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Prospective investors' attention is drawn to the risk factors set out on pages 4 to 6 of this document.

A copy of this document, which comprises a prospectus in relation to Anglo & Overseas Plc prepared in accordance with the Listing Rules of the UK Listing Authority made pursuant to section 74(4) of the Financial Services and Markets Act 2000 and a prospectus in relation to Anglo & Overseas Plc prepared in accordance with the Prospectus Rules of the Financial Services Authority made pursuant to section 73A of the Financial Services and Markets Act 2000 which come into force on 1 July 2005, has been delivered to the Registrar of Companies in England and Wales for registration in accordance with section 83 of that Act. Application has been made to the UK Listing Authority and the London Stock Exchange for the Ordinary Shares of Anglo & Overseas Plc, issued and to be issued in connection with the recommended proposals for the voluntary winding-up and reconstruction of Anglo & Overseas Trust PLC, to be admitted to the Official List and to trading on the London Stock Exchange's market for listed securities. It is expected that admission of such shares to the Official List will become effective, and that dealings in such Shares will commence, on Friday, 29 July 2005.

ANGLO & OVERSEAS Plc

(Incorporated under the Companies Act 1985 in England & Wales with registered number 5451176)

**Issue and admission to the Official List of up to 400 million
Ordinary Shares in connection with the recommended proposals
for the voluntary winding-up and reconstruction of**

Anglo & Overseas Trust PLC

Sponsor

JPMorgan Cazenove Limited

Manager

Edinburgh Partners Limited

In connection with the Issue, JPMorgan Cazenove Limited, which is regulated in the United Kingdom for the conduct of investment business by the Financial Services Authority, is acting for the Company and Anglo & Overseas Trust PLC and for no-one else and will not be responsible to anyone other than the Company and Anglo & Overseas Trust PLC for providing the protections afforded to customers of JPMorgan Cazenove Limited or for providing advice in relation to the Issue or any other matter referred to in this document.

No action has been taken to permit the distribution of this document or offer of the Shares in any jurisdiction other than the United Kingdom and New Zealand. This document may not therefore be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Further information regarding overseas investors is set out in paragraph 9 of Part 3 of this document.

No person receiving a copy of this document in any territory other than the UK or New Zealand may treat the same as constituting an offer or invitation to him to acquire, subscribe for or purchase Ordinary Shares, nor should he in any event acquire, subscribe for or purchase Ordinary Shares unless such an invitation, acquisition, subscription or purchase complies with any registration or other legal requirements in the relevant territory. Any person outside the UK or New Zealand wishing to acquire, subscribe for or purchase Ordinary Shares should satisfy himself that, in so doing, he complies with the laws of any relevant territory, and that he obtains any requisite governmental or other consents and observes any other applicable formalities. No action has been taken to permit the distribution of this document in any jurisdiction outside the UK or New Zealand where such action is required to be taken.

This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, shares in any jurisdiction in which such offer or solicitation is unlawful and is not for distribution in or into the United States, Australia, Canada or Japan. The Ordinary Shares offered by this document have not been and will not be registered under the Securities Act or under the applicable state securities laws of the United States or under the applicable securities laws of Australia, Canada or Japan and, subject to certain exceptions, may not be offered or sold directly or indirectly in or into the United States, Australia, Canada or Japan or to or for the account or benefit of any US person (within the meaning of Regulation S under the Securities Act), or any person resident in Australia, Canada or Japan. In addition, the Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended.

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EXPECTED TIMETABLE

All references are to UK time

2005

Dealings expected to commence on the London Stock Exchange in Ordinary Shares issued in connection with the Scheme	8.00 a.m. on Friday, 29 July
CREST accounts credited in respect of Ordinary Shares issued in uncertificated form	Friday, 29 July
Certificates in respect of Ordinary Shares issued in certificated form expected to be despatched	week commencing 1 August

SUMMARY

THE FOLLOWING INFORMATION IS EXTRACTED FROM, AND SHOULD BE READ AS AN INTRODUCTION TO AND IN CONJUNCTION WITH, THE FULL TEXT OF THIS DOCUMENT.

Any decision to invest in the Company should be based on consideration of this document as a whole by the investor. Where a claim relating to information contained in this document is brought before a court, a plaintiff investor might, under the national legislation of the EEA States, have to bear the costs of translating this document before legal proceedings are initiated. Civil liability attaches to those persons who are responsible for this summary, including any translation of this summary, but only if this summary is misleading, inaccurate or inconsistent when read together with other parts of this document.

- The Company is a new investment trust, which is being established as a successor company to Anglo & Overseas Trust PLC. The minimum size of the Company on Admission will be £25 million.
- The Company's investment objective is to provide shareholders with above average returns over the longer term through both capital appreciation and income growth. The Company's investment portfolio will be managed by Edinburgh Partners.
- The Company will invest principally in securities of publicly quoted companies worldwide, though it may invest in bonds and other debt instruments and, to a limited extent, in unquoted securities. It is intended that there will be concentrated UK and international portfolios. Each portfolio is expected to represent between 40 and 60 per cent. of the Company's total investments and to comprise between 30 and 40 securities. Initially, the Company's portfolio will comprise assets transferred from AOT under the terms of the Scheme. The Company's portfolio (unlike AOT's) will be managed without reference to the composition of any stock market index.
- The Company will have a single class of shares* and an indefinite life.
- The Company may use flexible gearing enabling drawdown in a number of currencies to suit investment conditions. There will be no fixed, long-term or structural gearing.
- Edinburgh Partners has agreed to waive its investment management fee in respect of the first 12 months of the Investment Management Agreement. Thereafter, it will be entitled to an investment management fee at the rate of 0.125 per cent. per quarter (plus VAT) of the Company's market capitalisation.
- The Company expects to pay dividends twice a year in May and November. The first such dividend is expected to be the interim dividend in May 2006 in respect of the financial year ending 31 July 2006.
- The Company has authority to buy back up to 14.99 per cent. of the Shares in issue immediately following Admission and will seek renewal of this authority at each Annual General Meeting. The Company will apply to the Court to confirm the cancellation of its share premium account to create a special reserve which may be used to fund future buy-backs of its Shares.

* following the redemption of the redeemable preference shares as described in paragraph 4.2 of Part 3 of this document

RISK FACTORS

Risks involved in investing in investment companies

An investment in the Company is suitable only for investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which might result from such investment. Prospective investors should consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser before investing.

Risks specific to the Company

General

Shares in the Company are designed to be held over the long-term and may not be suitable as short-term investments. There can be no guarantee that any appreciation in the value of the Company's investments will occur and investors may not get back the full value of their investment. There can be no guarantee that the investment objectives of the Company will be met.

The Company is a new investment trust and has no operating history. The past performance of AOT (which has not been managed by Edinburgh Partners) is not a guide to the future performance of the Company.

Although the Company's Shares will be traded on the London Stock Exchange, it is possible that there may not be a liquid market in the Shares and Shareholders may have difficulty in selling their Shares. The Shares will not be listed or traded on the New Zealand Exchange.

Portfolio

The Company is likely, from time to time, to maintain a more concentrated portfolio (both in terms of individual holdings and in terms of exposure to particular industries) than those of many other investment funds. Accordingly, investors should be aware that the portfolio potentially carries a higher level of risk than a more diversified portfolio.

As the Company will seek to provide attractive long-term total returns rather than returns relative to a particular index or benchmark, the Company's portfolio (unlike AOT's) will be managed without reference to the composition of any stock market index. Therefore, it is likely that there will be periods when the Company's performance will be quite unlike that of any index (which may or may not be to the advantage of the Company). The Company's shares are an unsuitable investment for those who seek investments in some way correlated to a stock market index.

The Company does not intend to place any particular emphasis on income in the choice of its investments, which will be made primarily on the basis of the potential to generate attractive real long-term total returns. The income of the Company may therefore fluctuate.

The Company may invest up to 5 per cent. of its gross assets in unquoted securities. These types of securities are generally subject to higher valuation uncertainties and liquidity risks than securities listed or traded on a regulated market.

The Company may invest in bonds and therefore be subject to the inherent interest rate, credit or default risks associated with such assets.

A proportion of the Company's portfolio may be held in cash from time to time. Such proportion of the Company's assets will be out of the market and will not benefit from positive stock market movements.

Economic conditions

Changes in economic conditions in the different countries in which the Company may invest (for example, interest rates, rates of inflation, industry conditions, competition, political and diplomatic events and other factors) could substantially and adversely affect the Company's prospects.

Borrowings

The Articles do not restrict the Company's borrowings, but the Board's current intention is that gearing will not exceed 10 per cent. of the Company's net assets at the time of drawdown of the relevant borrowings.

Whilst the use of borrowings should enhance the total return on the Shares where the return on the Company's underlying assets is rising and exceeds the cost of borrowing, it will have the opposite effect where the underlying return is falling, further reducing the total return on the Shares. Similarly, the use of borrowings by any investment company or fund in which the Company invests will increase the volatility of the Company's investment in such company or fund and thereby further increase the volatility of the net asset value of the Company's shares. Furthermore, should any fall in the underlying asset value result in the Company breaching any financial covenants contained in any loan facilities entered into by the Company, the Company may be required to repay such borrowings in whole or in part together with any attendant costs. This could adversely affect the income and capital returns to Shareholders. Repayment of any borrowings will rank ahead of capital repayments to Shareholders in a winding-up.

Foreign currency risk

The Company will invest in securities which are not denominated or quoted in sterling, the base currency of the Company. The net asset value will be reported in sterling and dividends will be declared and paid in sterling. The movement of exchange rates between sterling and any other currencies in which the Company's investments are denominated or its borrowings drawn down may have a separate effect, unfavourable as well as favourable, on the return otherwise experienced on the investments made by the Company. The Company will not normally hedge against foreign currency movements affecting the value of its investments, but the Manager will take account of this risk when making investment decisions.

Exchange controls and withholding tax

The Company may from time to time purchase investments that will subject the Company to exchange controls or withholding taxes in various jurisdictions. In the event that exchange controls or withholding taxes are imposed with respect to any of the Company's investments, the effect will generally be to reduce the income received by the Company on its investments and the capital value of the affected investments.

Shares

The value of the Shares and income derived from them (if any) can go down as well as up. Notwithstanding the existence of the share buy-back powers described on page 12 of this document, there is no guarantee that the market price of the Shares will fully reflect their underlying net asset value.

In the event of a winding-up of the Company, the Shares will rank behind any creditors of the Company and therefore any positive return for Shareholders will depend on the Company's assets being sufficient to meet the prior entitlements of creditors (if any).

Dividends

The amount of dividends and future dividend growth will depend on the Company's underlying portfolio and the available distributable reserves. Any change in the tax treatment of dividends or interest received by the Company (including as a result of withholding taxes or exchange controls imposed by jurisdictions in which the Company invests) may reduce the level of dividends received by Shareholders.

If under UK law there were to be a change to the basis on which dividends could be paid by companies, this could have a negative effect on the Company's ability to pay dividends.

Transfer of assets under the Scheme

For the purposes of the Scheme, and in order to enable AOT's assets to be transferred to the Company at a mid-market price, AOT's assets will be valued on or around 27 July 2005 and certain of those assets will be transferred to the Company on or around 28 July 2005. Movements in the value of those assets during the intervening period may have a positive or negative effect on the performance of the Company.

Derivatives

The Company may use derivatives to protect value in the portfolio and reduce costs. There may not be a price correlation between price movements in the underlying securities, currency or index, on the one hand, and price movements in the investments which are the subject of the hedge, on the other hand. In addition, an active market may not exist for a particular derivative instrument at any particular time.

Cancellation of the share premium account

As described on page 12 of this document, the Company will apply to the Court to confirm the cancellation of its share premium account in order to create a new special reserve which may be used to fund future share buy-backs. In order to confirm the cancellation, the Court must be satisfied that the creditors of the Company whose debts are outstanding on the date the cancellation becomes effective are protected. Unless the Company obtains the consent of all of its creditors to the cancellation, it will put in place some form of creditor protection (currently anticipated to be an undertaking to the Court not to use the special reserve arising on the cancellation, including for the purpose of making market purchases of Shares) until such time as any such creditors have either been repaid in full or consented to the cancellation.

Taxation

Any change in the Company's tax status or in taxation legislation could affect the value of the investments held by the Company or the Company's ability to provide returns to Shareholders, or alter the post-tax returns to Shareholders. The summaries in this document concerning the taxation of investors in Shares are based on current tax law and practice, which is subject to change. The taxation of an investment in the Company will depend on the individual circumstances of the investor, and prospective investors who are in any doubt should consult their tax advisers before making an investment in the Company.

Any change in the tax treatment of dividends or interest received by the Company may reduce the returns to Shareholders.

Investment in investment companies

The Company has no present intention to invest in other investment companies or funds (other than possibly Edinburgh Partners Japan Opportunities Fund, a sub-fund of Edinburgh Partners Opportunities Fund plc, an Irish open-ended investment company listed on the Irish Stock Exchange), but will retain the ability to invest up to 10 per cent. of its gross assets in other listed investment companies (including investment trusts).

Should the Company decide to invest in other investment companies in the future, investors should be aware that such investments may include holdings in the shares of investment funds which are geared by loan facilities that rank ahead of the relevant shares, both for payment of interest and for capital. Investment in shares of investment companies which are geared present a higher investment risk as to their capital return. In addition, any increase or decrease in the value of the investment portfolio of the Company would be magnified by the movement of net asset value of the shares comprised within its portfolio.

If the Company invests in investment funds which are expected to be invested in whole or in part in shares of geared investment funds, a failure of such a fund to meet its projected dividend may have an adverse effect on the Company's ability to pay a dividend. Further, it may have an adverse effect on that fund's share price, which would adversely affect the value of the Company's assets.

Changes in accounting standards

The Company's financial statements will be prepared in accordance with applicable UK accounting standards and specifically in accordance with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies" issued by the AITC, January 2003. As the Company does not at present have any subsidiaries, it is not required to comply with International Financial Reporting Standards, which have replaced UK Accounting Standards for all groups of companies which are listed in the UK.

If prospective investors are in any doubt as to the consequences of their acquiring, holding or disposing of Shares, they should consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

DIRECTORS, MANAGER AND ADVISERS

Directors	Robert Alcock (<i>Chairman</i>) Christopher Duffett John Pearmund John Sussens Giles Weaver all of 23 Cathedral Yard, Exeter EX1 1HB
Secretary and registered office	Kenneth Greig 23 Cathedral Yard Exeter EX1 1HB
Investment Manager	Edinburgh Partners Limited CBC House 24 Canning Street Edinburgh EH3 8EG
Sponsor and Broker	JPMorgan Cazenove Limited 20 Moorgate London EC2R 6DA
Solicitors to the Company and the Issue	Norton Rose Kempson House Camomile Street London EC3A 7AN
Auditors	KPMG Audit Plc One Canada Square London E14 5AG
Principal bankers and Custodian	The Bank of New York One Canada Square London E14 5AZ
Registrars and paying agents	Computershare Investor Services PLC PO Box 82 The Pavilions Bridgwater Road Bristol BS99 7NH

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

“Act”	the Companies Act 1985 (as amended)
“Admission”	the admission of the Ordinary Shares, in issue and to be issued in connection with the Scheme, to the Official List and to trading on the London Stock Exchange’s market for listed securities
“AITC”	the Association of Investment Trust Companies
“AOT”	Anglo & Overseas Trust PLC (No. 644264)
“Articles”	the articles of association of the Company in force from time to time
“Auditors”	the auditors of the Company from time to time, being as at the date of this document KPMG Audit Plc
“Business Day”	a day (other than a Saturday or Sunday) on which banks are open for the transaction of normal business in the City of London
“Company”	Anglo & Overseas Plc (No. 5451176)
“Court”	the High Court of Justice in England & Wales
“CREST”	the paperless settlement procedure in the UK enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument or stock transfer form and in respect of which CRESTCo is the Operator
“CRESTCo”	CRESTCo Limited
“Custodian”	The Bank of New York (London Branch)
“Custody Agreement”	the custody agreement dated 23 June 2005 between the Company and the Custodian, the principal terms of which are summarised in paragraph 8.1(b) of Part 3 of this document
“Directors” or “Board”	the directors of the Company
“Edinburgh Partners” or “Manager”	Edinburgh Partners Limited
“EPGOT”	EP Global Opportunities Trust plc
“FSA”	the Financial Services Authority
“FSMA”	the Financial Services and Markets Act 2000
“Investment Management Agreement”	the investment management agreement dated 23 June 2005 between the Company and Edinburgh Partners, the principal terms of which are summarised in paragraph 8.1(a) of Part 3 of this document
“ISA”	Individual Savings Account
“Issue”	the issue of Ordinary Shares in connection with the Scheme
“Issue Price”	100p per Ordinary Share
“JPMorgan Cazenove”	JPMorgan Cazenove Limited
“Listing Rules”	the Listing Rules of the UK Listing Authority made under Part III of FSMA and from 1 July 2005 the Listing Rules made by the FSA pursuant to section 73A of FSMA
“London Stock Exchange”	London Stock Exchange plc

“NAV” or “Net Asset Value”	the total value of all the Company’s assets less all its liabilities as determined by the Board and calculated in accordance with AITC guidelines and the Company’s accounting policies
“Net Asset Value per Share”	the Net Asset Value divided by the number of Ordinary Shares in issue at the time of such valuation
“New Zealand Exchange”	the New Zealand Stock Market (New Zealand Exchange Limited’s main equity market)
“Official List”	the Official List of the UK Listing Authority
“Ordinary Shares” or “Shares”	ordinary shares of 10p each in the capital of the Company
“PEP”	Personal Equity Plan
“Registrar”	Computershare Investor Services PLC
“Scheme”	the proposed scheme of reconstruction of AOT under section 110 of the Insolvency Act 1986 and AOT’s articles of association (as proposed to be altered), brief details of which are given on pages 15 and 16 of this document
“Securities Act”	the United States Securities Act of 1933, as amended
“Shareholders”	holders of Ordinary Shares
“Taxes Act”	Income and Corporation Taxes Act 1988 (as amended)
“Transfer Agreement”	the agreement to be entered into between AOT, the liquidators to AOT and the Company, the principal terms of which are summarised in paragraph 8.1(c) of Part 3 of this document
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority”	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
“United States” or “US”	the United States of America
“VAT”	value added tax

PART 1

The Company

Introduction

Anglo & Overseas Plc is a new investment trust, which has been established as a successor company to Anglo & Overseas Trust PLC. The Company is intended as a long-term vehicle for investors and will have an indefinite life.

Application has been made for the Ordinary Shares to be admitted to the Official List and to trading on the London Stock Exchange's market for listed securities.

Investment objective and policy

The Company's investment objective is to provide shareholders with above average returns over the longer term through both capital appreciation and income growth. The Company will invest principally in securities of publicly quoted companies worldwide, though it may invest up to 5 per cent. of its gross assets in unquoted securities. It is intended that there will be concentrated UK and international portfolios. Each portfolio is expected to represent between 40 and 60 per cent. of the Company's total investments and to comprise between 30 and 40 securities. Initially, the Company's portfolio will comprise assets transferred from AOT under the Scheme.

The Company has no present intention to invest in other investment companies or funds (other than possibly Edinburgh Partners Japan Opportunities Fund, a sub-fund of Edinburgh Partners Opportunities Fund plc, an Irish open-ended investment company listed on the Irish Stock Exchange), but will retain the ability to invest up to 10 per cent. of its gross assets in other listed investment companies (including investment trusts).

The Company may also invest a portion of its assets in bonds and other debt instruments, cash or short-term deposits where the Manager believes market or economic conditions make equity investment unattractive or while seeking appropriate investment opportunities for the portfolio or to maintain liquidity. In addition, the Company may purchase derivatives for the purposes of efficient portfolio management.

Although the Company will not have fixed or structural gearing, it may from time to time, when deemed appropriate, borrow for investment purposes in various currencies to suit investment conditions. The Directors currently intend that gearing will not exceed 10 per cent. of the Company's net assets at the time of drawdown of the relevant borrowings.

Any material change in the investment policy of the Company described above may only be made with the approval of Shareholders by ordinary resolution.

Investment philosophy

Edinburgh Partners, the Company's investment manager, believes that investment markets are not always rationally priced and that while it is not possible to predict with precision when markets will correct valuation anomalies, they will be corrected in due course. Accordingly, Edinburgh Partners believes that fundamental research and patience are the keys to successful long-term investing and that committed investors who are able to identify undervalued securities will be rewarded. Edinburgh Partners therefore employs disciplined and intensive research to identify those securities in major global markets that it regards as being clearly undervalued on an absolute basis, rather than pursuing specific yield or capital growth targets.

This philosophy requires a patient, long-term approach to portfolio construction and a willingness to resist the pressure to conform to index or benchmark pressures. As a result, a portfolio constructed in this way may differ greatly in composition and performance from any market index.

Investment process

The initial stage of the process involves identifying potentially undervalued companies from the many listed companies around the world. The companies will then be subjected to rigorous analysis, including long-term financial forecasts of earnings, cash flow and balance sheets for at least five years into the future. Edinburgh Partners will then apply its own valuation tests to the

forecasts to provide an assessment of each company's net worth and the risks associated with investing in its securities.

This research allows the creation of a global stock buy list, from which any portfolio managed by Edinburgh Partners will be constructed.

Investment portfolio

Initially, the Company's investment portfolio will comprise the securities, gilts and cash transferred from AOT under the terms of the Scheme. It is intended that, following elections by shareholders of AOT under the Scheme, AOT's portfolio will be redesigned, having regard to the extent of elections for Ordinary Shares, so as largely to comprise securities which the Manager has indicated that it wishes to receive which are in line with the Company's investment objective and policy. Under the Scheme, AOT shareholders (who elect or are deemed to have elected) to roll-over their investment into the Company will receive Ordinary Shares in consideration for the transfer from AOT to the Company of the assets attributable to their shareholdings. If the aggregate value of the assets to be transferred to the Company pursuant to the Scheme is less than £25 million, the Issue will not proceed and the Company's shares will not be listed.

The Company intends to observe the investment restrictions necessary to achieve and maintain approved investment trust status in the United Kingdom and to comply with the Listing Rules, which restrictions are set out in paragraph 7 of Part 3 of this document. The Company will be a passive investor and will not seek to take legal or management control or be actively involved in the management of, any companies or businesses in which it invests, nor will it to a significant extent be a dealer in investments. In addition, the Company will maintain an adequate spread of investment risk. This will be achieved as a result of diversification requirements inherent in the Company's investment policy (see "Investment objective and policy" above). In addition, investment trust status requires holdings in other companies to be limited to a maximum of 15 per cent. of the Company's investments.

Investment outlook

The Manager believes that the world has recently witnessed one of the most sustained equity bear markets in modern times. This directly followed one of the longest equity bull markets in the last 100 years. Just as some equity price rises during the bull market exceeded the underlying value of the company, so in the bear market sentiment created opportunities as investors sold. Although there has been some recovery, Edinburgh Partners' analysis has found a wide range of investment opportunities in under-researched areas.

The Manager believes that, in general, current global equity markets represent fair value. Accordingly, the Manager expects that over the first financial year of the Company ending 31 July 2006, it will be able build a portfolio which will generate attractive long-term returns for Shareholders.

Capital structure

Share capital and duration

The Company's share capital will consist solely of Ordinary Shares*. As the Company is intended as a long-term investment vehicle, it will not have a termination date or any periodic continuation votes.

Share prices of investment trusts are influenced by the balance of supply and demand for their shares. The Directors consider it important that this balance should result in the Shares trading either at a small discount or at a premium to Net Asset Value. The Directors intend to encourage demand for the Shares by actively marketing them to potential investors and by buying-in shares where appropriate.

Further issues of Shares

The Directors will have authority to allot authorised but unissued Shares and to sell Shares out of treasury for cash up to an aggregate nominal amount equal to 10 per cent. of the Company's issued share capital immediately following Admission. The provisions of the Act which would confer

**following the redemption of the redeemable preference shares as described in paragraph 4.2 of Part 3 of this document*

pre-emption rights in respect of such allotments or sales have been disapplied until the Annual General Meeting of the Company in 2006. The Directors will not, however, allot or sell shares for cash at a price below the most recently calculated Net Asset Value per Share without offering such shares on a *pro rata* basis to Shareholders.

Purchase of Shares by the Company

The Directors will have authority to buy back up to 14.99 per cent. of the Shares in issue immediately following Admission and will seek renewal of this authority from Shareholders annually and at other times should this prove necessary. Any buy-back of Shares will be made subject to the Act and within guidelines established from time to time by the Board and the making and timing of any buy-backs will be at the absolute discretion of the Board. Purchases of Shares will only be made through the market for cash at prices below the prevailing Net Asset Value of the Shares (as last published) where the Directors believe such purchases will enhance Shareholder value. Such purchases will also only be made in accordance with the Listing Rules, which currently provide that the price to be paid must not be more than 5 per cent. above the average of the market values for the Shares for the five business days before the purchase is made.

The Company has passed a special resolution (expressed to take effect on Admission) cancelling the amount standing to the credit of its share premium account following the issue of Shares in connection with the Scheme. The Directors intend to apply to the Court for an order confirming such cancellation of the share premium account as soon as practicable following Admission. Subject to any undertaking required by the Court, the special reserve created on such cancellation will be available as distributable profits to be used for all purposes permitted by the Act, including making market purchases of Shares.

In accordance with Court requirements, the Company proposes to seek the consent of its creditors to the proposed cancellation of share premium account or alternatively put in place such other form of creditor protection as the Court may require. This is expected to be an undertaking to the Court to treat the reserve arising on the cancellation of the share premium account as undistributable until the Company's creditors have been repaid or their consent obtained. Given the nature of the Company as an investment trust, this undertaking is not expected to be of long duration. The cancellation will take effect on the registration (with the Registrar of Companies) of the order of the Court confirming the cancellation, which is expected by the end of September 2005.

Treasury shares

The Companies (Acquisition of Own Shares) Treasury Shares Regulations 2003, which came into force in December 2003, allow companies to hold shares acquired by way of market purchase as treasury shares, rather than having to cancel them; up to 10 per cent. of the issued Shares may be held in this way. Treasury shares may be subsequently cancelled or sold for cash. This would give the Company the ability to re-issue Shares quickly and cost efficiently, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base.

The Board currently intends only to authorise the sale of Shares from treasury at prices at or above the prevailing Net Asset Value per Share (plus costs of the relevant sale). This should result in a positive overall effect on Shareholders if Shares are bought back at a discount and then sold at a price at or above the Net Asset Value per Share (plus costs of the relevant sale).

Directors

The Directors, who comprise the current board of AOT, will have overall responsibility for the Company's activities and the determination of its investment policy and strategy. The Directors, all of whom are non-executive and independent of the Manager, are:

Robert Alcock, (63) (*Chairman*) has been a director of AOT since 1997, becoming Chairman in April 2004. He is a non-executive director of Simon Group PLC, Deputy Chairman of Incepta Group plc and Chairman of Next Pension Trustees Limited. He was formerly a non-executive director of Capita Group PLC and a director of Cornwell Parker PLC and Norcros PLC.

Christopher Duffett (61) was appointed to the board of AOT in 2003. He was Managing Director of The Law Debenture Corporation p.l.c. from 1988 until 2002 and is a former chairman of the Association of Investment Trust Companies. He is a director of The City Disputes Panel and of Friends of Peterhouse and was formerly a member of the Takeover Panel.

John Pearmund (52) was appointed to the board of AOT in 2002. A Chartered Accountant, he is Chief Executive of Domestic & General Group PLC and was formerly Chief Executive of Freemans PLC and a director of Sears plc. He has been designated as the Senior Independent Director.

John Sussens (59) was appointed to the board of AOT in October 2004. He is a non-executive director of Admiral Group plc, Cookson Group plc, Phoenix IT Group Plc and Searchspace Limited. He was formerly a non-executive director of Chubb plc and group managing director of Misys plc.

Giles Weaver (59) was appointed to the board of AOT in October 2004. He is Chairman of Charter Pan-European Trust PLC and a non-executive director of Aberdeen Asset Management PLC, Gartmore SICAV, Helical Bar PLC, Investec High Income Trust PLC, Isotron PLC, James Finlay Limited and ISIS Property Trust 2 Limited. He was formerly chairman of Murray Johnstone Limited and a director of Ivory & Sime PLC.

The Board has constituted the following committees, of which all the Directors are members:

- an Audit Committee chaired by John Pearmund. The Committee will meet at least twice a year and will review the adequacy of accounting systems and controls, accounting policies and the contents of external financial reports and the services (including any non-audit services) provided by, and the objectivity and independence of, the Auditors. Both the chairman of the Committee and the Committee as a whole will also meet at least once a year with the Auditors, without the Manager being present.
- a Remuneration and Management Engagement Committee chaired by Christopher Duffett. The Committee will meet at least annually to agree the remuneration of the Directors and to review the Investment Management Agreement with, and the services provided by, the Manager and to review the performance of the Company's other service providers, including the Custodian and the Registrar.
- a Nomination Committee chaired by Christopher Duffett. The Committee will meet as required to consider appointments to the Board.

The Company intends to comply with the corporate governance regime in the UK, currently the Combined Code on Corporate Governance.

The Manager

The Company will be managed by Edinburgh Partners. Edinburgh Partners was founded in 2003 as a new specialist investment management firm to focus exclusively on achieving returns for investors based on global investment analysis of the highest quality. The investment team, led by Dr Sandy Nairn and Graham Campbell, comprises experienced investment professionals with strong performance records who believe rigorous fundamental research allied to patience is the basis of long-term investment success.

Edinburgh Partners currently manages one investment trust, EP Global Opportunities Trust plc, which was launched in December 2003 and the objective of which is to provide shareholders with an attractive real long-term return by investing globally in undervalued securities. In the period since its launch to 17 June 2005 (the latest practicable date before the publication of this document) the net asset value per EPGOT share increased (in Sterling terms) by 27.5 per cent. from the initial issue price of 100p, compared with a rise in the MSCI All Country World Index over the same period of 13.0 per cent. The investment policy of EPGOT is similar to that which is proposed for the Company. Since launch, shares in EPGOT have traded at a narrow discount or small premium to net asset value and as at 17 June 2005 were trading at very close to net asset value. Since December 2003 EPGOT has increased its initial issued share capital by approximately 7.0 per cent. through further share issues, each of which was at a premium to net asset value.

The principal investment managers at Edinburgh Partners who will be responsible for the management of the Company's assets will be Dr Sandy Nairn and Graham Campbell, both of whom were founding partners of Edinburgh Partners.

Dr Sandy Nairn, BSc, PhD, ASIP, CFA, is responsible for international, global and EAFE (Europe, Asia, Far East) portfolios as well as overseeing the research and investment process of the firm. A trained economist with a PhD from the University of Strathclyde, he worked for Templeton Investment Management from 1990 to 2000, latterly as executive vice-president and director of global equity research. In 2000 he was appointed chief investment officer at Scottish Widows Investment Partnership ("SWIP"). The investment process and team he introduced transformed results for the company's £80 billion of funds under management, with performance of key funds rising from fourth to first quartile within two years.

Graham Campbell, BA, MBA, ASIP, is responsible for managing and overseeing all UK equity portfolios at Edinburgh Partners and for researching the resources, basic industries and service sectors. A graduate of Glasgow Caledonian and Edinburgh Universities, he began his career at Campbell Neill, a firm of stockbrokers, and later spent 10 years with Edinburgh Fund Managers as an investment director. He joined SWIP in 2001 as head of retail funds with responsibility for overseeing all the funds in this category. The UK Equity unit trusts he managed at SWIP moved from fourth to first quartile performance between 2001 and 2003.

Management arrangements

Under the Investment Management Agreement, Edinburgh Partners will be entitled to receive a management fee at the rate of 0.125 per cent. per quarter (plus VAT) of the Company's market capitalisation, which fee will be calculated by reference to the average of the Company's market capitalisation on the last dealing day in each of the three months making up the relevant quarter. The size of the investment management fee payable to Edinburgh Partners will depend on the market capitalisation of the Company, which will in turn depend on the number of Ordinary Shares issued pursuant to the Issue. For the purposes of illustration only, if during any financial year in respect of which the investment management fee were payable the market capitalisation of the Company at each month-end were £25,000,000 (the minimum size of the Company at Admission), the total management fee for that year would be £125,000 (plus VAT). The Manager will also be entitled to a separate fee of £100,000 per annum (plus VAT) in respect of secretarial and administration services, which fee will be index-linked annually in line with inflation. Edinburgh Partners has agreed to waive its investment management fee (but not its secretarial/administration fee) for the first 12 months of the contract.

The Investment Management Agreement will be for an initial period of two years, with either party being entitled to terminate the Agreement by giving 12 months' notice at any time after the first anniversary of the commencement of the Agreement.

Custody

The Bank of New York will act as custodian to the Company's assets and, in that capacity, will be responsible for ensuring safe custody and dealing with settlement arrangements. The Custodian's appointment as custodian is terminable, *inter alia*, on 30 days' notice given by either party. A summary of the main provisions of the Custody Agreement is set out in paragraph 8.1(b) of Part 3 of this document.

Registration services

Computershare Investor Services PLC has been appointed as registrar to the Company. In return for providing such services, Computershare Investor Services PLC is entitled to a fee calculated, *inter alia*, on the basis of the number of Shareholders. The Registrar's appointment may be terminated on 3 months' notice by either party.

Fees and expenses

Save for London Stock Exchange listing fees, all the costs of forming and launching the Company and stamp duty and stamp duty reserve tax on the transfer of assets from AOT to the Company will be paid by AOT.

The Company will incur the management fees described above and will be responsible for its other running costs, which will include the fees of the Custodian and Registrar described above, Directors' fees and expenses, audit and legal fees, listing fees and the costs of preparing and distributing the annual report and accounts and other communications with Shareholders. It is intended that the management fees (plus VAT) and interest on any borrowings incurred by the Company will be charged as to 50 per cent. to the revenue account and as to 50 per cent. to the capital reserve.

Shareholder information

The annual accounts of the Company will be made up to 31 July in each year starting in 2006, with copies of the annual report and accounts expected to be sent to Shareholders in October. It is intended that the Annual General Meeting of the Company will be held in November of each year. Shareholders will also receive an unaudited interim report covering the first six months of each financial year to the end of January. The interim report is expected to be sent to Shareholders in March of each year.

The Company's financial statements will be prepared in accordance with applicable UK accounting standards and specifically in accordance with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies" issued by the AITC, January 2003. As the Company does not at present have any subsidiaries, it is not required to comply with International Financial Reporting Standards, which have replaced UK Accounting Standards for all groups of companies which are listed in the UK.

The Net Asset Value per Share will be calculated daily by Edinburgh Partners in accordance with AITC guidelines and the Company's accounting policies and notified to the London Stock Exchange and published in the Financial Times.

Dividends

The Company expects to pay dividends twice a year in May and November. The first such dividend is expected to be the interim dividend in May 2006 in respect of the financial year ending 31 July 2006.

It is not intended that any emphasis will be placed on income in the choice of the Company's investments, which will be made primarily on the basis of the potential to generate attractive real long-term total returns. The Company will not adopt any formal policy to achieve or maintain any specified level of dividend.

Risk factors

Prospective investors' attention is drawn to pages 4 to 6 of this document, which contain important information concerning potential risks associated with an investment in the Company.

The Scheme

On 24 June 2005 the directors of AOT (who are the same persons as comprise the Board of the Company) announced proposals which, if approved by shareholders of AOT, will result in AOT being wound up voluntarily and a scheme of reconstruction under section 110 of the Insolvency Act 1986 being implemented. Under the Scheme, shareholders in AOT may elect to receive either Ordinary Shares in the Company and/or cash. If AOT is wound up, to the extent that shareholders in AOT elect (or are deemed to have elected) to receive Ordinary Shares, the assets of AOT representing their entitlements on liquidation of AOT (after providing for all of AOT's liabilities, including the costs of repaying its Debentures and the costs incurred in implementing the proposals, including the cost of terminating AOT's investment management agreement, the formation and launch of the Company and stamp duty and stamp duty reserve tax payable on the transfer of assets from AOT to the Company) will, pursuant to the Transfer Agreement summarised in paragraph 8.1(c) of Part 3 of this document, be transferred to the Company in exchange for the issue by the Company of Ordinary Shares to shareholders in AOT who elect (or are deemed to have elected) to receive Ordinary Shares. For this purpose, Ordinary Shares will be issued at a price of 100p per

share. The Scheme is conditional on, *inter alia*, approval by AOT shareholders at two extraordinary general meetings to be held on 18 and 28 July 2005 respectively. If the necessary approvals are given by AOT's shareholders, the Scheme is expected to become effective on or around 28 July 2005.

The size of the Company at Admission will be determined by the elections made (and deemed to have been made) under the Scheme. If less than 25,000,000 Shares fall to be issued by the Company in connection with the Scheme or the Scheme does not become effective, the listing of the Company will not proceed.

The attention of persons resident outside the UK and New Zealand is drawn to paragraph 9 of Part 3 of this document, which contains restrictions on the holding of Shares by such persons.

Settlement, dealings and CREST

Application has been made for the Shares, in issue and to be issued in connection with the Scheme, to be admitted to the Official List and to trading on the London Stock Exchange's market for listed securities. It is expected that Admission will become effective, and that dealings in the Shares will commence, on Friday, 29 July 2005.

The Shares will be in registered form and issued in both certificated and uncertificated form. Shares held in uncertificated form will be settled through CREST. **Investors should be aware that Shares delivered in certificated form are likely to incur, on an ongoing basis, higher dealing costs than Shares held through CREST.** Shares initially issued in certificated form may subsequently be deposited into CREST in accordance with normal CREST procedures. Certificates in respect of Shares issued in certificated form are expected to be despatched in the week commencing 1 August 2005.

Temporary documents of title will not be issued pending the delivery of share certificates to the persons entitled thereto and, during that period, transfers will be certified against the register of members.

Taxation

General

Information concerning the tax status of the Company and the taxation of Shareholders resident in the UK and New Zealand is set out in Part 2 of this document.

Any information given in this document concerning tax is based on current law and regulation (which may change), is given by way of general summary only and does not constitute legal or tax advice to any Shareholder. If investors are in any doubt about the taxation consequences of acquiring, holding or disposing of Shares, they should seek advice from their own professional advisers.

The Directors intend to direct the affairs of the Company so that it satisfies the conditions for approval as an investment trust set out in section 842 of the Taxes Act. The Company will be exempt from UK corporation tax on its capital gains in respect of each accounting period for which approval is obtained. The Company will, however, be liable for UK corporation tax on its income (excluding dividends from UK companies) in the normal way. The Company intends that its income will consist wholly or mainly of eligible investment income as defined in section 842 of the Taxes Act.

ISAs and PEPs

Insofar as is possible, the Directors intend to manage the affairs of the Company so that the Shares will be qualifying investments for the purposes of ISAs and general PEP purposes. Accordingly, the Shares will be eligible for inclusion in the stocks and shares components of an ISA and/or within a PEP, subject to applicable subscription limits, and provided that the ISA or PEP manager has been issued the Shares under the Scheme or acquired them through the secondary market following Admission.

Saving plans

Edinburgh Partners has informed the Board of its intention to offer investors in the DWS Investment Trust Share Plan and the DWS Investment Trust ISA the opportunity to invest in Ordinary Shares in the Company through new Edinburgh Partners' savings plan products. It is intended that investors who receive Ordinary Shares under the Scheme should be able, if they so wish, to transfer their holdings in the Company into the equivalent Edinburgh Partners' plans when these become available.

PART 2

Taxation

The information in this Part 2 is based on current law and regulation (which may change), is given by way of general summary only and does not constitute legal or tax advice to any Shareholder. If investors are in any doubt about the taxation consequences of acquiring, holding or disposing of Shares, they should seek advice from their own professional advisers.

Taxation of Shareholders on a disposal of Shares

Any gains on a disposal (which includes a disposal on a winding-up) of Shares by UK resident or ordinarily resident Shareholders may give rise to a liability to UK taxation on capital gains. An individual will be taxed on such a gain at 10 per cent., 20 per cent. or 40 per cent. for gains below the starting rate limit, between the starting rate limit and the basic rate limit and above the basic rate limit respectively, but this may be reduced by the annual exemption (£8,500 for the tax year 2005-2006) and taper relief, which will reduce the amount of chargeable gain according to how long (measured in complete years) the Shares have been held. Corporate Shareholders may be entitled to an indexation allowance.

Shareholders who are not resident or ordinarily resident in the UK for the purpose of UK taxation will not normally be liable to UK taxation on chargeable gains arising from a disposal of their Shares unless they carry on a trade, profession or vocation in the UK through a branch or agency in connection with which the Shares are held. However, such Shareholders may be subject to foreign taxation depending on their personal circumstances.

Taxation of Shareholders in respect of dividends

Under current UK law, no tax will be withheld by the Company when it pays a dividend. However, individual Shareholders resident in the UK (for tax purposes) will be entitled to a tax credit in respect of dividends paid by the Company at the rate of one-ninth of the cash dividend or 10 per cent. of the aggregate of the cash dividend and the associated tax credit (the "Tax Credit Amount"). Such Shareholders will be liable to income tax (if at all) on the aggregate of the dividend and the associated tax credit at, in the case of starting and basic rate taxpayers, the Schedule F ordinary rate (10 per cent. in 2005-2006) or, in the case of higher rate taxpayers, the Schedule F upper rate (32.5 per cent. in 2005-2006). The Tax Credit Amount will be offset against their total income tax liability. Taxpayers who, after taking into account dividend income, are liable to UK income tax at only the starting or basic rate will have no further liability to income tax.

UK Shareholders will not be able to reclaim tax credits in respect of dividends.

A company resident in the UK for tax purposes will not generally be liable to UK corporation tax on any dividend received from the Company.

Stamp duty and stamp duty reserve tax

No stamp duty or stamp duty reserve tax will be payable on the issue of definitive certificates unless they are issued to persons to whom the depositary receipt or clearance service charge to stamp duty reserve tax may apply at the rate of 1.5 per cent. of the Issue Price. Any transfer of Shares will be liable to *ad valorem* stamp duty at the rate of 0.5 per cent. (rounded up to the nearest multiple of £5) or (if an unconditional agreement to transfer the Shares is not completed by a duly stamped transfer) stamp duty reserve tax at the rate of 0.5 per cent. of the actual consideration paid. Liability to pay any stamp duty or stamp duty reserve tax is generally that of the purchaser or transferee.

Special rules apply to agreements made by market makers and broker-dealers in the ordinary course of their business.

Paperless transfers of Shares within CREST are liable to stamp duty reserve tax (usually at the rate at 0.5 per cent. of the actual consideration paid) rather than stamp duty, and stamp duty reserve tax on relevant transactions settled within the system or reported through it for regulatory purposes is collected by CREST.

Self-invested Personal Pension Schemes (“SIPPs”)

The Personal Pension Scheme (Restriction on Discretion to Approve) (Permitted Investments) Regulations 2001 provide that investments which may be held directly or indirectly for the purposes of a SIPP include shares which are listed or dealt in on a recognised stock exchange. Shares in the Company will therefore constitute permitted investments for SIPPs.

ISAs and PEPs

Insofar as is possible, the Directors intend to manage the affairs of the Company so that the Shares will be qualifying investments for the purposes of ISAs and general PEPs. Accordingly, the Shares will be eligible for inclusion in the stocks and shares components of an ISA and/or within a PEP, subject to applicable subscription limits, and provided that the ISA or PEP manager has been issued the Shares under the Scheme or acquired them through the secondary market following Admission.

If prospective investors are in any doubt as to the consequences of their acquiring, holding or disposing of Shares, they should consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

New Zealand

Taxation of Shareholders on the disposal of Shares

Any gains made on the disposal of Shares held as a capital asset by New Zealand resident Shareholders will not give rise to taxable income.

Taxation of Shareholders in respect of dividends

An individual Shareholder who is resident in New Zealand for New Zealand tax purposes will be subject to New Zealand income tax at the applicable marginal tax rate on the cash amount of the dividend received (converted to New Zealand dollars). The Shareholder will be entitled to receive a tax credit for any UK withholding tax deducted from the dividend.

A corporate Shareholder which is resident in New Zealand for New Zealand tax purposes will be subject to New Zealand dividend withholding payments on the cash amount of the dividend received. The Shareholder will be entitled to receive a credit for any UK withholding tax deducted from the dividend. Where a corporate Shareholder owns more than 10 per cent. of the share capital of the Company, it may have an entitlement to a credit for the underlying tax suffered by the Company.

New Zealand Stamp Duty and Companies Capital Duty

New Zealand does not have Stamp Duty or Companies Capital Duty.

If prospective investors are in any doubt as to the consequences of their acquiring, holding or disposing of Shares, they should consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

PART 3

General information

1. Responsibility

The Company and the Directors, whose names are set out on page 7 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Listing

2.1 Application has been made to the UK Listing Authority for the Ordinary Shares, in issue and which may be issued in connection with the Scheme (up to maximum of 400 million Shares), to be admitted to the Official List. Application has also been made to the London Stock Exchange for such shares to be admitted to trading on the London Stock Exchange's market for listed securities. It is expected that Admission will become effective, and that dealings in such Shares will commence, on 29 July 2005.

2.2 The Shares to be issued in connection with the Scheme are not available to the public.

2.3 A copy of this document, which comprises a prospectus relating to the Company prepared in accordance with the Listing Rules of the UK Listing Authority made under section 74(4) of the Financial Services and Markets Act 2000 and a prospectus in relation to the Company prepared in accordance with the Prospectus Rules of the Financial Services Authority made pursuant to section 73A of the Financial Services and Markets Act 2000 which come into force on 1 July 2005, has been delivered to the Registrar of Companies for registration in accordance with section 83 of that Act.

3. History and status of the Company

3.1 The Company was incorporated and registered in England and Wales on 12 May 2005 as a public limited company under the Act with registered number 5451176.

3.2 The Company operates under the Act and the regulations made thereunder, but is not otherwise regulated. Its legal and commercial name is Anglo & Overseas Plc.

3.3 Since its incorporation the Company has not traded. On 23 June 2005 the Company was granted a certificate of entitlement to do business and to borrow under section 117 of the Act.

3.4 The Company has given notice of its intention to carry on business as an investment company within the meaning of section 266 of the Act.

4. Share capital

4.1 On incorporation the authorised share capital of the Company was £50,000 divided into 50,000 ordinary shares of £1 each. On incorporation 2 ordinary shares were agreed to be taken by the subscribers to the Memorandum of Association. These shares were subsequently sub-divided into ordinary shares of 10p each and transferred to Edinburgh Partners on 23 June 2005; these shares are fully paid up.

4.2 To enable the Company to obtain a certificate under section 117 of the Act, on 21 June 2005 50,000 redeemable preference shares of £1 each were allotted to Edinburgh Partners against its irrevocable undertaking to pay 25p in cash for each such share by not later than 31 December 2005 and the balance on demand thereafter. Such redeemable preference shares will be paid up in full once the Company is in a position to redeem such shares, following which such shares will be redeemed out of the special reserve arising on cancellation of the Company's share premium account. The unissued share capital arising on the redemption of the redeemable preference shares will be redesignated on such redemption as ordinary share capital.

4.3 By ordinary and special resolutions passed on 21 and 23 June 2005:

- (a) each of the existing issued and unissued ordinary shares of £1 in the capital of the Company was sub-divided into, and redesignated as, 10 ordinary shares of 10p each;
- (b) the authorised share capital of the Company was increased from £50,000 to £40,000,000 by the creation of 399,000,000 Shares and 50,000 redeemable preference shares of £1 each;
- (c) the Directors were generally and unconditionally authorised, in accordance with section 80 of the Act, to exercise all the powers of the Company to allot relevant securities (as defined in that section) up to an aggregate nominal amount of £39,999,998, such authority to expire on 31 December 2006 or, if earlier, at the first Annual General Meeting of the Company (unless previously revoked, varied or extended by the Company in general meeting);
- (d) the Directors were empowered (pursuant to section 95(1) of the Act) to allot equity securities for cash (as defined in section 94 of the Act) pursuant to the authority referred to in sub-paragraph 4.3(c) above and to sell equity securities which are held by the Company as treasury shares for cash as if section 89(1) of the Act did not apply to any such allotment or sale, such authority to expire on 31 December 2006 or, if earlier, at the conclusion of the first Annual General Meeting of the Company (unless previously revoked, varied or extended by the Company in general meeting) and to be limited to an aggregate nominal amount equal to 10 per cent. of the Ordinary Shares in issue immediately following Admission;
- (e) the Company altered the main objects clause of its Memorandum of Association;
- (f) the Company adopted new Articles of Association;
- (g) conditionally on Admission becoming effective by no later than 31 August 2005 and on confirmation of the Court, it was resolved that the whole of the amount standing to the credit of the Company's share premium account immediately following the Admission be cancelled; and
- (h) the Company was authorised in accordance with section 166 of the Act to make market purchases (within the meaning of section 163 of the Act) of Shares, provided that the maximum number of Shares authorised to be purchased is 14.99 per cent. of the Ordinary Shares in issue immediately following Admission. The minimum price which may be paid for a Share is 10p and the maximum price which may be paid for a Share will be determined by the Listing Rules at the time of purchase (which currently set a maximum equal to 5 per cent. above the average market value for a Share taken from the Daily Official List for the five Business Days prior to the day on which the purchase is made). Such authority will expire at the conclusion of the first Annual General Meeting of the Company (which must be held no later than 12 November 2006).

4.4 The issued share capital of the Company immediately following the Issue will depend on the elections that are made (and deemed to have been made) for Ordinary Shares under the Scheme. On the assumption that valid elections to receive Ordinary Shares are made (or deemed to have been made) under the Scheme in respect of all the shares in AOT currently in issue and that the assets of AOT transferred to the Company in connection with the Scheme are £235,686,052, following the redemption of the redeemable preference shares referred to in paragraph 4.2 above, the authorised and issued share capital of the Company would be:

<i>Authorised</i>			<i>Issued and fully paid</i>	
<i>£</i>	<i>Number</i>		<i>£</i>	<i>Number</i>
40,000,000	400,000,000	Ordinary Shares of 10p each	23,568,605	235,686,052

- 4.5 The provisions of section 89(1) of the Act (which, to the extent not disapplied pursuant to section 95 of the Act, confer on Shareholders rights of pre-emption in respect of the allotment of equity securities and sales of equity securities held in treasury which are or are to be paid up in, or sold for, cash) have been disapplied in respect of the authorised but unissued share capital of the Company as mentioned in paragraph 4.3(d) above. The disapplication is to facilitate issues of Shares and sales of treasury shares in the future.
- 4.6 The Shares to be issued in connection with the Scheme will be allotted by resolution of the Board (or a duly authorised committee thereof), which is expected to be passed on 28 July 2005, to the liquidators of AOT, who will renounce such allotment in favour of the shareholders of AOT who have validly elected (or are deemed to have elected) to receive Shares pursuant to the Scheme. The ISIN (International Security Identification Number) of the Ordinary Shares is GBOOBZVZ57.
- 4.7 Following the Issue, the issued ordinary share capital of the Company will be fully paid as to its nominal value. The Issue Price of 100p represents a premium of 90p over the 10p nominal value per Share.
- 4.8 Save as disclosed in this paragraph 4, since the Company's incorporation no share or loan capital of the Company has been issued or agreed to be issued or is proposed to be issued prior to Admission for cash or for a consideration other than cash and no discounts, commissions, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital. No share capital of the Company is under option or has been agreed conditionally or unconditionally to be put under option.
- 4.9 The Shares will be delivered in registered form and Share certificates will be issued to Shareholders other than those holding their Shares through CREST. Temporary documents of title will not be issued.

5. Directors' and other interests

- 5.1 As at the date of this document, none of the Directors has any interest (beneficial or non-beneficial) in the share capital of the Company which (a) has been notified by any Director to the Company pursuant to section 324 or 328 of the Act; (b) is required pursuant to section 325 of the Act to be entered in the register referred to therein; or (c) is an interest of a connected person of a Director which would, if the connected person were a Director, be required to be disclosed under (a) or (b) above, and the existence of which is known to or could with reasonable diligence be ascertained by that Director.
- 5.2 All of the directors of AOT who are interested in shares in AOT intend to elect to receive Ordinary Shares under the Scheme. The exact number of Shares which they will receive if the Scheme becomes effective will depend on the net assets of AOT immediately prior to the commencement of the winding-up of AOT and the level of the liquidators' retention, but using the same assumptions as are made for the purposes of paragraph 4.4 above, the interests of the Directors (and their immediate families) in the Company's issued share capital immediately following Admission would be as follows:

<i>Director</i>	<i>Number of Ordinary Shares</i>
R.H. Alcock	14,554
C.C.B. Duffett	22,533
J.J. Pearmund	11,864
J. G. Sussens	—
C.G.H. Weaver	112,669

Save for Mr Alcock's interest, which would be non-beneficial, all of the above interests would be beneficial.

- 5.3 Each of the Directors acts pursuant to a letter of appointment dated 21 June 2005. Robert Alcock is entitled to an annual fee of £36,000 for his services as chairman of the Board and each of the other Directors is entitled to an annual fee of £21,000 for his services as a Director. The initial period of each Director's appointment is until the Annual General Meeting of the Company in 2008. The appointment may, by agreement between the Company and the Director concerned, be extended at that point for a further period of three years. However, the Directors are subject to retirement by rotation in accordance with the Combined Code on Corporate Governance and the Articles (as described in paragraph 6.2 of this Part 3).
- 5.4 The aggregate of the remuneration (including any contingent or deferred compensation) to be paid to the Directors by the Company for the financial period ending 31 July 2006 is not expected to exceed £120,000 and the current aggregate limit on Directors' fees under the Articles is £200,000. Future amounts of remuneration to be paid to the Directors in consideration for their services to the Company will be determined by the Remuneration and Management Engagement Committee of the Board in accordance with the Articles. The total emoluments receivable by the Directors will not be varied in consequence of the Issue.
- 5.5 There are no existing or proposed service contracts between any of the Directors and the Company. No member of the Company's management body (being the Board of Directors) has a service contract which provides for benefits on termination of employment.
- 5.6 No loan has been granted to, nor any guarantee provided for the benefit of, any Director by the Company. The Company will ensure that appropriate levels of directors and officers' liability insurance for the benefit of the Directors are in place.
- 5.7 Each Director is also a director of AOT and therefore has an interest in the Transfer Agreement, details of which are given at paragraph 8.1(c) of this Part 3, under which assets held by AOT will be transferred to the Company.
- 5.8 Save as disclosed in paragraph 5.7, none of the Directors has or has had any interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company which has been effected by it since its incorporation.
- 5.9 The companies and partnerships of which the Directors currently are directors or partners or of which they have been directors or partners during the five years preceding the date of this document (excluding subsidiaries of such companies or partnerships) are as follows:

<i>Director</i>	<i>Current directorships</i>	<i>Past directorships</i>
R.H. Alcock	Anglo & Overseas Trust PLC Incepta Group PLC Next Pension Trustees Limited Simon Group PLC	Buildeurope Group Limited Capita Group plc Cornwell Parker PLC Norcross PLC
C.C.B. Duffett	Anglo & Overseas Trust PLC The Friends of Peterhouse City Disputes Panel	A.I.T.C. Services Limited The Law Debenture Corporation p.l.c.
J.J. Pearmund	Anglo & Overseas Trust PLC Domestic & General Group PLC Oaklink Solutions Limited	Debenhams Direct Limited Electinfo Limited Freemans Pension Trustees Limited Freemans PLC Parcelnet Limited Tony Rampton Trust
J.G. Sussens	Admiral Group PLC Anglo & Overseas Trust PLC Cookson Group PLC Phoenix IT Group PLC Searchspace Group Limited	Act Insurance Systems Limited Act Medisys Limited Chubb Limited Countrywide Holdings (UK) Limited

<i>Director</i>	<i>Current directorships</i>	<i>Past directorships</i>
<p>J.G. Sussens (continued)</p>		<p>GL Settle Limited Kapiti Limited Kindle Banking Systems Limited Kindle Communications Limited Kindle Limited Misys PLC Penta Insurance Systems Limited Penta Technologies Limited Rhyme Systems Limited Rubicon Claims Limited Sesame Group Limited Sesame Services Limited Shaw Insurance Brokers Limited Summit Systems International Limited The Frustum Group (Europe) Limited</p>
<p>C.G.H. Weaver</p>	<p>Aberdeen Asset Management PLC Anglo & Overseas Trust PLC Charter Pan-European Trust Plc Gartmore SICAV Helical Bar PLC Investec High Income Trust Plc ISIS Property Trust 2 Limited Isotron PLC James Finlay Limited James Finlay Pension Trust</p>	<p>Atrium Underwriting plc Balgownie Investment Company Limited Balgownie Properties Limited Charter European Investment Trust PLC Classic House Developments Limited Euractions Management Limited Gartmore Capital Strategy Fund Limited Leander Consulting Limited MJ Finance Limited Murray Emerging Growth & Income Trust plc Murray Johnstone Holdings Limited UAM UK Holdings Inc Yamaichi-Murray Johnstone Limited</p>

Mr Weaver is also a partner of Greywalls Hotel.

5.10 None of the Directors has:

- (a) any unspent convictions in relation to indictable or fraudulent offences;
- (b) ever been declared bankrupt or been the subject of an individual voluntary arrangement;
- (c) been a director of a company which has gone into receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors, where he was a director with an executive function at the time of or within the 12 months preceding the relevant event;
- (d) been a partner in a partnership which has gone into compulsory liquidation, administration or a partnership voluntary arrangement where he was a partner at the time or within the 12 months preceding the relevant event;
- (e) been subject to the receivership of any personal assets;

- (f) been a partner in a partnership which has gone into receivership where he was a partner at the time or within the preceding 12 months;
 - (g) been the subject of any official public incrimination by or been publicly criticised or sanctioned by any statutory or regulatory authority (including designated professional bodies) or disqualified by a court from acting as a director of a company or as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any other issuer.
- 5.11 In so far as is known to the Company, there are no persons who are at the date hereof, or will immediately following Admission, directly or indirectly, be interested in 3 per cent. or more of the Company's issued share capital.
- 5.12 The Company is not aware of any persons who, directly or indirectly, jointly or severally, at the date of this document exercise or could exercise control over the Company or immediately following Admission will exercise or would be able to exercise control over the Company.
- 5.13 There are no actual or potential conflicts of interest between the duties of the Directors to the Company and their respective private interests or other duties.

6. Memorandum and Articles of Association

- 6.1 The Company's principal object is to carry on business as an investment trust company. The objects of the Company are set out in clause 4 of the Memorandum of Association, which is available for inspection at the addresses specified in paragraph 12 below.
- 6.2 The Articles, which were adopted on 21 June 2005, include provisions to the following effect:

Share capital

The Company in general meeting may from time to time by ordinary resolution:

- (a) increase its share capital by such sum to be divided into shares of such amount as the resolution prescribes;
- (b) consolidate and divide all or any of its share capital into shares of larger nominal amount than its existing shares;
- (c) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled; and
- (d) subject to the provisions of the Act, sub-divide its shares or any of them into shares of a smaller amount, and may by such resolution determine that, as between the shares resulting from such sub-division, one or more of the shares may, as compared with others, have any such preferred, deferred or other special rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares.

Redeemable preference shares

Subject to the provisions of the Act, the Company may redeem the redeemable preference shares at any time at their nominal value of £1 per share. The redeemable preference shares do not entitle the holders thereof to any voting rights. The redeemable preference shares carry the right to receive a fixed dividend at the rate of 0.01 per cent. per annum on the nominal amount paid up on such shares, such dividend to be payable in respect of each accounting reference period of the Company within 21 days of the end of such period. On a winding-up, the redeemable shares are entitled to receive, out of the surplus assets of the Company available for distribution, the amount paid up thereon *pari passu* with any amount payable to holders of Ordinary Shares, but carry no right to participate in any surplus remaining following payment of such amounts.

Dividends

The Company may, subject to the provisions of the Act and the Articles, by ordinary resolution from time to time declare dividends to be paid to members not exceeding the amount recommended by the Board. Subject to the provisions of the Act, in so far as, in the Board's opinion, the Company's profits justify such payments, the Board may pay interim dividends on any class of shares, including any dividend payable at a fixed rate. All dividends payable and unclaimed for 12 months after having become payable may be invested by the Board for the benefit of the Company until claimed. Any dividend unclaimed after a period of 12 years from the date such dividend has been declared or become due for payment shall, if the Board resolves, be forfeited and shall cease to remain owing by the Company.

Transfer of Shares

- (a) Each member may transfer all or any of his shares, by instrument of transfer in the case of certificated shares, in writing in any usual form or in any form approved by the Board. Such instrument shall be executed by or on behalf of the transferor and, in the case of partly paid shares, by or on behalf of the transferee.
- (b) The Board may, in its absolute discretion and without giving any reason, refuse to register any share transfer unless such transfer satisfies the following conditions:
 - (i) it is in respect of a share which is fully paid up;
 - (ii) it is in favour of a single transferee or not more than four joint transferees;
 - (iii) it is duly stamped (if so required);
 - (iv) it is in respect of only one class of share; and
 - (v) it is delivered for registration to the registered office of the Company or such other place as the Board may from time to time determine, accompanied, except in the case of a transfer by a recognised person where a certificate has not been issued, by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor and the due execution by him of the transfer or if the transfer is executed by some other person on his behalf, the authority of that person to do so.
- (c) The Board may not refuse to register any transfer of partly-paid shares which are listed on the grounds that such shares are partly-paid in circumstances where such refusal would prevent dealings in such shares from taking place on an open and proper basis.
- (d) The Board may also refuse to register a transfer of uncertificated shares in such other circumstances as may be permitted or required by the Uncertificated Securities Regulations 2001 (as amended).
- (e) If a member has been issued with a notice under section 212 of the Act and is in default in relation to any shares (the "default shares") for the prescribed period in supplying the information thereby required, unless the Board otherwise determines, where the default shares represent at least 0.25 per cent. of their class, no transfer of any shares held by the member shall be registered (unless within defined exceptions under the Articles).

Convening of general meetings

Notices of annual general meetings and extraordinary general meetings of the Company may be given to Shareholders either personally or by sending them by post or other delivery service in a prepaid envelope addressed to the Shareholder at his registered address or by leaving the notice at that address or, where applicable, by sending it by using electronic communications to an address notified to the Company by the Shareholder for that purpose (see "Electronic communications" below). The Articles do not include any conditions of admission in relation to general meetings of the Company.

Voting

Holders of Shares have the right to receive notice of, and to vote at, general meetings of the Company. Each Shareholder who is present in person (or, being a corporation, by representative) at a general meeting on a show of hands has one vote and, on a poll, every such holder who is present in person (or, being a corporation, by representative) or by proxy has one vote in respect of each Share held. There is no provision in the Articles for the Company's major shareholders to have different voting rights.

Electronic communications

The Articles contain provisions enabling the Company to deal directly with Shareholders by electronic means and, in particular, to distribute company information (including the annual report and accounts) electronically rather than by post, send notices of meetings electronically to an address provided by a Shareholder and allow Shareholders to appoint proxies and give the Company voting instructions electronically.

Variation of rights and alteration of capital

- (a) Any of the rights for the time being attached to any share or class of shares (and notwithstanding that the Company may or may be about to be in liquidation) may be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of shares of the class duly convened and held as provided in the Articles.
- (b) Subject to the terms on which any shares may be issued, the rights or privileges attached to any class of shares shall be deemed not to be varied or abrogated by the creation or issue of any new shares ranking *pari passu* in all respects (save as to the date from which such new shares shall rank for dividend) with or subsequent to those already issued or by the reduction of the capital paid up on such shares or by the purchase or redemption by the Company of its own shares in accordance with the provisions of the Act and the Articles.
- (c) The Company may, subject to applicable law and any rights attached to any shares, by special resolution reduce its share capital or any capital redemption reserve or share premium account in any manner.

Directors

- (a) Unless otherwise determined by the Company by ordinary resolution, the number of Directors (other than any alternate Directors) shall not be more than 10 nor less than three.
- (b) The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time to time determine, provided that the aggregate amount paid to Directors by way of fees shall not exceed £200,000 in any financial year or such other sum as may be determined from time to time by ordinary resolution of the Company. The Directors shall also be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors, including expenses incurred in attending meetings.
- (c) If, by arrangement with the Board, any Director shall perform or render any special duties or services outside his ordinary duties as a Director, he may be paid such reasonable additional remuneration as the Board may determine.
- (d) At each annual general meeting of the Company, one-third of the Directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to but not exceeding one-third, shall retire from office, save that each Director shall retire from office at or before the date of the third annual general meeting following his last appointment. If there are fewer than three Directors who are subject to retirement by rotation, one Director shall retire from office.

- (e) No person can be appointed a Director if at the time of his appointment he has attained the age of 70. A Director shall vacate his office at the conclusion of the annual general meeting commencing next after he attains the age of 70.
- (f) Save as provided below, a Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any contract, arrangement, transaction or any proposal whatsoever to which the Company is or is to be a party and in which he is, to his knowledge, alone or together with any person connected with him materially interested unless the resolution concerns any of the following matters:
 - (i) the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiary undertakings;
 - (ii) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - (iii) any proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
 - (iv) any proposal concerning any other body corporate in which he and any person connected with him does not to his knowledge hold an interest representing one per cent. or more of any class of the equity share capital or of the voting rights in such body corporate;
 - (v) any contract, arrangement, transaction or proposal relating to an arrangement for the benefit of the employees of the Company or its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to which such arrangement relates; and
 - (vi) any proposal concerning the purchase and/or maintenance of any insurance policy for the benefit of Directors or for the benefit of persons including Directors.
- (g) The Board may exercise all the power of the Company to provide pensions or other retirement or superannuation benefits and provide death or disability benefits for any person who is or has been a director or employee of the Company.

Borrowing powers

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present or future) and uncalled capital of the Company and, subject to the provisions of the Act, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Reserves

The Board may, before recommending any dividend, but having regard to section 842 of the Taxes Act, carry to reserve out of the profits of the Company such sums as it thinks fit. All sums standing to reserve may be applied from time to time, at the discretion of the Board, for any purpose to which the profits of the Company may properly be applied and, pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Board thinks fit.

Capitalisation of reserves

The Board may, with the authority of an ordinary resolution of the Company:

- (a) subject as provided in the Articles, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are

available for distribution) or any sum standing to the credit of the Company's share premium or capital redemption reserve or other undistributable reserve;

- (b) appropriate the sum resolved to be capitalised to the members in proportion to the nominal amounts of the shares (whether or not fully paid) held by them respectively and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members, in those proportions, provided that, first, the share premium account, the capital redemption reserve, any other distributable reserve and any profits which are not available for distribution may only be applied in paying up unissued shares to be allotted to members credited as fully paid and, secondly, in a case where any sum is applied in paying amounts for the time being unpaid on any shares of the Company or in paying up in full debentures of the Company, the amount of the net assets of the Company at that time is not less than the aggregate of the called up share capital of the Company and its undistributable reserves as shown in the latest audited accounts of the Company or such other accounts as may be relevant and would not be reduced below that aggregate by the payment of such sums; and
- (c) resolve that any shares allotted to holders of any partly-paid shares shall, so long as such shares remain partly-paid, rank for dividends only to the extent that such partly-paid shares rank for dividends.

Distribution of realised capital profits

The Board shall establish a reserve to be called the capital reserve. All surpluses arising from the realisation or revaluation of investments and all other monies realised on or derived from the realisation, payment off of or other dealing with any capital asset in excess of the book value thereof and all other monies which are considered by the Board to be in the nature of accretion to capital reserves shall be credited to the capital reserve. Subject to the Act, the Board may determine whether any amount received by the Company is to be dealt with in the income account or capital reserve or partly one way and partly the other. Any loss realised on the realisation or payment off of or other dealing with any investments or other capital assets and, subject to the Act, any expenses, loss or liability (or provision therefor) which the Board considers to relate to a capital reserve item or which the Board otherwise considers appropriate to be debited to the capital reserve shall be carried to the debit of the capital reserve. All sums carried and standing to the credit of the capital reserve may be applied for any of the purposes for which sums standing to any revenue reserve are applicable except and provided that notwithstanding any other provision of the Articles, no part of the capital reserve or any other money in the nature of accretion to capital reserves shall be available for distribution as dividend. During any period when the Company has given notice in the prescribed form (which has not been revoked) to the Registrar of Companies of its intention to carry on business as an investment company, distribution of the Company's capital profits (within the meaning of section 266(2)(c) of the Act) otherwise than by the redemption or purchase of the Company's own shares in accordance with section 160 or 162 of the Act is prohibited, except to the extent that the requirements for investment company status under section 266 of the Act do not require a company to prohibit the distribution of its capital profits in its memorandum or articles of association.

Ownership threshold and change of control

The Articles do not prescribe any ownership threshold above which shareholder ownership must be disclosed. There are no provisions in the Articles that would have the effect of delaying, deferring or preventing a change in control of the Company.

Winding-up

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by law, divide among the members *in specie* the whole or any part of the assets of the Company.

7. Investment restrictions

- 7.1 The Directors intend to direct the affairs of the Company so that it satisfies the conditions for approval by HM Revenue and Customs as an investment trust set out in section 842 of the Taxes Act. The Company intends that its income will consist wholly or mainly of eligible investment income as defined in section 842 of the Taxes Act.
- 7.2 The Company will be a passive investor and will not seek to take legal or management control or be actively involved in the management of companies or businesses in which it invests nor will it, to a significant extent, be a dealer in investments. In addition, the Company will maintain an adequate spread of investment risk.
- 7.3 In accordance with the Listing Rules and, in the case of (c), section 842 of the Taxes Act:
- (a) distributable income will be principally derived from investments. Neither the Company nor any subsidiary which the Company may acquire will conduct a trading activity which is significant in the context of the group as a whole;
 - (b) the Company will not take legal or management control of investments in its portfolio. The Company will be a passive investor and will not seek to control, or be actively involved in the management of, any companies or businesses in which it invests;
 - (c) not more than 15 per cent. of the Company's gross assets will be lent to or invested in, either directly or indirectly, the securities of any one company or group (including loans to or shares in the Company's own subsidiaries) at the time the loan or investment is made and any existing holding in the company concerned will be aggregated with the proposed new investment for this purpose;
 - (d) dividends will not be paid unless they are covered by income received from underlying investments and, for this purpose, a share of profit of an associated company is unavailable unless and until distributed to the Company;
 - (e) the distribution as dividend of surpluses arising from the realisation of investments will be prohibited; and
 - (f) not more than 10 per cent. of the value of the Company's gross assets immediately following Admission will be invested in other listed investment companies (including listed investment trusts).

8. Material contracts

- 8.1 The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company since incorporation and are, or may be, material:
- (a) Investment Management Agreement dated 23 June 2005 between the Company and Edinburgh Partners, under which Edinburgh Partners will, with effect from Admission, manage, on a discretionary basis, the Company's assets. Edinburgh Partners will be entitled to a management fee at the rate of 0.125 per cent. per quarter (plus VAT) of the Company's market capitalisation, which fee will be calculated by reference to the average of the Company's market capitalisation on the last dealing day in each of the three months making up the relevant quarter. The Manager will also be entitled to a separate fee of £100,000 per annum (plus VAT) in respect of secretarial and administration services, which fee will be index-linked annually in line with inflation. Edinburgh Partners has agreed to waive its management fee (but not its secretarial/administration fee) for the first 12 months of the contract. The Agreement will be for an initial period of two years, with either party being entitled to terminate the Agreement by giving 12 months' notice at any time after the first anniversary of the commencement of the Agreement. After the first anniversary of Admission, the Company can give the Manager less than 12 months' notice but in such event will need to pay liquidated damages for early termination as set out in the

Agreement. The Agreement can be terminated by the Company, without liability for compensation, in certain specified circumstances, including the occurrence of an insolvency event in relation to the Manager, serious misconduct of the Manager or if Dr Sandy Nairn and Graham Campbell have ceased to be actively involved in the day-to-day management of the Company's investments. Edinburgh Partners has the benefit of an indemnity from the Company in relation to certain liabilities incurred by Edinburgh Partners in the discharge of its duties under the Agreement other than for liabilities arising by reason of the Manager's fraud, wilful default, negligence, breach of agreement or any breach of any duties or obligations which the Manager may have under the regulatory system.

- (b) Custody Agreement dated 23 June 2005 between the Company and the Custodian whereby the Company has appointed the Custodian to act as custodian of the Company's investments, cash and other assets and to accept responsibility for the safe keeping custody of the property of the Company which is delivered to and accepted by the Custodian. The Custodian is entitled to receive fees for the provision of such services, the quantum of which will depend on the jurisdiction in which the securities and other assets are held and the number of transactions effected. The Custody Agreement contains indemnities by the Company in favour of the Custodian against all claims, losses, liabilities, damages, costs, fees, expenses and judgements arising from or in connection with the Custody Agreement or the performance by the Custodian and its affiliates of their duties thereunder except where such losses result from the fraud, negligence or wilful default of the Custodian or its affiliates. The Custody Agreement can be terminated by either party at any time on 30 days' notice.
- (c) Undertaking dated 23 June 2005 by the Company to enter into the Transfer Agreement. Similar undertakings have been entered into by AOT and its proposed liquidators. Provided the Scheme is approved by AOT's shareholders, the Company will enter into a Transfer Agreement with the liquidators to AOT on or around 28 July 2005. Pursuant to the Transfer Agreement, certain assets of AOT will be transferred to the Company. In consideration of the transfer of such assets, the Company will allot Shares in the proportions specified in the list provided by AOT's registrar containing the names and addresses of those AOT shareholders entitled to Shares pursuant to the Transfer Agreement. The value of the assets of AOT transferred to the Company will be equal to the number of Shares allotted multiplied by 100p. The Transfer Agreement will provide that the assets to be transferred to the Company shall be transferred with such rights and title as AOT may have in respect of the same or any part thereof, subject to and with the benefit of all and any rights, restrictions, obligations, conditions and agreements affecting the same or any part thereof, including the right to all income, dividends (including the rights to receive any unclaimed dividends), distributions, interest and other rights and benefits attaching thereto or accruing therefrom except for any such income, dividend, distribution, interest or other right or benefit on any investments marked "ex" the relevant income, dividend, distribution, interest or other right or benefit at or prior to the date on which the Scheme becomes effective (the "Effective Date"). The Transfer Agreement will also provide that the liquidators of AOT, insofar as they are reasonably able to do so by law or otherwise, comply with all reasonable requests made by the Company (or its nominees) in respect of the assets transferred to the Company and shall, in particular, account to the Company for all income, dividends, distributions, interest and other rights and benefits in respect of such assets received after the Effective Date, except for any such income, dividend, distribution, interest or other right or benefit on any investment marked "ex" the relevant income, dividend, distribution, interest or other right or benefit at or prior to the Effective Date.

8.2 Save as disclosed in paragraph 8.1, there are no contracts (not being contracts entered into in the ordinary course of business) entered into by the Company which contain any provision

under which the Company has any obligation or entitlement which is material to the Company as at the date of this document.

9. Overseas investors

- 9.1 No action has been taken to permit the distribution of this document in any jurisdiction outside the UK and New Zealand where such action is required to be taken. This document may not therefore be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Accordingly, no person receiving a copy of this document in any territory other than the United Kingdom and New Zealand may treat the same as constituting an offer or invitation to him to acquire, subscribe for or purchase Shares nor should he in any event acquire, subscribe for or purchase Shares unless such an invitation, acquisition, subscription or purchase complies with any registration or other legal requirements in the relevant territory. Any person outside the United Kingdom and New Zealand wishing to acquire, subscribe for or purchase Shares should satisfy himself that, in doing so, he complies with the laws of any relevant territory, and that he obtains any requisite governmental or other consents and observes any other applicable formalities.

The Shares have not been, and will not be, registered under the Securities Act or under the applicable state securities laws of the United States and no steps have been or will be taken to qualify the Shares for distribution in Japan or any province or territory of Canada and no prospectus in relation to the Shares has been, or will be, lodged with or registered by the Australian Securities Commission. Accordingly, unless an exemption under the relevant securities laws is available, the Shares are not available in the United States, Australia, Canada or Japan or to a person (including an individual, partnership, unincorporated syndicate, limited liability company, unincorporated organisation, trust, trustee, executor, administrator or other legal representative) in, or resident in, Australia, Canada, Japan or the United States or to a US Person (as defined in Regulation S under the Securities Act (a “restricted overseas person”) and the Shares may not be directly or indirectly offered, sold or delivered in or into the United States, Australia, Canada or Japan or to or for the account or benefit of any restricted overseas person. The Company is not and will not be registered under the United States Investment Company Act of 1940, as amended.

- 9.2 The directors of AOT have determined that shareholders of AOT resident in New Zealand may receive Shares pursuant to the Scheme.

The New Zealand Securities Commission has granted the Company and every person acting on its behalf an exemption from certain requirements under the New Zealand Securities Act 1978 and the New Zealand Securities Regulations 1983 in respect of the offer of Shares to New Zealand resident shareholders in AOT at the time the offer of Shares is made. As a result of this exemption, the Company is not required to prepare, and has not prepared, a prospectus and investment statement in accordance with the New Zealand Securities Act 1978 and the New Zealand Securities Regulations 1983 in relation to the offer of Shares to those persons.

10. Conflicts of interest

Edinburgh Partners (or its associates) may provide investment management, investment advisory and other services to other clients (including investment companies), including clients which may invest in the securities in which the Company may invest, and, in providing such services, may use information obtained by them which is used in advising on the Company’s investments. Edinburgh Partners (or its associates) will not be liable to account to the Company for any profit, commission or remuneration earned as a result of such conflict. However, in the event of a conflict of interest arising, Edinburgh Partners will take reasonable steps to ensure fair treatment for the Company in accordance with the FSA’s Conduct of Business Sourcebook. The activities of Edinburgh Partners in its capacity as the Company’s investment manager are subject to the overall direction and review of the Directors.

11. General

- 11.1 The Company is of the opinion that the Company's working capital is sufficient up until 1 July 2006.
- 11.2 As at the date hereof the Company does not have, and as at Admission the Company will not have any secured or unsecured indebtedness, including indirect and contingent indebtedness. As at the date hereof the Company's issued and fully paid share capital is £2 and it has allotted 50,000 redeemable preference shares of £1 each.
- 11.3 Apart from London Stock Exchange listing fees (the amount of which will depend on the size of the Issue, but it is estimated that the maximum amount would be £0.1 million), there are no expenses of the Issue or the application for Admission which are payable by the Company. The net proceeds of the Issue will depend on the extent to which shareholders in AOT elect to receive Ordinary Shares under the Scheme. Elections, once made, cannot be withdrawn, but the result of elections under the Scheme will not be known until after the closing date for elections, which is 14 July 2005. The results of elections under the Scheme are expected to be announced no later than 18 July 2005 and a further announcement will be made to be held on 28 July 2005 following the second Extraordinary General Meeting of AOT as to whether or not the Scheme has become effective and of the basis of allotment of New Anglo Shares. There will be no dealings in New Anglo Shares before Admission. For illustrative purposes only, on the assumption that valid elections to receive Ordinary Shares are made (or deemed to have been made) under the Scheme in respect of all the shares in AOT currently in issue and based on the net assets of AOT as at 21 June 2005 (the latest practicable date before the publication of this document) of £238.77 million, the assets of AOT to be transferred to the Company in connection with the Scheme (which will represent the consideration for the Ordinary Shares issued pursuant to the Issue) and therefore the net amount available for investment by the Company would be £235.69 million. The net proceeds of the Issue will be invested in accordance with the Company's investment policy described in Part I of this document.
- 11.4 The address of the Company's registered office is 23 Cathedral Yard, Exeter EX1 1HB (telephone number 01392 412122).
- 11.5 The Company's investment manager, Edinburgh Partners, was incorporated and registered in Scotland on 10 February 2003 as a private limited company under the Companies Act 1985 with registered number SC243661. The principal place of business of Edinburgh Partners is CBC House, 24 Canning Street, Edinburgh EH3 8EG (telephone number 0131 272 2701). Edinburgh Partners is regulated by the Financial Services Authority.
- 11.6 The Company's custodian, The Bank of New York, is a banking corporation organised pursuant to the laws of the State of New York and is subject to the jurisdiction of the courts (state and federal) in New York. The Bank was incorporated in 1784 and is an approved custodian as defined by paragraph 17F5 of the United States Investment Company Act of 1940 as amended. For the purposes of the Custodian Agreement, the Custodian is operating through its branch in London at One Canada Square, London E14 5AL (telephone number 0207 570 1784). The Custodian's business in the UK is regulated by the FSA.
- 11.7 The Company does not have and has not had since incorporation any employees and does not own or lease any land or buildings.
- 11.8 The Company is not, and has not since its incorporation been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have or have had since its incorporation a significant effect on the Company's financial position or profitability.
- 11.9 JPMorgan Cazenove (the business address of which is 20 Moorgate, London EC2R 6DA) has given and not withdrawn its written consent to the issue of this document and references to its name in the form and context in which such references appear. JPMorgan Cazenove is regulated by the Financial Services Authority.
- 11.10 No person has been authorised to give any information or to make any representations other than those contained in this document and, if given or made, such information or representations must not be relied on as having been authorised. This document does not

constitute an offer to sell or the solicitation of an offer to buy any securities in any circumstances in which such offer or solicitation is unlawful. The delivery of this document shall not under any circumstances imply that the information contained herein is correct as at any time subsequent to the date hereof or that there has not been any change in the affairs of the Company since the date hereof.

- 11.11 No application is being made for the Shares to be listed, or dealt in, on any stock exchange or investment exchange other than the London Stock Exchange.
- 11.12 The Directors confirm that the Company was incorporated and registered on the date referred to in paragraph 3.1 above and that since the incorporation and registration of the Company, the Company has not commenced operations or traded nor prepared any financial statements or accounts.
- 11.13 There has been no significant change in the financial or trading position of the Company since 12 May 2005, the date of the Company's incorporation.
- 11.14 The Company has no subsidiaries.
- 11.15 KPMG Audit Plc have been the only auditors of the Company since its incorporation. KPMG Audit Plc are registered auditors and members of the Institute of Chartered Accountants in England and Wales.
- 11.16 In accordance with the Listing Rules, any material change in the Company's investment policy will only be made with the approval of Shareholders.
- 11.17 The information on EPGOT in Part 1 of this document has been sourced from the prospectus of EPGOT dated 24 November 2003 and information published by EPGOT since that date. Such information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by EPGOT, no facts have been omitted which would render the reproduced information inaccurate or misleading.

12. Documents available for inspection

Copies of the following documents will be available for inspection at the registered office of the Company at 23 Cathedral Yard, Exeter EX1 1HB and at the offices of Norton Rose, Kempson House, Camomile Street, London EC3 during normal business hours on any weekday (Saturdays and public holidays excepted) during the life of this document:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the material contracts referred to in paragraph 8 above;
- (c) the letters of appointment of the Directors referred to in paragraph 5.3 above;
- (d) the written consent referred to paragraph 11.9 above;
- (e) the circular dated 24 June 2005 in relation to the Scheme issued by AOT to its shareholders; and
- (f) this document.

13. Availability of Prospectus

Copies of this document are available for inspection only during normal business hours on any weekday (Saturdays and public holidays excepted) at the Document Viewing Facility at the Financial Services Authority, 25 North Colonnade, Canary Wharf, London E14 and may be obtained, free of charge, from:

Anglo & Overseas PLC
23 Cathedral Yard
Exeter EX1 1HB

JPMorgan Cazenove Limited
20 Moorgate
London EC2R 6DA

Dated 24 June 2005

