Pacific Assets Trust plc

Annual Report for the year ended 31 January 2013

Frostrow CAPITAL

First State Stewart

Contents

Annual Report

Financial Calendar

31 January	Financial Year End
April	Final Results Announced
31 July	Half Year End
September	Half Year Results Announced
May/November	Interim Management Statement Announced
June	Annual General Meeting
June	Dividend Payable

The Company

The Company is an investment trust and its shares are listed on the Official List and traded on the main market of the London Stock Exchange. The Company is a member of the Association of Investment Companies.

Total assets less current liabilities as at 31 January 2013 were £187.6 million and the market capitalisation was £172.4 million.

Investment Objective

To achieve long term capital growth through investment in selected companies in the Asia Pacific region and the Indian sub-continent, but excluding Japan, Australia and New Zealand (the 'Asia Pacific Region'). Up to a maximum of 20% of the Company's total assets (at the time of investment) may be invested in companies incorporated and/or listed outside the Asia Pacific Region, including Japan, Australia and New Zealand, but whose economic activities are predominantly within the Asia Pacific Region.

Investment Policy

The Company's investment policy is contained within the Report of the Directors on pages 15 and 16.

Management

The company employs First State Investment Management (UK) Limited as Investment Manager and Frostrow Capital LLP to provide company management, company secretarial, administrative and marketing services. Further details of the terms of these appointments are provided on page 14.

Performance Assessment

The Company exists in a competitive environment and aims to be a leader in its peer group, defined by being consistently within the top third of that group measured by net asset value total return. The Company is committed to building a long-term investment record and will assess itself by reference to its peers on a rolling three year basis.

Performance is also measured against the MSCI All Country Asia ex Japan Index measured in sterling terms on a total return basis.

Capital Structure

The Company's capital structure is composed solely of Ordinary Shares. Details are given in note 11 to the accounts on page 37.

ISA Status

The Company's shares are eligible for Individual Savings Accounts ('ISAs') and for Junior ISAs.

Website

The Company's internet address is www.pacific-assets.co.uk

Gearing

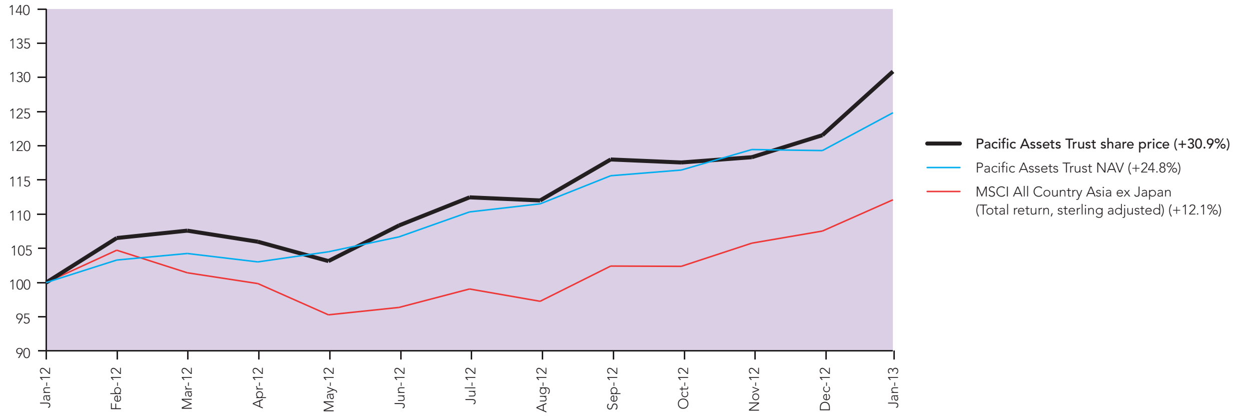
The Company is not currently geared.

Financial Highlights

	31 Jan 2013	31 Jan 2012
Share price total return*	+30.9%	–11.5%
Net asset value per share total return*	+24.8%	–3.0%
MSCI All Country Asia ex Japan Index (total return, sterling adjusted)*	+12.1%	–5.9%
Dividend per share	2.6p	2.6p
Discount of share price to net asset value per share	8.2%	12.5%

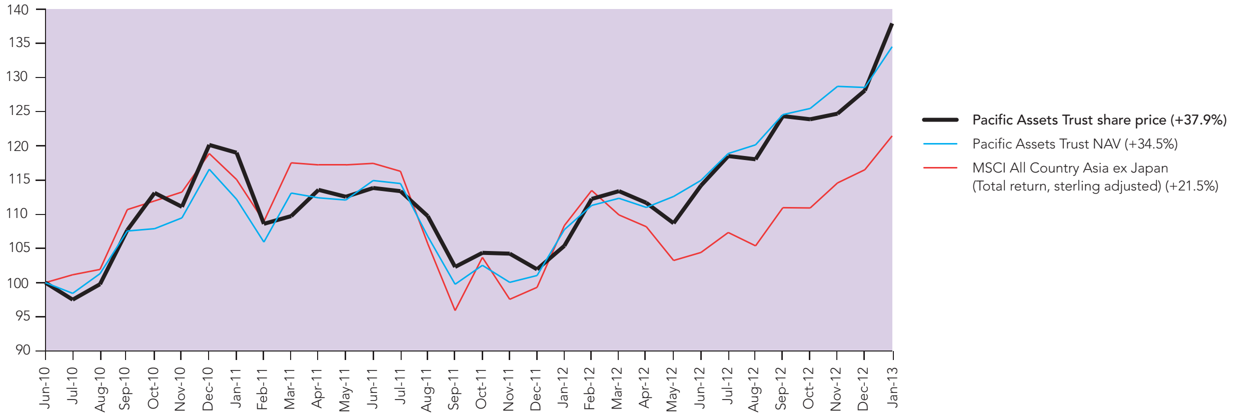
* Source: Morningstar

Total Return Performance for the year to 31 January 2013



Source: Morningstar
Rebased to 100 as at 31 January 2012

Total Return Performance since the Date of Appointment of First State Investment Management (UK) Limited as Investment Manager



Source: Morningstar
Rebased to 100 as at 30 June 2010

Chairman's Statement

"I am delighted to report that this has been a year of significant growth for your Company."

Performance

The Company's share price total return of 30.9% and net asset value per share total return of 24.8% both outperformed the Company's benchmark, the MSCI All Country Asia ex Japan Index measured in sterling terms on a total return basis, (which rose by 12.1%) by a substantial margin. I am also pleased to note that your Company was the best performing investment trust in its peer group during the year, both in terms of share price and net asset value total return performance. In addition, the discount of the Company's share price to the cum income net asset value per share narrowed from 12.5% as at 31 January 2012 to 8.2% as at 31 January 2013.

Since the appointment on 1 July 2010 of First State, the Company's share price total return has been 37.9% and the net asset value per share total return 34.5%, both significantly outperforming the Company's benchmark which rose by 21.5%.

These excellent results have triggered the payment to First State of a first performance fee of £627,000. This amounts to 0.3% of the Company's net assets and has been charged to the capital account. In future, any performance fee will be calculated annually with reference to a rolling three year period. Details of the fee arrangements can be found on page 14.

Sustainable Investment

First State has managed your portfolio since their appointment by selecting companies which, through their commitment to sustainable development, are more likely to produce superior returns over time. Equally significantly, companies which observe good corporate governance and have responsible, well planned business strategies are considerably less likely to produce losses through unforeseen events. I recommend you read the investment manager's report in which this philosophy is articulated more fully.

Revenue and Dividend

In my statement last year, I mentioned that the Company had generated an increased level of net revenue of £3.7m. However, the level of net revenue generated during the year under review fell to £3.0m, due to a reduction in the overall yield from portfolio investments. The Company's earnings per share for the year were 2.6p, compared to 3.2p for the previous year. The Board has elected to utilise approximately £65,000 of the Company's accumulated revenue reserves in order to recommend an unchanged final dividend for the year of 2.6p per share. The dividend will be paid on 28 June 2013 to those shareholders on the register on 31 May 2013. The associated ex-dividend date will be 29 May 2013.

The Board reminds shareholders that it remains the Company's policy to pursue capital growth for shareholders with income being a secondary consideration.

The Board

Stuart Leckie, who has been a Director of the Company since 2001, will be retiring from the Board at the conclusion of this year's Annual General Meeting. Stuart's knowledge and experience have been an essential part of your Board's deliberations and I would like to thank him for his hard work during his time on the Board. His experience and wise counsel will be greatly missed. Your Board will identify a suitable replacement for Mr Leckie in due course.

Chairman's Statement

Continued

Annual General Meeting

The Annual General Meeting this year will be held at the Barber-Surgeons' Hall, Monkwell Square, Wood Street, London EC2Y 5BL on Tuesday, 25 June 2013 at 12 noon. We look forward to seeing as many shareholders as possible. Shareholders who are unable to attend the meeting are encouraged to return their forms of proxy to ensure their votes are represented.

Outlook

Asia was one of the best performing regions in 2012. Although the stock markets of the Asia Pacific Region are subject to volatility caused by external and internal events, it is anticipated that robust economic growth within Asia itself should provide a positive environment for investors. Your Board believes the sustainable investment philosophy which underlies your investment manager's approach will provide satisfactory returns for the patient long term investor.

David Nichol
Chairman

3 April 2013

Investment Manager's Review

"Asia's biggest challenge is not the generation of rapid short-term economic growth. Rather it is in addressing the enormous sustainable development challenges facing the region."

The Region

It is always difficult to make general comments on a region that is home to over four billion people who speak more than 2000 separate languages and inhabit an area that stretches from the windswept deserts of Baluchistan to the 7,107 tropical islands that make up the Philippines archipelago. According to the United Nations, Asia is made up of fifty separate countries, each with their own unique blend of politics, economics and culture. At first glance, 2012 was a good year for Asia. No new wars were started. None of the region's more than 500 nuclear weapons were fired in anger. There were no coups. Meanwhile, progress was made on several of the region's most intractable internal conflicts. A ceasefire was declared in Assam, Northern India, after a conflict lasting over thirty years and costing tens of thousands of lives. In Mindanao, the Moro Islamic Liberation Front signed a peace agreement with the Philippines Government, ending a forty year conflict estimated to have cost more than 120,000 lives. More generally, democracy continued to spread slowly across the region, with more autonomy being passed from central governments to provincial and city authorities. This has been crucial in reducing the risk of new conflict in places such as Aceh in Indonesia and Uttarakhand in India.

When viewed through traditional measures such as gross domestic product (GDP), economic progress was also good. While the giant economies of China and India both slowed, they both still grew their economies by over 5% Meanwhile, many of Asia's more nimble economies expanded at an even faster rate. Cambodia, Malaysia, Myanmar, Indonesia, the Philippines and Thailand all grew their GDP by at least 6% over the year. This compares to a European economy that contracted in 2012 and a US economy that managed to expand by about 2%. Against such a political and economic backdrop it is not surprising that many Asian companies were able to grow both their earnings and their share prices over the year.

Sustainability

Asia's biggest challenge is not the generation of rapid short-term economic growth. Rather it is in addressing the enormous sustainable development challenges facing the region. We have written about these extensively in the past. By this sustainable development yardstick, progress in Asia is more mixed. Although data is not yet available, it is reasonable to assume that at an aggregate level, health, education and poverty rates all moved in the right direction in 2012, albeit at a painfully slow rate.

On the other hand, inequalities continue to rise while, despite signs of progress in some areas, Asia's environmental challenges have yet to be met head on. It seems only fair that Asia gets rich, then gets green. After all, this has been the traditional mindset of Western economies. Unfortunately, Asia does not have that luxury. To take just one example, Asia's water constraints are becoming an increasingly important constraint on economic growth. Asia is already the driest continent. Per capita availability of freshwater in Asia is one tenth of the level available in South America and less than half the global average. The problem is worsening, with water availability in Asia falling by almost 2% per year due to agriculture and industrial extraction and mismanagement of resources. Many Asian countries are now officially classified as in "water stress" while the region's great rivers are now highly polluted and so depleted that some of them no longer even reach the ocean. The Yellow River, cradle of the earliest known Chinese civilization, now frequently runs dry. Likewise, the Indus River in Pakistan. The Ganges River has almost come to a standstill in places, with pollution levels of more than 100 times safe limits recorded. It is estimated that over 1,500 million litres of untreated sewage is discharged into India's most sacred river every day. Water is just one part of the sustainability challenge. A similar story can be told for many of Asia's other natural resources including the region's forest, arable land and fish stocks.

What does this mean for investors in the region? An investor recently commented "this sustainability stuff is all very well, but how will Pacific Assets Trust make me money?"

For us there is no distinction. The two go hand-in-hand. Those companies able to deliver long-term returns for investors in the region will be the ones who best understand Asia's pressing sustainability challenges and ensure their businesses are well positioned to be part of the solution, not part of the problem. There are no magic solutions to any of Asia's sustainability challenges, but there are many small steps that can and will be taken over time across Asia. For example, Asia's water problems will eventually be addressed by a combination of small-scale, decentralised rainwater harvesting, closed loop water treatment facilities at company factories, drip irrigation, better pricing practices, fewer badly designed dams, better public

Investment Manager's Review

Continued

infrastructure, a greater strategic emphasis on prioritising industrial usage and of course less corruption.

We believe it is possible to generate good long-term financial returns from identifying Asian companies who are well positioned to contribute to these solutions, both directly and indirectly. For example, one of the Company's largest investments is Manila Water (Philippines). The company has spent the last sixteen years earning its social license to operate by delivering clean, affordable water to Manila's households. Since taking on the concession in 1997, the company has been able to cut leakage rates from over 50% to less than 12%, while coverage rates have increased from less than 50% to almost 100%. This record has allowed Manila Water to present its credentials to other Asian cities with poor water infrastructure and scarce water resources, from Jakarta in Indonesia to Ho Chi Minh in Vietnam. Other direct beneficiaries include Asian manufacturers of drip irrigation systems, water pumps, industrial filters and membrane technologies.

As well as direct beneficiaries, it can be revealing to look more indirectly to see how companies in other industries such as the consumer, electronics, pharmaceutical and textile companies approach their water resources. Do they measure, benchmark and report their water usage? Do they pay market rates for their water extraction? Are they treating and recycling their own water or simply dumping it untreated back into the river? Answers to these questions provide a valuable insight into the quality of management and the long-term sustainability of business franchises.

As well as identifying well-positioned companies capable of generating long-term returns, a focus on sustainability positioning also helps to reduce the risk of losing money too. There are many Asian companies we have chosen, for now, not to invest your savings in due to their inefficient use of scarce Asian water resources or their role in polluting Asia's lakes and rivers. Examples include oil, gas and mining companies hoping to draw down on scarce drinking water aquifers, coal-to-liquids manufacturers, intensive animal and fish protein producers, textile and electronics companies with poor records of polluting local waterways and bottled water distributors. It is important to reiterate that we are not taking any ethical decisions here. We are simply choosing not to invest in such companies because we believe the financial risks are too great.

Performance

We are pleased to report that both the Company's net asset value and share price total return substantially outperformed the benchmark and its peer group during the year. Your portfolio is constructed from a bottom-up perspective. Although we pay attention to the political and economic backdrop on which Asian companies operate, we prefer to analyse performance very much at a stock level. The tables below and overleaf highlight the top ten positive contributors to and detractors from performance over the past twelve months. As always, it is hard to identify consistent themes, given our emphasis on investing in companies not countries or sectors. The top five contributors consist of a water utility, a semiconductor company, a bank, a coconut cooking oil manufacturer and a gas pipeline distributor, all of them located in different countries. It is a similar story for the detractors. That is not to say there are no lessons to be learnt. On the contrary, much of our time is spent reviewing our mistakes in the hope of not repeating them. Over the past year, some of the mistakes we have made include underestimating regulatory risks (Tata Power and China Longyuan Power), paying insufficient attention to the poor alignment of majority and minority shareholders (Container Corporation, Chunghwa Telecom and E-Mart) and failing to grasp fully the challenges of running bus companies during a period of rising wage and fuel prices (Transport International).

Top Ten Contributors

Stock Name	Contribution to performance	Country	Sector
Manila Water Company	3.44%	Philippines	Utilities
Taiwan Semiconductor Manufacturing Company	2.11%	Taiwan	Information Technology
Kasikornbank	1.92%	Thailand	Financials
Marico	1.84%	India	Consumer Staples
Towngas China	1.78%	China	Utilities
Satyam Computer Services	1.71%	India	Information Technology
Delta Electronics (Thailand)	1.56%	Thailand	Information Technology
Axiata Group	1.05%	Malaysia	Telecom Services
AmorePacific Group	0.95%	South Korea	Consumer Staples
DBS Group	0.78%	Singapore	Financials
	17.14%		

Source: First State Investment Management (UK) Limited

Investment Manager's Review

Continued

The top ten detractors from performance are highlighted below.

Stock Name	Detraction from performance	Country	Sector
Tata Power	-0.26%	India	Utilities
Simplo Technology	-0.15%	Taiwan	Information Technology
China Longyuan Power Group	-0.14%	China	Utilities
Transport International	-0.12%	Hong Kong	Industrials
EID Parry India	-0.11%	India	Materials
E-Mart	-0.09%	South Korea	Consumer Staples
Chunghwa Telecom	-0.08%	Taiwan	Telecom Services
Globe Telecom	-0.07%	Philippines	Telecom Services
Container Corp Of India	-0.06%	India	Industrials
Hemas Holdings	-0.05%	Sri Lanka	Industrials
	-1.13%		

Source: First State Investment Management (UK) Limited

Portfolio Changes

The portfolio remains substantially unchanged from twelve months before. Those changes that have been made are for one of three reasons. Most importantly, we continue to generate a small number of new investment opportunities. For example, we have recently taken stakes in a Taiwanese consumer company with a strong healthy foods portfolio (Standard Foods), the Bangladeshi subsidiary of one of our favourite Indian consumer companies (Marico Bangladesh) and an Indian bicycle manufacturer (Tube Investments). Second, we have sold shares in several former holdings where the investment case no longer stands due to either a deterioration in corporate governance or a fundamental change in our assessment of the quality of management or the franchise. For example, we sold Container Corporation during the year as concerns about the possible redirection of healthy cashflows towards other related companies, at the expense of minority shareholders. Finally, we place particular emphasis on the price we pay for shares in our favourite companies. When valuations become extended we are left with no choice but to trim or sell completely our holdings. During the past twelve months we have for example reduced our exposure to companies such as Hongkong and China Gas (China) and Manila Water (Philippines) for valuation reasons.

Outlook

It is important to stress that we are not simply setting out to invest in every listed water utility in Asia. The majority of such companies do not meet our strict quality criteria. This can be for one or more of several reasons. Perhaps there are corporate governance concerns or question marks over management integrity. Perhaps the quality of the franchise is not sufficient – for example, if the utility is failing to address coverage rates or leakage rates, then they run the risk of losing their license to operate from society over time. Too many water companies are tempted to take on too much financial risk in their balance sheet by borrowing too much or borrowing in the wrong currency. Even where our quality criteria are met, the valuation of a company's share price can put it off limits. Fortunately, we can afford to be choosy. At the last count there were over 10,000 listed companies in Asia. We are only looking to find between 40-60 well-managed companies who are well-positioned from a sustainable development perspective. From banks to consumer companies to technology companies, we are simply trying to identify well-managed companies who have a role to play in Asia's long-term sustainable development. Our long-term outlook hinges on our ability to identify such well-positioned companies rather than our ability to forecast annual currency trends or short-term changes in economic activity.

David Gait
Senior Investment Manager
First State Investment Management (UK) Limited
3 April 2013

The Investment Manager's Sustainable Investment Strategy

Definition of Sustainable Investment

By sustainable investment, First State is not referring to 'green', 'clean tech' or 'ethical' investing. Their emphasis is on sustainable development. They are simply setting out to invest in those companies they believe are particularly well-positioned to deliver long-term returns in the face of the huge development challenges facing all countries today.

The root causes of these development challenges are numerous and complex. They include population pressure, land and water scarcity and degradation, resource constraints, income inequality, ethnic and gender inequalities and extreme levels of poverty. It is becoming increasingly clear that in order to tackle these development challenges, both developed and developing countries will be required to reinvent their development trajectories and shift away from the current resource intensive, consumption intensive, overly debt-dependent development models towards a more genuinely sustainable path of economic development.

Sustainable investment has always been an integral part of the First State team's investment philosophy and stock-picking process. At the heart of this philosophy is the principle of stewardship.

They believe their job is to invest their clients' capital in good quality companies with strong management teams and sound long-term growth prospects.

Each investment is a decision to purchase, not a piece of paper or an electronic Bloomberg ticker, but part of a real business with all the rights and responsibilities that go with this 'share' of the ownership of the company. They take these rights and responsibilities seriously. They also believe the way they behave as investment professionals and the role they play in the broader industry are important for their own sustainability.

All the First State investment strategies strive to integrate environmental, social and governance (ESG) considerations into every investment decision. Their sustainability strategies take this one step further by focusing on long-term sustainability themes as a key driver of the investment process.

Sustainable Investment Aim

To generate attractive long-term, risk-adjusted returns by investing in the shares of those companies which are particularly well-positioned to benefit from, and contribute to, the sustainable development of the countries in which they operate.

Investment Philosophy

First State seeks to invest only in good quality companies. Quality is measured through the lenses of management's financial and franchise quality. By analysing the sustainability performance and positioning of companies they can better measure less-tangible elements of quality and identify hidden risks.

First State are long-term investors. They strive to make investment decisions with a five year time horizon.

They have an absolute return mindset. That is, they define risk as losing money for their clients, rather than in terms of deviation from any benchmark index. They focus as much on the potential downside of their investment decisions as on the anticipated upside. The identification of long-term sustainability risks thus becomes an extremely important way of managing risk. In addition, their willingness to differ substantially from index weightings, both country and company, means they are not obliged to be invested anywhere where they have particular sustainability concerns.

They also recognise there is no such thing as a perfect company. They are active owners and stewards of the companies they own.

In summary: Sustainable Investment

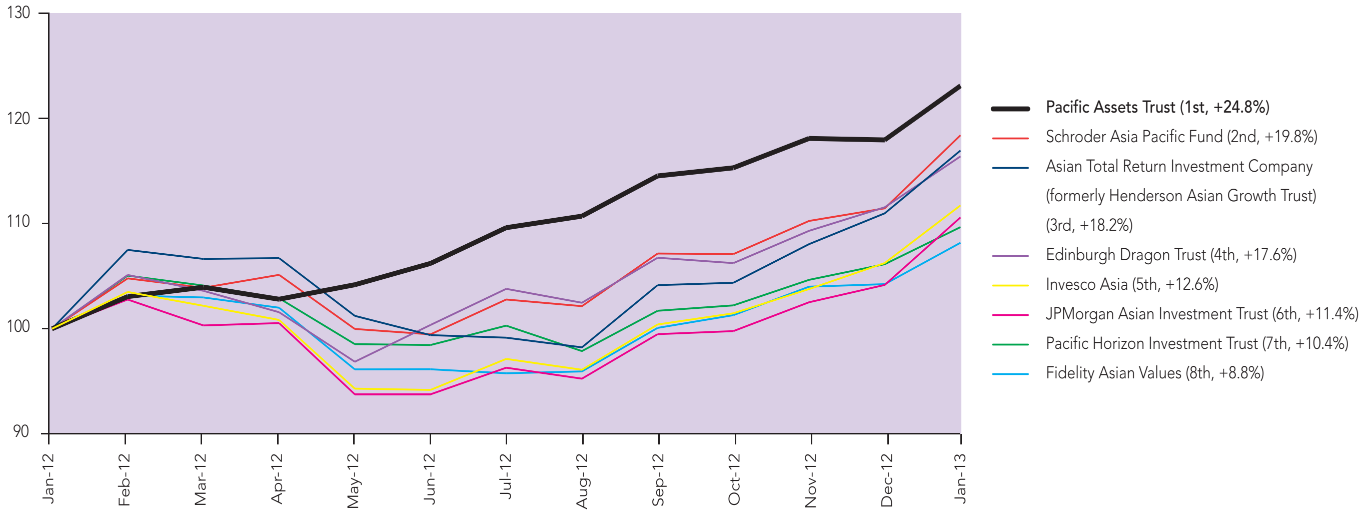
- First State looks to invest clients' capital in quality companies that have sound growth prospects, then actively engages with them over the long-term;
- Determining the quality of a company involves assessing the management, the franchise and the financials; it also entails assessing the sustainability performance and positioning of a company;
- Sustainability is the degree to which a company will benefit from and contribute to achieving higher levels of human development by using the fewest possible resources;
- First State has a strong conviction that the sustainability of companies defines their quality and plays an important role in determining their future growth.

Performance Summary

	As at 31 January 2013	As at 31 January 2012	% Change
Share price	147.5p	115.3p	+27.9
Net asset value per share	160.6p	131.7p	+21.9
Discount of share price to net asset value per share	8.2%	12.5%	–
Shareholders' funds	£187.6m	£153.9m	+21.9
Market capitalisation	£172.4m	£134.7m	+27.9
	One year to 31 January 2013	One year to 31 January 2012	
Share price (total return)	+30.9%	-11.5%	n/a
Net asset value per share (total return)	+24.8%	-3.0%	n/a
MSCI All Country Asia ex Japan Index (total return, sterling adjusted)	+12.1%	-5.9%	n/a
Revenue and Dividend			
Revenue return per share	2.6p	3.2p	-18.8
Dividend per share	2.6p	2.6p	–
Ongoing charges*	1.3%	1.4%	n/a
Performance fee payable	0.4%	–	n/a
Ongoing charges including performance fee	1.7%	1.4%	n/a
Year's Highs/Lows	High	Low	
Net asset value per share	162.3p	131.4p	
Share price	147.9p	113.8p	
Discount of share price to net asset value per share‡	6.8%	14.0%	

‡Discount high – Narrowest discount in year
Discount low – Widest discount in year
Source: Morningstar
*See glossary on page 44

One Year Net Asset Value Total Return Peer Group Performance

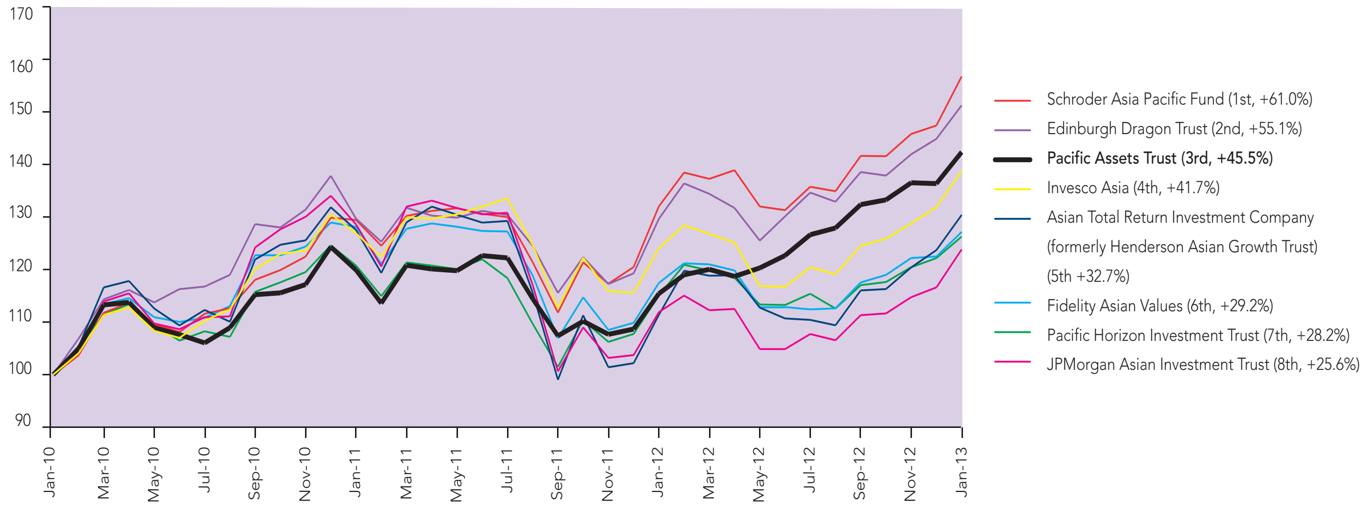


Source: Morningstar
Note: Total return from the MSCI All Country Asia ex Japan Index for the year to 31 January 2013 was +12.1%
Rebased to 100 as at 31 January 2012

Performance Summary

Continued

Three Year Net Asset Value Total Return Peer Group Performance



Source: Morningstar
Note: Total return from the MSCI All Country Asia ex Japan Index for the 3 year period to 31 January 2013 was +33.4%
Rebased to 100 as at 31 January 2010

Ten Year Record

31 January	Shareholders' funds £'000	Net asset value per Ordinary Share	Ordinary Share price	Discount	Dividend per Ordinary Share	On going charges
2003	56,761	46.4p	38.5p	16.9%	0.50p	2.1%
2004	83,939	68.5p	62.0p	9.5%	0.60p	1.8%
2005	87,402	71.4p	64.0p	10.3%	1.02p	1.6%
2006	113,049	92.3p	86.0p	6.8%	1.05p	1.5%
2007	123,616	104.0p	93.5p	10.1%	1.12p	1.4%
2008	152,105	128.5p	115.5p	10.1%	1.12p	1.5%
2009	87,760	74.2p	68.3p	8.0%	1.29p	1.6%
2010	135,254	114.3p	104.3p	8.8%	1.29p	1.6%
2011	160,086	137.0p	131.5p	4.0%	1.29p	1.6%*
2012	153,870	131.7p	115.3p	12.5%	2.60p	1.4%
2013	**187,602**	**160.6p**	**147.5p**	**8.2%**	**2.60p**	**1.3%†**

*Excludes the costs attributable to the change in management arrangements amounting to £380,000.
†Excludes performance fee payable amounting to £627,000.

Portfolio

as at 31 January 2013

Company	Sector*	Valuation 2013 £'000	% of total assets less current liabilities	Country of incorporation	Valuation 2012 £'000
Taiwan Semiconductor Manufacturing Company TSMC is the world's leading manufacturer of outsourced semiconductor chips.	Information Technology	10,762	5.7	Taiwan	9,071
Marico Marico is a leading Indian consumer products company. The Company's flagship product is Parachute, an edible grade coconut oil, designed for hair care but also used in cooking! Using cashflows from Parachute, Marico have successfully built up a strong suite of trusted brands in personal care and healthy foods.	Consumer	9,994	5.3	India	4,577
Manila Water Part of the well regarded Ayala Group, Manila Water has demonstrated the positive role a private company can play in providing clean water to low income households in developing countries.	Utilities	9,196	4.9	Philippines	7,308
AmorePacific Amore Pacific is Korea's most successful cosmetics company. The franchise quality is strong with excellent domestic brand recognition and a loyal customer base. The company has worked hard to incorporate LOHAS (Lifestyles of Health and Sustainability) thinking into their product development and operations and are leading in their approach to sustainable packaging.	Consumer	9,168	4.9	South Korea	–
DBS Group Headquartered in Singapore, DBS enjoys one of the best banking franchises in Asia.	Financials	7,837	4.2	Singapore	7,038
Towngas China Towngas China is a subsidiary of Hongkong and China Gas and the group's primary vehicle for investing in city gas distribution projects on the mainland. The company supplies gas in over 60 cities in China.	Utilities	7,738	4.1	Cayman Islands	5,671
Satyam Computer Services Rescued from bankruptcy under different owners and now part of the Mahindra family who are renowned for their integrity and high levels of corporate governance, Mahindra Satyam (following their merger with Tech Mahindra) is one of the largest technology service providers in India with 75,000 employees. The Company is well placed to help promote better economic efficiency for its clients through the delivery of high quality information technology services.	Information Technology	7,178	3.8	India	1,988
Singapore Telecommunications In addition to its strong local position, the company has proven a long term and successful investor in many regional telecom franchises, including the largest players in India, Indonesia and Thailand.	Telecom Services	6,251	3.4	Singapore	6,291
Public Bank A conservative and truly long-term focused bank that takes a strong stance on the role banks should play in society. The Company has consistently demonstrated its ability in assessing risk and has set its remuneration structures accordingly. An impressive approach to human capital is demonstrated by their willingness to measure and report measures such as staff turnover across divisions.	Financials	5,608	3.0	Malaysia	1,298
Kasikornbank Kasikornbank is one of the best quality banks in Thailand. Formerly known as Thai Farmers' Bank, the Company's focus on conservative lending and sound risk management enabled it to survive the 1997 Asian crisis intact.	Financials	5,514	2.9	Thailand	5,374
Ten largest investments		**79,246**	**42.2**		–

* MSCI sector classifications

Portfolio

as at 31 January 2013

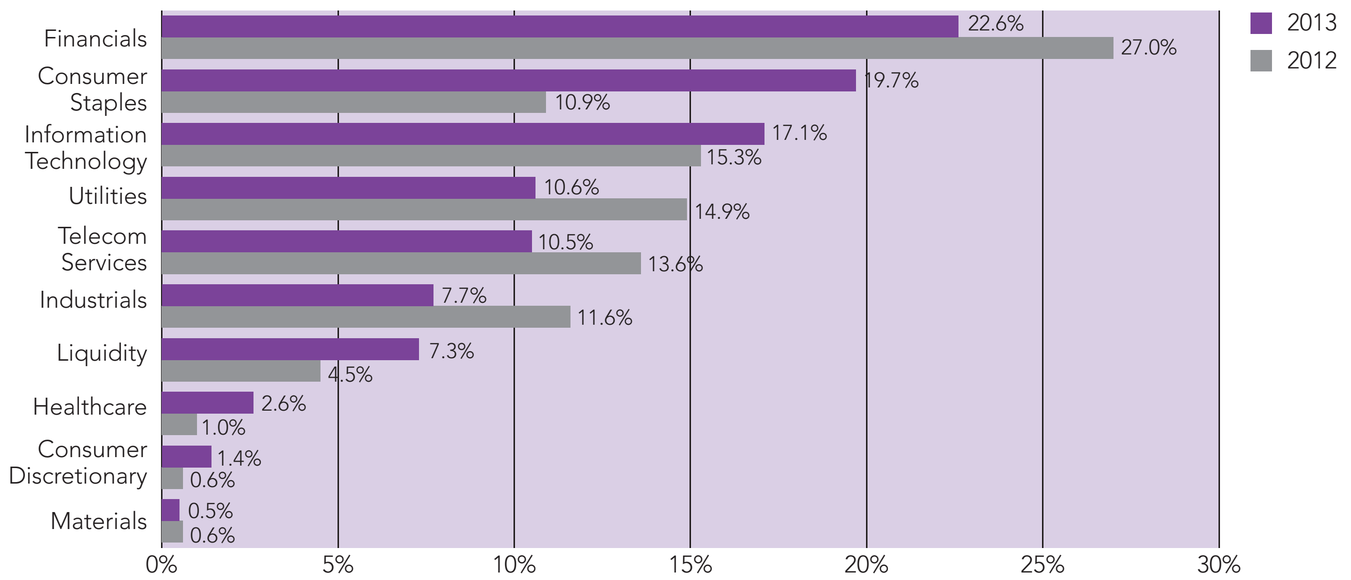
Continued

Company	Sector*	Valuation 2013 £'000	% of total assets less current liabilities	Country of incorporation	Valuation 2012 £'000
Samsung Fire & Marine Insurance	Financials	5,487	2.9	South Korea	5,259
Axiata	Telecom Services	5,173	2.8	Malaysia	3,952
Delta Electronics (Thailand)	Information Technology	4,626	2.5	Thailand	3,809
DGB Financial	Financials	4,555	2.4	South Korea	5,486
Dabur India	Consumer Staples	3,851	2.1	India	2,675
SembCorp Industries	Industrials	3,703	2.0	Singapore	3,185
E.Sun Financial Holdings	Financials	3,559	1.9	Taiwan	2,804
Globe Telecom	Telecom Services	3,458	1.8	Philippines	–
Uni- President Enterprise	Consumer Staples	3,413	1.8	Taiwan	2,691
Vitasoy International Holdings	Consumer Staples	3,158	1.7	Hong Kong	2,290
Twenty largest investments		**120,229**	**64.1**		–
Hongkong & China Gas	Utilities	2,994	1.6	Hong Kong	7,044
Infosys	Information Technology	2,947	1.6	India	–
Dr. Reddy's Laboratories	Health Care	2,919	1.6	India	–
Singapore Post	Industrials	2,831	1.5	Singapore	2,257
Giant Manufacturing	Consumer Discretionary	2,696	1.4	Taiwan	–
MTR Corporation	Industrials	2,539	1.3	Hong Kong	2,055
KT Corporation ADR	Telecom Services	2,513	1.3	South Korea	2,218
Bank of the Philippine Islands	Financials	2,498	1.3	Philippines	–
Ayala Corporation	Financials	2,416	1.3	Philippines	1,469
Chroma ATE	Information Technology	2,382	1.3	Taiwan	2,895
Thirty largest investments		**146,964**	**78.3**		–
Sheng Siong	Consumer Staples	2,367	1.3	Singapore	450
Sabana Shari' ah Compliant REIT	Financials	2,268	1.2	Singapore	1,680
SMRT	Industrials	2,200	1.2	Singapore	4,526
Tube Investments of India	Industrials	2,179	1.2	India	300
Delta Electronics (Taiwan)	Information Technology	2,095	1.1	Taiwan	1,499
E-Mart	Consumer Staples	2,076	1.1	South Korea	2,247
Mindray Medical	Health Care	1,946	1.0	Cayman Islands	1,538
China Mengniu Dairy	Consumer Staples	1,446	0.8	Cayman Islands	–
Wipro	Information Technology	1,368	0.7	India	2,492
Kotak Mahindra Bank	Financials	1,081	0.6	India	856
Forty largest investments		**165,990**	**88.5**		–
Ayala Land	Financials	1,059	0.6	Philippines	2,118
XL Axiata	Telecom Services	912	0.5	Indonesia	892
Bharti Airtel	Telecom Services	871	0.5	India	–
EID Parry India	Materials	813	0.4	India	951
Simplo Technology	Information Technology	813	0.4	Taiwan	1,119
Mahindra Lifespace Developers	Industrials	645	0.3	India	–
Swire Properties	Financials	628	0.3	Hong Kong	436
Godrej Consumer Products	Consumer Staples	460	0.3	India	–
Standard Foods	Consumer Staples	440	0.2	Taiwan	–
Hemas Holdings	Industrials	424	0.2	Sri Lanka	475
Fifty largest investments		**173,055**	**92.2**		–
Idea Cellular	Telecom Services	383	0.2	India	350
Marico Bangladesh	Consumer Staples	369	0.2	Bangladesh	–
Chugoku Marine Paints	Materials	183	0.1	Japan	–
Total portfolio		**173,990**	**92.7**		
Net current assets		**13,612**	**7.3**		
Total assets less current liabilities		**187,602**	**100.0**		

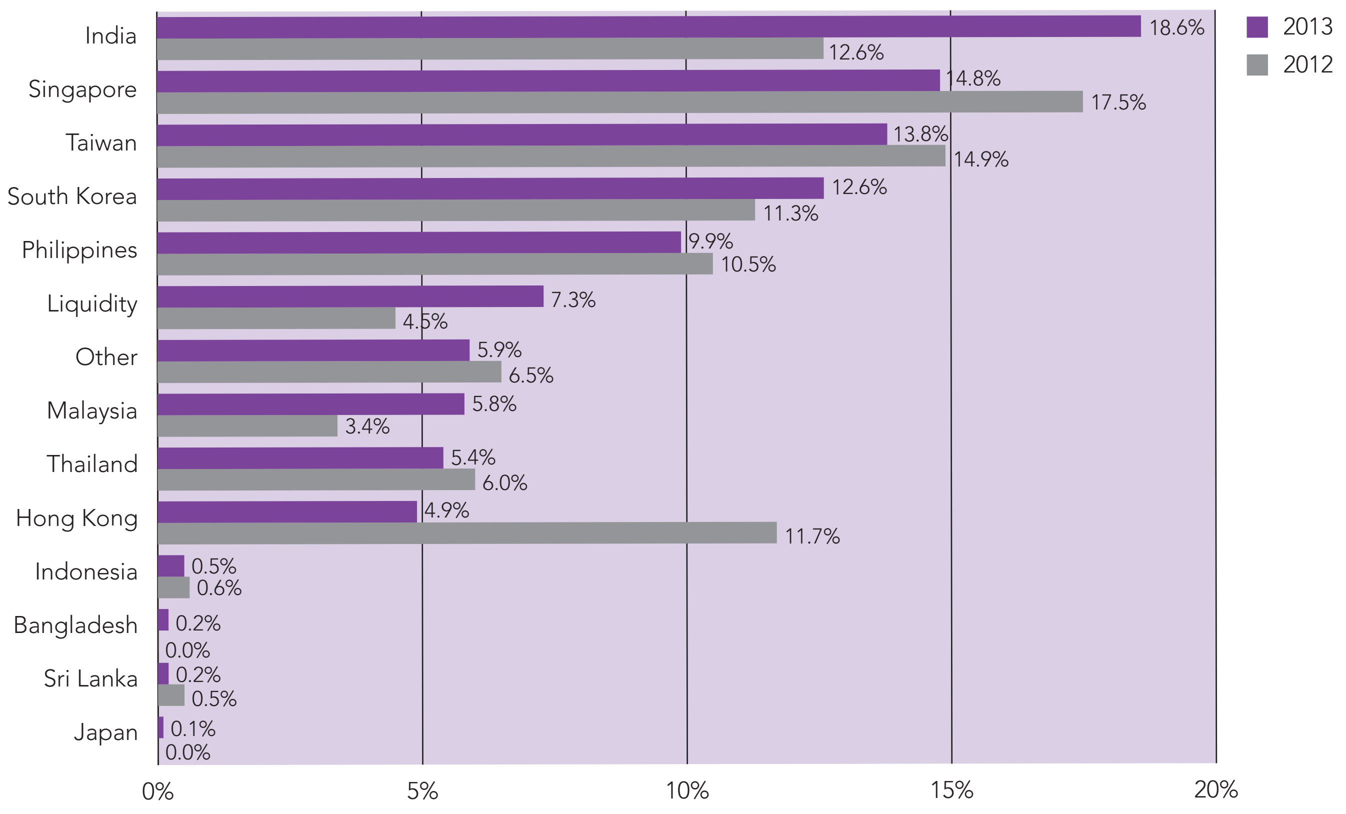
* MSCI sector classifications

Portfolio Distribution
as at 31 January 2013

Sector Analysis



Geographical Analysis by Country of Incorporation



The Board, the Investment Manager and the Manager

The Board

David Nichol, FCA

Chairman

was appointed as a Director in 1985 and Chairman in 2004. He is a former partner of Rossie House Investment Management, a firm which he founded in 1993. Prior to that he was with Ivory & Sime for 20 years and was Managing Director of Ivory & Sime Asia Ltd. in Hong Kong from 1989 to 1991.

Richard Horlick

was appointed as a Director in 2005. He is also a non-executive director of Tau Capital plc. He was, from 2002 until 2005, a director of Schroders plc, where he was Head of Investments and a member of the General Management Committee. Between 2001 and 2002 he was Chairman, Chief Executive Officer and President of Fidelity Management Trust Company, where he was responsible for institutional business in the U.S. Between 1994 and 2001 he was President, Institutional Business, of Fidelity International, where he was responsible for investments and the development of institutional assets.

Stuart Leckie, OBE

was appointed as a Director in 2001. He was Chairman of Watson Wyatt, Asia Pacific until 1995 then Chairman of Fidelity Investments, Asia Pacific until 1998. He has been President of the Actuarial Society of Hong Kong (1981 and 1999) and has advised the Chinese government on pension reform. He has served on various committees in Hong Kong's Securities and Futures Commission and was a director of Exchange Fund Investment Limited. He is a member of the CFA Institute Advisory Council.

Terence Mahony

was appointed as a Director in 2004. He is Managing Director of TFM Management Limited, a firm of investment consultants based in Hong Kong. He has over 35 years' investment experience, the last 25 of which have been gained in Asia. He is also non-executive Co-Chairman of Vina Capital Group and a non-executive Director of Tau Capital plc, Advance Developing Markets Fund Limited and Impax Asian Environmental Markets plc.

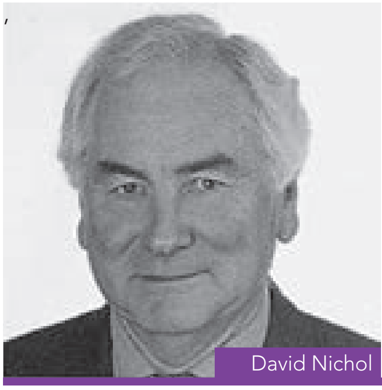
Nigel Rich, CBE, FCA

Senior Independent Director and Chairman of the Audit Committee was appointed as a Director in 1997. He is Chairman of Segro plc and a non-executive director of British Empire Securities and General Trust plc, Bank of the Philippine Islands (Europe) plc and Matheson & Co Limited. He is also Co-Chairman of the Philippine British Business Council. From 1974-1994 he was with Jardine Matheson Group and was the Group Managing Director from 1989-1994 based in Hong Kong. He is also a member of the Takeover Panel.

All Directors are members of the Audit, Engagement and Remuneration and Nomination Committees.

The Board, the Investment Manager and the Manager

Continued



David Nichol

Richard Horlick

Stuart Leckie

Terence Mahony

Nigel Rich

Investment Manager

The Company's portfolio is managed by the First State Stewart Team within First State Investment Management (UK) Limited ("First State" or the "Investment Manager") which had approximately £16.8 billion in assets under management as at 31 January 2013.

Manager

Frostrow Capital LLP ("Frostrow" or the "Manager"), acts as the Company's Manager, Company Secretary and Administrator. Frostrow is an independent provider of services to the investment companies sector and currently has five other investment trust clients whose assets totaled £3.2 billion as at 31 January 2013.

Investment Management and Management Fees

First State have been employed for an initial three year term with six months' notice thereafter. A management fee of 0.75% per annum of net assets is payable. In addition there is a performance fee of 12.5% of returns in excess of the MSCI All Country Asia ex Japan Index plus a hurdle of 1.75% per annum, measured over a rolling three year period. The Board has capped the total of the management fees and the performance fee at 1.75% of the average asset value per annum. As at 31 January 2013 a performance fee of £627,000 became payable, in respect of the first 31 months since First State's appointment.

Frostrow provides company management, company secretarial, administrative, and marketing services. A fee of 0.2% per annum (plus VAT) of market capitilisation is payable for these services. Frostrow's appointment can be terminated by either party by giving six months' notice.

Further details of the fees payable to First State and Frostrow are set out in note 3 to the accounts on page 33.

Report of the Directors

The Directors submit the Annual Report and Accounts of Pacific Assets Trust plc (the 'Company') for the year ended 31 January 2013.

The Report of the Directors includes the Business Review and Corporate Governance Statement. The Business Review contains a review of the Company's business, the principal risks and uncertainties it faces and an analysis of its performance during the financial year and the position at the year end. The Business Review, prepared in accordance with the requirements of Section 417 of the Companies Act 2006, should be read in conjunction with the Chairman's Statement on pages 2 and 3, the Investment Manager's Review on pages 4 to 6 and the analyses on pages 8 and 9.

Results and Dividends

The revenue return after tax for the year of £3.0m (2012: £3.7m) is shown in the attached accounts beginning on page 28.

The Board recommends a final dividend for the year of 2.6p per share (2012: final dividend of 2.6p) payable on 28 June 2013 to shareholders on the register at close of business on 31 May 2013. The associated ex-dividend date is 29 May 2013.

Principal Activity and Status

The Company is registered as a public limited company in Scotland (Registered Number SC091052) and is an investment company within the terms of Section 833 of the Companies Act 2006. Its shares are listed on the Official List of the UK Listing Authority and quoted on the main market of the London Stock Exchange.

The Company has received approval from HM Revenue & Customs as an authorised investment trust under Sections 1158 and 1159 of the Corporation Tax Act 2010 ("CTA 2010") for the year ended 31 January 2012 and all previous periods. This approval is subject to there being no subsequent enquiry under corporation tax self-assessment. In the opinion of the Directors, the Company continues to direct its affairs so as to enable it to qualify for such approval. In accordance with recent changes to CTA 2010, the Company has obtained ongoing approval from HM Revenue & Customs for all accounting periods commencing on 1 February 2013.

It is the Directors' intention that the Company should continue to manage its affairs so as to be a qualifying investment for inclusion in the stocks and shares components of an Individual Savings Account ('ISA') and Junior ISA.

The Company is required to comply with company law, the rules of the UK Listing Authority, UK Financial Reporting Standards, and its Articles of Association.

The Company is a member of the Association of Investment Companies ('AIC').

Capital Structure

As at 31 January 2013 there were 116,848,386 Ordinary Shares of 12.5p each in issue. All Ordinary Shares rank equally for dividends and distributions and carry one vote each. Details of the capital structure can be found in note 11 to the accounts on page 37. The Company's revenue profits (including accumulated revenue reserves) are available for distribution by way of dividends to the holders of the Ordinary Shares. However, new investment trust tax rules came into effect for accounting periods beginning on or after 1 January 2012 which have removed the prohibition on the distribution as a dividend of surpluses arising from the realisation of investments. The Board believes that the removal of this prohibition will give the Company greater flexibility in the long-term and has included the necessary amendments to allow the Company to make such distributions to its Articles of Association, to be considered by shareholders at this year's Annual General Meeting (see page 42 for further information). Upon a winding-up, after meeting the liabilities of the Company, the surplus assets would be distributed to shareholders pro rata to their holdings of Ordinary Shares.

Business Review

The Board of Directors is responsible for the overall stewardship of the Company, including investment and dividend policies, corporate strategy, gearing, corporate governance and risk management. Biographical details of the Directors, all of whom are non-executive, can be found on page 13.

Objective

To achieve long term capital growth through investment in selected companies in the Asia Pacific region and the Indian sub-continent, but excluding Japan, Australia and New Zealand (the 'Asia Pacific Region'). Up to a maximum of 20% of the Company's total assets (at the time of investment) may be invested in companies incorporated and/or listed outside the Asia Pacific Region, including Japan, Australia and New Zealand, but whose economic activities are predominantly within the Asia Pacific Region.

Investment Policy

The Company invests in companies which First State believes will be able to generate long term growth for shareholders.

The Company invests principally in listed equities although its policy enables it to invest in other securities, including preference shares, debt instruments, convertible securities and warrants. In addition, the Company may invest in open and closed-ended investment funds and companies.

Report of the Directors

Continued

The Company is only able to invest in unlisted securities with the Board's prior approval. It is the current intention that such investments are limited to those which are expected to be listed on a stock exchange or which cease to be listed and the Company decides to continue to hold or is required to do so.

Risk is diversified by investing in different countries, sectors and stocks within the Asia Pacific Region. There are no defined limits on countries or sectors but no single investment may exceed 7.5% of the Company's total assets at the time of investment. This limit is reviewed from time to time by the Board and may be revised as appropriate.

No more than 10% of the Company's total assets may be invested in other listed closed-ended investment companies unless such investment companies themselves have published investment policies to invest no more than 15% of their total assets in other closed-ended investment companies, in which case the limit is 15%.

The Board in conjunction with First State, continue to keep the possibility of gearing under review, however, First State do not envisage the use of gearing except in exceptional circumstances.

The use of derivatives is permitted with prior Board approval and within agreed limits. However, First State are unlikely to use derivatives.

Investment of Assets

At each Board meeting, the Board receives a presentation from the Investment Manager which includes a review of investment performance, recent portfolio activity and market outlooks. It also considers compliance with the investment policy and other investment restrictions during the reporting period. An analysis of the portfolio as at 31 January 2013 is contained in note 8 to the accounts on page 36 and in the Investment Manager's Review on pages 4 to 6, and the full portfolio listing is provided on pages 10 and 11. The Company had a cash balance representing 8.1% (2012: 4.6%) of net assets as at 31 January 2013.

Strategy

As part of its strategy, the Board has contractually delegated the management of the portfolio to the Investment Manager.

The Company's performance in meeting its objective is measured against key performance indicators as set out both on this page and overleaf. A review of the Company's returns during the financial year, the position of the Company at the year end, and the outlook for the coming year is contained in the Chairman's Statement on pages 2 and 3 and in the Investment Manager's Review on pages 4 to 6, both of which form part of this Business Review.

Principal Risks and Risk Management

The Company's assets consist of listed securities and its main risks are therefore market related. The Company is also exposed to currency risk in respect of the markets in which it invests. More detailed explanations of these risks and the way which they are managed are contained in notes 16 to 21 to the accounts (beginning on page 38).

Other risks faced by the Company include the following:

- External – events beyond the control of the Board, the Investment Manager and the Manager, such as political change, natural disasters, terrorism, protectionism, inflation or deflation, economic recessions and movements in interest rates could affect share prices in particular markets.
- Investment and strategic – incorrect strategy, country and sector allocation and stock selection, could all lead to poor returns for shareholders.
- Regulatory – breach of regulatory rules could lead to suspension of the Company's listing, financial penalties or a qualified audit report. Breach of Sections 1158 and 1159 of the CTA 2010 could lead to the Company being subject to tax on capital gains.
- Operational – failure of the Manager's accounting systems or disruption to the Manager's business, or that of third party service providers, could lead to an inability to provide accurate reporting and monitoring, leading to a loss of shareholders' confidence.
- Financial – inadequate controls by the Manager or third party service providers could lead to misappropriation of assets. Inappropriate accounting policies or failure to comply with accounting standards could lead to misreporting or breaches of regulations.

The Board seeks to mitigate and manage these risks through continual review, policy setting and enforcement of contractual obligations. It also regularly monitors the investment environment and the management of the Company's portfolio. The Board applies the principles detailed in the internal control guidance issued by the Financial Reporting Council. Details of the Company's internal controls are described on pages 21 and 22.

Key Performance Indicators

The Board uses a number of performance measures to assess the Company's success in meeting its objectives. The key performance indicators are as follows:

- Net asset value total return against the peer group.
- Net asset value total return against the MSCI All Country Asia ex Japan Index (total return, sterling adjusted).

Report of the Directors

Continued

- Discount of share price to net asset value per share.
- Ongoing charges percentage.

A historical record of these indicators is contained in the Financial Highlights and Performance Summary on pages 1, 8 and 9.

Share buy-back policy

The Company bought no shares back during the year and to the date of this report. The Board confirms its intention to use the Company's share buy-back authority where necessary in order to manage the discount between the Company's share price and the net asset value per share. Shareholder approval to renew the authority will be sought at the Annual General Meeting.

Directors' Indemnities

As at the date of this report, a deed of indemnity has been entered into by the Company and each of its Directors under which the Company has agreed to indemnify each Director, to the extent permitted by law, in respect of certain liabilities incurred as a result of carrying out his role as a Director of the Company. Each Director is indemnified against the costs of defending any criminal or civil proceedings or any claim by the Company or a regulator as they are incurred provided that where the defence is unsuccessful the Director must repay those defence costs to the Company. The indemnities are qualifying third party indemnity provisions for the purposes of the Companies Act 2006.

A copy of each deed of indemnity is available for inspection at the offices of the Company's Manager during normal business hours and will be available for inspection at the Annual General Meeting.

Directors Interests'

The Directors who held office at the end of the year and their interests in the shares of the Company were:

		Number of Ordinary Shares held as at 31 January 2013	Number of Ordinary Shares held as at 31 January 2012
D B Nichol	Beneficial	40,000	40,000
	Trustee	100,000	100,000
R M A Horlick	Beneficial	Nil	Nil
S H Leckie	Beneficial	100,000	100,000
T F Mahony	Beneficial	Nil	Nil
N M S Rich	Beneficial	25,000	25,000
	Trustee	8,200	6,400

There have been no changes in the interests of the Directors in the shares of the Company between 31 January and 3 April 2013.

The Board has introduced a policy of encouraging Directors to own shares in the Company to the value of at least 1.5 times their annual fee. This to be achieved over the next three years for existing Directors and within three years of appointments for new Directors.

Conflicts of Interest

It is a statutory requirement that a Director must avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests (a "situational conflict").

It is the responsibility of each individual Director to avoid an unauthorised conflict situation arising. He or she must request authorisation from the Board as soon as he or she becomes aware of the possibility of a situational conflict arising.

The Board is responsible for considering Directors' requests for authorisation of situational conflicts and for deciding whether they should be authorised. The factors to be considered will include whether the situational conflict could prevent the Director from performing his or her duties, whether it has, or could have, any impact on the Company and whether it could be regarded as likely to affect the judgment and/or actions of the Director in question. When the Board is deciding whether to authorise a conflict or potential conflict, only Directors who have no interest in the matter being considered are able to take the relevant decision, and in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The Directors are able to impose limits or conditions when giving authorisation if they think this is appropriate in the circumstances.

A register of conflicts is maintained by the Company Secretary and is reviewed at quarterly Board meetings, to ensure that any authorised conflicts remain appropriate. Directors are required to confirm at these meetings whether there has been any change to their position.

The Directors must also comply with the statutory rules requiring company directors to declare any interest in an actual or proposed transaction or arrangement with the Company.

Investment Manager and Manager Evaluation and Re-Appointment

The review of the performance of First State as Investment Manager and Frostrow as Manager is a continuous process carried out by the Board with a formal evaluation being undertaken each year. As part of this process the Board monitors the services provided by the Investment Manager and the Manager and receives regular reports and views from them. The Board also receives comprehensive performance measurement reports to enable it to determine whether or not the performance objective set by the Board has been met.

Report of the Directors

Continued

The Board believes the continuing appointment of the Investment Manager and the Manager, under the terms described on page 14, is in the interests of shareholders as a whole. In coming to this decision the Board also took into consideration the following additional reasons:

– the quality and depth of experience of the Investment Manager and the level of performance of the portfolio in absolute terms and also by reference to the MSCI All Country Asia ex Japan Index (total return, sterling adjusted) and the Company's peer group; and

– the quality and depth of experience of the management, administrative, company secretarial and marketing team that the Manager allocates to the management of the Company.

Substantial Interests in Share Capital

As at 3 April 2013 the Company was aware of the following substantial interests in the voting rights of the Company:

	Number of Ordinary Shares held	Percentage held
Lazard Asset Management	22,899,572	19.6
Henderson Global Investors	12,741,647	10.9
Brewin Dolphin	8,931,711	7.6
Charles Stanley Stockbrokers	4,362,440	3.7
Alliance Trust Savings	4,195,259	3.6
Legal & General Investment Management	3,919,301	3.4
Thesis Asset Management	3,625,528	3.1
Investec Wealth & Investment	3,584,362	3.1

The Alternative Investment Fund Managers Directive (AIFMD)

The AIFMD is European legislation which will create a European-wide framework for regulating managers of 'alternative investment funds', which includes investment trusts. It came into force in July 2011 with the intention that it be implemented into national legislation by July 2013. There is still much detail to emerge before the implementation date and the Board is currently considering the implications of this legislation for the Company and will keep shareholders informed of developments.

Corporate Governance

The Board has considered the principles and recommendations of the AIC Code of Corporate Governance ("AIC Code") by reference to the AIC Corporate Governance Guide for investment Companies ("AIC Guide"), both of which can be found on the AIC website www.theaic.co.uk. The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code (the "UK Governance Code") as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Governance Code), provides better information to shareholders. A copy of the UK Governance Code can be found at www.frc.org.uk.

The Board considers that it has managed its affairs throughout the year ended 31 January 2013 in compliance with the recommendations of the AIC Code and the relevant provisions of the UK Governance Code, except as set out below:

- the role of the chief executive;
- executive directors' remuneration;
- the need for an internal audit function; and
- the Chairman of the Company acting as Chairman of the Engagement and Remuneration Committee.

For the reasons set out in the AIC Guide, and in the preamble to the AIC Code, the Board considers the first three provisions mentioned above are not relevant to the position of the Company, being an externally managed investment trust. The Company has therefore not reported further in respect of these. With regard to the Chairman on the Company acting as the Chaiman of the Engagement and Remuneration Committee, the Board considers this to be appropriate in light of the remit of the Committee. Further details concerning this Committee can be found on page 20.

The Board consists solely of non-executive Directors. The Directors' biographical details, set out on page 13, demonstrate a balance of skills, experience, length of service and knowledge of the Company. Mr D B Nichol is Chairman who is responsible for leadership of the Board and for ensuring its effectiveness on all aspects of its role. Mr N M S Rich is the Senior Independent Director who can act as a sounding board for the Chairman and also acts as an intermediary for the other Directors when necessary. All the Directors are considered by the Board to be independent of the Investment Manager. New Directors receive an induction on joining the Board and all Directors are made aware of appropriate industry and other seminars and training courses. The Chairman also regularly reviews the training and development needs of each Director.

The Chairman together with Mr S H Leckie, Mr T F Mahony and Mr N M S Rich have served on the Board for more than nine years. The Board subscribes to the view expressed within the AIC Code that long-serving Directors should not be prevented from forming part of an independent majority. It does not consider that a Director's tenure necessarily reduces his ability to act independently and, following formal performance

Report of the Directors

Continued

evaluations, believes that each of those Directors is independent in character and judgment and that there are no relationships or circumstances which are likely to affect their judgment. The Board's policy on tenure is that continuity and experience are considered to add significantly to the strength of the Board and, as such, no limit on the overall length of service of any of the Company's Directors, including the Chairman, has been imposed. In view of its non-executive nature, the Board considers that it is not appropriate for the Directors to be appointed for a specified term, although new Directors are appointed with the expectation that they will serve for a minimum period of three years subject to shareholder approval. All Directors seek re-election annually and new Directors will stand for election at the first Annual General Meeting following their appointment. Any Director may resign in writing to the Board at any time. The terms of a Director's appointment are detailed in a letter sent to them when they join the Board. These letters are available for inspection at the offices of the Company's Manager and will be available at the Annual General Meeting.

The Nomination Committee recommended to the Board, with the relevant Directors not taking part in the discussion, the nomination for re-election at the forthcoming Annual General meeting, of Messrs Nichol, Horlick, Mahony and Rich for the following reasons:

Mr Nichol who has been Chairman of the Company since May 2004 and Director since January 1985 has an excellent working knowledge of Asia which is particularly relevant to the Company.

Mr Horlick, who has been a Director since December 2005 has extensive experience of the Asia Pacific Region and also of the investment management industry which is greatly valued by the Board.

Mr Mahony, who has been a Director since February 2004, has extensive investment experience much of which has been gained in Asia which has proved invaluable in the Board's deliberations.

Mr Rich, who has been a Director since January 1997, has extensive experience both of the Asia Pacific Region and of financial and regulatory matters. Mr Rich's experience has contributed greatly to the Board's deliberations.

Notwithstanding that Messrs Nichol, Mahony and Rich have served as Directors for more than nine years from the date of their first appointment, the other Directors are firmly of the view that their independence has not been compromised by this length of service. In coming to this decision, the Nomination Committee considered a number of factors including their experience, integrity, and judgment of character. The Committee also noted that they have no other connections with the Company's Investment Manager,

Mr Stuart Leckie will not be seeking re-election at this year's Annual General Meeting.

No Director has a contract of service with the Company or any material interest in any contract to which the Company is a party.

The Company has no executive Directors or employees. An investment management agreement between the Company and First State, and a management, administrative and company secretarial services agreement between the Company and Frostrow set out the matters over which the Investment Manager and the Manager have authority and the limits beyond which Board approval must be sought. All other matters, including strategy, investment and dividend policies, gearing, corporate governance procedures and risk management, are reserved for the approval of the Board of Directors. The Board have reviewed and agreed the schedule of matters reserved for its decision. The Board currently meets at least four times a year and receives full information on the Company's investment performance, assets, liabilities and other relevant information in advance of Board meetings. Representatives of the Investment Manager and the Manager attend each Board meeting, enabling the Directors to seek clarification on specific issues or to probe further on matters of concern.

Throughout the year a number of committees have been in operation, namely the Audit Committee, the Engagement and Remuneration Committee and the Nomination Committee. Each of these committees operates within clearly defined written terms of reference which are available upon request from the Company Secretary.

The Audit Committee

The Audit Committee is chaired by Mr N M S Rich and comprises the whole Board. The duties of the Audit Committee in discharging its responsibilities include: reviewing the annual and half-year accounts; the system of internal controls employed by the Investment Manager and the Manager and the terms of appointment of the independent auditor together with their remuneration. It is also the forum through which the independent auditor reports to the Board of Directors and meets at least twice yearly. The objectivity of the independent auditor is reviewed by the Audit Committee which also reviews the terms under which the external auditor is appointed to perform non-audit services. The Audit Committee reviews the scope and results of the audit, its cost effectiveness and the

Report of the Directors

Continued

independence and objectivity of the independent auditor, with particular regard to non-audit fees. Non-audit fees due to the Company's independent auditor, KPMG Audit Plc, for the year ended 31 January 2013 amounted to £35,000 (2012: £36,000). (See note 4 on page 33).

During the year the Company continued to obtain non-audit advice from the independent auditor in connection with the reclamation of tax withheld on income arising from investments in Taiwan. The fees due in respect of this work have exceeded the statutory audit fee. The Audit Committee have considered whether this has had an effect on the independence and objectivity of the independent auditor and have concluded that it has not.

As the Company delegates to third parties its day-to-day operations and has no employees, the Board has determined that there are no requirements for an internal audit function. The Audit Committee reviews annually whether a function equivalent to an internal audit is needed and makes a recommendation to the Board. The Audit Committee will continue to monitor its systems of internal controls in order to provide assurance that they operate as intended.

The Engagement and Remuneration Committee

The Engagement and Remuneration Committee, chaired by Mr D B Nichol, comprises the full Board and reviews the appropriateness of the continuing appointment of the Investment Manager and the Manager together with the terms and conditions thereof on a regular basis.

The level of Directors' fees is also reviewed on a regular basis relative to other comparable investment companies and in the light of Directors' responsibilities.

The Directors Remuneration Report on pages 24 and 25 details the fees paid to the Company's Directors for the years to 31 January 2012 and 31 January 2013.

The Nomination Committee

The Nomination Committee, chaired by Mr D B Nichol, comprises the full Board and is convened for the purposes of reviewing the re-election of Directors and considering the appointment of additional Directors as and when considered appropriate. In considering appointments to the Board, the Nomination Committee takes into account the ongoing requirements of the Company and the need to have a balance of skills and experience within the Board.

During the year the performance of the Board, Committees and individual Directors was evaluated through a formal assessment process led by the Chairman. The performance of the Chairman was evaluated by the other Directors under the leadership of the Senior Independent Director. During the previous year an external independent review of the Board, its Committees and individual Directors was carried out by Stephenson & Co. The review concluded that the Board worked in a collegiate, efficient and effective manner. It has been agreed that an external review should be conducted every three years.

Individual Directors may, at the expense of the Company, seek independent professional advice on any matter that concerns them in the furtherance of their duties. The Company maintains appropriate Directors' and Officers' liability insurance.

The table below sets out the number of scheduled Board and committee meetings held during the year ended 31 January 2013 and the number of meetings attended by each Director.

	Board of Directors		Audit Committee		Engagement and Remuneration Committee		Nomination Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
D B Nichol	4	4	2	2	1	1	1	1
R M A Horlick	4	4	2	2	1	1	1	1
S H Leckie	4	3	2	2	1	1	1	1
T F Mahony	4	4	2	2	1	1	1	1
N M S Rich	4	4	2	2	1	1	1	1

The Bribery Act 2010

The Board has adopted a zero tolerance approach to instances of bribery and corruption. Accordingly it expressly prohibits any Director or associated persons when acting on behalf of the Company, from accepting, soliciting, paying, offering or promising to pay or authorise any payment, public or private in the UK or abroad to secure any improper benefit for themselves or for the Company.

The Board applies the same standards to its service providers in their activities for the Company.

A copy of the Company's Anti Bribery and Corruption Policy can be found on its website at www.pacific-assets.co.uk.

Gender Diversity

The Company welcomes the objectives of the Davies Report to improve the performance of corporate boards by encouraging the appointment of the best people from a range of differing perspectives and backgrounds. The Company recognises the benefits of diversity on the Board, including gender, and takes this into account in its Board appointments. The Company is committed to ensuring that any director search processes actively seeks persons with the right qualifications so that appointments can be made, on the basis of merit, against objective criteria from a diverse selection of candidates. To this end the Board will continue to dedicate time to consider diversity during any director search process.

Report of the Directors

Continued

Proxy Voting and Stewardship

The Financial Reporting Council ('FRC') published the revised UK Stewardship Code (the 'Code') for institutional shareholders on 1 October 2012. The purpose of the Code is to improve the quality of engagement between institutional investors and companies to help enhance long-term returns to shareholders and assist institutional investors with the exercise of their governance responsibilities. The FRC is encouraging institutional investors to make a statement of their commitment to the Code.

The Board has delegated responsibility for monitoring the activities of portfolio companies to the Investment Manager who is responsible for reviewing, on a regular basis, the publications produced by the portfolio companies and also for attending company meetings. The Investment Manager, in the absence of explicit instruction from the Board is empowered to use discretion in the exercise of the Company's voting rights.

The Board recognises and supports the Investment Manager's policy of active engagement with investee companies and the voting of all of the shares held by the Company. The Board receives from the Investment Manager regular reports on the exercise by the Investment Manager of the Company's voting rights and discusses with the Investment Manager any issues arising. It is the Board's view that having an active voting policy and a process for the monitoring by the Board of the Manager's exercise of those votes, especially in relation to controversial issues, aids the efficient exercise of the Company's governance responsibilities.

Going Concern

After making enquiries, and bearing in mind the nature of the Company's business and assets, the Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Internal Controls

Risk assessment and the review of internal controls are undertaken by the Board in the context of the Company's overall investment objective. The review covers the key business, operational, compliance and financial risks facing the Company. In arriving at its judgment of what risks the Company faces, the Board has considered the Company's operations in the light of the following factors:

- the nature and extent of risks which it regards as acceptable for the Company to bear within its overall business objective;
- the threat of such risks becoming a reality; and
- the Company's ability to reduce the incidence and impact of risk on its performance.

Against this background, the Board has split the review of risk and associated controls into five sections reflecting the nature of the risks being addressed. These sections are as follows:

- corporate strategy;
- investment activity;
- published information, compliance with laws and regulations;
- service providers; and
- investment and business activities.

The Company has outsourced all of its activities to agents. The Company has obtained from its various service providers assurances and information relating to their internal systems and controls to enable the Board to make an appropriate risk and control assessment, including the following:

- details of the control environment in operation;
- identification and evaluation of risks and control objectives;
- review of communication methods and procedures; and
- assessment of the control procedures.

The key procedures which have been established to provide internal financial controls are as follows:

- investment management is provided by First State. The Board is responsible for setting the overall investment policy and monitors the actions of the Investment Manager at regular Board meetings;
- management, company secretarial, administration and marketing duties for the Company are performed by Frostrow;
- custody of assets is undertaken by JP Morgan Chase Bank. The duties of Investment Manager, Manager and the Custodian are segregated. The procedures of the individual parties are designed to complement one another;
- the Board clearly defines the duties and responsibilities of their agents and advisers. The appointment of agents and advisers to the Company is conducted by the Board after consideration of the quality of the parties involved; the Board monitors their ongoing performance and contractual arrangements;
- mandates for authorisation of investment transactions and expense payments are set by the Board; and
- the Board reviews financial information produced by the Investment Manager and the Manager in detail on a regular basis.

All of the Company's management functions are performed by third parties whose internal controls are reviewed by the Board or on its behalf by Frostrow.

Report of the Directors

Continued

In accordance with guidance issued to directors of listed companies, the Directors confirm that they have carried out a review of the effectiveness of the system of internal financial control during the year, as set out above.

Relations with Shareholders

The Board monitors the shareholder profile of the Company and aims to provide shareholders with a full understanding of the Company's activities and performance and reports formally to shareholders quarterly each year by way of the annual report and accounts, the half year report and two interim management statements. This is supplemented by the daily publication, through the London Stock Exchange, of the net asset value of the Company's shares.

The Company places great importance on communication with shareholders and welcomes their views. The Chairman and other Directors are available to meet shareholders if required. The Company's Annual General Meeting provides a forum, both formal and informal, for shareholders to meet and discuss issues with the Directors. Details of proxy votes received in respect of each resolution are made available to shareholders at the meeting, and are also published on the Company's website at www.pacific- assets.co.uk. The notice for the forthcoming Annual General Meeting, to be held on 25 June 2013, is set out on pages 46 to 49. Details of the proxy voting on each resolution will be published on the Company's website shortly after the Annual General Meeting.

The Directors may be contacted through the Company Secretary at the address shown on the inside back cover.

Independent Auditors

KPMG Audit Plc have expressed their willingness to continue in office as independent auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

Individual Savings Accounts

The Company's shares are eligible to be held in the stocks and shares component of an ISA or Junior ISA, subject to applicable annual subscription limits (£11,520 for an ISA and £3,600 for a Junior ISA for the 2013/2014 tax year). Investments held in ISAs or Junior ISAs will be free of UK tax on both capital gains and income. The opportunity to invest in Ordinary Shares through an ISA is restricted to certain UK resident individuals aged 18 or over. Junior ISAs are available for UK resident children aged under 18 and born before 1 September 2002 or after 2 January 2011. Sums received by a shareholder on a disposal of Ordinary Shares held within an ISA or Junior ISA will not count towards the shareholder's annual limit. Individuals wishing to invest in Ordinary Shares through an ISA should contact their professional advisers regarding their eligibility as should individuals wishing to invest through a Junior ISA for children under 18 years old.

Creditor Payment Policy

The Company follows the Manager's payment policy which is to settle investment transactions in accordance with market practice and to ensure settlement of supplier invoices in accordance with stated terms. The Company did not have any trade creditors at the year end.

Social, Economic and Environmental Matters

The Board recognises that the Company's investment objective should be achieved in an environmentally responsible and ethical way. This is a view shared by the Company's Investment Manager. The Company encourages a positive approach to corporate governance and engagement with companies.

Financial Instruments

The Company's financial instruments comprise its portfolio, cash balances, debtors and creditors that arise directly from its operations, such as sales and purchases awaiting settlement and accrued income. The financial risk management and policies arising from its financial instruments are disclosed in notes 16 to 21 to the accounts.

Electronic Proxy Voting

Legislation is in force which permits shareholders to submit proxy forms electronically.

To submit a proxy form via the internet, an internet-enabled PC with Internet Explorer 4 or Netscape 4 or above will be required. Shareholders will also need their shareholder reference number (SRN) and Personal Identification Number (PIN), which can be found on the personalised proxy form which accompanies this report, to access this service. Before a proxy can be appointed, shareholders will be asked to agree to the terms and conditions for electronic proxy appointment. The use of the electronic proxy appointment service offered through Equiniti Limited, the Company's registrars, is entirely voluntary. Shareholders can continue to submit their proxy form by post if they wish.

Notice Period for General Meetings

At last year's Annual General Meeting, a special resolution was passed allowing general meetings to be called on a minimum notice period provided for in the Companies Act 2006. For meetings other than Annual General Meetings this is a period of 14 clear days.

Report of the Directors

Continued

The Board believes that it should continue to have the flexibility to convene general meetings of the Company (other than Annual General Meetings) on 14 clear days' notice.

The Board is therefore proposing Resolution 13 as a Special Resolution to approve 14 clear days as the minimum period of notice for all general meetings of the Company other than Annual General Meetings. The notice period for Annual General Meetings will remain 21 clear days.

The authority, if given, will lapse at the next Annual General Meeting of the Company after the passing of this resolution.

Amendments to the Articles of Association

It is proposed to make certain amendments to the Company's Articles of Association. Further details of these changes can be found below and also on page 42 of this Annual Report. Accordingly, Special Resolution 14 will be put to the Company's Annual General Meeting.

Annual General Meeting

The formal notice of Annual General Meeting is set out on pages 46 to 49 of this Annual Report. Included amongst the resolutions to be proposed at the meeting are the following:

Directors' Authority to Allot Shares and Disapplication of Pre-Emption Rights

The Directors are seeking authority to allot shares at the forthcoming Annual General Meeting. Resolution 10 will, if passed, authorise the Directors to allot new shares up to an aggregate nominal amount of £1,460,605, being 10% of the total issued shares as at 3 April 2013. Resolution 11 will, if passed, authorise the Directors to allot new shares for cash on a non pre-emptive basis (a) in connection with a rights issue, open offer or other pre-emptive offer; or (b) (otherwise than in connection with a rights issue) up to an aggregate nominal amount of £1,460,605, being 10% of the total issued shares as at 3 April 2013 being the nearest practicable date prior to the signing of this Report. These authorities will continue in effect until the conclusion of the Annual General Meeting to be held in 2014 or, after a period of 15 months from the date of passing of the resolution, whichever is the earlier. The Directors will only allot new shares pursuant to these authorities if they believe it is advantageous to the Company's shareholders to do so and in no circumstances that would result in a dilution of the net asset value per share.

Directors' Authority to Buy Back Shares

The current authority of the Company to make market purchases of up to 14.99% of the issued Ordinary Shares expires at the end of the Annual General Meeting and Resolution 12, as set out in the notice of the Annual General Meeting, seeks renewal of such authority until the conclusion of the Annual General Meeting in 2014 or after a period of 15 months from the date of passing of the resolution, whichever is the earlier. The renewed authority to make market purchases will be in respect of a maximum of 14.99% of the issued Ordinary Shares of the Company as at the date of the passing of the resolution (approximately 17.5 million Ordinary Shares). The price paid for shares will not be less than the nominal value of 12.5p per share (exclusive of expenses) nor more than the higher of (a) 105% of the average of the middle market values of those shares for the five business days immediately preceding the date the shares are purchased (exclusive of expenses); and (b) the higher of the last independent trade and the highest current independent bid on the London Stock Exchange. This authority, if conferred, will only be exercised if, in the opinion of the Directors, a purchase will result in an increase in the net asset value per share for the remaining shareholders and be in the interests of the shareholders generally. Any shares purchased under this authority will be cancelled.

Notice Period for General Meetings

Special Resolution 13 seeks shareholder approval for the Company to hold general meetings (other than the Annual General Meeting) at 14 clear days' notice.

Amendments to Articles of Association

It is proposed to make certain changes to the Company's Articles of Association in order to take advantage of HM Government's reform of the tax and company law rules affecting investment trusts by removing the prohibition on distributing capital profits, which the Company is no longer required to include and to make other technical amendments so that the Articles of Association conform to the Companies Act 2006 and other legislation applicable to companies and current best practices in its current form. Accordingly, Special Resolution 14 will be put to the Annual General Meeting to be held on 25 June 2013. Details of the changes are set out on page 42 of this Annual Report.

Recommendation

The Board considers that all of the resolutions to be considered at the Annual General Meeting are in the best interests of the Company and its shareholders as a whole. The Directors will be voting in favour of them in respect of their entire beneficial holdings of Ordinary Shares and the Board recommends that all shareholders do so as well.

By order of the Board

Frostrow Capital LLP
Company Secretary

3 April 2013

Directors' Remuneration Report

The Board has prepared this report, in accordance with the requirements of Schedule 8 to The Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008. An Ordinary Resolution for the approval of this report will be put to shareholders at the Annual General Meeting.

The law requires the Company's auditors to audit certain of the disclosures provided in this report. Where disclosures have been audited, they are indicated as such. The auditors' opinion is included in their report on page 27.

The Board consists solely of non-executive Directors and considers annually the level of Directors' fees. The Company Secretary provides information on comparative levels of Directors' fees to the Board in advance of each review.

The Engagement and Remuneration Committee meets annually to review the Directors' remuneration and the terms of appointment of the Investment Manager and the Manager.

Policy on Directors' Fees

The Board's policy is that the remuneration of non-executive Directors should reflect the experience of the Board as a whole, be fair and comparable to that of other relevant investment trusts that are similar in size and have similar investment objectives and structures. Furthermore, the level of remuneration should be sufficient to attract and retain the Directors needed to properly oversee the Company and to reflect the specific circumstances of the Company, the duties and responsibilities of the Directors and the value and amount of time committed to the Company's affairs. It is intended that this policy will continue for the year ending 31 January 2014 and subsequent years.

The remuneration for the non-executive Directors is determined within the limits set out in the Company's Articles of Association. The present limit is £200,000 in aggregate per annum. Non-executive Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits including performance related benefits.

The remuneration paid to the Directors was last increased with effect from 1 April 2012.

Directors' Service Contracts

It is the Board's policy that Directors do not have service contracts but do have letters of appointment.

The Directors are appointed on the basis that they should retire and be subject to re-election at each Annual General Meeting after their appointment. There is no notice period and no provision for compensation upon early termination of appointment.

The Company's policy when determining the duration of notice periods and termination periods under such letters of appointments is to follow prevailing best practice and be comparable to other relevant investment trusts that are similar in size and structure and have similar investment objectives.

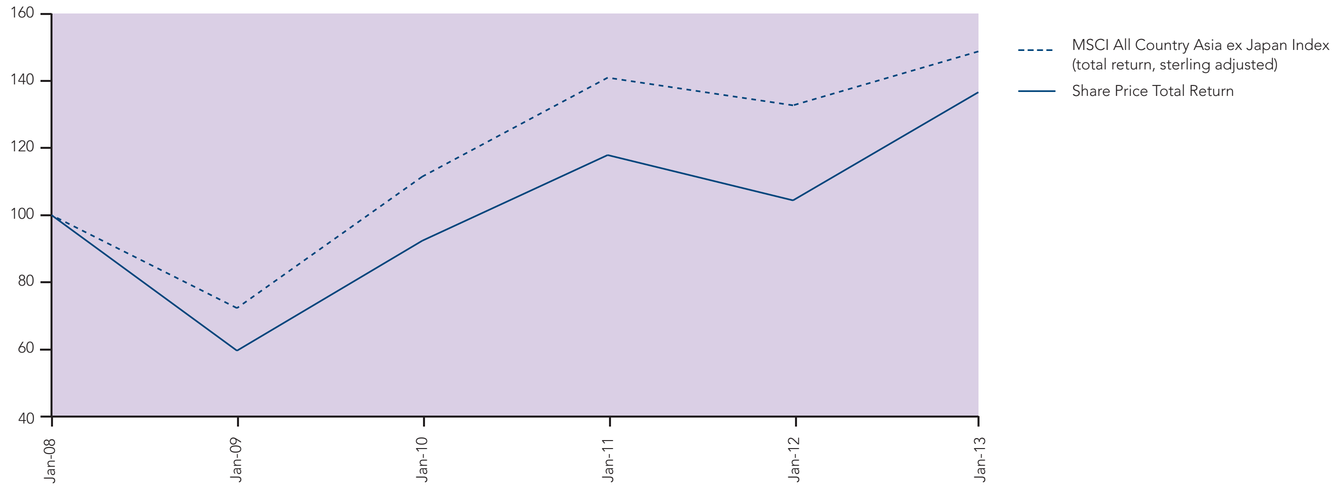
Company Performance

The Board is responsible for the Company's investment strategy and performance, although the management of the Company's portfolio is delegated to the Investment Manager pursuant to the investment management agreement, as referred to on page 14. The graph overleaf compares, for the five financial years ended 31 January 2013, the total return (assuming all dividends are reinvested) to Ordinary shareholders in each period compared to the total return from the MSCI All Country Asia ex Japan Index measured in sterling terms. This index was chosen for comparison purposes as it represents a comparable broad equity market index. An explanation of the performance of the Company is given in the Chairman's Statement and the Investment Manager's Review. As explained in the Company Summary on the inside front cover the Board's formal assessment of the performance of the Company is by reference to its peers on a rolling three-year basis.

Directors' Remuneration Report

Continued

Total Shareholder Return for the Five Years to 31 January 2013



Rebased to 100 as at 31 January 2008

Source: Morningstar

Directors' Emoluments for the Year (audited)

The Directors who served during the year received the following emoluments in the form of fees:

Director	Date of Appointment to the Board	Year to 31 January 2013 £	2012 £
D B Nichol (Chairman)	4 January 1985	27,333	24,000
R M A Horlick	1 December 2005	20,500	18,000
S H Leckie	13 March 2001	20,500	18,000
T F Mahony	1 February 2004	20,500	18,000
N M S Rich (Chairman of the Audit Committee and Senior Independent Director)	1 January 1997	23,333	20,000
Total		112,166	98,000

On behalf of the Board

David Nichol

Chairman

3 April 2013

Management Report and Statement of Directors' Responsibilities

Management Report

Listed companies are required by the FSA's Disclosure and Transparency Rules (the 'Rules') to include a management report in their annual financial statements. The information required to be in the management report for the purpose of the Rules is included in the Chairman's Statement (pages 2 and 3), the Investment Manager's Review (pages 4 to 6) and the Business Review contained in the Report of the Directors (pages 15 to 23). Therefore a separate management report has not been included.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK and Generally Accepted Accounting Practice).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Report of the Directors, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement under the Disclosure & Transparency Rules 4.1.12.

The Directors each confirm to the best of their knowledge that:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Report of the Directors includes a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board
David Nichol
Chairman
3 April 2013

Independent Auditor's Report

We have audited the financial statements of Pacific Assets Trust plc for the year ended 31 January 2013 set out on pages 28 to 41. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 26, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 21, in relation to going concern;
- the part of the Corporate Governance Statement on page 18 relating to the company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to shareholders by the Board on Directors' remuneration.

Gareth Horner (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
London
3 April 2013

Income Statement

for the year ended 31 January

	Notes	Revenue £'000	Capital £'000	2013 Total £'000	Revenue £'000	Capital £'000	2012 Total £'000
Gains/(losses) on investments held at fair value through profit or loss	8	–	35,724	35,724	–	(7,333)	(7,333)
Exchange differences		–	(97)	(97)	–	(1)	(1)
Income	2	4,168	–	4,168	4,923	–	4,923
Investment management, management and performance fees	3	(395)	(1,811)	(2,206)	(358)	(1,074)	(1,432)
Other expenses	4	(538)	(19)	(557)	(629)	(9)	(638)
Return/(loss) on ordinary activities before taxation		3,235	33,797	37,032	3,936	(8,417)	(4,481)
Taxation on ordinary activities	5	(262)	–	(262)	(256)	–	(256)
Return/(loss) after taxation attributable to equity shareholders		2,973	33,797	36,770	3,680	(8,417)	(4,737)
Return/(loss) per Ordinary Share (p)	7	2.6	28.9	31.5	3.2	(7.2)	(4.0)

The Total column of this statement represents the Company's Income Statement.

The Revenue and Capital columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies (AIC).

All revenue and capital items in the Income Statement derive from continuing operations.

The Company had no recognised gains or losses other than those declared in the Income Statement.

Reconciliation of Movements in Shareholders' Funds

for the year ended 31 January

	Notes	2013 £'000	2012 £'000
Opening shareholders' funds		153,870	160,086
Return/(loss) for the year		36,770	(4,737)
Dividends paid	6	(3,038)	(1,507)
Return of unclaimed dividends		–	28
Closing shareholders' funds		187,602	153,870

The accompanying notes are an integral part of these statements.

Balance Sheet

as at 31 January

	Notes	£'000	2013 £'000	£'000	2012 £'000
Fixed assets					
Investments held at fair value through profit or loss	8		173,990		146,882
Current assets					
Debtors	9	518		359	
Cash at bank		15,124		7,108	
		15,642		7,467	
Creditors (amounts falling due within one year)	10	(2,030)		(479)	
Net current assets			13,612		6,988
Net assets			**187,602**		**153,870**
Capital and reserves					
Share capital	11		14,606		14,606
Share premium account	12		4		4
Capital redemption reserve	12		1,648		1,648
Special reserve	12		14,572		14,572
Capital reserve	12		150,488		116,691
Revenue reserve	12		6,284		6,349
Equity shareholders' funds	13		187,602		**153,870**
Net asset value per Ordinary Share (p)	13		160.6		**131.7**

The accounts on pages 28 to 41 were approved and authorised for issue by the Board of Directors on 3 April 2013 and signed on its behalf by:

David Nichol
Chairman

The accompanying notes are an integral part of this statement.

Pacific Assets Trust plc – Company Registration Number: SC091052 (Registered in Scotland)

Cash Flow Statement

for the year ended 31 January

	Notes	£'000	2013 £'000	£'000	2012 £'000
Operating activities					
Investment income received		4,020		3,997	
Other interest received		–		2	
Investment management and management fees paid		(1,494)		(1,467)	
Other cash payments		(622)		(633)	
Net cash inflow from operating activities	14		1,904		1,899
Capital expenditure and financial investment					
Purchase of investments		(40,030)		(48,945)	
Disposal of investments		49,277		45,443	
Net cash inflow/(outflow) from investing activities			9,247		(3,502)
Equity dividends paid			(3,038)		(1,507)
Return of unclaimed dividends			–		28
Net cash inflow/(outflow) before financing			8,113		(3,082)
Increase/(decrease) in cash	15		8,113		(3,082)
Reconciliation of net cash flow to movement in net funds					
Increase/(decrease) in cash in the year		8,113		(3,082)	
Change in net funds resulting from cash flows			8,113		(3,082)
Currency losses			(97)		(1)
Movement in net funds			8,016		(3,083)
Net funds at 1 February			7,108		10,191
Net funds at 31 January	15		15,124		7,108

The accompanying notes are an integral part of this statement.

Notes to the Accounts

1. Accounting Policies

A summary of the principal accounting policies adopted is set out below.

(a) Basis of accounting

These financial statements have been prepared under UK Generally Accepted Accounting Practice ('UK GAAP') and in accordance with guidelines set out in the Statement of Recommended Practice ('SORP'), dated January 2009, for investment trust companies and Venture Capital Trusts issued by the Association of Investment Companies ('AIC').

Presentation of the Income Statement

In order to reflect better the activities of an investment trust company and in accordance with the SORP, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. The net revenue return is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in Sections 1158 and 1159 of the Corporation Tax Act 2010.

(b) Valuation of investments

Investments are classified as fair value through profit or loss and are recognised and de-recognised at trade date where a purchase or sale is under a contract whose terms require delivery within the time frame established by the market concerned. Financial assets designated as fair value through profit or loss on initial recognition are measured initially and at subsequent reporting dates at fair value. For listed securities this is either bid price or last traded price, depending on the convention of the exchange on which the investment is listed. Changes in fair value are included in the Income Statement as a capital item.

(c) Income

Dividends receivable on equity shares are recognised on the ex-dividend date. Where no ex-dividend date is quoted, dividends are recognised when the Company's right to receive payment is established. Foreign dividends are grossed up at the appropriate rate of withholding tax.

Deposit interest is recognised on an accruals basis.

Special dividends of a revenue nature are recognised through the revenue column of the Income Statement. Special dividends of a capital nature are recognised through the capital column of the Income Statement.

Where the Company has elected to receive its dividends in the form of additional shares rather than cash the amount of the stock dividend is recognised as income.

(d) Expenses and interest

All expenses and interest are accounted for on an accruals basis. Expenses and interest are charged to the Income Statement as a revenue item except where incurred in connection with the maintenance or enhancement of the value of the Company's assets and taking account of the expected long-term returns, when they are split as follows:

- Investment Management and Management fees payable have been allocated 25% to revenue and 75% to capital.

- Performance fees are charged 100% to capital.

- Transaction costs incurred on the purchase and sale of investments are taken to the Income Statement as a capital item.

(e) Taxation

The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue as set out in note 5 to the financial statements. The standard rate of corporation tax is applied to taxable net revenue. Any adjustment resulting from relief for overseas tax is allocated to the revenue reserve.

Notes to the Accounts

Continued

(f) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events that result in an obligation to pay more, or right to pay less, tax in future have occurred at the Balance Sheet date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the accounts which are capable of reversal in one or more subsequent periods. Deferred tax is measured without discounting and based on enacted tax rates. Due to the Company's status as an investment trust, and the intention to meet the conditions required to obtain approval under Sections 1158 and 1159 of the Corporation Tax Act 2010 the Company has not provided for deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

(g) Foreign currencies

Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates at the date of the transaction. Overseas assets and liabilities are translated at the rate ruling at the Balance Sheet date. Profits or losses on the retranslation of investments at the year end are included within unrealised appreciation/depreciation of investments and are taken to the capital reserve. Exchange gains and losses of a revenue nature are taken to the revenue account. The functional currency of the Company, being its statutory reporting currency, is sterling.

Rates of exchange at 31 January	2013	2012
Bangladesh Taka	125.66	133.29
Hong Kong Dollar	12.30	12.24
Indian Rupee	84.33	78.03
Indonesian Rupiah	15,442	14,187
Japanese Yen	144.69	131.23
Korean Won	1,726	1,773
Malaysian Ringgit	4.93	4.80
New Taiwanese Dollar	46.81	46.69
Philippine Peso	64.50	67.67
Singaporean Dollar	1.96	1.98
Sri Lankan Rupee	200.32	179.74
Thai Baht	47.28	48.80
U.S. Dollar	1.59	1.58

(h) Capital reserve

The following are accounted for in this reserve:

– gains and losses on the realisation of investments;

– increases and decreases in the valuation of investments held at year end;

– realised and unrealised exchange differences of a capital nature;

– expenses and finance costs, together with the related taxation effect, charged to this reserve in accordance with note (d) on the previous page;

– realised gains and losses on transactions undertaken to hedge an exposure of a capital nature; and

– other receipts and payments of a capital nature.

Notes to the Accounts

Continued

2. Income

	2013 £'000	2012 £'000
Dividend income from investments†		
Listed overseas	4,168	4,921
Other income‡		
Deposit interest	–	2
Total income	4,168	4,923

† All investments have been designated as fair value through profit or loss on initial recognition, therefore all investment income arises on investments at fair value through profit or loss.
‡ Other income on financial assets not designated as fair value through profit or loss.

3. Investment Management, Management and Performance Fees

	Revenue £'000	Capital £'000	2013 Total £'000	Revenue £'000	Capital £'000	2012 Total £'000
Investment management fee – First State	318	952	1,270	288	864	1,152
Investment management performance fee – First State	–	627	627	–	–	–
Management fee – Frostrow	77	232	309	70	210	280
	395	1,811	2,206	358	1,074	1,432

First State Investment Management (UK) Limited are entitled to an investment management fee of 0.75% per annum of net assets. In addition there is a performance fee of 12.5% of returns in excess of the MSCI All Country Asia ex Japan Index plus a hurdle of 1.75% per annum, measured over a rolling three year period. The Board has capped the total of the investment management fee and the performance fee at 1.75% of the average asset value per annum.

Frostrow Capital LLP are entitled to a management fee of 0.2% per annum (plus VAT) of market capitalisation.

4. Other Expenses

	2013 £'000	2012 £'000
Directors' fees	112	98
Auditors' remuneration for:		
– annual audit	19	19
– tax compliance services	6	6
– other services relating to taxation*	29	30
Savings scheme costs	5	4
Marketing costs	17	5
Custody fees	92	92
Bank charges including non-utilisation fees	–	104
Other expenses	258	271
Revenue expenses	538	629
Capital expenses	19	9
Total expenses	557	638

* includes costs in relation to the recovery of Taiwanese withholding tax for the period 2005 to 2011, and the provision of Taiwanese tax guarantor services.
(See the Report of the Directors on pages 19 and 20 for further details).

Notes to the Accounts

Continued

5(a). Tax on Ordinary Activities

	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000
Overseas taxation	297	–	297	470	–	470
Overseas tax recoverable	(35)	–	(35)	(214)	–	(214)
	262	–	262	256	–	256

As at 31 January 2013 the Company had unutilised management expenses and other reliefs for taxation purposes of £17,605,000 (2012: £14,847,000). It is not anticipated that these will have value in the foreseeable future. Overseas tax arose as a result of irrecoverable withholding tax on foreign dividends.

(b) Reconciliation of tax charge

The revenue account tax charge for the year is lower than the standard rate of corporation tax in the UK for an investment company 24.35% (2012: 26.35%). The differences are explained below:

	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000
Total return/(loss) on ordinary activities before tax	3,235	33,797	37,032	3,936	(8,417)	(4,481)
Corporation tax charged at 24.35%* (2012: 26.35%)	788	8,229	9,017	1,037	(2,218)	(1,181)
Non-taxable (gains)/losses on investments held at fair value through profit or loss	–	(8,699)	(8,699)	–	1,932	1,932
Exchange differences	–	24	24	–	–	–
Unutilised management expenses	226	446	672	260	286	546
Disallowed expenses	1	–	1			
Income not subject to corporation tax	(1,015)	–	(1,015)	(1,297)	–	(1,297)
Overseas taxation	297	–	297	470	–	470
Overseas tax recoverable (Taiwan)	(35)	–	(35)	(214)	–	(214)
Tax charge for the year	262	–	262	256	–	256

*An average rate of 24.35% is applicable for the year ended 31 January 2013 due to the corporation tax rate being reduced to 24% from 26% on 1 April 2012.

Notes to the Accounts

Continued

6. Dividends

Under UK GAAP, final dividends are not recognised and paid until they are approved by shareholders. Amounts recognised as distributable to ordinary shareholders for the year ended 31 January 2013, were as follows:

	2013 £'000	2012 £'000
– final dividend paid for the year ended 31 January 2012 of 2.60p per Ordinary share	3,038	
– final dividend paid for the year ended 31 January 2011 of 1.29p per Ordinary share		1,507

In respect of the year ended 31 January 2013, a dividend of 2.6p has been proposed, to be approved at the forthcoming Company's Annual General Meeting (AGM) which will take place on Tuesday, 25 June 2013.

In accordance with FRS 21 this dividend will be reflected in the half-year accounts for the period ending 31 July 2013.

The dividends payable in respect of both the current and the previous financial year, which meet the requirements of Section 1158-1159 CTA 2010, are set out below:

	2013 £'000	2012 £'000
Revenue available for distribution by way of dividend for the year	2,973	3,680
Proposed dividend of 2.6p (to be approved at the AGM)	(3,038)	(3,038)
	(65)	642

7. Return/(loss) per Ordinary Share

The Return/(loss) per Ordinary Share is as follows:

	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000	2012 Revenue £'000	2012 Capital £'000	2012 Total £'000
Basic and diluted	2.6p	28.9p	31.5p	3.2p	(7.2)p	(4.0)p

The total return per Ordinary Share is based on the total return attributable to shareholders of £36,770,000 (2012: loss of £4,737,000).

The revenue return per Ordinary Share is based on the net revenue return attributable to shareholders of £2,973,000 (2012: £3,680,000).

The capital return per Ordinary Share is based on the net capital return attributable to shareholders of £33,797,000 (2012: loss of £8,417,000).

The total return, revenue return and the capital return per share are based on the weighted average number of shares in issue during the year of 116,848,386 (2012: 116,848,386).

Notes to the Accounts

Continued

8. Investments

All investments are designated as fair value through profit or loss on initial recognition, therefore all gains and losses arise on investments designated as fair value through profit or loss.

As at 31 January 2013, all investments have been classified as level 1 (2012: level 1). See note 16 on page 39 for further details.

	2013 £'000	2012 £'000
Investments held at fair value through profit of loss		
Investments listed on recognised investment exchanges	173,990	146,882
Valuation at start of year	146,882	151,657
Less: valuation gains at start of year	(5,246)	(16,646)
Cost at start of year	141,636	135,011
Purchases at cost	40,915	42,451
Stock dividends	–	510
Disposals proceeds	(49,531)	(40,403)
Realised gains on disposals	1,550	4,067
Cost at end of year	134,570	141,636
Add valuation gains at end of year	39,420	5,246
Valuation at end of year	173,990	146,882

	2013 £'000	2012 £'000
Realised gains on sales	1,550	4,067
Of which previously recognised as fair value adjustment	319	(6,079)
Realised gains/(losses) for the year	1,869	(2,012)
Movement in fair value	33,855	(5,321)
Gains/(losses) on investments	35,724	(7,333)

During the year the Company incurred transaction costs on purchases of £119,544 (2012: £112,151) and transaction costs on sales of £190,437 (2012: £133,682).

9. Debtors

	2013 £'000	2012 £'000
Amounts due from brokers	257	3
Accrued income	59	173
Overseas tax recoverable	163	164
Other debtors	39	19
	518	359

10. Creditors: amounts falling due within one year

	2013 £'000	2012 £'000
Amounts due to brokers	890	5
Investment management fee	343	277
Investment management performance fee	627	–
Management fee	86	67
Other creditors	84	130
	2,030	479

Notes to the Accounts

Continued

11. Share capital

	2013 £'000	2012 £'000
Allotted and fully paid:		
116,848,386 Ordinary Shares of 12.5p each (2012: 116,848,386)	14,606	14,606

The capital of the Company is managed in accordance with its investment policy, in pursuit of its investment objective, both of which are detailed in the Report of the Directors on pages 15 and 16.

The Company does not have any externally imposed capital requirements.

12. Reserves

	Share premium account £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve* £'000
At 31 January 2012	4	1,648	14,572	116,691	6,349
Net gain on realisation of investments	–	–	–	1,550	–
Increase in fair value adjustment on investments	–	–	–	34,174	–
Exchange differences	–	–	–	(97)	–
Investment management, management and performance fees charged to capital	–	–	–	(1,811)	–
Retained net revenue return for the year	–	–	–	–	2,973
Other expenses	–	–	–	(19)	–
Dividends paid	–	–	–	–	(3,038)
At 31 January 2013	4	1,648	14,572	150,488	6,284

* Distributable reserve for dividend purposes.

As at 31 January 2013 capital reserves relating to the revaluation of investments held at the reporting date amounted to an unrealised gain of £39,420,000 (2012: unrealised gain of £5,246,000).

Notes to the Accounts

Continued

13. Net asset value per Ordinary Share

The net asset value per Ordinary Share and the net asset value attributable to the Ordinary Shares at the year end are calculated as follows:

	Net asset value per share attributable		Net asset values attributable	
	2013 pence	2012 pence	2013 £'000	2012 £'000
	160.6	131.7	187,602	153,870

The net asset value per Ordinary Share is calculated on net assets of £187,602,000 (2012: £153,870,000), divided by 116,848,386 (2012: 116,848,386) Ordinary Shares, being the number of Ordinary Shares in issue at the year end.

14. Reconciliation of net return/(loss) before finance costs and taxation to net cash inflow from operating activities

	2013 £'000	2012 £'000
Net return/(loss) before finance costs and taxation	37,032	(4,481)
(Gains)/losses on investments	(35,724)	7,333
Exchange differences	97	1
Decrease/(increase) in accrued income	147	(172)
(Increase)/decrease in prepayments and other debtors	(20)	35
Increase/(decrease) in other creditors	666	(65)
Irrecoverable withholding tax on investment income	(294)	(242)
Non cash movements – stock dividends	–	(510)
Net cash inflow from operating activities	1,904	1,899

15. Analysis of changes in net debt

	Cash at bank 2013 £'000	Cash at bank 2012 £'000
At 1 February	7,108	10,191
Cash flow	8,113	(3,082)
Currency movements	(97)	(1)
At 31 January	15,124	7,108

16. Financial instruments

The Company's financial instruments comprise its portfolio, cash balances and debtors and creditors that arise directly from its operations. As an investment trust the Company holds a portfolio of financial assets in pursuit of its investment objective.

Listed fixed asset investments held (see note 8 on page 36) are valued at fair value. For listed securities this is either bid price or the last traded price depending on the convention of the exchange on which the investment is listed. Unlisted investments are valued by the Directors on the basis of all the information available to them at the time of valuation. The fair value of all other financial assets and liabilities is represented by their carrying value in the Balance Sheet shown on page 29.

The main risks that the Company faces arising from its financial instruments are:

(i) market price risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or currency rate movements;

(ii) interest rate risk, being the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates;

Notes to the Accounts

Continued

16. Financial instruments Continued

(iii) foreign currency risk, being the risk that the value of investment holdings, investment purchases, investment sales and income will fluctuate because of movements in currency rates;

(iv) credit risk, being the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company; and

(v) liquidity risk, being the risk that the Company will not be able to meet its liabilities when they fall due. This may arise should the Company not be able to liquidate its investments. It is believed that the investment portfolio of £174.0 million is realisable in full within a week.

Investments are financial assets designated at fair value through profit or loss on initial recognition. In accordance with Financial Reporting Standard 29 'Financial Instruments : Disclosures', investments are classified based on the fair value hierarchy described below and which reflects the reliability and significance of the information used to measure their fair value.

As at 31 January 2013, all financial instruments are classified as level 1 and there are no level 2 or level 3 instruments (2012: all financial instruments classified as level 1).

The levels are determined by the lowest (that is the least reliable or least independently observable) level of impact that is significant to the fair value measurement for the individual investment in its entirety as follows:

Level 1 reflects financial instruments quoted in an active market.

Level 2 reflects financial instruments whose fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables includes only data from observable markets.

Level 3 reflects financial instruments whose fair value is determined in whole or in part using a valuation technique based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable market data.

17. Market price risk

The management of market price risk is part of the investment management process and is typical of equity investment. The portfolio is managed with an awareness of the effects of adverse price movements through detailed and continuing analysis with an objective of maximising overall returns to shareholders. Further information on the portfolio is set out on pages 10 and 11. Derivatives may be used from time to time, with prior Board approval, to hedge specific market risk or gain exposure to a specific market although it is the Company's current policy not to use derivatives.

During the year ended 31 January 2013, there were no derivative contracts entered into.

If the portfolio valuation fell by 10% at 31 January 2013 (31 January 2012: 10%), the impact on the profit or loss and the net asset value would have been negative £17.4 million (2012: negative £14.7 million). If the portfolio valuation rose by 10% at 31 January 2013 (31 January 2012: 10%), the impact on the profit or loss and the net asset value would have been positive £17.4 million (2012: positive £14.7 million). The calculations are based on the portfolio valuation as at the respective Balance Sheet dates and are not representative of the year as a whole.

Notes to the Accounts

Continued

18. Interest rate risk

Floating rate

When the Company retains cash balances the majority of the cash is held in overnight deposit accounts. The benchmark rate which determines the interest payments received on cash balances is the bank base rate for the relevant currency for each deposit.

Fixed rate

The Company does not hold any fixed interest investments and accordingly no sensitivity analysis has been presented.

19. Foreign currency risk

The Company invests in overseas securities and holds foreign currency cash balances which give rise to currency risks. It is not the Company's policy to hedge this risk on a continuing basis but it may do so from time to time.

Foreign currency exposure:

	2013 Investments £'000	2013 Cash £'000	2013 Short-term Debtors £'000	2013 Short-term Creditors £'000	2012 Investments £'000	2012 Cash £'000	2012 Short-term Debtors £'000	2012 Short-term Creditors £'000
Bangladesh Taka	369	–	–	–	–	–	–	–
Hong Kong Dollar	18,502	97	–	–	26,443	97	–	(4)
Indian Rupee	34,691	23	2	(739)	17,819	40	15	–
Indonesian Rupiah	912	–	–	–	893	–	–	–
Japanese Yen	183	–	80	–	–	–	–	–
Korean Won	21,286	–	11	–	15,158	–	7	–
Malaysian Ringgit	10,781	–	–	–	5,249	–	–	–
New Taiwanese Dollar	26,160	1,793	163	(151)	23,003	132	164	–
Philippine Peso	18,627	–	6	–	13,609	–	–	–
Singaporean Dollar	27,456	–	219	–	26,791	–	34	–
Sri Lankan Rupee	424	–	–	–	701	–	–	–
Thai Baht	10,140	–	–	–	9,183	–	–	–
U.S. Dollar	4,459	39	–	–	8,033	51	120	(5)
Total	173,990	1,952	481	(890)	146,882	320	340	(9)

At 31 January 2013 the Company had £13,172,000 of sterling cash balances (2012: £6,788,000).

If the value of sterling had weakened against each of the currencies in the portfolio by 5%, the impact on the profit or loss and the net asset value would have been positive £8.8 million (2012: positive £7.4 million). If the value of sterling had strengthened against each of the currencies in the portfolio by 5%, the impact on the profit or loss and the net asset value would have been negative £8.8 million (2012: negative £7.4 million). The calculations are based on the portfolio valuation and cash balances as at the respective Balance Sheet dates and are not representative of the year as a whole.

Notes to the Accounts

Continued

20. Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The investment manager has in place a monitoring procedure in respect of counterparty risk which is reviewed on an ongoing basis. The carrying amounts of financial assets best represents the maximum credit risk exposure at the balance sheet date.

At the reporting date, the Company's financial assets exposed to credit risk amounted to the following:

	2013 £'000	2012 £'000
Cash and cash equivalents	15,124	7,108
Amounts due from brokers	257	3
Interest, dividends and other receivables	261	356
	15,642	7,467

Credit risk arising on transactions with brokers relates to transactions awaiting settlement. Risk relating to unsettled transactions is considered to be small due to the short settlement period involved and the high credit quality of the brokers used. The Investment Manager monitors the quality of service provided by the brokers used to further mitigate this risk.

All the assets of the Company which are traded on a recognised exchange are held by JPMorgan Chase Bank the Company's custodian. Bankruptcy or insolvency of the custodian may cause the Company's rights with respect to securities held by the custodian to be delayed or limited. The Board monitors the Company's risk by reviewing the custodian's internal control reports as described in the Report of the Directors on pages 21 and 22.

The credit risk on liquid funds and derivative financial instruments is controlled because the counterparties are banks with high credit ratings, rated AA or higher, assigned by international credit rating agencies. Bankruptcy or insolvency of such financial institutions may cause the Company's ability to access cash placed on deposit to be delayed, limited or lost.

No individual investment exceeded 5.7% of the total assets less current liabilities attributable to the Company's shareholders at 31 January 2013 (2012: 5.9%).

21. Liquidity risk

The Company's listed securities are considered to be readily realisable.

The Company's liquidity risk is managed on an ongoing basis by the Investment Manager. The Company's overall liquidity risks are monitored on a quarterly basis by the Board.

The Company maintains sufficient investments in cash and readily realisable securities to pay accounts payable and accrued expenses.

22. Related parties

The Company employs First State Investments (UK) Limited as its investment manager. During the year ended 31 January 2013, First State Investments (UK) Limited earned £1,270,000 in respect of Investment Management fees, of which £343,000 was outstanding at the year end. A performance fee of £627,000 became payable at 31 January 2013 and was outstanding at the year end (see note 3 on page 33).

23. Contingent assets

The Company has submitted a claim to the Taipei National Tax Administration in Taiwan for the recovery of tax withheld on income arising from the Company's investments in Taiwan. The claim covers the years 2005 to 2009 and, if successful, the Company expects to recover approximately £580,000 in total. The Company has engaged KPMG to recover the tax withheld and in the event that the tax is recovered in full a fee of £60,000 (plus VAT) will become payable to KPMG. To date fees totaling £31,000 have been paid to KPMG in relation to this engagement.

As at 31 January 2013 the Company has recovered £261,000 (2012: £229,000) net of KPMG's pro rata fee in respect of tax withheld of which £32,000 of this amount has been recognised during the year ended 31 January 2013 (2012: £114,000). However, as the likelihood, timing and quantum of the remaining recoverable amounts continues to remain uncertain, no further amounts receivable have been recorded in the Company's accounts, therefore leaving an estimated contingent asset net of KPMG fees of £259,000 at 31 January 2013.

Explanatory Notes Regarding the Principal Changes to the Company's Articles of Association

Certain statutory rules governing investment trusts and companies were amended lasted year. In particular, the rule which prohibited an investment trust or company from distributing any surplus arising from the realisation of its investments was repealed.

In compliance with the previous statutory regime, the Company has a provision in its Articles of Association which expressly prohibits the distribution of any surplus arising from the realisation of any investment. In light of the amended statutory rules, the Board no longer considers it appropriate to have such a prohibition in the Articles and therefore proposes that it is deleted. Resolution 14 will, if passed, remove this prohibition by amending Articles 134 and 135.

The Board believes that the removal of this restriction will give the Company greater flexibility in the long-term as it will enable the Company to make distributions from any surplus arising from the realisation of any investment. However, the Board has no intention of exercising this authority at the current time.

In addition, the Board proposes to expand Article 95 by the addition of Articles 95(B) and 95(C). The purpose of these new Articles is to provide that, if none of the Directors are re-elected, or an insufficient number of Directors is re-elected to meet the minimum requirement of two set out in Article 87, the retiring Directors shall (i) remain in office to perform duties that are only essential to maintain the Company as a going concern; and (ii) convene a general meeting as soon as practicable to appoint new Directors.

The final changes which the Board are proposing to make to the Articles are in respect of the Company's borrowing powers (Article 105). The amendments are proposed so that, for the purposes of calculating the total amount of permitted borrowings, borrowings denominated in foreign currencies shall be valued using the rate of exchange used in the most recent audited balance sheet of the Company, rather than spot rates, and a three month grace period shall be afforded to the Directors following any inadvertent breach of the borrowing limit.

Shareholder Information

Annual General Meeting
The Annual General Meeting of Pacific Assets Trust plc will be held at the Barber Surgeons' Hall, Monkwell Square, Wood Street, London EC2Y 5BL on Tuesday, 25 June 2013 at 12 noon.

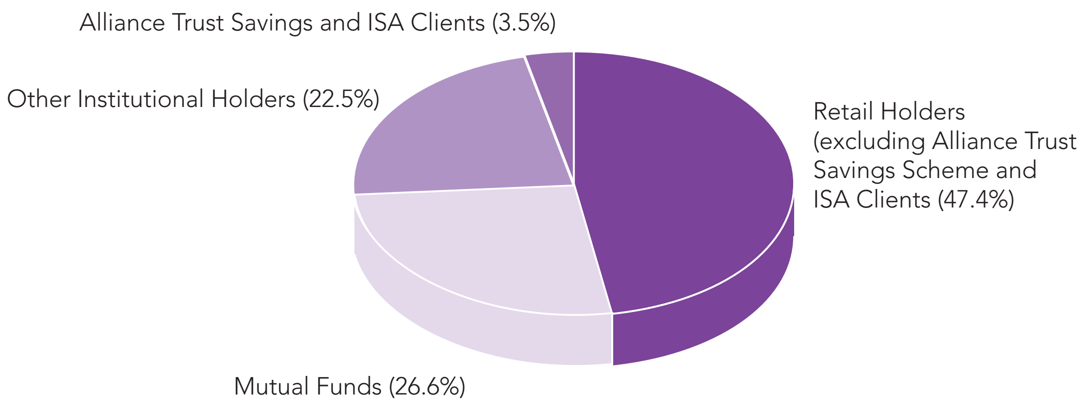
Dividends
A dividend is normally paid annually following approval at the Annual General Meeting. Shareholders who wish to have dividends paid directly into a bank account, rather than by cheque to their registered address, can complete a mandate form for the purpose. Mandates may be obtained from the Company's Registrars, Equiniti Limited, on request.

Share Prices
The Company's Ordinary Shares are listed on the London Stock Exchange under 'Investment Companies'. The price is given daily in the Financial Times and other newspapers.

Change of Address
Communications with shareholders are mailed to the address held on the share register. In the event of a change of address or other amendment this should be notified to the Company's Registrars, Equiniti Limited, under the signature of the registered holder.

Daily Net Asset Value
The daily net asset value of the Company's shares can be obtained on the Company's website at www.pacific-assets.co.uk and is published daily via the London Stock Exchange.

Profile of the Company's Ownership
% of Ordinary Shares held at 31 January 2013



Glossary of Terms

Discount or Premium
A description of the difference between the share price and the net asset value per share. The size of the discount or premium is calculated by subtracting the share price from the net asset value per share and is usually expressed as a percentage (%) of the net asset value per share. If the share price is higher than the net asset value per share the result is a premium. If the share price is lower than the net asset value per share, the shares are trading at a discount.

Gearing
The term used to describe the process of borrowing money for investment purposes. The expectation is that the returns on the investments purchased will exceed the finance costs associated with those borrowings.

There are several methods of calculating gearing and the following has been selected:

Total assets, less current liabilities (before deducting any prior charges) minus cash/cash equivalents divided by Shareholders' funds, expressed as a percentage.

Net Asset Value (NAV)
The value of the Company's assets, principally investments made in other companies and cash being held, minus any liabilities. The NAV is also described as 'shareholders' funds' per share. The NAV is often expressed in pence per share after being divided by the number of shares which have been issued. The NAV per share is unlikely to be the same as the share price which is the price at which the Company's shares can be bought or sold by an investor. The share price is determined by the relationship between the demand and supply of the shares.

Net Asset Value Total Return
The theoretical total return on an investment over a specified period assuming dividends paid to shareholders were reinvested at net asset value per share at the time the shares were quoted ex-dividend. This is a way of measuring investment management performance of investment trusts which is not affected by movements in discounts or premiums.

Ongoing Charges
Ongoing charges are calculated by taking the Company's annualised expenses, excluding performance fees and exceptional items, and dividing by the average cum income net asset value of the Company over the year.

The publishing of ongoing charges information rather than a total expense ratio (TER) is advocated by the Association of Investment Companies who believe that using a single methodology to calculate ongoing charges will help reduce inconsistencies and allow investors and advisers to compare investment companies more easily with open-ended funds.

Share Price Total Return
The change in capital value of a company's shares over a given period, plus dividends received, expressed as a percentage of the opening value.

How to Invest

Investment Platforms

The Company's shares are traded openly on the London Stock Exchange and can be purchased through a stock broker or other financial intermediary. The shares are available through savings plans (including Investment Dealing Accounts, ISAs, Junior ISAs and SIPPs) which facilitate both regular monthly investments and lump sum investments in the Company's shares. There are a number of investment platforms that offer these facilities. A list of some of them, that is not comprehensive nor constitutes any form of recommendation, can be found below:

Alliance Trust Savings	http://www.alliancetrustsavings.co.uk/
Barclays Stockbrokers	https://www.barclaysstockbrokers.co.uk/Pages/index.aspx
Club Finance	http://www.clubfinance.co.uk/
Fast Trade	http://www.fastrade.co.uk/wps/portal
FundsDirect	http://www.fundsdirect.co.uk/Default.asp
Halifax Share Dealing	http://www.halifax.co.uk/Sharedealing/
Hargreaves Lansdown	http://www.hl.co.uk/
HSBC	https://investments.hsbc.co.uk/
iDealing	http://www.idealing.com/
IG Index	http://www.igindex.co.uk/
Interactive Investor	http://www.iii.co.uk/
IWEB	http://www.iweb-sharedealing.co.uk/share-dealing-home.asp
James Brearley	http://www.jbrearley.co.uk/Marketing/index.aspx
Natwest Stockbrokers	http://www.natweststockbrokers.com/nw/products-and-services/share-dealing.ashx
Saga Share Direct	https://www.sagasharedirect.co.uk/
Selftrade	http://www.selftrade.co.uk/
The Share Centre	https://www.share.com/
Sippdeal	http://www.sippdeal.co.uk/
Saxo Capital Markets	http://uk.saxomarkets.com/
TD Direct Investing	http://www.tddirectinvesting.co.uk/

Equiniti – Share Dealing Service

An internet and telephone dealing service is available through the Company's registrar, Equiniti. This provides a simple way for UK shareholders of Pacific Assets Trust plc to buy or sell the Company's shares. For full details and terms and conditions simply log onto www.shareview.co.uk/dealing or call 08456 037037 between 8.00am and 4.30pm Monday to Friday. This service is only available to shareholders of Pacific Assets Trust plc who hold shares in their own name, with a UK registered address and who are aged 18 and over.

Shareview Dealing is provided by Equiniti Financial Services Limited which has issued and approved the preceding paragraph. Equiniti Financial Services Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA is registered in England and Wales with number 6208699. Equiniti Financial Services Limited is authorised and regulated by the Financial Conduct Authority.

Risk warnings

Past performance is no guarantee of future performance. The value of your investment and any income from it may go down as well as up and you may not get back the amount invested. This is because the share price is determined by the changing conditions in the relevant stock markets in which the Company invests and by the supply and demand for the Company's shares. As the shares in an investment trust are traded on a stock market, the share price will fluctuate in accordance with the supply and demand and may not reflect the underlying net asset value of the shares; where the share price is less than the underlying value of the assets, the difference is known as the 'discount'. For these reasons investors may not get back the original amount invested. Although the Company's shares are denominated in sterling, it may invest in stocks and shares which are denominated in currencies other than sterling and to the extent they do so, they may be affected by movements in exchange rates. As a result the value of your investment may rise or fall with movements in exchange rates. Investors should note that tax rates and reliefs may change at any time in the future. The value of ISA tax advantages will depend on personal circumstances. The favourable tax treatments of ISAs may not be maintained.

Notice of the Annual General Meeting

Notice is hereby given that the twenty-eighth Annual General Meeting of Pacific Assets Trust Public Limited Company will be held at the Barber-Surgeons' Hall, Monkwell Square, Wood Street, London EC2Y 5BL on Tuesday, 25 June 2013 at 12 noon for the following purposes:

Ordinary Business

To consider and, if thought fit, pass the following as Ordinary Resolutions:

1. That the Report of the Directors and Accounts for the financial year ended 31 January 2013 together with the Report of the Auditors thereon be received.
2. That the Directors' Remuneration Report for the financial year ended 31 January 2013 be approved.
3. That a final dividend for the financial year ended 31 January 2013 of 2.6p per Ordinary Share be declared.
4. That Mr R M A Horlick, be re-elected as a Director.
5. That Mr T F Mahony, be re-elected as a Director.
6. That Mr D B Nichol, be re-elected as a Director.
7. That Mr N M S Rich, be re-elected as a Director.
8. That KPMG Audit Plc be re-appointed as Auditors, to hold office from the conclusion of the meeting to the conclusion of the next Annual General Meeting at which accounts are laid.
9. That the Directors be authorised to determine KPMG Audit Plc's remuneration.

Special Business

To consider and, if thought fit, pass the following resolutions, of which resolutions 11, 12, 13 and 14 will be proposed as Special Resolutions.

10. That, the Board of Directors of the Company (the 'Board') be and it is hereby generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £1,460,605 provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2014 or 15 months from the date of passing this resolution, whichever is the earlier, unless previously revoked, varied or renewed by the Company in general meeting and provided that the Company may before such expiry make an offer or enter into an agreement which would or might require shares to be allotted, or rights to subscribe for or to convert securities into shares to be granted, after such expiry and the Board may allot shares or grant such rights in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.
11. That, subject to the passing of resolution 10 proposed at the Annual General Meeting of the Company convened for 25 June 2013 ('Resolution 10'), the Board of Directors of the Company (the 'Board') be and it is hereby generally empowered pursuant to sections 570 and 573 of the Companies Act 2006 (the 'Act') to allot equity securities (within the meaning of section 560 of the Act) (including the grant of rights to subscribe for, or to convert any securities into, ordinary shares of 12.5 pence each in the capital of the Company ('Ordinary Shares')) for cash either pursuant to the authority conferred on them by such Resolution 10 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:
    (i) the allotment of equity securities for cash in connection with a rights issue, open offer or other pre-emptive offer in favour of the holders of Ordinary Shares who are on the register of members on a date fixed by the Board where the equity securities respectively attributable to the interests of all such holders of Ordinary Shares are proportionate (as nearly as may be practicable) to the respective numbers of Ordinary Shares held by them on that date (subject to such exclusions or other arrangements in connection with the rights issue, open offer or other pre-emptive offer as the Board deem necessary or expedient to deal with fractional entitlements to equity securities and to deal with any legal or practical problems or issues arising in any overseas territory or under the requirements of any regulatory body or stock exchange); and

    (ii) the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal amount of £1,460,605, and shall expire (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the Annual General Meeting of the Company to be held in 2014 or 15 months from the date of passing this resolution, whichever is the earlier, unless previously revoked, varied or renewed by the Company in general

Notice of the Annual General Meeting

Continued

meeting and provided that the Company may before such expiry make an offer or enter into an agreement which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

12. That, the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 (the 'Act') to make one or more market purchases (as defined in section 693(4) of the Act) of ordinary shares of 12.5 pence each in the capital of the Company ('Ordinary Shares') for cancellation on such terms and in such manner as the board of directors may determine provided that:

    (i) the maximum aggregate number of Ordinary Shares which may be purchased is 14.99% of the number of Ordinary Shares in issue immediately prior to the passing of this resolution;

    (ii) the minimum price which may be paid for an Ordinary Share is 12.5 pence (exclusive of associated expenses);

    (iii) the maximum price which may be paid for an Ordinary Share (exclusive of associated expenses) shall not be more than the higher of: (a) an amount equal to 105% of the average of the middle market quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five dealing days immediately preceding the day on which the Ordinary Share is purchased; and (b) the higher of the last independent trade and the highest current independent bid on the London Stock Exchange for an Ordinary Share; and

    (iv) unless previously renewed, varied or revoked, this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2014 or 15 months from the date of passing this resolution, whichever is the earlier, unless previously revoked, varied or renewed by the Company in general meeting and provided that the Company may before such expiry enter into a contract to purchase Ordinary Shares which will or may be completed wholly or partly after such expiry and a purchase of Ordinary Shares may be made pursuant to any such contract.

General Meetings

13. That as permitted by the EU Shareholders' Rights Directive (2007/36/EC) any General Meeting of the Company (other than the Annual General Meeting of the Company) shall be called by notice of at least 14 clear days in accordance with the provisions of the Articles of Association of the Company provided that the authority shall expire on the conclusion of the next Annual General Meeting of the Company, or, if earlier, on the expiry 15 months from the date of the passing of this resolution.

Adoption of New Articles of Association

14. That the Articles of Association set out in the document produced to this meeting and signed by the Chairman of the meeting for the purposes of identification be and are hereby appointed and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company.

    Full explanatory notes of principal changes to the Articles of Association are set out on page 42 of this Annual Report.

By order of the Board

Frostrow Capital LLP
Company Secretary
3 April 2013

Registered office
16 Charlotte Square
Edinburgh
EH2 4DF

Notice of the Annual General Meeting

Continued

Notes

1. If you wish to attend the Annual General Meeting in person, you should arrive at the venue for the Annual General Meeting in good time to allow your attendance to be registered. It is advisable to have some form of identification with you as you may be asked to provide evidence of your identity to the Company's registrar, Equiniti Limited (the 'Registrar'), prior to being admitted to the Annual General Meeting.

2. Members are entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and vote at the Annual General Meeting. A proxy need not be a member of the Company but must attend the Annual General Meeting to represent a member. To be validly appointed a proxy must be appointed using the procedures set out in these notes and in the notes to the accompanying proxy form.

   If members wish their proxy to speak on their behalf at the meeting, members will need to appoint their own choice of proxy (not the chairman of the Annual General Meeting) and give their instructions directly to them.

   Members can only appoint more than one proxy where each proxy is appointed to exercise rights attached to different shares. Members cannot appoint more than one proxy to exercise the rights attached to the same share(s). If a member wishes to appoint more than one proxy, they should contact the Registrar on 0871 384 2466. Calls to this number cost 8p per minute plus network extras. Lines are open between 8.30 am and 5.30 pm, Monday to Friday, the Registrars' overseas helpline number is +44 121 415 7047.

   A member may instruct their proxy to abstain from voting on any resolution to be considered at the meeting by marking the abstain option when appointing their proxy. It should be noted that an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes "for" or "against" the resolution.

   The appointment of a proxy will not prevent a member from attending the Annual General Meeting and voting in person if he or she wishes.

   A person who is not a member of the Company but who has been nominated by a member to enjoy information rights does not have a right to appoint any proxies under the procedures set out in these notes and should read note 8 below.

3. A proxy form for use in connection with the Annual General Meeting is enclosed. To be valid any proxy form or other instrument appointing a proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, must be received by post or (during normal business hours only) by hand by the Registrar at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA no later than 48 hours (excluding non-working days) before the time of the Annual General Meeting or any adjournment of that meeting.

   If you do not have a proxy form and believe that you should have one, or you require additional proxy forms, please contact the Registrar on 0871 384 2466. Calls to this number cost 8p per minute from a BT landline. Other service providers' costs may vary. Lines are open between 8.30 am and 5.30 pm, Monday to Friday, The Registrars' overseas helpline number is +44 121 415 7047.

4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and by logging on to the following website: www.euroclear.com/CREST. 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.

   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 instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is 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 Registrar (ID RA19) no later 48 hours (excluding non-working days) before the time of the Annual General Meeting or any adjournment of that 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 Registrar is able 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.

   CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. 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 sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

   The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

5. In the case of joint holders, where more than one of the joint holders purports to appoint one or more proxies, only the purported appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).

Notice of the Annual General Meeting

Continued

6. Any corporation which is a member can appoint one or more corporate representatives. Members can only appoint more than one corporate representative where each corporate representative is appointed to exercise rights attached to different shares. Members cannot appoint more than one corporate representative to exercise the rights attached to the same share(s).

7. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of determining the votes they may cast), members must be registered in the Company's register of members at 6.00 p.m. on 21 June 2013 (or, if the Annual General Meeting is adjourned, at 6.00 p.m. on the day two days prior to the adjourned meeting). Changes to the register of members after the relevant deadline will be disregarded in determining the rights of any person to attend and vote at the Annual General Meeting.

8. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 (the "2006 Act") to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

9. Information regarding the Annual General Meeting, including information required by section 311A of the 2006 Act, and a copy of this notice of Annual General Meeting is available from www.pacific-assets.co.uk.

10. Members should note that it is possible that, pursuant to requests made by members of the Company under section 527 of the 2006 Act, the Company may be required to publish on a website a statement setting out any matter relating to: (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (b) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the 2006 Act. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the 2006 Act. Where the Company is required to place a statement on a website under section 527 of the 2006 Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the 2006 Act to publish on a website.

11. As at 3 April 2013 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 116,848,386 ordinary shares carrying one vote each. Accordingly, the total voting rights in the Company at 3 April 2013 were 116,848,386 votes.

12. Any person holding 3% or more of the total voting rights of the Company who appoints a person other than the chairman of the Annual General Meeting as his proxy will need to ensure that both he, and his proxy, comply with their respective disclosure obligations under the UK Disclosure and Transparency Rules.

13. Under section 319A of the 2006 Act, the Company must cause to be answered any question relating to the business being dealt with at the Annual General Meeting put by a member attending the meeting unless answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, or the answer has already been given on a website in the form of an answer to a question, or it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

    Members who have any queries about the Annual General Meeting should contact the Company Secretary at 25 Southampton Buildings, London WC2A 1AL.

    Members may not use any electronic address provided in this notice or in any related documents (including the accompanying proxy form) to communicate with the Company for any purpose other than those expressly stated.

14. The following documents will be available for inspection at the offices of Frostrow Capital LLP, the Company's Company Secretary, 25 Southampton Buildings, London WC2A 1AL during normal business hours on any weekday (Saturdays, Sundays and English public holidays excepted) from the date of this notice until the conclusion of the Annual General Meeting:

    14.1 copies of the Directors' letters of appointment; and

    14.2 copies of the Directors' deeds of indemnity.

15. Under section 338 and section 338A of the Companies Act 2006, members meeting the threshold requirements in those sections have the right to require the Company (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 14 May 2013, being the date six clear weeks before the meeting, and (in the case of a matter to be included on the business only) must be accompanied by a statement setting out the grounds for the request.

Company Information

Directors
D B Nichol, FCA (Chairman)*
R M A Horlick
S H Leckie, OBE
T F Mahony
N M S Rich, CBE, FCA†

*Chairman of the Engagement and Remuneration Committee and the Nomination Committee.
†Chairman of the Audit Committee and Senior Independent Director.

Registered Office
16 Charlotte Square
Edinburgh EH2 4DF
Website: www.pacific-assets.co.uk
Company Registration Number
SC091052 (Registered in Scotland)

Investment Manager
First State Investment Management
(UK) Limited
Level 1, 23 St. Andrew Square
Edinburgh EH2 1BB
Telephone: 0131 473 2200
Website: www.firststate.co.uk

Authorised and regulated by the Financial Conduct Authority.

Manager, Company Secretary and Administrator
Frostrow Capital LLP
25 Southampton Buildings
London WC2A 1AL
Telephone: 0203 008 4910
Email: info@frostrow.com
Website: www.frostrow.com

Authorised and regulated by the Financial Conduct Authority.

If you have an enquiry about the Company or if you would like to receive a copy of the Company's monthly fact sheet by email, please contact Frostrow Capital using the above email address.

London Stock Exchange
LISTED
PREMIUM

Custodian Bankers
JPMorgan Chase Bank
125 London Wall
London EC2Y 5AJ

Independent Auditor
KPMG Audit Plc
15 Canada Square
London
E14 5GL
United Kingdom

Registrars
Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA
Shareholder Helpline: 0871 384 2466*
Broker Helpline: 0871 384 2779*

**Calls to these numbers are charged at 8p per minute plus network extras. Lines open 8.30 a.m. to 5.30 p.m., Monday to Friday.*

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrars quoting your shareholder reference number. Registered shareholders can obtain further details of their holdings on the internet by visiting www.shareview.co.uk

Brokers
Canaccord Genuity Limited
88 Wood Street
London EC2V 7QR

Solicitors
Dickson Minto W.S.
16 Charlotte Square
Edinburgh EH2 4DF

Identification Codes

Shares:	SEDOL:	0667438
	ISIN:	GB0006674385
	Bloomberg:	PAC LN
	EPIC:	PAC

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