Edinburgh Dragon Trust plc

Annual Report and Accounts
31 August 2014

Aberdeen

Contents

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser. If you have sold or otherwise transferred all your Ordinary shares in Edinburgh Dragon Trust plc, please forward this document, together with the accompanying documents immediately to the purchaser or transferee, or to the stockbroker, bank or agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Strategic Report – Company Summary

The Company

The Company is an investment trust and its Ordinary shares and Convertible Unsecured Loan Stock ("CULS") are listed on the premium segment of the London Stock Exchange. The Company aims to attract long term private and institutional investors wanting to benefit from the growth prospects of Asian companies.

What is an Investment Trust?

Investment trusts are a way to make a single investment that gives you a share in a much larger portfolio. A type of collective investment, they let you spread your risk and access investment opportunities you might not find on your own.

Investment Objective

To achieve long-term capital growth through investment in the Far East. Investments are made mainly in stock markets in the region, with the exception of Japan and Australasia, principally in large companies. When appropriate, the Company will utilise gearing to maximise long term returns.

Company Benchmark

MSCI All Country Asia (ex Japan) Index

Alternative Investment Fund Manager*

Aberdeen Fund Managers Limited ("AFML" or the "Manager")
Authorised and regulated by the Financial Conduct Authority
(* appointed as required by EU Directive 2011/61/EU).

The Company's portfolio is managed on a day-to-day basis by Aberdeen Asset Management Asia Ltd ("AAM" or the "Investment Manager") by way of a delegation agreement in place between AFML and AAM.

Website

Up-to-date information can be found on the Company's website - www.edinburghdragon.co.uk

Pre-investment Disclosure Document (PIDD)

The Alternative Investment Fund Manager Directive ("AIFMD") requires Aberdeen Fund Managers Limited, as the alternative investment fund manager of Edinburgh Dragon Trust plc, to make available to investors certain information prior to such investors' investment in the Company. The AIFMD is intended to offer increased protection to investors in investment products that do not fall under the existing European Union regime for regulation of investment products known as "UCITS".

The Company's PIDD is available for viewing at
http://www.invtrusts.co.uk/doc.nsf/Lit/PressReleaseUKCloseddragonalternativeinvestmentfundmanagersdirectivepidd

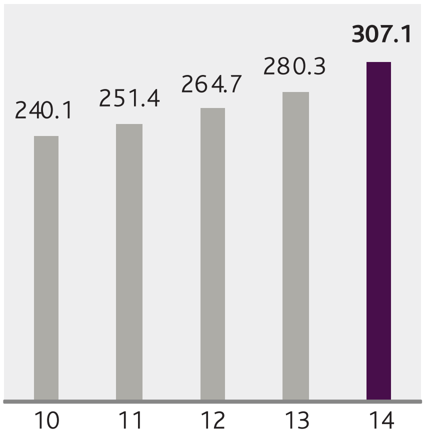
Financial Highlights

	2014	2013
Share price total return[A]	+7.9%	+8.3%
Net asset value total return[A]	+10.4%	+6.7%
Earnings per share (revenue)	3.4p	3.4p
Benchmark total return[A] (in sterling terms)	+13.2%	+10.1%
Dividend per share	2.20p	2.20p

[A] Capital return plus dividends reinvested.

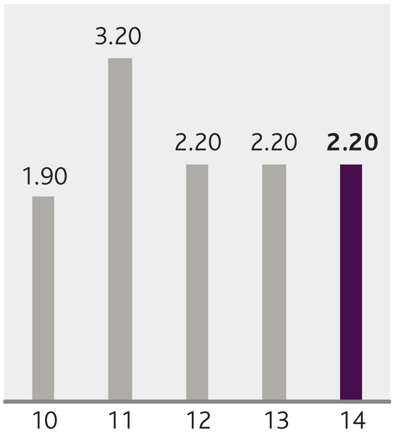
Net asset value per share

At 31 August – pence



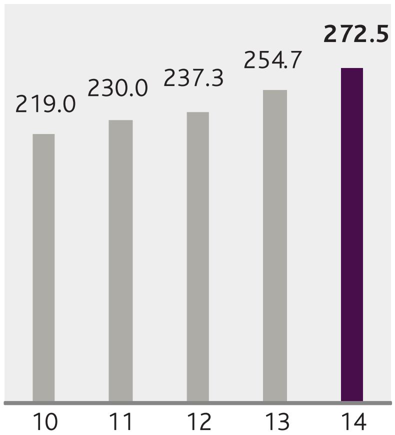
Dividends per share

pence



Mid-market price per share

At 31 August – pence



Financial Calendar

31 August 2014	Company's financial year end
4 November 2014	Announcement of annual results for the year ended 31 August 2014
14 November 2014	Annual Report and Accounts published
16 December 2014 (12 noon)	Annual General Meeting
19 December 2014	Final dividend on Ordinary shares paid
3 January to 31 January 2015	Period during which holders of the Company's 3.5% Convertible Unsecured Loan Stock 2018 (CULS) can elect to convert into Ordinary shares
31 January 2015	Conversion date for any CULS converted into Ordinary shares
31 January 2015	Half-yearly interest on CULS paid
28 February 2015	Company's financial half-year end
April 2015	Announcement of half-yearly financial report for the six months ended 28 February 2015
May 2015	Half-Yearly Report published
3 July to 31 July 2015	Period during which CULS holders can elect to convert into Ordinary shares
31 July 2015	Conversion date for any CULS converted into Ordinary shares
31 July 2015	Half-yearly interest on CULS paid

Strategic Report – Overview of Strategy

Introduction

The purpose of this report is to provide shareholders with details of the Company's strategy and business model as well as the principal risks and uncertainties it faces.

The business of the Company is that of an investment trust and the Directors do not envisage any change in this activity in the foreseeable future.

Investment Policy

The Company's assets are invested in a diversified portfolio of securities in quoted companies spread across a range of industries and economies in the Asia Pacific region, excluding Japan and Australasia. The shares that make up the portfolio are selected from companies that have proven management and whose shares are considered to be attractively priced. The Company invests in a diversified range of sectors and countries. Investments are not limited as to market capitalisation, sector or country weightings within the region.

The Company's policy is to invest no more than 15% of gross assets in other listed investment companies (including listed investment trusts).

The Company complies with Chapter 4 of Part 24 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011 and does not invest more than 15% of its assets in the shares of any one company.

When appropriate the Company will utilise gearing to maximise long-term returns, subject to a maximum gearing level of 20% imposed by the Board.

The Company does not currently utilise derivatives but keeps this under review.

Achieving the Investment Policy

The Directors are responsible for determining the investment policy and the investment objective of the Company. Day-to-day management of the Company's assets has been delegated to the Investment Manager who invests in a diversified range of companies throughout the Asia Pacific investment region in accordance with the investment policy. The Investment Manager follows a bottom-up investment process based on a disciplined evaluation of companies through direct contact by its fund managers. Stock selection is the major source of added value. No stock is bought without the Investment Manager having first met management. The Investment Manager evaluates a company's worth in two stages; quality then price. Quality is defined by reference to management, business focus, the balance sheet and corporate governance. Price is calculated by reference to key financial ratios, the market, the peer group and business prospects. Stock selection is key in constructing a diversified portfolio of companies with top-down investment approach and benchmark weightings being secondary factors. The Investment Manager is authorised to invest up to 15% of the Company's gross assets in any single stock, calculated at the time an investment is made.

A detailed description of the investment process and risk controls employed by the Investment Manager is disclosed on page 53.

A comprehensive analysis of the Company's portfolio by country and by sector is disclosed on pages 13 to 17, including a description of the ten largest investments, the full investment portfolio by value, sector/geographical analysis and currency/market performance. At 31 August 2014, the Company's portfolio consisted of 47 holdings.

Gearing is used to leverage the Company's portfolio in order to enhance returns where and to the extent this is considered appropriate to do so. At 31 August 2014, the Company's net gearing was 7.3%.

Principal Risks and Uncertainties

The Board regularly reviews the principal risks and uncertainties which it has identified together with the delegated controls it has effected to manage the risks and address the uncertainties. The principal risks are:

Resource risk

The Company is an investment trust and has no employees. The responsibility for the provision of investment management, marketing and administration services for the Company has been delegated to Aberdeen Fund Managers Limited ('AFML') under the management agreement. The terms of the management agreement cover the necessary duties and conditions expected of the Manager. The Board reviews the performance of the Manager on a regular basis and their compliance with the management contract formally on an annual basis. As part of that review, the Board assesses the Manager's succession plans, risk management framework and marketing activities. In addition, the Board visits the Manager's Singapore office, where the day-to-day investment management is undertaken, on a biennial basis.

Investment and market risk

The Company is exposed to the effect of variations in share prices due to the nature of its business. Investment in Asian equities involves a greater degree of risk than that usually associated with investment in the major securities markets, including the risk of social, political and economic instability including changes in government which may restrict investment opportunities and have an adverse effect on economic reform. Changes in legal, regulatory and accounting policies, currency fluctuations and high interest rates may affect the value of the Company's investments and the income derived therefrom.

The Board continually monitors the investment policy of the Company, taking account of stockmarket factors, and reviews the Company's performance compared to its benchmark index and peer group. Further details on other risks relating to the Company's investment activities, including market price, liquidity and foreign currency risks, are provided in note 18 to the financial statements.

Concentration risk

Trading volumes in certain securities of emerging markets can be low. The Investment Manager may accumulate investment positions across all its managed funds that represent a significant multiple of the normal trading volumes of an investment which may result in lack of liquidity and price volatility. Accordingly, the Company will not necessarily be able to realise, within a short period of time, an illiquid investment and any such realisation that may be achieved may be at considerably lower prices than the Company's valuation of that investment for the purpose of calculating the NAV per Ordinary Share.

Gearing risk

As at 31 August 2014 the Company had £59.8 million nominal of 3.5% Convertible Unsecured Loan Stock 2018 (CULS). Gearing has the effect of exacerbating market falls and gains. In order to manage the level of gearing, the Board has set a maximum gearing ratio of 20%.

Regulatory risk

The Company operates in a complex regulatory environment and faces a number of regulatory risks. Serious breaches of regulations, such as the tax rules for investment companies, the UKLA Listing Rules and the Companies Act, could lead to a number of detrimental outcomes and reputational damage. The Audit Committee monitors compliance with regulations by reviewing internal control reports from the Manager.

Discount volatility

The Company's share price can trade at a discount to its underlying net asset value. The Board monitors the discount level of the Company's shares and has in place a buyback mechanism whereby the Manager is authorised to buy back shares within certain limits.

Reliance on Third Party Service Providers

The Company has entered into a number of contracts with third party providers including share registrar and depositary services. Failure by any service provider to carry out its contractual obligations could have a detrimental impact on the Company operations. The performance of third party providers is reviewed on an annual basis.

Monitoring Performance – Key Performance Indicators

At each Board meeting, the Directors consider a number of performance measures to assess the Company's success in achieving its objectives. The key performance indicators (KPIs) are established industry measures, and are as follows:

- Net asset value (total return)
- Share price (total return)
- Performance against benchmark
- Discount to net asset value

An analysis of these measures is disclosed on pages 11 to 12. Performance is measured against the Company's benchmark, the MSCI All Country Asia (ex Japan) Index and the Board also considers peer group comparative performance.

Performance and Outlook

At each Board meeting, the Directors consider a number of performance measures to assess the Company's success in achieving its objectives. The Board also considers the marketing and promotion of the Company, including effective communications with shareholders, which is explained in more detail on page 54. The future strategic direction and development of the Company is regularly discussed as part of Board meeting agendas.

A review of the Company's activities and performance during the year ended 31 August 2014 and future developments is detailed in the Chairman's Statement and the Investment Manager's Review. This covers market background, investment activity, portfolio strategy, dividend and gearing policy and investment outlook. A comprehensive analysis of the portfolio is provided in the Portfolio of Investments and Geographical and Sector Analyses on pages 13 to 17.

Board Diversity

The Board recognises the importance of having a range of skilled, experienced individuals with the right knowledge in order to allow the Board to fulfill its obligations. At 31 August 2014, there were four male Directors and one female Director. The Company has no employees. The Board's statement on diversity is set out in the Statement of Corporate Governance.

Environmental, Social and Human Rights Issues

The Company has no employees as the assets are managed by Aberdeen Fund Managers Limited. There are therefore no disclosures to be made in respect of employees. The Company's socially responsible investment policy is outlined on page 28.

Global Greenhouse Gas Emissions

The Company has no greenhouse gas emissions to report from the operations of its Company, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

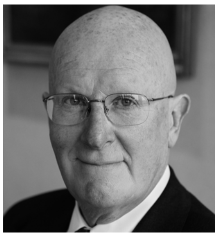
The Manager's corporate socially responsible policy including environmental policy can be found on http://www.aberdeen-asset.com/aam.nsf/groupCsr/home.

Duration

The Company does not have a fixed life. Shareholders are given the opportunity to vote on the continuation of the Company at every third Annual General Meeting. The next continuation vote will be held at the Annual General Meeting in December 2015.

Allan McKenzie
Chairman
3 November 2014

Strategic Report - Chairman's Statement



Allan McKenzie
Chairman

Background

Asian equities had an interesting year to 31 August 2014, with losses in the first half being more than recovered in the second. The background to global equity markets was one of volatility, with US Federal Reserve tapering, an emerging market sell-off and geopolitical tensions all driving investor sentiment. Your Company's net asset value rose 10.4% on a total return basis but trailed the benchmark MSCI All Country Asia (ex Japan) Index's gain of 13.2%. The share price rose by 7.0% to 272.5p, resulting in a widening in the discount from 9.1% at the beginning of the period to 11.3% at 31 August 2014.

Overview

The year under review could be divided into two distinct halves. The first half was one in which most Asian markets were beset by worries about the US Federal Reserve's plans to begin scaling back its asset purchases. The prospect of a resultant reduction in liquidity sparked outflows from Asia and the broader emerging markets, which had been key beneficiaries of the relaxed monetary policies of major central banks. In China, there were concerns over asset quality in the banking sector, as well as the health of the property sector. Generally investors were concerned whether China would be able to maintain its pace of growth, and, by extension, its voracious appetite for the resources of its Asian neighbours.

However, the second half saw a vindication of your Manager's strategy of investing in companies with good prospects, solid finances and proven management, which has served the Company well over the long term. In the second half your Company's net asset value outpaced the benchmark by 1.9%, albeit this was not sufficient to make up for the underperformance in the first half.

Your Manager believed that the sell-off during the first half was excessive. This appeared to be borne out by the subsequent recovery. The measured pace of Fed tapering brought relative calm to markets. The European Central Bank also maintained loose monetary policy by implementing a negative interest rate on commercial bank deposits to encourage lending. Concerns about China's slowing growth were soothed by a series of mini-stimulus measures that led to better-than-expected second-quarter GDP growth.

Politics was also key in shaping market sentiment. India, which already far outstripped its regional counterparts on the back of pre-election euphoria, hit new highs after Narendra Modi's Bharatiya Janata Party swept into power with an unprecedented mandate. The market was anticipating that Modi would revive reforms and ramp up sorely-needed infrastructure investment. In Indonesia, Joko Widodo's narrow victory was not as clear cut, marred by his opponent's legal challenge over the results. However, optimism that he would reduce fuel subsidies and free up funds for welfare and infrastructure helped the stockmarket and currency to mitigate their earlier losses.

While Indian and Indonesian citizens voted in new governments, Thailand experienced a military coup. The bloodless takeover was the culmination of months of political gridlock following mass protests against the incumbent Yingluck administration's attempt to push through a contentious amnesty bill. The relative stability under the military junta, as well as the resumption of stalled capital investment, helped the local market rebound towards the end of the period under review. Gains across the region were capped, however, by external turmoil in the Middle East and the escalating tension caused by Russia's incursion into Ukraine.

Your Company's relative underperformance over the year was attributable largely to a small number of its underlying holdings. Of note was UK-listed Standard Chartered, which posted earnings reflecting the more challenging operating conditions in emerging markets, after having enjoyed a decade of profit growth. Singapore's City Developments, which was hampered by government measures aimed at cooling the local property market, was another detractor. However, your Investment Manager is convinced that both holdings remain central to the portfolio: Standard Chartered's challenges have been reflected in its valuation at less than one time book value, and your Investment Manager remains optimistic about its longer-term prospects. City Developments is well-placed for growth given its prudent balance sheet. Moreover, little attention has been given to management's strategy to diversify geographically. A more in-depth discussion of performance can be found within the Investment Manager's review.

Discount

The discount at which the Company's shares trade relative to their net asset value, as at 31 August 2014, was 11.3%. The Board monitors closely the discount level of the Company's shares and has in place a buyback mechanism whereby the Manager is authorised to buy back shares at certain levels. There were no buy-backs of shares during the financial year and there have been no buy-backs subsequent to the year end. As at 31 October 2014 the Company's shares were trading at a discount of 11.3%.

Shareholder authority will be sought at the Annual General Meeting to purchase the Company's shares to provide the Company with the flexibility to hold any shares that have been repurchased in treasury before either cancelling those shares or selling them back to the market at a later date. Repurchased shares would only be resold at a price above the NAV at the relevant date. The share buyback authority would only be exercised if to do so would increase the net asset value per Ordinary share for the remaining shareholders and would be in the best interests of shareholders generally.

Revenue Account and Dividend

The revenue return per share was 3.4p for the year to 31 August 2004 (2013 – 3.4p). It remains the Board's policy to pay a final dividend marginally in excess of the minimum required to maintain investment trust status, which may, of course, lead to some volatility in the level of dividend paid. The Board recommends the payment of a final dividend of 2.2p per Ordinary share (2013 – 2.2p) which, if approved by shareholders at the Annual General Meeting, will be paid on 19 December 2014.

The Board

In accordance with the provisions of the UK Corporate Governance Code, the Board has endorsed corporate governance procedures whereby all Directors will retire from the Board and submit themselves for re-election on an annual basis. The Board recommends that shareholders vote in favour of the re-election of all Directors at the Annual General Meeting.

Gearing

The Company has no bank borrowings but, at the year end, had £59.8 million nominal of 3.5% Convertible Unsecured Loan Stock 2018 (CULS) in issue, representing actual gearing of 9.6%. The CULS provides the Company with long-term structural gearing at an acceptable cost and is in line with the Manager's long-term investment philosophy. The CULS provides holders with an attractive yield of 3.5% per annum, as well as capital protection (with the liability comfortably covered by the gross assets of the Company of £607 million). Holders of CULS may convert part, or all, of their holdings into Ordinary shares on 31 January and 31 July each year up to January 2018 at a fixed price of 310.1528p nominal of CULS for one Ordinary share.

Annual General Meeting

The Annual General Meeting will be held at Aberdeen's London office on Tuesday 16 December 2014 at 12.00 noon followed by a lunch for shareholders. This will give shareholders the opportunity to meet the Directors and Manager after the formal AGM business has concluded and we welcome all shareholders to attend. The AGM will continue to alternate between Edinburgh and London.

Scottish Referendum

As a result of the "No" vote in the Scottish referendum held on 18 September 2014, the immediate uncertainties and risk factors relating to Scottish independence have been removed. The Board does not expect any direct impact upon the Company from the devolution of more powers to the Scottish Government but will continue to monitor developments in this area closely.

Alternative Investment Fund Managers (AIFM) Directive

The Alternative Investment Fund Managers Directive (the "Directive"), proposed by the EU to enhance shareholder protection, was fully implemented in the UK on 22 July 2014. This Directive required the Company to appoint an authorised Alternative Investment Fund Manager ("AIFM) and a depositary, the latter overlaying the previous custody arrangements.

The Company appointed Aberdeen Fund Managers Limited ("AFML") as its AIFM, following its authorisation by the FCA, to act as the Company's AIFM entering a new management agreement with AFML on 15 July 2014. Under this agreement AFML delegates portfolio management services to Aberdeen Asset Management Asia Limited, which continues to act as the Company's Investment Manager. There is no change in the commercial arrangements from the previous investment management agreement which was in place up to 15 July 2014.

In addition, the Company entered into a Depositary agreement with AFML and BNP Securities Services on 15 July 2014 for the provision of depositary services (including custody of assets), resulting in slightly increased costs compared with the previous custody arrangements.

Retail Investors

The Company currently conducts its affairs so that the Ordinary shares issued by Edinburgh Dragon Trust plc can be recommended by Financial Advisers to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future.

The Ordinary shares are excluded from the FCA's restrictions which apply to non-mainstream pooled investment products because they are shares in an investment trust.

Outlook

As I write there is considerable volatility in global markets caused by geopolitical uncertainty in the Middle East and Eastern Europe. In Hong Kong "pro democracy" protests have raised uncomfortable questions for the Chinese government. Uncertainty has also been exacerbated by fears on the impact of the Ebola virus globally. In Europe concerns are being expressed on the sustainability of what is an anaemic economic recovery. The latest forecasts from the IMF were generally pessimistic. Asian markets are not immune to external events. Chief among these is the timing of a Fed interest rate hike, given the steadily-improving US economy. A sooner-than-expected increase is expected to cause renewed outflows from riskier assets, but the view of your Manager is that this is likely to be more of a short-term jolt than a sustained slowdown. The hope is that such a normalisation of monetary policy could help shift investor focus towards corporate earnings and companies with good and improving fundamental prospects.

While sentiment is currently very fragile across all global markets, Asian economic growth is likely to remain relatively strong in comparison to other regions over the long term. Improving demand from the US should benefit regional exporters, while the recent elections in India and Indonesia have buoyed business sentiment. The portfolio's holdings, which include some of the best companies in the region, should be able to maintain focus on growth and cost discipline amid the macroeconomic uncertainty, and remain well-positioned for the future.

For Edinburgh Dragon Trust plc
Allan McKenzie
Chairman

3 November 2014

Strategic Report – Investment Manager's Review

Background/Portfolio Review

Asian equities saw a significant increase in volatility over the last twelve months, mainly owing to uncertainty over the US Federal Reserve's monetary policy stance, and political changes in the region. Early in the review period, stocks were bolstered by the US Fed's postponement in tapering its asset purchases, and the resolution of the US debt ceiling crisis. However in 2014, cuts to quantitative easing spread contagion fears, causing funds to flow towards developed markets. Subsequently, swift policy action by Asian countries deemed 'fragile' on account of their current account and fiscal deficits, calmed the panic and sentiment soon recovered. This was especially apparent in India and Indonesia, where stocks were buoyed by election euphoria, as old regimes were replaced with pro-reform candidates. Towards the end of the period, Asian markets continued, with major central banks keeping monetary policy loose.

The Company's net asset value (NAV) gained 10.4%, compared to the 13.2% rise in the MSCI All Country Asia (ex Japan) Index, but sterling strength against most Asian currencies moderated gains. Both asset allocation and stock selection detracted from relative performance.

Whilst the Company underperformed over the 12-month period, the portfolio outpaced the index in the second half, as the market made a V-shaped recovery to finish the period at a higher level.

The biggest contributors to performance were the holdings in India, where local stocks rose as the Bharatiya Janata Party swept to victory, boosting investor sentiment. Among the top performers were the two largest financial firms within the private sector, Housing Development Finance Corp (HDFC), a mortgage and life insurance conglomerate, and ICICI Bank, a leading commercial bank. We are encouraged that both have grown their loan books steadily in recent years, without compromising asset quality, despite the sluggish economy. With capable management, they have potential to grow further. In contrast, the lack of exposure to the state-owned banks is due to concerns over credit-lending policies and interests of minority shareholders potentially being sacrificed for that of the state. Meanwhile, our building materials and cement makers Grasim Industries and its subsidiary, UltraTech cement, were buoyed by expectations that the new government will upgrade the country's inadequate infrastructure. Previously beset by overcapacity, demand in the domestic cement market is now expected to pick up. Another holding that did well was Hero MotoCorp, the largest producer of motorcycles in the world. Improved sentiment over discretionary consumption lifted the stock.

Korea's Samsung Electronics added to performance. The consumer electronics giant achieved record operating profits early in 2014, but intensifying rivalries in the mobile phone market weighed on its results of late. We continue to like the company as it produces innovative and high-quality products, backed by a solid research and development team, while boasting a prominent market position.

Conversely, the exposure to Standard Chartered Bank cost performance. The bank's share price was punished by investors as earnings reflected slowing economic growth and tough trading conditions in emerging markets, while senior level departures also hurt sentiment. However, we continue to believe in its ongoing efforts to steady the ship for a recovery. Cost cuts and reorganisation during the slowdown should position it for growth in emerging markets over the longer term, backed by its solid franchise. Meanwhile, our lack of exposure to Chinese internet firm Tencent detracted as its share price rose on good results, and its aim to set up a private bank. We do not hold the stock as it fails our quality criteria. It has a complex ownership structure that gets around China's restrictions on foreign ownership for internet companies. Elsewhere, Taiwan Mobile underperformed the index as investors were worried about the need for increased capital outlays for investment in its 4G network. The company however, is very well run and has a strong market position.

In Singapore, lender OCBC's takeover of Wing Hang Bank in Hong Kong raised concerns over its need to raise capital, which weighed on the stock. After successfully acquiring and de-listing Wing Hang, OCBC launched a rights issue to raise S$3.37 billion to fund the acquisition. Looking ahead, we are positive about OCBC's expansion into the Greater China region and Wing Hang's role in this. The offer drove up Wing Hang's share price. We subsequently tendered the Wing Hang shares held by the portfolio to OCBC.

Meanwhile, the property market in Singapore dampened owing to government measures aimed at curbing household debt levels and making homes more affordable for locals. Our holding in property firm City Developments, cost the portfolio as investor sentiment waned. This was despite the company posting robust earnings growth towards the end of the review period, led by its hotel and property development segments. The company plans to tap overseas growth with more foreign projects, to compensate for the domestic weakness. Another holding, ST Engineering detracted on subdued investor interest, but the firm, which mainly manufactures defense equipment, has delivered steady growth over the years, which we expect to continue. It also boasts stable cashflows and a solid balance sheet, driven by effective management.

Portfolio Activity

During the period, we introduced Indian conglomerate ITC, which has a dominant position in the consumer goods sector.

The company has been using robust cashflows from its cigarettes business to invest in other opportunities within the fast-moving consumer goods segment such as food, and also in the hospitality sector with ITC Hotels. Against this, we sold Singapore Airlines as the operating environment remains challenging and is not expected to improve in the medium-term.

Amid the heightened volatility in stock prices, we also took opportunities to trim holdings where valuations were expensive, and added to those which became attractive. We pared Samsung Electronics and Indian holdings, such as Hero MotoCorp and Infosys, after their share prices rose sharply. With the proceeds we added to Standard Chartered and conglomerate Jardine Strategic. The latter's stock price faced pressure from a slowdown in Indonesia, one of its key markets. Over the longer term, however, it provides the fund with a diversified exposure to the Asian consumer, through its regional interests in retail, property, hotels and auto distribution.

Outlook

With the rebound in global stockmarkets in the second-half of the period, it is worth noting that Asian shares are still trading at a significant discount in valuation terms to developed markets. Asian companies also have much lower debt levels measured against global peers. At the same time, the region boasts higher economic growth rates, and hence, we continue to see attractive opportunities despite rising markets. Into next year, the US Fed's plan to raise interest rates would raise corporate borrowing costs, but the portfolio's balance sheet strength would put it at a relative advantage in this respect. Any rate hikes would also be dependent upon better US economic data, which should mean improved demand for Asian goods and services. Elsewhere, in terms of China's slowdown and Europe's apparent stagnation, continued selective stimulus in China and additional quantitative easing in Europe could help support demand. Several of the Company's holdings were buoyed by progressive election outcomes, but expectations are high and the actual pace of reforms may disappoint. The need for their governments to cut subsidies and balance budgets also means cost increases for businesses. However, our holdings have capable management and pricing power, with a focus on controlling expenditures and improving margins. Furthermore, we take comfort in our investment process and the quality of our investee companies, that have the strength to weather downturns and deliver robust returns over the long run.

Aberdeen Asset Management Asia Limited*
3 November 2014

* on behalf of Aberdeen Fund Managers Limited
Both companies are subsidiaries of Aberdeen Asset Management PLC.

Strategic Report - Results

	31 August 2014	31 August 2013	% change
Performance			
Equity shareholders' funds (£'000)	603,077	550,346	+9.6
Net asset value per share (including net revenue) (p)	307.10	280.26	+9.6
Share price (p)	272.50	254.70	+7.0
Market capitalisation (£'000)	535,127	500,151	+7.0
MSCI AC Asia (ex Japan) Index (in sterling terms; capital return basis)	677.25	614.29	+10.2
Revenue return per share (p)	3.43	3.42	
Total return per share (p)	29.04	17.76	
Gearing			
Net gearing (%)[A]	7.3	9.6	
Discount			
Level of discount at which the shares traded (%)	11.3	9.1	
Operating costs			
Ongoing charges ratio[B]	1.23	1.23	

[A] Calculated in accordance with AIC guidance "Gearing Disclosures post RDR".

[B] Ongoing charges ratio is calculated in accordance with guidance issued by the AIC as the total of the investment management fee and ongoing administrative expenses divided by the average undiluted net asset value in the year.

Year's Highs/Lows

	High	Low
Share price (p)	275.3	230.0
Net asset value (p)	308.5	257.8
Discount (%)	–5.5	–12.2

Performance (total return)

	1 year return %	3 year return %	5 year return %
Share price	+7.9	+22.3	+70.7
Net asset value	+10.4	+25.7	+78.9
MSCI AC Asia (ex Japan) Index (in sterling terms)	+13.2	+24.3	+60.1

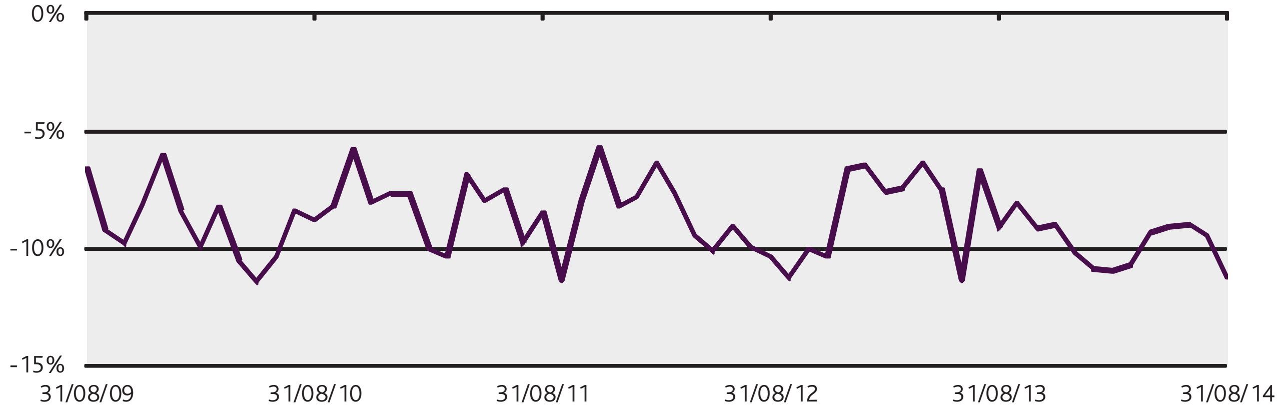
Dividends

	Rate	xd date	Record date	Payment date
Proposed final 2014	2.20p	20 November 2014	21 November 2014	19 December 2014
Final 2013	2.20p	20 November 2013	22 November 2013	20 December 2013

Strategic Report - Performance

Share Price Discount to NAV

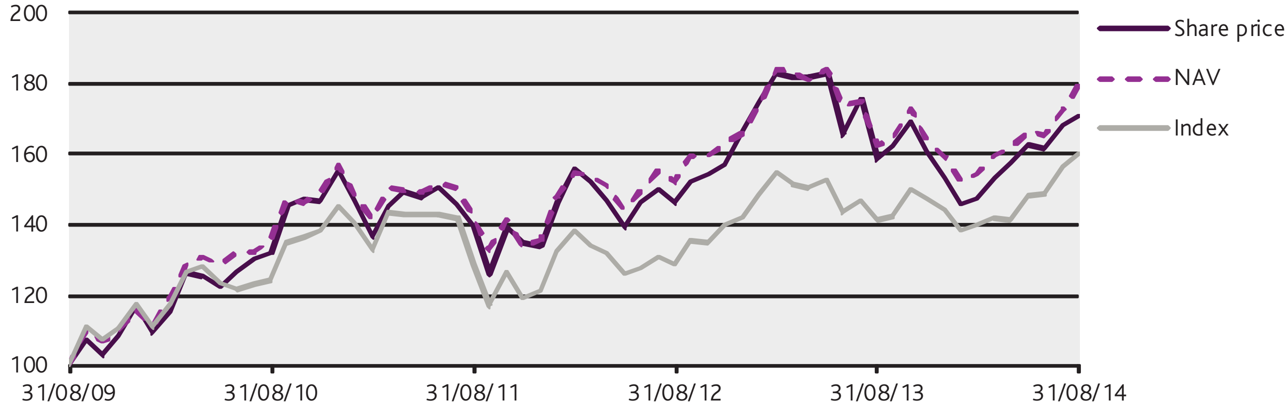
Five years to 31 August 2014



Source: Morningstar

Total Return of NAV and Share Price vs MSCI All Country Asia (ex Japan) Index

Five years to 31 August 2014 (rebased to 100 at 31 August 2009)



Source: Aberdeen Asset Management & Lipper

Ten Year Financial Record

Year ended 31 August	Equity shareholders' interest £'000	Net asset value per Ordinary share p	Revenue return per Ordinary share p	Ordinary share price p	Share price discount %	Expenses as a % of average shareholders' funds
2005[A]	258,094	108.73	1.50	101.50	6.6	1.4
2006	301,553	127.06	1.41	117.75	7.3	1.3
2007	384,521	162.18	1.84	144.25	10.8	1.3
2008	377,787	163.58	2.35	146.00	10.5	1.3
2009	414,074	179.29	2.31	167.40	6.6	1.4
2010	471,324	240.09	2.62	219.00	8.8	1.3
2011[B]	493,555	251.37	4.31	230.00	8.5	1.2
2012[B]	519,765	264.70	3.30	237.30	10.4	1.3
2013[B]	550,346	280.26	3.42	254.70	9.1	1.2
2014[B]	603,077	307.10	3.43	272.50	11.3	1.2

[A] The 2005 net asset value and equity shareholder's interest figures have been restated to reflect the changes in accounting policies.

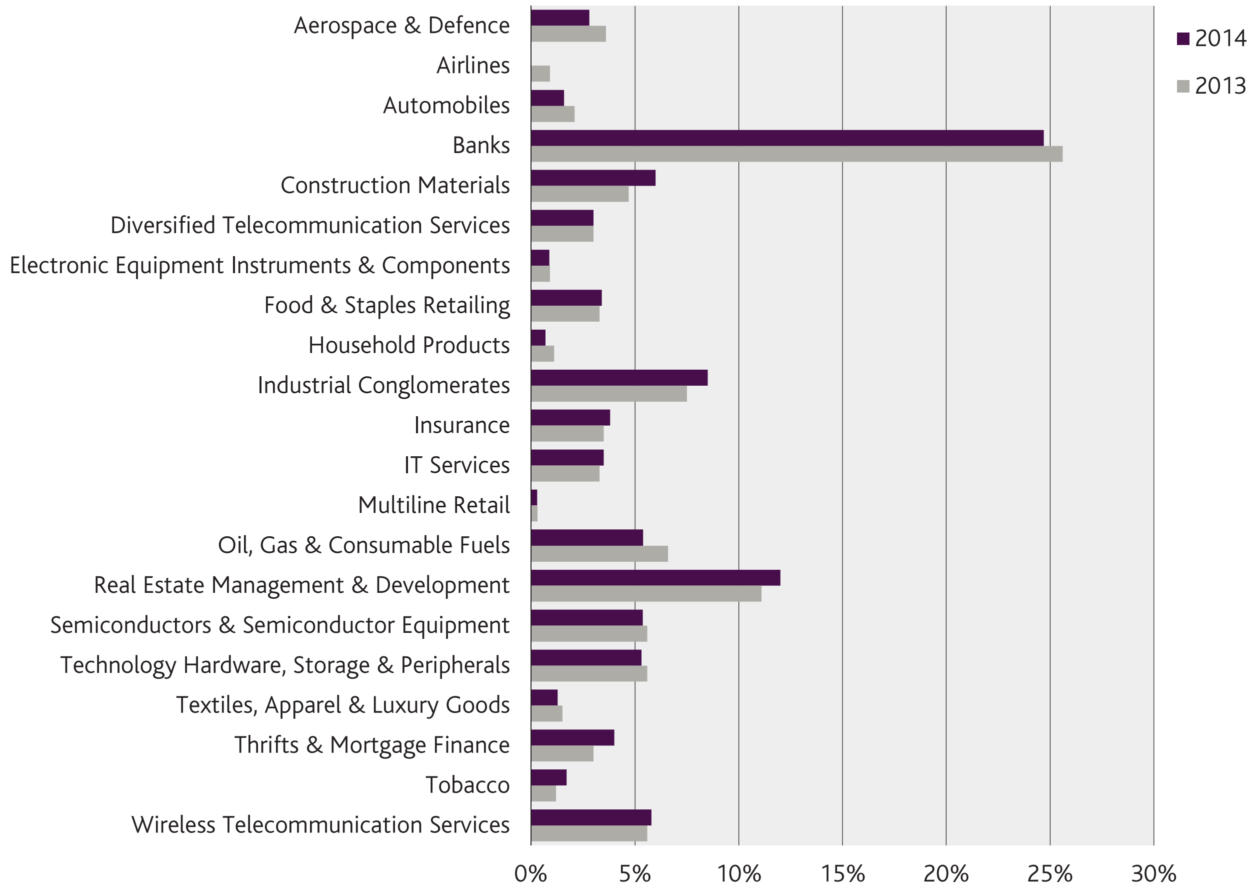
[B] The 2011 to 2014 expenses as a % of average shareholders' funds have been calculated with reference to guidance issued by the AIC on ongoing charges, which advises the use of the average daily net asset value throughout the year within the calculation. The figures for 2005 to 2010 disclosed were calculated using previous best practice, which used the average monthly net asset value throughout the year within the calculation.

Changes in Asset Distributions

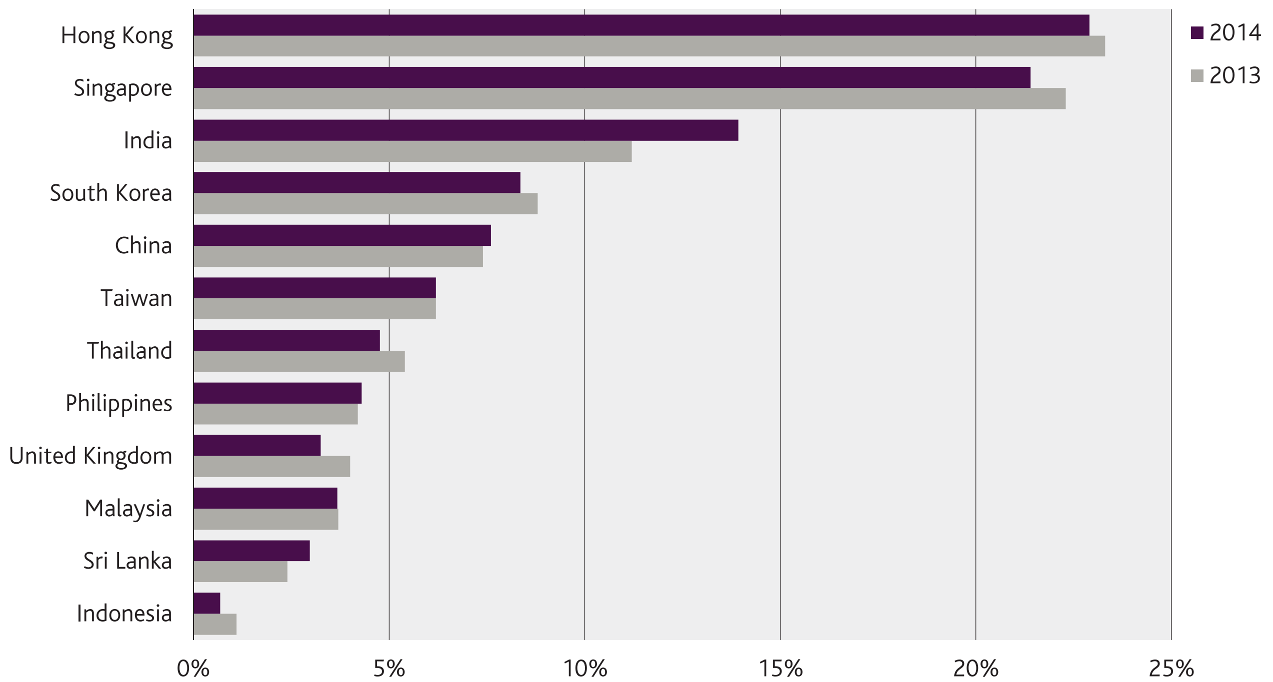
Country	Value at 31 August 2013 £'000	Purchases £'000	Sales proceeds £'000	Gains/ (losses) £'000	Value at 31 August 2014 £'000
China	44,815	3,683	2,763	3,355	49,090
Hong Kong	164,946	17,173	11,904	(989)	169,226
India	67,517	3,296	8,317	27,607	90,103
Indonesia	6,446	–	1,173	(763)	4,510
Malaysia	22,058	753	736	1,555	23,630
Philippines	25,544	776	1,369	2,438	27,389
Singapore	134,802	7,137	8,540	4,558	137,957
South Korea	52,961	1,770	8,857	8,193	54,067
Sri Lanka	14,719	1,394	–	3,503	19,616
Taiwan	37,221	1,462	–	1,569	40,252
Thailand	32,376	4,324	5,183	(685)	30,832
Total investments	603,405	41,768	48,842	50,341	646,672
Net current assets	3,931	–	–	10,088	14,019
Total assets less current liabilities	**607,336**	**41,768**	**48,842**	**60,429**	**660,691**

Sector/Geographical Analysis

Sector Breakdown



Geographic Breakdown



Investment Portfolio – Ten Largest Investments

As at 31 August 2014

Company	Industry	Country	Valuation 2014 £'000	Total assets %	Valuation 2013 £'000
Samsung Electronics Pref A leading semiconductor company which is also a major player in mobile phones and consumer electronics.	Technology Hardware, Storage & Peripherals	South Korea	34,442	5.2	33,837
Oversea-Chinese Banking Corporation A leading, well-run Singaporean banking group with assets and operations in South East Asia and China.	Banks	Singapore	32,182	4.9	30,381
Taiwan Semiconductor Manufacturing Company The leading semiconductor foundry in Taiwan.	Semiconductors & Semiconductor Equipment	Taiwan	28,016	4.2	24,229
Jardine Strategic Holdings A Singapore-listed conglomerate with interests across the region spanning property, hotels and consumer-related businesses.	Industrial Conglomerates	Hong Kong	27,204	4.1	25,230
Housing Development Finance Corp Leading domestic mortgage provider with a leading distribution network, cost structure and balance sheet quality.	Thrifts & Mortgage Finance	India	25,746	3.9	18,218
China Mobile The number one mobile operator in China.	Wireless Telecommunication Services	China	24,962	3.8	20,985
AIA Group The Group offers life insurance, accident insurance, health insurance and wealth management solutions to individuals and businesses in the Asia Pacific region.	Insurance	Hong Kong	24,509	3.7	21,126
HSBC Holdings HSBC group is one of the world's largest banking and financial services institutions.	Banks	Hong Kong	23,789	3.6	21,297
United Overseas Bank Singapore's second largest bank, primarily focused on SMEs and consumers, with its core market in Singapore and the balance predominantly in southeast Asia.	Banks	Singapore	23,183	3.5	20,575
Infosys Ltd One of the leading information technology companies in India.	IT Services	India	22,634	3.4	20,060
Top ten investments			**266,667**	**40.3**	

Investment Portfolio – Other Investments

As at 31 August 2014

Company	Sector	Country	Valuation 2014 £'000	Total assets %	Valuation 2013 £'000
Standard Chartered[A]	Banks	United Kingdom	21,488	3.3	24,159
Swire Pacific 'B'	Real Estate Management & Development	Hong Kong	20,320	3.1	20,079
Siam Cement (Alien)	Construction Materials	Thailand	19,858	3.0	16,362
Singapore Telecommunications	Diversified Telecommunication Services	Singapore	19,198	2.9	18,177
Singapore Technologies Engineering	Aerospace & Defence	Singapore	18,163	2.7	21,741
City Developments	Real Estate Management & Development	Singapore	18,013	2.7	16,602
Ayala Land	Real Estate Management & Development	Philippines	15,461	2.4	14,683
John Keells Holdings[B]	Industrial Conglomerates	Sri Lanka	14,808	2.2	11,384
CNOOC	Oil, Gas & Consumable Fuels	China	13,858	2.1	14,717
Grasim Industries	Construction Materials	India	13,118	2.0	8,472
Top twenty investments			**440,952**	**66.7**	
Dairy Farm International	Food & Staples Retailing	Hong Kong	12,918	2.0	12,534
Keppel Corp	Industrial Conglomerates	Singapore	12,901	2.0	8,454
Taiwan Mobile	Wireless Telecommunication Services	Taiwan	12,236	2.0	12,992
Bank of Philippine Islands	Banks	Philippines	11,928	1.9	10,861
PTT Exploration & Production (Alien)	Oil, Gas & Consumable Fuels	Thailand	10,974	1.8	16,014
Hero Motocorp	Automobiles	India	10,418	1.6	12,810
PetroChina 'H'	Oil, Gas & Consumable Fuels	China	10,269	1.5	9,113
Hang Lung Group	Real Estate Management & Development	Hong Kong	9,769	1.4	8,002
E-Mart Co	Food & Staples Retailing	South Korea	9,052	1.3	7,494
Hang Lung Properties	Real Estate Management & Development	Hong Kong	8,953	1.3	8,002
Top thirty investments			**550,370**	**83.5**	
CIMB Group Holdings	Banks	Malaysia	8,666	1.3	8,558
ICICI Bank	Banks	India	8,623	1.3	4,487
DBS Group	Banks	Singapore	8,581	1.3	7,808
Public Bank	Banks	Malaysia	7,811	1.2	6,480
British American Tobacco Malaysia	Tobacco	Malaysia	7,152	1.2	7,020
Li & Fung	Textiles, Apparel & Luxury Goods	Hong Kong	7,092	1.1	9,027
ASM Pacific Technology	Semiconductors & Semiconductor Equipment	Hong Kong	6,851	1.0	9,270
Ultratech Cement	Construction Materials	India	6,036	0.9	3,470
Venture Corp	Electronic Equipment Instruments & Components	Singapore	5,737	0.9	5,734
Swire Properties	Real Estate Management & Development	Hong Kong	5,019	0.7	3,230
Top forty investments			**621,938**	**94.4**	

Company	Sector	Country	Valuation 2014 £'000	Total assets %	Valuation 2013 £'000
DFCC Bank	Banks	Sri Lanka	4,808	0.7	3,335
Unilever Indonesia	Household Products	Indonesia	4,510	0.7	6,446
DGB Financial Group	Banks	South Korea	4,465	0.7	5,071
BS Financial Group	Banks	South Korea	4,195	0.6	4,944
ITC	Tobacco	India	3,528	0.5	–
Shinsegae Company	Multiline Retail	South Korea	1,914	0.3	1,615
Global Brands Group	Textiles, Apparel & Luxury Goods	Hong Kong	1,314	0.2	–
Total investments			**646,672**	**98.1**	
Net current assets			**14,019**	**1.9**	
Total assets[C]			**660,691**	**100.0**	

[A] Valuation amalgamates both UK (£16,833,000; 2013 – £18,773,000) and Hong Kong (£4,655,000; 2013 – £1,158,000) listed equity holdings.

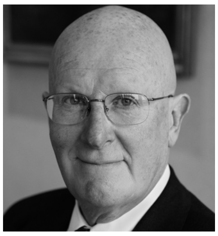
[B] Valuation amalgamates both warrants (£385,000; 2013 – £181,000) and listed equity holdings (£14,423,000; 2013 – £14,784,000).

[C] See definition on page 57.

Note: Unless otherwise stated, foreign stock is held and all investments are equity holdings.

Your Board of Directors

The Directors, all of whom are non-executive and independent of the Manager, supervise the management of Edinburgh Dragon Trust plc and represent the interests of shareholders.



Allan McKenzie

Status: Independent Non-Executive Chairman
Length of service: 8 years, appointed a Director on 1 September 2006
Experience: former chief operating officer and a managing director of BlackRock International Limited prior to his retirement in 2006. Between 1972 and 1991 he was actively involved in fund management, specialising in Asian equity markets. Since 1991 his role was in marketing and client relationship management at both Scottish Widows Investment Management and BlackRock International Limited. Formerly he was chairman of Impax Asian Environmental Markets plc, director of BlackRock Global Series plc and chairman and director of the Thailand International Fund Limited.
Committee membership: Audit Committee and Remuneration Committee
Remuneration: £38,700 per annum with effect from 1 September 2014
All other public company directorships: None
Employment by the Manager: None
Other connections with Trust or Manager: None
Shared Directorships with any other Trust Directors: None
Shareholding in Company: 25,000 Ordinary shares and 28,820 CULS

Kathryn Langridge

Status: Independent Non-Executive Director
Length of service: 2 years, appointed a Director on 29 October 2012
Experience: 30 years' experience in the investment industry. She is currently fund management director at Jupiter Asset Management responsible for running the Jupiter Global Emerging Markets Fund. She was previously the Head of the Global Emerging Markets team at Lloyd George Management, where she was responsible for developing investment strategy and managing equity portfolios across a range of emerging markets. Prior to this, she was at INVESCO Perpetual for 17 years holding positions that included Head of Asian investments and Head of International Equity Products. She began her career in Asia with Jardine Fleming.
Committee membership: None
Remuneration: £25,800 per annum with effect from 1 September 2014
All other public company directorships: None
Employment by the Manager: None
Other connections with Trust or Manager: None
Shared Directorships with any other Trust Directors: None
Shareholding in Company: None

Tony Lowrie

Status: Independent Non-Executive Director
Length of service: 10 years, appointed a Director on 4 October 2004
Experience: has over 30 years' involvement in Asian investment, originally with Hoare Govett and HG Asia and ABN Amro where he was a managing director prior to his retirement in 2007. He is a director of Kenmare Resources plc and Petra Diamonds Limited and a former non-executive director of JD Wetherspoon and Allied Gold.
Committee membership: Remuneration Committee
Remuneration: £25,800 per annum with effect from 1 September 2014
All other public company directorships: Kenmare Resources plc and Petra Diamonds Limited
Employment by the Manager: None
Other connections with Trust or Manager: None
Shared Directorships with any other Trust Directors: None
Shareholding in Company: None

Peter Maynard

Status: Independent Non-Executive Director
Length of service: 3 years, appointed a Director on 12 October 2011
Experience: qualified as a solicitor and was Group Legal Director at Prudential plc from 1998 to 2009 and Company Secretary from July 1999. Prior to that he was with HSBC for 14 years during which time he was variously a Director of HSBC Investment Bank, President and Chief Executive Officer of James Capel Inc in New York and finally Deputy Group Legal Adviser. He is a former chairman of the GC100 and was a supervisory board member of the London Business School Centre for Corporate Governance. He is a non-executive director of Brunner Investment Trust plc.
Committee membership: Audit Committee
Remuneration: £28,000 per annum with effect from 1 September 2014
All other public company directorships: Brunner Investment Trust plc
Employment by the Manager: None
Other connections with Trust or Manager: None
Shared Directorships with any other Trust Directors: None
Shareholding in Company: 2,500 Ordinary shares

Iain McLaren

Status: Independent Non-Executive Director
Length of service: 4 years, appointed a Director on 6 September 2010
Experience: a chartered accountant and was a partner at KPMG for 27 years, including Senior Partner in Scotland from 1999 to 2004, retiring from the firm in 2008. He is the Senior Independent Director and Audit Committee Chairman of Cairn Energy Plc. He is also chairman of Investors Capital Trust Plc and a non-executive director of Baillie Gifford Shin Nippon Plc, Ecofin Water & Power Opportunities plc and Afren Plc. He is a former President of the Institute of Chartered Accountants of Scotland.
Committee membership: Audit Committee (Chairman)
Remuneration: £30,100 per annum with effect from 1 September 2014
All other public company directorships: Cairn Energy Plc, Baillie Gifford Shin Nippon Plc, Ecofin Water & Power Opportunities plc, Investors Capital Trust Plc and Afren Plc
Employment by the Manager: None
Other connections with Trust or Manager: None
Shared Directorships with any other Trust Directors: None
Shareholding in Company: 10,000 Ordinary shares and 20,379 CULS

Directors' Report

Status

The Company is registered as a public limited company in Scotland (registration number SC106049) and is an investment company as defined by Section 833 of the Companies Act 2006. The Company is a member of the Association of Investment Companies.

The Company has been accepted by HM Revenue & Customs as an investment trust subject to the Company continuing to meet the relevant eligibility conditions of Section 1158 of the Corporation Tax Act 2010 and the ongoing requirements of Part 2 Chapter 3 Statutory Instrument 2011/2999 for all financial years commencing on or after 1 September 2012. The Directors are of the opinion that the Company has conducted its affairs for the year ended 31 August 2014 so as to enable it to comply with the ongoing requirements for investment trust status.

The Company intends to manage its affairs so as to be a qualifying investment for inclusion in the stocks and shares component of an Individual Savings Account and it is the Directors' intention that the Company should continue to qualify.

Capital Structure and Borrowings

During the year to 31 August 2014, the Company issued 8,070 (2013 – 8,430) Ordinary shares following elections by CULS holders to convert £25,056 (2013 - £26,173) nominal of CULS. There were no buybacks of Ordinary shares during the year.

At 31 August 2014, the Company had 196,376,759 (2013 – 196,368,689) fully paid Ordinary shares of 20p each in issue and £59,796,624 (2012 – £59,821,680) nominal of CULS. There have been no changes in the Company's issued share capital and borrowings subsequent to the year end and up to the date of this report.

The Ordinary shares carry a right to receive dividends which are declared from time to time by an ordinary resolution of the Company (up to the amount recommended by the Board) and to receive any interim dividends which the Directors may resolve the Company should pay. On a winding-up, after meeting the liabilities of the Company, the surplus assets will be paid to Ordinary shareholders in proportion to their shareholdings. On a show of hands, every Ordinary shareholder present in person, or by proxy, has one vote and, on a poll, every Ordinary shareholder present in person has one vote for each share held and a proxy has one vote for every share represented.

There are no restrictions concerning the holding or transfer of the Company's Ordinary shares and there are no special rights attached to any of the shares. The Company is not aware of any agreements between shareholders which may result in restriction on the transfer of shares or the voting rights.

The interest rate on the CULS is 3.5% per annum, payable semi-annually in arrears on 31 January and 31 July in each year. CULS holders are entitled to convert their CULS into Ordinary shares every six months from 31 July 2011 until 31 January 2018. In accordance with the terms of the CULS Issue, the conversion price of the CULS was determined at 310.1528 pence nominal of CULS for one Ordinary share, which represented a 10% premium to the published (unaudited) NAV per Ordinary share (including income) of 281.9571 pence at close of business on 5 January 2011. Any CULS not previously redeemed, purchased or converted will be repaid by the Company on 31 January 2018 at its nominal amount. CULS holders have the power by Extraordinary Resolution to sanction any modification, abrogation or compromise of, or arrangement in, respect of their rights against the Company and to assent to any modification of the provisions of the Trust Deed.

In the event of a winding-up of the Company, the Ordinary shares will rank behind any creditors or prior ranking capital of the Company, including the CULS.

Directors

Biographies of the Directors of the Company who held office at the financial year end are shown on pages 18 to 19. David Gairns retired from the Board on 17 December 2013.

No contract or arrangement subsisted during the period in which any of the Directors was materially interested. No Director had a service contract with the Company.

Directors' Liability Insurance

The Directors have the benefit of the indemnity provisions contained in the Company's articles of association. The Company maintains insurance in respect of Directors' and officers' liabilities in relation to their acts on behalf of the Company.

Dividends

The Directors recommend that a final dividend of 2.20p per Ordinary share (2013 – 2.20p) be paid on 19 December 2014 to shareholders on the register on 21 November 2014. The ex-dividend date is 20 November 2014.

Manager and Company Secretary

The Company's management arrangements with the Aberdeen Asset Management Group have been reorganised and the Company has appointed Aberdeen Fund Managers Limited ("AFML"), a wholly owned subsidiary of Aberdeen

Asset Management PLC, as its alternative investment fund manager ("AIFM") with effect from 15 July 2014. In order to facilitate this appointment, the Company terminated its existing investment management agreement with Aberdeen Asset Managers Limited, and entered into a new management agreement with AFML. The new management agreement with AFML is made on the same commercial terms, including fees, as the previous agreement and is also compliant with the new regulatory regime under the AIFMD. Under the new arrangements, the Company's portfolio is managed by Aberdeen Asset Management Asia Limited and company secretarial, accounting and administrative services are provided by Aberdeen Asset Managers Limited by way of a delegation agreement in place between the Aberdeen Group companies.

The Board undertook a review of the management and secretarial fee arrangements and agreed the following amendments which took effect from 1 January 2014:

- Management fee of 1.0% on net assets up to £600m; 0.9% from £600m to £1bn; 0.8% above £1bn.
- Removal of secretarial and administration fee.

The value of any investments in unit trusts, open ended and closed ended investment companies and investment trusts of which the Manager or another company within the Aberdeen Asset Management Group is the operator, manager or investment adviser is deducted from net assets.

Further details on the management agreement, including notice period and management, secretarial and marketing fees paid to Aberdeen Group companies during the year ended 31 August 2014 are shown in note 3 to the financial statements.

Auditor

A resolution will be proposed at the forthcoming Annual General Meeting to authorise the Directors to fix the auditor's remuneration. During the year ended 31 August 2014, £4,500 (2013 - £4,370) was paid to the auditor for non-audit services. This related to further assurance work regarding the interim report.

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Corporate Governance

The Statement of Corporate Governance, which forms part of the Directors' Report, is contained on pages 24 to 28.

Substantial Share Interests

At 3 November 2014 the substantial interests in the Ordinary share capital which had been notified to the Company are shown in Table 1.

Holder	Number of Ordinary shares	%
Lazard Freres Asset Management	25,436,323	13.0
Investec Wealth & Investment	17,734,494	9.0
Derbyshire County Council	12,000,000	6.1

Table 1: Substantial share interests

Greenhouse Gas Emissions

The Company has no greenhouse gas emissions or other emissions producing sources to report from its operations.

Annual General Meeting

Among the resolutions being put at the Annual General Meeting of the Company to be held on 16 December 2014, the following resolutions will be proposed:

(i) **Section 551 Authority to Allot Shares**
Resolution 12, which is an ordinary resolution, will, if approved, give the Directors a general authority to allot new securities up to an aggregate nominal value of £13,091,784 representing approximately 33.33 per cent. of the total Ordinary share capital of the Company in issue as at 6 November 2014, being the latest practicable date prior to the publication of this document, such authority to expire on 28 February 2016 or, if earlier, at the conclusion of the next Annual General Meeting of the Company (unless previously revoked, varied or extended by the Company in general meeting).

(ii) **Limited Disapplication of Pre-emption Provisions**
As noted above, resolution 12 will, if approved, give the Directors a general authority to allot securities up to an aggregate nominal amount of £13,091,784. Resolution 13, which is a special resolution, seeks to give the Directors power to allot Ordinary shares and to sell Ordinary shares held in treasury (see below) (i) by way of a rights issue (subject to certain exclusions), (ii) by way of an open offer or other offer of securities (not being a rights issue) in favour of existing shareholders in proportion to their shareholdings (subject to certain exclusions) and (iii) to persons other than existing shareholders for cash up to a maximum aggregate

nominal amount of £1,963,768 being 5% of the current issued share capital of the Company, without first being required to offer such shares to existing shareholders *pro rata* to their existing shareholding.

This authority will expire on 28 February 2016 or, if earlier, at the conclusion of the next Annual General Meeting of the Company (unless previously revoked, varied or extended by the Company in general meeting).

The Company is currently authorised to buy back and hold shares in treasury and then sell them at a later date for cash or cancel them and Resolution 14 seeks to renew this authority (see the explanations of that resolution below). Such sales are required to be on a pre-emptive, pro rata basis to existing shareholders unless shareholders agree by special resolution to disapply such pre-emption rights. Accordingly, in addition to giving the Directors power to allot unissued Ordinary share capital on a non pre-emptive basis, resolution 13 will also give the Directors power to sell Ordinary shares held in treasury on a non pre-emptive basis, subject always in both cases to the limitations noted above. Pursuant to this power, Ordinary shares would only be issued for cash and treasury shares would only be sold for cash at a premium to the net asset value per share (calculated after the deduction of prior charges at market value). Treasury shares are explained in more detail under the heading "Purchase of the Company's own Ordinary Shares" below.

The Directors consider that the powers proposed to be granted by the above resolutions are necessary to provide flexibility to issue shares should they deem it to be in the best interests of shareholders as a whole.

(iii) Purchase of the Company's own Ordinary shares

Resolution 14, which will be proposed as a special resolution, will authorise the Company to make market purchases of its own shares. Shares so repurchased will be cancelled or held in treasury. The Company may do either of the following in respect of its own Ordinary shares which it buys back and does not immediately cancel but, instead, holds "in treasury":-

a) sell such shares (or any of them) for cash (or its equivalent); or
b) ultimately cancel the shares (or any of them).

No dividends will be paid on treasury shares, and no voting rights attach to them.

The maximum number of Ordinary shares which may be purchased pursuant to the authority shall be 14.99% of the issued share capital of the Company as at the date of the passing of the resolution (approximately 29.4 million Ordinary shares). The minimum price which may be paid for an Ordinary share (exclusive of expenses) shall be 20p (being an amount equal to the nominal value of an Ordinary share). The maximum price for an Ordinary share (again exclusive of expenses) shall be an amount being not more than the higher of (i) 105% of the average of the middle market quotations for the Company's Ordinary shares for the five business days immediately preceding the date of purchase and (ii) the higher of the price of the last independent trade and the highest current independent bid relating to an Ordinary share on the trading venue where the purchase is carried out.

This authority, if conferred, will only be exercised if to do so would enhance the net asset value per share and is in the best interests of shareholders generally. The Directors do not intend at present to exercise this authority but wish to retain the flexibility to do so in the future. This authority will expire on 28 February 2016 or, if earlier, at the conclusion of the next Annual General Meeting of the Company (unless previously revoked, varied or extended by the Company in general meeting).

(iv) Notice period for general meetings

The Company's articles of association enable the Company to call general meetings (other than an Annual General Meeting) on 14 clear days' notice. In order for this to be effective, the shareholders must also approve the calling of meetings on 14 days' notice by separate resolution. Resolution 15, which will be proposed as a special resolution, seeks such approval. The approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed. The Company will also need to meet the requirements for electronic voting under the Companies Act 2006 (as amended by the Shareholders' Rights Regulations) before it can call a general meeting on 14 days' notice.

(v) Amendment to the Articles of Association

Resolution 16, which will be proposed as a special resolution, will adopt new articles of association which reflect current laws and practice.

The Company's articles of association have been amended to allow the Company to take advantage of certain provisions of the AIFMD, namely to enable the Board to authorise any depositary appointed in respect of the Company under the AIFMD to discharge itself of liability in certain circumstances, provided that all other conditions set out in the AIFMD have been met.

As a result of changes to the UK tax laws for investment trusts the requirement that investment companies' articles of association contain a prohibition on distributing realised capital profits was removed. Investment companies therefore have the potential to pay dividends out of capital. The new articles of association reflect this change by removing this prohibition. It should be noted, however, that the Board does not intend to pay dividends out of capital.

A copy of the proposed new articles of association and the existing articles of association marked to show the proposed changes will be available for inspection during normal business hours at the registered office of the Company and at the offices of Aberdeen Asset Management PLC, Bow Bells House, 1 Bread Street, London, up to and including the close of business on 16 December 2014 and at the venue of the Annual General Meeting from half an hour before the time fixed for the Annual General meeting until the end of the Annual General Meeting.

Recommendation

The Directors believe that the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and its shareholders as a whole, and recommend that shareholders vote in favour of the resolutions, as the Directors intend to do in respect of their own beneficial shareholdings totalling, in aggregate, 37,500 Ordinary shares, and representing 0.019% of the existing issued Ordinary share capital of the Company.

Other Information

The rules concerning the appointment and replacement of Directors, amendments of the articles of association and powers to issue or buy back Company's shares are contained in the articles of association of the Company and the Companies Act 2006. There are no agreements which the Company is party to that might affect its control following a takeover bid; and there are no agreements between the Company and its Directors concerning compensation for loss of office. Other than the management agreement with the Manager, further details of which are set out on pages 20 to 21, the Company is not aware of any contractual or other agreements which are essential to its business which ought to be disclosed in the Directors' Report.

By order of the Board,
Aberdeen Asset Managers Limited
Secretary

Edinburgh, 3 November 2014

Statement of Corporate Governance

Compliance

The Company is committed to high standards of corporate governance. The Board is responsible for good governance, and this statement describes how the Company applies the principles identified in the UK Corporate Governance Code published in September 2012 (the "UK Code"), which is available on the Financial Reporting Council's website: www.frc.org.uk, throughout the financial year. The Board confirms that the Company has complied throughout the accounting period to 31 August 2014 with the relevant provisions of the UK Code.

The Company is also a member of the Association of Investment Companies ('AIC'), which has published its own Code of corporate governance to recognise the special circumstances of investment trusts. The Board is of the opinion that the Company has complied with the recommendations of the AIC Code (www.theaic.co.uk).

The Board

The Board consists of five non-executive Directors. Profiles of the Board members appear on pages 18 to 19. Each Director has the requisite range of business and financial experience to enable the Board to provide clear and effective leadership and proper stewardship of the Company. Mr Lowrie is the Senior Independent Director ("SID") and is available to shareholders in the event that there are concerns that cannot be resolved through discussion with the Chairman.

The Company has no executive Directors or employees. All Directors are considered to be independent of the Manager and to be free of any material relationship with the Manager which could interfere with the exercise of their independent judgement. The Board takes the view that length of service does not compromise independence. This is consistent with the AIC Code. When making a recommendation for re-electing a Director, the Board will take into account the on-going requirements of the UK Code.

The Board has overall responsibility for the Company's affairs. It delegates, through a management agreement and specific instructions, the day-to-day management of the Company to the Manager, Aberdeen Fund Managers Limited.

The Board normally meets at least five times each year, and more frequently where business needs require. In addition, there is regular contact between the Directors and the Manager throughout the year. The following table sets out the number of routine Board and Committee meetings attended by each Director during the year compared to the number of meetings that each Director was eligible to attend. Directors also attended a number of non-scheduled meetings to deal with special ad-hoc issues.

Meetings held and attendance	Board meetings	Audit Committee meetings	Remuneration Committee meetings
Allan McKenzie[1,2]	5/5	3/3	1/1
David Gairns[1,2,3]	2/2	1/1	n/a
Kathryn Langridge	5/5	n/a	n/a
Tony Lowrie[2]	5/5	n/a	1/1
Iain McLaren[1]	5/5	3/3	n/a
Peter Maynard[1]	5/5	3/3	n/a

[1] Member of Audit Committee [2] Member of Remuneration Committee
[3] David Gairns retired from the Board and Committees on 17 December 2013

The Board has a schedule of matters reserved to it for decision, and the requirement for Board approval on these matters is communicated directly to the senior staff of the Manager. Such matters include overall strategy, review of investment policy, performance, gearing policy, treasury, marketing, Board composition, corporate governance policy and communications with shareholders. Full and timely information is provided to the Board to enable the Directors to function effectively and to discharge their responsibilities. The Board also reviews the financial statements and revenue budgets.

The Board monitors on a regular basis the direct and indirect interests of each Director and has concluded that there were no situations which gave rise to an interest of a Director which conflicted with the interests of the Company. The Board adopts a zero tolerance approach to bribery and corruption and has implemented appropriate procedures designed to prevent bribery.

Performance Evaluation

An appraisal of each Director, including the Chairman, and of the operation of the Board and its Committees, was undertaken during the year. The Chairman's performance assessment was led by the Senior Independent Director. The Board also reviewed the Chairman's and Directors' other commitments. The Board is satisfied that each Director's performance continues to be effective, and that each remains fully committed to the Company.

The Board undertook an externally facilitated evaluation in 2012 and intends to undertake a similar exercise in 2015. There is no separate Nomination Committee. Director appraisals, succession planning, new appointments and training are considered by the whole Board.

Succession Planning

In line with the Company's strong commitment to its corporate governance responsibilities, the Board regularly reviews its performance and structure to ensure it has the correct mix of relevant skills, diversity and experience for the effective conduct of the Company's business. New Directors are identified against the requirements of the Company's business and the need to have a balanced Board. For new appointments a description of the required role is prepared and nominations of Directors are sought in the financial and investment sectors.

The Board welcomes greater transparency in the fulfilment of its responsibilities to shareholders. New Board appointments are routinely facilitated by an external recruitment firm to ensure that a wide range of candidates can be considered. In all searches, the over-riding priority is to appoint the person with the best mix of experience and skills to complement the existing make-up of the Board whilst having due regard for the benefits of diversity, including gender, on the Board.

Over the last few years the Board has implemented a succession planning programme in order to provide an appropriate balance between new blood and continuity, in line with good corporate governance. This has resulted in three new Board appointments since 2010, with each Director bringing a variety of skills and experience to the Board.

The Company's articles of association provide that a Director appointed during the year is required to retire and seek election by shareholders at the next Annual General Meeting and that all Directors are required to submit themselves for re-election at least once every three years. The Board has implemented the provisions of the UK Code whereby all Directors of the Company will stand for re-election on an annual basis. The Board has reviewed the skills and experience of each Director, and supports their re-election.

New Directors are given appropriate induction from the Manager covering legal responsibilities, the Manager's operations and investment trust industry matters. All Directors are entitled to receive appropriate and relevant training.

There is a procedure for a Director to take independent professional advice, if necessary, at the Company's expense.

Remuneration Committee

The Remuneration Committee, which comprises Tony Lowrie (Chairman) and Allan McKenzie, is responsible for determining the level of Directors' fees, having taken external advice. The terms of reference are available on request and on the Company's website. Details of Directors' remuneration are contained within the Directors' Remuneration Report.

Internal Control and Risk Management

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place for the year under review and up to the date of approval of this annual report and accounts. It is regularly reviewed by the Board and accords with the FRC's Guidance, 'Internal Control: Revised Guidance for Directors on the Combined Code'. The Board has reviewed the effectiveness of the Company's risk management and internal control systems. In particular, it has reviewed and updated the process for identifying and evaluating the significant risks affecting the Company and the policies by which these risks are managed. The significant risks faced by the Company are as follows:

- financial;
- operational;
- compliance; and
- reputational.

The Directors have delegated the investment management of the Company's assets to the Manager within overall guidelines, and this embraces implementation of the system of internal control, including financial, operational and compliance controls and risk management. Internal control systems are monitored and supported by an internal audit function which undertakes periodic examination of business processes, including compliance with the terms of the management agreement, and ensures that recommendations to improve controls are implemented.

Risks are identified and documented through a risk management framework by each function within the Manager's activities. Risk is considered in the context of the FRC's Guidance, and includes financial, regulatory, market, operational and reputational risk. This helps the internal audit risk assessment model identify those functions for review. Any weaknesses identified are reported to the Board, and timetables are agreed for implementing improvements to systems. The implementation of any remedial action required is monitored and feedback provided to the Board. In addition, the Board has adopted its own risk matrix which identifies the key risks for the Company and covers strategy, investment management, operations, regulatory and financial obligations and third party service providers. A monitoring system is undertaken whereby the controls to mitigate these risks, and the impact of the residual risks, are assessed on a regular basis.

Note 18 to the financial statements provides further information on risks. The key components designed to provide effective internal control are outlined below:

- The Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its performance; the emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.
- The Board and the Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board and there are meetings with the Manager as appropriate.
- As a matter of course, the Manager's risk management department, including compliance and internal audit functions, continually reviews the Manager's operations.
- Written agreements are in place, which specifically define the roles and responsibilities of the Manager and other third party service providers.
- The Board has considered the need for an internal audit function but, because of the compliance and internal control systems in place within the Manager, has decided to place reliance on the Manager's risk management systems and internal audit procedures.
- The Audit Committee carried out bi-annual reviews of the Manager's risk management and internal controls, including the internal audit and compliance functions. At its October 2014 meeting, the Audit Committee performed its annual assessment of internal controls for the year ended 31 August 2014 and taking account of events since 31 August 2014. The results of the assessment were reported to the Board.

Internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and by their nature can only provide reasonable, and not absolute, assurance against material misstatement or loss.

Accountability and Audit

The respective responsibilities of the Directors and the auditor in connection with the financial statements appear on pages 31 and 33.

Audit Committee

The members of the Audit Committee are Mr McLaren (Chairman), Mr McKenzie and Mr Maynard who are all deemed to be independent. As Mr McKenzie is considered to be independent and there are no conflicts of interest, the Board considers it appropriate for Mr McKenzie to be a member of the Audit Committee. Two members of the Audit Committee are chartered accountants and have the necessary recent and relevant financial experience. The Audit Committee meets three times a year and considers reports from the external auditor and the Manager's risk management functions, including internal audit and compliance. The terms of reference of the Audit Committee, which are available on request and on the Company's website, are reviewed and re-assessed on an annual basis. The main responsibilities of the Audit Committee are:

- to review the interim and annual financial statements of the Company, the accounting policies applied therein and to ensure compliance with financial and regulatory reporting requirements.
- to assess whether the annual report and accounts, taken as a whole, is fair, balanced and understandable and provide the information necessary for shareholders to assess the company's performance, business model and strategy.
- to meet with the external auditor to review their proposed audit programme of work and the findings of the auditor. The Committee also uses this as an opportunity to assess the effectiveness of the audit process.
- to develop and implement policy on the engagement of the external auditor to supply non-audit services.
- to make recommendations to the Board in relation to the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor.
- to monitor and review annually the external auditor's independence, objectivity, effectiveness, resources and qualification.
- to review and monitor the internal control systems and risk management systems on which the Company is reliant.
- to consider annually whether there is a need for the Company to have its own internal audit function.
- to review the arrangements in place within the Manager whereby staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters ('whistleblowing').
- to review the performance of the Manager and its compliance with the Management Agreement.

Significant Accounting Issues

The significant accounting issue considered by the Committee during the year in relation to the Company's financial statements was the valuation, existence and ownership of investments. The investments have been valued in accordance with the stated accounting policies. The value of all the investments had been agreed to external price sources and 100% of the portfolio holdings agreed to confirmations from the Company's Depositary. All of the investments are in quoted securities in active markets, are considered to be liquid and have been categorised as Level 1 within the FRS 29 fair value hierarchy.

Other Accounting Issues

Other accounting issues considered by the Committee include the Company's compliance with investment trust status. The Company has been accepted as an investment trust under Sections 1158 and 1159 for financial years commencing on or after 1 September 2012 and ongoing compliance with investment trust status is monitored on a regular basis.

Review of Auditor

The Audit Committee has reviewed the independence and the effectiveness of the external auditor, KPMG LLP ("KPMG"), as follows:

- The external auditor reports on an annual basis the steps it takes to ensure its independence and objectivity and confirms that it has complied with the relevant UK independence guidelines. The level of non-audit services provided by the auditor is assessed and for the year to 31 August 2014 were £4,500 (2013 - £4,370) which related to the review of the interim accounts. The Board will review any future non-audit fees in the light of the requirement to maintain the auditor's independence.
- The Committee considers the experience, continuity and tenure of the external audit team, including the audit director. The audit team consists of suitably experienced staff with knowledge of the investment trust sector and there is a process in place for the rotation of the audit director.
- The Committee assesses the level of audit service annually. The audit plan is reviewed well in advance and subsequent audit findings are reported comprehensively in a timely manner and are resolved satisfactorily. The auditor has a constructive working relationship with both the Board and the Manager.

The Committee is satisfied that KPMG remains independent and effective and, as such, has not considered it necessary to conduct a tender process for the appointment of its external auditor. Although KPMG has held office as auditor for over 25 years, the audit director is rotated at least every five years, in accordance with professional guidelines. The current audit director has served for three years.

The Committee is aware that impending EU legislation will require listed companies to rotate their auditor every 10 years. Under the transitional arrangements for firms that had been audited by the same auditor for over 20 years there will be a grace period of six years after the enactment of the EU legislation. Accordingly, based upon the new legislation, KPMG will not be able to audit the Company from 2020.

Going Concern

The Company's assets consist substantially of equity shares in companies listed on recognised stock exchanges and in most circumstances are realisable within a short timescale.

The Directors believe that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements, and they consider that the Company has adequate resources to continue in operational existence for the foreseeable future.

Shareholders are given the opportunity to vote on the continuation of the Company every three years. The last continuation vote was in December 2012 when shareholders voted in favour of continuation.

Review of Manager

The Board keeps the resources of the Manager under constant review. The Board conducts an annual review of the terms and conditions of the management agreement ("Agreement") and an evaluation of the Manager's performance under this agreement. In monitoring the performance of the Manager, the Board takes into account the investment performance and reviews the management processes, risk control mechanisms and marketing activities of the Manager.

As a result of these reviews, the Board concluded that the Manager has the investment management, marketing, secretarial and administrative skills required for the effective operation of the Company and has satisfactorily met the terms of the management agreement with the Company, and remains satisfied that the continuing appointment of the Manager is in the interests of the Company and its shareholders.

Relations with Shareholders

The Directors place great importance on communication with shareholders. Besides shareholders, the report and accounts are widely distributed to other parties who have an interest in the Company's performance. Shareholders and potential investors may obtain up-to-date information on the Company through the Manager's freephone information service, and the Company responds to letters from shareholders on a wide range of issues. The Company's annual and half-yearly reports and other publications can be downloaded from the Company's website, www.edinburghdragon.co.uk.

The Board's policy is to communicate directly with shareholders and their representative bodies without the involvement of the management group (either the Company Secretary or the Manager) in situations where direct communication is required. The Chairman meets with representatives of the major shareholders during the financial year on an annual basis in order to gauge their views. The Manager maintains regular contact with institutional shareholders and feeds back shareholder views to the Board.

It is the intention of the Board that, in the ordinary course, the notice of the Annual General Meeting included within the annual report and accounts is normally sent out at least 20 working days in advance of the meeting. All Directors intend to be available at the forthcoming Annual General Meeting, and shareholders are encouraged to attend. Proxy voting figures for each resolution are announced to the meeting after voting on a show of hands.

Proxy Voting as an Institutional Shareholder

The Board has delegated responsibility for actively monitoring the activities of portfolio companies to the Manager. The Board has reviewed and accepts the Manager's Corporate Governance Principles, which may be found on the Manager's website, at http://www.aberdeen-asset.com/aam.nsf/AboutUs/governancestewardship. These Principles set out the Manager's framework on corporate governance, proxy voting and shareholder engagement in relation to the companies in which the Manager has invested or is considering investing. The Board has also reviewed the Manager's Disclosure Response to the UK Stewardship Code, which appears on the Manager's website, at the web-address given above.

The Manager is responsible for reviewing, on a regular basis, the annual reports, circulars and other publications produced by the portfolio companies and for attending company meetings. The 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 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 Manager regular reports on the exercise by the Manager of the Company's voting rights and discusses with the 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.

Corporate Governance and Socially Responsible Investment Policy

The Directors, through the Manager, encourage companies in which investments are made to adhere to best practice in the area of Corporate Governance and Socially Responsible Investing. They believe that this can best be achieved by entering into a dialogue with company management to encourage them, where necessary, to improve their policies in both areas.

The Manager's ultimate objective, however, is to deliver superior investment return for their clients. Accordingly, whilst the Manager will seek to favour companies which pursue best practice in these areas, this must not be to the detriment of the return on the investment portfolio.

Directors' Remuneration Report

The Board has prepared this Remuneration Report in accordance with the new regulations governing the disclosure and approval of Directors' remuneration. This Remuneration Report comprises three parts:

(i) Remuneration Policy, which will be subject to a binding shareholder vote to be put to the members at the forthcoming AGM in the first instance and then every three years thereafter. Should the Remuneration Policy be varied during this interval, then Shareholder approval for the new Remuneration Policy will be sought; and
(ii) An annual implementation report, which provides information on how the Remuneration policy has been applied during the year and will be subject to an advisory vote.
(iii) An Annual Statement

The law requires the Company's auditor to audit certain of the disclosures provided in the Remuneration Report. Where disclosures have been audited, they are indicated as such. The auditor's opinion is included in the report on pages 32 to 33.

The fact that the Remuneration Policy will now be subject to a binding vote does not imply any change on the part of the Company. The principles remain the same as for previous years. There have been no changes to the Directors' Remuneration Policy during the period of this Report nor are there any proposals for the foreseeable future, except for the Directors' fees, as set out in the Implementation Report below.

Remuneration Policy

This part of the Remuneration Report provides details of the Company's Remuneration Policy for Directors of the Company. This policy takes into consideration the principles of UK Corporate Governance and the AIC's recommendations regarding the application of those principles to investment companies. Directors' remuneration is determined by the Remuneration Committee which comprises all Directors of the Company.

Directors' fees

The Directors are non-executive and their fees are set within the limits of the Company's articles of association which limit the aggregate fees payable to the Board of Directors per annum, currently £250,000. The level of cap may be increased by shareholder resolution from time to time. Subject to this overall limit, the Board's policy is that the remuneration of non-executive Directors should reflect the nature of their duties, responsibilities and the value of their time spent and be fair and comparable to that of other investment trusts that are similar in size, have a similar capital structure and have a similar investment objective. No shareholder views were sought in setting the remuneration policy although any comments received from shareholders would be considered on an on-going basis.

Fee rates are established by taking advice from external sources as to current market levels.

	1 September 2014 £	1 September 2013 £
Chairman	38,700	37,800
Chairman of Audit Committee	30,100	29,400
Director of Audit Committee and Board	28,000	27,300
Director of Board only	25,800	25,200

Appointment

- The Company only intends to appoint non-executive Directors.
- All the Directors are non-executive appointed under the terms of Letters of Appointment.
- Directors must retire and be subject to re-election at the first AGM after their appointment, and annually thereafter.
- New appointments to the Board will be placed on the fee applicable to all Directors at the time of appointment (currently £25,800).
- No incentive or introductory fees will be paid to encourage a Directorship.
- The Directors are not eligible for bonuses, pension benefits, share options, long term incentive schemes or other benefits.
- The Company indemnifies its Directors for costs, charges, losses, expenses and liabilities which may be incurred in the discharge of duties, as a Director of the Company.

Performance, Service Contracts, Compensation and Loss of Office

- The Directors' remuneration is not subject to any performance related fee.
- No Director has a service contract.
- No Director was interested in contracts with the Company during the period or subsequently.
- The terms of appointment provide that a Director may be removed without notice.
- Compensation will not be due upon leaving office.
- No Director is entitled to any other monetary payment or any assets of the Company.

Directors' & Officers' liability insurance cover is maintained by the Company on behalf of the Directors.

It is intended that, if approved, the Remuneration Policy will take effect at the conclusion of the AGM on 16 December 2014.

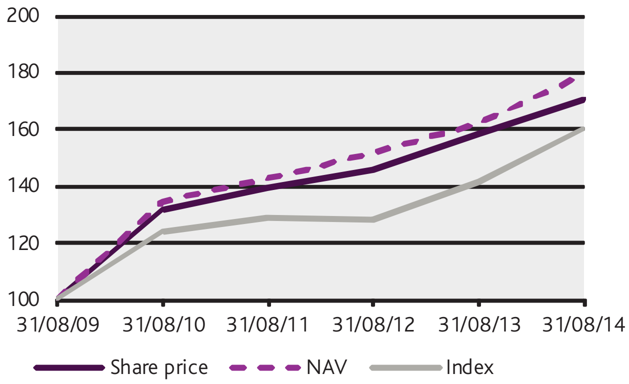
Implementation Report

Directors' Fees Increase

The Board carried out a review of Directors' fees during the year, and concluded that the fees payable to Directors should increase, with effect from 1 September 2014, to £38,700 for the Chairman, £30,100 for the Chairman of the Audit Committee, £28,000 for each member of the Audit Committee and £25,800 for each Director. The last increase in fees was effective from 1 September 2013.

Company Performance

During the year the Board carried out a review of investment performance. The graph below shows the share price and NAV total return (assuming all dividends are reinvested) to ordinary shareholders compared to the total return from a composite index, in Sterling terms, consisting of the MSCI All Countries Asia (ex Japan) Index for the five year period to 31 August 2014 (rebased to 100 at 31 March 2009). This index was chosen for comparison purposes, as it is the reference index used for investment performance measurement purposes.



Statement of Voting at General Meeting

At the Company's last AGM, held on 17 December 2013, shareholders approved the Directors' Remuneration Report in respect of the year ended 31 August 2013. 99.6% of votes were in favour of the resolution, 0.3% were against, and 0.1% abstained.

Spend on Pay

As the Company has no employees, the Directors do not consider it appropriate to present a table comparing remuneration paid to employees with distributions to shareholders. The total fees paid to Directors are shown below.

Audited Information

Fees Payable

The Directors who served in the year received the following fees which exclude employers' NI and any VAT payable:

Director	2014 £	2013 £
Allan McKenzie	37,800	36,000
David Gairns	8,070	27,667
Kathryn Langridge	25,200	20,115
Tony Lowrie	25,200	24,000
Peter Maynard	27,300	24,372
Iain McLaren	29,400	26,333
Iain Watt	-	6,710
Total	**152,970**	**165,197**

This represents the entire remuneration paid to the Directors. Fees are pro-rated where a change takes place during a financial year. No fees were paid to third parties.

Directors' Interests in the Company

The Directors are not required to have a shareholding in the Company.

The Directors (including their connected persons) at 31 August 2014 and 31 August 2013 had no interest in the share capital of the Company other than those interests, all of which are beneficial interests, shown in the table below.

	31 August 2014		1 September 2013	
	CULS	Ordinary shares	CULS	Ordinary shares
Allan McKenzie	28,820	25,000	28,820	25,000
David Gairns [1]	—	—	—	—
Kathryn Langridge	—	—	—	—
Tony Lowrie	—	—	—	—
Iain McLaren	20,379	10,000	20,379	10,000
Peter Maynard	—	2,500	—	2,500

[1] Retired on 17 December 2013

Annual Statement

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the above Report on Remuneration Policy and Remuneration Implementation summarises, as applicable, for the year to 31 August 2014:

- the major decisions on Directors' remuneration;
- any substantial changes relating to Directors' remuneration made during the year; and
- the context in which the changes occurred and in which decisions have been taken.

The Directors' Remuneration Report was approved by the Board of Directors on 3 November 2014 and signed on its behalf by:

Allan McKenzie
Chairman
3 November 2014

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and Accounts 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 the Directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its 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 Directors' Report, Directors' Remuneration Report and Statement of Corporate Governance 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.

The Directors confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Annual Report and Accounts taken as a whole, is fair, balanced and understandable and it provides the information necessary to assess the Company's performance, business model and strategy; and
- the Strategic Report and Directors' Report include 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 the Company faces.

For Edinburgh Dragon Trust plc
Allan McKenzie
Chairman

3 November 2014

Independent Auditor's Report to the Members of Edinburgh Dragon Trust plc

Opinions and conclusions arising from our audit

Our opinion on the financial statements is unmodified

We have audited the financial statements of Edinburgh Dragon Trust plc for the year ended 31 August 2014 set out on pages 34 to 51. In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2014 and of its return for the year then ended;
- have been properly prepared in accordance with UK Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Our assessment of risks of material misstatement

In arriving at our audit opinion above on the financial statements, the risk of material misstatement that had the greatest effect on our audit was as follows:

Carrying amount of listed equity investments (£647m)

Refer to page 26 (Audit Committee section of the Statement of Corporate Governance), page 38 (accounting policy) and pages 42 to 43 (financial disclosures).

The risk: The Company's portfolio of listed investments make up 97.6% of the Company's total assets (by value) and is considered to be the key driver of operations and performance results. We do not consider listed investments to be at high risk of significant misstatement, or to be subject to a significant level of judgment because they are comprised of liquid, quoted investments. However, due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.

Our response: Our procedures over the completeness, valuation and existence of the Company's quoted equity investment portfolio included, but were not limited to:
- documenting and assessing the processes in place to record investment transactions and to value the portfolio;
- agreeing the valuation of 100% of portfolio investments to externally quoted prices; and
- agreeing 100% of portfolio investment holdings to independently received third party confirmations.

Our application of materiality and an overview of the scope of our audit

The materiality for the financial statements as a whole was set at £6.6m. This has been determined with reference to a benchmark of Total Assets (of which it represents 1%). Total Assets, which is primarily composed of the Company's investment portfolio, is considered the key driver of the Company's capital and revenue performance and, as such, we consider it to be one of the principal considerations for members of the Company in assessing the financial performance of the Company.

We agreed with the audit committee to report to it all corrected and uncorrected misstatements we identified through our audit with a value in excess of £0.3m, in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above and was performed at the office of the administrator, BNP Paribas, in Dundee.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

We have nothing to report in respect of the matters on which we are required to report by exception

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:
- we have identified material inconsistencies between the knowledge we acquired during our audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy; or
- the Audit Committee section of the Statement of Corporate Governance does not appropriately address matters communicated by us to the Audit committee.

Under the Companies Act 2006 we are required to report to you if, in our opinion:
- adequate accounting records have not been kept by the Company, 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 27, in relation to going concern; and
- the part of the Corporate Governance Statement on pages 24 to 28 relating to the Company's compliance with the nine provisions of the 2010 UK Corporate Governance Code specified for our review.

We have nothing to report in respect of the above responsibilities.

Scope of report and responsibilities

As explained more fully in the Directors' Responsibilities Statement set out on page 31, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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. This report is made solely to the Company's members as a body and is subject to important explanations and disclaimers regarding our responsibilities, published on our website at www.kpmg.com/uk/auditscopeukco2013a, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

Philip Merchant (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Edinburgh

3 November 2014

Income Statement

		Year ended 31 August 2014			Year ended 31 August 2013		
		Revenue	Capital	Total	Revenue	Capital	Total
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Gains on investments held at fair value through profit or loss	9	–	50,341	50,341	–	28,264	28,264
Currency losses		–	(43)	(43)	–	(111)	(111)
Income	2	17,010	–	17,010	16,546	–	16,546
Investment management fee	3	(5,597)	–	(5,597)	(5,889)	–	(5,889)
Administrative expenses	4	(1,203)	–	(1,203)	(1,273)	–	(1,273)
Net return before finance costs and taxation		10,210	50,298	60,508	9,384	28,153	37,537
Interest payable and similar charges	5	(2,741)	–	(2,741)	(2,742)	–	(2,742)
Return on ordinary activities before taxation		7,469	50,298	57,767	6,642	28,153	34,795
Taxation on ordinary activities	6	(732)	(6)	(738)	83	(2)	81
Return on ordinary activities after taxation		**6,737**	**50,292**	**57,029**	**6,725**	**28,151**	**34,876**
Return per share (pence)	8						
Basic		**3.43**	**25.61**	**29.04**	**3.42**	**14.34**	**17.76**
Diluted		**n/a**	**23.32**	**27.59**	**n/a**	**13.05**	**17.29**

The total column of this statement represents the profit and loss account of the Company.

A Statement of Total Recognised Gains and Losses has not been prepared as all gains and losses are recognised in the Income Statement.

All revenue and capital items in the above statement derive from continuing operations.

The accompanying notes are an integral part of the financial statements.

Balance Sheet

	Notes	As at 31 August 2014 £'000	As at 31 August 2013 £'000
Non-current assets			
Investments at fair value through profit or loss	9	646,672	603,405
Current assets			
Debtors and prepayments	10	2,850	2,438
Money market funds		7,000	–
Cash and short term deposits		6,209	4,224
		16,059	6,662
Creditors: amounts falling due within one year			
Other creditors	11	(2,040)	(2,731)
Net current assets		14,019	3,931
Total assets less current liabilities		660,691	607,336
Non-current liabilities			
3.5% Convertible Unsecured Loan Stock 2018	12	(57,614)	(56,990)
Net assets		**603,077**	**550,346**
Share capital and reserves			
Called-up share capital	13	39,275	39,274
Share premium account		4,475	4,452
Special reserve		6,726	6,726
Equity component of 3.5% Convertible Unsecured Loan Stock 2018	12	1,981	2,572
Capital redemption reserve		16,945	16,945
Capital reserve		511,112	460,820
Revenue reserve		22,563	19,557
Equity shareholders' funds	14	**603,077**	**550,346**
Net asset value per Ordinary share (pence)	14	**307.10**	**280.26**

The financial statements were approved by the Board of Directors and authorised for issue on 3 November 2014 and were signed on its behalf by:

Allan McKenzie
Chairman

The accompanying notes are an integral part of the financial statements.

Reconciliation of Movements in Shareholders' Funds

For the year ended 31 August 2014

	Share capital £'000	Share premium account £'000	Special reserve £'000	Equity component CULS 2018 £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 August 2013	39,274	4,452	6,726	2,572	16,945	460,820	19,557	550,346
Return on ordinary activities after taxation	–	–	–	–	–	50,292	6,737	57,029
Issue of new Ordinary shares from conversion of 3.5% Convertible Unsecured Loan Stock 2018	1	23	–	(2)	–	–	–	22
Dividend paid	–	–	–	–	–	–	(4,320)	(4,320)
Transfer of notional interest element on 3.5% Convertible Unsecured Loan Stock 2018	–	–	–	(589)	–	–	589	–
Balance at 31 August 2014	**39,275**	**4,475**	**6,726**	**1,981**	**16,945**	**511,112**	**22,563**	**603,077**

For the year ended 31 August 2013

	Share capital £'000	Share premium account £'000	Special reserve £'000	Equity component CULS 2018 £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 August 2012	39,272	4,427	6,726	3,163	16,945	432,669	16,563	519,765
Return on ordinary activities after taxation	–	–	–	–	–	28,151	6,725	34,876
Issue of new Ordinary shares from conversion of 3.5% Convertible Unsecured Loan Stock 2018	2	25	–	(2)	–	–	–	25
Dividend paid	–	–	–	–	–	–	(4,320)	(4,320)
Transfer of notional interest element on 3.5% Convertible Unsecured Loan Stock 2018	–	–	–	(589)	–	–	589	–
Balance at 31 August 2013	**39,274**	**4,452**	**6,726**	**2,572**	**16,945**	**460,820**	**19,557**	**550,346**

The capital reserve includes investment holding gains amounting to £270,246,000 (2013 – £243,428,000), as disclosed in note 9.

The revenue reserve represents the amount of the Company's reserves distributable by way of dividend.

The accompanying notes are an integral part of the financial statements.

Cash Flow Statement

	Notes	Year ended 31 August 2014 £'000	Year ended 31 August 2014 £'000	Year ended 31 August 2013 £'000	Year ended 31 August 2013 £'000
Net cash inflow from operating activities	15		10,082		9,593
Servicing of finance					
Bank and CULS interest paid			(2,094)		(2,094)
Taxation					
Net tax paid			(374)		(414)
Financial investment					
Purchases of investments		(42,569)		(32,028)	
Sales of investments		48,303		30,947	
Net cash inflow/(outflow) from financial investment			5,734		(1,081)
Equity dividend paid			(4,320)		(4,320)
Management of liquid resources					
Purchase of money market funds			(7,000)		–
Increase in cash	16		2,028		1,684
Reconciliation of net cash flow to movements in net debt					
Increase in cash as above			2,028		1,684
Net change in liquid resources			7,000		–
Other non-cash movements			(624)		(624)
Exchange movements			(43)		(111)
Movement in net debt in the year			8,361		949
Net debt at 1 September			(52,766)		(53,715)
Net debt at 31 August			**(44,405)**		**(52,766)**

The accompanying notes are an integral part of the financial statements.

Notes to the Financial Statements For the year ended 31 August 2014

1. Accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified to include the revaluation of investments and in accordance with the applicable UK Accounting Standards and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. They have also been prepared on the assumption that approval as an investment trust will continue to be granted.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is included in the Statement of Corporate Governance (unaudited) on page 27.

The financial statements, and the net asset value per share figures, have been prepared in accordance with UK Generally Accepted Accounting Practice ('UK GAAP').

(b) Investments

Listed investments have been designated upon initial recognition as fair value through profit or loss. Investments are recognised and de-recognised on the trade date at fair value, which is generally deemed to be the cost of the investment at that point. Subsequent to initial recognition, investments are valued at fair value, which for listed investments is deemed to be bid market prices or closing prices for SETS (London Stock Exchange's electronic trading service) stocks sourced from the London Stock Exchange. Gains and losses arising from changes in fair value are included as a capital item in the Income Statement and are ultimately recognised in the capital reserve.

(c) Income

Dividends (other than special dividends), including taxes deducted at source, are included in revenue by reference to the date on which the investment is quoted ex-dividend. Special dividends are reviewed on a case-by-case basis and may be credited to capital, if circumstances dictate. Dividends receivable on equity shares where no ex-dividend date is quoted are brought into account when the Company's right to receive payment is established. Fixed returns on non-equity shares are recognised on a time-apportioned basis so as to reflect the effective yield on shares. Other returns on non-equity shares are recognised when the right to return is established. The fixed return on a debt security, if material, is recognised on a time apportioned basis so as to reflect the effective yield on each security. Where the Company has elected to receive its dividends in the form of additional shares rather than cash, the amount of the foregone cash dividend is recognised as income. Any excess in the value of the shares received over the amount of cash dividend foregone is recognised in capital reserves. Interest receivable on bank balances is dealt with on an accruals basis.

(d) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged through the revenue column of the Income Statement with the exception of expenses directly relating to the acquisition or disposal of an investment, in which case, they are added to the cost of the investment or deducted from the sale proceeds. Such transaction costs are disclosed in accordance with the SORP. These expenses are charged to the capital column of the Income Statement and are separately identified and disclosed in note 9.

(e) Deferred taxation

Deferred taxation is provided on 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 a right to pay less tax in future have occurred at the Balance Sheet date, measured on an undiscounted basis and based on enacted tax rates. 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. Due to the Company's status as an investment trust company, and the intention to continue to meet the conditions required to obtain approval for the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

(f) Capital reserves

Gains and losses on investments and changes in fair values of investments which are readily convertible to cash, without accepting adverse terms, are transferred to the capital reserve.

(g) Foreign currency

Assets and liabilities in foreign currencies are translated at the rates of exchange ruling on the Balance Sheet date. Transactions involving foreign currencies are converted at the rate ruling on the date of the transaction. Gains and losses on the realisation of foreign currencies are recognised in the Income Statement and are then transferred to the capital reserve.

(h) Dividends payable

Final dividends are dealt with in the period in which they are paid.

(i) 3.5% Convertible Unsecured Loan Stock 2018

Convertible Unsecured Loan Stock ("CULS") issued by the Company is regarded as a compound instrument, comprising of a liability component and an equity component. At the date of issue, the fair value of the liability component was estimated by assuming that an equivalent non-convertible obligation of the Company would have a coupon rate of 4.662%. The notional uplift in interest from 3.5% to 4.662% is shown in note 5. The fair value of the equity component, representing the option to convert liability into equity, is derived from the difference between the issue proceeds of the CULS and the fair value assigned to the liability. The liability component is subsequently measured at amortised cost using the effective interest rate.

Direct expenses associated with the CULS issue are allocated to the liability and equity components in proportion to the split of the proceeds of the issue. Expenses allocated to the liability component are amortised over the life of the instrument.

The interest expense on the CULS is calculated according to the effective interest rate method by applying the assumed rate of 4.662% at initial recognition to the liability component of the instrument. The difference between this amount and the interest paid is added to the carrying liability of the CULS.

On conversion of CULS, equity is issued and the liability component is derecognised. The original equity component recognised at inception remains in equity. No gain or loss is recognised on conversion.

When CULS is repurchased for cancellation, the fair value of the liability at the redemption date is compared to its carrying amount, giving rise to a gain or loss on redemption that is recognised through profit or loss. The amount of consideration allocated to equity is recognised in equity with no gain or loss being recognised.

In the event of a winding-up of the Company the rights and claims of the Trustee and CULS holders would be subordinate to the claims of all creditors in respect of the Company's secured and unsecured borrowings, under the terms of the Trust Deed.

2. Income	2014 £'000	2013 £'000
Income from investments		
UK dividend income	903	1,812
Overseas dividend income	13,714	14,361
Scrip dividends	2,381	367
	16,998	16,540

Other income	2014 £'000	2013 £'000
Deposit interest	4	6
Interest from money market funds	8	–
	12	6
Total income	**17,010**	**16,546**

Income from investments	2014 £'000	2013 £'000
Listed UK	692	712
Listed overseas	16,306	15,828
	16,998	**16,540**

3. Investment management fee	2014 Revenue £'000	2014 Capital £'000	2014 Total £'000	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000
Investment management fee	**5,597**	–	**5,597**	**5,889**	–	**5,889**

The basis of the management fee paid to Aberdeen Asset Managers ("the Manager") was changed during the year. With effect from 1 January 2014 management fees are calculated at 1.0% on net assets up to £600,000,000, 0.9% on net assets between £600,000,000 and £1,000,000,000 and 0.8% on net assets over £1,000,000,000. Management fees are calculated and billed on a quarterly basis. Prior to 1 January 2014 management fees were calculated at 0.25% per quarter of net assets.

Net assets exclude long term borrowings less (i) the value of any investment funds managed by the Manager and (ii) 50% of the value of any investment funds managed or advised by investment managers other than the Manager.

The management agreement is terminable by the Company on three months' notice or in the event of a change of control in the ownership of the Manager. The notice period required by the Manager is six months.

4. Administrative expenses	2014 £'000	2013 £'000
Share Plan contribution	200	192
Directors' fees	153	165
Safe custody fees	429	447
Auditor's remuneration:		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	17	16
Fees payable to the Company's auditor for the review of the Company's half yearly accounts	5	5
Secretarial fee	36	107
Other expenses	363	341
	1,203	**1,273**

The secretarial fee paid to the Manager ceased with effect from 1 January 2014. In previous periods this was adjusted annually in line with the Retail Prices Index.

The contribution to Share Plan was paid to the Manager in respect of promotional activities of the Company.

No pension contributions were made in respect of any of the Directors.

The Company does not have any employees.

5. Interest payable and similar charges	2014 £'000	2013 £'000
Interest on 3.5% Convertible Unsecured Loan Stock 2018	2,094	2,094
Notional interest on 3.5% Convertible Unsecured Loan Stock 2018	589	589
Amortisation of 3.5% Convertible Unsecured Loan Stock 2018 issue expenses	58	59
	2,741	**2,742**

6. Taxation	2014 Revenue £'000	2014 Capital £'000	2014 Total £'000	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000
(a) Analysis of charge for the year						
Overseas tax suffered	732	6	738	605	2	607
Overseas tax reclaimable	–	–	–	(688)	–	(688)
Taxation on ordinary activities	**732**	**6**	**738**	**(83)**	**2**	**(81)**

(b) Factors affecting the tax charge for the year

The tax assessed for the year is lower than the effective rate of corporation tax in the UK.

	2014 Revenue £'000	2014 Capital £'000	2014 Total £'000	2013 Revenue £'000	2013 Capital £'000	2013 Total £'000
Return on ordinary activities before taxation	7,469	50,298	57,767	6,642	28,153	34,795
Effective rate of corporation tax at 22.17% (2013 – 23.58%)	1,656	11,151	12,807	1,566	6,639	8,205
Effects of:						
UK dividend income	(200)	–	(200)	(427)	–	(427)
Gains on investments not taxable	–	(11,161)	(11,161)	–	(6,665)	(6,665)
Currency losses not taxable	–	10	10	–	26	26
Other non-taxable income	(3,568)	–	(3,568)	(3,473)	–	(3,473)
Increase in excess expenses and loan relationship deficit	2,112	–	2,112	2,334	–	2,334
Net overseas tax suffered	732	6	738	(83)	2	(81)
Current tax charge for year	**732**	**6**	**738**	**(83)**	**2**	**(81)**

(c) **Provision for deferred taxation**

No provision for deferred taxation has been made in the current year or in the prior year.

The Company has not provided for deferred tax on capital gains or losses arising on the revaluation or disposal of investments as it is exempt from tax on these items because of its status as an investment trust company.

(d) **Factors that may affect future tax charges**

The Company has not recognised a deferred tax asset £8,464,000 (2013 – £6,887,000) arising as a result of excess management expenses and non-trading loan relationship deficits (CULS interest). These expenses will only be utilised if the Company has profits chargeable to corporation tax in the future.

7. Dividends

In order to comply with the requirements of Sections 1158 -1159 of the Corporation Tax Act 2010 and with company law, the Company is required to make a final dividend distribution.

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

The table below sets out the total dividends paid and proposed in respect of the financial year, which is the basis on which the requirements of Sections 1158 – 1159 are considered. The revenue available for distribution by way of dividend for the year is £6,737,000 (2013 – £6,725,000).

	2014 £'000	2013 £'000
Proposed final dividend for 2014 – 2.20p per Ordinary share (2013 – 2.20p)	**4,320**	**4,320**

The amounts reflected above for the cost of the proposed final dividend for 2014 is based on 196,368,689 Ordinary shares in issue, being the number of Ordinary shares in issue at the date of this Report.

The final dividend will be paid on 19 December 2014 to shareholders on the register at the close of business on 21 November 2014.

8. Return per Ordinary share

	2014 £'000	2014 pence	2013 £'000	2013 pence
Basic				
Revenue return	6,737	3.43	6,725	3.42
Capital return	50,292	25.61	28,151	14.34
Total return	**57,029**	**29.04**	**34,876**	**17.76**
Weighted average Ordinary shares in issue		**196,371,896**		**196,363,142**

Diluted	2014 £'000	2014 pence	2013 £'000	2013 pence
Revenue return	9,218	n/a	9,148	n/a
Capital return	50,292	23.32	28,151	13.05
Total return	**59,510**	**27.59**	**37,299**	**17.29**
Weighted average Ordinary shares in issue[A]		**215,656,495**		**215,656,504**

[A] The calculation of the diluted total, revenue and capital returns per Ordinary share are carried out in accordance with Financial Reporting Standard 22, "Earnings per Share". For the purpose of calculating total, revenue and capital returns per Ordinary share, the number of Ordinary shares used is the weighted average number used in the basic calculation plus the number of Ordinary shares deemed to be issued for no consideration on exercise of all 3.5% Convertible Unsecured Loan Stock 2018 (CULS). The calculations indicate that the exercise of CULS would result in an increase in the weighted average number of Ordinary shares of 19,284,599 (2013 – 19,293,362) to 215,656,495 (2013 – 215,656,504) Ordinary shares.

For the years ended 31 August 2014 and 31 August 2013 there was no dilution to the revenue return per Ordinary share. Where dilution occurs, the net returns are adjusted for items relating to the CULS. Total earnings for the period are tested for dilution. Once dilution has been determined individual revenue and capital earnings are adjusted. Accrued CULS finance costs for the period and unamortised issues expenses are reversed.

9. **Investments**	Listed overseas £'000	Listed in UK £'000	Total £'000
Fair value through profit or loss:			
Opening book cost	341,450	18,527	359,977
Opening fair value gains on investments held	243,182	246	243,428
Opening fair value	584,632	18,773	603,405
Movements in year:			
Purchases at cost	40,704	1,064	41,768
Sales – proceeds	(48,842)	–	(48,842)
Sales – gains on sales	23,523	–	23,523
Current year fair value gains/(losses) on investments held	29,821	(3,003)	26,818
Closing fair value	**629,838**	**16,834**	**646,672**

	Listed overseas £'000	Listed in UK £'000	Total £'000
Closing book cost	356,835	19,591	376,426
Closing fair value gains/(losses) on investments held	273,003	(2,757)	270,246
Closing fair value	**629,838**	**16,834**	**646,672**

	2014 £'000	2013 £'000
Listed on a recognised overseas investment exchange	629,838	584,632
Listed in the UK	16,834	18,773
	646,672	**603,405**

Gains on investments held at fair value through profit or loss	2014 £'000	2013 £'000
Realised gains on sales	23,523	17,717
Increase in fair value gains on investments held	26,818	10,547
	50,341	**28,264**

Transaction costs

During the year expenses were incurred in acquiring or disposing of investments classified as fair value through profit or loss. These have been expensed through capital and are included within gains on investments in the Income Statement. The total costs were as follows:

	2014 £'000	2013 £'000
Purchases	58	68
Sales	101	103
	159	**171**

10. Debtors and prepayments	2014 £'000	2013 £'000
Accrued income	1,710	1,447
Overseas withholding tax recoverable	130	496
Amounts due from brokers	539	–
Other debtors and prepayments	471	495
	2,850	**2,438**

Included in other debtors and prepayments is an amount of USD696,000, equivalent to £405,000 (2013 – USD696,000, £449,000), being the estimated recovery of funds following the settlement between Aberdeen Asset Managers Limited and Satyam Computer Services in relation to a claim made following the discovery of a financial fraud, which led to the sale of the stock at a weakened price.

11. Creditors: amounts falling due within one year	2014 £'000	2013 £'000
Amounts due to brokers	117	918
Other creditors	1,923	1,813
	2,040	**2,731**

12. Non–current liabilities – 3.5% Convertible Unsecured Loan Stock 2018

Year ended 31 August 2014	Number of units £'000	Liability component £'000	Equity component £'000
Balance at 31 August 2013	59,822	56,990	2,572
Conversion of 3.5% Convertible Unsecured Loan Stock 2018 into Ordinary shares	(25)	(23)	(2)
Notional interest on 3.5% Convertible Unsecured Loan Stock 2018	–	589	–
Notional interest on 3.5% Convertible Unsecured Loan Stock 2018 transferred to revenue reserve	–	–	(589)
Amortisation of issue expenses (see note 1(i))	–	58	–
Balance at 31 August 2014	**59,797**	**57,614**	**1,981**

Year ended 31 August 2013	Number of units £'000	Liability component £'000	Equity component £'000
Balance at 31 August 2012	59,848	56,366	3,163
Conversion of 3.5% Convertible Unsecured Loan Stock 2018 into Ordinary shares	(26)	(24)	(2)
Notional interest on 3.5% Convertible Unsecured Loan Stock 2018	–	589	–
Notional interest on 3.5% Convertible Unsecured Loan Stock 2018 transferred to revenue reserve	–	–	(589)
Amortisation of issue expenses (see note 1(i))	–	59	–
Balance at 31 August 2013	**59,822**	**56,990**	**2,572**

On 12, 26 and 27 January 2011, the Company issued a total of £60,000,000 nominal amount of 3.5% Convertible Unsecured Loan Stock 2018 ("CULS"). The CULS can be converted at the election of holders into Ordinary Shares during the months of January and July each year throughout their life, to January 2018 at a rate of 1 Ordinary share for every 310.1528p nominal of CULS. Once 80% of the CULS issued have been converted the Company is allowed to request that holders redeem or convert the remainder. Interest is paid on the CULS on 31 January and 31 July each year, of which 100% is charged to revenue in line with the Board's expected long-term split of returns from the investment portfolio of the Company.

The Company has decided to make an annual transfer between the equity component of the CULS and the revenue reserve so that the revenue reserve reflects distributable reserves as defined by company law.

During the year ended 31 August 2014 the Company converted £25,056 (2013 – £26,173) nominal amount of CULS into 8,070 (2013 – 8,430) Ordinary shares.

As at 31 August 2014, there was £59,796,624 (2013 – £59,821,680) nominal amount of CULS in issue.

13. Called-up share capital	2014 £'000	2013 £'000
Allotted, called-up and fully paid:		
Ordinary shares of 20p		
Opening balance of 196,368,689 (2013 – 196,360,259) shares	39,274	39,272
Issue of 8,070 (2013 – 8,430) Ordinary shares on conversion of £25,056 (2013 – £26,173) nominal 3.5% Convertible Unsecured Loan Stock 2018	1	2
Closing balance of 196,376,759 (2013 – 196,368,689) shares	**39,275**	**39,274**

14. Net asset value per share

The net asset value per share and the net asset values attributable to the Ordinary shareholders at the year end calculated in accordance with the Articles of Association were as follows:

	2014	2013
Net assets attributable (£'000)	603,077	550,346
Number of Ordinary shares in issue	196,376,759	196,368,689
Net asset value per share (p)	307.10	280.26

The impact of the 3.5% Convertible Unsecured Loan Stock 2018 on the net asset value per share was anti-dilutive for the year ended 31 August 2014 and 31 August 2013.

15. Reconciliation of net return before finance costs and taxation to net cash inflow from operating activities	2014 £'000	2013 £'000
Net return before finance costs and taxation	60,508	37,537
Adjustments for:		
Gains on investments held at fair value through profit or loss	(50,341)	(28,264)
Exchange losses charged to capital	43	111
(Increase)/decrease in accrued income	(263)	81
Decrease in other debtors	25	24
Increase in sundry creditors including management fee due	110	104
Net cash inflow from operating activities	**10,082**	**9,593**

16. Analysis of changes in net debt	1 September 2013 £'000	Cash flow £'000	Currency movements £'000	Other non-cash movements £'000	31 August 2014 £'000
Cash and short term deposits	4,224	2,028	(43)	–	6,209
Money market funds	–	7,000	–	–	7,000
Debt falling due in more than one year	(56,990)	–	–	(624)	(57,614)
Net debt	**(52,766)**	**9,028**	**(43)**	**(624)**	**(44,405)**

17. **Capital management policies and procedures**

The Company's capital management objectives are:

- to ensure that the Company will be able to continue as a going concern; and

  to maximise the capital return to its equity shareholders through an appropriate balance of equity capital and debt. The Board has imposed a maximum gearing level of 20% of net assets.

The Board monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes the nature and planned level of gearing, which takes account of the Manager's views on the market, and the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company has no externally imposed capital requirements.

18. **Financial instruments**

Risk management

The Company's financial instruments comprise securities and other investments, cash balances, Convertible Unsecured Loan Stock and debtors and creditors that arise directly from its operations; for example, in respect of sales and purchases awaiting settlement, and debtors for accrued income.

The Manager has a dedicated investment management process, which aims to ensure that the investment policy explained on page 3 is followed. Stock selection procedures are in place based on the active portfolio management and identification of stocks. The portfolio is reviewed on a periodic basis by a Senior Investment Manager and also by the Manager's Investment Committee.

The Company's Manager has an independent Investment Risk department for reviewing the investment risk parameters of the Company's portfolio on a regular basis. The department reports to the Manager's Performance Review Committee which is chaired by the Manager's Chief Investment Officer. The department's responsibility is to review and monitor ex-ante (predicted) portfolio risk and style characteristics using best practice, industry standard multi-factor models.

Additionally, the Manager's Compliance department continually monitors the Company's investment and borrowing powers and reports to the Manager's Risk Management Committee.

The main financial risks that the Company faces from its financial instruments are market risk (comprising interest rate risk, currency risk and other price risk), liquidity risk and credit risk.

The Board regularly reviews and agrees policies for managing each of these risks. The Manager's policies for managing these risks are summarised below and have been applied throughout the year. The numerical disclosures exclude short-term debtors and creditors.

Market risk

The fair value of or future cash flows from a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – interest rate risk, currency risk and other price risk.

Interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits.

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment and borrowing decisions.

Interest risk profile

The interest rate risk profile of the portfolio of the Company's financial assets and liabilities, excluding equity holdings which are all non-interest bearing, at the Balance Sheet date was as follows:

At 31 August 2014	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
Assets				
Indian Rupee	–	–	–	125
Korean Won	–	–	–	14
Malaysian Ringgit	–	–	–	77
Sterling	–	0.10	–	5,236
Taiwanese Dollar	–	–	–	755
US Dollar	–	–	–	2
Total assets	**n/a**	**n/a**	**–**	**6,209**
Liabilities				
3.5% Convertible Unsecured Loan Stock 2018	**3.42**	**3.50**	**57,614**	**–**

At 31 August 2013	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
Assets				
Hong Kong Dollar	–	–	–	809
Indian Rupee	–	–	–	113
Singapore Dollar	–	–	–	19
Sterling	–	0.13	–	3,251
Taiwanese Dollar	–	–	–	6
Thailand Baht	–	–	–	20
US Dollar	–	–	–	6
Total assets	**n/a**	**n/a**	**–**	**4,224**
Liabilities				
3.5% Convertible Unsecured Loan Stock 2018	**4.42**	**3.50**	**56,990**	**–**

The weighted average interest rate is based on the current yield of each asset, weighted by its market value.

The floating rate assets consist of cash deposits on call earning interest at prevailing market rates.

The Company's equity portfolio and short-term debtors and creditors have been excluded from the above tables.

Interest rate sensitivity

Movements in interest rates would not significantly affect net assets attributable to the Company's shareholders and total profit.

Foreign currency risk

The majority of the Company's investment portfolio is invested in overseas securities and the Balance Sheet, therefore, can be significantly affected by movements in foreign exchange rates. It is not the Company's policy to hedge this risk on a continuing basis but the Company may, from time to time, match specific overseas investments with foreign currency borrowings.

The revenue account is subject to currency fluctuation arising on dividends paid in foreign currencies. The Company does not hedge this currency risk.

Foreign currency risk exposure by currency of denomination:

	31 August 2014			31 August 2013		
	Overseas investments £'000	Net monetary assets £'000	Total currency exposure £'000	Overseas investments £'000	Net monetary assets £'000	Total currency exposure £'000
Hong Kong Dollar	161,360	–	161,360	153,223	809	154,032
Indian Rupee	90,103	125	90,228	67,518	113	67,631
Indonesian Rupiah	4,510	–	4,510	6,446	–	6,446
Korean Won	54,067	14	54,081	52,961	–	52,961
Malaysian Ringgit	23,630	77	23,707	22,058	–	22,058
Philippine Peso	27,389	–	27,389	25,544	–	25,544
Singapore Dollar	137,957	–	137,957	134,802	19	134,821
Sri Lankan Rupee	19,616	–	19,616	14,719	–	14,719
Taiwanese Dollar	40,252	755	41,007	37,221	6	37,227
Thailand Baht	30,832	–	30,832	32,376	20	32,396
US Dollar	40,122	2	40,124	37,764	6	37,770
	629,838	973	630,811	584,632	973	585,605
Sterling	16,834	5,236	22,070	18,773	3,251	22,024
Total	**646,672**	**6,209**	**652,881**	**603,405**	**4,224**	**607,629**

Foreign currency sensitivity

There is no sensitivity analysis included, as the Company's significant foreign currency financial instruments are in the form of equity investments, which have been included within the other price risk sensitivity analysis, so as to show the overall level of exposure.

Other price risk

Other price risks (ie changes in market prices other than those arising from interest rate or currency risk) may affect the value of the quoted investments.

It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular country or sector. Both the allocation of assets and the stock selection process, as detailed on page 53, act to reduce market risk. The Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to review investment strategy. The investments held by the Company are listed on various stock exchanges worldwide.

Other price risk sensitivity

If market prices at the Balance Sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to Ordinary shareholders for the year ended 31 August 2014 would have increased/decreased by £64,667,000 (2013 – increased/decreased by £60,341,000) and equity reserves would have increased/decreased by the same amount.

Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk is not considered to be significant, as the Company's assets mainly comprise readily realisable securities which can be sold to meet funding requirements if necessary. In order to monitor the concentration of Dragon's investee companies with Aberdeen, the total percentage holdings of those securities owned by Aberdeen-managed funds is reviewed by the Board.

The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions, and reviews these on a regular basis. The Board has imposed a maximum gearing level, measured on the most stringent basis of calculation after netting off cash equivalents, of 20%.

Short-term flexibility can be achieved through the use of loan and overdraft facilities. At 31 August 2013 and 2014 the Company had no loan or overdraft facility in place. Details of the Board's policy on gearing are shown in the interest rate risk section of this note.

Liquidity risk exposure

At 31 August 2014 the Company had borrowings in the form of the £59,796,624 (2013 – £59,821,680) nominal of 3.5% Convertible Unsecured Loan Stock 2018.

Credit risk

This is the risk of failure of the counterparty to a transaction to discharge its obligations under that transaction that could result in the Company suffering a loss.

The risk is not considered to be significant, and is actively managed as follows:

- investment transactions are carried out with a large number of brokers, whose credit-standing is reviewed periodically by the Manager, and limits are set on the amount that may be due from any one broker;
- the risk of counterparty, including the custodian, exposure due to failed trades causing a loss to the Company is mitigated by the review of failed trade reports on a daily basis. In addition, the third party administrators' carries out a stock reconciliation to the Custodian's records on a daily basis to ensure discrepancies are picked up on a timely basis. The Manager's Compliance department carries out periodic reviews of the Custodian's operations and reports its finding to the Manager's Risk Management Committee. This review will also include checks on the maintenance and security of investments held;
- cash is held only with reputable banks with high quality external credit enhancements.

None of the Company's financial assets are secured by collateral or other credit enhancements.

Credit risk exposure

In summary, compared to the amounts in the Balance Sheet, the maximum exposure to credit risk at 31 August was as follows:

	2014		2013	
Current assets	**Balance Sheet £'000**	**Maximum exposure £'000**	**Balance Sheet £'000**	**Maximum exposure £'000**
Loans and receivables	2,850	2,850	2,438	2,438
Cash at bank and in hand	6,209	6,209	4,224	4,224
	9,059	**9,059**	**6,662**	**6,662**

None of the Company's financial assets is past due or impaired.

Maturity of financial liabilities

The maturity profile of the Company's financial liabilities at 31 August was as follows:

	2014 £'000	2013 £'000
In more than one year	**57,614**	**56,990**

At 31 August 2014 the full contractual liability for the CULS assuming no further conversions was £67,122,000 (2013 – £69,076,000).

19. Fair value hierarchy

FRS 29 'Financial Instruments: Disclosures' requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (ie as prices) or indirectly (ie derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All of the Company's investments are in quoted equities (2013 – same) actively traded on recognised stock exchanges, with their fair value being determined by reference to their quoted bid prices at the reporting date. The total value of the investments (2014 – £646,672,000; 2013 – £603,405,000) have therefore been deemed as Level 1.

21. Alternative Investment Fund Managers (AIFM) Directive

In accordance with the AIFM Directive, information in relation to the Company's leverage and the remuneration of the Company's AIFM, Aberdeen Fund Managers Limited, is required to be made available to investors. In accordance with the Directive, the AIFM remuneration policy is available from the Company's Secretaries, Aberdeen Asset Management PLC on request (see contact details on page 62) and the numerical remuneration disclosures in respect of the AIFM's first relevant reporting period (year ended 30 September 2015) will be made available in due course.

The Company's maximum and actual leverage (see Glossary of Terms on page 57) levels at 31 August 2014 are shown below:

Leverage exposure	Gross method	Commitment method
Maximum limit	2.50:1	2.00:1
Actual	1.12:1	1.14:1

Information about the Investment Manager

Aberdeen Asset Management Asia Limited ("AAM") is responsible for the Asian portfolios of all clients managed within Aberdeen Asset Management PLC (the "Aberdeen Group"). AAM is based in Singapore and is a wholly-owned subsidiary and the Asia Pacific headquarters of the Aberdeen Group, a publicly-quoted company on the London Exchange.

AAM Asia have been the Aberdeen Group's principal managers of Asia-Pacific assets since 1992, and had over 452 staff across the region at 31 August 2014. Total funds in the region, which are also managed from Bangkok, Hong Kong, Kuala Lumpur, Singapore, Japan and Sydney, are over £68.43 billion as at 31 August 2014.

The Aberdeen Group has its headquarters in Aberdeen with 33 offices in 25 countries including Bangkok, Edinburgh, Hong Kong, Kuala Lumpur, London, Philadelphia, Singapore and Sydney.

Worldwide, the Aberdeen Group manages a combined £331.2 billion in assets (as at 31 August 2014) for a range of clients, including individuals and institutions, through mutual and segregated funds. The Aberdeen Group manages over 68 investment companies and other closed-ended funds representing £16.65 billion under management.

The Investment Team Senior Managers

Hugh Young
Managing Director
BA in Politics from Exeter University. Started investment career in 1980. In charge of AAM Asia's Far East funds since 1985.

Adrian Lim
Senior Investment Manager
Chartered Financial Analyst, B.Acc from Nanyang Technological University (Singapore). Joined Aberdeen in 2000. Previously he was an associate director at Arthur Andersen advising clients on mergers and acquisitions in South East Asia.

Christopher Wong
Senior Investment Manager
BA in Accounting and Finance from Heriot-Watt University, and a Fellow of the Chartered Certified Accountants (FCCA) and a CFA Charterholder. Previously, he was an associate director at Andersen Corporate Finance advising clients on mergers and acquisitions in South East Asia.

Flavia Cheong
Investment Director
Masters in Economics from University of Auckland. Previously with Investment Company of the People's Republic of China and Development Bank of Singapore. Started investment career in 1987. Joined AAM Asia in 1996.

Chou Chong
Investment Director
Chartered Financial Analyst and Double Masters in Accounting & Finance and Information Systems from the London School of Economics. Joined AAM Asia in 1994.

The Investment Process

Philosophy and Style

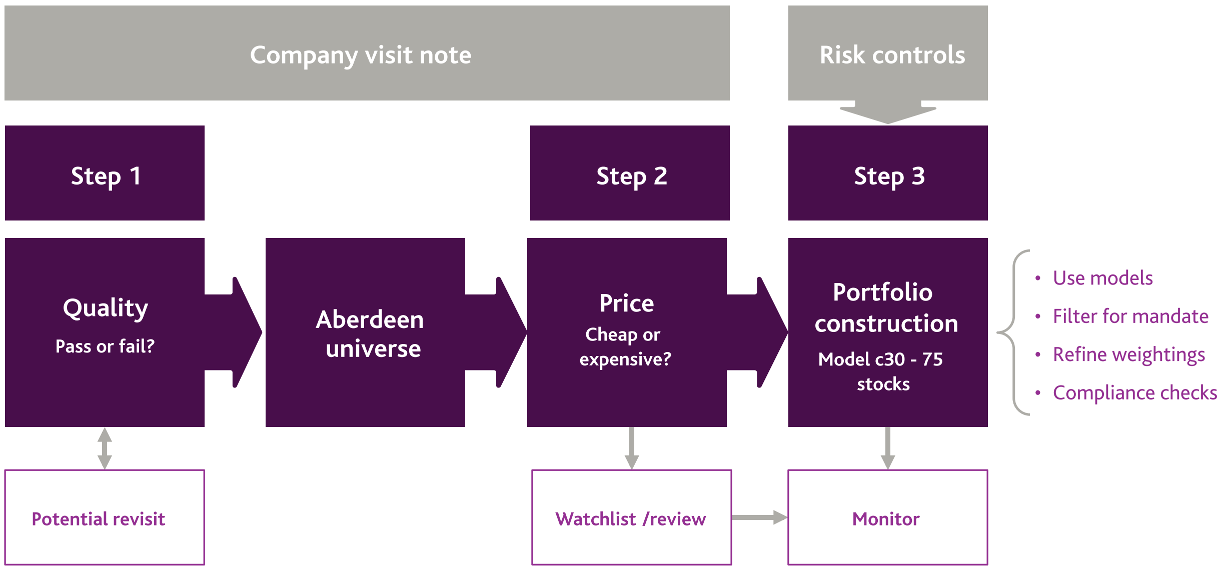
The Investment Manager's investment philosophy is that markets are not always efficient. We (AAM) believe that superior investment returns are therefore attainable by identifying good companies cheaply, defined in terms of the fundamentals that in our opinion drive share prices over the long term. We undertake substantial due diligence before initiating any investment including company visits in order to assure ourselves of the quality of the prospective investment. We are then careful not to pay too high a price when making the investment.

Subsequent to that investment we then keep in close touch with the company, aiming to meet management at least twice a year. Given our long-term fundamental investment philosophy, one would not expect much change in the companies in which we invest. We do, however, take opportunities offered to us by what we see as anomalous price movements within stock markets to either top up or top slice positions, which accounts for the bulk of the activity within the portfolio during the year under review.

Risk Controls

We seek to minimise risk by our in depth research. We do not view divergence from a benchmark as risk – we view investment in poorly run expensive companies that we do not understand as risk. In fact where risk parameters are expressed in benchmark relative terms, asset – including sector – allocation constitutes a significant constraint on stock selection. Hence diversification of stocks provides our main control.

AAM's performance and investment risk unit independently monitors portfolio positions, and reports monthly. As well as attributing performance it also produces statistical analysis, which is used by the Investment Manager primarily to check the portfolio is behaving as expected, not as a predictive tool



Promotional Strategy

Edinburgh Dragon Trust plc contributes to the promotional activities programme run by the Aberdeen Group ("Aberdeen") on behalf of a number of investment trusts under its management. Under this agreement the Company's contribution is matched by Aberdeen. This contribution is reviewed annually.

The purpose of the programme is to communicate effectively with existing shareholders and gain more new shareholders, thus improving liquidity and thereby enhancing the value and rating of the Company's shares. Aberdeen's experience has also shown that well targeted marketing of the Company's investment merits through packaged products, whether singly, or in conjunction with other trusts run by Aberdeen, can be a cost-effective way of gaining new investors.

These aims can be met in several ways:

Investor Relations Programme

Aberdeen runs an investor relations programme to existing and prospective institutional investors in investment trusts. Each month institutional investors and prospects receive a Manager's report on your Company that includes detailed performance analysis.

Group Schemes

The Aberdeen Group administers several savings schemes including the Share Plan, ISA and the Children's Plan. These schemes allow investment at lower costs and have proved popular with private investors.

Newsletter

The 'Bulletin' newsletter, an informed commentary on markets and investment trusts managed by Aberdeen, is distributed free of charge.

Public Relations

Aberdeen undertakes to brief journalists, write regularly through placed articles and ensure Company results and any corporate activity are brought to public attention.

Shareholder Services

AAM runs an investment help desk for retail enquirers and investors. Enquirers or investors will be sent any relevant literature on request and have queries answered immediately.

The Marketing Programme is under the direction of Aberdeen's Group Head of Brand who has considerable experience in the marketing and communications of investment products. He is supported by a team of marketing professionals.

Internet

The Aberdeen Investment Trust website contains details of closed funds and investment companies managed or advised by the Aberdeen Group.

Edinburgh Dragon Trust plc has its own dedicated website at: www.edinburghdragon.co.uk. This allows web users to access information on the Company's share price performance, capital structure, stock exchange announcements and monthly reports. The site is continuously being evaluated for improvement.

It is intended that ongoing programme activities in these various fields, both proactive and supportive, will assist the Company to increase and maintain its shareholder base, improve liquidity and sustain ratings.

The Company is committed to the close monitoring of the Programme. The Aberdeen Group Head of Brand reports to the Board and provides a written summary quarterly.

If you have any questions about your Company, the Manager or performance, please telephone Aberdeen Customer Services Department (direct private investors) on 0500 00 00 40. Alternatively, internet users may e-mail AAM at inv.trusts@aberdeen-asset.com or write to AAM at Aberdeen Investment Trusts, PO Box 11020, Chelmsford, Essex CM99 2DB.

How to Invest in Edinburgh Dragon Trust plc

How to Invest

Investors can buy and sell shares in the Company directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Alternatively, for retail clients, shares can be bought directly through Aberdeen's Investment Plan for Children and Aberdeen's Investment Trust Share Plan, Investment Trust ISA or ISA Transfer.

Suitable for Retail/NMPI Status

The Company's shares are designed for investors primarily in the UK (including retail investors), professional-advised private clients and institutional investors who seek total returns from investment in Asian markets and who understand and are willing to accept the risks of exposure to equities. Investors should consider consulting a financial adviser who specialises in advising on the acquisition of shares and other securities before acquiring shares. Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss that may result.

The Company currently conducts its affairs so that securities issued by Edinburgh Dragon Trust plc can be recommended by IFAs to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investment products (NMPIs) and intends to continue to do so for the foreseeable future.

The Company's securities are not subject to the FCA's restrictions which apply to non-mainstream pooled investment products because they are shares in an investment trust.

Aberdeen's Investment Plan for Children

Aberdeen Asset Managers Limited ("Aberdeen") runs an Investment Plan for Children (the "Children's Plan") which covers a number of investment companies under its management including Edinburgh Dragon Trust plc. Anyone can invest in the Children's Plan (subject to the eligibility criteria as stated within the terms and conditions), including parents, grandparents and family friends. All investments are free of dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £150 per trust, while regular savers may invest from £30 per month. Investors simply pay Government Stamp Duty (currently 0.5%) on entry. Selling costs are £10+VAT. There is no restriction on how long an investor need invest in the Children's Plan, and regular savers can stop or suspend participation by instructing Aberdeen in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts. Investors have full voting and other rights of share ownership.

Aberdeen's Investment Trust Share Plan

Aberdeen runs a Share Plan (the "Plan") through which shares in Edinburgh Dragon Trust plc can be purchased. There are no dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £250, while regular savers may invest from £100 per month. Investors simply pay Government Stamp Duty (currently 0.5%) on entry. Selling costs are £10+ VAT. There is no restriction on how long an investor need invest in a Plan, and regular savers can stop or suspend participation by instructing Aberdeen in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts. Investors have full voting and other rights of share ownership.

Stocks and Shares ISA

An investment of up to £15,000 in the Ordinary shares of Edinburgh Dragon Trust plc can be made through the Aberdeen Investment Trust ISA in the tax year 2014/15.

There are no brokerage or initial charges for the ISA, although investors will suffer the bid-offer spread, which can be a significant amount. Investors only pay Government Stamp Duty (currently 0.5%) on purchases. Selling costs are £15 + VAT. The annual ISA administration charge is £24 + VAT, calculated annually and deducted on 31 March (or the last business day in March) either by direct debit or, if there is no valid direct debit mandate in place, from the available cash in the Plan prior to the distribution or reinvestment of any income, or, where there is insufficient cash in the Plan, from the sale of investments held in the Plan. Under current legislation, investments in ISAs can grow free of capital gains tax. Investors have full voting and other rights of share ownership.

ISA Transfer

You can choose to transfer previous tax year investments to us which can be invested in Edinburgh Dragon Trust plc while retaining your ISA wrapper. The minimum lump sum for an ISA transfer is £1,000 and is subject to a minimum per trust of £250.

Note

Please remember that past performance is not a guide to the future. Stock market and currency movements may cause the value of shares and the income from them to fall as well as rise and investors may not get back the amount they originally invested.

As with all equity investments, the value of investment trusts purchased will immediately be reduced by the difference between the buying and selling prices of the shares, the market maker's spread.

How to Invest in Edinburgh Dragon Trust plc continued

Investors should further bear in mind that the value of any tax relief will depend on the individual circumstances of the investor and that tax rates and reliefs, as well as the tax treatment of ISAs, may be changed by future legislation.

Literature Request Service

For literature and application forms for the Manager's investment trust products, please contact:
Telephone: 0500 00 40 00
Email: aam@lit-request.com

Terms and Conditions for the Aberdeen managed savings products can also be found under the Literature section of our website at www.invtrusts.co.uk.

Keeping You Informed

The Company's share price appears daily in the Financial Times.

For internet users, detailed data on the Company, including price, performance information and a monthly fact sheet is available on the Company's website (www.edinburghdragon.co.uk) and the TrustNet website (www.trustnet.co.uk). Alternatively you can call 0500 00 00 40 for trust information.

Contact Us

For information on Edinburgh Dragon Trust plc and for any administrative queries relating to Aberdeen's Investment Plan for Children, Share Plan, ISA or ISA Transfer please contact:

Aberdeen Investment Trusts
PO Box 11020
Chelmsford
Essex
CM99 2DB
Telephone: 0500 00 00 40

Company's Registrars

Alternatively, if you have an administrative query which relates to a direct holding, please contact the Company's Registrar, as follows:

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Telephone: 0871 384 2499
Fax: 0871 384 2100

Shareview Enquiry Line: 0871 384 2020
Textel/hard of hearing: 0871 384 2255

(Calls to the above Equiniti numbers will be charged at 8 pence per minute plus network extras. Lines open 8.30am to 5.30pm, Monday to Friday).

Investor Warning

Aberdeen is aware that some investors have received telephone calls from people purporting to work for Aberdeen, or third parties, who have offered to buy their investment trust shares. These may be scams which attempt to gain personal information with which to commit identity fraud or could be 'boiler room' scams where a payment from an investor is required to release the supposed payment for their shares.

These callers do not work for Aberdeen and any third party making such offers has no link with Aberdeen. Aberdeen never makes these types of offers and does not 'cold-call' investors in this way. If investors have any doubt over the veracity of a caller, do not offer any personal information, end the call and contact Aberdeen's investor services centre using the details provided.

The above information has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 2000 (as amended by the Financial Services Act 2012) by Aberdeen Asset Managers Limited which is authorised and regulated by the Financial Conduct Authority.

Glossary of Terms and Definitions

Asset Cover	The value of a company's net assets available to repay a certain security. Asset cover is usually expressed as a multiple and calculated by dividing the net assets available by the amount required to repay the specific security.
AIFMD	Alternative Investment Fund Managers Directive
CULS	The £59.80 million nominal of 3.5 per cent. Convertible Unsecured Loan Stock 2018.
CULS Conversion Date	The CULS is convertible at any time during the periods of 28 days ending on 31 January and 31 July in each year commencing July 2011 and ending January 2018 (each such period and any other period during which Conversion Rights may be exercised being a "Conversion Period") conversions requests are to be received by 5.00 p.m. on the last day of the relevant Conversion Period (each such last day being a "Conversion Date" and the Conversion Date falling on 31 January 2018 or Final Repayment Date being the "Final Conversion Date").
CULS Conversion Price	The CULS is convertible semi-annually on the Conversion Date on the basis of 310.1528p nominal of CULS for one Ordinary Share. This equated to a 10 per cent. premium to the unaudited NAV per Ordinary Share (including income) of 281.9571p at 5 January 2011.
Discount	The amount by which the market price per share of an investment trust is lower than the net asset value per share. The discount is normally expressed as a percentage of the net asset value per share.
Dividend Cover	Earnings per share divided by dividends per share expressed as a ratio.
Dividend Yield	The annual dividend expressed as a percentage of the share price.
Leverage	For the purposes of the Alternative Investment Fund Managers (AIFM) Directive, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its net asset value and can be calculated on a gross and a commitment method. Under the gross method, exposure represents the sum of the Company's positions after the deduction of sterling cash balances, without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated without the deduction of sterling cash balances and after certain hedging and netting positions are offset against each other.
Net Asset Value (NAV)	The value of total assets less liabilities. Liabilities for this purpose included current and long-term liabilities. The net asset value divided by the number of shares in issue produces the net asset value per share.
Net Gearing	Net gearing is calculated by dividing total assets (as defined below) less cash or cash equivalents by shareholders' funds expressed as a percentage.
Ongoing Charges	Ratio of ongoing expenses expressed as percentage of average daily shareholders' funds calculated as per the industry standard.
Premium	The amount by which the market price per share of an investment trust exceeds the net asset value per share. The premium is normally expressed as a percentage of the net asset value per share.
Price/Earnings Ratio	The ratio is calculated by dividing the middle-market price per share by the earnings per share. The calculation assumes no change in earnings but in practice the multiple reflects the stock market's view of a company's prospects and profit growth potential.
Prior Charges	The name given to all borrowings including debentures, loan and short term loans and overdrafts that are to be used for investment purposes, reciprocal foreign currency loans, currency facilities to the extent that they are drawn down, index-linked securities, and all types of preference or preferred capital and the income shares of split capital trusts, irrespective of the time until repayment.
Total Assets	Total Assets less current liabilities (before deducting prior charges as defined above).
Total Return	Total Return involves reinvesting the net dividend in the month that the share price goes xd. The NAV Total Return involves investing the same net dividend in the NAV of the trust on the date to which that dividend was earned, eg quarter end, half year or year end date.
Winding-up Date	The date specified in the articles of association for winding-up a company.

Notice of Annual General Meeting

Notice is hereby given that the twenty-seventh Annual General Meeting of Edinburgh Dragon Trust plc will be held at Bow Bells House, 1 Bread Street, London EC4M 9HH on 16 December 2014 at 12 noon to consider and, if thought fit, pass the following resolutions, of which resolutions 1 to 12 inclusive will be proposed as ordinary resolutions and resolutions 13 to 16 inclusive will be proposed as special resolutions:

1. To receive the reports of the Directors and auditor and the audited financial statements for the year to 31 August 2014.
2. To approve the Directors' Remuneration Report, excluding the Directors' Remuneration Policy, for the year to 31 August 2014.
3. To receive and adopt the Directors' Remuneration Policy.
4. To approve payment of a final dividend of 2.2p per Ordinary share.
5. To re-elect Mr McKenzie as a Director of the Company.
6. To re-elect Ms Langridge as a Director of the Company.
7. To re-elect Mr Lowrie as a Director of the Company.
8. To re-elect Mr Maynard as a Director of the Company.
9. To re-elect Mr McLaren as a Director of the Company.
10. To re-appoint KPMG LLP as auditor of the Company and to hold office until the conclusion of the next Annual General Meeting at which accounts are laid before the Company.
11. To authorise the Directors to determine the remuneration of the auditor for the year to 31 August 2015.
12. That, in substitution for any pre-existing power to allot or grant rights to subscribe for or to convert any security into shares in the Company, but without prejudice to the exercise of any such authority prior to the date of this resolution, the Directors be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company ("securities") up to an aggregate nominal amount of £13,091,784, such authority to expire on 28 February 2016 or, if earlier, at the conclusion of the next Annual General Meeting of the Company to be held after the passing of this resolution, unless previously revoked, varied or extended by the Company in general meeting, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require relevant securities to be allotted after the expiry of such authority, and the Directors may allot relevant securities in pursuance of such an offer or agreement as if such authority had not expired.
13. That, subject to the passing of resolution 12 as set out above and in substitution for any existing power under Sections 570 and 573 of the Companies Act 2006 (the "Act") but without prejudice to the exercise of any such authority prior to the passing of this resolution, the Directors be and are hereby generally empowered, pursuant to Sections 570 and 573 of the Act, to allot equity securities (as defined in Section 560 of the Act) for cash pursuant to the authority under Section 551 of the Act conferred by resolution 12 or by way of a sale of treasury shares (within the meaning of Section 560 (3) of the Act) as if Section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:
   (i) in connection with an offer of such equity securities by way of rights issue, open offer or other pre-emptive offer in favour of all holders of Ordinary shares where the equity securities respectively attributable to the interests of all such holders are either proportionate (as nearly as practicable) to the respective numbers of Ordinary shares held by them on a record date fixed by the Directors (subject to such exclusions, limitations, restrictions or other arrangements as they may deem necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems under the laws of, or requirements of, any relevant regulatory body or stock exchange in any territory); and

   (ii) (otherwise than pursuant to paragraph (i) of this resolution) up to an aggregate nominal amount of £1,963,768 being 5% of the nominal value of the existing issued share capital of the Company;

   and shall expire on 28 February 2016 or, if earlier, at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution unless previously revoked, varied or extended by the Company in general meeting, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.
14. That, in substitution for any existing authority under Section 701 of the Companies Act 2006 (the "Act"), but without prejudice to the exercise of any such authority prior to the date hereof, the Company be generally and unconditionally

authorised, in accordance with Section 701 of the Act, to make market purchases (within the meaning of Section 693(4) of the Act) of fully paid Ordinary shares of 20p each in the capital of the Company ("shares") and to cancel or hold in treasury such shares, provided that:

(i) the maximum aggregate number of shares hereby authorised to be purchased is 29,436,876 or, if less, the number representing approximately 14.99% of the issued Ordinary share capital of the Company as at the date of the passing of this resolution;

(ii) the minimum price which may be paid for a share shall be 20p (exclusive of expenses);

(iii) the maximum price (exclusive of expenses) which may be paid for a share shall be an amount being not more than the higher of (i) 105% of the average of the middle market quotations (as derived from the Daily Official List of the London Stock Exchange) for the shares for the five business days immediately preceding the date of purchase and (ii) the higher of the price of the last independent trade and the highest current independent bid relating to a share on the trading venue where the purchase is carried out; and

(iv) unless previously varied, revoked or renewed, the authority hereby conferred shall expire on 28 February 2016 or, if earlier, at the conclusion of the next Annual General Meeting of the Company to be held after the passing of this resolution, save that the Company may, at any time prior to such expiry, enter into a contract or contracts to purchase shares under such authority which would or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of shares pursuant to any such contract or contracts as if the authority conferred hereby had not expired.

15. That a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution.

16. That the draft regulations produced to the meeting and, for the purposes of identification, initialled by the Chairman of the meeting, be adopted as the articles of the association of the Company in substitution for, and to the entire exclusion of, the existing articles of association of the Company.

By order of the Board
Aberdeen Asset Managers Limited
Secretary
14 November 2014

Registered office:
7th Floor
40 Princes Street
Edinburgh EH2 2BY

Notes:

(i) A member is entitled to appoint a proxy or proxies to exercise all or any of their rights to attend, speak and vote on their behalf. A proxy need not be a member of the Company. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. A member may not appoint more than one proxy to exercise rights attached to any one share.

(ii) A form of proxy for use by shareholders is enclosed with this document. Completion and return of the form of proxy will not prevent any shareholder from attending the meeting and voting in person. To be valid, the form of proxy should be lodged, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority at the address stated thereon, so as to be received not later than 12 noon on 12 December 2014.

(iii) In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, to have the right to attend and vote at the Meeting a member must first have his or her name entered in the Company's register of members by not later than 6.00pm on 12 December 2014 (or, in the event that the Meeting is adjourned, at 6.00pm on the day which is two business days before the time of the adjourned Meeting). Changes to entries on that register after that time shall be disregarded in determining the rights of any member to attend and vote at the Meeting referred to above.

(iv) 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 website www.euroclear.com. 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.

(v) 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 Company's Registrar (ID RA19) no later than 12 noon on 12 December 2014 (or in the event the meeting is adjourned no later than 48 hours (excluding non-working days) before the time of the adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's 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.

(vi) CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular 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.

(vii) 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.

(viii) The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Companies Act 2006 ("nominated persons"). Nominated persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in notes (i) and (ii) above does not apply to Nominated Persons. The rights described in these notes can only be exercised by members of the Company.

(ix) No Director has a service contract with the Company but copies of Directors' letters of appointment will be available for inspection at the meeting venue for at least 15 minutes prior to the Meeting and during the Meeting.

(x) Copies of the following documents may be inspected at the registered office of the Company and at the offices of Aberdeen Asset Management PLC, Bow Bells House, 1 Bread Street, London EC4M 9HH during normal business hours Monday to Friday (public holidays excepted) up to and including close of business on the day of the Meeting, and at the venue for the Meeting from half an hour before the time fixed for the Meeting until the end of the Meeting: the proposed new articles of association of the Company and the existing articles of association marked up to show the proposed changes.

(xi) As at close of business on 6 November 2014 (being the latest practicable date prior to publication of this document), the Company's issued share capital comprised 196,376,759 Ordinary shares of 20p each. The total number of voting rights in the Company as at 6 November 2014 was 196,376,759.

(xii) Any person holding 3% or more of the total voting rights in the Company who appoints a person other than the Chairman as his proxy will need to ensure that both he and such third party complies with their respective disclosure obligations under the UK Disclosure and Transparency Rules.

(xiii) Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.

(xiv) The members of the Company may require the Company to publish, on its website, a statement setting out any matter relating to the audit of the Company's accounts, including the Auditor's Report and the conduct of the audit, which they intend to raise at the next meeting of the Company. The Company will be required to do so once it has received such requests from either (i) members representing at least 5% of the total voting rights of the Company or (ii) at least 100 members who have a relevant right to vote and hold shares in the Company on which there has been paid up an average sum per member of at least £100. Such requests must be made in writing and must state your full name and address, and be sent to: The Company Secretary, Edinburgh Dragon Trust plc, 40 Princes Street, Edinburgh EH2 2BY.

(xv) Information regarding the Annual General Meeting, including information required by Section 311A of the Companies Act 2006, is available from the Company's website, www.edinburghdragon.co.uk.

(xvi) Under Section 319A of the Companies Act 2006, the Company must answer any question relating to the business being dealt with at the meeting put by a member attending the meeting unless:

a) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;

b) the answer has already been given on a website in the form of an answer to a question; or

c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

(xvii) Shareholders are advised that, unless otherwise stated, any telephone number, website or e-mail address which may be set out in this notice of Annual General Meeting or in any related documents (including the proxy form) is not to be used for the purposes of serving information or documents on, or otherwise communicating with, the Company for any purposes other than those expressly stated.

(xviii) There are special arrangements for holders of shares through the Aberdeen's Investment Plan for Children, Aberdeen's Investment Trust Share Plan and Investment Trust ISA. These are explained in the 'Letter of Direction' which such holders will have received with this report.

Corporate Information

Directors

Allan McKenzie (Chairman)
Kathryn Langridge
Tony Lowrie
Peter Maynard
Iain McLaren

Registered Office

7th Floor
40 Princes Street
Edinburgh EH2 2BY
Telephone: 0131 528 4000
Website: www.edinburghdragon.co.uk

Alternative Investment Fund Manager *

Aberdeen Fund Managers Limited
Bow Bells House
1 Bread Street
London EC4M 9HH
Website: www.aberdeen-asset.com

(Registered in England and Wales with Company Registration Number: 00740118)
(* appointed as required by EU Directive 2011/61/EU).

Investment Manager

Aberdeen Asset Management Asia Limited
(a subsidiary of Aberdeen Asset Management PLC which is authorised and regulated by the Financial Conduct Authority)

Secretary

Aberdeen Asset Managers Limited
(a subsidiary of Aberdeen Asset Management PLC which is authorised and regulated by the Financial Conduct Authority)

7th Floor
40 Princes Street
Edinburgh EH2 2BY
Telephone: 0131 528 4000

Registrars

Equiniti
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Telephone: 0871 384 2499
Website: www.equiniti.com

Depositary

BNP Paribas Securities Services, London Branch

Auditor

KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh EH1 2EG

Company Broker

Winterflood Securities
The Atrium Building
Cannon Bridge
25 Dowgate Hill
London EC4R 2GA

Company Registration Number

SC106049

Foreign Account Tax Compliance Act ("FATCA") Registration Number (GIIN)

IRS Registration Number (GIIN): 2WA1VW.99999.SL.826

Summary of Capital History

Issued Share Capital and Borrowings at 31 August 2014

196,376,759	Ordinary shares of 20p
£59,796,624	3.5% Convertible Unsecured Loan Stock 2018 (CULS) nominal

Capital History

Year to 31 August 2014	During the year to 31 August 2014, 8,070 Ordinary shares were issued following elections by CULS holders to convert £25,056 nominal of CULS.
Year to 31 August 2013	During the year to 31 August 2013, 8,430 Ordinary shares were issued following elections by CULS holders to convert £26,173 nominal of CULS.
Year to 31 August 2012	During the year to 31 August 2012, 13,909 Ordinary shares were issued following elections by CULS holders to convert £43,160 nominal of CULS.
Year to 31 August 2011	In January 2011, the Company issued £60 million nominal of 3.5% Convertible Unsecured Loan Stock 2018 (CULS). In August 2011, 35,131 Ordinary shares were issued following elections by CULS holders to convert £108,987 nominal of CULS.
Year to 31 August 2010	Following the Tender Offer for up to 15% of the Ordinary shares of the Company at a discount of 3 per cent. to Formula Asset Value, 15% of the Ordinary shares (34,643,156 shares) were repurchased for cancellation at the repurchase price of 197.2794p per share.
Year to 31 August 2009	No changes
Year to 31 August 2008	6,122,500 Ordinary shares were repurchased for cancellation at prices ranging from 131.75p to 164.25p
Year to 31 August 2007	200,000 Ordinary shares were repurchased for cancellation at prices ranging from 135.0p to 142.5p
Year to 31 August 2006	No changes
Year to 31 August 2005	Final conversion of 10,508,903 warrants 2005 into shares.
2001 to 31 August 2004	191,369 warrants 2005 were converted into Ordinary shares in the period up to 31 August 2004.
1993 - 2000	During the period 1995 -1996 the Company issued 841,571 Ordinary shares at a premium to the NAV. All of the 5,864,444 warrants 1996 were converted in the period up to 31 January 1996, the final conversion date. 230,171 warrants 2005 were converted into Ordinary shares in the period to 31 January 2000. The Company repurchased for cancellation 8,426,394 warrants 2005 in 1997 and 499,624 warrants 2005 in 2000. During the period 1998 - 2000 the Company repurchased 43,760,874 Ordinary shares for cancellation at prices ranging from 39.5p to 75.0p.
1987 - 1993	The Company was launched in 1987 with a share capital of 120,000,000 Ordinary 5p shares and 24,000,000 warrants 1996. In 1989, following a placing and open offer, 192,000,000 Ordinary 5p shares and 38,400,000 warrants 2005 were issued. In April 1993, following the acquisition of Drayton Asia Trust plc, the Company issued 740,002,520 Ordinary shares and 42,086,268 warrants 2005. During the period 1987-1993, 542,223 warrants 1996 and 1,060,423 warrants 2005 were converted into Ordinary shares. In November 1993, following a four for one consolidation, the Company's issued share capital was 263,401,291 Ordinary 20p shares, 5,864,444 warrants 1996 and 19,856,461 warrants 2005.

Aberdeen