 that might be in place in Guernsey on the date of the EGM, as described in paragraph 8 above).

If a Shareholder appoints someone other than the chairman of the meeting as their proxy or corporate representative, that proxy or corporate representative may not be able physically to attend the EGM and/or cast the Shareholder's vote. As such, the Board encourages all Shareholders to appoint the chairman of the meeting as their proxy as early as possible in order to vote on the matters being considered at the EGM. The vote on any Resolution contained in the EGM Notice will be held by a show of hands or on a poll at the option of the chairman. Therefore, all valid proxy votes exercised by the chairman of the meeting, whether submitted electronically or in hard copy form, will be included in the votes to be taken at the EGM.

Any US Shareholders (or any persons acting for the account or benefit of a US Shareholder) receiving this Circular are requested to execute the form of AI/QP Certification annexed to the Circular and return it to the Company and the Receiving Agent. If a US Shareholder does not execute and return the AI/QP Certification and the Board believes such US Shareholder is an Ineligible US Shareholder, the Board has the power under the Articles, at its absolute discretion, to sell the Shares held by such Ineligible US Shareholder at the best price reasonably obtainable to any other person so that the Shares will cease to be held by such Ineligible US Shareholder. If you have any queries relating to the completion of the AI/QP Certification, please contact Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL.

Non-US Shareholders are deemed to represent to the Company that they are located outside of the United States and are not US Persons (and are not acting for the account or benefit of a US Person).

### 15.2 Tender Offer

**Shareholders who wish to continue with their existing investment in the Company should not tender their Eligible Shares through CREST or return a Tender Form.**

#### ***Shares held in uncertificated form (i.e. in CREST)***

Eligible Shareholders who hold their Eligible Shares in uncertificated form (that is in CREST) and who wish to participate in the Tender Offer do not need to complete a Tender Form. Such Shareholders should take the appropriate action in CREST to tender their Eligible Shares and should arrange for the relevant Eligible Shares to be transferred to escrow by no later than 1 p.m. on 1 November 2021, as described in Part IV of this Circular.

#### ***Shares held in certificated form***

Eligible Shareholders who hold their Eligible Shares in certificated form (other than Savings Scheme Participants) and who wish to participate in the Tender Offer should complete the Tender Form in accordance with the instructions set out therein and return the completed Tender Form by post or by hand (during normal business hours only) to the Receiving Agent, Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL by no later than 1 p.m. on 1 November 2021. They should also return the valid share certificate(s) and/or other documents of title in respect of the Eligible Shares tendered. A reply-paid envelope (for use within the United Kingdom only) is enclosed for your convenience.

## 16. ACTION TO BE TAKEN BY SAVINGS SCHEME PARTICIPANTS

### 16.1 Forms of Direction

Whether or not they wish to tender Eligible Shares and regardless of whether they intend to be present at the EGM, Savings Scheme Participants are requested to complete and return the

accompanying Forms of Direction in accordance with the instructions printed thereon, so as to be received by Link Group, PXS,10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL as soon as possible and in any event not later than 1 p.m. on 19 October 2021.

The completion of Forms of Direction will not prevent a Shareholder from attending the EGM and voting in person should they wish to do so.

#### 16.2 Savings Scheme Tender Forms

Savings Scheme Participants who wish to continue with their existing investment in the Company should not return a Savings Scheme Tender Form.

Savings Scheme Participants who wish to participate in the Tender Offer should complete the Savings Scheme Tender Form in accordance with the instructions set out therein and return it to Link Group, Corporate Actions,10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL so as to be received as soon as possible and in any event by no later than 1 p.m. on 25 October 2021. A reply paid envelope (for use within the United Kingdom only) is enclosed with the Savings Scheme Tender Form for your convenience.

#### 17. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of this Circular, the Prospectus, the Company's memorandum of incorporation, the Articles and the 2020 Annual Report will be available for inspection at the registered office of the Company during normal business hours on any Business Day from the date of this Circular until the conclusion of the Extraordinary General Meeting and at the place of the EGM for at least 15 minutes prior to, and during, the relevant meeting. Copies of these documents will also be available on the Company's website: [www.aberdeenemergingmarkets.co.uk](http://www.aberdeenemergingmarkets.co.uk).

A copy of this Circular has been submitted to the National Storage Mechanism and will shortly be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>. This Circular will also be available on the Company's website: [www.aberdeenemergingmarkets.co.uk](http://www.aberdeenemergingmarkets.co.uk).

#### 18. CONSENT

Each of Shore Capital and Corporate Limited and Shore Capital Stockbrokers Limited has given and not withdrawn its written consent to the issue of this Circular (and any accompanying document) with the inclusion in it of references to its name in the form and context in which they appear.

#### 19. RECOMMENDATION

The Board considers that the Proposals are in the best interests of the Company and of Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the EGM. The Directors intend to vote (or, as the case may be, procure the voting of) their beneficial holdings in favour of the Resolutions in respect of their aggregate holding, including persons closely associated, of 46,800 Shares.

**The Board makes no recommendation to Shareholders as to whether they should tender their Eligible Shares in the Tender Offer. The Directors will not tender any of their own Shares. Whether Shareholders decide to tender their Eligible Shares will depend on their view of the Company's prospects and their own individual circumstances including their own tax position.**

Yours faithfully

Mark Hadsley-Chaplin  
**Chairman**

## Part II

### LETTER FROM SHORE CAPITAL



Shore Capital Stockbrokers  
Limited  
Cassini House  
57 St James's Street  
London SW1A 1LD

4 October 2021

Dear Shareholder,

#### 1. TENDER OFFER

As explained in the Letter from the Chairman, Eligible Shareholders are being given the opportunity to tender some or all of their Eligible Shares for purchase in the Tender Offer. The purpose of this letter is to summarise the principal terms and conditions of the Tender Offer.

Shore Capital hereby invites Eligible Shareholders to tender up to 100 per cent. of their Eligible Shares for purchase by Shore Capital for cash at the Tender Price. Shareholders are entitled to tender up to 100 per cent. of their Eligible Shares but tenders will only be accepted subject to the overall limits of the Tender Offer, which include that no more than 15 per cent. of Eligible Shares in aggregate will be purchased.

Any Tendered Shares will be repurchased from Shore Capital by the Company pursuant to the Repurchase Agreement (details of which are set out in paragraph 9 of Part I of this Circular). All transactions will be carried out on the London Stock Exchange.

Shareholders should note that under no circumstances will Shore Capital be liable to pay the Tender Consideration to Tendering Shareholders in respect of their Tendered Shares unless and until the Company has paid the aggregate Tender Consideration to, or to the order of, Shore Capital in consideration for the purchase of the Tendered Shares from Shore Capital pursuant to the Repurchase Agreement.

This letter is not a recommendation to Eligible Shareholders to sell or tender their Eligible Shares and Eligible Shareholders are not obliged to tender any of their Eligible Shares. Eligible Shareholders who wish to continue their investment in the Company should not return their Tender Form or Savings Scheme Tender Form or submit a TTE Instruction in CREST.

The Tender Offer is made on the terms and subject to the conditions set out in Part IV of this Circular and, in the case of Eligible Shareholders holding their Eligible Shares in certificated form and Savings Scheme Participants, in the accompanying Tender Form and Savings Scheme Tender Form (whichever is applicable), the terms of which will be deemed to be incorporated in this Circular and form part of the Tender Offer.

Shore Capital is acting exclusively for the Company and no-one else in connection with the Tender Offer and will not be responsible to any other persons for providing the protections afforded to its clients or for providing advice in relation to the Tender Offer or to any matter referred to herein. Nothing in this paragraph shall serve to exclude or limit any responsibilities which Shore Capital may have under the FSMA or the regulatory regime established thereunder.

#### 2. PROCEDURE FOR TENDERING ELIGIBLE SHARES

The procedure for tendering your Eligible Shares depends on whether your Eligible Shares are held in certificated or uncertificated form and is summarised below.

##### *Shares held in certificated form*

Eligible Shareholders who hold Eligible Shares in certificated form and wish to tender Eligible Shares should complete the Tender Form in accordance with the instructions set out therein and return the completed Tender Form by post or by hand (during normal business hours only) to Link

Group Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL to arrive by no later than 1 p.m. on 1 November 2021.

Eligible Shareholders who hold Eligible Shares in certificated form should also return the Share certificate(s) and/or other document(s) of title in respect of the Eligible Shares tendered with their Tender Form.

*Shares held in uncertificated form (i.e. CREST)*

Eligible Shareholders who hold Eligible Shares in uncertificated form (i.e. in CREST) and who wish to tender some or all of their Eligible Shares should not complete a Tender Form and should instead arrange for their Eligible Shares to be transferred to escrow by sending a TTE Instruction in respect of such Eligible Shares, and follow the procedures set out in Part IV of this Circular, as soon as possible and in any event so as to settle by no later than 1 p.m. on 1 November 2021.

*Savings Scheme Participants*

Savings Scheme Participants who wish to tender some or all of their Eligible Shares should complete the Savings Scheme Tender Form in accordance with the instructions set out therein and return the completed form by post or by hand (during normal business hours only) to Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL to arrive by no later than 1 p.m. on 25 October 2021. Savings Scheme Participants are referred to the information contained in Part III of this Circular.

Once a Tender Form or Savings Scheme Tender Form has been returned, or TTE Instruction has been submitted, a Shareholder is deemed to accept that such a tender application may not be withdrawn or cancelled, save with the consent of the Company, before the completion of the Tender Offer.

Further, Eligible Shareholders should note that, once tendered, Eligible Shares may not be sold, transferred, charged or otherwise disposed of other than in accordance with the Tender Offer.

Full details of the procedure for tendering Eligible Shares are set out in Part IV of this Circular and, in the case of Eligible Shares held in certificated form, on the Tender Form and, in the case of Savings Scheme Participants, on the Savings Scheme Tender Form (whichever is applicable).

### **3. VALIDITY OF TENDERS**

Tender Forms and TTE Instructions which are received by the Receiving Agent after 1 p.m. on 1 November 2021 and Savings Scheme Tender Forms which are received by the Receiving Agent after 1 p.m. on 25 October 2021 or which at that time are incorrectly completed or not accompanied by all relevant documents or instructions may be rejected and returned to Shareholders or their appointed agent, together with any accompanying Share certificate(s) and/or other document(s) of title.

Shore Capital reserves the right to treat as valid Tender Forms, Savings Scheme Tender Forms or TTE Instructions received by the Receiving Agent by the deadline specified above, which are not entirely in order and which are not accompanied (in the case of Eligible Shares held in certificated form) by the relevant Share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof and shall be entitled (in its sole discretion) to accept late Tender Forms, Savings Scheme Tender Forms or TTE Instructions.

### **4. SHAREHOLDERS IN RESTRICTED TERRITORIES AND OTHER OVERSEAS SHAREHOLDERS**

The Tender Offer is not available to Shareholders with registered or mailing addresses in Restricted Territories, or who are citizens or nationals of, or resident in, a Restricted Territory and such Shareholders should read paragraph 9 of Part IV of this Circular and the relevant provisions of the Tender Form or Savings Scheme Tender Forms.

Overseas Shareholders (not being Shareholders in Restricted Territories, the US or the UK) and US Shareholders who wish to accept the Tender Offer should also read paragraph 9 of Part IV and satisfy themselves that they have fully observed any applicable legal requirements under the laws of the relevant jurisdiction.



## 5. **CONDITIONS**

The Tender Offer is conditional on the terms specified in paragraph 2 of Part IV of this Circular.

## 6. **TERMINATION OF TENDER OFFER**

The Tender Offer may be terminated in the circumstances described in paragraph 6 of Part IV of this Circular.

## 7. **CALCULATION OF TENDER PRICE**

The Tender Price will be calculated as described in paragraph 3 of Part IV of this Circular.

## 8. **SETTLEMENT**

Settlement of any consideration to which any Eligible Shareholder is entitled pursuant to valid tenders accepted by the Company will be made as follows:

### 8.1 **Shares held in certificated form**

Where an accepted tender relates to Eligible Shares held in certificated form, cheques for the consideration due will be dispatched by Link Group, by first class post to the person or agent whose name and address is set out in Box 2 (or, if relevant, Box 3 of the Tender Form), or if none is set out, to the registered address of the Tendering Shareholder shown above Box 1 or, in the case of joint holders, the address of the first named. All cash payments will be made in Sterling by cheque drawn on a branch of a UK clearing bank.

### 8.2 **Shares held in uncertificated form (that is, in CREST)**

Where an accepted tender relates to Eligible Shares held in uncertificated form in CREST, the consideration due will be paid by means of CREST by Link Group procuring the creation of a CREST payment obligation in favour of the Tendering Shareholder's payment bank in accordance with the CREST payment arrangements.

The payment of any consideration to Tendering Shareholders for Eligible Shares accepted for purchase by the Company pursuant to the Tender Offer will be made only after the relevant TTE Instruction has settled or (as the case may be) timely receipt by the Receiving Agent of certificates and/or other requisite documents evidencing such Eligible Shares, a properly completed and duly executed Tender Form and any other documents required by the Tender Offer or this Part II

### 8.3 If only part of a holding of Shares is sold pursuant to the Tender Offer:

8.3.1 where the Shares are held in certificated form, the relevant Tendering Shareholder will be entitled to receive a certificate in respect of the balance of the remaining Shares;  
or

8.3.2 where the Shares are held in uncertificated form (that is, in CREST) the unsold Shares will be transferred by Link Group by means of a TFE Instruction to the original available balance from which those Shares came.

Settlement of any Tender Consideration to which Savings Scheme Participants are due will be made as set out in Part III.

### 8.4 **Timing**

The timing of payment of the offer consideration will be consistent with UK practice, which differs from US domestic tender offer procedures. Settlement of any consideration to which any Eligible Shareholder is entitled will be effected not later than 14 calendar days after the date on which the Tender Offer becomes or is declared unconditional or within 14 calendar days of the date of receipt of a valid and complete acceptance, whichever is the later.

9. **FURTHER INFORMATION**

Your attention is drawn to the information contained in the rest of this Circular, including, in particular, the terms and conditions of the Tender Offer in Part IV of this Circular.

Yours faithfully,

Robert Finlay  
**Director, Corporate Advisory**  
*For and on behalf of Shore Capital*

## Part III

### ACTION TO BE TAKEN BY SAVINGS SCHEME PARTICIPANTS

#### 1. YOUR ENTITLEMENT

- 1.1 If you are a UK participant in the abrDN Share Plan, the abrDN Investment Plan for Children or the abrDN Investment Trusts ISA, you will have the opportunity to participate in the Tender Offer on the same basis as Eligible Shareholders. The purpose of this section is to provide you with information that is specific to Savings Scheme Participants.
- 1.2 **You only need to complete the Savings Scheme Tender Form if you wish to participate in the Tender Offer.** The Savings Scheme Tender Form contains instructions as to how to complete and return it by the latest time of 1 p.m. on 25 October 2021.
- 1.3 Savings Scheme Participants should note that, once tendered, Eligible Shares may not be sold, transferred, charged or otherwise disposed of other than in accordance with the Tender Offer.

#### 2. OPTIONS

- 2.1 Where a Savings Scheme Participant tenders Eligible Shares in the Tender Offer, the proceeds of the Tender Offer due to that Savings Scheme Participant will be paid to their nominee on their behalf in accordance with the terms and conditions of the applicable Savings Scheme. As a result, the accounts of Savings Scheme Participants may be credited later than any times and dates specified in this Circular for Shareholders generally.
- 2.2 The nominee will then follow your instructions as to what you wish to do with the proceeds. Your options, which depend on the terms and conditions of the particular Savings Scheme in which you are a participant, are set out below. You should note that some of these options may have taxation consequences, further information on which is set out in Part V of this Circular.
- 2.3 Savings Scheme Participants can either:
  - 2.3.1 receive a cheque for their Tender Consideration; or
  - 2.3.2 elect to place their Tender Consideration in a cash holding facility pending further instruction (it should be noted that this cash holding facility does not pay interest); or
  - 2.3.3 re-invest their Tender Consideration into one of the other participating investment companies, free of charge in accordance with the terms and conditions of the Savings Scheme in respect of each distribution.
- 2.4 Regular savers who elect to participate in the Tender Offer may stop future regular investments in the Company within their Savings Scheme by ticking Box 2 on the Savings Scheme Tender Form. Participants who tick Box 2 will have their direct debits to acquire Shares cancelled. If their direct debit contributions are made into more than one investment company, the contributions into the other investment companies will continue as normal.
- 2.5 As far as the abrDN Investment Trusts ISA is concerned, none of the options in paragraph 2.3 above would incur a charge to tax but any cash paid out of such ISA would lose its tax efficient wrapper. For Savings Scheme Participants who hold their Shares through the abrDN Share Plan or the abrDN Investment Plan for Children, the disposal may give rise to a tax liability depending on the holder's specific circumstances.

#### 3. OVERSEAS PARTICIPANTS

Savings Scheme Participants who are resident in, or citizens of, a jurisdiction outside the United Kingdom that is not a Restricted Territory and who wish to accept the Tender Offer should read paragraph 9 of Part IV of this Circular and satisfy themselves that they have fully observed any applicable legal requirements under the laws of the relevant jurisdiction.

**Other Fees**

You should note that, notwithstanding the terms and conditions for each Savings Scheme, no fees or charges will be payable by Savings Scheme Participants in respect of the investment of any realisation proceeds from their Eligible Shares tendered in the Tender Offer.

## PART IV

### TERMS AND CONDITIONS OF THE TENDER OFFER

#### 1. GENERAL

- 1.1 All Eligible Shareholders on the Register on the Record Date may tender Eligible Shares for purchase by Shore Capital on the terms and subject to the conditions set out in this Circular and, in the case of certificated Shareholders, the accompanying Tender Form, or, in the case of Savings Scheme Participants, on the Savings Scheme Tender Form (whichever is applicable), which together with this Circular, constitute the Tender Offer to such Shareholders. **Eligible Shareholders are not obliged to tender any of their Eligible Shares.**

**Shareholders who wish to continue their existing investment in the Company at the same level should not return a Tender Form, Savings Scheme Tender Form or tender their Eligible Shares through CREST.**

- 1.2 The maximum number of Shares that will be purchased by Shore Capital under the Tender Offer will not exceed 15 per cent. of the Company's issued share capital (excluding Shares held in treasury) as at the Record Date.
- 1.3 The Tender Offer is made at the Tender Price calculated in accordance with paragraph 3 below. The calculations approved by the Directors will be conclusive and binding on all Eligible Shareholders.
- 1.4 The consideration for each Tendered Share acquired by Shore Capital pursuant to the Tender Offer will be paid in accordance with the settlement procedures set out in paragraph 4 below.
- 1.5 Upon the Tender Offer becoming unconditional, and unless the Tender Offer has lapsed or terminated in accordance with the provisions of paragraph 2 or paragraph 6 below, Shore Capital will, subject to the limit described in paragraph 1.2 and to the terms and conditions of the Tender Offer as set out in this Part IV, accept the offers of Eligible Shareholders validly made in accordance with this Part IV.

#### 2. CONDITIONS OF THE TENDER OFFER

- 2.1 The Tender Offer is conditional on the following (together, the "**Conditions**"):
- 2.1.1 the passing of Resolution 1 and Resolution 2 at the EGM on 26 October 2021 or by such later date (being not later than 30 Business Days after the date of the EGM) as the Company may determine;
- 2.1.2 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;
- 2.1.3 the Repurchase Agreement having been entered into, and Shore Capital having received payment of the aggregate Tender Consideration from the Company;
- 2.1.4 the Tender Offer not having been terminated in accordance with paragraph 6 of Part IV of this Circular prior to the fulfilment of the conditions referred to in paragraphs 2.1.1 and 2.1.2 above;
- 2.1.5 the conditions being satisfied for the Board to approve a solvency certificate pursuant to the Companies Law in relation to the Tender Offer, confirming that, immediately following completion of the Tender Offer, the Company will be able to pay its debts as they become due and that the value of the Company's assets is greater than the value of its liabilities; and
- 2.1.6 the Tender Offer not having been terminated in accordance with paragraph 6 below prior to the fulfilment of the conditions referred to above.
- 2.2 Shore Capital will not purchase (or enter into any commitment or contract to purchase) any Eligible Shares pursuant to the Tender Offer unless the Conditions have been satisfied in full (or, where applicable, waived). If the Conditions are not satisfied (or, where applicable, waived) prior to the close of business on the date of the EGM or any adjournment thereof, the Company or Shore Capital may postpone the completion of the Tender Offer until 60 Business

Days after the date of the EGM, after which time the Tender Offer, if not then completed, will lapse.

- 2.3 If the Company (acting through the Directors) shall, at any time prior to 2 p.m. on 26 October 2021 (or, if the EGM is adjourned, 2 p.m. on the date of the adjourned EGM), notify Shore Capital in writing that, in its reasonable opinion, the completion of the purchase of the Tendered Shares by the Company from Shore Capital under the Tender Offer would have unexpected adverse fiscal consequences (by reason of a change in legislation, practice or otherwise) for the Company or its Shareholders if the Tender Offer were to proceed, then the Company may either exercise powers to terminate the Tender Offer in accordance with paragraph 6 below or may postpone the Calculation Date and the completion of the Tender Offer until 60 Business Days after the date of the EGM, after which the Tender Offer, if not then completed by reason of the postponement circumstances continuing, will lapse.
- 2.4 If the Conditions are not satisfied or waived the Tender Offer will lapse and neither Shore Capital nor the Company will purchase any Eligible Shares pursuant to the Tender Offer.

### 3. THE TENDER PRICE

The Tender Price will be calculated as described below.

- 3.1 The Company will take the FAV per Share as at the Calculation Date.
- 3.2 The FAV per Share shall be multiplied by the number of Tendered Shares to produce the aggregate Formula Asset Value of the Tendered Shares.
- 3.3 A 2 per cent. discount shall then be applied to the aggregate FAV of the Tendered Shares (calculated in accordance with paragraph 3.2 above). The resulting sum will then be divided by the total number of Tendered Shares and the quotient, given to four decimal places and rounded down, shall be the Tender Price.
- 3.4 In determining the FAV per Share, investments in open-ended funds will be valued using their latest available net asset values.
- 3.5 Except as otherwise stated above, in determining the FAV per Share, all assets and liabilities of the Company will be taken into account and valued in accordance with the accounting policies of the Company outlined in its audited accounts for the year ended 31 October 2020. For the avoidance of doubt, the liabilities of the Company will include the accrued costs of the Proposals.

### 4. ACTION TO BE TAKEN IN CONNECTION WITH THE TENDER OFFER

#### *Certificated Shareholders*

- 4.1 Enclosed with this Circular is a Tender Form for use by Eligible Shareholders who hold their Shares in certificated form (that is, not in CREST) (each a “**Certificated Shareholder**”) (please see paragraph 4.2 below for full details) and who wish to participate in the Tender Offer.
- 4.2 If you are an Eligible Shareholder and hold your Shares in Certificated Form and you wish to participate in the Tender Offer you should read the Tender Form carefully, complete it and return it with the share certificate(s) in respect of the total number of Shares you wish to tender under the Tender Offer and such other evidence as the Directors may reasonably require to prove your title and the due execution by you of the Tender Form or, if the Tender Form is executed by someone other than you, the authority of that other person to do so either by post or by hand to Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL **before 1 p.m. on 1 November 2021**.
- 4.3 You may request to have all or part of your Eligible Shares to be tendered under the Tender Offer. A Tender Form may only be submitted in respect of a number of Eligible Shares, rather than in respect of a certain value of Eligible Shares.

#### *CREST Shareholders*

- 4.4 If you are an Eligible Shareholder and hold your Shares in uncertificated form (that is, in CREST) (a “**CREST Shareholder**”) and you wish to participate in the Tender Offer you do not need to complete or return a Tender Form. You should, however, take (or procure to be taken)

the action set out below to transfer (by means of TTE Instruction(s)) the total number of Shares you wish to tender under the Tender Offer to an escrow balance, specifying Link Group in its capacity as escrow agent under its participant ID referred to below, as soon as possible, and in any event **so that the transfer to escrow settles not later than 1 p.m. on 1 November 2021**.

- 4.5 You should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) a TTE Instruction to Euroclear UK & Ireland Limited for the Shares that you wish to tender under the Tender Offer which must be properly authenticated in accordance with its specifications. This may be equal to, more or less than, your Basic Entitlement but tenders in excess of your Basic Entitlement will only be satisfied to the extent that other Shareholders have not tendered all or part of their Basic Entitlements as at record date. Tenders in excess of the Basic Entitlement as at the Record Date will be satisfied *pro rata* in proportion to the aggregate excess over the Basic Entitlements tendered, rounded down to the nearest whole number of Eligible Shares. Each TTE Instruction must contain, in addition to the other information that is required for the TTE Instruction to settle in CREST, the following details:
- the number of Eligible Shares to be transferred to an escrow balance;
  - your CREST participant ID;
  - your CREST member account ID;
  - the participant ID of the escrow agent (Link Group) in its capacity as a CREST receiving agent, which is RA10;
  - the member account ID for the relevant Eligible Shares of the escrow agent (Link Group), which will be 21450ABE in respect of the Eligible Shares;
  - the corporate action ISIN which is GG00B45L2K95;
  - the corporate action number for the Tender Offer, which is allocated by Euroclear UK & Ireland Limited and can be found by viewing the relevant corporate actions details in CREST;
  - contact name and number to be inserted in the shared note field;
  - the intended settlement date for the transfer to escrow which should be as soon as practicable in any event no later than 1 p.m. on 1 November 2021; and
  - input with the standard delivery instruction priority of 80.
- 4.6 You may request to have all or part of your Eligible Shares to be tendered under the Tender Offer. A TTE Instruction may only be submitted in respect of a number of Eligible Shares, rather than in respect of a certain value of Shares.

#### *Savings Scheme Participants*

- 4.7 Enclosed with this Circular is a Savings Scheme Tender Form for use by Savings Scheme Participants. The completed and signed Savings Scheme Tender Forms should be delivered either by post or by hand (during normal business hours only) to Link Group Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL, so as to arrive by no later than 1 p.m. on 25 October 2021. No acknowledgement of receipt will be given. Reply-paid envelopes are enclosed with the Savings Scheme Tender Forms.

#### *General*

- 4.8 Shore Capital, in its absolute discretion, reserves the right to accept Tender Forms or TTE Instructions received after 1 p.m. on 1 November 2021 and Savings Scheme Tender Forms received after 1 p.m. on 25 October 2021.
- 4.9 Shareholders should note that once a Tender Form or Savings Scheme Tender Form has been served on the Company or a TTE Instruction(s) has been submitted, they will be unable to access or otherwise deal in those Shares pending completion of the Tender Offer.

**Eligible Shareholders who wish to remain invested in the Company in respect of their entire holding of Shares should *not* complete or return a Tender Form, Savings Scheme Tender Form or arrange for a TTE Instruction to be submitted.**

*Scale back*

- 4.10 Subject to obtaining Shareholder approval at the Extraordinary General Meeting and satisfaction of the Conditions, each Eligible Shareholder will be entitled to tender and have repurchased up to 15 per cent. of the Eligible Shares registered in such Shareholder's name on the Record Date rounded down to the nearest whole number (the "**Basic Entitlement**").
- 4.11 Each Eligible Shareholder will also be entitled to tender additional Eligible Shares held by them on the Record Date in excess of their Basic Entitlement. To the extent that other Eligible Shareholders tender Eligible Shares in respect of less than the whole of their Basic Entitlement, any such excess tenders will (subject to the overall 15 per cent. limit on the number of Shares which may be purchased by Shore Capital pursuant to the Tender Offer) be satisfied *pro rata* in proportion to the aggregate number of Eligible Shares tendered by Eligible Shareholders in excess of their Basic Entitlements (rounded down to the nearest whole number of Shares).
- 4.12 The Basic Entitlement will apply to each Eligible Shareholder. Eligible Shareholders who hold for multiple beneficial owners may decide the allocation between such beneficial owners in their own discretion.
- 4.13 Link Group will notify Tendering Shareholders of the number of Eligible Shares in respect of which their Tender Form has been successful and, in the case of Tendering Shareholders who have tendered Eligible Shares in excess of their Basic Entitlements, either the extent to which such excess tenders will be scaled back or the number of Eligible Shares tendered in excess of those Shareholders' Basic Entitlements which will be purchased by Shore Capital.
- 4.14 The results of the Tender Offer will be announced by the Company on 2 November 2021 via an RIS announcement.

*Settlement*

- 4.15 Settlement of any consideration to which any Eligible Shareholder is entitled pursuant to valid tenders accepted by Shore Capital will be made as follows:

**4.15.1 Shares held in certificated form**

Where an accepted tender relates to Eligible Shares held in certificated form, cheques for the consideration due will be dispatched by Link Group, by first class post to the person or agent whose name and address is set out in Box 2 (or, if relevant, Box 3 of the Tender Form), or if none is set out, to the registered address of the Tendering Shareholder shown above Box 1 or, in the case of joint holders, the address of the first named. All cash payments will be made in Sterling by cheque drawn on a branch of a UK clearing bank.

**4.15.2 Shares held in uncertificated form (that is, in CREST)**

Where an accepted tender relates to Eligible Shares held in uncertificated form in CREST, the consideration due will be paid by means of CREST by Link Group procuring the creation of a CREST payment obligation in favour of the Tendering Shareholder's payment bank in accordance with the CREST payment arrangements.

The payment of any consideration to Eligible Shareholders for Eligible Shares accepted for purchase by the Company pursuant to the Tender Offer will be made only after the relevant TTE Instruction has settled or (as the case may be) timely receipt by the Receiving Agent of certificates and/or other requisite documents evidencing such Shares, a properly completed and duly executed Tender Form and any other documents required by the Tender Offer or this Part II.

- 4.16 If only part of a holding of Shares is sold pursuant to the Tender Offer:
- 4.16.1 where the Shares are held in certificated form, the relevant Shareholder will be entitled to receive a certificate in respect of the balance of the remaining Shares; or



4.16.2 where the Shares are held in uncertificated form (that is, in CREST) the unsold Shares will be transferred by Link Group by means of a TFE Instruction to the original available balance from which those Shares came.

4.17 The timing of payment of the offer consideration will be consistent with UK practice, which differs from US domestic tender offer procedures. Settlement of any consideration to which any Eligible Shareholder is entitled will be effected not later than 14 calendar days after the date on which the Tender Offer becomes or is declared unconditional or within 14 calendar days of the date of receipt of a valid and complete acceptance, whichever is the later.

4.18 Settlement of any consideration to which Savings Scheme Participants are due will be made as set out in Part III.

## **5. TENDER OFFER RESTRICTED FOR OVERSEAS SHAREHOLDERS**

5.1 Overseas laws and regulations may restrict the making of the Tender Offer to Shareholders in certain jurisdictions outside the United Kingdom without compliance by the Company with any unfulfilled filing, reporting or other requirements. It is the responsibility of each Overseas Shareholder to satisfy themselves that the Tender Offer may be made to them and that, if relevant, they may accept such Tender Offer, and that in accepting the Tender Offer, they have complied with all relevant overseas filing, exchange control and other requirements and paid all taxes and fees which may be payable.

5.2 The Tender Offer is not being made in or into, or to any Shareholder with registered addresses in any of the Restricted Territories.

## **6. TERMINATION OF THE TENDER OFFER**

6.1 The Company shall be entitled at its complete discretion to withdraw or postpone the Tender Offer (in which case the Tender Offer shall cease and determine absolutely), if the Company (acting through the Directors) shall, at any time prior to the Tender Offer becoming unconditional determine that:

6.1.1 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;

6.1.2 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 since the date of this Circular;

6.1.3 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;

6.1.4 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;

6.1.5 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

6.1.6 Shore Capital's membership of the London Stock Exchange expires, is suspended, is revoked or is withdrawn.

6.2 If the Directors decide to withdraw or postpone the Tender Offer, the Company will notify Shore Capital in writing and as soon as practicable thereafter and in any event, before Shore Capital has purchased the Tendered Shares as principal, and the Company shall announce such termination through an RIS and notify Shareholders in writing. The Company shall make appropriate disclosure and comply with other procedural requirements to the extent required by Rule 14e-1 under the US Exchange Act.

## **7. REPRESENTATIONS AND WARRANTIES**

### **7.1 Tender Form – Representations and Warranties**

Each Eligible Shareholder by whom, or on whose behalf, a Tender Form or a Savings Scheme Tender Form is executed, irrevocably undertakes, represents, warrants and agrees to and with Shore Capital (for itself and as a trustee for the Company) (so as to bind it, its personal representatives, heirs, successors and assigns) that:

- 7.1.1 the execution of the Tender Form or Savings Scheme Tender Form shall constitute an offer to sell to Shore Capital, as principal, that Eligible Shareholder's Basic Entitlement or the number of Eligible Shares inserted in Box 1B (as applicable) of the Tender Form Savings Scheme Tender Form, on and subject to the terms and conditions set out or referred to in this Circular and the Tender Form or Savings Scheme Tender Form and that, once lodged, such offer shall be irrevocable;
- 7.1.2 such Shareholder has full power and authority to tender, sell, assign or transfer the Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by Shore Capital, Shore Capital, as principal, will acquire such Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third-party rights of any nature and together with all rights attaching thereto on or after the Settlement Date, including the right to receive all dividends and other distributions declared, paid or made after that date and such representation and warranty shall be deemed repeated at the time that the Company purchases such Shares and shall not be extinguished by such purchase;
- 7.1.3 the execution of the Tender Form or Savings Scheme Tender Form will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of Shore Capital as such Shareholder's attorney and/or agent, and an irrevocable instruction to the attorney to complete and execute all or any instruments of transfer and/or other documents at the attorney's discretion in relation to the Shares referred to in paragraph 7.1.1 above in favour of Shore Capital or such other person or persons as Shore Capital may direct and to deliver such instrument(s) of transfer and/or other documents at the discretion of the attorney, together with the share certificate(s) and/or other document(s) relating to such Shares, for registration within six months of the Tender Offer becoming unconditional and to do all such other acts and things as may in the opinion of such attorney be necessary or expedient for the purpose of, or in connection with, the Tender Offer and to vest in Shore Capital or its nominee(s) (or such other person(s) as Shore Capital may direct) such Shares;
- 7.1.4 such Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by Shore Capital or any of its directors or any person nominated by Shore Capital in the proper exercise of its or his or her powers and/or authorities hereunder;
- 7.1.5 such Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by Shore Capital to be desirable, in each case to complete the purchase of the Shares and/or to perfect any of the authorities expressed to be given hereunder;
- 7.1.6 such Shareholder holding Shares in certificated form will deliver to Link Group the share certificate(s) and/or other document(s) of title in respect of the Shares referred to in sub-paragraph 7.1.1 above, or an indemnity acceptable to Shore Capital in lieu thereof, or will procure the delivery of such document(s) to such person as soon as possible thereafter and, in any event, not later than 1 p.m. on 1 November 2021;
- 7.1.7 such Shareholder, if an Overseas Shareholder: (1) is not in a Restricted Territory or in any territory in which it is unlawful to make or accept the Tender Offer or to use the Tender Form or Savings Scheme Tender Form in any manner in which the person has or will use it; (2) has fully observed any applicable legal and regulatory requirements of the territory in which such Overseas Shareholder is resident or located; and (3) may receive and accept the invitation under the Tender Offer under the laws of the relevant jurisdiction;

- 7.1.8 such Shareholder has not received or sent copies or originals of this Circular, the Tender Form, the Savings Scheme Tender Form or any related documents in or into any of the Restricted Territories and has not otherwise utilised in connection with the Tender Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, internet, telex and telephone) of interstate or foreign commerce, or of any facility of a national, state or other securities exchange, of any of the Restricted Territories, and the Tender Form or Savings Scheme Tender Form has not been mailed or otherwise sent in, into or from any of the Restricted Territories and such Shareholder is not accepting the Tender Offer from any of the Restricted Territories;
- 7.1.9 the execution of the Tender Form or Savings Scheme Tender Form constitutes such Shareholder's submission to the jurisdiction of the courts of the Island of Guernsey in relation to all matters arising out of or in connection with the Tender Offer or the Tender Form or Savings Scheme Tender Form;
- 7.1.10 the execution of the Tender Form or Savings Scheme Tender Form shall constitute a warranty by such Shareholder that the information given by or on behalf of the Shareholder in the Tender Form or Savings Scheme Tender Form will be true in all respects at the time the Company purchases the Shares referred to in paragraph 7.1.1 above as if it had been given afresh at such time and shall not be extinguished by such purchase;
- 7.1.11 the execution of the Tender Form or Savings Scheme Tender Form constitutes the irrevocable authority for and instruction to the Company or its agents to procure the despatch by post of a cheque drawn at a branch of a UK clearing bank for the cash consideration to which a Tendering Shareholder is entitled (and, if part only of a holding comprised in the share certificate(s) is purchased pursuant to the Tender Offer, a new share certificate for the balance) to the person or agent whose name and address (outside the Restricted Territories) is set out in the Tender Form or Savings Scheme Tender Form, or if no name and address is set out to the first-named holder at its registered address (outside the Restricted Territories);
- 7.1.12 the despatch of cheques or other appropriate form of payment in respect of the Tender Consideration to a Shareholder at their registered address or such other address as is specified in the Tender Form or Savings Scheme Tender Form in accordance with paragraph 7.1.11 above will constitute a complete discharge by Shore Capital of its obligation to pay such Shareholder the cash consideration to which they are entitled under the Tender Offer; and
- 7.1.13 if the appointment of attorney provision under paragraph 7.1.3 above shall be unenforceable or invalid or shall not operate so as to afford to Shore Capital the benefit or authority expressed to be given therein, the Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable Shore Capital to secure the full benefits of paragraph 7.1.3 above.

A reference in this paragraph 7.1 to a Shareholder includes a reference to the person or persons executing the Tender Form or Savings Scheme Tender Form and in the event of more than one person executing a Tender Form or Savings Scheme Tender Form, the provisions of this paragraph will apply to them jointly and to each of them.

## **7.2 Tenders through CREST – Representations and Warranties**

Each Shareholders who holds Shares in uncertificated form (i.e. in CREST) and by whom, or on whose behalf, a tender through CREST is made, irrevocably undertakes, represents and warrants and agrees to and with Shore Capital (for itself and as a trustee for the Company) (so as to bind him, her or its and his, her or its personal representatives, heirs, successors and assigns) that:

- 7.2.1 the input of a TTE instruction shall constitute an offer to sell to Shore Capital, as principal, the number of Shares specified in the TTE instruction on and subject to the terms and conditions set out or referred to in this Circular, and that once the TTE Instruction has settled such tender shall be irrevocable;

- 7.2.2 such Shareholder has full power and authority to tender, sell, assign or transfer the Shares in respect of which such offer is accepted together with all rights attaching thereto) and, when the same are purchased by Shore Capital, as principal, Shore Capital will acquire such Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third-party rights of any nature and together with all rights attaching thereto on or after the Settlement Date, including the right to receive all dividends declared, paid or made after that date;
- 7.2.3 the input of the TTE Instruction will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of Link Group as escrow agent and an irrevocable instruction and authority to the escrow agent to transfer to itself by means of CREST, and then to transfer to Shore Capital (or such person or persons as Shore Capital may direct) by means of CREST, all Relevant Shares (as defined below) in respect of which the Tender Offer is accepted or deemed to be accepted (but not exceeding the number of Shares which have been tendered pursuant to the Tender Offer) and in the event that any Shares tendered are not accepted as a result of scaling back to give instructions to Euroclear to transfer such Relevant Shares not accepted to the original balances to which they relate. **“Relevant Shares”** means Shares in uncertificated form and in respect of which a transfer or transfers to escrow has or have been effected pursuant to the procedures described in paragraph 4.5 above;
- 7.2.4 such Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by Shore Capital or Link Group or any of their respective directors or officers or any person nominated by Shore Capital or Link Group in the proper exercise of its or his or her powers and/or authorities hereunder;
- 7.2.5 such Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by Shore Capital to be desirable, in each case to complete the purchase of the Shares and/or to perfect any of the authorities expressed to be given hereunder;
- 7.2.6 such Shareholder, if an Overseas Shareholder, (a) is not in a Restricted Territory or in any territory in which it is unlawful to make or accept the Tender Offer in any manner in which the person has or will use it; (b) has fully observed any applicable legal and regulatory requirements of the territory in which such Overseas Shareholder is resident or located; and (c) may receive and accept the invitation under the Tender Offer under the laws of the relevant jurisdiction;
- 7.2.7 such Shareholder has not received or sent copies or originals of this Circular or any related documents in or into any of the Restricted Territories and has not otherwise utilised in connection with the Tender Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, internet, telex and telephone) of interstate or foreign commerce, or of any facility of a national, state or other securities exchange, of any of the Restricted Territories, and such Shareholder is not accepting the Tender Offer from any of the Restricted Territories;
- 7.2.8 the creation of a CREST payment by Link Group in accordance with paragraph 4.15.2 above in favour of such Shareholder’s payment bank in accordance with the CREST payment arrangements as referred to in paragraph 4.5 above will, to the extent of the obligations so created, discharge fully any obligation of Shore Capital to pay to such Shareholder the cash consideration to which he, she or it is entitled in the Tender Offer;
- 7.2.9 the input of the TTE Instruction constitutes such Shareholder’s submission to the jurisdiction of the courts of the Island of Guernsey in relation to all matters arising out of or in connection with the Tender Offer;
- 7.2.10 if, for any reason, any Shares in respect of which a transfer to an escrow balance has been effected are converted to certificated form, the holder will immediately deliver or procure the delivery of the share certificate(s) or other documents of title in respect of all Shares so converted to Link Group;
- 7.2.11 if the appointment of escrow agent provision under paragraph 7.2.3 above shall be unenforceable or invalid or shall not operate so as to afford Shore Capital or Link Group the benefit or authority expressed to be given therein, the Shareholder shall with all

practicable speed do all such acts and things and execute all such documents that may be required to enable Shore Capital or Link Group to secure the full benefits of paragraph 7.2.3 above; and

7.2.12 such Shareholder shall not take any action which would prevent the Company or Link Group from cancelling the Shares to which the TTE Instruction relates.

## **8. ADDITIONAL PROVISIONS**

- 8.1 Shares acquired by Shore Capital under the Tender Offer will be purchased by Shore Capital as principal and will, following the completion of the Tender Offer, be acquired from Shore Capital by the Company on the London Stock Exchange pursuant to the Repurchase Agreement. Once acquired by the Company, the Shares will be held in treasury until resold or cancelled. Such purchases will be on-market purchases in accordance with the rules of the London Stock Exchange and the Listing Rules.
- 8.2 Unless suspended or terminated in accordance with the provisions of Part IV of this Circular, the Tender Offer will close for Eligible Shareholders at 1 p.m. on 1 November 2021 and for Savings Scheme Participants at 1 p.m. on 25 October 2021 and no Tender Forms, Savings Scheme Tender Forms, share certificates and/or documents of title or indemnities or TTE Instructions received after that time will be accepted, save pursuant to the exercise of any discretions conferred on Shore Capital, Link Group and/or the Company under these conditions.
- 8.3 Each Eligible Shareholder who tenders or procures the tender of Eligible Shares will thereby be deemed to have agreed that, in consideration of Shore Capital agreeing to process its tender, such Shareholder will not revoke its tender or withdraw its Shares. Shareholders should note that, once tendered, Shares may not be sold, transferred, charged or otherwise disposed of, pending completion of the Tender Offer.
- 8.4 Subject to the Conditions being satisfied, it is expected that, on 2 November 2021, the Company will make a public announcement of the total number of Eligible Shares tendered pursuant to the Tender Offer.
- 8.5 Delivery of cash to Tendering Shareholders for the Tendered Shares will be made by Link Group in its capacity as Receiving Agent. Link Group will act as agent for Tendering Shareholders for the purpose of receiving the cash and transmitting such cash to Tendering Shareholders. Under no circumstances will interest be paid on the cash to be paid by the Company or Link Group regardless of any delay in making such payment.
- 8.6 If any Shares are not purchased because of an invalid tender, the termination of the Tender Offer or otherwise, relevant certificates evidencing any such Shares and other documents of title, if any, will be returned or sent as promptly as practicable, without expense to, but at the risk of, the Tendering Shareholder, or in the case of Shares held in uncertificated form (that is, in CREST), Link Group will provide instructions to Euroclear to transfer all Shares held in escrow balances by TFE Instruction to the original available balances to which those Shares relate.
- 8.7 Any omission to despatch this Circular, the Tender Form, Savings Scheme Tender Form or any notice required to be despatched under the terms of the Tender Offer to, or any failure to receive the same by, any person entitled to participate in the Tender Offer shall not invalidate the Tender Offer in any way or create any implication that the Tender Offer has not been made to any such person.
- 8.8 No acknowledgement of receipt of any Tender Form or Savings Scheme Tender Form will be given. All documents and remittances sent by or to Shareholders will be sent at their own risk. If the Tender Offer does not become unconditional or is terminated, all documents lodged pursuant to the Tender Offer will be returned promptly by post, within 14 Business Days of the Tender Offer terminating or lapsing, to the person or agent whose name and address is set out in Box 2 of the Tender Form or, if none is set out, to the Tendering Shareholder or, in the case of joint holders, the first named at his/her registered address. No such documents will be sent to an address in the Restricted Territories. In the case of Shares held in uncertificated form, Link Group, in its capacity as escrow agent will, within 14 Business Days of the Tender Offer lapsing, give instructions to Euroclear UK to transfer all Shares held in escrow balances

and in relation to which it is the escrow agent for the purposes of the Tender Offer by TFE Instruction to the original available balances from which those Shares came. In any of these circumstances, Tender Forms and Savings Scheme Tender Forms will cease to have any effect.

- 8.9 All powers of attorney and authorities on the terms conferred by or referred to in this Part IV of this Circular, and in the Tender Form or in the Savings Scheme Tender Form (as applicable), are given by way of security for the performance of the obligations of the Shareholders concerned and are irrevocable.
- 8.10 All tenders in respect of Shares held in certificated form must be made on the relevant prescribed Tender Form or Savings Scheme Tender Form, duly completed in accordance with the instructions set out thereon, which constitute part of the terms of the Tender Offer. A Tender Form or Savings Scheme Tender Form will only be valid when the procedures contained in these terms and conditions and in the Tender Form or Savings Scheme Tender Form are complied with.
- 8.11 The Tender Offer and all tenders will be governed by and construed in accordance with the law of the Island of Guernsey. Delivery or posting of a Tender Form or Savings Scheme Tender Form or the Transmission of a TTE Instruction in CREST will constitute submission to the jurisdiction of the courts of the Island of Guernsey.
- 8.12 The instructions, terms, provisions and authorities contained in or deemed to be incorporated in the Tender Form or Savings Scheme Tender Form shall constitute part of the terms of the Tender Offer. The definitions set out in this Circular apply to the terms and conditions set out in this Part IV.
- 8.13 Subject to paragraph 5 above and paragraph 9 below, the Tender Offer is open to Eligible Shareholders on the Register on the Record Date, and will close at 1 p.m. on 1 November 2021 for Shareholders other than Savings Scheme Participants and at 1 p.m. on 25 October 2021 for Savings Scheme Participants. Subject to paragraph 4.8 above, no Tender Form or TTE Instruction received after 1 p.m. on 1 November 2021 will be accepted, and no Savings Scheme Tender Form will be accepted after 1 p.m. on 25 October 2021.
- 8.14 The decision of Shore Capital (in consultation with the Company) as to which Eligible Shares have been successfully tendered shall be conclusive and binding on all Shareholders.
- 8.15 Further copies of this Circular, the Tender Form and the Savings Scheme Tender Form may be obtained on request from Link Group at the address set out on page 1 of the Tender Form or of the Savings Scheme Tender Form.

## **9. EXCLUDED SHAREHOLDERS AND PERSONS OUTSIDE THE UNITED KINGDOM**

- 9.1 The making of the Tender Offer in, or to persons who are citizens or nationals of, or resident in, jurisdictions outside the United Kingdom or custodians, nominees or agents for citizens, nationals or residents of jurisdictions outside the United Kingdom may be prohibited or affected by the laws of the relevant overseas jurisdiction. Shareholders who are citizens or nationals of, or resident in, such jurisdictions should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such Shareholder wishing to tender Shares to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes or other requisite payments due in such jurisdiction. Any such Shareholder will be responsible for payment of any such transfer or other taxes or other requisite payments due by whomsoever payable and any discretion or determination by Shore Capital for the purposes of any paragraph of this Part IV shall be final and binding on all of the Shareholders and none of Shore Capital, the Directors or the Company shall have any liability in relation thereto and the Company and any person acting on their behalf shall be fully indemnified and held harmless by such Shareholder for any such transfer or other taxes or other requisite payments such person may be required to pay. Subject to certain exceptions, no steps have been taken to qualify the Tender Offer or to authorise the extending of the Tender Offer or the distribution of this Circular in any territory outside the United Kingdom.

- 9.2 Unless otherwise expressly agreed with the Company, any Shareholder that tenders Shares in the Tender Offer will be deemed to make the representations, warranties, undertakings, agreements and acknowledgements set out in the Tender Form, including that they are either: (i) located outside of the United States and are not a US Person (and are not acting for the account or benefit of a US Person), or (ii) an AI and a QP.
- 9.3 The Tender Offer is being made in reliance on, and in compliance with, Regulation 14E under the US Exchange Act, and the rules and regulations thereunder (to the extent applicable). The Tender Offer is being made subject to United Kingdom disclosure requirements which are different from certain United States disclosure requirements. In addition, US Shareholders should be aware that this Circular has been prepared in accordance with a UK format and style, which differs from the US format and style. In particular, parts of this document contain information concerning the Tender Offer required by UK disclosure requirements which may be material and may not have been summarised elsewhere in the document. Furthermore, the Tender Offer will be subject to other procedural requirements, including with respect to withdrawal rights, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer procedures and law.
- 9.4 US Shareholders should note that the Shares are not listed on a US securities exchange and the Company is not subject to the periodic reporting requirements of the US Exchange Act and is not required to, and does not, file any reports with the SEC. The Tender Offer is not subject to the disclosure and other procedural requirements of Regulation 14D under the Exchange Act.
- 9.5 The receipt of cash pursuant to the Tender Offer by a US Shareholder may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each US Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of acceptance of the Tender Offer.
- 9.6 It may be difficult for US Shareholders to enforce their rights and any claim arising out of the US federal securities laws, since the Company is located in a foreign country, and all of its officers and directors are residents of a foreign country. US Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of the US securities laws. Further, it may be difficult to compel a foreign company and its affiliates to subject themselves to a US court's judgement. Whether located in the United States or elsewhere, US Shareholders will receive their cash consideration in pounds sterling.
- 9.7 In accordance with the City Code, normal UK practice and Rule 14e-5(b) of the US Exchange Act (if applicable), Shore Capital will continue to act as a connected exempt market maker or connected exempt principal trader in the Shares on the London Stock Exchange. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will only be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service of the FCA and will be available on the London Stock Exchange website, [www.londonstockexchange.com](http://www.londonstockexchange.com).
- 9.8 The Tender Offer is not being made, directly or indirectly, in or into, or by use of mails or by any means or instrumentality (including, without limitation, the internet, facsimile transmission, telex and telephone) of interstate or foreign commerce, or any facility or a national securities exchange, of any Restricted Territory and the Tender Offer cannot be accepted by any such use, means, instrumentality or facility or from within any Restricted Territory. Accordingly, copies of this Circular are not being, and must not be mailed or otherwise distributed or sent in or into any Restricted Territory, including to Shareholders with registered addresses in a Restricted Territory or to persons whom are known to be custodians, nominees, agents or trustees holding Shares for persons in a Restricted Territory. Receipt of this Circular and any accompanying document will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and in those circumstances this Circular and any accompanying document will be deemed to have been sent for information only and should not be copied or redistributed. Persons receiving such documents (including, without limitation, custodians, nominees, agents and trustees) or wishing to accept the Tender Offer should not distribute or send them in, into or from any Restricted Territory or use such mails or any such means, instrumentality or facility in connection with the Tender Offer, and so doing will render invalid

any related purported acceptance of the Tender Offer. All accepting Shareholders must provide addresses outside the Restricted Territories for the remittance of cash or the return of documents lodged pursuant to the Tender Offer.

- 9.9 A Shareholder will be deemed not to have accepted the Tender Offer if:
- 9.9.1 such Shareholder is unable to make the representations and warranties set out in paragraphs 7.1.7 or 7.1.8 (in respect of Shares held in certificated form) or paragraphs 7.2.6 or 7.2.7 (in respect of Shares held in uncertificated form) of this Part IV;
  - 9.9.2 such Shareholder has a registered address in a Restricted Territory and in such case such Shareholder does not insert in Box 3 of the Tender Form the name and address of a person or agent outside a Restricted Territory to whom he wishes the consideration to which he is entitled under the Tender Offer to be sent, subject to the provisions of this paragraph and the applicable laws;
  - 9.9.3 such Shareholder inserts in Box 3 of the Tender Form the name and address of a person or agent in a Restricted Territory to whom he wishes the consideration to which such Shareholder is entitled under the Tender Offer to be sent;
  - 9.9.4 such Shareholder inserts in Box 3 of the Tender Form a new/correct registered address in a Restricted Territory; or
  - 9.9.5 the Tender Form or Savings Scheme Tender Form received from him is in an envelope postmarked in, or which otherwise appears to Shore Capital or its agents to have been sent from, a Restricted Territory.
- 9.10 Shore Capital reserves the right, in its absolute discretion, to investigate, in relation to any acceptance, whether the representations and warranties referred to in paragraphs 7.1.7 or 7.1.8 (in respect of Shares held in certificated form) or paragraphs 7.2.6 or 7.2.7 (in respect of Shares held in uncertificated form) of this Part IV given by any Shareholder are correct and, if such investigation is undertaken and as a result Shore Capital or its agent determines (for any reason) that such representation and warranty is not correct, such acceptance shall not be valid.
- 9.11 If, in connection with making the Tender Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees, agents and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this Circular, the Tender Form, the Savings Scheme Tender Form or any related offering documents in, into or from any Restricted Territory or uses the mails, any means or instrumentality (including, without limitation, the internet, facsimile transmission, telex and telephone) of interstate or foreign commerce or any facility of a national securities exchange, of any Restricted Territory in connection with such forwarding, such persons should inform the recipient of such fact; explain to the recipient that such action may invalidate any purported acceptance by the recipient; and draw the attention of the recipient to this paragraph 9.
- 9.12 The provisions of this paragraph 9 and any other terms of the Tender Offer relating to Excluded Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by Shore Capital in its absolute discretion but only if Shore Capital is satisfied that such waiver, variance or modification will not constitute or give rise to a breach of applicable securities or other legal or regulatory requirements.
- 9.13 The provisions of this paragraph 9 supersede any terms of the Tender Offer inconsistent herewith.
- 9.14 Shareholders resident or located outside the United Kingdom, including without limitation, US Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. The comments set out in this Circular are intended to be a general guide only. Shareholders who are in any doubt about their position should consult their professional adviser in the relevant territory.

## 10. MISCELLANEOUS

- 10.1 The terms of the Tender Offer shall have effect subject to such non-material modifications or additions as the Company and Shore Capital from time to time approve in writing. The times



and dates referred to in this Circular may be amended by agreement between the Company and Shore Capital.

- 10.2 Any changes to the terms, or any suspension, extension or termination of the Tender Offer will be followed as promptly as practicable by a public announcement thereof no later than close of business on the Business Day following the date of such changes. Such an announcement will be released via an RIS. References to the making of an announcement by the Company includes the release of an announcement on behalf of the Company by Shore Capital to the press and delivery of or telephone or facsimile or other electronic transmission of such announcement via an RIS.
- 10.3 Except as contained in this Circular, no person has been authorised to give any information or make any representations with respect to the Company, Shore Capital or the Tender Offer, and, if given or made, such other information or representations should not be relied on as having been authorised by Shore Capital or the Company. Under no circumstances should the delivery of this Circular or the delivery of any consideration pursuant to the Tender Offer create any implication that there has been no change in the assets, properties, business or affairs of the Company since the date of this Circular.
- 10.4 Shore Capital reserves the absolute right to inspect (either itself or through its agents) all Tender Forms and Savings Scheme Tender Forms and may consider void and reject any tender that does not, in Shore Capital's sole judgement, meet the requirements of the Tender Offer. Shore Capital also reserves the absolute right to waive any defect or irregularity in the tender of any Shares, including any Tender Form or Savings Scheme Tender Form (in whole or in part) which is not entirely in order or which is not accompanied (in the case of Shares held in certificated form) by the related share certificate(s) and/or other document(s) of title or an indemnity acceptable to Shore Capital in lieu thereof. In that event, for Shares held in certificated form, however, the consideration under the Tender Offer will only be dispatched when the Tender Form or Savings Scheme Tender Form is entirely in order and the share certificate(s) or other document(s) of title or indemnities satisfactory to Shore Capital has/have been received. None of Shore Capital, the Company, Link Group or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification.
- 10.5 Without prejudice to the generality of paragraph 10.4 above, in relation to any discretion or determination exercised by Shore Capital and/or the Company for the purposes of the Tender Offer, none of Shore Capital, the Directors or the Company shall have any liability.

## **PART V**

### **TAXATION**

#### **United Kingdom Taxation**

The following comments are intended only as a general guide to certain aspects of current United Kingdom tax law and HMRC's published practice, both of which are subject to change, possibly with retrospective effect. The comments are not exhaustive, are of a general nature and do not constitute tax advice and apply only to Shareholders who (except where indicated) are resident for tax purposes in the United Kingdom, who hold their Shares beneficially as an investment and who, if they are individuals, are domiciled for tax purposes in the United Kingdom. They do not address the position of certain classes of Shareholders such as dealers in securities, insurance companies, collective investment schemes, or persons who have, or who are deemed to have, acquired their shares by reason of or in connection with an office or employment. Shareholders who are in any doubt as to their tax position are encouraged to seek independent professional advice.

In particular, the following comments do not address the US federal income tax considerations applicable to an investment in the Shares. Each prospective investor should consult its own tax advisers regarding the US federal income tax consequences of any such investment.

#### **The Company**

The Directors have been advised that, as the Company is an "alternative investment fund", section 363A of TIOPA 2010 should apply such that the Company should not be resident in the United Kingdom for United Kingdom tax purposes. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom (whether or not through a branch, agency or permanent establishment situated there), the Company is not currently subject to United Kingdom income tax or corporation tax other than on any United Kingdom sourced income.

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.

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.

### **Offshore Fund Rules**

The treatment described in the following paragraphs is based on the Company not being an “offshore fund” for United Kingdom tax purposes, and any gain arising on a disposal of a Shareholder’s Shares not being taxed as income under the rules applicable to “offshore funds”.

### **Repurchase of Shares under Tender Offer**

#### *UK resident individuals*

An individual Shareholder may, depending on that Shareholder’s personal circumstances, be subject to United Kingdom capital gains tax in respect of any gain arising on the repurchase of his/her Shares under the Tender Offer. For such individuals, capital gains are taxed at a rate of 10 per cent. (for basic rate taxpayers) or 20 per cent. (for higher or additional rate taxpayers). Individuals may, depending on their personal circumstances, benefit from certain reliefs and allowances (including an annual exemption from capital gains which is £12,300 for the tax year 2021/2022). Shareholders who are not resident in the United Kingdom for taxation purposes will not normally be liable to United Kingdom taxation on chargeable gains arising from the disposal of their Shares unless those Shares are held for the purposes of a trade, profession or vocation through a UK branch or agency, although they may be subject to foreign taxation depending on their own particular circumstances. Individual Shareholders who are temporarily not resident in the United Kingdom for tax purposes may be liable to United Kingdom capital gains tax under anti-avoidance legislation.

#### *UK resident companies*

Shareholders within the charge to United Kingdom corporation tax may be subject to corporation tax on chargeable gains in respect of any gain arising on a disposal of Shares. The amount of any chargeable gain may be reduced by indexation allowance if such Shares were acquired on or before 31 December 2017 (but such allowance may not create or increase an allowable loss).

#### *Transactions in Securities*

The attention of Shareholders is drawn to section 684 of the Income Tax Act 2007 (for individuals) and Part 15, CTA 2010 (for companies), and associated provisions, pursuant to which in certain circumstances HMRC may seek to cancel tax advantages from certain transactions in securities. In the event that such rules were successfully applied, Shareholders may be assessed to tax on a basis different from that set out above, including being taxed on an income basis as opposed to a chargeable gains basis in respect of their disposal of Shares.

### **The Placing Programme**

A summary of certain aspects of United Kingdom tax law applicable to the Placing Programme is set out in the Prospectus.

### **Guernsey Taxation**

The following information is general in nature and relates only to Guernsey taxation applicable to the Company and the anticipated tax treatment in Guernsey that applies to persons holding Shares in the Company as an investment. The summary does not constitute legal or tax advice and is based on taxation law and practice at the date of this Circular. Shareholders should be aware that the level and bases of taxation may change from those described and should consult their own professional advisors on the implications of acquiring, holding, disposing of, transferring or redeeming Shares in the Company under the laws of the countries in which they are liable to taxation.

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

The Company has been granted tax exempt status by the Director of Income Tax in Guernsey pursuant to the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989. The Company will need to reapply annually for exempt status, an application that currently incurs a fee of £1,200 per annum. It is expected that the Company will continue to apply for exempt status annually.

Once exempt status has been granted, the Company will not be considered resident in Guernsey for Guernsey income tax purposes and will be exempt from tax in Guernsey on both bank deposit interest and any income that does not have its source in Guernsey. It is not anticipated that any income other than bank deposit interest will arise in Guernsey and therefore the Company is not expected to incur any additional liability to Guernsey tax. In the absence of exemption, the Company would be treated as resident in Guernsey and subject to the standard company rate of income tax, currently zero per cent.

Consistent with its ongoing commitment to meeting international standards, the States of Guernsey concluded a review of Guernsey's corporate regime and agreed to abolish deemed distributions with effect from 1 January 2013. This does not affect collective investment schemes such as the Company, which can continue to apply for Guernsey tax exempt status.

### **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. Such shareholders will receive dividends without deduction of Guernsey income tax.

Any Shareholders who are resident in Guernsey will be subject to Guernsey income tax on any dividends paid to such persons but will not suffer any deduction of tax by the Company from any such dividends payable where the Company is granted tax exempt status. The Company is however required to provide to the Director of Income Tax the names, addresses and gross amount of any income paid to Guernsey resident Shareholders during the previous year when renewing the Company's exempt tax status each year.

At present Guernsey does not levy taxes upon capital inheritances, capital gains, gifts, capital transfer, wealth, sales or turnover (unless the varying of investments and 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 an *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, switching or redemption of Shares in the Company.

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

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.

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.

4 October 2021

## DEFINITIONS

The following definitions apply throughout this Circular and in the accompanying Form of Proxy and Tender Form, unless the context otherwise requires:

<b>“2020 Annual Report”</b>	the annual report and accounts of the Company for the year ended 31 October 2020
<b>“2021 AGM”</b>	the annual general meeting of the Company held on 20 April 2021
<b>“abrdn”</b>	the brand name for the asset management businesses of abrdn plc (formerly Standard Life Aberdeen plc)
<b>“AI”</b>	an “accredited investor” within the meaning of Rule 501 of Regulation D under the US Securities Act
<b>“AI/QP Certification”</b>	an accredited investor / qualified purchaser certificate, the form of which is annexed to this Circular
<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 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 in force from time to time
<b>“ASFML”</b>	Aberdeen Standard Fund Managers Limited
<b>“Basic Entitlement”</b>	means, with respect to each Eligible Shareholder, 15 per cent. of their Eligible Shares rounded down to the nearest whole number
<b>“Benefit Plan Investor”</b>	as defined in Section 3(3) of the United States Employee Retirement Income Security Act of 1974
<b>“Board” or “Directors”</b>	the board of directors of the Company whose names are set out on page 8 of this Circular
<b>“Business Day”</b>	a day on which the London Stock Exchange and banks in Guernsey are normally open for business
<b>“Calculation Date”</b>	has the meaning given in the Expected Timetable on page 4 of this Circular
<b>“Cash Option”</b>	the option pursuant to the Scheme for ANW Shareholders to elect to receive cash distributions at a discount of 2 per cent. to the aggregate FAV of the ANW Shares in respect of which they make such election, as further detailed in the Prospectus
<b>“certificated” or “in certificated form”</b>	not in uncertificated form
<b>“Certificated Shareholder”</b>	has the meaning ascribed to it in paragraph 4.1 in Part IV of this Circular
<b>“Circular”</b>	this document
<b>“City Code”</b>	the City Code on Takeovers and Mergers
<b>“CoL”</b>	City of London Investment Management Limited
<b>“Companies Law”</b>	the Companies (Guernsey) Law, 2008, as amended from time to time
<b>“Company”</b>	Aberdeen Emerging Markets Investment Company Limited
<b>“Conditions”</b>	has the meaning ascribed to it in paragraph 2 in Part IV of this Circular

<b>“Continuation Resolution”</b>	has the meaning ascribed to it in paragraph 7 in Part I of this Circular
<b>“CREST Shareholder”</b>	has the meaning ascribed to it in paragraph 4.4 in Part IV of this Circular
<b>“CREST”</b>	the facilities and procedures, for the time being, of the relevant system of which Euroclear has been approved as operator
<b>“CTA 2010”</b>	the UK Corporation Tax Act 2010
<b>“EGM Notice”</b>	the notice convening the Extraordinary General Meeting, as set out at the end of this Circular
<b>“Eligible Shareholders”</b>	Shareholders who are not Excluded Shareholders
<b>“Eligible Shares”</b>	Shares registered on the Record Date in an Eligible Shareholder’s name, or, in the case of a Savings Scheme Participant, in the name of the Nominee but beneficially owned by the Saving Scheme Participant
<b>“Euroclear”</b>	means Euroclear UK and Ireland Limited
<b>“Excluded Shareholder”</b>	a Shareholder who has an address in a Restricted Territory
<b>“Extraordinary General Meeting” or “EGM”</b>	the extraordinary general meeting of the Shareholders convened for 26 October 2021 at 2 p.m. (or any adjournment thereof)
<b>“FAV” or “Formula Asset Value”</b>	has the meaning ascribed to it in the section titled <i>“Combination with Aberdeen New Thai Investment Trust PLC”</i> on page 11 of this Circular
<b>“FAV per ANW Share”</b>	has the meaning ascribed to it in the section titled <i>“Combination with Aberdeen New Thai Investment Trust PLC”</i> on page 11 of this Circular
<b>“FAV per Share”</b>	has the meaning ascribed to it in the section titled <i>“Combination with Aberdeen New Thai Investment Trust PLC”</i> on page 11 of this Circular
<b>“Financial Conduct Authority” or “FCA”</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>“Forms of Direction”</b>	the forms of direction for use by Shareholders who are Savings Scheme Participants at the EGM
<b>“Forms of Proxy”</b>	the forms of proxy for use by Shareholders at the EGM
<b>“FSMA”</b>	the Financial Services and Markets Act 2000
<b>“HMRC”</b>	HM Revenue & Customs
<b>“Ineligible US Shareholder”</b>	a US Shareholder who is a Prohibited Person under the Articles
<b>“Investment Trust Tax Regulations”</b>	the Investment Trust (Approved Company) (Tax) Regulations 2011
<b>“Liquidation Pool”</b>	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
<b>“Liquidators”</b>	the liquidators of ANW pursuant to the Scheme, being Derek Neil Hyslop and Richard Peter Barker of Ernst & Young LLP
<b>“Listing Rules”</b>	the listing rules made by the FCA under section 74 of the FSMA
<b>“Management Agreement”</b>	the new management agreement to be entered into between the Company and ASFML in connection with the Proposals

<b>“NAV” or “Net Asset Value”</b>	the total assets of the Company less its total liabilities (including accrued but unpaid fees) valued in accordance with the Company’s accounting policies adopted by the Company from time to time
<b>“New Investment Policy”</b>	the new investment policy proposed to be adopted by the Company as set out in full in paragraph 2 in Part I of this Circular
<b>“Ordinary Resolution”</b>	a resolution of the Company passed at a duly convened meeting by a show of hands or on a poll, as the case may be, by a simple majority of the votes cast
<b>“Overseas Shareholders”</b>	those holders of Shares with registered addresses outside the United Kingdom and the Channel Islands
<b>“Panel”</b>	The Panel on Takeovers and Mergers
<b>“Placing”</b>	a placing of Shares pursuant to the Placing Programme on the terms and subject to the conditions set out in the Prospectus
<b>“Placing Price”</b>	any price at which Shares are issued pursuant to the Placing Programme
<b>“Placing Programme”</b>	the proposed programme of Placings to be carried out by Shore Capital on behalf of the Company
<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 described in paragraph 1 of Part I of this Circular
<b>“Prospectus”</b>	the prospectus of the Company dated 4 October 2021 and available on the Company’s website at <a href="http://www.aberdeenemergingmarkets.co.uk">www.aberdeenemergingmarkets.co.uk</a> under “ <i>Key Literature</i> ”, or in hard copy on request to <a href="mailto:operationalsupportteam@linkgroup.co.uk">operationalsupportteam@linkgroup.co.uk</a>
<b>“QP”</b>	a “qualified purchaser” as defined by Section 2(a)(51)(A) of the US Investment Company Act
<b>“Receiving Agent”</b>	Link Group, a trading name of Link Market Services Limited
<b>“Record Date”</b>	1 November 2021
<b>“Register”</b>	the register of Shareholders
<b>“Regulatory Information Service” or “RIS”</b>	means a primary information provider service approved to disseminate regulatory information to the market by the United Kingdom Financial Conduct Authority
<b>“Repurchase Agreement”</b>	the agreement dated on or around 4 October 2021 entered into between the Company and Shore Capital for the repurchase by the Company of any Tendered Shares
<b>“Resolution” or “Resolutions”</b>	any or all of the resolutions to be put forward at the Extraordinary General Meeting
<b>“Resolution 1”</b>	the Ordinary Resolution being put forward at the Extraordinary General Meeting relating to adoption of the New Investment Policy



<b>“Resolution 2”</b>	the Ordinary Resolution being put forward at the Extraordinary General Meeting relating to the Company’s authority to make market acquisitions of its Shares pursuant to the Tender Offer
<b>“Resolution 3”</b>	the Ordinary Resolution being put forward at the Extraordinary General Meeting relating to the Company’s general authority to make market acquisitions of up to 14.99 per cent. of the Shares in issue immediately following completion of the Scheme
<b>“Resolution 4”</b>	the Special Resolution being put forward at the Extraordinary General Meeting relating to the disapplication of pre-emption rights
<b>“Resolution 5”</b>	the Special Resolution being put forward at the Extraordinary General Meeting relating to the change of the Company’s name
<b>“Resolution 6”</b>	the Special Resolution being put forward at the Extraordinary General Meeting relating to the amendment to the Articles
<b>“Restricted Territories”</b>	Australia, Canada, Japan, South Africa and any other jurisdiction in which it would be unlawful to make or implement the Tender Offer
<b>“Rollover Option”</b>	the option for ANW Shareholders to be issued Scheme Shares pursuant to the Scheme, as further detailed in the Prospectus
<b>“Savings Scheme(s)”</b>	the abrdrn Share Plan, the abrdrn Investment Plan for Children and/or the abrdrn Investment Trusts ISA
<b>“Savings Scheme Participant”</b>	a holder of Shares through the Savings Schemes
<b>“Savings Scheme Tender Form”</b>	the tender form accompanying this Circular for use by the Savings Scheme Participants who wish to participate in the Tender Offer
<b>“Scheme”</b>	the proposed scheme of reconstruction of ANW under section 110 of the Insolvency Act 1986, pursuant to which ANW will combine with the Company
<b>“Scheme Shares”</b>	Shares in the Company to be issued to ANW Shareholders pursuant to the Scheme
<b>“SEC”</b>	United States Securities and Exchange Commission
<b>“Settlement Date”</b>	the date by which the consideration for Shares purchased in the Tender Offer will be settled by CREST payment or despatched by cheque to the Shareholders entitled thereto
<b>“Shareholder”</b>	a holder of Shares
<b>“Shares”</b>	shares in the ordinary share capital of the Company with a nominal value of 1 pence per share
<b>“Shore Capital”</b>	means Shore Capital and Corporate Limited, the Company’s financial adviser and/or Shore Capital Stockbrokers Limited, the Company’s broker, as the context requires
<b>“Special Resolution”</b>	a resolution of the Company passed at a duly convened meeting by a show of hands or on a poll, as the case may be, by a majority of not less than 75 per cent. of the votes cast
<b>“Sterling” or “£”</b>	United Kingdom pounds sterling
<b>“Tender Consideration”</b>	the amount of cash to be paid to a Shareholder in consideration for their Tendered Shares, calculated by multiplying the number of such Shareholder’s Tendered Shares by the Tender Price
<b>“Tender Form”</b>	the Tender Form accompanying this Circular for use by Shareholders holding Shares in certificated form who wish to participate in the Tender Offer

<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 this Circular, the Tender Form and the Savings Scheme Tender Form
<b>“Tender Price”</b>	the price per Share at which Shore Capital will acquire Tendered Shares from Tendering Shareholders, and at which the Company shall acquire Tendered Shares from Shore Capital pursuant to the Repurchase Agreement, calculated as described in paragraph 3 of Part IV of this Circular
<b>“Tender Resolution”</b>	Resolution 2
<b>“Tendered Shares”</b>	the Eligible Shares successfully tendered pursuant to the Tender Offer and to be purchased by Shore Capital and then sold to the Company
<b>“Tendering Shareholders”</b>	a Shareholder who has tendered Shares pursuant to the Tender Offer
<b>“TFE Instruction”</b>	a transfer from escrow instruction (as described in the CREST manual issued by Euroclear)
<b>“TIOPA”</b>	the UK Taxation (International and other Provisions) Act 2010
<b>“TTE Instruction”</b>	a transfer to escrow instruction (as described in the CREST manual issued by Euroclear) containing the details set out on page 31 of this Circular
<b>“uncertificated” or in “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 Uncertificated Securities (Guernsey) Regulations 2009, may be transferred by means of CREST
<b>“United Kingdom” or “UK”</b>	the United Kingdom of Great Britain and Northern Ireland
<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 Exchange Act”</b>	the United States Securities Exchange Act of 1934
<b>“US Investment Company Act”</b>	the United States Investment Company Act of 1940
<b>“US Person”</b>	a “U.S. person” as defined in Regulation S under the US Securities Act
<b>“US Securities Act”</b>	the United States Securities Act of 1933
<b>“US Shareholder”</b>	a Shareholder who is a US Person

## ABERDEEN EMERGING MARKETS INVESTMENT COMPANY LIMITED

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

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of the Company will be held at 11 New Street, St Peter Port, Guernsey, GY1 2PF at 2 p.m. on 26 October 2021 to consider and, if thought fit, pass the following resolutions.

### ORDINARY RESOLUTIONS

1. **THAT** the New Investment Policy of the Company be and is hereby approved;
2. **THAT**, subject to Resolution 1 being passed, the Company be and is hereby authorised in accordance with section 315 of the Companies Law, to make market acquisitions (within the meaning of section 316 of the Companies Law) of its Shares pursuant to the Tender Offer to Eligible Shareholders to be made by Shore Capital on the terms set out in the Company's circular to its Shareholders dated 4 October 2021 (the "**Circular**"), a copy of which has been produced to the Extraordinary General Meeting and signed for the purposes of identification by the Chairman, provided that:
  - (a) the maximum number of Shares hereby authorised to be acquired is 6,894,773 (being 15 per cent. of the estimated issued ordinary share capital (excluding treasury shares) of the Company as at the Record Date) or, if lower, a number representing 15 per cent. of the issued ordinary share capital (excluding treasury shares) of the Company as at the Record Date;
  - (b) the maximum and minimum price which may be paid for a Share is the Tender Price, as defined in the Circular;
  - (c) the authority hereby conferred shall expire nine months after the date of this Extraordinary General Meeting, unless previously renewed, varied or revoked by the Company in general meeting; and
  - (d) the Company may make a contract to purchase its Shares under the authority hereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority, and may purchase its Shares in pursuance of any such contract, and
  - (e) the authority hereby conferred is in addition to, and not in substitution for, any existing authority of the Company to repurchase its Shares including, in particular, the authority conferred by Resolution 10 at the 2021 AGM and (if passed) the authority in substitution thereof conferred by Resolution 3 of the Extraordinary General Meeting.
3. **THAT**, subject to Resolution 1 being passed, the Company be and is hereby generally authorised in accordance with section 315 of the Companies Law, to make market acquisitions (within the meaning of section 316 of the Companies Law) of its Shares, provided that:
  - (a) the maximum number of Shares hereby authorised to be acquired is 7,007,121 (being 14.99 per cent. of the estimated issued ordinary share capital (excluding treasury shares) of the Company immediately following completion of the Scheme) or, if lower, a number representing 14.99 per cent. of the issued ordinary share capital of the Company (excluding treasury shares) immediately following completion of the Scheme (particulars of which are set out in the Company's Prospectus dated 4 October 2021);
  - (b) the minimum price (exclusive of expenses) which may be paid for a Share is £0.01;
  - (c) the maximum price to be paid per Share shall be the higher of: (a) 105 per cent. of the average of the closing market value of the Shares for the five Business Days immediately preceding the date of the relevant purchase; (b) the price of the last independent trade; and (c) the highest current independent bid on the trading venues where the purchase is carried out;

- (d) the authority hereby conferred shall expire at the earlier of the conclusion of the AGM of the Company to be held in 2022 and the date being 18 months from the date of this resolution, unless previously renewed, varied or revoked by the Company in general meeting;
- (e) the Company may make a contract to purchase its Shares under the authority hereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority, and may purchase its Shares in pursuance of any such contract;
- (f) the authority hereby conferred is in substitution for the authority conferred by Resolution 10 at the 2021 AGM (subject to condition (g) below) and is in addition to the authority conferred by Resolution 2 of the Extraordinary General Meeting; and
- (g) the authority hereby conferred shall be ineffective if the Scheme does not proceed to completion, in which case the authority conferred by Resolution 10 at the 2021 AGM shall remain in effect.

### **SPECIAL RESOLUTIONS**

- 4. **THAT**, subject to Resolution 1 being passed, the Shareholders hereby waive, with respect to any allotment and issue of Shares pursuant to the Placing Programme, any and all rights of pre-emption or similar rights which they may have, whether under the Articles of Incorporation of the Company (including, without limitation, Article 6.2(a)) or otherwise. This waiver will expire on 3 October 2022, being the last date for Shares to be issued pursuant to the Placing Programme.
- 5. **THAT**, subject to Resolution 1 being passed, the Company's name be changed from "Aberdeen Emerging Markets Investment Company Limited" to "abrdn China Investment Company Limited".
- 6. **THAT**, subject to Resolution 1 being passed, the Articles produced to the meeting and initialled by the Chairman for the purposes of identification be approved and adopted as the Articles of the Company in substitution for, and to the exclusion of, the existing Articles with effect from the conclusion of this Extraordinary General Meeting.

**Terms defined in the Circular shall have the same meanings in these Resolutions and this EGM Notice, save where the context otherwise requires.**

**By the order of the Board**

4 October 2021

**Registered Office:**

11 New Street  
St. Peter Port  
Guernsey  
GY1 2PF

Notes:

1. A Shareholder entitled to attend and vote may appoint a proxy to attend, speak and vote instead of him/her. A Shareholder may appoint more than one proxy in relation to the EGM provided that each proxy is appointed to exercise the rights attached to a different Share or Shares held by the Shareholder. A proxy need not be a Shareholder of the Company.
2. To appoint more than one proxy to vote in relation to different Shares within your holding you may photocopy the Form of Proxy. Please indicate the proxy holder's name and the number of Shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of Shares held by you), Please also indicate if the proxy instruction is one of multiple instructions being given. All Forms of Proxy must be signed and should be returned together in the same envelope.
3. Forms of Proxy duly completed, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority must be deposited with the Company's Receiving Agent, Link Group, PXS, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL, not later than 1 p.m. on 22 October 2021 or not less than forty eight hours before the time appointed for the holding of any adjourned EGM or, in the case of a poll taken more than 48 hours after it was demanded, 24 hours before the time appointed for the taking of a poll or in the case of a poll taken not more than 48 hours after it was demanded, the time at which the poll was demanded.
4. A Form of Proxy is included for use by Shareholders to complete, sign and return. Completion and return of the Form of Proxy will not prevent a Shareholder from subsequently attending the EGM or any adjournments and voting in person if he/she so wishes.
5. Savings Scheme Participants are entitled to attend and vote at the EGM if the Form of Direction which is enclosed with this Circular is correctly completed and returned in accordance with the instructions thereon.
6. Entitlement to attend and vote at the EGM (or any adjournment thereof) and the number of votes which may be cast thereat will be determined by reference to the Company's register of Shareholders as at close of business on 22 October 2021.
7. To allow effective continuation of the meeting, if it is apparent to the Chairman that no Shareholders will be present in person or by proxy, other than by proxy in the Chairman's favour, the Chairman may appoint a substitute to act as proxy in his stead for any Shareholder provided that such substitute proxy shall vote on the same basis as the Chairman.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the EGM to be held on the above date and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
9. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's Receiving Agent (CREST ID is RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's agent is liable to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
10. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take, (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor's or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST systems and timings.
11. The Company may treat as invalid a CREST Proxy Instructions in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Capitalised terms used in the EGM Notice and the Resolution have the same meanings as given to them in the Circular.

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## ANNEX – FORM OF AI/QP CERTIFICATION

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 shareholder circular dated 4 October 2021 published by the Company (the “Circular”), the Shareholder named below (or the accounts listed on the attachment hereto) agrees and acknowledges, on its own behalf or on behalf of each account for which it holds any Shares, and makes the representations and warranties, on its own behalf or on behalf of each account for which it holds any Shares, as set forth in paragraphs (1) through (14) of this AI/QP Certification.

Unless otherwise indicated, capitalised terms in this AI/QP Certification shall have the meaning given to them in the Circular.

### 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 [corporate.secretarial.gg@vistra.com](mailto:corporate.secretarial.gg@vistra.com) and the Receiving Agent at [operationalsupportteam@linkgroup.co.uk](mailto:operationalsupportteam@linkgroup.co.uk) (cc: [gaelen.perrone@hsf.com](mailto:gaelen.perrone@hsf.com); [corporate.secretarial.gg@vistra.com](mailto:corporate.secretarial.gg@vistra.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 Shares of the Company 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 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 Shares may not be transferred except as permitted in this paragraph (3) of this AI/QP Certification. The Shareholder agrees that if, in the future, it decides to offer, resell, pledge or otherwise transfer such Shares, such 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 (a “**Regulation S Transfer**”); 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 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 Certification 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 Shares in a manner consistent with paragraph (3) of this AI/QP Certification, the Company or the Directors may dispose of the 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 Shares, including the date on which it disposes of such 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 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 Circular. The Shareholder has received a copy of the Circular, and has not distributed, forwarded, transferred or otherwise transmitted the Circular or any other materials concerning the Shares to any persons within the United States or to any US Persons, nor will it do any of the foregoing. The Shareholder understands and agrees that the Circular 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 Circular. 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 holding of Shares.
9. The Shareholder understands the limitations and restrictions regarding ownership regarding the Shares, including those described in the Articles. The Shareholder additionally understands that the 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 Certification 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 Certification is authorised to make the acknowledgments, representations and warranties, and enter into the agreements, contained in this AI/QP Certification.
11. The Shareholder is holding the 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 Shares. The Shareholder's Shares 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 Certification as a basis for exemption of the 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 Certification 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 Certification shall be governed by and construed in accordance with the laws of the State of New York.

